

The Gabelli Asset Fund

Shareholder Commentary – September 30, 2016

(Y)our Portfolio Management Team



Mario J. Gabelli, CFA
Chief Investment Officer
– Value Portfolios

Mr. Gabelli is graduate of Fordham University and holds an MBA degree from Columbia Business School.



Christopher J. Marangi
Co-Chief Investment Officer – Value Portfolios

Mr. Marangi is a graduate of Williams College and holds an MBA from Columbia Business School.



Kevin V. Dreyer
Co-Chief Investment Officer – Value Portfolios

Mr. Dreyer is a graduate of the University of Pennsylvania and holds an MBA from Columbia Business School.



Jeffrey J. Jonas, CFA
Portfolio Manager – Gabelli Funds, LLC

Mr. Jonas is a graduate of Boston College.

To Our Shareholders,

For the quarter ended September 30, 2016, the net asset value (“NAV”) per Class AAA Share of The Gabelli Asset Fund increased 2.7% compared with an increase of 3.9% for the Standard & Poor’s (“S&P”) 500 Index. See page 2 for additional performance information.

Third Quarter Commentary

Global equity markets rose in July, shaking off concerns about the implications of the UK’s “Brexit” vote to leave the European Union. Since that time, markets finished the quarter virtually unchanged (though with some increased volatility along the way), as investors are likely waiting for the outcome of the upcoming U.S. presidential election. While economic data, earnings reports and a potential rise in interest rates are being watched closely, the election is the one topic dominating the news cycle 24/7—on television, in print and on social media. While most of the attention-grabbing headlines are related to personal behavior and insults, the election has real implications on the stock market in a wide variety of areas, including corporate and personal tax rates, trade agreements, infrastructure spending, and healthcare. Any potential changes to policy will also highly depend on whether the electoral and legislative branches remain divided. Therefore, even if one of the presidential candidates seems likely to win, we won’t know the impact on stocks until all the votes are tallied.

Comparative Results

Average Annual Returns through September 30, 2016 (a)

| | Quarter | 1 Year | 5 Year | 10 Year | 15 Year | Since Inception (3/3/86) |
|---|---------|--------|--------|---------|---------|--------------------------|
| Class AAA (GABAX) | 2.72% | 12.40% | 13.04% | 7.33% | 8.51% | 11.75% |
| S&P 500 Index | 3.85 | 15.43 | 16.37 | 7.24 | 7.15 | 10.16(d) |
| Dow Jones Industrial Average | 2.75 | 15.35 | 13.69 | 7.35 | 7.59 | 10.92(d) |
| Nasdaq Composite Index | 10.01 | 16.45 | 18.62 | 10.15 | 9.92 | 9.08(d) |
| Class A (GATAX) | 2.71 | 12.40 | 13.04 | 7.33 | 8.51 | 11.75 |
| With sales charge (b) | (3.20) | 5.94 | 11.71 | 6.69 | 8.08 | 11.52 |
| Class C (GATCX) | 2.51 | 11.55 | 12.20 | 6.53 | 7.83 | 11.40 |
| With contingent deferred sales charge (c) | 1.51 | 10.55 | 12.20 | 6.53 | 7.83 | 11.40 |
| Class I (GABIX) | 2.77 | 12.67 | 13.32 | 7.56 | 8.67 | 11.83 |

In the current prospectuses dated April 29, 2016, the expense ratios for Class AAA, A, C, and I Shares are 1.35%, 1.35%, 2.10%, and 1.10%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75% and 1.00%, respectively.

(a) *Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Returns would have been lower had Gabelli Funds, LLC (the "Adviser") not reimbursed certain expenses of the Fund for periods prior to December 31, 1988. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Dow Jones Industrial Average and the Nasdaq Composite Index are unmanaged indicators of stock market performance. Dividends are considered reinvested, except for the Nasdaq Composite Index. You cannot invest directly in an index. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2003 and Class I Shares on January 11, 2008. 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.*

(b) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.

(c) Assuming payment of the 1% maximum contingent deferred sales charge imposed on redemptions made within one year of purchase.

(d) S&P 500 Index, Dow Jones Industrial Average, and Nasdaq Composite Index since inception performance results are as of February 28, 1986.

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

In September, the Federal Reserve opted to leave interest rates unchanged until after the election, yet indicated a strengthening case for a raise before year-end. In the meantime, interest rates remain near record lows, fueling continued merger and acquisition (M&A) activity, which we discuss further on. Additionally, financial engineering continues to be used by companies in order to surface value. Equipment rental company Herc Holdings (0.1% of net assets as of September 30, 2016) began trading on July 1, 2016 after being spun off from Hertz (0.2%). In July, Liberty Ventures (0.2%) completed its spin-off of CommerceHub (less than 0.1%). Valvoline (less than 0.1%) was taken public in September, likely a first step before being spun off completely from parent Ashland (0.1%). Other spin-offs in progress, including ConAgra's (0.7%) spin-off of its Lamb Weston potato business and the spin-off of Adient, the automotive interiors business of Johnson Controls (0.9%), are expected to be completed before the end of the year.

Deals, Deals and More Deals

The value of announced worldwide M&A was \$796.2 billion during the third quarter and \$2.4 trillion for the first three quarters. While down from a year ago, the overall level of M&A activity is still quite high by historic standards.

In the Fund, M&A activity was a contributor to performance. In August, convenience store operator CST Brands (0.4% of net assets as of September 30, 2016) agreed to be acquired by Couche-Tard for \$48.53 per share in cash following a lengthy exploration of strategic alternatives. In September, specialty chemical manufacturer Chemtura (0.3%) announced it agreed to be acquired by private German chemical company Lanxess AG for \$33.50 per share in cash. Finally, truck manufacturer Navistar (0.4%) rose significantly following the announcement that Volkswagen (less than 0.1%) agreed to buy a 16.6% stake in the company, in what could be a first step towards an outright acquisition of Navistar.

We believe the ingredients of a robust M&A environment – low cost of financing, low global GDP growth, synergy-driven industry consolidation, and the availability of many new pure-play companies due to financial engineering – continue to be in place.

Let's Talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the share prices are listed first in United States dollars (USD) and second in the local currency, where applicable, and are presented as of September 30, 2016.

Bank of New York Mellon Corp. (1.0% of net assets as of September 30, 2016) (BK – \$39.88 – NYSE) is a global leader in providing financial services to institutions and individuals. The company operates in more than one hundred markets worldwide and strives to be the global provider of choice for investment management and investment services. As of June 30, 2016, the firm had \$29.5 trillion in assets under custody and \$1.7 trillion in assets under management. Going forward, we expect BK to benefit from rising global incomes and the cross border movement of financial transactions. We believe BK is also well positioned to grow earnings in a rising interest rate environment, given its large customer cash deposits and significant loan book.

CST Brands Inc. (0.4%) (CST – \$48.09 – NYSE), headquartered in San Antonio, TX, is an operator of convenience stores (C-stores) in the U.S. and Canada. CST operates 1,225 C-stores in nine U.S. states (~600 in Texas) and 873 retail sites in the Ontario and Quebec provinces in Canada including 305 company operated C-stores, 496 Dealer/Agent sites, and 72 Cardlock (self-serve filling stations) sites. CST was spun-out of Valero Energy and began trading as an independent company on May 1, 2013. In October 2014, CST purchased a 100% interest in Cross America GP LLC, the GP of Cross America Partners LP (NYSE: CAPL). CST currently owns 18.7% of CAPL or 6.2 million units. On February 1, 2016, CST acquired 164 Flash Foods stores located in Florida and Georgia for \$425 million. On March 3, 2016 CST announced that it hired Bank of America (less than 0.1%), Merrill Lynch and JP Morgan Chase (0.6%) to commence “an exploration of strategic alternatives to further enhance stockholder value.” On May 8, 2016, CST announced an agreement to sell all 76 of its California stores and three Wyoming stores to 7-Eleven for \$408 million. On August 21, 2016, CST announced it reached an agreement to be acquired by Alimentation Couche-Tard for \$48.53 per share in cash. The transaction is expected to close in early 2017.

Flowserve Corp. (1.0%) (FLS – \$15.12 – NYSE) is one of the largest global pump companies, serving the petroleum, chemical, and power industries. The company’s products include engineered and industrial pumps, automated and control valves, actuators, and seals. About 40% of FLS revenues are derived from the oil and gas industry, and should benefit from the refurbishment of the aging refineries in developed countries and the first time build out of the infrastructure in developing nations around the world. Further, oil companies are bringing up dirtier, heavier, and harder to access crude from thousands of feet below ground, as the cleaner, lighter, and easier to obtain crude that is closer to the surface is depleted. This demands more highly engineered pumps, valves, and seals that can work under very high pressure, high temperature, or underwater, boding well for FLS products.

Honeywell International Inc. (1.4%) (HON – \$116.59 – NYSE) operates as a diversified technology company with highly engineered products, including turbine propulsion engines, auxiliary power units, turbochargers, brake pads, environmental and combustion controls, sensors, security and life safety products, resins and chemicals, nuclear services, and process technology for the petrochemical and refining industries. One of the key drivers of HON’s growth is acquisitions that increase the company’s growth profile globally, creating both organic and inorganic opportunities. The company recently acquired Elster Industries, a leading provider of thermal gas solutions, smart meters, software and data analytics for the commercial, industrial and residential heating market. Elster’s gas business offers products in high demand among natural gas customers and brings a strong, global distribution network and numerous cross-selling opportunities for existing HON technologies to new customers. Elster’s gas, electric, and water meters are highly valued for their reliability, safety and accuracy. The company maintains an installed base of more than 200 million meter modules deployed over the course of the last 10 years that generate significant recurring revenues. We believe acquisitions such as Elster should drive meaningful and sustained growth for HON spurred by global energy efficiency initiatives and natural resource management.

IDEX Corp. (1.4%) (IEX – \$93.57 – NYSE) manufactures highly engineered industrial fluid control equipment like pumps, valves, meters, and instrumentation for a diverse set of end markets including agriculture,

chemicals, emergency services, energy, food, general industrial, medical, transportation, and water. Its industry-leading brands include Richter pumps, Banjo agricultural equipment, Band-It clamps, and Hurst Jaws of Life. The company has consistently generated above-industry revenue and earnings growth by focusing on highly differentiated niche markets and deploying its strong free cash flow to acquisitions. In the first three quarters alone, IDEX invested over \$500 million to expand its fire suppression and sealing product lines. Over the next five years, we expect IDEX to drive low to mid-teens earnings growth as it continues to enhance its differentiated portfolio.

Madison Square Garden Co. (0.9%) (MSG – \$169.41 – NYSE) is an integrated sports and entertainment company that owns the New York Knicks, the New York Rangers, the Radio City Christmas Spectacular, The Forum, and that iconic New York venue, Madison Square Garden. These evergreen content and venue assets benefit from sustainable barriers to entry and long term secular growth. MSG completed the separation of its associated regional sports networks in September 2015, leaving a reliable cash flow stream for MSG to reinvest and repurchase shares.

Navistar International Corp. (0.4%) (NAV – \$22.89 – NYSE), based in Lisle, Illinois, manufactures Class 4-8 trucks, buses, and defense vehicles, as well as diesel engines and parts for the commercial trucking industry. NFC, a wholly owned subsidiary, provides financing of products sold by the company's truck segment. In September, Navistar and Volkswagen (VW) Truck & Bus announced a long-anticipated strategic alliance in which the two truck manufacturers would share technology and purchasing efforts in exchange for VW taking a \$256 million stake (16.6%) in Navistar. The deal confirms our thesis that NAV would eventually be targeted by a larger global capital equipment manufacturer. We believe this initial investment should lead to an eventual full purchase in the years ahead.

Rollins Inc. (1.0%) (ROL – \$29.28 – NYSE) provides pest control services to nearly two million residential and commercial customers throughout North America primarily under the Orkin and Western Pest brand names. Its services are critical to homeowners and commercial establishments alike, in both expansionary and recessionary times. The company has benefited from growth in the commercial service area and mosquito and bed bug treatments. At the same time, the company has controlled costs through more efficient scheduling and routing. Rollins has been taking advantage of its strong balance sheet to make tuck-in acquisitions. It has also begun franchising more operations outside the U.S. Founded in 1901, Rollins is majority owned by members of the Rollins family.

Ryman Hospitality Properties Inc. (0.2%) (RHP – \$48.16 – NYSE) is a Nashville, Tennessee based REIT that owns convention hotels in Nashville, Tennessee; Orlando, Florida; Dallas, Texas; and Washington, D.C. Other assets include the iconic Opryland, the famous Ryman Auditorium, the General Jackson Showboat, and Nashville based radio station WSM-AM. With property manager Marriot's operational issues resolved, the team is focused on taking advantage of strong convention bookings trends, seeking to drive margin expansion by increasing occupancy and room rates. Finally, as the leading country music entertainment brand, the potential monetization and spin-off of the Entertainment assets, including the Grand Ole Opry, also remains a significant catalyst for RHP shares.

Sony Corp. (1.2%) (SNE – \$33.21 – NYSE) is a diversified electronics and entertainment company based in Tokyo, Japan. The company manufactures televisions, PlayStation game consoles, mobile phone handsets, and cameras. It also operates the Columbia film studio and Sony Music entertainment group. We expect the new PlayStation launch and operational improvements in consumer electronics and entertainment to generate EBITDA growth through 2017. We also think the spinoff of the entertainment assets could be a catalyst.

Swedish Match AB (1.4%) (SWMA – 314.80 SEK – Stockholm Stock Exchange) produces tobacco products that include snus and snuff, chewing tobacco, cigars, and lights. The company has been benefiting from the growth of the smokeless tobacco market in both Scandinavia and the U.S., as public smoking bans and health concerns are driving consumers to seek alternative tobacco products to cigarettes. In October 2010, Swedish Match combined its European and premium cigar portfolios with Scandinavian cigar and pipe tobacco company STG, creating a new company that should benefit from enhanced scale and synergies. In February 2016, STG went public via an IPO on the Copenhagen Stock Exchange. Swedish Match plans to return its proceeds from the offering to shareholders via a special dividend, and we expect further monetization of its now 31% stake in STG in coming years. As a more focused company, we expect Swedish Match to grow sales and earnings over time as the smokeless tobacco category continues to develop. We also believe the company could be an attractive takeover candidate for a global tobacco company that wants to increase its presence in the smokeless segment.

Xylem Inc. (1.5%) (XYL – \$52.45 – NYSE) is a global leader in the design, manufacturing, and application of highly engineered technologies for the transportation, treatment, and testing of water. The company is expected to benefit from favorable long term fundamentals in the water industry, driven by scarcity, population growth, aging of the infrastructure, and the need to improve water quality. Further, with a large installed base of pumps and systems, the company is well positioned to increase aftermarket revenue, which currently represents roughly 40% of total revenues. Xylem's attractive business mix generates strong cash flow, which is expected to support acquisitions across geographies and end markets and increase returns to shareholders. XYL is expected to generate 8%-12% earnings per share growth through 2020 as it accelerates its capital deployment strategy globally. The company recently announced its \$1.7 billion acquisition of Sensus, a leading manufacturer of smart metering equipment and technologies.

Investment Scorecard

Top contributors to performance during the quarter included Xylem (+18%), which agreed to acquire Sensus, a global leader in smart meters, for \$1.7 billion in cash; IDEX (+14%), which rose as the company sees growing order momentum, expects positive year over year sales growth in the fiscal fourth quarter, and has a full M&A pipeline with \$1 billion of capital to deploy over the next three years; Navistar (+65%), which announced a strategic alliance with Volkswagen (VW), through which VW will acquire a 17% stake in Navistar; and Sony (+13%), which rose as its PS4 video game system gained market share and investors look forward to the introduction of its virtual reality system for the Playstation in October.

Detractors from performance included Twenty-First Century Fox (2.0%) (-10%), which declined amid lowered earnings expectations driven by higher costs at FXX and the Natural Geographic Channel, in addition to poor performance at its studio; Brown-Forman (2.2%) (-8%), which reported a deceleration in organic growth, and was impacted by foreign currency devaluations; General Mills (1.1%) (-10%), which reported a decline in quarterly sales, largely due to weakness in its Yoplait yogurt business; and Telephone & Data Systems (1.0%) (-8%), which declined amid concerns about increasing competitive intensity around the iPhone 7 launch.

Conclusion

Volatility has increased recently in markets, and likely will continue up until (and after) the U.S. presidential election in November. We continue to seek high-quality companies trading at a discount to Private Market Value – the price an informed industrialist would pay to own an entire business – and hope to use any opportunity “Mr. Market” provides to us. We also look for catalysts to surface value, such as industry consolidation, financial engineering, new management, regulatory changes, or a change in cash flow allocation. Finally, we see a continuation of the "Fifth Wave" of takeover activity, which should continue to result in several Fund holdings being targets.

October 11, 2016

Top Ten Holdings (Percent of Net Assets)
September 30, 2016

| | | | |
|-------------------------------|------|------------------------------|------|
| Brown-Forman Corp. | 2.2% | Xylem Inc. | 1.5% |
| Twenty-First Century Fox Inc. | 2.0% | Honeywell International Inc. | 1.4% |
| Genuine Parts Co. | 1.8% | Swedish Match AB | 1.4% |
| Ametek Inc. | 1.7% | Ilex Corp. | 1.4% |
| Berkshire Hathaway Inc. | 1.6% | American Express Co. | 1.3% |

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

Minimum Initial Investment – \$1,000

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

www.gabelli.com

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

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

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

e-delivery

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

Multi-Class Shares

The Gabelli Asset Fund began offering additional classes of Fund shares on December 31, 2003. Class AAA Shares are no-load shares offered directly through selected broker/dealers. Class A and Class C Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available directly through the Fund's distributor or brokers that have entered into selling agreements specifically with respect to Class I Shares. The Board of Trustees determined that expanding the types of Fund shares available through various distribution options will enhance the ability of the Fund to attract additional investors.

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Gabelli/GAMCO Funds and Your Personal Privacy

Who are we?

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

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

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

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

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

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

What do we do to protect your personal information?

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

THE GABELLI ASSET FUND
One Corporate Center
Rye, NY 10580-1422

Portfolio Management Team Biographies

Mario J. Gabelli, CFA, Chairman, Chief Executive Officer, and Chief Investment Officer – Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Chief Executive Officer and Chairman of the Board of Directors of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School, and Honorary Doctorates from Fordham University and Roger Williams University.

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

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

Jeffrey J. Jonas, CFA, joined Gabelli in 2003 as a research analyst. He focuses on companies in the cardiovascular, healthcare services, and pharmacy benefits management sectors, among others. He also serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Jonas was a Presidential Scholar at Boston College, where he received a BS in Finance and Management Information Systems.

THE GABELLI ASSET FUND

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

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



GABELLI
FUNDS

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Third Quarter Report — September 30, 2016

(Y)our Portfolio Management Team



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Enclosed is the schedule of investments as of September 30, 2016.

Comparative Results

Average Annual Returns through September 30, 2016 (a) (Unaudited)

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| Class I (GABIX) | 2.77 | 12.67 | 13.32 | 7.56 | 8.67 | 11.83 |

In the current prospectuses dated April 29, 2016, the expense ratios for Class AAA, A, C, and I Shares are 1.35%, 1.35%, 2.10%, and 1.10%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75% and 1.00%, respectively.

(a) (a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Returns would have been lower had Gabelli Funds, LLC (the "Adviser") not reimbursed certain expenses of the Fund for periods prior to December 31, 1988. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Dow Jones Industrial Average and the Nasdaq Composite Index are unmanaged indicators of stock market performance. Dividends are considered reinvested, except for the Nasdaq Composite Index. You cannot invest directly in an index. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2003 and Class I Shares on January 11, 2008. 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.

(b) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.

(c) Assuming payment of the 1% maximum contingent deferred sales charge imposed on redemptions made within one year of purchase.

(d) The S&P 500 Index, Dow Jones Industrial Average, and Nasdaq Composite Index since inception performance results are as of February 28, 1986.

The Gabelli Asset Fund

Schedule of Investments (Continued) — September 30, 2016 (Unaudited)

| Shares | | Market Value | Shares | | Market Value |
|-----------|---|--------------------|---------|---|--------------------|
| | COMMON STOCKS (Continued) | | | | |
| | Cable and Satellite (Continued) | | | | |
| 50,000 | Rogers Communications Inc., Toronto, Cl. B. | \$ 2,121,270 | 10,000 | Syrtech Corp.† | \$ 30 |
| 174,000 | Scripps Networks Interactive Inc., Cl. A | 11,047,260 | 4,000 | The Estee Lauder Companies Inc., Cl. A | 354,240 |
| 124,000 | Shaw Communications Inc., New York, Cl. B | 2,537,040 | 153,000 | The Procter & Gamble Co. | 13,731,750 |
| 120,000 | Shaw Communications Inc., Toronto, Cl. B | 2,455,886 | 65,000 | Unilever plc, ADR | 3,081,000 |
| | | <u>121,514,903</u> | 36,000 | Wolverine World Wide Inc. | 829,080 |
| | | | | | <u>131,864,775</u> |
| | Closed-End Funds — 0.0% | | | Consumer Services — 1.8% | |
| 11,417 | Royce Global Value Trust Inc. | 92,820 | 5,000 | Allegion plc | 344,550 |
| 79,500 | Royce Value Trust Inc. | 1,006,470 | 100,000 | IAC/InterActiveCorp. | 6,247,000 |
| | | <u>1,099,290</u> | 475,600 | Liberty Interactive Corp. QVC Group, Cl. A† | 9,516,756 |
| | | | 45,000 | Liberty TripAdvisor Holdings Inc., Cl. A† | 983,250 |
| | Communications Equipment — 0.4% | | 102,000 | Liberty Ventures, Cl. A† | 4,066,740 |
| 312,000 | Corning Inc. | 7,378,800 | 899,150 | Rollins Inc. | 26,327,112 |
| 52,000 | Harris Corp. | 4,763,720 | | | <u>47,485,408</u> |
| | | <u>12,142,520</u> | | Diversified Industrial — 4.3% | |
| | Computer Hardware — 0.1% | | | Acuty Brands Inc. | 132,300 |
| 15,000 | Apple Inc. | 1,695,750 | 500 | Anixter International Inc.† | 322,500 |
| | Computer Software and Services — 1.5% | | 5,000 | Crane Co. | 22,475,667 |
| 5,300 | Alphabet Inc., Cl. C† | 4,119,637 | 356,700 | Eaton Corp. plc | 6,768,130 |
| 6,400 | CommerceHub Inc., Cl. A† | 101,120 | 103,000 | Greif Inc., Cl. A | 6,813,666 |
| 20,400 | CommerceHub Inc., Cl. C† | 324,564 | 137,400 | Honeywell International Inc. | 38,707,880 |
| 136,000 | Diebold Inc. | 3,371,440 | 20,000 | HRG Group Inc.† | 314,000 |
| 18,000 | DST Systems Inc. | 2,122,560 | 24,000 | Ingersoll-Rand plc | 1,630,560 |
| 156,000 | eBay Inc.† | 5,132,400 | 250,000 | ITT Inc. | 8,960,000 |
| 51,500 | Fidelity National Information Services Inc. | 3,967,045 | 30,000 | Jardine Matheson Holdings Ltd. | 1,818,300 |
| 187,000 | Hewlett Packard Enterprise Co. | 4,254,250 | 127,500 | Jardine Strategic Holdings Ltd. | 4,169,250 |
| 265,000 | Internap Corp.† | 437,250 | 152,000 | Katy Industries Inc.† | 72,200 |
| 5,000 | Microsoft Corp. | 288,000 | 245,000 | Myers Industries Inc. | 3,182,550 |
| 52,000 | NCR Corp.† | 1,673,880 | 30,000 | Pentair plc | 1,927,200 |
| 7,992 | NetScout Systems Inc.† | 233,766 | 13,000 | Sulzer AG | 1,359,547 |
| 77,000 | Rockwell Automation Inc. | 9,420,180 | 182,000 | Textron Inc. | 7,234,500 |
| 133,000 | Yahoo! Inc.† | 5,732,300 | 330,000 | Toray Industries Inc. | 3,185,938 |
| | | <u>41,178,392</u> | 230,000 | Trinity Industries Inc. | 5,561,400 |
| | | | 4,000 | Waters Corp.† | 633,960 |
| | Consumer Products — 4.9% | | | | <u>115,269,548</u> |
| 30,000 | Brunswick Corp. | 1,463,400 | | Electronics — 1.9% | |
| 11,000 | Christian Dior SE | 1,971,545 | 155,000 | Cypress Semiconductor Corp. | 1,884,800 |
| 80,000 | Church & Dwight Co. Inc. | 3,833,600 | 15,000 | Dolby Laboratories Inc., Cl. A | 814,350 |
| 17,000 | Coty Inc., Cl. A | 399,500 | 2,335 | Fortive Corp. | 118,851 |
| 431,000 | Edgewell Personal Care Co.† | 34,273,120 | 8,000 | Kyocera Corp., ADR | 385,040 |
| 307,000 | Energizer Holdings Inc. | 15,337,720 | 1,500 | Mettler-Toledo International Inc.† | 629,745 |
| 3,400 | Givaudan SA | 6,918,991 | 2,200 | Samsung Electronics Co. Ltd., GDR | 1,589,500 |
| 30,000 | Harley-Davidson Inc. | 1,577,700 | 930,000 | Sony Corp., ADR | 30,885,300 |
| 2,000 | Hermes International | 813,871 | 40,000 | TE Connectivity Ltd. | 2,575,200 |
| 6,000 | National Presto Industries Inc. | 526,740 | 110,000 | Texas Instruments Inc. | 7,719,800 |
| 47,000 | Reckitt Benckiser Group plc | 4,425,744 | 25,000 | Thermo Fisher Scientific Inc. | 3,976,500 |
| 100,000 | Sally Beauty Holdings Inc.† | 2,568,000 | | | <u>50,579,086</u> |
| 10,000 | Svenska Cellulosa AB, Cl. A | 297,011 | | Energy and Utilities — 3.8% | |
| 42,000 | Svenska Cellulosa AB, Cl. B | 1,247,447 | | Anadarko Petroleum Corp. | 696,960 |
| 1,041,400 | Swedish Match AB | 38,214,286 | 11,000 | | |

See accompanying notes to schedule of investments.

The Gabelli Asset Fund
Schedule of Investments (Continued) — September 30, 2016 (Unaudited)

| <u>Shares</u> | | <u>Market Value</u> | <u>Shares</u> | | <u>Market Value</u> |
|---------------|---|---------------------|---------------|--|---------------------|
| | COMMON STOCKS (Continued) | | | | |
| | Energy and Utilities (Continued) | | | | |
| 130,000 | BP plc, ADR | \$ 4,570,800 | 94,000 | CIRCOR International Inc. | \$ 5,598,640 |
| 116,000 | Chevron Corp. | 11,938,720 | 115,000 | Crown Holdings Inc.† | 6,565,350 |
| 190,000 | ConocoPhillips | 8,259,300 | 166,000 | CTS Corp. | 3,087,600 |
| 50,000 | CONSOL Energy Inc. | 960,000 | 4,670 | Danaher Corp. | 366,081 |
| 113,000 | Devon Energy Corp. | 4,984,430 | 607,900 | Donaldson Co. Inc. | 22,692,907 |
| 4,000 | Edison International | 289,000 | 575,000 | Flowserve Corp. | 27,738,000 |
| 204,000 | El Paso Electric Co. | 9,541,080 | 57,000 | Graco Inc. | 4,218,000 |
| 97,500 | EOG Resources Inc. | 9,429,225 | 399,400 | IDEX Corp. | 37,371,858 |
| 177,000 | Exxon Mobil Corp. | 15,448,560 | 90,000 | Interpump Group SpA | 1,533,718 |
| 130,000 | GenOn Energy Inc., Escrow† | 0 | 16,000 | Lawson Products Inc.† | 283,680 |
| 168,000 | Halliburton Co. | 7,539,840 | 93,000 | Manitowoc Foodservice Inc.† | 1,508,460 |
| 65,000 | Kinder Morgan Inc. | 1,503,450 | 136,000 | Mueller Industries Inc. | 4,409,120 |
| 245,000 | National Fuel Gas Co. | 13,247,150 | 13,000 | SEACOR Holdings Inc.† | 773,370 |
| 56,400 | Oceaneering International Inc. | 1,551,564 | 180,000 | Sealed Air Corp. | 8,247,600 |
| 5,000 | Phillips 66 | 402,750 | 93,000 | The Manitowoc Co. Inc. | 445,470 |
| 50,000 | Rowan Companies plc, Cl. A | 758,000 | 51,000 | The Timken Co. | 1,792,140 |
| 20,000 | Royal Dutch Shell plc, Cl. A, ADR | 1,001,400 | 26,000 | The Toro Co. | 1,217,840 |
| 59,000 | Southwest Gas Corp. | 4,121,740 | 80,000 | The Weir Group plc | 1,762,754 |
| 60,000 | Spectra Energy Corp. | 2,565,000 | 23,500 | Valmont Industries Inc. | 3,162,395 |
| 95,000 | The AES Corp. | 1,220,750 | 262,000 | Watts Water Technologies Inc., Cl. A | 16,988,080 |
| 11,000 | Wartsila OYJ Abp. | 495,141 | | | <u>195,505,975</u> |
| 320,000 | Weatherford International plc† | 1,798,400 | | | |
| | | <u>102,323,260</u> | | | |
| | Entertainment — 6.4% | | | Financial Services — 9.8% | |
| 195,500 | Discovery Communications Inc., Cl. A† | 5,262,860 | 13,400 | Alleghany Corp.† | 7,035,268 |
| 535,000 | Discovery Communications Inc., Cl. C† | 14,075,850 | 73,000 | AllianceBernstein Holding LP | 1,664,400 |
| 755,000 | Grupo Televisa SAB, ADR | 19,395,950 | 540,600 | American Express Co. | 34,620,024 |
| 17,500 | Liberty Braves Group, Cl. A† | 305,375 | 3,500 | Ameriprise Financial Inc. | 349,195 |
| 96,028 | Liberty Braves Group, Cl. C† | 1,668,967 | 33,000 | Argo Group International Holdings Ltd. | 1,861,860 |
| 158,071 | Media General Inc.† | 2,913,249 | 60,000 | Bank of America Corp. | 939,000 |
| 126,400 | Starz, Cl. A† | 3,942,416 | 195 | Berkshire Hathaway Inc., Cl. A† | 42,162,900 |
| 137,133 | The Madison Square Garden Co, Cl. A† | 23,231,702 | 59,700 | BKF Capital Group Inc.† | 40,599 |
| 331,000 | Time Warner Inc. | 26,350,910 | 47,000 | Calamos Asset Management Inc., Cl. A | 320,540 |
| 2,068,900 | Twenty-First Century Fox Inc., Cl. A | 50,108,758 | 65,000 | Citigroup Inc. | 3,069,950 |
| 93,000 | Twenty-First Century Fox Inc., Cl. B | 2,300,820 | 4,000 | Credit Acceptance Corp.† | 804,280 |
| 438,500 | Viacom Inc., Cl. A | 18,776,570 | 170,000 | Fortress Investment Group LLC, Cl. A | 839,800 |
| 25,000 | Viacom Inc., Cl. B | 952,500 | 132,000 | GAM Holding AG | 1,260,896 |
| 85,000 | Vivendi SA | 1,713,960 | 235,000 | H&R Block Inc. | 5,440,250 |
| | | <u>170,999,887</u> | 50,000 | Interactive Brokers Group Inc., Cl. A | 1,763,500 |
| | | | 400,000 | Janus Capital Group Inc. | 5,604,000 |
| | | | 247,300 | JPMorgan Chase & Co. | 16,467,707 |
| | | | 92,459 | Kinnevik AB, Cl. A | 2,571,539 |
| | | | 113,000 | Kinnevik AB, Cl. B | 2,882,035 |
| | | | 249,750 | KKR & Co. LP | 3,561,435 |
| | | | 314,000 | Legg Mason Inc. | 10,512,720 |
| 629,300 | Republic Services Inc. | 31,748,185 | 42,500 | LendingTree Inc.† | 4,118,675 |
| 58,000 | Waste Connections Inc. | 4,332,600 | 35,000 | Leucadia National Corp. | 666,400 |
| 385,000 | Waste Management Inc. | 24,547,600 | 40,000 | Loews Corp. | 1,646,000 |
| | | <u>60,628,385</u> | 42,000 | M&T Bank Corp. | 4,876,200 |
| | | | 117,000 | Marsh & McLennan Companies Inc. | 7,868,250 |
| | | | 50,000 | Northern Trust Corp. | 3,399,500 |
| 927,400 | AMETEK Inc. | 44,311,172 | 150,000 | PayPal Holdings Inc.† | 6,145,500 |
| 12,000 | Amphenol Corp., Cl. A | 779,040 | 30,000 | Popular Inc. | 1,146,600 |
| 10,000 | AZZ Inc. | 652,700 | | | |

See accompanying notes to schedule of investments.

The Gabelli Asset Fund
Schedule of Investments (Continued) — September 30, 2016 (Unaudited)

| Shares | Market Value | Shares | Market Value |
|--|---|--------------------|-------------------|
| COMMON STOCKS (Continued) | | | |
| Health Care (Continued) | | | |
| 5,000 | Laboratory Corp. of America Holdings† | \$ 687,400 | 56,000 |
| 20,000 | McKesson Corp..... | 3,335,000 | 400,000 |
| 3,000 | Mead Johnson Nutrition Co. | 237,030 | 234,000 |
| 15,000 | Medtronic plc | 1,296,000 | 30,000 |
| 145,000 | Merck & Co. Inc. | 9,049,450 | 90,000 |
| 40,000 | Mylan NV† | 1,524,800 | 160,000 |
| 30,432 | Orthofix International NV† | 1,301,577 | 60,000 |
| 30,000 | Owens & Minor Inc. | 1,041,900 | 24,000 |
| 42,000 | Patterson Companies Inc..... | 1,929,480 | 535,000 |
| 44,000 | Quidel Corp.† | 971,960 | 124,000 |
| 400 | Regeneron Pharmaceuticals Inc.† | 160,808 | 84,000 |
| 75,000 | Roche Holding AG, ADR | 2,322,750 | 6,000 |
| 32,000 | Stryker Corp. | 3,725,120 | 186,000 |
| 81,396 | Tenet Healthcare Corp.† | 1,844,433 | |
| 10,000 | UnitedHealth Group Inc. | 1,400,000 | |
| 140,000 | William Demant Holding A/S† | 2,857,919 | 1,500 |
| 94,001 | Wright Medical Group NV† | 2,305,840 | 56,000 |
| 21,000 | Zimmer Biomet Holdings Inc. | 2,730,420 | 143,000 |
| 15,000 | Zoetis Inc..... | 780,150 | 120,000 |
| | | <u>133,461,828</u> | 128,000 |
| | | | 210,442 |
| | | | 10,000 |
| Hotels and Gaming — 1.3% | | | |
| 17,000 | Accor SA | 674,317 | |
| 62,000 | Belmond Ltd., Cl. A† | 788,020 | |
| 15,000 | Churchill Downs Inc. | 2,195,250 | |
| 350,000 | Genting Singapore plc | 192,491 | 16,500 |
| 45,000 | Hyatt Hotels Corp., Cl. A† | 2,214,900 | 330 |
| 89,000 | Interval Leisure Group Inc..... | 1,528,130 | 104,000 |
| 75,000 | Las Vegas Sands Corp. | 4,315,500 | 241,000 |
| 4,750,000 | Mandarin Oriental International Ltd..... | 6,198,750 | |
| 395,000 | MGM Resorts International† | 10,281,850 | |
| 2,000,000 | The Hongkong & Shanghai Hotels Ltd. | 1,985,457 | 70,000 |
| 60,000 | Universal Entertainment Corp.† | 1,769,735 | 14,422 |
| 10,000 | Wyndham Worldwide Corp..... | 673,300 | 85,000 |
| 14,000 | Wynn Resorts Ltd. | 1,363,880 | 120,000 |
| | | <u>34,181,580</u> | |
| Machinery — 3.2% | | | |
| 121,500 | Caterpillar Inc..... | 10,785,555 | 88,000 |
| 1,350,000 | CNH Industrial NV, New York | 9,747,000 | 114,000 |
| 218,600 | CNH Industrial NV, Brsaltaliana | 1,564,253 | 69,000 |
| 274,000 | Deere & Co. | 23,385,900 | 245,000 |
| 45,000 | Mueller Water Products Inc., Cl. A | 564,750 | 264,000 |
| 740,000 | Xylem Inc. | 38,813,000 | 117,000 |
| | | <u>84,860,458</u> | 40,000 |
| | | | 274,000 |
| | | | 450,000 |
| | | | 150,000 |
| | | | 50,000 |
| | | | 55,100 |
| | | | 14,857 |
| Manufactured Housing and Recreational Vehicles — 0.1% | | | |
| 31,500 | Cavco Industries Inc.† | 3,120,075 | |
| 20,000 | Nobility Homes Inc.† | 325,000 | |
| 32,500 | Skyline Corp.† | 444,925 | |
| | | <u>3,890,000</u> | |
| Metals and Mining — 2.0% | | | |
| | | | \$ 3,034,080 |
| | | | 4,056,000 |
| | | | 4,146,480 |
| | | | 175,500 |
| | | | 6,288,300 |
| | | | 1,737,600 |
| | | | 252,600 |
| | | | 32,328 |
| | | | 21,020,150 |
| | | | 9,601,320 |
| | | | 2,270,520 |
| | | | 62,700 |
| | | | <u>552,420</u> |
| | | | <u>53,229,998</u> |
| Publishing — 1.0% | | | |
| | | | 722,055 |
| | | | 2,911,440 |
| | | | 1,999,140 |
| | | | 1,706,400 |
| | | | 16,199,680 |
| | | | 3,346,028 |
| | | | <u>119,500</u> |
| | | | <u>27,004,243</u> |
| Real Estate — 0.3% | | | |
| | | | 580,470 |
| | | | 8,722 |
| | | | 3,295,760 |
| | | | <u>4,429,580</u> |
| | | | <u>8,314,532</u> |
| Real Estate Investment Trusts — 0.4% | | | |
| | | | 1,619,100 |
| | | | 224,551 |
| | | | 4,093,600 |
| | | | <u>3,832,800</u> |
| | | | <u>9,770,051</u> |
| Retail — 3.4% | | | |
| | | | 2,236,960 |
| | | | 5,552,940 |
| | | | 10,523,190 |
| | | | 11,782,050 |
| | | | 23,493,360 |
| | | | 4,698,720 |
| | | | 1,592,000 |
| | | | 2,526,280 |
| | | | 172,889 |
| | | | 5,557,500 |
| | | | 3,568,000 |
| | | | 2,654,718 |
| | | | 361,174 |

See accompanying notes to schedule of investments.

The Gabelli Asset Fund
Schedule of Investments (Continued) — September 30, 2016 (Unaudited)

| <u>Shares</u> | <u>Market Value</u> | <u>Shares</u> | <u>Market Value</u> |
|-----------------------------------|---|---------------------------------------|---|
| COMMON STOCKS (Continued) | | Wireless Communications — 0.8% | |
| Retail (Continued) | | 115,000 | America Movil SAB de CV, Cl. L, ADR |
| 50,000 | The Cheesecake Factory Inc. \$ 2,503,000 | 14,000 | Millicom International Cellular SA |
| 34,000 | The Home Depot Inc. 4,375,120 | 59,000 | Millicom International Cellular SA, SDR |
| 128,000 | The Kroger Co. 3,799,040 | 208,000 | NTT DoCoMo Inc. 5,255,125 |
| 29,000 | Walgreens Boots Alliance Inc. 2,337,980 | 20,000 | Tim Participacoes SA, ADR |
| 135,000 | Whole Foods Market Inc. 3,827,250 | 70,000 | T-Mobile US Inc.† |
| | 91,562,171 | 173,000 | United States Cellular Corp.† |
| | | | 20,163,996 |
| Specialty Chemicals — 2.1% | | TOTAL COMMON STOCKS | |
| 15,000 | Ashland Global Holdings Inc. 1,739,250 | | 2,672,797,435 |
| 205,000 | Chemtura Corp.† | PREFERRED STOCKS — 0.0% | |
| 611,000 | Ferro Corp.† | Health Care — 0.0% | |
| 91,200 | General Chemical Group Inc.† | 31,580 | The Phoenix Companies Inc., 7.450% |
| 165,000 | H.B. Fuller Co. 7,667,550 | | 613,836 |
| 123,000 | International Flavors & Fragrances Inc. 17,585,310 | RIGHTS — 0.0% | |
| 395,000 | OMNOVA Solutions Inc.† | Health Care — 0.0% | |
| 11,000 | Praxair Inc. 1,329,130 | 20,000 | American Medical Alert Corp.† |
| 122,000 | Sensient Technologies Corp. 9,247,600 | | 200 |
| 32,000 | SGL Carbon SE† | WARRANTS — 0.0% | |
| 1,500 | Valvoline Inc.† | Energy and Utilities — 0.0% | |
| | 56,478,312 | 255,000 | Kinder Morgan Inc., expire 05/25/17† |
| Telecommunications — 2.2% | | | 3,953 |
| 36,000 | CenturyLink Inc. 987,480 | Hotels and Gaming — 0.0% | |
| 1,335,000 | Cincinnati Bell Inc.† | 200,000 | The Indian Hotels Co. Ltd., expire 05/14/18†(a) |
| 175,000 | Deutsche Telekom AG, ADR | | 392,000 |
| 30,000 | Hellenic Telecommunications Organization SA .. | TOTAL WARRANTS | |
| 25,000 | Hellenic Telecommunications Organization SA, ADR | | 395,953 |
| 75,200 | Level 3 Communications Inc.† | TOTAL INVESTMENTS — 100.0% | |
| 68,607 | Loral Space & Communications Inc.† | (Cost \$1,120,109,441) | |
| 6,000 | Orange SA, ADR | | \$2,673,807,424 |
| 215,000 | Sprint Corp.† | Aggregate tax cost | |
| 3,007,800 | Telecom Italia SpA† | | \$1,133,156,288 |
| 175,000 | Telecom Italia SpA, ADR† | | Gross unrealized appreciation |
| 39,981 | Telefonica Brasil SA, ADR | | \$1,583,818,885 |
| 267,401 | Telefonica SA, ADR | | Gross unrealized depreciation |
| 991,510 | Telephone & Data Systems Inc. 26,949,242 | | (43,167,749) |
| 230,000 | Telesites SAB de CV† | | Net unrealized appreciation/depreciation |
| 120,000 | Verizon Communications Inc. 6,237,600 | | \$1,540,651,136 |
| 30,000 | VimpelCom Ltd., ADR | | |
| | 58,076,833 | | |
| Transportation — 0.6% | | | |
| 305,000 | GATX Corp. 13,587,750 | (a) | 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, 2016, the market value of the Rule 144A security amounted to \$392,000 or 0.01% of total investments. |
| 4,000 | Kansas City Southern | † | Non-income producing security. |
| 45,000 | Providence and Worcester Railroad Co. 1,115,100 | ADR | American Depositary Receipt |
| | 15,076,130 | GDR | Global Depositary Receipt |
| | | SDR | Swedish Depositary Receipt |

See accompanying notes to schedule of investments.

The Gabelli Asset Fund

Notes to Schedule of Investments (Unaudited)

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 schedule of investments. 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 schedule of investments.

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.

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

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

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

The Gabelli Asset Fund

Notes to Schedule of Investments (Unaudited) (Continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of September 30, 2016 is as follows:

| | Valuation Inputs | | | Total Market Value at 9/30/16 |
|---|--------------------------|--|--|----------------------------------|
| | Level 1 Quoted Prices | Level 2 Other Significant Observable Inputs | Level 3 Significant Unobservable Inputs | |
| INVESTMENTS IN SECURITIES: | | | | |
| ASSETS (Market Value): | | | | |
| Common Stocks: | | | | |
| Airlines | — | — | \$88,000 | \$ 88,000 |
| Consumer Products | \$ 131,864,745 | — | 30 | 131,864,775 |
| Diversified Industrial | 115,197,348 | \$ 72,200 | — | 115,269,548 |
| Energy & Utilities | 102,323,260 | — | 0 | 102,323,260 |
| Financial Services | 262,520,343 | 40,599 | — | 262,560,942 |
| Manufactured Housing and Recreational Vehicles | 3,565,000 | 325,000 | — | 3,890,000 |
| Specialty Chemicals | 56,477,126 | 1,186 | — | 56,478,312 |
| Other Industries (a) | 2,000,322,598 | — | — | 2,000,322,598 |
| Total Common Stocks | 2,672,270,420 | 438,985 | 88,030 | 2,672,797,435 |
| Preferred Stocks (a) | 613,836 | — | — | 613,836 |
| Rights (a) | — | — | 200 | 200 |
| Warrants (a) | 3,953 | 392,000 | — | 395,953 |
| TOTAL INVESTMENTS IN SECURITIES – ASSETS | \$2,672,888,209 | \$830,985 | \$88,230 | \$2,673,807,424 |

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

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 is 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 and preferred equities, warrants, options, rights, and 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. Among the factors to be considered to fair value a security are 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 Asset Fund

Notes to Schedule of Investments (Unaudited) (Continued)

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

Derivative Financial Instruments. The Fund may engage in various portfolio investment strategies by investing in a number of derivative financial instruments for the purposes of increasing the income of the Fund 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, 2016, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments together with the related counterparty.

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 investments and foreign currency translations. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value 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. At September 30, 2016, the Fund held no investments in forward foreign exchange contracts.

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

The Gabelli Asset Fund

Notes to Schedule of Investments (Unaudited) (Continued)

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.

Restricted Securities. The Fund may invest up to 10% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. At September 30, 2016, the Fund held no restricted securities.

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.

THE GABELLI ASSET FUND
One Corporate Center
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Portfolio Management Team Biographies

Mario J. Gabelli, CFA, is Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer - Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Chief Executive Officer and Chairman of the Board of Directors of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School and Honorary Doctorates from Fordham University and Roger Williams University.

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

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

Jeffrey J. Jonas, CFA, joined Gabelli in 2003 as a research analyst. He focuses on companies in the cardiovascular, healthcare services, and pharmacy benefits management sectors, among others. He also serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Jonas was a Presidential Scholar at Boston College, where he received a BS in Finance and Management Information Systems.

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

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

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Skadden, Arps, Slate, Meagher &
Flom LLP

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THE GABELLI ASSET FUND

*Third Quarter Report
September 30, 2016*

