

GAMCO Mathers Fund

Shareholder Commentary December 31, 2016



Henry G. Van der Eb, CFA

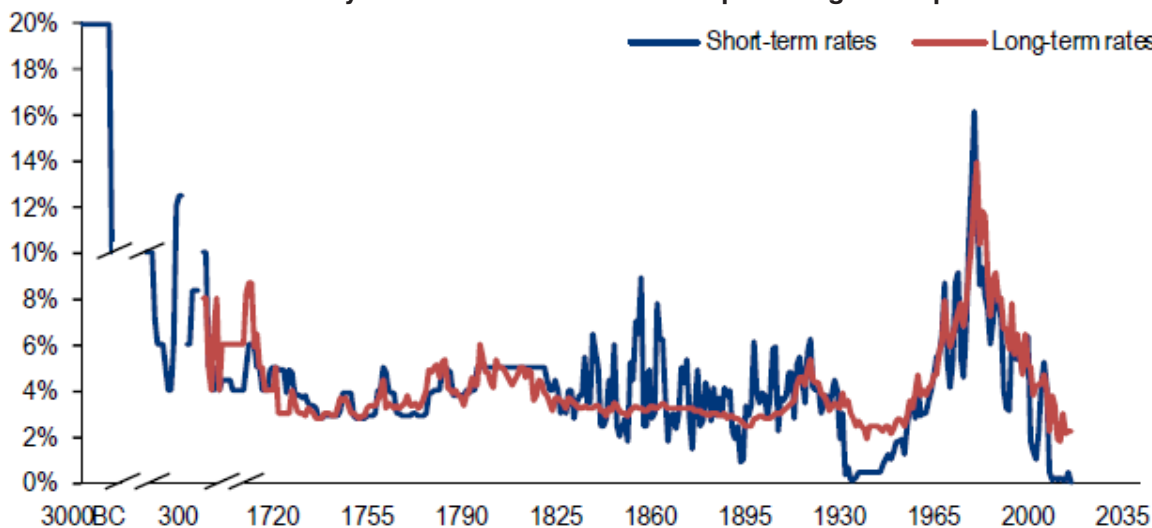
To Our Shareholders,

Having enabled the financial crisis of 2008-09 to occur, the major central banks then tried to reflate the global economy with new asset bubbles by cutting interest rates hundreds of times and buying trillions of dollars of bonds. The result was the artificially lowest interest rates in 5000 years as shown in the BofAML chart below. Rates are rising but current levels are far below an accurate reflection of issuer credit risk.

Stock prices and bond yields have gone up sharply since the presidential election. On Saturday February 11, U.S. Federal Reserve Vice Chair Stanley Fischer, speaking in England said "There is quite significant uncertainty about what's actually going to happen, I don't think anyone quite knows. It's a process which involves both the administration and the Congress in deciding fiscal policy...I don't think Dodd-Frank as a whole is going to be repealed, but there may be some adjustments to it...Significantly reducing capital requirements would reduce the safety of the system. I certainly hope it's not going to happen."

The decade ending December 31, 2009 was unique in two respects. According to Standard & Poor's data starting in 1927, the 2000s was the first negative total return decade as the S&P 500 Index lost 9.11% over this period. The second is that two major bear markets occurred, each hammering the S&P 500 with 50% declines, one lasting from March 2000 to October 2002, and the other from October 2007 to March 2009. A powerful bear market in stocks that could take the S&P 500 down at least fifty percent is looming.

The 5000 year low in interest rates – no place to go but up



Source: BofA Merrill Lynch, Bank of England, Global Financial Data, Homer and Sylla "A History of Interest Rates", (2005)

Investment Performance and Portfolio Highlights

The GAMCO Mathers Fund total return for the twelve months ended December 31, 2016 was (13.44)% versus 11.96% for the S&P 500 Index. At year end, the gross equity exposure was 89.01% (longs plus shorts), comprised of 0.00% long and 89.01% in short positions, with an 89.01% net short exposure (longs minus shorts). The remainder of the portfolio, as has been the case for an extended time period, was invested in short-term U.S. Treasury bills and U.S. Treasury collateralized repurchase agreements. The short stock portfolio segment had a negative return for the year and the long stock and fixed income segments had positive returns. There were no merger arbitrage positions during 2016. Low short-term U.S. Treasury bill yields during 2016 disadvantaged the Fund's overall performance. The Fed raised the federal funds target range to $\frac{1}{4}$ to $\frac{1}{2}$ percent in December 2015 and to $\frac{1}{2}$ to $\frac{3}{4}$ percent in December 2016.

The Fund completed 51 years of operation during 2016 and since inception through December 31, 2016 its average annual total return was 6.29% versus 9.81% for its benchmark S&P 500 Index. During the 2008-09 credit crisis, the Fund's risk averse position preserved capital and outperformed the S&P 500 for the two, three, five, and ten year periods ended December 31, 2009. The Fund had positive returns for the one, two, three, five, and ten year periods ended December 31, 2008 versus the S&P 500, which had negative returns for each of those periods. Due to its high cash position, the Fund took substantially less risk and earned higher returns during those periods than a fully invested S&P 500 index fund.

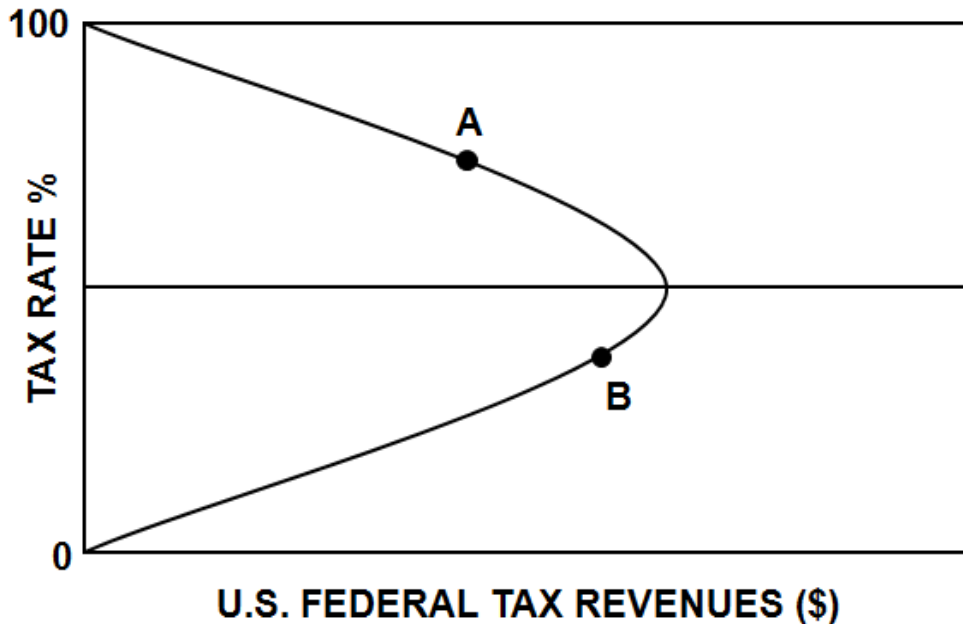
The Fund's gross and net equity exposures and positions may vary significantly from week to week in an effort to control portfolio volatility under various market conditions. Accordingly, the quarter-end data may not be indicative of the gross and net equity exposures that precede and follow each reporting period.

A portion of the Fund's long common stock segment may be invested in takeover target companies subject to all cash tender or merger offers from an acquiring entity. Deal arbitrage stocks typically earn relatively attractive annualized returns, but are held for short time periods. The inherent risk of this investment strategy is if the announced merger or acquisition is not completed, or is renegotiated at a less attractive price, or does not close on the expected date, the price of the security may fall.

Since the SEC's portfolio turnover formula excludes fixed income securities with maturities of less than one year and short sale activity from its denominator, the Fund's turnover rate may appear very high, which can be misleading. This has been the case in some prior years when the Fund's U.S. Treasury bill position was a very high proportion of assets and had a maturity of less than one year, while the average month end dollar value of long stock positions (the denominator) was negligible and long positions were held for short time periods. This may occur in 2016 and beyond as cash positions are used to control risk.

*The GAMCO Mathers Fund performance for the 1-year, 5-year and 10-year periods ended December 31, 2016, was (13.44)%, (9.31)%, and (5.29)%, respectively. The expense ratio reported in the April 30, 2016 prospectus was 4.84% and includes dividend and interest expenses on securities sold short of 2.23%. Average annual returns reflect changes in share price and reinvestment of dividends and are net of expenses. **Returns represent past performance and do not guarantee future results.** 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. The Standard & Poor's 500 Index is an unmanaged indicator of stock market performance. Please visit www.gabelli.com to obtain performance information as of the most recent month end. Short selling of securities poses special risks and may not be suitable for certain investors. Short selling is the sale of a borrowed security and losses are realized if the price of a security increases between the date the security is sold and the date the Fund replaces it.*

LAFFER CURVE



The Trump Economic Plan from a Laffer Curve Perspective

The question now is: Where is the U.S. economy on the Laffer Curve which plots U.S. tax rates vs Federal tax revenues – point A or point B on the above chart? If A, a tax cut will spur growth and result in higher

	Reagan (1982)	Trump (Today)
US govt debt to GDP ratio	30%	77%
Total US debt to GDP ratio	0.9x	3.6x
Household debt to income	62%	130%
Productivity growth	2.00%	0.25%
Inflation	8.0%	1.7%
Personal savings rate	10%	5.5%
Labor force participation	64%	63%
S&P 500 median price-to-sales ratio	0.5x	2.2x
Median age of baby boomers	26	60
Mortgage rates	16.3%	4.0%
10yr UST bond yields	15.0%	2.4%
Fed funds rate	18.0%	0.75%
Trade barriers	Falling	Rising

Source: BofA Merrill Lynch Global Investment Strategy, Bloomberg

tax revenues. If B, tax receipts will remain depressed and the deficit and interest rates will likely rise. Based on the Reagan vs Trump table above, the data skews toward point B since comparatively high debt levels are a powerful secular drag on future economic growth.

Sherry Van der Eb

President and Portfolio Manager

February 12, 2017

Tax Loss Carryforwards Offset Capital Gains

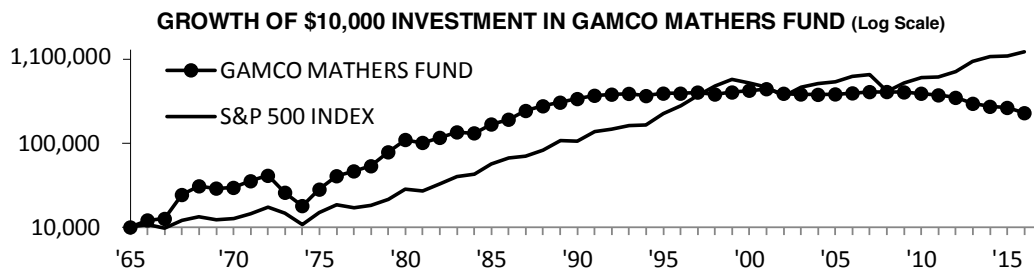
The Fund's tax loss carryforwards from prior years are expected to at least partially offset any net realized portfolio capital gains in the future until the current carryforwards are either used up or expire. Tax losses incurred in fiscal years beginning 2011 have no expiration, but must be utilized first.

www.gabelli.com

Please visit us on the Internet. The Gabelli home page at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Mutual Funds, IRAs, 403(b)s, quarterly reports, closing prices and other current news. You can e-mail us at info@gabelli.com.

Minimum Initial Investment

The Fund's minimum initial investment is \$1,000 for regular and \$250 for all retirement accounts, with no subsequent investment minimums. No initial minimum is required for accounts starting an Automatic Investment Plan. The Fund and other Gabelli/GAMCO Mutual Funds are available through no-transaction fee programs at many major brokerage firms. The Fund imposes a 2% redemption fee on shares sold within 7 days of a purchase. See the Fund's prospectus for more details.



Percent Average Annual Total Returns through December 31, 2016*

	<u>1 YR</u>	<u>5 YRS</u>	<u>10 YRS</u>	<u>20 YRS</u>	<u>30 YRS</u>	<u>51 YRS †</u>
GAMCO MATHERS	(13.44)	(9.31)	(5.29)	(2.64)	0.60	6.29
Standard & Poor's 500	11.96	14.66	6.95	7.69	10.16	9.81

The expense ratio is 4.84% (please see note on page 2) † From start of investment operations on August 19, 1965

* Average annual total returns reflect changes in share price and reinvestment of dividends and are net of expenses. Returns represent past performance and do not guarantee future results. 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. Please visit www.gabelli.com to obtain performance information as of the most recent month end. The Standard & Poor's 500 Index is an unmanaged indicator of stock market performance. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus and summary prospectus contain more information about this and other matters and should be read carefully before investing.** To obtain a copy of the prospectus or summary prospectus, call 800-GABELLI (800-422-3554) or visit www.gabelli.com. Distributed by G.distributors, LLC.

NOTE: The opinions expressed in this report reflect those of the Portfolio Manager only through the date of the shareholder letter and are subject to change at any time based on market and other conditions.

GAMCO Mathers Fund

Annual Report — December 31, 2016



Henry G. Van der Eb, CFA
Portfolio Manager

To Our Shareholders,

The GAMCO Mathers Fund total return for the year ended December 31, 2016 was (13.4)% versus 12.0% for the Standard & Poor's ("S&P") 500 Index. See page 2 for additional performance.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2016.

Performance Discussion (Unaudited)

The GAMCO Mathers Fund total return for the twelve months ended December 31, 2016 was (13.44)% versus 11.96% for the S&P 500 Index. At year end, the gross equity exposure was 89.01% (longs plus shorts), comprised of 0.00% long and 89.01% in short positions, with an 89.01% net short exposure (longs minus shorts). The remainder of the portfolio, as has been the case for an extended time period, was invested in short term U.S. Treasury bills and U.S. Treasury collateralized repurchase agreements.

The short stock portfolio segment had a negative return for the year and the long stock and fixed income segments had positive returns. The Fund's gross and net equity exposures and positions may vary significantly from week to week in an effort to control portfolio volatility under various market conditions. Accordingly, the quarter end data may not be indicative of the gross and net equity exposures that precede and follow each reporting period.

The short stock segment of the portfolio was penalized as stock prices rose for the year in 2016 and particularly during the sharp rally following the presidential election in November. A stronger U.S. dollar during 2016 benefited the performance of the portion of the short stock segment that was comprised of stocks priced in foreign currencies such as the yen and euro. Low short term U.S. Treasury bill yields during 2016 disadvantaged the Fund's overall performance. The Fed raised the federal funds target range to $\frac{1}{4}$ to $\frac{1}{2}$ percent in December 2015 and to $\frac{1}{2}$ to $\frac{3}{4}$ percent in December 2016.

There were no merger arbitrage positions during 2016. A portion of the Fund's long common stock segment may be invested in takeover target companies subject to all cash tender or merger offers from an acquiring entity. Deal arbitrage stocks typically earn relatively attractive annualized returns, but are held for short time periods. The inherent risk of this investment strategy is if the announced merger or acquisition is not completed, or is renegotiated at a less attractive price, or does not close on the expected date, the price of the security may fall.

The Fund completed 51 years of operation during 2016 and since inception through December 31, 2016 its average annual total return was 6.28% versus 9.79% for its benchmark S&P 500 Index. During the 2008-2009 credit crisis, the Fund's risk averse position preserved capital and outperformed the S&P 500 for the two, three, five, and ten year periods ended December 31, 2009. The Fund had positive returns for the one, two, three, five, and ten year periods ended December 31, 2008 versus the S&P 500, which had negative returns for each of those periods.

Percent Average Annual Total Returns through December 31, 2016 (Unaudited) (a)

	<u>1 YR</u>	<u>5 YRS</u>	<u>10 YRS</u>	<u>30 YRS</u>	<u>Since Inception†</u>
GAMCO Mathers Fund	(13.44)%	(9.31)%	(5.29)%	0.60%	6.28%
S&P 500 Index	11.96	14.66	6.95	10.16	9.79(b)

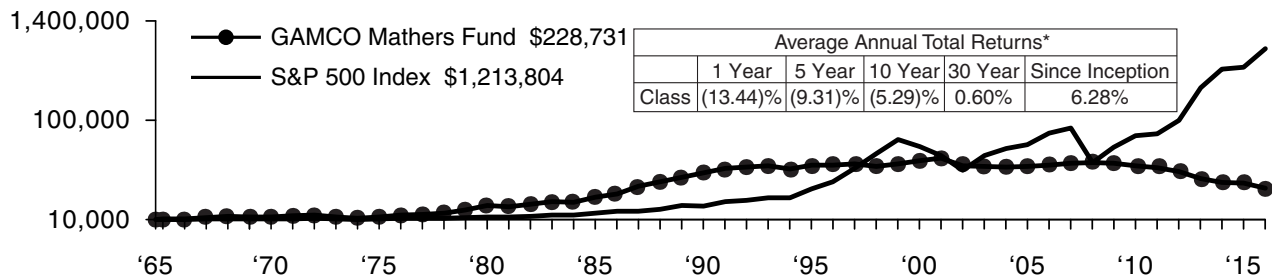
In the current prospectus dated April 29, 2016, the expense ratios for Class AAA is 4.84%. See page 8 for the expense ratio for the year ended December 31, 2016. The Fund does not have a sales charge.

† From commencement of investment operations on August 19, 1965.

(a) Average annual total returns reflect changes in share price and reinvestment of distributions and are net of expenses. Returns represent past performance and do not guarantee future results. The performance and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. 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. Please visit www.gabelli.com to obtain performance information as of the most recent month end. The Standard & Poor's 500 Index is an unmanaged indicator of stock market performance. 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 copy of a prospectus or summary prospectus, please visit our website at www.gabelli.com.

(b) S&P 500 Index since inception performance is as of August 19, 1965.

GROWTH OF \$10,000 INVESTMENT IN GAMCO MATHERS FUND (Log Scale) (Unaudited)



GAMCO Mathers Fund

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from July 1, 2016 through December 31, 2016

Expense Table

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

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

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

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

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

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which are described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. The "Annualized Expense Ratio" represents the actual expenses for the last six months and may be different from the expense ratio in the Financial Highlights which is for the year ended December 31, 2016.

	Beginning Account Value 07/01/16	Ending Account Value 12/31/16	Annualized Expense Ratio	Expenses Paid During Period*
GAMCO Mathers Fund				
Actual Fund Return	\$1,000.00	\$ 908.50	4.77%	\$22.88
Hypothetical 5% Return	\$1,000.00	\$1,001.16	4.77%	\$23.99

* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (184 days), then divided by 366.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of December 31, 2016:

GAMCO Mathers Fund – Long Positions

U.S. Treasury Bills	99.7%
Other Assets and Liabilities (Net) . . .	89.3%

GAMCO Mathers Fund – Short Positions

Exchange Traded Funds	(55.2)%
Retail	(13.2)%
Machinery	(6.7)%
Beverages	(3.7)%
Business Services	(2.7)%
Aerospace	(2.4)%
Computer Software and Services . . .	(2.0)%
Consumer Products	(1.4)%
Financial Services	(1.1)%
Electronics	(0.6)%
	<u>100.0%</u>

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the “SEC”) for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at www.gabelli.com or by calling the Fund at 800-GABELLI (800-422-3554). The Fund’s Form N-Q is available on the SEC’s website at www.sec.gov and may also be reviewed and copied at the SEC’s Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. A description of the Fund’s proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC’s website at www.sec.gov.

GAMCO Mathers Fund

Statement of Assets and Liabilities December 31, 2016

Assets:	
Investments, at value (cost \$12,970,630)	\$12,970,630
Cash	86,949
Deposit at brokers	12,722,415
Receivable for Fund shares sold	8,000
Prepaid expenses	14,471
Total Assets	<u>25,802,465</u>
Liabilities:	
Securities sold short, at value (proceeds \$11,097,795)	11,572,295
Payable for investments purchased	1,153,880
Payable for investment advisory fees	12,090
Payable for distribution fees	3,023
Dividends payable on securities sold short	13,290
Other accrued expenses	38,364
Total Liabilities	<u>12,792,942</u>
Net Assets (applicable to 2,220,472 shares outstanding)	<u>\$13,009,523</u>
Net Assets consist of:	
Paid-in capital	\$18,866,560
Accumulated net realized loss on investments and securities sold short	(5,382,537)
Net unrealized depreciation on securities sold short	(474,500)
Net Assets	<u>\$13,009,523</u>
Shares of Beneficial Interest, each at \$0.001 par value; unlimited number of shares authorized:	
Net Asset Value , offering, and redemption price per share (\$13,009,523 ÷ 2,220,472 shares outstanding)	<u>\$ 5.86</u>

Statement of Operations For the Year Ended December 31, 2016

Investment Income:	
Interest	\$ 52,176
Total Investment Income	<u>52,176</u>
Expenses:	
Investment advisory fees	197,370
Distribution fees	49,343
Dividend expense on securities sold short	345,004
Service fees for securities sold short (see Note 2)	120,988
Trustees' fees	53,001
Legal and audit fees	41,366
Shareholder communications expenses	32,760
Registration expenses	30,042
Shareholder services fees	23,671
Custodian fees	2,667
Interest expense	5
Miscellaneous expenses	12,011
Total Expenses	<u>908,228</u>
Less:	
Reimbursement for custody fees*	(69,214)
Net Expenses	<u>839,014</u>
Net Investment Loss	<u>(786,838)</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Securities Sold Short:	
Net realized gain on investments	4,191
Net realized loss on securities sold short	(1,885,005)
Net realized loss on investments and securities sold short	(1,880,814)
Net change in unrealized appreciation/depreciation on securities sold short	(356,371)
Net Realized and Unrealized Loss on Investments and Securities Sold Short	<u>(2,237,185)</u>
Net Decrease in Net Assets Resulting from Operations	<u>\$(3,024,023)</u>

* The Fund received a one time reimbursement of custody expenses paid in prior years.

See accompanying notes to financial statements.

GAMCO Mathers Fund

Statement of Changes in Net Assets

	<u>Year Ended</u> <u>December 31, 2016</u>	<u>Year Ended</u> <u>December 31, 2015</u>
Operations:		
Net investment loss	\$ (786,838)	\$ (704,872)
Net realized gain/(loss) on investments and securities sold short	(1,880,814)	272,487
Net change in unrealized depreciation on securities sold short	<u>(356,371)</u>	<u>(27,486)</u>
Net Decrease in Net Assets Resulting from Operations	<u>(3,024,023)</u>	<u>(459,871)</u>
Shares of Beneficial Interest Transactions:		
Net increase in net assets from shares of beneficial interest transactions	<u>1,250,541</u>	<u>906,978</u>
Redemption Fees	<u>582</u>	<u>2</u>
Net Increase/(Decrease) in Net Assets	<u>(1,772,900)</u>	<u>447,109</u>
Net Assets:		
Beginning of year	<u>14,782,423</u>	<u>14,335,314</u>
End of year (including undistributed net investment income of \$0 and \$0, respectively)	<u>\$13,009,523</u>	<u>\$14,782,423</u>

See accompanying notes to financial statements.

GAMCO Mathers Fund

Financial Highlights

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

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Operating Performance:					
Net asset value, beginning of year	\$ 6.77	\$ 6.98	\$ 7.58	\$ 8.92	\$ 9.55
Net investment loss(a)	(0.26)	(0.33)	(0.33)	(0.31)	(0.28)
Net realized and unrealized gain/(loss) on investments and securities sold short	(0.65)	0.12	(0.27)	(1.03)	(0.35)
Total from investment operations	(0.91)	(0.21)	(0.60)	(1.34)	(0.63)
Net Asset Value, End of Year	\$ 5.86	\$ 6.77	\$ 6.98	\$ 7.58	\$ 8.92
Total return†	(13.44)%	(3.01)%	(7.92)%	(15.02)%	(6.60)%
Ratios to Average Net Assets and Supplemental Data:					
Net assets, end of year (in 000's)	\$13,010	\$14,782	\$14,335	\$11,223	\$20,809
Ratio of net investment loss to average net assets	(3.99)%	(4.81)%	(4.51)%	(3.73)%	(3.04)%
Ratio of operating expenses to average net assets(b)	4.60%(c)	4.84%(d)	4.54%	3.80%	3.11%
Portfolio turnover rate	0%	0%	513%	0%	3,328%

† Total return represents aggregate total return of a hypothetical \$1,000 investment at the beginning of the year and sold at the end of the year including reinvestment of distributions.

- (a) Per share data is calculated using the average shares outstanding method.
- (b) The Fund incurred dividend expense and service fees on securities sold short. If these expenses and fees had not been incurred, the ratios of operating expenses to average net assets for the years ended December, 31, 2016, 2015, 2014, 2013, and 2012 would have been 2.24%, 2.61%, 2.82%, 2.79% and 2.62%, respectively.
- (c) During the year ended December 31, 2016, the Fund received a one time reimbursement of custody expenses paid in prior years. Had such reimbursement been included in this year, the expense ratios would have been 4.25% .
- (d) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. Had such payments not been made, the expense ratios for the year ended December 31, 2015 would have been 4.85%. There were no broker credits in 2016.

See accompanying notes to financial statements.

GAMCO Mathers Fund

Notes to Financial Statements

1. Organization. GAMCO Mathers Fund was organized on June 17, 1999 as a Delaware statutory trust. The Fund commenced investment operations on October 1, 1999 as the successor to the Mathers Fund, Inc. (the “Mathers Fund”) which was organized on March 31, 1965 as a Maryland corporation. The Mathers Fund commenced investment operations on August 19, 1965. The Fund is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund seeks to achieve capital appreciation over the long term in various market conditions without excessive risk of capital loss.

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

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 GAMCO Asset Management, Inc. (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.

GAMCO Mathers Fund

Notes to Financial Statements (Continued)

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

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

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of December 31, 2016 is as follows:

	Valuation Inputs		Total Market Value at 12/31/16
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	
INVESTMENTS IN SECURITIES:			
ASSETS (Market Value):			
Short Term Obligations:			
U.S. Treasury Bills	—	\$12,970,630	\$ 12,970,630
TOTAL INVESTMENTS IN SECURITIES – ASSETS	—	\$12,970,630	\$ 12,970,630
LIABILITIES (Market Value):			
Securities Sold Short (a)	\$(11,572,295)	—	\$(11,572,295)
TOTAL INVESTMENTS IN SECURITIES – LIABILITIES	\$(11,572,295)	—	\$(11,572,295)

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

The Fund did not have transfers between Level 1 and Level 2 during the year ended December 31, 2016. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

There were no Level 3 investments held at December 31, 2016 or 2015.

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 or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. When fair valuing a security, factors to consider include recent prices of comparable

GAMCO Mathers Fund

Notes to Financial Statements (Continued)

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. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

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

Repurchase Agreements. The Fund may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Board, with member banks of the Federal Reserve System, or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. It is the policy of the Fund to receive and maintain securities as collateral whose market value is not less than their repurchase price. The Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited. At December 31, 2016, the Fund did not hold any repurchase agreements.

Securities Sold Short. The Fund enters into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis. The broker retains collateral for the value of the open positions, which is adjusted periodically as the value of the position fluctuates. Securities sold short and details of collateral at December 31, 2016 are reflected within the Schedule of Investments. For the year ended December 31, 2016, the Fund incurred \$120,988 in service fees related to its investment positions sold short and held by the broker. These amounts are included in the Statement of Operations under Expenses, Service fees for securities sold short.

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

GAMCO Mathers Fund

Notes to Financial Statements (Continued)

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

Distributions to Shareholders. Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. These book/ tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to write-off of the current year net operating loss and short dividend expense reclass. These reclassifications have no impact on the net asset value ("NAV") per share of the Fund. For the year ended December 31, 2016, reclassifications were made to decrease accumulated net investment loss by \$786,838 and increase accumulated net realized loss on investments and securities sold short by \$3,793, with an offsetting adjustment to paid-in capital.

No distributions were made during the years ended December 31, 2016 or 2015.

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

As December 31, 2016, the components of accumulated earnings/losses on a tax basis were as follows:

Accumulated capital loss carryforwards	\$(4,676,382)
Net unrealized depreciation on investments	<u>(1,180,655)</u>
Total	<u><u>\$(5,857,037)</u></u>

At December 31, 2016, the Fund had net capital loss carryforwards for federal income tax purposes which are available to reduce future required distributions of net capital gains to shareholders. Under the Regulated Investment Company Modernization Act of 2010, the Fund is permitted to carry forward for an unlimited period capital losses incurred in years beginning after December 22, 2010. In addition, these losses must be utilized prior to the losses incurred in pre-enactment taxable years. As a result of the rule, pre-enactment capital loss carryforwards may have an increased likelihood of expiring unused. Additionally, post enactment capital losses that are carried forward will retain their character as either short term or long term capital losses rather than being considered all short term as under previous law.

Capital loss carryforward available through 2018	\$ 151,917
Short term capital loss carryforward with no expiration	<u>4,524,465</u>
Total capital loss carryforwards	<u><u>\$4,676,382</u></u>

GAMCO Mathers Fund

Notes to Financial Statements (Continued)

The following summarizes the tax cost of investments, proceeds from short sales, and the related net unrealized depreciation at December 31, 2016:

	<u>Cost/ (Proceeds)</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Depreciation</u>
Investments	\$ 12,970,630	—	—	—
Securities sold short . . .	(11,097,795)	\$148,971	\$(623,471)	\$(474,500)
		<u>\$148,971</u>	<u>\$(623,471)</u>	<u>\$(474,500)</u>

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. For the year ended December 31, 2016, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2016, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. The Fund's federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

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

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

4. Distribution Plan. The Fund's Board has adopted a distribution plan (the "Plan") pursuant to Rule 12b-1 under the 1940 Act. Under the Plan, payments are authorized to G.distributors, LLC (the "Distributor"), an affiliate of the Adviser, at an annual rate of 0.25% of its average daily net assets, the annual limitation under the Plan. Such payments are accrued daily and paid monthly.

5. Portfolio Securities. Purchases and sales of securities during the year ended December 31, 2016, other than short term securities and U.S. Government obligations, aggregated \$773,902 and \$776,535, respectively.

6. Line of Credit. The Fund participates in an unsecured line of credit, which expires on March 9, 2017 and may be renewed annually, of up to \$75,000,000 under which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bears interest at a floating rate equal to the higher of the overnight Federal Funds rate plus 125 basis points or the 30 day LIBOR plus 125 basis points in effect on that day. This amount, if any, would be included in "Interest expense" in the

GAMCO Mathers Fund
Notes to Financial Statements (Continued)

Statement of Operations. During the year ended December 31, 2016, there were no borrowings outstanding under the line of credit.

7. Shares of Beneficial Interest. Transactions in shares of beneficial interest were as follows:

	Year Ended December 31, 2016		Year Ended December 31, 2015	
	Shares	Amount	Shares	Amount
Shares sold.....	3,113,623	\$ 21,611,442	593,328	\$ 4,027,855
Shares redeemed	(3,075,578)	(20,360,901)	(463,384)	(3,120,877)
Net increase	<u>38,045</u>	<u>\$ 1,250,541</u>	<u>129,944</u>	<u>\$ 906,978</u>

The Fund imposes a redemption fee of 2.00% on shares that are redeemed or exchanged on or before the seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund as an increase in paid-in capital. The redemption fees retained by the Fund during the years ended December 31, 2016 and 2015, if any, can be found in the Statement of Changes in Net Assets under Redemption Fees.

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

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

GAMCO Mathers Fund

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of
GAMCO Mathers Fund:

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of GAMCO Mathers Fund (the "Fund"), as of December 31, 2016, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2016, by correspondence with the Fund's custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Fund at December 31, 2016, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

The signature of Ernst & Young LLP is written in a blue, cursive script. The words "Ernst & Young" are connected, and "LLP" is written separately to the right.

New York, New York
February 28, 2017

GAMCO MATHERS FUND

Board Consideration and Re-Approval of Management Agreements (Unaudited)

At its meeting on August 16, 2016, the Board of Trustees (“Board”) of the Fund approved the continuation of the investment advisory agreement with the Adviser for the Fund on the basis of the recommendation by the trustees who are not “interested persons” (the “independent trustees”) of the Fund. The following paragraphs summarize the material information and factors considered by the independent trustees as well as their conclusions relative to such factors.

1. The nature, extent, and quality of services provided by the Adviser.

The Board reviewed in detail the nature and extent of the services provided by the Adviser under the Agreement and the quality of those services over the past year. The Board noted that these services included managing the investment program of the Fund, including the purchase and sale of portfolio securities, as well as the provision of general corporate services. The Board considered that the Adviser also provided, at its expense, office facilities for use by the Fund and supervisory personnel responsible for supervising the performance of administrative, accounting, and related services for the Fund, including, net asset value determinations, yield calculations, and monitoring to assure compliance with stated investment policies and restrictions under the 1940 Act and related securities regulations. The Board noted that, in addition to managing the investment program for the Fund, the Adviser provided certain non-advisory and compliance services, including services under the Fund’s Rule 38a-1 compliance program.

The Board also considered that the Adviser paid for all compensation of officers and Board Members of the Fund who are affiliated with the Adviser and that the Adviser further provided services to shareholders of the Fund who had invested through various programs offered by third party financial intermediaries. The Board evaluated these factors based on its direct experience with the Adviser and in consultation with Fund Counsel. The Board noted that the Adviser had engaged, at its expense, BNY Mellon Investment Servicing (US) Inc. (“BNY”) to assist it in performing certain of its administrative functions. The Board concluded that the nature and extent of the services provided was reasonable and appropriate in relation to the advisory fee, that the level of service provided by the Adviser, either directly or through BNY, had not diminished over the past year, and that the quality of service continued to be high.

The Board reviewed the personnel responsible for providing services to the Fund and concluded, based on their experience and interaction with the Adviser, that (i) the Adviser was able to retain quality personnel, (ii) the Adviser and its agents exhibited a high level of diligence and attention to detail in carrying out their advisory and administrative responsibilities under the Advisory Agreement, (iii) the Adviser was responsive to requests of the Board, (iv) the scope and depth of the Adviser’s resources was adequate, and (v) the Adviser had kept the Board apprised of developments relating to the Fund and the industry in general. The Board also focused on the Adviser’s reputation and long standing relationship with the Fund. The Board also believed that the Adviser had devoted substantial resources and made substantial commitments to address new regulatory compliance requirements applicable to the Fund.

2. The performance of the Fund, the Adviser.

The Board reviewed the investment performance of the Fund, on an absolute basis, as compared with its Broadridge peer group of other SEC registered funds, and against the Fund’s broad based securities market benchmark as reflected in the Fund’s prospectus and annual report. The Board also considered rankings and ratings of the Fund issued by Broadridge over the short, intermediate, and long term. The Board considered the Fund’s one, three, five, and ten year average total return for the periods ended June 30, 2016, but placed greater

GAMCO MATHERS FUND

Board Consideration and Re-Approval of Management Agreements (Unaudited) (Continued)

emphasis on the Fund's longer term performance. The peer group considered by the Board was developed by Broadridge and was comprised of specialty diversified equity funds (the "Performance Peer Group"). The Fund's performance against the Performance Peer Group was considered by the Board as providing an objective comparative benchmark against which the Fund's performance could be assessed. In general, the Board considered these comparisons helpful in their assessment as to whether the Adviser was obtaining for the Fund's shareholders the total return performance that was available in the marketplace, given the Fund's objectives, strategy, limitations, and restrictions. In reviewing the Fund's performance, the Board noted that the Fund's performance was below the median for the three year period and above the median for the one, five, and ten year periods.

The Board also considered an analysis prepared by the portfolio manager comparing the Fund's relatively lower net asset value volatility (based on annual total return standard deviations) with other actively managed "bear" funds and the Inverse S&P 500 Index. This analysis showed that the Fund's returns were similar to this peer group but with lower annual volatility (due to the Fund's relatively high cash position). The Board also considered the Adviser's comment that the lower volatility reflected lower portfolio risk.

In connection with its assessment of the performance of the Adviser, the Board considered the Adviser's financial condition and whether it had the resources necessary to continue to carry out its functions under the Advisory Agreement. The Board concluded that the Adviser had the financial resources necessary to continue to perform its obligations under the Advisory Agreement and to continue to provide the high quality services that it has provided to the Fund to date.

3. The cost of the advisory services and the profits to the Adviser and its affiliates from the relationship with the Fund.

In connection with the Board's consideration of the cost of the advisory services and the profits to the Adviser and its affiliates from the relationship with the Fund, the Board considered a number of factors. First, the Board compared the level of the advisory fee for the Fund against comparative Broadridge expense peer groups ("Expense Peer Group"). The Board also considered comparative non-management fee expenses and comparative total expenses of the Fund and the Expense Peer Group. The Board considered this information as useful in assessing whether the Adviser was providing services at a cost that was competitive with other similar funds. The Board noted that the Fund's advisory fee and expense ratio were higher than the median compared with those of the Expense Peer Group for the Fund.

The Board Members also reviewed the fees charged by the Adviser to provide similar advisory services to other registered investment companies or accounts with similar investment objectives, noting that in some cases the fees charged by the Adviser were the same, or lower, than the fees charged to the Fund.

The Board also considered an analysis prepared by the Adviser of the estimated profitability to the Adviser of its relationship with the Fund and reviewed with the Adviser its cost allocation methodology in connection with its profitability. In this regard, the Board reviewed Pro-forma Income Statements of the Adviser for the year ended December 31, 2015. The Board considered one analysis for the Adviser as a whole, and a second analysis for Gabelli Funds, LLC, the prior investment adviser, with respect to the Fund. With respect to the Fund analysis, the Board received an analysis based on the Fund's average net assets during the period as well as a pro-forma analysis of profitability at higher and lower asset levels. The Board concluded that the profitability of the Fund to the Adviser under either analysis was not excessive.

GAMCO MATHERS FUND

Board Consideration and Re-Approval of Management Agreements (Unaudited) (Continued)

4. The extent to which economies of scale will be realized as the Fund grows and whether fee levels reflect those economies of scale.

With respect to the Board's consideration of economies of scale, the Board discussed whether economies of scale would be realized by the Fund at higher asset levels. The Board also reviewed data from the Expense Peer Group to assess whether the Expense Peer Group funds had advisory fee breakpoints and, if so, at what asset levels. The Board also assessed whether certain of the Adviser's costs would increase if asset levels rise. The Board concluded that under foreseeable conditions, they were unable to assess at this time whether economies of scale would be realized by the Fund if it were to experience significant asset growth. In the event there was to be significant asset growth in the Fund, the Board determined to reassess whether the advisory fee appropriately took into account any economies of scale that had been realized as a result of that growth.

5. Other Factors.

In addition to the above factors, the Board also discussed other benefits received by the Adviser from its management of the Fund. The Board considered that the Adviser does use soft dollars in connection with its management of the Fund.

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

GAMCO Mathers Fund

Additional Fund Information (Unaudited)

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

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Number of Funds in Fund Complex Overseen by Trustee</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Trustee⁵</u>
INTERESTED TRUSTEES³:				
Mario J. Gabelli, CFA Trustee and Chairman Age: 74	Since 1999	31	Chairman, Chief Executive Officer, and Chief Investment Officer—Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer—Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies within the Gabelli/GAMCO Fund Complex; Chief Executive Officer of GGCP, Inc.; Executive Chairman of Associated Capital Group, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications); Director of RLJ Acquisition Inc. (blank check company) (2011-2012)
Henry G. Van der Eb, CFA⁴ Trustee, President and Chief Executive Officer Age: 71	Since 1976	2	Senior Vice President of GAMCO Investors, Inc. (since August 2004); Senior Vice President and Portfolio Manager of Gabelli Funds, LLC and GAMCO Asset Management Inc. (since 1999); President and CEO of GAMCO Mathers Fund (since 1999)	—
INDEPENDENT TRUSTEES⁶:				
M. Bruce Adelberg Trustee Age: 80	Since 2009	2	Consultant, MBA Research Group	—
E. Val Cerutti Trustee Age: 77	Since 2001	7	Chief Executive Officer of Cerutti Consultants, Inc.	—
Anthony S. Colavita Trustee Age: 55	Since 2009	4	Attorney, Anthony S. Colavita, P.C.	—
Vincent D. Enright Trustee Age: 73	Since 1999	17	Former Senior Vice President and Chief Financial Officer of KeySpan Corp. (public utility) (1994-1998)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics) (2008-2014); Director of LGL Group, Inc. (diversified manufacturing) (2011-2014)
Anthony R. Pustorino Trustee Age: 91	Since 1999	13	Certified Public Accountant; Professor Emeritus, Pace University	Director of The LGL Group, Inc. (diversified manufacturing) (2004-2011)
Werner J. Roeder, MD Trustee Age: 76	Since 1999	23	Practicing private physician; Former Medical Director of Lawrence Hospital (1999-2014)	—
Anthonie C. van Ekris Trustee Age: 82	Since 1999	22	Chairman and Chief Executive Officer of BALMAC International, Inc. (global import/export company)	—

GAMCO Mathers Fund

Additional Fund Information (Continued) (Unaudited)

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Principal Occupation(s) During Past Five Years</u>
OFFICERS:		
Bruce N. Alpert Executive Vice President Age: 65	Since 2006	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of registered investment companies within the Gabelli/GAMCO Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008; Director of Teton Advisors, Inc., 1998-2012; Chairman of Teton Advisors, Inc., 2008-2010
Agnes Mullady Treasurer Age: 58	Since 2006	President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2010; Chief Executive Officer of G.distributors, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Executive Vice President of Associated Capital Group, Inc. since November 2016; Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex
Andrea R. Mango Secretary Age: 44	Since 2013	Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of all registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of all closed-end funds within the Gabelli/GAMCO Fund Complex since 2014; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company, 2011-2013; Vice President and Counsel of Deutsche Bank, 2006-2011
Anne E. Morrissy, CFA⁴ Executive Vice President Age: 54	Since 1987	Executive Vice President of GAMCO Mathers Fund and Vice President of GAMCO Investors, Inc. since 1999
Edith L. Cook⁴ Vice President Age: 75	Since 1984	Vice President of GAMCO Mathers Fund since 1999
Heidi M. Koontz⁴ Vice President Age: 48	Since 1995	Vice President of GAMCO Mathers Fund since 1999
Richard J. Walz Chief Compliance Officer Age: 57	Since 2013	Chief Compliance Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013; Chief Compliance Officer of Cutwater Asset Management, 2004-2011

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

² Each Trustee will hold office for an indefinite term until the earliest of (i) the next meeting of shareholders, if any, called for the purpose of considering the election or re-election of such Trustee and until the election and qualification of his or her successor, if any, elected at such meeting, or (ii) the date a Trustee resigns or retires, or a Trustee is removed by the Board of Trustees or shareholders, in accordance with the Fund's By-Laws and Declaration of Trust. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

³ "Interested person" of the Fund as defined in the 1940 Act. Messrs. Gabelli and Van der Eb are each considered an "interested person" because of their affiliation with GAMCO Asset Management, Inc. which acts as the Fund's investment adviser.

⁴ Address: 2801 Lakeside Drive, Suite 201, Bannockburn, IL 60015.

⁵ This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended, i.e., public companies, or other investment companies registered under the 1940 Act.

⁶ Trustees who are not interested persons are considered "Independent" Trustees.

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. that is a publicly held company with subsidiaries and affiliates that provide investment advisory services for a variety of clients.

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

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

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

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

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

What do we do to protect your personal information?

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

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GAMCO MATHERS FUND
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Portfolio Manager Biography

Henry G. Van der Eb, CFA, joined Gabelli Funds, LLC in 1999 as President and Portfolio Manager of the GAMCO Mathers Fund which he has managed for over twenty years. He is also a Senior Vice President of GAMCO Investors, Inc. Prior to joining Gabelli, he was the owner and President of Mathers & Company, a Chicago based investment advisory firm, and Chairman of the Mathers Fund. He served as President of the Investment Analysts Society of Chicago from 1979 - 1980. Mr. Van der Eb received an M.B.A. with honors from Northwestern University Graduate School of Management and a B.A. from Vanderbilt University.

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

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Net Asset Value per share available daily
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