

The Gabelli Asset Fund

Shareholder Commentary – March 31, 2017

(Y)our Portfolio Management Team



Mario J. Gabelli, CFA
Chief Investment Officer



Christopher J. Marangi
Co-Chief Investment Officer
BA, Williams College
MBA, Columbia
Business School



Kevin V. Dreyer
Co-Chief Investment Officer
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Jeffrey J. Jonas, CFA
Portfolio Manager
BS, Boston College

To Our Shareholders,

For the quarter ended March 31, 2017, the net asset value (“NAV”) per Class AAA Share of The Gabelli Asset Fund increased 5.7% compared with an increase of 6.1% for the Standard & Poor’s (“S&P”) 500 Index. See page 2 for additional performance information.

First Quarter Commentary

The post-election rally of 2016 continued into the first quarter of 2017, with the U.S. equity market setting all-time highs. Rising expectations for lower taxes, regulatory reform, and increased fiscal spending have generated optimism for both businesses and consumers, and translated into higher stock prices. Robust hiring, falling unemployment, and firming wage growth opened the door for the Federal Reserve to raise short-term interest rates for the third time since the financial crisis, increasing the federal funds rate to $\frac{3}{4}$ to 1 percent in a widely anticipated move.

Warning bells rang, however, following the failure of the Republican-controlled Congress to repeal and replace the Affordable Care Act, a key promise of the Trump administration. After a long and extended run, markets finally took a pause to evaluate the new administration’s ability to delivery on policy and to question the unity of a Republican party and consider the possibility of more Washington “gridlock”. Failing to dismantle Obamacare caused markets to reassess the probability of a business friendly agenda, especially tax reform and a large infrastructure bill, over the next four years. At the same time, the rate increase serves as a reminder that rising rates often have a negative implication for stock price multiples. Earnings may always rise fast enough in order to compensate for this effect, but rising earnings are predicated on President Trump enacting at least some of his agenda – which is why political news continues to take center stage.

Comparative Results

Average Annual Returns through March 31, 2017 (a)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (3/3/86)
Class AAA (GABAX)	5.74%	14.90%	10.31%	6.81%	8.09%	11.83%
S&P 500 Index	6.07	17.17	13.30	7.51	7.09	10.33(d)
Dow Jones Industrial Average	4.98	19.56	12.04	8.03	7.31	11.21(d)
Nasdaq Composite Index	10.13	22.93	15.38	10.60	9.23	9.30(d)
Class A (GATAX)	5.74	14.88	10.31	6.81	8.09	11.83
With sales charge (b)	(0.34)	8.27	9.01	6.17	7.67	11.61
Class C (GATCX)	5.53	14.03	9.48	6.01	7.38	11.48
With contingent deferred sales charge (c)	4.53	13.03	9.48	6.01	7.38	11.48
Class I (GABIX)	5.81	15.19	10.58	7.05	8.26	11.92

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 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.

Outside the U.S., markets continue to digest the populist upheavals that have occurred not only in America, but around the globe. Theresa May invoked Article 50 of the Treaty on European Union, formally starting the process of the withdrawal of the United Kingdom. Presidential elections will be held soon in France, and while Marine Le Pen is still considered a long shot, political dynamics in 2016 have taught us not to rule her out. A Le Pen win could ultimately change the relationship EU members have with one another, or even lead to the dissolution of the group (and the euro) entirely. All this, combined with continued saber-rattling by North Korea and conflict in Syria, show that the world continues to be a tumultuous place. External, unanticipated events can and will impact the stock market.

With this backdrop, we believe this is a great time to research and pick individual stocks using our Private Market Value (PMV) with Catalyst™ selection process. The wide variety of policy initiatives of the new administration is generating catalysts and opportunities for corporate America and will likely stimulate global deal activity. At the same time, uncertainty may lead to attractive entry points for certain companies.

Deals, Deals & More Deals

Worldwide announced M&A activity totaled \$777.7 billion during the first quarter of 2017, a 12% increase year over year. U.S. healthcare giant Johnson & Johnson's (0.3% of net assets as of March 31, 2017) \$30 billion takeover of Swiss biotech Actelion Ltd was the largest so far this year, while U.K. household products maker Reckitt Benckiser (0.2%) agreed to pay \$18 billion for U.S. baby formula producer Mead Johnson Nutrition. Other deals were attempted less successfully: Kraft Heinz's (0.1%) \$143 billion "bear hug" bid for Unilever Plc (0.1%) was spurned, while Netherlands paint manufacturer Akzo Nobel NV rejected a \$24 billion bid from Pittsburgh-based PPG Industries. More deal making could come once there is clarity on tax reform, as well as a better sense for regulatory scrutiny by the Trump administration.

Conclusion

While optimism is on the rise, we anticipate continued volatility in markets due to politics, monetary policy, or other external factors. We believe our bottom-up process of seeking high-quality companies trading at a discount to Private Market Value – the price an informed industrialist would pay to own an entire business – is as timely as ever. With M&A activity increasing, we expect industry consolidation to be an important catalyst for stock performance in coming quarters.

Investment Scorecard

The top contributors to performance in the first quarter included Twenty-First Century Fox Inc. (2.6% of net assets as of March 31, 2017) (+16%), which appreciated as investors gained comfort with the pending Sky transaction, narrowing the valuation gap to other large media companies; Sony Corp. (1.2%) (+20%), which is recognized by its dominance of the \$100 billion video game industry and its importance as a preferred supplier of image sensors to Apple Inc. (.07%), and also benefited from the strength of the Japanese yen; Ametek Inc. (1.6%) (+11%), which in February acquired Rauland-Borg, a manufacturer of communication devices for the healthcare industry which provides growth opportunities in the international and educational markets; Viacom Inc. (0.8%) (+27%), which appreciated as investors gained confidence in new CEO Bob Bakish's strategy, refocusing the company's channels around six key brands, and better using those brands to support the Paramount film slate; and Rogers Communications (1.1%) (+15%), which delivered solid fourth quarter results

for revenue and operating profit growth, and announced guidance for a stronger growth profile (operating profit and cash flow growth of 2%-4%) for 2017.

Detractors from performance included Navistar International Corp. (0.4%) (-21%), which declined following the exceptionally strong 2016 stock performance due to the Volkswagen investment (which closed during the quarter) as the company's market share continues to disappoint; Telephone & Data Systems (1.0%) (-8%), which was impacted by the 14% decline in 83% owned US Cellular; Exxon Mobil (0.5%) (-8%), which gave back some of its 2016 second half gains as it continues to cope with prolonged low oil and natural gas prices; Cincinnati Bell (0.2%) (-20%), which declined on investor disappointment that meaningful FCF generation will be delayed until at least 2018 due to continued elevated CAPEX related to Fioptics rollout and \$25 million in cash restructuring and severance charges; and US Cellular (0.3%) (-14%), which reported mixed fourth quarter 2016 results in early March, with weaker than expected revenues and subscriber net adds, but stronger EBITDA, and provided 2017 guidance that was softer than expected.

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 March 31, 2017.

Aerjet Rocketdyne Holdings Inc. (0.4% of net assets as of March 31, 2017) (AJRD – \$21.70 – NYSE) (Cv. 4.0625%, 12/31/2039) is a leading manufacturer of liquid and solid propulsion systems. These systems are utilized for manned and unmanned spacecraft, launch vehicles, missile defense systems, tactical missiles, and armament system applications for aerospace and defense markets. With increasing tension with the Soviet Union, Congress passed legislation to stop using the Russian-made engines on the Atlas V, which sends military satellites to space, by 2021. AJRD is the leader in building liquid propellant rocket engines, with more than 60 years of space launch experience. AJRD's AR-1 is an American made alternative to foreign supplied engines, designed to integrate with the Atlas V and other launch vehicles with minimal changes to the vehicle, launch pad, and related infrastructure. AJRD received funding for the development of this rocket engine, which could generate future recurring revenues after production. Further, AJRD owns approximately 5,300 acres of land near Sacramento, California, that is in various stages of entitlement for residential development. In June 2015, the company sold about 700 acres for the development of residential and commercial properties. We believe AJRD could monetize all of its real estate holdings over time, and thereby increase its per share private market value.

Bank of New York Mellon Corp. (1.2%) (BK – \$47.23 – 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 December 31, 2016, the firm had \$30.0 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.

Berkshire Hathaway Inc. (1.6%) (BRK-A – \$249.850 – NYSE), based in Omaha, Nebraska, is the holding company for a diverse group of operating subsidiaries, including insurance, freight rail transportation, utilities and energy, finance, services, and retailing. The subsidiaries operate in an autonomous fashion, while investment and capital allocation decisions are managed by 86 year-old Warren Buffett in consultation with 92 year-old Charlie Munger. From 1965 through December 31, 2016, the firm had an annual compounded gain on book value of 19.0%.

Genuine Parts Co. (1.6%) (GPC – \$92.41 – NYSE) is an Atlanta, Georgia-based distributor of automotive and industrial replacement parts, office products, and electrical and electronic components. We expect GPC's well known NAPA Auto Parts group to benefit as an aged vehicle population, which includes the highest percentage of off warranty vehicles in history, helps drive sales of automotive aftermarket products over the next several years. Additionally, economic indicators remain supportive of the company's industrial and electrical parts distribution businesses amid steady economic expansion. Finally, GPC's management has shown consistent dedication to shareholder value via share repurchases and dividend increases.

Honeywell International Inc. (1.4%) (HON – \$124.87 – 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.

Mondelēz International Inc. (0.7%) (MDLZ – \$43.08 – NASDAQ), headquartered in Deerfield, Illinois, is the renamed Kraft Foods Inc. following the tax-free spin-off to shareholders of the North American grocery business on October 1, 2012. Following the contribution of coffee into a new joint venture, nearly 85% of Mondelēz's \$26 billion of revenue is derived from snacking, including leading brands such as Oreo, LU and Ritz biscuits, Trident gum, and Cadbury and Milka chocolates. On July 2, 2015 Mondelēz combined its coffee business with D.E Master Blenders 1753 to form a new coffee company, Jacobs Douwe Egberts. Subsequently, MDLZ exchanged part of its stake in this coffee joint venture for 24% ownership in Keurig Green Mountain, which was acquired by an investor group led by JAB Holding Co. in March 2016. This narrows the company's product focus, as only 15% of revenue will be outside snacks — mostly Tang beverages and other products including Philadelphia cream cheese, which management may look to divest in the future as it executes on its plan to accelerate growth and improve margins in the faster growing snack business.

Mueller Water Products (.02%) (MWA – \$11.82 – NYSE) is one of the most recognized brands for products used in the distribution and measurement of water in North America. The company possesses one of the largest installed bases of fire hydrants and iron gate valves in the United States, and is thus well-positioned to benefit from the expected increases in both water infrastructure spending and new residential construction. In addition, Mueller has a fast-growing water metering and leak detection business designed to take advantage of the large shift to advanced metering in the water industry. In early 2017, MWA announced the sale of its Anvil business for \$315 million as well as the appointment of J. Scott Hall as President and CEO. The cash generated from the sale and the company's consistent cash flow generation should enable Mueller to further expand its portfolio of industry-leading products for the water infrastructure market as well as increase returns of capital to shareholders.

Ryman Hospitality Properties Inc. (0.2%) (RHP – \$61.83 – NYSE) is a Nashville, Tennessee-based REIT that owns group meeting-focused hotels in Nashville, Tennessee; Orlando, Florida; Dallas, Texas, and Washington, D.C. The company also owns a 35% stake in Gaylord Rockies, a 1,500 room development outside of Denver, Colorado, which is set to open in late 2018. Other assets include the iconic Opryland, the Ryman Auditorium, the General Jackson Showboat, and Nashville-based radio station WSM-AM. The Ryman team is focused on taking advantage of strong convention bookings trends by investing capital into its existing properties and driving margin expansion by increasing occupancy and room rates. Finally, as the leading country music entertainment brand, the monetization and potential spinoff of the Entertainment assets, including the Grand Ole Opry, also remains a significant catalyst for RHP shares.

Republic Services Inc. (1.5%) (RSG – \$62.81 – NYSE), based in Phoenix, Arizona, became the second largest solid waste company in North America after its acquisition of Allied Waste Industries in December 2008. Republic provides nonhazardous solid waste collection services for commercial, industrial, municipal, and residential customers in thirty-nine states and Puerto Rico. Republic serves more than 2,800 municipalities and operates 192 landfills, 204 transfer stations, 333 collection operations, and 64 recycling facilities. Since the Allied merger, Republic has benefited from synergies driven by route density, beneficial use of acquired assets, and reduction in redundant corporate overhead. Republic is committed to its core solid waste business. While other providers have strayed into alternative waste resource technologies and strategies, we view Republic's plan to remain steadfast in the traditional solid waste business positively. We expect continued solid waste growth acquisitions, earnings improvement, and incremental route density and internalization growth in already established markets to generate real value in the near to medium term, highlighting the company's potential.

Twenty-First Century Fox Inc. (2.7%) (FOXA/FOX – \$32.39/\$31.78 – NASDAQ) is a diversified media company with operations in cable network television, television broadcasting, filmed entertainment, and direct broadcast satellite television. Cable networks account for 70% of the company's EBITDA and benefit from contractually recurring affiliate fees and exposure to the fast growing global pay television market. We expect the company to benefit from rising demand for premium content, driven by emerging distribution platforms such as Netflix, retransmission revenue, and aggressive share repurchases. We believe the acquisition of satellite TV provider Sky plc will be accretive to value.

April 17, 2017

Top Ten Holdings (Percent of Net Assets)

March 31, 2017

Twenty-First Century Fox Inc.	2.7%	Republic Services Inc.	1.5%
Brown-Forman Corp.	1.7%	Honeywell International Inc.	1.4%
Berkshire Hathaway Inc.	1.6%	Diageo Plc	1.3%
Ametek Inc.	1.6%	American Express Co.	1.3%
Genuine Parts Co.	1.6%	Swedish Match Ab	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 Executive 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
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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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Shareholder Commentary
March 31, 2017

The Gabelli Asset Fund

First Quarter Report — March 31, 2017

(Y)our Portfolio Management Team



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Enclosed is the schedule of investments as of March 31, 2017.

Comparative Results

Average Annual Returns through March 31, 2017 (a) (Unaudited)

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(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) — March 31, 2017 (Unaudited)

Shares		Market Value	Shares		Market Value
	COMMON STOCKS (Continued)				
	Cable and Satellite (Continued)				
626,000	Rogers Communications Inc., New York, Cl. B.	\$ 27,681,720	10,000	Syrtech Corp.†	\$ 30
50,000	Rogers Communications Inc., Toronto, Cl. B.	2,210,776	4,000	The Estee Lauder Companies Inc., Cl. A	339,160
165,000	Scripps Networks Interactive Inc., Cl. A	12,931,050	120,000	The Procter & Gamble Co.	10,782,000
118,000	Shaw Communications Inc., New York, Cl. B	2,444,960	40,000	Unilever plc, ADR	1,973,600
120,000	Shaw Communications Inc., Toronto, Cl. B	2,487,799	35,000	Wolverine World Wide Inc.	873,950
		<u>127,569,931</u>			<u>117,785,542</u>
	Closed-End Funds — 0.0%			Consumer Services — 1.9%	
11,417	Royce Global Value Trust Inc.	100,355	5,000	Allegion plc	378,500
79,500	Royce Value Trust Inc.	1,113,000	99,000	IAC/InterActiveCorp.†	7,298,280
		<u>1,213,355</u>	27,200	Liberty Expedia Holdings Inc., Cl. A†	1,237,056
			466,600	Liberty Interactive Corp. QVC Group, Cl. A†	9,341,332
	Communications Equipment — 0.5%		30,000	Liberty TripAdvisor Holdings Inc., Cl. A†	423,000
234,000	Corning Inc.	6,318,000	62,800	Liberty Ventures, Cl. A†	2,793,344
59,000	Harris Corp.	6,564,930	774,150	Rollins Inc.	28,744,190
		<u>12,882,930</u>			<u>50,215,702</u>
	Computer Hardware — 0.1%			Diversified Industrial — 4.7%	
12,000	Apple Inc.	1,723,920	500	Acuity Brands Inc.	102,000
			5,000	Anixter International Inc.†	396,500
	Computer Software and Services — 1.6%		338,700	Crane Co.	25,344,921
5,500	Alphabet Inc., Cl. C†	4,562,580	100,000	Eaton Corp. plc	7,415,000
6,400	CommerceHub Inc., Cl. A†	99,072	136,000	Greif Inc., Cl. A	7,492,240
20,400	CommerceHub Inc., Cl. C†	316,812	284,000	Honeywell International Inc.	35,463,080
114,000	Diebold Nixdorf Inc.	3,499,800	36,000	HRG Group Inc.†	695,520
18,000	DST Systems Inc.	2,205,000	24,000	Ingersoll-Rand plc	1,951,680
160,000	eBay Inc.†	5,371,200	250,000	ITT Inc.	10,255,000
51,500	Fidelity National Information Services Inc.	4,100,430	30,000	Jardine Matheson Holdings Ltd.	1,927,500
252,900	Hewlett Packard Enterprise Co.	5,993,730	124,000	Jardine Strategic Holdings Ltd.	5,208,000
265,000	Internap Corp.†	985,800	132,000	Katy Industries Inc.†	25,080
5,000	Microsoft Corp.	329,300	252,000	Myers Industries Inc.	3,994,200
7,992	NetScout Systems Inc.†	303,296	30,000	Pentair plc	1,883,400
60,000	Rockwell Automation Inc.	9,342,600	12,000	Sulzer AG	1,255,528
125,000	Yahoo! Inc.†	5,801,250	185,000	Textron Inc.	8,804,150
		<u>42,910,870</u>	330,000	Toray Industries Inc.	2,925,627
			230,000	Trinity Industries Inc.	6,106,500
	Consumer Products — 4.5%		4,000	Waters Corp.†	625,240
30,000	Brunswick Corp.	1,836,000			<u>121,871,166</u>
11,000	Christian Dior SE	2,555,847		Electronics — 2.0%	
75,000	Church & Dwight Co. Inc.	3,740,250	140,000	Cypress Semiconductor Corp.	1,926,400
17,000	Coty Inc., Cl. A	308,210	2,335	Fortive Corp.	140,614
421,000	Edgewell Personal Care Co.†	30,791,940	8,000	Kyocera Corp., ADR	449,040
257,000	Energizer Holdings Inc.	14,327,750	1,500	Mettler-Toledo International Inc.†	718,365
3,400	Givaudan SA	6,123,496	2,200	Samsung Electronics Co. Ltd., GDR†	2,018,500
30,000	Harley-Davidson Inc.	1,815,000	910,000	Sony Corp., ADR	30,694,300
2,000	Hermes International	947,535	40,000	TE Connectivity Ltd.	2,982,000
6,000	National Presto Industries Inc.	613,200	110,000	Texas Instruments Inc.	8,861,600
47,000	Reckitt Benckiser Group plc	4,290,447	25,000	Thermo Fisher Scientific Inc.	3,840,000
100,000	Sally Beauty Holdings Inc.†	2,044,000			<u>51,630,819</u>
10,000	Svenska Cellulosa AB, Cl. A	329,217		Energy and Utilities — 3.8%	
42,000	Svenska Cellulosa AB, Cl. B	1,354,589		Anadarko Petroleum Corp.	682,000
1,006,400	Swedish Match AB	32,739,321	11,000		

See accompanying notes to schedule of investments.

The Gabelli Asset Fund

Schedule of Investments (Continued) — March 31, 2017 (Unaudited)

<u>Shares</u>	<u>Market Value</u>	<u>Shares</u>	<u>Market Value</u>
COMMON STOCKS (Continued)			
Retail (Continued)			
160,000	Whole Foods Market Inc.		\$ 4,755,200
			<u>68,572,147</u>
Specialty Chemicals — 1.8%			
15,000	Ashland Global Holdings Inc.		1,857,150
40,000	Chemtura Corp.†		1,336,000
591,000	Ferro Corp.†		8,977,290
91,200	General Chemical Group Inc.†		1,186
140,000	H.B. Fuller Co.		7,218,400
109,000	International Flavors & Fragrances Inc.		14,445,770
381,000	OMNOVA Solutions Inc.†		3,771,900
9,000	Praxair Inc.		1,067,400
94,000	Sensient Technologies Corp.		7,450,440
38,000	SGL Carbon SE†		<u>386,737</u>
			<u>46,512,273</u>
Telecommunications — 2.1%			
36,000	CenturyLink Inc.		848,520
260,000	Cincinnati Bell Inc.†		4,602,000
175,000	Deutsche Telekom AG, ADR.		3,071,250
30,000	Hellenic Telecommunications Organization SA ..		281,636
25,000	Hellenic Telecommunications Organization SA, ADR		115,875
55,000	Level 3 Communications Inc.†		3,147,100
68,607	Loral Space & Communications Inc.†		2,703,116
6,000	Orange SA, ADR.		93,240
210,000	Sprint Corp.†		1,822,800
3,007,800	Telecom Italia SpA†		2,704,960
175,000	Telecom Italia SpA, ADR†		1,576,750
39,981	Telefonica Brasil SA, ADR.		593,718
267,401	Telefonica SA, ADR		2,992,217
977,510	Telephone & Data Systems Inc.		25,913,790
230,000	Telesites SAB de CV†		149,261
110,000	VEON Ltd., ADR		448,800
108,000	Verizon Communications Inc.		<u>5,265,000</u>
			<u>56,330,033</u>
Transportation — 0.7%			
284,000	GATX Corp.		17,312,640
4,000	Kansas City Southern		<u>343,040</u>
			<u>17,655,680</u>
Wireless Communications — 0.8%			
115,000	America Movil SAB de CV, Cl. L, ADR		1,629,550
12,000	Millicom International Cellular SA		670,920
51,000	Millicom International Cellular SA, SDR		2,844,068
208,000	NTT DoCoMo Inc.		4,843,618
20,000	Tim Participacoes SA, ADR		319,600
70,000	T-Mobile US Inc.†		4,521,300
175,000	United States Cellular Corp.†		\$ 6,532,750
			<u>21,361,806</u>
	TOTAL COMMON STOCKS		<u>2,617,743,020</u>
PREFERRED STOCKS — 0.0%			
Health Care — 0.0%			
31,580	The Phoenix Companies Inc., 7.450%, 01/15/32		<u>573,376</u>
RIGHTS — 0.0%			
Health Care — 0.0%			
20,000	American Medical Alert Corp., expire 12/31/49†		<u>200</u>
WARRANTS — 0.0%			
Energy and Utilities — 0.0%			
255,000	Kinder Morgan Inc., expire 05/25/17†		<u>612</u>
Hotels and Gaming — 0.0%			
200,000	The Indian Hotels Co. Ltd., expire 05/14/18†(a). ..		<u>392,000</u>
	TOTAL WARRANTS		<u>392,612</u>
Principal Amount			
		\$ 650,000	
CORPORATE BONDS — 0.0%			
Equipment and Supplies — 0.0%			
	Mueller Industries Inc., 6.000%, 03/01/27		<u>648,375</u>
	TOTAL INVESTMENTS — 100.0% (Cost \$1,011,284,233)		<u>\$2,619,357,583</u>
	Aggregate tax cost		<u>\$1,022,196,409</u>
	Gross unrealized appreciation		<u>\$1,626,371,029</u>
	Gross unrealized depreciation		<u>(29,209,855)</u>
	Net unrealized appreciation/depreciation		<u>\$1,597,161,174</u>
(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 March 31, 2017, the market value of the Rule 144A security amounted to \$392,000 or 0.01% of total investments.		
†	Non-income producing security.		
ADR	American Depositary Receipt		
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 obligations for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. Such debt obligations are valued through prices provided by a Pricing Service approved by the Board. Certain securities are valued principally using dealer quotations.

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

The 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 March 31, 2017 is as follows:

	Valuation Inputs			Total Market Value at 3/31/17
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
Airlines	—	\$ 132,000	—	\$ 132,000
Consumer Products	\$ 117,785,512	—	\$ 30	117,785,542
Diversified Industrial	121,846,086	25,080	—	121,871,166
Financial Services	286,817,419	43,521	—	286,860,940
Manufactured Housing and Recreational Vehicles	3,972,750	316,500	—	4,289,250
Specialty Chemicals	46,511,087	1,186	—	46,512,273
Other Industries (a)	2,040,291,849	—	—	2,040,291,849
Total Common Stocks	2,617,224,703	518,287	30	2,617,743,020
Corporate Bonds (a)	—	648,375	—	648,375
Preferred Stocks (a)	573,376	—	—	573,376
Rights (a)	—	—	200	200
Warrants (a)	612	392,000	—	392,612
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$2,617,798,691	\$1,558,662	\$230	\$2,619,357,583

(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 are ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

Fair Valuation. Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. When fair valuing a security, factors to consider include recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. A significant change in the unobservable inputs could result in a lower or higher value in Level 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

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

The Fund's derivative contracts held at March 31, 2017, 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 March 31, 2017, 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

The Gabelli Asset Fund

Notes to Schedule of Investments (Unaudited) (Continued)

date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

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

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

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 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 March 31, 2017, 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
Rye, NY 10580-1422

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 Executive Chairman 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 degree 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 degree from Columbia Business School.

Jeffrey J. Jonas, CFA, joined Gabelli in 2003 as a research analyst focusing on companies across the healthcare industry. In 2006, he began serving 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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LEGAL COUNSEL

Skadden, Arps, Slate, Meagher &
Flom LLP

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of The Gabelli Asset Fund. It is not authorized for distribution to prospective
investors unless preceded or accompanied by an effective prospectus.

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GABELLI
FUNDS

THE GABELLI ASSET FUND

*First Quarter Report
March 31, 2017*

