

# Gabelli Enterprise Mergers and Acquisitions Fund

## Semiannual Report

### April 30, 2017

#### To Our Shareholders,

For the six months ended April 30, 2017, the net asset value (“NAV”) per Class A Share of the Gabelli Enterprise Mergers and Acquisitions Fund increased 8.3% compared with an increase of 13.3% for the Standard & Poor’s (“S&P”) 500 Index. The performance of the Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index for the six months ended April 30, 2017 was 0.2%. See below for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of April 30, 2017.

#### Comparative Results

##### Average Annual Returns through April 30, 2017 (a)(b) (Unaudited)

	Six Months	1 Year	5 Year	10 Year	Since Inception (2/28/01)
<b>Class A (EMAAX)</b> . . . . .	8.31%	8.31%	5.70%	3.04%	4.59%
With sales charge (c) . . . . .	2.09	2.09	4.45	2.43	4.21
<b>Class AAA (EAAAX)</b> . . . . .	8.51	8.51	5.91	3.19	4.68
<b>Class C (EMACX)</b> . . . . .	8.03	7.68	5.11	2.47	4.02
With contingent deferred sales charge (d) . . . . .	7.03	6.68	5.11	2.47	4.02
<b>Class Y (EMAYX)</b> . . . . .	8.61	8.84	6.19	3.51	5.06
S&P 500 Index . . . . .	13.32	17.92	13.68	7.15	6.22
Lipper U.S. Treasury Money Market Fund Average . . . . .	0.07	0.10	0.03	0.42	1.07
Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index . . . . .	0.23	0.40	0.15	0.65	1.46

***In the current prospectuses dated February 28, 2017, the Fund’s expense ratios are 1.52%, 1.72%, 2.27%, and 1.27% for the Class AAA, A, C, and Y Shares, respectively. See page 10 for expense ratios for the six months ended April 30, 2017. Class AAA and Class Y Shares have no 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](http://www.gabelli.com) for performance information as of the most recent month end. 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, sales 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](http://www.gabelli.com). The Class A Shares’ NAV are used to calculate the performance for the periods prior to the issuance of the Class AAA Shares on February 26, 2010. The actual performance for the Class AAA Shares would have been higher due to lower expenses associated with this class of shares. 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 U.S. Treasury Money Market Fund Average reflects the average performance of mutual funds classified in this particular category. The Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into the outstanding Treasury Bill that matures closest to, but not beyond three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the rebalancing (month end) date. Dividends are considered reinvested except for the Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index. You cannot invest directly in an index.

(b) The Fund’s fiscal year ends October 31.

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

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

## Gabelli Enterprise Mergers and Acquisitions Fund

### Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from November 1, 2016 through April 30, 2017 **Expense Table**

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

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

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

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

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which are described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

	Beginning Account Value 11/01/16	Ending Account Value 04/30/17	Annualized Expense Ratio	Expenses Paid During Period*
<b>Gabelli Enterprise Mergers and Acquisitions Fund</b>				
<b>Actual Fund Return</b>				
Class AAA	\$1,000.00	\$1,085.10	1.51%	\$ 7.81
Class A	\$1,000.00	\$1,083.10	1.71%	\$ 8.83
Class C	\$1,000.00	\$1,080.30	2.26%	\$11.66
Class Y	\$1,000.00	\$1,086.10	1.26%	\$ 6.52
<b>Hypothetical 5% Return</b>				
Class AAA	\$1,000.00	\$1,017.31	1.51%	\$ 7.55
Class A	\$1,000.00	\$1,016.31	1.71%	\$ 8.55
Class C	\$1,000.00	\$1,013.59	2.26%	\$11.28
Class Y	\$1,000.00	\$1,018.55	1.26%	\$ 6.31

\* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181 days), then divided by 365.

## Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of April 30, 2017:

### Gabelli Enterprise Mergers and Acquisitions Fund

U.S. Government Obligations . . . . .	23.9%	Hotels and Gaming . . . . .	1.7%
Health Care . . . . .	13.3%	Equipment and Supplies . . . . .	1.5%
Retail . . . . .	5.6%	Aerospace and Defense . . . . .	1.3%
Financial Services . . . . .	5.4%	Communications Equipment . . . . .	1.1%
Specialty Chemicals . . . . .	5.3%	Transportation . . . . .	1.0%
Wireless Communications . . . . .	5.1%	Machinery . . . . .	0.9%
Energy and Utilities . . . . .	5.1%	Entertainment . . . . .	0.7%
Food and Beverage . . . . .	4.9%	Automotive: Parts and Accessories . . . . .	0.6%
Media . . . . .	4.0%	Metals and Mining . . . . .	0.5%
Cable and Satellite . . . . .	3.6%	Consumer Services . . . . .	0.3%
Telecommunications . . . . .	3.1%	Real Estate Investment Trusts . . . . .	0.3%
Diversified Industrial . . . . .	3.0%	Containers and Packaging . . . . .	0.3%
Business Services . . . . .	2.6%	Consumer Products . . . . .	0.2%
Semiconductors . . . . .	2.1%	Computer Software and Services . . . . .	0.1%
Building and Construction . . . . .	2.0%	Other Assets and Liabilities (Net) . . . . .	0.5%
			<u>100.0%</u>

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

### Proxy Voting

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

### 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.



# Gabelli Enterprise Mergers and Acquisitions Fund

## Schedule of Investments (Continued) — April 30, 2017 (Unaudited)

Shares		Cost	Market Value	Shares		Cost	Market Value
	<b>COMMON STOCKS (Continued)</b>			400	Topdanmark A/S†	\$ 11,380	\$ 10,949
	<b>Energy and Utilities (Continued)</b>					<u>7,030,250</u>	<u>9,184,791</u>
5,100	Hafslund ASA, Cl. A	\$ 58,816	\$ 58,805				
2,500	Hawaiian Electric Industries Inc.	74,415	83,800				
12,500	NorthWestern Corp.	343,998	747,250	60,000			
8,001	Royal Dutch Shell plc, Cl. B	181,898	212,688				
10,000	Severn Trent plc	277,722	301,135	4,500	Flowers Foods Inc.	2,401,200	2,437,200
1,000	Southwest Gas Holdings Inc.	34,833	83,760	30,000	GrainCorp Ltd., Cl. A	10,669	88,245
10,000	TerraForm Global Inc., Cl. A†	49,425	47,500	5,000	Mead Johnson Nutrition Co.	341,966	200,379
90,000	Westar Energy Inc.	5,078,781	4,682,700	10,000	Mondelēz International Inc., Cl. A	434,525	443,600
140,000	WesternZagros Resources Ltd.†	409,637	17,435	600,000	Parmalat SpA	425,100	450,300
100	WGL Holdings Inc.	8,098	8,246	2,000,000	Premier Foods plc†	2,108,080	2,032,635
44,000	Whiting Petroleum Corp.†	<u>750,923</u>	<u>365,200</u>	4,650	Snyder's-Lance Inc.	1,376,332	1,107,398
		<u>10,408,890</u>	<u>8,508,683</u>	1,500	The Hershey Co.	152,287	163,959
				32,960	Tootsie Roll Industries Inc.	142,995	162,300
	<b>Entertainment — 0.7%</b>			450,000	Yashili International Holdings Ltd.	656,478	1,231,056
3,600	Discovery Communications Inc., Cl. A†	26,174	103,608			<u>189,692</u>	<u>78,680</u>
10,800	Discovery Communications Inc., Cl. C†	60,976	302,184			<u>8,239,324</u>	<u>8,395,752</u>
180,000	Dover Motorsports Inc.	667,976	369,000	20,000	Actelion Ltd.	5,458,670	5,338,693
128,900	Euro Disney SCA†	274,792	280,822	3,500	Akorn Inc.†	115,008	117,075
8,140	Lions Gate Entertainment Corp., Cl. B†	<u>212,454</u>	<u>194,139</u>	35,000	Alere Inc.†	1,808,460	1,720,950
		<u>1,242,372</u>	<u>1,249,753</u>	5,500	Allergan plc	1,322,108	1,341,230
				33,000	AstraZeneca plc, ADR	1,225,869	998,250
	<b>Equipment and Supplies — 1.5%</b>			5,000	Bio-Rad Laboratories Inc., Cl. A†	498,287	1,091,300
47,300	Axis Communications AB	1,895,619	1,816,211	15,000	Bristol-Myers Squibb Co.	465,021	840,750
6,000	MOCON Inc.	178,521	179,100	1,000	Chemed Corp.	30,478	201,380
30,000	Multi Packaging Solutions International Ltd.†	<u>536,321</u>	<u>538,500</u>	4,300	Cigna Corp.	606,775	672,391
		<u>2,610,461</u>	<u>2,533,811</u>	2,500	CR Bard Inc.	757,572	768,700
				3,000	Depomed Inc.†	61,729	35,970
				12,000	Exactech Inc.†	161,584	355,800
	<b>Financial Services — 5.4%</b>			16,500	Exova Group plc	50,743	50,969
3,000	Allied World Assurance Co. Holdings AG	154,213	159,270	8,000	Grifols SA, ADR	53,680	173,680
1,400	Argo Group International Holdings Ltd.	28,231	92,330	1,500	Humana Inc.	271,636	332,970
1,000	Aspen Insurance Holdings Ltd.	43,388	52,350	5,700	ICU Medical Inc.†	365,322	876,660
135,000	Astoria Financial Corp.	2,017,323	2,752,650	3,000	Illumina Inc.†	157,770	554,580
5,000	BKF Capital Group Inc.†	200,759	36,450	75,000	Innocoll Holdings plc†	160,706	154,500
14,000	EverBank Financial Corp.	272,201	273,000	100	LifeWatch AG†	1,336	1,432
1,500	FBR & Co.	27,807	27,150	6,000	Mylan NV†	293,980	224,100
2,900	Forestar Group Inc.†	41,082	41,035	1,000	Nexvet Biopharma plc†	6,655	6,600
307,836	Fortress Investment Group LLC, Cl. A	2,434,995	2,475,001	3,000	Perrigo Co. plc	276,734	221,820
3,000	Kinnevik AB, Cl. A	103,561	94,769	6,000	Smith & Nephew plc, ADR	206,505	199,440
90,000	Navient Corp.	849,595	1,368,000	27,000	STADA Arzneimittel AG	1,850,394	1,912,605
3,400	Nordnet AB, Cl. B	14,279	14,587	16,500	VCA Inc.†	1,498,216	1,510,905
100	Patriot National Inc.†	968	289	50,000	Zeltiq Aesthetics Inc.†	2,779,505	2,824,000
100,000	SLM Corp.†	573,264	1,254,000			<u>20,484,743</u>	<u>22,526,750</u>
1,600	SLM Solutions Group AG†	55,332	67,380				
20,025	Sterling Bancorp	201,872	465,581				
					<b>Hotels and Gaming — 1.7%</b>		
				20,000	Belmond Ltd., Cl. A†	224,642	248,000
				800	Churchill Downs Inc.	26,193	133,440
				2,000	Eldorado Resorts Inc.†	9,768	38,250
				3,500	Intrawest Resorts Holdings Inc.†	82,867	82,530

See accompanying notes to financial statements.

**Gabelli Enterprise Mergers and Acquisitions Fund**  
**Schedule of Investments (Continued) — April 30, 2017 (Unaudited)**

Shares		Cost	Market Value	Shares		Cost	Market Value
	<b>COMMON STOCKS (Continued)</b>			1,500	Linde AG.....	\$ 248,756	\$ 269,520
	<b>Hotels and Gaming (Continued)</b>			4,000	Monsanto Co.....	411,181	466,440
38,000	Ryman Hospitality Properties Inc..	\$ 1,354,565	\$ 2,423,640	34,000	SGL Carbon SE†.....	652,505	343,807
		<u>1,698,035</u>	<u>2,925,860</u>	28,000	Syngenta AG, ADR.....	2,552,365	2,604,840
	<b>Machinery — 0.9%</b>			45,000	The Valspar Corp.....	4,740,686	5,059,800
5,000	CIRCOR International Inc.....	178,053	333,550			<u>8,866,343</u>	<u>9,044,745</u>
25,000	CNH Industrial NV.....	214,917	275,865		<b>Telecommunications — 3.1%</b>		
19,000	Xylem Inc.....	512,117	976,790	280,000	Asia Satellite Telecommunications Holdings Ltd.†.....	604,206	340,175
		<u>905,087</u>	<u>1,586,205</u>	42,000	Cincinnati Bell Inc.†.....	759,572	791,700
	<b>Media — 4.0%</b>			8,500	Hitachi Kokusai Electric Inc.....	190,555	190,626
3,000	Telegraaf Media Groep NV†.....	19,115	20,254	220,000	Koninklijke KPN NV.....	657,892	636,261
70,000	Telenet Group Holding NV†.....	3,168,058	4,251,759	50,000	Level 3 Communications Inc.†.....	2,743,613	3,038,000
50,000	The E.W. Scripps Co., Cl. A†.....	853,140	1,114,000	5,000	Loral Space & Communications Inc.†.....	234,737	191,750
14,000	Time Warner Inc.....	1,108,943	1,389,780	1,500	Lumos Networks Corp.†.....	26,557	26,865
2,000	tronc Inc.†.....	22,980	28,680	500	NeuStar Inc., Cl. A†.....	16,714	16,600
		<u>5,172,236</u>	<u>6,804,473</u>	1,000	Rogers Communications Inc., Cl. B.....	2,955	45,860
	<b>Metals and Mining — 0.5%</b>					<u>5,236,801</u>	<u>5,277,837</u>
35,000	Alamos Gold Inc., Cl. A.....	496,582	250,600		<b>Transportation — 1.0%</b>		
2,222	Alcoa Corp.....	53,256	74,948	3,000	GATX Corp.....	118,937	179,700
17,752	AuRico Metals Inc.†.....	9,447	14,435	1,000	International Road Dynamics Inc.†.....	3,174	3,091
12,500	Canam Group Inc.....	111,928	111,443	54,000	Navistar International Corp.†.....	1,053,888	1,453,140
19,000	Pan American Silver Corp.....	298,459	318,604	100	Swift Transportation Co.†.....	2,410	2,458
		<u>969,672</u>	<u>770,030</u>			<u>1,178,409</u>	<u>1,638,389</u>
	<b>Real Estate Investment Trusts — 0.3%</b>				<b>Wireless Communications — 5.1%</b>		
6,000	Brookfield Canada Office Properties.....	143,123	142,940	45,000	Millicom International Cellular SA, SDR.....	2,731,862	2,469,150
20,000	Milestone Apartments Real Estate Investment Trust.....	325,561	324,530	58,000	Sprint Corp.†.....	300,473	523,740
		<u>468,684</u>	<u>467,470</u>	9,000	Telephone & Data Systems Inc.....	255,177	247,140
	<b>Retail — 5.6%</b>			40,000	T-Mobile US Inc.†.....	650,000	2,690,800
4,000	Aaron's Inc.....	113,021	143,760	70,000	United States Cellular Corp.†.....	3,221,188	2,742,600
30,000	Cabela's Inc.†.....	1,804,391	1,638,000			<u>7,158,700</u>	<u>8,673,430</u>
60,000	CST Brands Inc.....	2,770,691	2,897,400		<b>TOTAL COMMON STOCKS.....</b>	<b>116,534,258</b>	<b>128,285,773</b>
8,000	Panera Bread Co., Cl. A†.....	2,493,461	2,501,440		<b>RIGHTS — 0.2%</b>		
355,000	Rite Aid Corp.†.....	2,834,966	1,420,000		<b>Energy and Utilities — 0.1%</b>		
6,000	SpartanNash Co.....	60,130	220,800	90,000	Dyax Corp., CVR†.....	0	99,900
29,000	Village Super Market Inc., Cl. A.....	662,626	765,310		<b>Health Care — 0.1%</b>		
		<u>10,739,286</u>	<u>9,586,710</u>	20,000	Adolor Corp., CPR, expire 07/01/19†.....	0	10,400
	<b>Semiconductors — 2.1%</b>			13,000	Ambit Biosciences Corp., CVR†.....	0	7,800
14,800	AIXTRON SE†.....	60,369	81,156	5,000	American Medical Alert Corp., CPR†.....	0	50
15,000	Exar Corp.†.....	194,887	195,150	11,000	Chelsea Therapeutics International Ltd., CVR†.....	1,210	1,210
150,000	InvenSense Inc.†.....	1,910,405	1,929,000				
1,000	MoSys Inc.†.....	39,042	990				
13,000	NXP Semiconductors NV†.....	1,286,564	1,374,750				
		<u>3,491,267</u>	<u>3,581,046</u>				
	<b>Specialty Chemicals — 5.3%</b>						
2,000	Akzo Nobel NV.....	162,338	174,898				
7,000	Ferro Corp.†.....	98,512	125,440				

See accompanying notes to financial statements.



**Gabelli Enterprise Mergers and Acquisitions Fund**  
**Schedule of Investments (Continued) — April 30, 2017 (Unaudited)**

<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>	<u>Principal Amount</u>		<u>Cost</u>	<u>Market Value</u>
	<b>RIGHTS (Continued)</b>				<b>CORPORATE BONDS — 0.0%</b>		
	<b>Health Care (Continued)</b>				<b>Health Care — 0.0%</b>		
20,000	Durata Therapeutics Inc., CVR, expire 12/31/19† .....	\$ 0	\$ 0	\$ 7,000	Constellation Health Promissory Note, PIK, 5.000%, 01/31/24... ..	\$ 3,010	\$ 3,010
100	Omnthera Pharmaceuticals Inc., CVR† .....	0	60				
250,200	Synergetics USA Inc., CVR† .....	25,020	25,020	40,763,000	<b>U.S. GOVERNMENT OBLIGATIONS — 23.9%</b>		
156,000	Teva Pharmaceutical Industries Ltd., CCCP, expire 02/20/23†... ..	74,375	0		U.S. Treasury Bills, 0.495% to 0.914%††, 05/18/17 to 10/05/17(a) .....	40,695,687	40,694,947
7,000	Tobira Therapeutics Inc., CVR† ... ..	96,180	96,180				
		<u>196,785</u>	<u>140,720</u>		<b>TOTAL INVESTMENTS — 99.5% ...</b>	<u>\$ 157,559,887</u>	<u>169,381,090</u>
	<b>Media — 0.0%</b>						
40,000	Media General Inc., CVR, expire 12/31/17† .....	0	68,400		<b>Other Assets and Liabilities (Net) — 0.5% .....</b>		<u>883,489</u>
	<b>Retail — 0.0%</b>				<b>NET ASSETS — 100.0% .....</b>		<u>\$170,264,579</u>
220,000	Safeway Casa Ley, CVR, expire 01/30/19† .....	39,570	83,600				
220,000	Safeway PDC, CVR, expire 01/30/18† .....	1,900	4,400	(a)	At April 30, 2017, \$500,000 of the principal amount was pledged as collateral with Pershing.		
		<u>41,470</u>	<u>88,000</u>	†	Non-income producing security.		
	<b>TOTAL RIGHTS .....</b>	<u>238,255</u>	<u>397,020</u>	††	Represents annualized yield at date of purchase.		
	<b>WARRANTS — 0.0%</b>			ADR	American Depository Receipt		
	<b>Energy and Utilities — 0.0%</b>			CCCP	Contingent Cash Consideration Payment		
45,000	Kinder Morgan Inc., expire 05/25/17† .....	87,715	72	CPR	Contingent Payment Right		
	<b>Metals and Mining — 0.0%</b>			CVR	Contingent Value Right		
850	Hudbay Minerals Inc., expire 07/20/18† .....	962	268	PIK	Payment-in-kind		
	<b>TOTAL WARRANTS .....</b>	<u>88,677</u>	<u>340</u>	SDR	Swedish Depository Receipt		

See accompanying notes to financial statements.

## Gabelli Enterprise Mergers and Acquisitions Fund

### Statement of Assets and Liabilities April 30, 2017 (Unaudited)

<b>Assets:</b>	
Investments, at value (cost \$157,559,887) .....	\$169,381,090
Foreign currency, at value (cost \$2,833,305) .....	2,779,070
Receivable for Fund shares sold .....	884,712
Receivable for investments sold .....	3,391
Dividends receivable .....	15,834
Prepaid expenses .....	32,196
<b>Total Assets</b> .....	<u>173,096,293</u>
<b>Liabilities:</b>	
Payable to custodian .....	1,908,965
Payable for Fund shares redeemed .....	275,995
Payable for investments purchased .....	364,673
Payable for investment advisory fees .....	130,062
Payable for distribution fees .....	56,877
Payable for accounting fees .....	3,750
Payable for payroll expenses .....	1,062
Other accrued expenses .....	90,330
<b>Total Liabilities</b> .....	<u>2,831,714</u>
<b>Net Assets</b>	<u>\$170,264,579</u>
(applicable to 11,743,926 shares outstanding) ..	
<b>Net Assets Consist of:</b>	
Paid-in capital .....	\$161,335,594
Accumulated net investment loss .....	(586,312)
Accumulated net realized loss on investments and foreign currency transactions .....	(2,251,713)
Net unrealized appreciation on investments .....	11,821,203
Net unrealized depreciation on foreign currency translations .....	(54,193)
<b>Net Assets</b> .....	<u>\$170,264,579</u>

#### Shares of Capital Stock, each at \$0.001 par value:

##### Class AAA:

Net Asset Value, offering, and redemption price per share (\$4,534,535 ÷ 309,140 shares outstanding; 100,000,000 shares authorized) .. \$14.67

##### Class A:

Net Asset Value and redemption price per share (\$52,994,197 ÷ 3,664,337 shares outstanding; 200,000,000 shares authorized) .....

\$14.46

Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price) .....

\$15.34

##### Class C:

Net Asset Value and offering price per share (\$44,092,193 ÷ 3,309,097 shares outstanding; 100,000,000 shares authorized) .....

\$13.32(a)

##### Class Y:

Net Asset Value, offering, and redemption price per share (\$68,643,654 ÷ 4,461,352 shares outstanding; 100,000,000 shares authorized) .....

\$15.39

(a) Redemption price varies based on the length of time held.

### Statement of Operations For the Six Months Ended April 30, 2017 (Unaudited)

<b>Investment Income:</b>	
Dividends (net of foreign withholding taxes of \$14,732) .....	\$ 908,024
Interest .....	86,786
Other Income* .....	3,735
<b>Total Investment Income</b> .....	<u>998,545</u>
<b>Expenses:</b>	
Investment advisory fees .....	768,452
Distribution fees - Class AAA .....	5,475
Distribution fees - Class A .....	114,754
Distribution fees - Class C .....	225,496
Shareholder services fees .....	79,017
Directors' fees .....	37,643
Registration expenses .....	37,284
Shareholder communications expenses .....	29,944
Legal and audit fees .....	22,720
Accounting fees .....	22,500
Custodian fees .....	16,585
Interest expense .....	8,767
Payroll expenses .....	1,694
Miscellaneous expenses .....	11,862
<b>Total Expenses</b> .....	<u>1,382,193</u>
Less:	
Expenses paid indirectly by broker (See Note 6) .....	(1,254)
<b>Net Expenses</b> .....	<u>1,380,939</u>
<b>Net Investment Loss</b> .....	<u>(382,394)</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments, Securities Sold Short and Foreign Currency:</b>	
Net realized gain on investments .....	3,583,907
Net realized loss on foreign currency transactions .....	(75,088)
Net realized gain on investments and foreign currency transactions .....	<u>3,508,819</u>
Net change in unrealized appreciation/depreciation: on investments .....	9,872,197
on securities sold short .....	(8,914)
on foreign currency translations .....	<u>44,387</u>
Net change in unrealized appreciation/ depreciation on investments, securities sold short, and foreign currency translations .....	<u>9,907,670</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments, Securities Sold Short and Foreign Currency</b> .....	<u>13,416,489</u>
<b>Net Increase in Net Assets Resulting from Operations</b> .....	<u>\$13,034,095</u>

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

See accompanying notes to financial statements.



# Gabelli Enterprise Mergers and Acquisitions Fund

## Statement of Changes in Net Assets

	<b>Six Months Ended April 30, 2017 (Unaudited)</b>	<b>Year Ended October 31, 2016</b>
<b>Operations:</b>		
Net investment loss .....	\$ (382,394)	\$ (190,576)
Net realized gain on investments, securities sold short, and foreign currency transactions .....	3,508,819	10,307,496
Net change in unrealized appreciation/depreciation on investments, securities sold short, and foreign currency translations.....	<u>9,907,670</u>	<u>(8,302,711)</u>
<b>Net Increase in Net Assets Resulting from Operations .....</b>	<u>13,034,095</u>	<u>1,814,209</u>
<b>Capital Share Transactions:</b>		
Class AAA .....	117,460	(922,957)
Class A .....	155,408	(9,998,717)
Class C .....	(3,841,584)	(9,735,326)
Class Y .....	<u>4,122,260</u>	<u>(18,350,000)</u>
<b>Net Increase/(Decrease) in Net Assets from Capital Share Transactions.....</b>	<u>553,544</u>	<u>(39,007,000)</u>
<b>Redemption Fees .....</b>	<u>67</u>	<u>2,048</u>
<b>Net Increase/(Decrease) in Net Assets .....</b>	<u>13,587,706</u>	<u>(37,190,743)</u>
<b>Net Assets:</b>		
Beginning of year .....	<u>156,676,873</u>	<u>193,867,616</u>
End of period (including undistributed net investment income of \$0 and \$0, respectively).....	<u>\$170,264,579</u>	<u>\$156,676,873</u>

See accompanying notes to financial statements.

# Gabelli Enterprise Mergers and Acquisitions Fund

## Financial Highlights

Selected data for a share of capital stock outstanding throughout each period:

Year Ended October 31	Income (Loss) from Investment Operations				Net Asset Value, End of Period	Total Return	Ratios to Average Net Assets/Supplemental Data					
	Net Investment Income (Loss)	Net Realized and Unrealized Gain on Investments	Total Value from Investment Operations	Redemption Fees (d)(b)			Net Assets End of Period (in 000's)	Net Investment Income (Loss)	Operating Expenses	Portfolio Turnover Rate		
<b>Class AAA</b>												
2017(c)	\$13.52	\$1.17	\$1.15	\$0.00	\$14.67	8.51%	\$ 4,535	(0.31)%	1.51%	(d)(e)(f)(g)	62%	
2016	13.31	0.20	0.21	0.00	13.52	1.58	4,069	0.07	1.52%	(e)(f)(g)	151	
2015	12.86	0.52	0.45	0.00	13.31	3.50	4,943	(0.51)	1.47%	(e)(f)	162	
2014	12.66	0.23	0.20	0.00	12.86	1.58	11,315	(0.24)	1.46%	(e)	181	
2013	11.00	1.62	1.66	0.00	12.66	15.09	8,671	0.37	1.49		197	
2012(h)	10.60	0.48	0.40	0.00	11.00	3.77	7,814	(0.75)	1.50		202	
<b>Class A</b>												
2017(c)	\$13.35	\$1.14	\$1.11	\$0.00	\$14.46	8.31%	\$ 52,994	(0.49)%	1.71%	(d)(e)(f)(g)	62%	
2016	13.17	0.20	0.18	0.00	13.35	1.37	48,770	(0.13)	1.72%	(e)(f)(g)	151	
2015	12.75	0.50	0.42	0.00	13.17	3.29	58,039	(0.63)	1.67%	(e)(f)	162	
2014	12.57	0.24	0.18	0.00	12.75	1.43	93,980	(0.51)	1.66%	(e)	181	
2013	10.94	1.61	1.63	0.00	12.57	14.90	109,446	0.15	1.69		197	
2012(h)	10.57	0.48	0.37	0.00	10.94	3.50	103,827	(1.00)	1.70		202	
<b>Class C</b>												
2017(c)	\$12.33	\$1.06	\$0.99	\$0.00	\$13.32	8.03%	\$ 44,092	(1.05)%	2.26%	(d)(e)(f)(g)	62%	
2016	12.23	0.18	0.10	0.00	12.33	0.82	44,424	(0.67)	2.27%	(e)(f)(g)	151	
2015	11.91	0.46	0.32	0.00	12.23	2.69	53,738	(1.19)	2.22%	(e)(f)	162	
2014	11.81	0.22	0.10	0.00	11.91	0.85	57,616	(1.04)	2.21%	(e)	181	
2013	10.33	1.52	1.48	0.00	11.81	14.33	58,062	(0.39)	2.24		197	
2012(h)	10.04	0.45	0.29	0.00	10.33	2.89	51,498	(1.56)	2.25		202	
<b>Class Y</b>												
2017(c)	\$14.17	\$1.22	\$1.22	\$0.00	\$15.39	8.61%	\$ 68,644	(0.04)%	1.26%	(d)(e)(f)(g)	62%	
2016	13.91	0.21	0.26	0.00	14.17	1.87	59,414	0.33	1.27%	(e)(f)(g)	151	
2015	13.41	0.53	0.50	0.00	13.91	3.73	77,148	(0.20)	1.21%	(e)(f)	162	
2014	13.16	0.25	0.25	0.00	13.41	1.90	80,672	(0.03)	1.21%	(e)	181	
2013	11.41	1.69	1.75	0.00	13.16	15.34	66,746	0.48	1.24		197	
2012(h)	10.97	0.49	0.44	0.00	11.41	4.01	32,883	(0.49)	1.25		202	

† Total return represents aggregate total return of a hypothetical \$1,000 investment at the beginning of the year and sold at the end of the period including reinvestment of distributions and does not reflect applicable sales charges. Total return for a period of less than one year is not annualized.

(a) Per share amounts have been calculated using the average shares outstanding method.

(b) Amount represents less than \$0.005 per share.

(c) For the six months ended April 30, 2017, unaudited.

(d) Annualized.

(e) The Fund incurred dividend expense and service fees on securities sold short. If these expenses and fees had not been incurred, the ratios of operating expenses to average net assets for the year ended October 31, 2016 would have been 1.50% (Class AAA), 1.70% (Class A), 2.25% (Class C), and 1.25% (Class Y), respectively. For the six months ended April 30, 2017 and the years ended October 31, 2015, and 2014, there was no impact on the expense ratios.

(f) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the six months ended April 30, 2017 and the years ended October 31, 2016 and 2015, there was no impact on the expense ratios.

(g) For the six months ended April 30, 2017 and the year ended October 31, 2016, the Fund received reimbursements of custody expenses paid in prior years. Had such reimbursement (allocated by relative net asset values of the Fund's share classes) been included in these periods, the expense ratios would have been 1.51% and 1.44% (Class AAA), 1.71% and 1.64% (Class A), 2.26% and 2.19% (Class C), and 1.26% and 1.19% (Class Y), respectively.

(h) During the year ended October 31, 2012, the Fund changed its previously recognized estimate of the characterization of prior year income associated with a portfolio holding involved in a corporate reorganization that was subsequently sold. If this recharacterization had not occurred, Net Investment Income (Loss) would have been \$(0.02) (Class AAA), \$(0.05) (Class A), \$(0.10) (Class C), and \$0.00 (Class Y), respectively. Net Realized and Unrealized Gain on Investments would have been \$0.42 (Class AAA and Class A), \$0.39 (Class C), and \$0.44 (Class Y), respectively, and Net Investment Income (Loss) Ratio would have been (0.22)% (Class AAA), (0.47)% (Class A), (1.00)% (Class C), and 0.02% (Class Y), respectively.

See accompanying notes to financial statements.

## Gabelli Enterprise Mergers and Acquisitions Fund

### Notes to Financial Statements (Unaudited)

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**1. Organization.** The Gabelli Enterprise Mergers and Acquisitions Fund is a series of the Gabelli 787 Fund, Inc. (the “Corporation”), which was organized in Maryland and commenced operations on February 28, 2001. The Fund is a non-diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). Its primary objective is capital appreciation.

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

**Security Valuation.** Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market’s official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Directors (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 nonfinancial 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.

## Gabelli Enterprise Mergers and Acquisitions Fund Notes to Financial Statements (Unaudited) (Continued)

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

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

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of April 30, 2017 is as follows:

	Valuation Inputs			Total Market Value at 4/30/17
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
<b>INVESTMENTS IN SECURITIES:</b>				
<b>ASSETS (Market Value):</b>				
Common Stocks:				
Automotive: Parts and Accessories	\$ 888,384	—	\$ 100,000	\$ 988,384
Building and Construction	3,234,620	\$ 158,750	—	3,393,370
Energy and Utilities	8,383,784	—	124,899	8,508,683
Financial Services	9,133,754	36,450	14,587	9,184,791
Health Care	19,702,750	—	2,824,000	22,526,750
Real Estate Investment Trusts	142,940	—	324,530	467,470
All Other Industries (a)	83,216,325	—	—	83,216,325
Total Common Stocks	124,702,557	195,200	3,388,016	128,285,773
Rights (a)	—	88,000	309,020	397,020
Warrants (a)	340	—	—	340
Corporate Bonds (a)	—	—	3,010	3,010
U.S. Government Obligations	—	40,694,947	—	40,694,947
<b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b>	<b>\$124,702,897</b>	<b>\$40,978,147</b>	<b>\$3,700,046</b>	<b>\$169,381,090</b>

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

During the six months ended April 30, 2017, the Fund had transfers of \$106,566 or 0.07% from Level 1 to Level 3, \$155,000 or 0.10% from Level 1 to Level 2, \$88,000 or 0.06% from Level 3 to Level 2, and \$7,821 or 0.00% from Level 2 to Level 1 of net assets as of October 31, 2016. Transfers from Level 1 to Level 3 and Level 1 to Level 2 are due to a decline in market activity (e.g. frequency of trades), which resulted in a lack of available market inputs to determine price. Transfers from Level 2 to Level 1 and Level 3 to Level 2 are due to an increase in market activity (e.g. frequency of trades), which resulted in an increase in available market inputs to determine price. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

# Gabelli Enterprise Mergers and Acquisitions Fund

## Notes to Financial Statements (Unaudited) (Continued)

The following table reconciles Level 3 investments for which significant unobservable inputs were used to determine fair value:

	Balance as of 10/31/16	Accrued discounts/ (premiums)	Realized gain/ (loss)	Change in unrealized appreciation/ depreciation	Purchases	Sales	Transfers into Level 3††	Transfers out of Level 3††	Balance as of 4/30/17	Net change in unrealized appreciation/ depreciation during the period on Level 3 investments still held at 4/30/17†
<b>INVESTMENTS IN SECURITIES:</b>										
<b>ASSETS (Market Value):</b>										
Common Stocks:										
Automotive: Parts and Accessories										
	—	—	—	\$ 7,400	—	—	\$ 92,600	—	\$ 100,000	\$ 7,400
Energy and Utilities	\$ 0	—	—	(12,283)	\$ 137,182	—	—	—	124,899	(12,283)
Financial Services	—	—	—	621	—	—	13,966	—	14,587	621
Media	628,725	—	\$168,321	(74,732)	—	\$ (722,314)	—	—	—	—
Health Care	—	—	—	44,495	2,779,505	—	—	—	2,824,000	44,495
Real Estate Investment Trusts	—	—	—	(1,031)	325,561	—	—	—	324,530	(1,031)
<b>Total Common Stocks</b>	<b>628,725</b>	<b>—</b>	<b>168,321</b>	<b>(35,530)</b>	<b>3,242,248</b>	<b>(722,314)</b>	<b>106,566</b>	<b>—</b>	<b>3,388,016</b>	<b>39,202</b>
Rights	1,120,100	—	336,191	(84,973)	96,180	(1,070,478)	—	\$(88,000)	309,020	(14,280)
Corporate Bonds	—	—	—	—	3,010	—	—	—	3,010	—
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>\$1,748,825</b>	<b>—</b>	<b>\$504,512</b>	<b>\$(120,503)</b>	<b>\$3,341,438</b>	<b>\$(1,792,792)</b>	<b>\$106,566</b>	<b>\$(88,000)</b>	<b>\$3,700,046</b>	<b>\$ 24,922</b>

† Net change in unrealized appreciation/depreciation on investments is included in the related amounts in the Statement of Operations.

†† The Fund's policy is to recognize transfers into and out of Level 3 as of the beginning of the reporting period.

The following table summarizes the valuation techniques used and unobservable inputs utilized to determine the value of certain of the Fund's Level 3 investments as of April 30, 2017:

Description	Balance at 04/30/17	Valuation Technique	Unobservable Input	Range
<b>INVESTMENTS IN SECURITIES:</b>				
<b>ASSETS (Market Value):</b>				
Rights	\$ 309,020	Acquisition price/ Last available closing price	Discount Range	0%
Corporate Bonds	3,010	Acquisition price	Discount Range	0%
All Other Investments (a)	3,388,016			
	<u>\$3,700,046</u>			

(a) Includes fair value securities of investments developed using various valuation techniques and unobservable inputs.

Unobservable Input	Impact to Value if Input Increases	Impact to Value if Input Decreases
Discount Range	Decrease	Increase

## Gabelli Enterprise Mergers and Acquisitions Fund Notes to Financial Statements (Unaudited) (Continued)

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### 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 backtesting 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 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.

Collateral requirements differ by type of derivative. Collateral requirements are set by the broker or exchange clearing house for exchange traded derivatives, while collateral terms are contract specific for derivatives traded over-the-counter. Securities pledged to cover obligations of the Fund under derivative contracts are noted in



## Gabelli Enterprise Mergers and Acquisitions Fund

### Notes to Financial Statements (Unaudited) (Continued)

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the Schedule of Investments. Cash collateral, if any, pledged for the same purpose will be reported separately in the Statement of Assets and Liabilities.

The Fund's derivative contracts held at April 30, 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.

Unrealized gains related to swaps are reported as an asset and unrealized losses are reported as a liability in the Statement of Assets and Liabilities. The change in value of swaps, including the accrual of periodic amounts of interest to be paid or received on swaps, is reported as unrealized gain or loss in the Statement of Operations. A realized gain or loss is recorded upon payment or receipt of a periodic payment or termination of swap agreements. At April 30, 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.

## Gabelli Enterprise Mergers and Acquisitions Fund

### Notes to Financial Statements (Unaudited) (Continued)

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**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.

**Securities Sold Short.** The Fund may enter into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis. The broker retains collateral for the value of the open positions, which is adjusted periodically as the value of the position fluctuates. For the six months ended April 30, 2017, the Fund incurred \$50 in service fees related to its investment positions sold short and held by the broker. At April 30, 2017, there were no short sales outstanding.

**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 April 30, 2017, the Fund held no restricted securities.

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

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

In calculating the NAV per share of each class, investment income, realized and unrealized gains and losses, redemption fees, and expenses other than class specific expenses are allocated daily to each class of shares based upon the proportion of net assets of each class at the beginning of each day. Distribution expenses are borne solely by the class incurring the expense.

## Gabelli Enterprise Mergers and Acquisitions Fund Notes to Financial Statements (Unaudited) (Continued)

**Distributions to Shareholders.** Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. These reclassifications have no impact on the NAV of the Fund.

No distributions were made during the fiscal year ended October 31, 2016.

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

At October 31, 2016, the Fund had net capital loss carryforwards for federal income tax purposes of \$3,064,357 which are available to reduce future required distributions of net capital gains to shareholders through 2017. The Fund is permitted to carry forward for an unlimited period capital losses incurred in fiscal years beginning after December 22, 2010. In addition, these losses must be utilized prior to the losses incurred in pre-enactment taxable years. As a result of the rule, pre-enactment capital loss carryforwards may have an increased likelihood of expiring unused. Additionally, post enactment capital losses that are carried forward will retain their character as either short term or long term capital losses rather than being considered all short term as under previous law.

The following summarizes the tax cost of investments and the related net unrealized appreciation/depreciation at April 30, 2017:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments .....	\$159,978,393	\$21,324,706	\$(11,922,009)	\$9,402,697

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund’s tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. For the six months ended April 30, 2017, the Fund did not incur any income tax, interest, or penalties. As of April 30, 2017, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund’s net assets or results of operations. The Fund’s federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund’s tax positions to determine if adjustments to this conclusion are necessary.

## Gabelli Enterprise Mergers and Acquisitions Fund Notes to Financial Statements (Unaudited) (Continued)

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**3. Investment Advisory Agreement and Other Transactions.** The Fund has entered into an investment advisory agreement (the “Advisory Agreement”) with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, at annual rates as follows:

First \$1 Billion .....	0.935%
Next \$1 Billion .....	0.910%
Next \$3 Billion .....	0.885%
Next \$5 Billion .....	0.860%
Thereafter .....	0.835%

In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund’s portfolio, oversees the administration of all aspects of the Fund’s business and affairs, and pays the compensation of all Officers and Directors of the Fund who are affiliated persons of the Adviser.

As per the approval of the Board, the Fund is allocated a portion of the Chief Compliance Officer’s cost. For the six months ended April 30, 2017, the Fund paid or accrued \$1,694 in payroll expenses in the Statement of Operations.

The Fund pays each Director who is not considered an affiliated person an annual retainer of \$6,000 plus \$1,000 for each Board meeting attended, and they are reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended and the Chairman of the Audit Committee and the Lead Director receive annual fees of \$1,500 and \$2,000, respectively. The Chairmen of the Proxy Voting Committee and the Nominating Committee each receive annual fees of \$1,000. A Director may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

**4. Distribution Plan.** The Fund’s Board has adopted a distribution agreement and distribution plan (the “Plan”) pursuant to Rule 12b-1 under the 1940 Act. Under the Class AAA, Class A, and Class C Share Plans, payments are authorized to the G.distributors, LLC (the “Distributor”), an affiliate of the Adviser, at annual rates of 0.25%, 0.45%, and 1.00%, respectively, of the average daily net assets of those classes, the annual limitations under each Plan. Such payments are accrued daily and paid monthly. Class Y shares do not participate in the Plan and pay no distribution fees.

**5. Portfolio Securities.** Purchases and sales of securities during the six months ended April 30, 2017, other than short term securities and U.S. Government obligations, aggregated \$80,764,203 and \$89,331,459, respectively.

**6. Transactions with Affiliates and Other Arrangements.** During the six months ended April 30, 2017, the Fund paid \$49,797 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser. Additionally, the Distributor retained a total of \$8,264 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

During the six months ended April 30, 2017, the Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. The amount of such expenses paid through this directed brokerage arrangement during this period was \$1,254.

## Gabelli Enterprise Mergers and Acquisitions Fund

### Notes to Financial Statements (Unaudited) (Continued)

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. During the six months ended April 30, 2017, the Fund paid or accrued \$22,500 to the Adviser in connection with the cost of computing the Fund's NAV.

**7. Line of Credit.** The Fund participates in an unsecured line of credit, which expires on March 8, 2018 and may be renewed annually, of up to \$75,000,000 under which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bear interest at a floating rate equal to the higher of the overnight Federal Funds rate plus 125 basis points or the 30 day LIBOR plus 125 basis points in effect on that day. This amount, if any, would be included in "Interest expense" in the Statement of Operations. During the six months ended April 30, 2017, there were no borrowings under the line of credit.

**8. Capital Stock.** The Fund offers four classes of shares – Class AAA Shares, Class A Shares, Class C Shares, and Class Y Shares. Class AAA Shares and Class Y Shares are offered without a sales charge. Class A Shares are subject to a maximum front-end sales charge of 5.75%, and Class C Shares are subject to a 1.00% contingent deferred sales charge for one year after purchase.

The Fund imposes a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund as an increase in paid-in capital. The redemption fees retained by the Fund during the six months ended April 30, 2017 and the year ended October 31, 2016, if any, can be found in the Statement of Changes in Net Assets under Redemption Fees.

Transactions in shares of capital stock were as follows:

	Six Months Ended April 30, 2017 (Unaudited)		Year Ended October 31, 2016	
	Shares	Amount	Shares	Amount
<b>Class AAA</b>				
Shares sold .....	56,273	\$ 805,817	109,756	\$ 1,478,333
Shares redeemed .....	(47,990)	(688,357)	(180,147)	(2,401,290)
Net increase/(decrease) .....	<u>8,283</u>	<u>\$ 117,460</u>	<u>(70,391)</u>	<u>\$ (922,957)</u>
<b>Class A</b>				
Shares sold .....	424,312	\$ 6,012,421	416,097	\$ 5,502,463
Shares redeemed .....	(413,905)	(5,857,013)	(1,170,599)	(15,501,180)
Net increase/(decrease) .....	<u>10,407</u>	<u>\$ 155,408</u>	<u>(754,502)</u>	<u>\$ (9,998,717)</u>
<b>Class C</b>				
Shares sold .....	155,661	\$ 2,028,279	383,150	\$ 4,699,402
Shares redeemed .....	(449,208)	(5,869,863)	(1,174,428)	(14,434,728)
Net decrease .....	<u>(293,547)</u>	<u>\$ (3,841,584)</u>	<u>(791,278)</u>	<u>\$ (9,735,326)</u>
<b>Class Y</b>				
Shares sold .....	932,484	\$14,046,319	1,326,196	\$ 18,659,209
Shares redeemed .....	(664,532)	(9,924,059)	(2,677,853)	(37,009,209)
Net increase/(decrease) .....	<u>267,952</u>	<u>\$ 4,122,260</u>	<u>(1,351,657)</u>	<u>\$ (18,350,000)</u>

## Gabelli Enterprise Mergers and Acquisitions Fund Notes to Financial Statements (Unaudited) (Continued)

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

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



## Gabelli Enterprise Mergers and Acquisitions Fund

### Board Consideration and Re-Approval of Investment Advisory Agreement (Unaudited)

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Section 15(c) of the Investment Company Act of 1940, as amended (the “1940 Act”), contemplates that the Board of Directors (the “Board”) of Gabelli Enterprise Mergers and Acquisitions Fund (the “Fund”), including a majority of the Directors who have no direct or indirect interest in the investment advisory agreement and are not “interested persons” of the Fund, as defined in the 1940 Act (the “Independent Board Members”), are required annually to review and re-approve the terms of the Fund’s existing investment advisory agreement and approve any newly proposed terms therein. In this regard, the Board reviewed and re-approved, during the most recent six month period covered by this report, the Investment Advisory Agreement (the “Advisory Agreement”) with Gabelli Funds, LLC (the “Adviser”) for the Fund.

More specifically, at a meeting held on February 22, 2017, the Board, including the Independent Board Members, considered the factors and reached the conclusions described below relating to the selection of the Adviser and the re-approval of the Advisory Agreement.

**1) *The nature, extent, and quality of services provided by the Adviser.*** The Board Members reviewed in detail the nature and extent of the services provided by the Adviser under the Advisory Agreement and the quality of those services over the past year. The Board noted that these services included managing the investment program of the Fund, including the purchase and sale of portfolio securities, and overseeing all of the Fund’s third party service providers as well as providing general corporate services. The Board Members considered that the Adviser also provided, at its expense, office facilities for use by the Fund and supervisory personnel responsible for supervising the performance of administrative, accounting and related services for the Fund, including monitoring to assure compliance with stated investment policies and restrictions under the 1940 Act and related securities regulation. The Board Members noted that, in addition to managing the investment program for the Fund, the Adviser provided certain non-advisory and compliance services, including services for the Fund’s Rule 38a-1 compliance program.

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

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

## **Gabelli Enterprise Mergers and Acquisitions Fund**

### **Board Consideration and Re-Approval of Investment Advisory Agreement (Unaudited) (Continued)**

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**2) *The performance of the Fund and the Adviser.*** The Board Members reviewed the investment performance of the Fund, on an absolute basis, as compared to its Broadridge peer group of other SEC registered funds, and against the Fund's broad based securities market benchmark as reflected in the Fund's prospectus and annual report. The Board Members considered the Fund's one, three, five and ten year average annual total return for the periods ended December 31, 2016, but placed greater emphasis on the Fund's longer term performance. The peer group considered by the Board Members was developed by Broadridge and was comprised of the Fund and all retail and institutional alternative event driven funds, regardless of asset size or primary channel of distribution (the "Performance Peer Group"). The Board considered these comparisons helpful in its assessment as to whether the Adviser was obtaining for the Fund's shareholders the total return performance that was available in the marketplace, given the Fund's objectives, strategies, limitations and restrictions. In reviewing the performance of the Fund, the Board Members noted that the Fund's performance was above the median for the one-year, three-year, five-year, and ten-year periods. The Board Members concluded that the Fund's performance was reasonable in comparison to that of the Performance Peer Group.

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

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

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

The Board Members also considered an analysis prepared by the Adviser of the estimated profitability to the Adviser of its relationship with the Fund and reviewed with the Adviser its cost allocation methodology in connection with its profitability. In this regard, the Board Members reviewed Pro-forma Income Statements of the Adviser for the year ended December 31, 2016. The Board Members considered one analysis for the Adviser as a whole, and a second analysis for the Adviser with respect to the Fund. With respect to the Fund analysis, the Board Members received an analysis based on the Fund's average net assets during the period as well as a pro-forma analysis of profitability at higher and lower asset levels. The Board Members concluded that the profitability of the Fund to the Adviser under either analysis was not excessive.

## Gabelli Enterprise Mergers and Acquisitions Fund

### Board Consideration and Re-Approval of Investment Advisory Agreement (Unaudited) (Continued)

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

**5) *Other Factors.*** In addition to the above factors, the Board Members also discussed other benefits received by the Adviser from their management of the Fund. The Board Members considered that the Adviser does use soft dollars in connection with its management of the Fund. Based on a consideration of all these factors in their totality, the Board Members, including all of the Independent Board Members, determined that the Fund's advisory fee was fair and reasonable with respect to the quality of services provided and in light of the other factors described above that the Board deemed relevant. Accordingly, the Board Members determined to approve the continuation of the Fund's Advisory Agreement. The Board Members based their decision on evaluations of all these factors as a whole and did not consider any one factor as all-important or controlling.

## GABELLI ENTERPRISE MERGERS AND ACQUISITIONS FUND

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State Street Bank and Trust  
Company

### LEGAL COUNSEL

Paul Hastings LLP

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GABELLI  
FUNDS

# GABELLI ENTERPRISE MERGERS AND ACQUISITIONS FUND

*Semiannual Report*  
*April 30, 2017*

