The Gabelli Utilities Fund

Shareholder Commentary
March 31, 2017

Mario J. Gabelli, CFA
Portfolio Manager

To Our Shareholders,

For the quarter ended March 31, 2017, the net asset value ("NAV") per Class AAA Share of The Gabelli Utilities Fund increased 4.6% compared with an increase of 6.4% for the Standard & Poor's ("S&P") 500 Utilities Index (SPU). See page 2 for additional performance information.

Solid Utility Returns and Continued Fed Vigilance Keep Long Rates Low

For the first quarter of 2017, the S&P Utilities Index provided a 6.4% total return, compared to a 6.1% return for the S&P 500 Index. Utility stocks benefited from ongoing merger activity, defensive appeal, strong fundamentals, and somewhat diminished interest rate concerns. Initial optimism that the Trump administration could enact profound change leading to economic growth appears to have faded with congressional gridlock, geopolitical risk, and a vigilant Federal Reserve.

Following seven years of a 0% overnight lending rate, the Federal Reserve raised the federal funds rate three times in fifteen months, including a March 15, 2017, increase of 25 basis points to 0.75%-1.00%. The Fed actions help harness the economy, mitigate inflation, and put downward pressure on the longer end of the yield curve. The 10 and 30 year U.S. Treasuries yielded 2.38% and 3.01% at the end of the first quarter, relatively unchanged compared to year–end 2016 levels of 2.45% and 3.1%, respectively. While most investors expect additional rate hikes in 2017, the Fed Chair noted that it is important for the public to understand that the Fed is getting close to reaching its objectives. We consider a stable and low interest rate environment to be favorable for the equity markets, including utility stocks.

Comparative Results

Average Annual Returns through March 31, 2017 (a)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (8/31/99)
Class AAA (GABUX)	4.57%	9.91%	8.68%	5.89%	7.59%	7.87%
S&P 500 Utilities Index	6.39	7.06	12.10	6.69	7.92	6.84
S&P 500 Index	6.07	17.17	13.30	7.51	7.09	5.37
Lipper Utility Fund Average	5.80	8.85	10.32	5.97	8.34	6.60
Class A (GAUAX)	4.50	9.88	8.71	5.89	7.61	7.88
With sales charge (b)	(1.51)	3.56	7.43	5.27	7.19	7.52
Class C (GAUCX)	4.25	9.04	7.87	5.09	6.83	7.22
With contingent deferred sales charge (c)	3.25	8.04	7.87	5.09	6.83	7.22
Class I (GAUIX)	4.60	10.20	8.97	6.12	7.75	8.00

In the current prospectuses dated April 29, 2016, the expense ratios for Class AAA, A, C, and I Shares are 1.39%, 1.39%, 2.14%, and 1.14%, 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, 2002. 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 value of utility stocks generally changes as long term interest rates change. Funds investing in a single sector, such as utilities, may be subject to more volatility than funds that invest more broadly. The utilities industry can be significantly affected by government regulation, financing difficulties, supply or demand of services or fuel, and natural resources conservation. 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, 2002 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. The S&P 500 Utilities Index is an unmanaged market capitalization weighted index of large capitalization stocks that may include facilities generation and transmission or distribution of electricity, gas, or water. 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 Lipper Utility Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index.

(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.

Monthly Distributions – $0.07 per share

The Gabelli Utilities Fund has a $0.07 per share monthly distribution policy in place. For more specific dividend and tax information, please visit our website at www.gabelli.com or call 800-GABELLI (800-422-3554). **Shareholders should be aware that a portion of the distribution may represent a non-taxable return of capital.** Such distributions will reduce the cost basis of your shares if you hold them in a taxable account. The distributions should not be confused with the yield or total return of the Fund.

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.

Outlook: Infrastructure Investment Drives Earnings and Dividend Growth

Our universe of 44 electric utility stocks offer a median current return of 3.3% and 4%-6% annual earnings and dividend growth, which is much higher than forecast inflation. We expect a more relaxed regulatory environment, including diminished coal regulations, repeal of the Clean Power Plan (March 2017 Executive Order,) and a more constructive Federal Energy Regulatory Commission (FERC). Despite a less aggressive EPA and a repeal of the Clean Power Plan, utility infrastructure investment, including renewable development, new gas-fired generation, coal plant retirements, transmission development, and grid upgrades will continue in earnest and drive earnings growth.

The fundamentals of the sector remain healthy, and include strong balance sheets, credit ratings, improving regulatory principles, focused strategies, low natural gas prices, and opportunities to invest in infrastructure. Finally, the sector continues to consolidate, resulting in takeover premiums and added growth opportunities. Electric (19.0x and 18.1x), gas (23.4x and 22.0x) and water (25.9x and 24.5x) utilities trade near historically high absolute P/E multiples of forward earnings estimates (2017E and 2018P), respectively. Adjusted for interest rates, the P/E multiples appear reasonable and potentially attractive, considering the strong fundamental utility outlook.

Trump “Wild Cards” Not So Wild

Utility managements and investors appear to have grown more comfortable with potential Trump administration “wild cards” and fears of higher interest rates. With Republicans in control of the White House and both chambers of Congress, we continue to expect changes in fiscal policy, including lower corporate and personal income tax rates, as well as other changes in tax policy. Items of particular interest include: (1) lowering the corporate tax rate, (2) revising the tax deductibility of interest expense, and (3) allowing the expensing of capital investments. A lower corporate tax rate would be passed on directly to customers through lower bills, and create some positive “goodwill” for utilities and Public Utility Commissions (PUC). After running various scenarios, most utility managements concluded that the aforementioned policy changes would not have a material impact on utility financials.

Over the past few years, some investors avoided utility stocks due to concern over the potential for higher interest rates. In the face of three “rate hikes” and the 10 and 30 year U.S. Treasury yields rising to current levels, the S&P Utilities Index returned 27.9% and the S&P 500 returned 18.9% since the Fed’s initial action in December 2015. We continue to emphasize that, while utility stocks are sensitive to interest rates, they are by no means bond proxies. Earnings and dividend growth rates primarily determine long term total returns, and mitigate the negative impact of higher interest rates.

Merger and Acquisition Activity Update

During the first quarter of 2017, two gas utilities agreed to be purchased by infrastructure funds: WGL Holdings (0.4% of net assets as of March 31, 2017) of Washington, D.C. by Canadian infrastructure fund, AltaGas, and Delta Gas (0.2%) of Winchester, Kentucky by Steel River Infrastructure. In 2016, eight regulated utility acquisitions were announced, ten were completed (including four announced in 2016), and one deal was terminated.

The long term consolidation trend has benefited shareholders, with average and median premiums ranging from 3%-57%. We attribute the recent acceleration of activity to the low interest rate environment, desire for scale in the face of ongoing infrastructure investment, and the emergence of the Canadian utilities. However, we expect that consolidation activity could moderate over the near term, given uncertainty related to the potential for comprehensive tax law changes. A revision in the tax-deductibility of interest expense would discourage leverage and result in a higher cost of capital. However, once there is some clarity, consolidation will likely continue. Consolidation activity is outlined below:

Announced Deals Currently Pending

Date	Buyer	Target Entity	Enterprise Value	Premium**
2/21/17	Steel River	DeltaGas (0.2%*)	$258 million	17%
1/26/17	AltaGas	WGL Resources (0.4%)	$6.4 billion	12%
10/10/16	First Reserve	Gas Natural (0.1%)	196 million	39%
7/29/16	NextEra Energy (4.0%)	Oncor Electric	$18.4 billion	Private
5/31/16	Great Plains Energy (1.2%)	Westar Energy (2.3%)	$12.2 billion	13%

*of net assets as of March 31, 2017

Deals Closed in 2016/2017

Date	Buyer	Target Entity	Enterprise Value	Premium**
1/2/2017	Algonquin PU (0.2%)	Empire District Electric	$2.4 billion	21%
10/14/16	Fortis (0.3%)	ITC Holdings	$11.3 billion	14%
10/3/16	Duke Energy (1.1%)	Piedmont Natural Gas	$6.7 billion	42%
9/16/16	Dominion Res. (0.6%)	Questar Corp.	$6.0 billion	22%
9/12/16	Spire (0.4%)	Energy South	$344 million	Private
7/1/16	Emera (0.3%)	TECO Energy	$10.4 billion	31%
7/1/16	Southern Co. (1.1%)	AGL Resources	$12 billion	38%
3/30/16	Macquarie (0.2%)	CLECO	$4.7 billion	15%
3/23/16	Exelon (0.6%)	Pepco Hldgs.	$11.9 billion	20%
2/12/16	Black Hills (1.5%)	Source Gas	$1.89 billion	Private

On 7/18/16, NextEra Energy terminated its deal to aquire Hawaiian Electric for $4.3 billion.

**Represents the premium to the closing share price on the last trading day prior to the announcement of the deal.

With nearly eighty North American utilities and power companies, sixty electric, and twenty gas companies, we recommend that investors purchase a portfolio of small-to-mid-cap utilities with earnings and dividend growth potential. More significant takeover premiums are normally associated with fundamentally sound, reasonably priced, mid-cap and small-cap utilities. Attractive takeover characteristics include constructive regulatory environments, healthy service areas, transmission growth potential, low carbon footprints, strategic geographies, or a particularly stressful situation. Given the significant long term demand for natural gas, we consider most gas distribution utilities, particularly those with pending pipeline development projects, to be highly coveted.

Earnings and Dividend Growth Driven By Infrastructure Investment

The successful formula driving our strong fundamental and earnings outlook remains: Investment Opportunities + Constructive Regulation = Earnings Growth. Utility sector capital investment doubled from $41.1 billion in 2004 to $82.8 billion in 2008, with major investment on environmental control equipment, renewable generation, and transmission. In 2013, 2014, and 2015 utility capital expenditures were $90.3 billion, $96.1 billion, and $103.3 billion, respectively. The Edison Electric Institute (EEI) projects industry investment at $117.8 billion in 2016, $100.5 billion in 2017, and $94.2 billion in 2018.

Repeal of the Clean Power Plan (CPP) and less environmental restrictions likely augurs for less environmental rate base investment. At the same time, we expect a more relaxed regulatory atmosphere and loosened development restrictions to lead to accelerated infrastructure investment in other areas. Natural gas and oil pipelines, long distance transmission lines, modernized electric grid, and accelerated water and gas distribution pipeline replacement all stand to benefit. We expect 2017-2018 investment to be higher than the EEI's forecast, as the forecast normally only includes more significant visible projects.

We continue to expect this level of investment to lead to 4%-to-6% annual earnings growth, which is in line with most utility management target growth rates. In 2016, utility group median EPS grew 6.1%, and consensus estimates call for 5.2% median growth in 2017 and 5.7% in 2018.

Economics Driving Gas and Renewables Investment

In March of 2017, President Trump signed an executive order to dismantle the CPP. The CPP was the crowning environmental achievement of the previous administration because it was the first regulation on greenhouse gases, including carbon. It called for a 30%-plus reduction in carbon by 2030 from 2005 levels, with the first compliance period in 2022. Despite CPP repeal and a weakened EPA, the U.S. electric and gas utility industry is undergoing a dramatic transformation to cleaner and more efficient energy usage. Cleaner generation is driven by the economics and efficiency of new gas plants and low gas prices relative to older inefficient coal plants, increasing state renewable portfolio standards, and political and public demands.

Since 1990, the power industry has reduced sulfur dioxide (SO_2) emissions by 80%, nitrogen oxides (NOx) by 74% and Mercury by 90%, primarily due to the EPA's Clean Air Act (1973 and amended 1990), as well as the 2015 Mercury Air Toxin Standards (MATS). In 2016, 33% of U.S. generation came from zero carbon emitting nuclear (20%), hydro (6%), and renewables (7%), 33% from low emitting natural gas, and 33% was derived from coal. In 1986, 58% of generation was from coal. There hasn't been a coal plant built in more than five years, and, absent technological breakthroughs, there may never be another built. While some coal plants will likely experience a modest lifeline extension, most owners are unlikely to make significant long term investment. In addition, the nation's nuclear plants continue to age, and the low cost of natural gas and renewables are challenging the ongoing economics of upgrades.

As natural gas becomes a more integral part of the electric utility industry, electric utilities are building and developing natural gas pipelines and investing in natural gas midstream assets and reserves. Electric utility industry leaders The Southern Company, Dominion Resources (0.6%), and Duke Energy Corp. (1.1%) recently completed acquisitions of local gas utilities, while DTE Resources (.02%) and Consolidated Edison (0.2%) purchased midstream assets and pipelines. Eversource Energy (2.2%), National Grid (0.1%) and Spectra have teamed up to build the $3 billion Access Northeast (to be completed in late 2020); Dominion, Duke Energy and The Southern Company have ventured to build the $5 billion Atlantic Coast Pipeline (2019); The Southern Company, Spectra Energy, New Jersey Resources Corp. (.03%), UGI Corp. (0.8%), Public Service Enterprise Group (0.4%) and South Jersey Industries (0.2%) have teamed to build the $1 billion PennEast Pipeline; and NextEra Energy (4.0%) has ventured to build several pipeline projects. Numerous other pipelines have been delayed pending various regulatory approvals. We expect the permitting and approval process to become somewhat easier under the new administration.

State Regulators Support Rate Base Investment

Over the past few years, public and political support of investment, combined with the low cost of natural gas, have allowed for an increasingly constructive regulatory environment. State PUCs regulatory principles have evolved to include numerous adjustments and mechanisms to address infrastructure investment, as well as rate design changes to address efficiency and distributed generation. Many state PUCs allow frequent (quarterly, semi-annual, or annual) rate adjustments for environmental, transmission, renewable, and other items, as well as "pass-throughs" for fuel, healthcare, and pension expenses. Given flattish demand growth and to encourage distributed generation and efficiency, many regulators have "decoupled," or separated revenues from sales. The improved regulatory treatment results in a greater opportunity to earn the ROEs allowed, and results in "stair-step" earnings growth.

Interest Rates

Utility dividend returns become less compelling when returns on other investments increase, including U.S. Treasury yields. The utility dividend yield and ten-year U.S. Treasury bond yield are highly correlated, though the relationship was disturbed during the 2008-2010 Great Recession. However, utility stock prices, unlike Treasury bond prices, are likely to rise, should earnings and dividends grow over time. The factors below mitigate the negative impact of higher interest rates.

- **Annual dividend hikes:** Utilities target annual dividend increases which serve to mitigate the negative impact of higher rates. In 2016, electric utilities increased the annual dividend by a median of 5.5%.
- **ROE is set based on interest rates:** A utility's cost-of-capital, including equity returns (ROEs), is set by state PUCs and increase (decrease) as interest rates rise (fall).
- **Annual riders minimize inflation risk:** State Public Utilities Commissions and FERC regulatory principles have improved to include more frequent rate adjustments, which mitigate inflation risk.
- **Utility stocks pay higher dividends than other sectors:** The present value of a higher near-term dividend stream is less impacted by changes in interest rates than a lower near-term dividend stream.

The current 3.3% utility dividend return is 135% of the 2.38% yield on the ten-year U.S. Treasury bond, which is right at the 20 year median level. The spread between utility current returns (utility yields) and Treasury yields has recently reverted from being relatively high (or attractive) to a more normal range (fairly valued), driven by the 100 basis point rise in the ten-year Treasury yield.

Conclusion

We continue to expect the utility sector to provide a low risk 7%-9% annual total return over the long term based on the median current return of 3.2% (or 3.5%) and 4%-6% annual earnings and dividend growth. We believe valuation multiples are supported by strong fundamentals, low interest rates and ongoing takeover potential. Solid fundamentals include healthy balance sheets, credit ratings, improved regulatory principles, focused strategies, low natural gas prices and opportunities to invest in rate base as well as the potential for takeovers.

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 percentages of net assets, and their share prices are stated as of March 31, 2017.

American Electric Power Company Inc. (2.2% of net assets as of March 31, 2017) (AEP – $67.13 – NYSE) is one of the nation's largest electric utilities. It serves more than 5.4 million retail customers in eleven states (Ohio and Texas are the largest), owns approximately 31,000 MW of generating capacity, 40,000 miles of transmission lines (the nation's largest), and 223,000 miles of distribution lines. Following recent non-regulated power plant sales, AEP is focused on the regulated utility business with plans to invest $17 billion over the 2017-2019 time periods in regulated assets, including 74% to transmission and distribution. Management expects 5%-7% annual earnings growth, driven by capital investment and rate recovery, and sustainable cost controls. AEP Transco, a transmission development subsidiary, expects to grow earnings to $0.89-$0.92 per share by 2019 from $0.54 per AEP share in 2016, driven by a $4.5 billion transmission capital investment plan for 2017-2019. AEP currently pays an annual dividend of $2.36 per share representing a payout ratio of roughly 65% (using $3.65 per share, midpoint of the 2017 earning guidance of $3.55-$3.75 per share), right at the targeted payout ratio of 60%-70%.

Edison International (2.4%) (EIX – $79.61 – NYSE) is one of the nation's largest regulated electric distribution utilities through Southern California Edison (SCE), serving fifteen million residents (five million customers) in central, coastal, and southern California. We consider EIX to be a relatively low risk, high quality utility operating in a constructive regulatory environment. SCE filed for its 2018-2020 general rate case (GRC) with a decision expected by year end 2017. EIX targets 8.6% annual rate base growth, based on a 10.45% allowed ROE, dropping to 10.3% in 2018-19, a $19.3 billion 2017-2020 capital program, and progressive regulatory principles. The capital program is directed toward replacing, upgrading, and modernizing the distribution and transmission system to incorporate renewables, storage, electric vehicle charging stations, and various smart grid applications. EIX currently pays an annual dividend of $2.17 per share, representing a SCE earnings payout ratio of roughly 52% (using $4.15 per share, midpoint of the earning guidance range).

El Paso Electric Co. (1.9%) (EE – $50.50 – NYSE) is a vertically integrated electric utility serving ~400,000 customers in and around El Paso, Texas and Las Cruces, New Mexico. We consider El Paso Electric to be a well-managed, low risk, traditional utility investment, with solid earnings growth potential. We expect above average annual customer and sales growth, driven by military base expansion, increased cross border trade, customer additions, as well as an increased use of refrigerated air conditioning. Only 35% of El Paso residences have refrigerated air conditioning, but 99% of new residences install central air conditioning. Given the July 2016 sale of its remaining interest in a coal plant, EE is a "coal-free" utility. On August 18, 2016, EE's Texas jurisdiction was awarded a $37 million annual rate increase, based on a 9.7% allowed ROE, and EE's New Mexico jurisdiction was awarded a $1.1 million rate increase, effective July 1, 2016. Higher rates were to recover $1.3 billion of investments made since its last rate case in 2009, including the completed Unit 1 and 2 of the gas-fired Montana Power Station. In February of 2017, EE requested a $42.5 million revenue increase for its TX jurisdiction to recognize investment in MPS Units 3 and 4, with rates effective early 2018. A rate request in NM is planned for the second quarter of 2017. Full earnings power of $2.80 per share reflects rate recognition of the Montana Units 3 and 4 and the stronger cash flow position.

Eversource Energy (2.2%) (ES – $58.78 – NYSE) is New England's largest electric and gas distribution utility and delivery system. ES, formerly known as Northeast Utilities, is the product of the April 2012 merger between Northeast Utilities, headquartered in Hartford, Connecticut, and NSTAR, headquartered in Boston, Massachusetts, creating a premier New England distribution utility. ES serves 3.6 million customers in Connecticut, New Hampshire, and Massachusetts. We consider ES to be one of the better long term growth stories, driven by transmission investment, cost cutting opportunities, and oil-to-gas heat conversions in the Northeast. The company targets a 5%–7% long term earnings growth rate. ES expects its 192-mile, $1.6 billion Northern Pass electric transmission line to be completed in late 2019, with construction to begin early 2018 following a final environmental impact statement and New Hampshire siting approval. The company's JV with Spectra Energy and National Grid to construct Access Northeast, a $3 billion gas pipeline to supply the region's electric generators with natural gas, has been delayed, and will likely be a post-2020 project. The company expects further transmission development as aging nuclear and coal facilities are replaced with renewables, including offshore wind generation.

National Fuel Gas Co. (5.4%) (NFG – $59.62 – NYSE) is a diversified natural gas company. NFG owns a regulated gas utility serving the region around Buffalo, New York, gas pipelines that move gas between the Midwest and Canada and from the Marcellus to the Northeast, gathering and processing systems, and an oil and gas exploration and production business. NFG's regulated utility and pipeline businesses, as well as its California oil production business, provide stable earnings and cash flows to support the dividend, while the natural gas production business offers significant upside potential. While natural gas prices have been depressed over the past few years, NFG's ownership of 780,000 acres in the Marcellus Shale, holds enormous natural gas reserve potential and the company has proven to be among the lower cost producers. We continue to expect above average long term earnings and cash flow growth from improving gas prices, growing gas production and strategically located pipeline expansion. The company has increased its dividend for 46 consecutive years.

NextEra Energy Inc. (4.0%) (NEE – $128.37 – NYSE) is the holding company for Florida Power & Light (FP&L), largest electric utility in Florida, and NextEra Energy Resources, a leading wholesale renewables operator. Florida Power & Light operates one of the premier utility franchises in the nation, with favorable long term demographics and above average rate base growth potential, due to the power plant rate adjustments, flexible amortization, and other regulatory mechanisms. In late 2016, FP&L implemented a four year rate plan (2017-2020) based on a 10.6% (+/- 100 basis points) allowed ROE. Additionally, NER owns and operates the nation's largest renewable power portfolio, with a significant pipeline of future growth opportunities. On July 29, 2016, NEE agreed to acquire an 80% equity interest in the Oncor of Dallas, Texas for $18.4 billion, but is facing regulatory approval challenges. NEE is also developing several gas pipeline projects designed to bring more natural gas into Florida. We regard NEE as one of the better positioned electric companies to grow earnings and dividends over the next several years.

PNM Resources of Albuquerque, New Mexico (2.7%) (PNM – $37.00 – NYSE) is the holding company for regulated electric utilities Public Service Company of New Mexico (PSNM) and Texas-New Mexico Power Company (TNMP). PSNM serves 513,000 customers in and around Albuquerque, Rio Rancho and Santa Fe and owns 2,700 MWs (15% nuclear) of generation. TNMP is a distribution/transmission company and serves 240,000 customers in three non-contiguous areas of TX. On December 6, 2016, PSNM requested a $99 million annual rate increase (Phase 1 of $50 million 2018; Phase 2 of $49 million in 2019) to recognize its environmental plan, the addition of Palo Verde 3 at $1,118/kW ($150 million) into rate base, other investments, and declining sales. Importantly, the request was based on a future 2018 test year, a 10.125% allowed ROE and a rate design to include higher fixed charges. PNM targets earnings growth of 7%-8% and outlines 2018 and 2019 earnings power ranges of $2.02-$2.10 per share and $2.05-$2.23 per share, respectively, based on an earned 9.575%% ROE.

Southwest Gas Holdings Inc. (3.6%) (SWX – $82.91 – NYSE) is a natural gas distribution utility serving 1.9 million customers in geographically diverse portions of Arizona (~1.0 million, or 53%), Nevada (~700,000, or 37%), and California (~185,000, or 10%). From 2008 to 2010, customer growth slowed due to the overall slowdown in the new housing market but continues to improve, and over the long term, we expect that the service area will return to higher growth rates as the favorable regional climate and lower housing prices attract customers to inhabit vacant homes. SWX also owns Centuri Construction Group, a full service underground piping contractor that provides trenching and installation, replacement, and maintenance services for energy distribution systems. The pipeline construction business is growing strongly, given the industry's focus on safety related pipeline replacement programs and has broken the $1 billion revenue milestone. We consider SWX to be a high quality gas utility with a focused, low risk strategy and solid earnings outlook, driven by recent and future rate increases, expanded infrastructure tracking mechanisms, customer growth, and cost controls.

WEC Energy Group Inc. (1.7%) (WEC – $60.63 – NYSE) is based in Milwaukee, Wisconsin. Following Wisconsin Energy Company's mid-2015 acquisition of Integrys Energy Group, the combined company's assets include Wisconsin Electric, the state's largest electric utility, with over 1.1 million electric customers and 1.1 million gas customers in southeastern, east central, and northern Wisconsin, and 400,000 electric customers and 1.7 million gas customers in Illinois, Michigan, Minnesota, and Wisconsin. Management forecasts the combined company growth rate at 5%-7% over the long term. Additionally, WEC has a 60% ownership stake in the American Transmission Corp., which provides another investment opportunity as well as financial engineering optionality.

Westar Energy Inc. of Topeka, Kansas (2.3%) (WR – $54.27 – NYSE) is an electric utility serving 700,000 customers in central and northeastern Kansas, including the cities of Topeka, Lawrence, Manhattan, and Hutchinson; and south-central and southeastern Kansas, including the city of Wichita. WR's 6,800 MW generation portfolio includes coal (75% of output), nuclear (13%), natural gas (10%) and wind. On May 31, 2016, WR announced a definitive agreement to be acquired by GXP for an enterprise value of $12.2 billion, including total equity value of ~$8.6 billion and the assumption of ~$3.6 billion in debt. WR shareholders will receive $60.00 per share, consisting of $51.00 in cash and $9.00 in Great Plains Energy Incorp. (NYSE – GXP) common stock, subject to a 7.5% collar. The exchange ratio of 0.2709 to 0.3148 shares of GXP per one share of WR for the stock portion protects WR shareholders between GXP share prices of $28.59-$33.23 per share. The merger is facing some regulatory challenges in Kansas and a final decision is expected by the end of April 2017. We consider the $60 per share price to be fair-to-full value and represents healthy multiples, including 2016 and 2017 P/E's of 24.0x and 23.1x, 2016 and 2017 EV/EBITDA of 11.1x and 10.6x, and price to book of 230% ($23.60 per share). We believe the combination makes great strategic sense given that the two companies have contiguous service areas, own and operate the Wolf Creek Nuclear Generating Station, the La Cygne Generating Station and Jeffrey power plants and together would own one of the largest portfolios of wind generation in the country.

April 17, 2017

Top Ten Holdings **(Percent of Net Assets)**
March 31, 2017

National Fuel Gas Co.	5.4%	Westar Energy Inc.	2.3%
Nextera Energy Inc.	4.0%	Eversource Energy	2.2%
Southwest Gas Holdings Inc.	3.6%	American Electric Power Co Inc.	2.2%
PNM Resources Inc.	2.7%	El Paso Electric Co.	1.9%
Edison International	2.4%	WEC Energy Group Inc.	1.7%

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Manager only through the end of the period stated in this Shareholder Commentary. The Portfolio Manager's views are subject to change at any time based on market and other conditions. The information in this Portfolio Manager's Shareholder Commentary represents the opinions of the individual Portfolio Manager 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 Manager 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.

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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 Prospectuses 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 Utilities Fund began offering additional classes of Fund shares on December 31, 2002. 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 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 UTILITIES FUND
One Corporate Center
Rye, NY 10580-1422

Portfolio Manager Biography

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 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.

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

t 800-GABELLI (800-422-3554)
f 914-921-5118
e info@gabelli.com
GABELLI.COM

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

This report is submitted for the general information of the shareholders of The Gabelli Utilities 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 UTILITIES FUND

Shareholder Commentary
March 31, 2017

The Gabelli Utilities Fund

First Quarter Report — March 31, 2017

Mario J. Gabelli, CFA

To Our Shareholders,

For the quarter ended March 31, 2017, the net asset value ("NAV") per Class AAA Share of The Gabelli Utilities Fund increased 4.6% compared with an increase of 6.4% for the Standard & Poor's ("S&P") 500 Utilities Index. See below for additional performance information.

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

Comparative Results

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

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (8/31/99)
Class AAA (GABUX)	4.57%	9.91%	8.68%	5.89%	7.59%	7.87%
S&P 500 Utilities Index	6.39	7.06	12.10	6.69	7.92	6.84
S&P 500 Index	6.07	17.17	13.30	7.51	7.09	5.37
Lipper Utility Fund Average	5.80	8.85	10.32	5.97	8.34	6.60
Class A (GAUAX)	4.50	9.88	8.71	5.89	7.61	7.88
With sales charge (b)	(1.51)	3.56	7.43	5.27	7.19	7.52
Class C (GAUCX)	4.25	9.04	7.87	5.09	6.83	7.22
With contingent deferred sales charge (c)	3.25	8.04	7.87	5.09	6.83	7.22
Class I (GAUIX)	4.60	10.20	8.97	6.12	7.75	8.00

In the current prospectuses dated April 28, 2017, the expense ratios for Class AAA, A, C, and I Shares are 1.38%, 1.38%, 2.13%, and 1.13%, 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, 2002. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after 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 value of utility stocks generally changes as long term interest rates change. Funds investing in a single sector, such as utilities, may be subject to more volatility than funds that invest more broadly. The utilities industry can be significantly affected by government regulation, financing difficulties, supply or demand of services or fuel, and natural resources conservation. 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, 2002 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. The S&P 500 Utilities Index is an unmanaged market capitalization weighted index of large capitalization stocks that may include facilities generation and transmission or distribution of electricity, gas, or water. 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 Lipper Utility Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index.

(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.

The Gabelli Utilities Fund
Schedule of Investments — March 31, 2017 (Unaudited)

Shares		Market Value
	COMMON STOCKS — 97.0%	
	ENERGY AND UTILITIES — 70.0%	
	Alternative Energy — 0.4%	
370,000	Algonquin Power & Utilities Corp.	$ 3,533,481
36,000	NextEra Energy Partners LP	1,192,680
64,261	Ormat Technologies Inc., New York	3,668,018
6,739	Ormat Technologies Inc., Tel Aviv	382,481
		8,776,660
	Electric Integrated — 42.5%	
306,000	ALLETE Inc.	20,719,260
174,000	Alliant Energy Corp.	6,892,140
550,000	Ameren Corp.	30,024,500
705,000	American Electric Power Co. Inc.	47,326,650
6,000	Atlantic Power Corp.†	15,836
180,000	Avangrid Inc.	7,693,200
290,000	Avista Corp.	11,324,500
488,000	Black Hills Corp.	32,437,360
16,000	Calpine Corp.†	176,800
60,000	CMS Energy Corp.	2,684,400
168,000	Dominion Resources Inc.	13,031,760
4,000	DTE Energy Co.	408,440
298,000	Duke Energy Corp.	24,438,980
648,000	Edison International	51,587,280
814,000	El Paso Electric Co.	41,107,000
1,400	Entergy Corp.	106,344
830,000	Eversource Energy	48,787,400
360,000	Exelon Corp.	12,952,800
375,000	FirstEnergy Corp.	11,932,500
78,960	Fortis Inc.	2,618,314
115,000	Fortis Inc., Toronto	3,810,994
910,000	Great Plains Energy Inc.	26,590,200
915,000	Hawaiian Electric Industries Inc.	30,478,650
42,000	IDACORP Inc.	3,484,320
317,500	MGE Energy Inc.	20,637,500
677,000	NextEra Energy Inc.	86,906,490
260,000	NiSource Inc.	6,185,400
434,000	NorthWestern Corp.	25,475,800
785,000	OGE Energy Corp.	27,459,300
755,398	Otter Tail Corp.	28,629,584
120,000	PG&E Corp.	7,963,200
320,000	Pinnacle West Capital Corp.	26,681,600
1,610,000	PNM Resources Inc.	59,570,000
572,000	PPL Corp.	21,387,080
190,000	Public Service Enterprise Group Inc.	8,426,500
360,000	SCANA Corp.	23,526,000
485,000	The Southern Co.	24,143,300
51,125	Unitil Corp.	2,302,159
460,000	Vectren Corp.	26,960,600
600,000	WEC Energy Group Inc.	36,378,000
927,100	Westar Energy Inc.	50,313,717

Shares		Market Value
310,000	Xcel Energy Inc.	$ 13,779,500
		927,355,358
	Electric Transmission and Distribution — 0.6%	
67,000	Consolidated Edison Inc.	5,203,220
360,000	Red Electrica Corp. SA	6,912,885
3,400	Uniper SE†	57,236
		12,173,341
	Global Utilities — 2.2%	
352	AES Tiete Energia Receipts	1,540
11,000	AES Tiete Energia SA	48,103
32,000	Chubu Electric Power Co. Inc.	428,564
35,000	E.ON SE	278,206
20,800	EDF SA	175,120
5,000	EDP - Energias de Portugal SA, ADR	170,250
200,000	Electric Power Development Co. Ltd.	4,679,781
10,000	Eletropaulo Metropolitana Eletricidade de Sao Paulo SA, Preference	44,368
185,000	Emera Inc.	6,535,549
35,000	Enagas SA	909,183
100,000	Endesa SA	2,350,167
250,000	Enel SpA	1,177,217
2,000	EuroSite Power Inc.†	600
550,000	Hera SpA	1,530,223
66,000	Hokkaido Electric Power Co. Inc.	499,165
40,000	Hokuriku Electric Power Co.	388,036
180,000	Huaneng Power International Inc., ADR	4,793,400
45,000	Iberdrola SA, ADR	1,287,000
283,273	Iberdrola SA, Aquis	2,026,228
405,000	Korea Electric Power Corp., ADR†	8,395,650
110,000	Kyushu Electric Power Co. Inc.	1,171,831
45,000	National Grid plc, ADR	2,856,600
32,000	Shikoku Electric Power Co. Inc.	351,531
2,000	Snam SpA	8,650
75,000	Statoil ASA	1,281,417
28,000	The Chugoku Electric Power Co. Inc.	309,854
305,000	The Kansai Electric Power Co. Inc.	3,745,037
55,000	The Tokyo Electric Power Co. Inc.†	215,396
170,000	Tohoku Electric Power Co. Inc.	2,302,704
		47,961,370
	Merchant Energy — 1.6%	
40,000	GenOn Energy Inc. - Old, Escrow†	0
15,000	GenOn Energy Inc., Escrow†	0
120,000	NRG Energy Inc.	2,244,000
2,964,500	The AES Corp.	33,143,110
		35,387,110
	Natural Gas Integrated — 10.1%	
9,000	Apache Corp.	462,510
25,000	Atlas Energy Group LLC†	6,250
75,000	Devon Energy Corp.	3,129,000

See accompanying notes to schedule of investments.

Shares		Market Value
	COMMON STOCKS (Continued)	
	ENERGY AND UTILITIES (Continued)	
	Natural Gas Integrated (Continued)	
4,000	Dominion Midstream Partners LP	$ 127,800
20,000	Energen Corp.†	1,088,800
610,000	Energy Transfer Equity LP	12,035,300
145,000	Hess Corp.	6,990,450
300,000	Kinder Morgan Inc.	6,522,000
1,965,000	National Fuel Gas Co.	117,153,300
436,000	Northwest Natural Gas Co.	25,767,600
520,000	ONEOK Inc.	28,828,800
362,000	UGI Corp.	17,882,800
		219,994,610
	Natural Gas Utilities — 6.3%	
80,000	Atmos Energy Corp.	6,319,200
94,000	CenterPoint Energy Inc.	2,591,580
45,500	Chesapeake Utilities Corp.	3,148,600
50,000	CONSOL Energy Inc.†	839,000
324,000	Corning Natural Gas Holding Corp.(a)	6,642,000
168,000	Delta Natural Gas Co. Inc.	5,098,800
90,000	Gas Natural Inc.	1,143,000
100,000	Gulf Coast Ultra Deep Royalty Trust†	10,010
5,000	Italgas SpA†	21,933
100,000	National Grid plc	1,269,811
14,000	New Jersey Resources Corp.	554,400
143,000	ONE Gas Inc.	9,666,800
66,000	RGC Resources Inc.	1,452,000
140,000	South Jersey Industries Inc.	4,991,000
934,000	Southwest Gas Holdings Inc.	77,437,940
119,500	Spire Inc.	8,066,250
3,700	Targa Resources Corp.	221,630
95,000	WGL Holdings Inc.	7,840,350
		137,314,304
	Natural Resources — 1.8%	
14,000	Alliance Holdings GP LP	384,020
51,500	Anadarko Petroleum Corp.	3,193,000
166,000	BP plc, ADR	5,730,320
7,058	California Resources Corp.†	106,152
550,000	Cameco Corp.	6,088,500
8,000	Compania de Minas Buenaventura SAA, ADR	96,320
710,000	Mueller Industries Inc.	24,303,300
30,000	Tullow Oil plc†	87,953
		39,989,565
	Services — 1.6%	
8,000	Areva SA†	37,935
20,000	Baker Hughes Inc.	1,196,400
570,720	Enbridge Inc.	23,878,925
18,000	Halliburton Co.	885,780
34,000	MDU Resources Group Inc.	930,580
50,000	Patterson-UTI Energy Inc.	1,213,500
50,000	Rowan Companies plc, Cl. A†	$ 779,000
1,065,000	Weatherford International plc†	7,082,250
		36,004,370
	Water — 2.2%	
8,000	American States Water Co.	354,400
115,000	American Water Works Co. Inc.	8,943,550
534,000	Aqua America Inc.	17,168,100
5,000	California Water Service Group	179,250
10,000	Connecticut Water Service Inc.	531,500
16,000	Consolidated Water Co. Ltd.	186,400
20,000	Middlesex Water Co.	739,000
226,000	Severn Trent plc	6,744,747
164,000	SJW Group	7,908,080
87,000	The York Water Co.	3,049,350
52,000	United Utilities Group plc, ADR	1,312,220
		47,116,597
	Diversified Industrial — 0.6%	
30,000	AZZ Inc.	1,785,000
60,000	General Electric Co.	1,788,000
105,000	ITT Inc.	4,307,100
360,000	Mueller Water Products Inc., Cl. A	4,255,200
20,600	Park-Ohio Holdings Corp.	740,570
		12,875,870
	Environmental Services — 0.1%	
20,000	Covanta Holding Corp.	314,000
80,000	Veolia Environnement SA	1,498,645
		1,812,645
	TOTAL ENERGY AND UTILITIES	1,526,761,800
	COMMUNICATIONS — 19.8%	
	Cable and Satellite — 5.9%	
42,000	Charter Communications Inc., Cl. A†	13,747,440
25,000	Cogeco Communications Inc.	1,335,677
70,000	Cogeco Inc.	3,135,090
40,000	Comcast Corp., Cl. A	1,503,600
425,000	DISH Network Corp., Cl. A†	26,983,250
308,000	EchoStar Corp., Cl. A†	17,540,600
344,367	Liberty Global plc, Cl. A†	12,352,429
600,001	Liberty Global plc, Cl. C†	21,024,032
80,000	Liberty Global plc LiLAC, Cl. A†	1,779,200
150,000	Liberty Global plc LiLAC, Cl. C†	3,456,000
90,000	Rogers Communications Inc., Cl. B	3,979,800
12,000	Shaw Communications Inc., Cl. B	248,640
1,650,000	Sky plc	20,176,658
50,000	Tokyo Broadcasting System Holdings Inc.	892,841
		128,155,257
	Computer Services Software and Systems — 0.0%	
300,000	Internap Corp.†	1,116,000

See accompanying notes to schedule of investments.

Shares		Market Value
	COMMON STOCKS (Continued)	
	COMMUNICATIONS (Continued)	
	Telecommunications — 10.6%	
35,000	AT&T Inc.	$ 1,454,250
560,000	BCE Inc.	24,791,200
300,000	CenturyLink Inc.	7,071,000
800,000	Cincinnati Bell Inc.†	14,160,000
35,000	Deutsche Telekom AG	613,279
515,000	Deutsche Telekom AG, ADR	9,038,250
350,000	Global Telecom Holding SAE, GDR†	653,783
40,000	Harris Corp.	4,450,800
1,440,000	Koninklijke KPN NV	4,336,683
18,000	Koninklijke KPN NV, ADR	54,810
466,000	Level 3 Communications Inc.†	26,664,520
130,000	Loral Space & Communications Inc.†	5,122,000
35,200	NextGenTel Holding ASA	101,670
290,000	Nippon Telegraph & Telephone Corp.	12,378,335
2,200	Orange Belgium SA†	47,033
330,000	Orascom Telecom Media and Technology Holding SAE, GDR†	69,300
60,000	Pharol SGPS SA	24,067
220,000	Pharol SGPS SA, ADR	79,834
77,000	PLDT Inc., ADR	2,476,320
150,000	Proximus SA	4,707,003
2,000	PT Indosat Tbk†	1,051
2,000	Shenandoah Telecommunications Co.	56,100
2,300,000	Singapore Telecommunications Ltd.	6,445,294
665,000	Sprint Corp.†	5,772,200
121,000	Swisscom AG, ADR	5,608,350
9,000	Tele2 AB, Cl. B	85,926
170,000	Telecom Italia SpA, ADR†	1,531,700
235,000	Telefonica Brasil SA, ADR	3,489,750
53,000	Telefonica Deutschland Holding AG	262,914
525,000	Telefonica SA, ADR	5,874,750
1,000,000	Telekom Austria AG	6,814,739
340,000	Telenet Group Holding NV†	20,221,255
533,000	Telephone & Data Systems Inc.	14,129,830
60,000	Telesites SAB de CV†	38,938
550,182	VEON Ltd., ADR	2,244,743
730,000	Verizon Communications Inc.	35,587,500
695,000	Windstream Holdings Inc.	3,787,750
		230,246,927
	Wireless Communications — 3.3%	
65,000	America Movil SAB de CV, Cl. L, ADR	921,050
27,000	ATN International Inc.	1,901,340
69,000	China Mobile Ltd., ADR	3,810,870
53,000	China Unicom Hong Kong Ltd., ADR	713,910
200	Hutchison Telecommunications Hong Kong Holdings Ltd.	59
81,000	Millicom International Cellular SA	4,528,710
240,000	Millicom International Cellular SA, SDR	13,383,851
6,500	Mobile TeleSystems PJSC, ADR	71,695
465,000	NTT DoCoMo Inc.	$ 10,828,281
135,000	SK Telecom Co. Ltd., ADR	3,399,300
400	SmarTone Telecommunications Holdings Ltd.	516
35,000	Tim Participacoes SA, ADR	559,300
405,000	Turkcell Iletisim Hizmetleri A/S, ADR†	3,353,400
361,000	United States Cellular Corp.†	13,476,130
550,000	Vodafone Group plc, ADR	14,536,500
		71,484,912
	TOTAL COMMUNICATIONS	431,003,096
	OTHER — 7.2%	
	Aerospace — 0.9%	
2,200,000	Rolls-Royce Holdings plc	20,783,061
	Automotive: Parts and Accessories — 0.1%	
21,965	Adient plc	1,596,197
	Aviation: Parts and Services — 0.0%	
10,000	Curtiss-Wright Corp.	912,600
	Building and Construction — 0.5%	
12,000	Acciona SA	961,787
219,650	Johnson Controls International plc	9,251,658
		10,213,445
	Business Services — 0.6%	
1,420,000	Clear Channel Outdoor Holdings Inc., Cl. A	8,591,000
40,000	Macquarie Infrastructure Corp.	3,223,200
17,500	Vectrus Inc.†	391,125
		12,205,325
	Diversified Industrial — 0.2%	
1,000	Alstom SA†	29,886
30,000	Bouygues SA	1,221,116
4,000	Donaldson Co. Inc.	182,080
13,000	Raven Industries Inc.	377,650
10,000	Svenska Cellulosa AB, Cl. A	329,217
107,000	Twin Disc Inc.†	2,200,990
		4,340,939
	Electronics — 1.1%	
100,000	Corning Inc.	2,700,000
615,000	Sony Corp., ADR	20,743,950
		23,443,950
	Entertainment — 0.7%	
610,000	Grupo Televisa SAB, ADR	15,823,400
	Financial Services — 0.3%	
168,000	Kinnevik AB, Cl. A	5,009,637
80,000	Kinnevik AB, Cl. B	2,133,774
		7,143,411

See accompanying notes to schedule of investments.

Shares		Market Value
	COMMON STOCKS (Continued)	
	OTHER (Continued)	
	Health Care — 0.0%	
12,000	Tsumura & Co.	$ 376,179
	Machinery — 1.5%	
92,500	Astec Industries Inc.	5,688,287
1,000	Flowserve Corp.	48,420
83,000	The Gorman-Rupp Co.	2,606,200
480,000	Xylem Inc.	24,105,600
		32,448,507
	Metals and Mining — 0.4%	
200,000	Freeport-McMoRan Inc.†	2,672,000
51,000	Haynes International Inc.	1,944,120
38,000	Materion Corp.	1,274,900
17,000	Vulcan Materials Co.	2,048,160
		7,939,180
	Transportation — 0.9%	
311,000	GATX Corp.	18,958,560
	TOTAL OTHER	156,184,754
	TOTAL COMMON STOCKS	2,113,949,650
	CONVERTIBLE PREFERRED STOCKS — 0.1%	
	ENERGY AND UTILITIES — 0.1%	
	Natural Gas Utilities — 0.1%	
54,000	Corning Natural Gas Holding Corp., 4.800%, Ser. B	1,079,571
	COMMUNICATIONS — 0.0%	
	Telecommunications — 0.0%	
21,000	Cincinnati Bell Inc., 6.750%, Ser. B	1,039,920
	TOTAL CONVERTIBLE PREFERRED STOCKS	2,119,491
	WARRANTS — 0.0%	
	COMMUNICATIONS — 0.0%	
	Telecommunications — 0.0%	
80,000	Bharti Airtel Ltd., expire 11/30/20†(b)	432,000
	ENERGY AND UTILITIES — 0.0%	
	Natural Gas Integrated — 0.0%	
1,050,000	Kinder Morgan Inc., expire 05/25/17†	2,520
	TOTAL WARRANTS	434,520

Principal Amount		Market Value
	CORPORATE BONDS — 0.2%	
	Energy and Utilities — 0.2%	
$ 3,550,000	Mueller Industries Inc., 6.000%, 03/01/27	$ 3,541,125
	U.S. GOVERNMENT OBLIGATIONS — 2.7%	
60,061,000	U.S. Treasury Bills, 0.476% to 0.894%††, 04/20/17 to 09/21/17	59,927,998
	TOTAL INVESTMENTS — 100.0% (Cost $1,418,124,584)	$2,179,972,784

Aggregate tax cost	$1,424,934,357
Gross unrealized appreciation	$ 812,510,431
Gross unrealized depreciation	(57,472,004)
Net unrealized appreciation/depreciation	$ 755,038,427

(a) Security considered an affiliated holding because the Fund owns at least 5% of its outstanding shares.

(b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At March 31, 2017, the market value of the Rule 144A security amounted to $432,000 or 0.02% of total investments.

† Non-income producing security.

†† Represents annualized yield at date of purchase.

ADR American Depositary Receipt
GDR Global Depositary Receipt
PJSC Public Joint Stock Company
SDR Swedish Depositary Receipt

See accompanying notes to schedule of investments.

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).

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			
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Total Market Value at 3/31/17
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
ENERGY AND UTILITIES				
Global Utilities	$ 47,959,830	$ 1,540	—	$ 47,961,370
Merchant Energy	35,387,110	—	$ 0	35,387,110
Natural Gas Utilities	130,672,304	6,642,000	—	137,314,304
Other Industries (a)	1,306,099,016	—	—	1,306,099,016
COMMUNICATIONS				
Telecommunications	229,593,144	653,783		230,246,927
Other Industries (a)	200,756,169	—	—	200,756,169
OTHER	156,184,754	—	—	156,184,754
Total Common Stocks	2,106,652,327	7,297,323	0	2,113,949,650
Convertible Preferred Stocks (a)	1,039,920	1,079,571	—	2,119,491
Warrants (a)	2,520	432,000	—	434,520
Corporate Bonds(a)	—	3,541,125	—	3,541,125
U.S. Government Obligations	—	59,927,998	—	59,927,998
TOTAL INVESTMENTS IN SECURITIES – ASSETS	$2,107,694,767	$72,278,017	$ 0	$2,179,972,784

(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 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 or 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, 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.

Swap Agreements. The Fund may enter into equity contract for difference swap transactions for the purpose of increasing the income of the Fund. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an equity contract for difference swap, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short term interest rates and the returns on the Fund's portfolio securities at the time an equity contract for difference swap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction. At March 31, 2017, the Fund held no investments in equity contract for difference swap agreements.

Foreign Currency Translations. The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference 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 15% 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.

Monthly Distributions - $0.07 per share

The Gabelli Utilities Fund has a $0.07 per share monthly distribution policy. For more specific dividend and tax information, please visit our website at www.gabelli.com or call 800-GABELLI (800-422-3554). **Shareholders should be aware that a portion of the distribution may represent a non-taxable return of capital.** Distributions of capital reduce the cost basis of your shares if you hold them in a taxable account. The distributions should not be confused with the yield or total return of the Fund.

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

Portfolio Manager Biography

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.

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.

THE GABELLI UTILITIES FUND
One Corporate Center
Rye, New York 10580-1422

t 800-GABELLI (800-422-3554)
f 914-921-5118
e info@gabelli.com
GABELLI.COM

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

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