

Edgar Filing: Gabelli Global Deal Fund - Form N-Q

Gabelli Global Deal Fund
Form N-Q
May 29, 2007

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: March 31, 2007

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (ss.ss. 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. ss. 3507.

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ITEM 1. SCHEDULE OF INVESTMENTS.

The Schedule(s) of Investments is attached herewith.

THE GABELLI GLOBAL DEAL FUND

First Quarter Report
March 31, 2007

TO OUR SHAREHOLDERS,

Since it commenced operations on January 31, 2007, The Gabelli Global Deal Fund gained 0.68% on a net asset value ("NAV") basis while the 3 Month Treasury Bill Index rose 0.82% over the same period. The Fund's market price on March 31, 2007, was \$19.55, which equates to a 1.88% premium to its NAV of \$19.19.

Enclosed is the investment portfolio as of March 31, 2007.

PERFORMANCE RESULTS SINCE INCEPTION OF INVESTMENT OPERATIONS (A)

| | January 31, 2007 | March 31, 2007 | % change |
|--------------------------------------|------------------|----------------|----------|
| Net Asset Value | \$ 19.06 | \$ 19.19 | 0.68 |
| NYSE Closing Price | 20.00 | 19.55 | (2.25) |
| 3 Month U.S. Treasury Bill Index (b) | 641.996 | 647.265 | 0.82 |

- (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 FOR PERFORMANCE INFORMATION AS OF THE MOST RECENT MONTH END. PERFORMANCE RETURNS FOR LESS THAN ONE YEAR ARE NOT ANNUALIZED. INVESTORS SHOULD CAREFULLY CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGES, AND EXPENSES OF THE FUND BEFORE INVESTING.
- (b) 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 3 MONTHS FROM THE RE-BALANCING DATE. TO QUALIFY FOR SELECTION, AN ISSUE MUST HAVE SETTLED ON OR BEFORE THE RE-BALANCING (MONTH END) DATE. YOU CANNOT INVEST DIRECTLY IN AN INDEX.

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.

THE GABELLI GLOBAL DEAL FUND
SCHEDULE OF INVESTMENTS
MARCH 31, 2007 (UNAUDITED)

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| SHARES ----- | | MARKET VALUE ----- |
|-----------------|--|--------------------------|
| | COMMON STOCKS -- 88.1% | |
| | AEROSPACE -- 0.1% | |
| 12,000 | K&F Industries Holdings Inc.+. | \$ 323,160 |
| | | ----- |
| | AGRICULTURE -- 2.0% | |
| 6,000 | Agricore United..... | 85,752 |
| 120,000 | Delta & Pine Land Co..... | 4,944,000 |
| 220,000 | LESCO Inc.+..... | 3,181,200 |
| | | ----- |
| | | 8,210,952 |
| | | ----- |
| | AUTOMOTIVE -- 4.3% | |
| 360,000 | ADESA Inc..... | 9,946,800 |
| 80,000 | Bandag Inc..... | 4,055,200 |
| 60,000 | Bandag Inc., Cl. A..... | 3,029,400 |
| 10,000 | Lear Corp.+..... | 365,100 |
| | | ----- |
| | | 17,396,500 |
| | | ----- |
| | COMMERCIAL SERVICES -- 3.6% | |
| 3,000 | Catalina Marketing Corp..... | 94,740 |
| 22,000 | Central Parking Corp..... | 487,960 |
| 130,000 | Educate Inc.+..... | 995,800 |
| 110,000 | Laureate Education Inc.+..... | 6,486,700 |
| 50,000 | PHH Corp.+..... | 1,528,000 |
| 100,000 | Sabre Holdings Corp., Cl. A... | 3,275,000 |
| 1,000 | The ServiceMaster Co..... | 15,390 |
| 40,000 | Vertrue Inc.+..... | 1,924,400 |
| | | ----- |
| | | 14,807,990 |
| | | ----- |
| | COMPUTER SOFTWARE AND SERVICES -- 10.5% | |
| 500 | Affiliated Computer Services Inc., Cl. A+ | 29,440 |
| 400,000 | Altiris Inc.+..... | 13,164,000 |
| 2,000 | Dendrite International Inc.+.. | 31,320 |
| 250,000 | Hyperion Solutions Corp.+..... | 12,957,500 |
| 8,000 | Jupitermedia Corp.+..... | 52,960 |
| 2,000 | Keane Inc.+..... | 27,160 |
| 20,000 | Kronos Inc.+..... | 1,070,000 |
| 150,000 | MapInfo Corp.+..... | 3,019,500 |
| 120,000 | NetRatings Inc.+..... | 2,496,000 |
| 175,000 | WebEx Communications Inc.+.... | 9,950,500 |
| 5,000 | Witness Systems Inc.+..... | 134,750 |
| | | ----- |
| | | 42,933,130 |
| | | ----- |
| | CONSUMER PRODUCTS -- 2.7% | |
| 75,000 | Altadis SA..... | 4,816,054 |
| 23,000 | Herbalife Ltd.+..... | 901,370 |
| 72,000 | John H. Harland Co..... | 3,688,560 |
| 33,000 | The Scotts Miracle-Gro Co., Cl. A | 1,452,990 |
| 30,000 | The Topps Co. Inc..... | 291,600 |
| | | ----- |
| | | 11,150,574 |
| | | ----- |

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| SHARES ----- | | MARKET VALUE ----- |
|-----------------|---|--------------------------|
| | DIVERSIFIED INDUSTRIAL -- 1.6% | |
| 5,000 | PW Eagle Inc..... | \$ 165,200 |
| 200,000 | Tyco International Ltd..... | 6,310,000 |
| | | ----- |
| | | 6,475,200 |
| | | ----- |
| | ELECTRONICS -- 0.9% | |
| 24,000 | Alliance Semiconductor Corp.+ | 108,240 |
| 1,000 | Bel Fuse Inc., Cl. A..... | 37,780 |
| 25,000 | Paxar Corp.+..... | 717,500 |
| 30,000 | Techem AG..... | 2,210,155 |
| 22,350 | Trimble Navigation Ltd.+..... | 599,874 |
| | | ----- |
| | | 3,673,549 |
| | | ----- |
| | ENERGY AND UTILITIES -- 14.7% | |
| 700,400 | Aquila Inc.+..... | 2,927,672 |
| 20,800 | Cascade Natural Gas Corp..... | 548,080 |
| 160,000 | Duquesne Light Holdings Inc... | 3,166,400 |
| 51,000 | Endesa SA..... | 2,757,825 |
| 50,000 | Giant Industries Inc.+..... | 3,782,500 |
| 14,000 | Hanover Compressor Co.+..... | 311,500 |
| 100,000 | Hydril Co.+..... | 9,624,000 |
| 180,000 | KeySpan Corp..... | 7,407,000 |
| 125,000 | Kinder Morgan Inc..... | 13,306,250 |
| 20,000 | Lone Star Technologies Inc.+.. | 1,320,600 |
| 22,000 | NorthWestern Corp..... | 779,460 |
| 500 | REpower Systems AG+..... | 101,524 |
| 420,000 | SEMCO Energy Inc.+..... | 3,200,400 |
| 165,000 | TXU Corp..... | 10,576,500 |
| | | ----- |
| | | 59,809,711 |
| | | ----- |
| | ENTERTAINMENT -- 0.2% | |
| 50,000 | Sunterra Corp.+..... | 785,000 |
| | | ----- |
| | FINANCIAL SERVICES -- 8.7% | |
| 2,000 | 21st Century Insurance Group.. | 42,400 |
| 5,000 | Banco BPI SA..... | 43,415 |
| 70,000 | Bristol West Holdings Inc..... | 1,551,900 |
| 144,000 | Compass Bancshares Inc..... | 9,907,200 |
| 6,000 | First Republic Bank..... | 322,200 |
| 5,000 | Great American Financial Resources Inc. | 122,400 |
| 200,000 | Hub International Ltd..... | 8,336,000 |
| 95,000 | Investors Financial Services Corp. | 5,524,250 |
| 1,000 | Mid-State Bancshares..... | 36,690 |
| 10,000 | Nikko Cordial Corp..... | 142,821 |
| 2,000 | Premier Community Bankshares Inc. | 65,500 |
| 4,400 | Sanyo Electric Credit Co. Ltd. | 120,604 |
| 280,000 | TD Banknorth Inc..... | 9,004,800 |
| 1,000 | USI Holdings Corp.+..... | 16,850 |
| | | ----- |
| | | 35,237,030 |
| | | ----- |

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See accompanying notes to schedule of investments.

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THE GABELLI GLOBAL DEAL FUND SCHEDULE OF INVESTMENTS (CONTINUED) MARCH 31, 2007 (UNAUDITED)

| SHARES ----- | | MARKET VALUE ----- |
|---------------------------|--|--------------------------|
| COMMON STOCKS (CONTINUED) | | |
| FOOD AND BEVERAGE -- 1.5% | | |
| 10,000 | Dean Foods Co.+..... | \$ 467,400 |
| 4,680 | Nissin Food Products Co. Ltd.. | 171,568 |
| 1,000 | Pathmark Stores Inc.+..... | 12,800 |
| 300,000 | Wild Oats Markets Inc.+..... | 5,460,000 |
| | | ----- |
| | | 6,111,768 |
| | | ----- |
| HEALTH CARE -- 12.1% | | |
| 19,400 | Adeza Biomedical Corp.+..... | 463,272 |
| 115,000 | Biomet Inc..... | 4,886,350 |
| 50,000 | Biosite Inc.+..... | 4,198,500 |
| 1,000 | Horizon Health Corp.+..... | 19,550 |
| 459,200 | IntraLase Corp.+..... | 11,470,816 |
| 200,000 | New River Pharmaceuticals Inc.+ | 12,726,000 |
| 110,000 | Sierra Health Services Inc.+.. | 4,528,700 |
| 3,000 | Tanox Inc.+..... | 56,280 |
| 70,000 | Triad Hospitals Inc.+..... | 3,657,500 |
| 240,000 | United Surgical Partners International Inc.+..... | 7,394,400 |
| | | ----- |
| | | 49,401,368 |
| | | ----- |
| HOTELS AND GAMING -- 2.9% | | |
| 100,000 | Four Seasons Hotels Inc..... | 8,030,000 |
| 30,000 | Harrah's Entertainment Inc.... | 2,533,500 |
| 12,000 | Station Casinos Inc..... | 1,038,840 |
| | | ----- |
| | | 11,602,340 |
| | | ----- |
| MACHINERY -- 0.6% | | |
| 1,000 | Fuji Robin Industries Ltd.+... | 2,198 |
| 2,000 | SIG Holding AG+..... | 714,315 |
| 76,400 | TB Wood's Corp..... | 1,881,732 |
| | | ----- |
| | | 2,598,245 |
| | | ----- |
| MATERIALS -- 0.8% | | |
| 150,000 | Bairnco Corp..... | 2,017,500 |
| 15,000 | Florida Rock Industries Inc... | 1,009,350 |
| 1,000 | Rinker Group Ltd., ADR..... | 72,800 |
| 1,000 | St. Lawrence Cement Group Inc., Cl. A | 34,647 |
| | | ----- |
| | | 3,134,297 |
| | | ----- |
| MEDIA -- 2.5% | | |
| 100,000 | APN News & Media Ltd..... | 475,751 |

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| | | |
|---------|--|------------|
| 40,000 | Cablevision Systems Corp., Cl. A+ | 1,217,200 |
| 215,000 | Clear Channel Communications Inc. | 7,533,600 |
| 1,000 | Moscow CableCom Corp.+..... | 12,650 |
| 24,000 | Tribune Co..... | 770,640 |
| | | ----- |
| | | 10,009,841 |
| | | ----- |
| SHARES | MARKET | |
| ----- | VALUE | ----- |
| | METALS AND MINING -- 1.4% | |
| 30,000 | LionOre Mining International Ltd.+ | \$ 499,437 |
| 110,000 | Novelis Inc..... | 4,852,100 |
| 10,000 | SXR Uranium One Inc.+..... | 137,896 |
| 10,000 | UrAsia Energy Ltd.+..... | 60,892 |
| 20,000 | Wolfden Resources Inc.+..... | 64,963 |
| | | ----- |
| | | 5,615,288 |
| | | ----- |
| | REAL ESTATE -- 3.3% | |
| 459,500 | Realogy Corp.+..... | 13,605,795 |
| | | ----- |
| | REAL ESTATE INVESTMENT TRUSTS -- 6.1% | |
| 370,000 | Longview Fibre Co..... | 9,113,100 |
| 450,000 | New Plan Excel Realty Trust... | 14,863,500 |
| 5,000 | Sunrise Senior Living Real Estate Investment Trust..... | 72,932 |
| 40,000 | Winston Hotels Inc..... | 601,200 |
| | | ----- |
| | | 24,650,732 |
| | | ----- |
| | RESTAURANTS -- 0.1% | |
| 10,000 | OSI Restaurant Partners Inc... | 395,000 |
| 6,000 | The Smith & Wollensky Restaurant Group Inc.+..... | 59,880 |
| | | ----- |
| | | 454,880 |
| | | ----- |
| | RETAIL -- 1.4% | |
| 1,000 | Claire's Stores Inc..... | 32,120 |
| 145,000 | Dollar General Corp..... | 3,066,750 |
| 3,000 | Edgars Consolidated Stores Ltd. | 18,771 |
| 953 | Getaz Romang Holding SA..... | 876,024 |
| 12,000 | Marufuru Co. Ltd..... | 54,073 |
| 71,500 | Smart & Final Inc.+..... | 1,556,555 |
| | | ----- |
| | | 5,604,293 |
| | | ----- |
| | SPECIALTY CHEMICALS -- 2.1% | |
| 249,700 | MacDermid Inc..... | 8,707,039 |
| | | ----- |
| | TELECOMMUNICATIONS -- 1.9% | |
| 1,000 | Aeroflex Inc.+..... | 13,150 |
| 1,000 | Applied Innovation Inc.+..... | 3,360 |
| 46,900 | Asia Satellite Telecommunications Holdings Ltd., ADR..... | 1,068,851 |
| 1,000 | BCE Inc..... | 28,280 |

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| | | |
|---------|--|-----------|
| 10,000 | Compania Anomina Nacional Telefonos de Venezuela, ADR | 173,900 |
| 500 | Eschelon Telecom Inc.+..... | 14,450 |
| 400,000 | Portugal Telecom SGPS SA..... | 5,359,409 |
| 4,900 | Portugal Telecom SGPS SA, ADR. | 65,856 |
| 4,000 | SafeNet Inc.+..... | 113,200 |
| 50,000 | Tandberg Television ASA+..... | 871,954 |
| | | ----- |
| | | 7,712,410 |
| | | ----- |

See accompanying notes to schedule of investments.

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THE GABELLI GLOBAL DEAL FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
MARCH 31, 2007 (UNAUDITED)

| SHARES | | MARKET |
|--------------|---|-------------|
| ----- | | VALUE |
| | | ----- |
| | COMMON STOCKS (CONTINUED) | |
| | TRANSPORTATION -- 2.1% | |
| 17,500 | General Maritime Corp..... | \$ 505,400 |
| 140,000 | Laidlaw International Inc..... | 4,844,000 |
| 100,000 | Swift Transportation Co. Inc.+ | 3,116,000 |
| 2,000 | The Cronos Group..... | 31,140 |
| | | ----- |
| | | 8,496,540 |
| | | ----- |
| | TOTAL COMMON STOCKS..... | 358,507,632 |
| | | ----- |
| | RIGHTS -- 0.0% | |
| | ENERGY AND UTILITIES -- 0.0% | |
| 500 | REpower Systems AG, expire 04/10/07+..... | 1,117 |
| | | ----- |
| | PRINCIPAL | |
| | AMOUNT | |
| | ----- | |
| | SHORT-TERM OBLIGATIONS -- 11.9% | |
| | REPURCHASE AGREEMENTS -- 6.2% | |
| \$25,479,000 | Daiwa Securities America Inc., 5.290%, dated 03/30/07, due 04/02/07, proceeds at maturity, \$25,490,232 (a) | 25,479,000 |
| | | ----- |
| | U.S. TREASURY BILLS -- 5.7% | |
| 23,099,000 | U.S. Treasury Bill, 5.103%+, 05/03/07..... | 23,000,143 |
| | | ----- |
| | TOTAL SHORT-TERM | |
| | OBLIGATIONS | 48,479,143 |
| | | ----- |
| | TOTAL INVESTMENTS -- 100.0% | |

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| | | |
|---|---------------|-------|
| (Cost \$407,143,938)..... | \$406,987,892 | ===== |
| ----- | | |
| Aggregate book cost..... | \$407,143,938 | ===== |
| Gross unrealized appreciation.... | \$ 2,282,243 | |
| Gross unrealized depreciation.... | (2,438,289) | ----- |
| Net unrealized appreciation (depreciation) | \$ (156,046) | ===== |
| ----- | | |
| (a) Collateralized by \$11,057,000 Federal National Mortgage Association Discount Note, 5.357%+, due 12/28/07, market value \$10,628,541 and \$15,342,000 Federal National Mortgage Association, 4.875%, due 08/27/07, market value \$15,361,178. | | |
| + Non-income producing security. | | |
| ++ Represents annualized yield at date of purchase. | | |
| ADR American Depository Receipt | | |

| | % OF MARKET VALUE | MARKET VALUE |
|----------------------------|-------------------------|-----------------|
| | ----- | ----- |
| GEOGRAPHIC DIVERSIFICATION | | |
| North America..... | 93.2% | \$379,120,996 |
| Europe..... | 4.4 | 17,848,789 |
| Latin America..... | 2.1 | 8,454,121 |
| Asia/Pacific..... | 0.2 | 1,053,951 |
| Japan..... | 0.1 | 491,264 |
| South Africa..... | 0.0 | 18,771 |
| | ----- | ----- |
| Total Investments..... | 100.0% | \$406,987,892 |
| | ===== | ===== |

See accompanying notes to schedule of investments.

THE GABELLI GLOBAL DEAL FUND
NOTES TO SCHEDULE OF INVESTMENTS (UNAUDITED)

1. 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.

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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 60 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 60 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.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board.

2. SWAP AGREEMENTS. The Fund may enter into equity swap transactions. The use of equity swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. An equity swap is a swap where a set of future cash flows are 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. There is no assurance that the swap contract counterparties will be able to meet their obligations pursuant to the swap contracts, or that, in the event of default, the Fund will succeed in pursuing contractual remedies. The Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to the swap contracts. The creditworthiness of the swap contract counterparties is closely monitored in order to minimize the risk. Depending on the general state of short-term interest rates and the returns of the Fund's portfolio securities at that point in time, such a default could negatively affect the Fund's ability to make dividend payments for the common shares. In addition, at the time an equity 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. If this occurs, it could have a negative impact on the Fund's ability to make dividend payments.

The use of derivative instruments involves, to varying degrees, elements of market and counterparty risk in excess of the amount recognized below. The change in value of swaps, including the accrual of periodic amounts of interest to be paid or received on swaps is reported as unrealized appreciation or depreciation.

The Fund has entered into equity swaps with Bear Stearns Securities Corp. Details of the equity swaps at March 31, 2007 are as follows:

| NOTIONAL AMOUNT ----- | EQUITY SECURITY RECEIVED ----- | INTEREST RATE/ EQUITY SECURITY PAID ----- | TERMINATIO DATE ---- |
|--|--------------------------------------|---|----------------------------|
| | Market Value | Overnight LIBOR plus | |
| | Appreciation on: | Market Value Depreciation on: | |
| 1,802,898 British Pounds (300,000 Shares) | Corus Group plc | Corus Group plc | 01/15/08 |
| \$ 101,472 (85,000 Shares) | Crest Nicholson plc | Crest Nicholson plc | 01/15/08 |
| 4,839,529 British Pounds (425,000 Shares) | Gallaher Group plc | Gallaher Group plc | 01/15/08 |

AUTOMATIC DIVIDEND REINVESTMENT
AND VOLUNTARY CASH PURCHASE PLANS

ENROLLMENT IN THE PLAN

It is the policy of The Gabelli Global Deal Fund (the "Fund") to automatically reinvest dividends payable to common shareholders. As a "registered" shareholder you automatically become a participant in the Fund's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Fund to issue common shares to participants upon an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a premium to net asset value. All distributions to shareholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Fund. Plan participants may send their share certificates to American Stock Transfer ("AST") to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distributions in cash must submit this request in writing to:

The Gabelli Global Deal Fund
c/o American Stock Transfer
6201 15th Avenue
Brooklyn, NY 11219

Shareholders requesting this cash election must include the shareholder's name and address as they appear on the share certificate. Shareholders with additional questions regarding the Plan or requesting a copy of the terms of the Plan may contact AST at (888) 422-3262.

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

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

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following the commencement of such purchases, the market value of the common shares exceeds the then current net asset value.

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

VOLUNTARY CASH PURCHASE PLAN

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

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to AST for investments in the Fund's common shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. AST will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. AST will charge each shareholder who participates a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to American Stock Transfer, 6201 15th Avenue, Brooklyn, NY 11219 such that AST receives such payments approximately 10 days before the investment date. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by AST at least 48 hours before such payment is to be invested.

SHAREHOLDERS WISHING TO LIQUIDATE SHARES HELD AT AST must do so in writing or by telephone. Please submit your request to the above mentioned address or telephone number. Include in your request your name, address, and account number. The cost to liquidate shares is \$1.00 per transaction as well as the brokerage commission incurred. Brokerage charges are expected to be less than the usual brokerage charge for such transactions.

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

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

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TRUSTEES AND OFFICERS
THE GABELLI GLOBAL DEAL FUND
ONE CORPORATE CENTER, RYE, NY 10580-1422

TRUSTEES
Mario J. Gabelli, CFA

OFFICERS
Bruce N. Alpert

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CHAIRMAN & CHIEF EXECUTIVE OFFICER,
GAMCO INVESTORS, INC.

Clarence A. Davis
FORMER CHIEF OPERATING OFFICER & CHIEF
FINANCIAL OFFICER, AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Anthony J. Colavita
ATTORNEY-AT-LAW,
ANTHONY J. COLAVITA, P.C.

James P. Conn
FORMER MANAGING DIRECTOR &
CHIEF INVESTMENT OFFICER,
FINANCIAL SECURITY ASSURANCE HOLDINGS LTD.

Mario d'Urso
CHAIRMAN, MITTEL CAPITAL MARKETS SPA

Arthur V. Ferrara
FORMER CHAIRMAN & CHIEF EXECUTIVE OFFICER,
GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

Michael J. Melarkey
PARTNER, LAW FIRM OF
AVANSINO, MELARKEY, KNOBEL & MULLIGAN

Edward T. Tokar
SENIOR MANAGING DIRECTOR,
BEACON TRUST COMPANY

Salvatore J. Zizza
CHAIRMAN, ZIZZA & CO., LTD.

PRESIDENT

Carter W. Austin
VICE PRESIDENT

Peter D. Goldstein
CHIEF COMPLIANCE OFFICER

James E. McKee
SECRETARY

Sheila J. Moore
ASSISTANT VICE PRESIDENT

Agnes Mullady
TREASURER

David I. Schachter
VICE PRESIDENT

INVESTMENT ADVISER
Gabelli Funds, LLC
One Corporate Center
Rye, New York 10580-1422

CUSTODIAN
Mellon Trust of New England

COUNSEL
Skadden, Arps, Slate, Meagh

TRANSFER AGENT AND REGISTRA
American Stock Transfer and

STOCK EXCHANGE LISTING

NYSE-Symbol:
Shares Outstanding:

The Net Asset Value per sha
appears in the Publicly Tra
Funds column, under the
heading "Specialized Equity
Funds," in Monday's The Wal
Street Journal. It is also
listed in Barron's Mutual
Funds/Closed End Funds sect
under the heading "Speciali
Equity Funds."

The Net Asset Value per sha
may be obtained each day by
calling (914) 921-5070.

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, or e-mail us at: closedend@gabelli.com

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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 GABELLI GLOBAL DEAL FUND
ONE CORPORATE CENTER
RYE, NY 10580-1422
(914) 921-5070
WWW.GABELLI.COM

FIRST QUARTER REPORT
MARCH 31, 2007

GDL Q1/2007

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 May 22, 2007

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 May 22, 2007

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

Agnes Mullady, Principal Financial Officer & Treasurer

Date May 22, 2007

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