

The Gabelli ABC Fund

Merger and Arbitrage – “The Deal Fund”

Shareholder Commentary – June 30, 2017

(Y)our Portfolio Management Team



Mario J. Gabelli, CFA
Chief Investment Officer



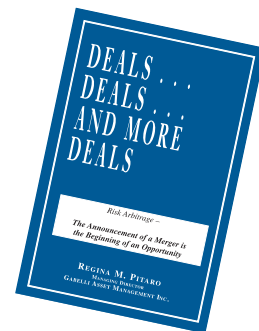
Ryan N. Kahn, CFA
Analyst
Mr. Kahn is a graduate of Babson College.



Gian Maria Magrini, CFA
Analyst
Mr. Magrini is a graduate of Fordham University.



Geoffrey P. Astle
Analyst
Mr. Astle is a graduate of Fairfield University.



*“Give a man a fish and you feed him for a day.
Teach him how to arbitrage and you feed him forever.”*

– Warren Buffett

To Our Shareholders,

For the quarter ended June 30, 2017, the net asset value (“NAV”) per Class AAA Share of The Gabelli ABC Fund increased 0.8% compared with an increase of 1.6% for the Standard & Poor’s (“S&P”) Long-Only Merger Arbitrage Index. The performance of the Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index for the quarter was 0.2%. See page 2 for additional performance information.

Commentary

Global deal activity increased 2% on a year over year basis through the first half of 2017 to total \$1.6 trillion¹. We witnessed a larger average deal size, as the number of deals announced during the first half of 2017 decreased 4% from 2016 levels to 22,752. On the contrary, the number of deals valued at more than \$1 billion increased 14% compared to the first half of 2016. On a sequential basis, deal activity accelerated in the second quarter, increasing 6% to \$822.6 billion versus \$775.8 billion in the first quarter. Year-over-year deal volumes fell 6% for the second quarter.

¹Thomson Reuters M&A Review – First Half 2017

Average Annual Returns through June 30, 2017 (a) (Unaudited)

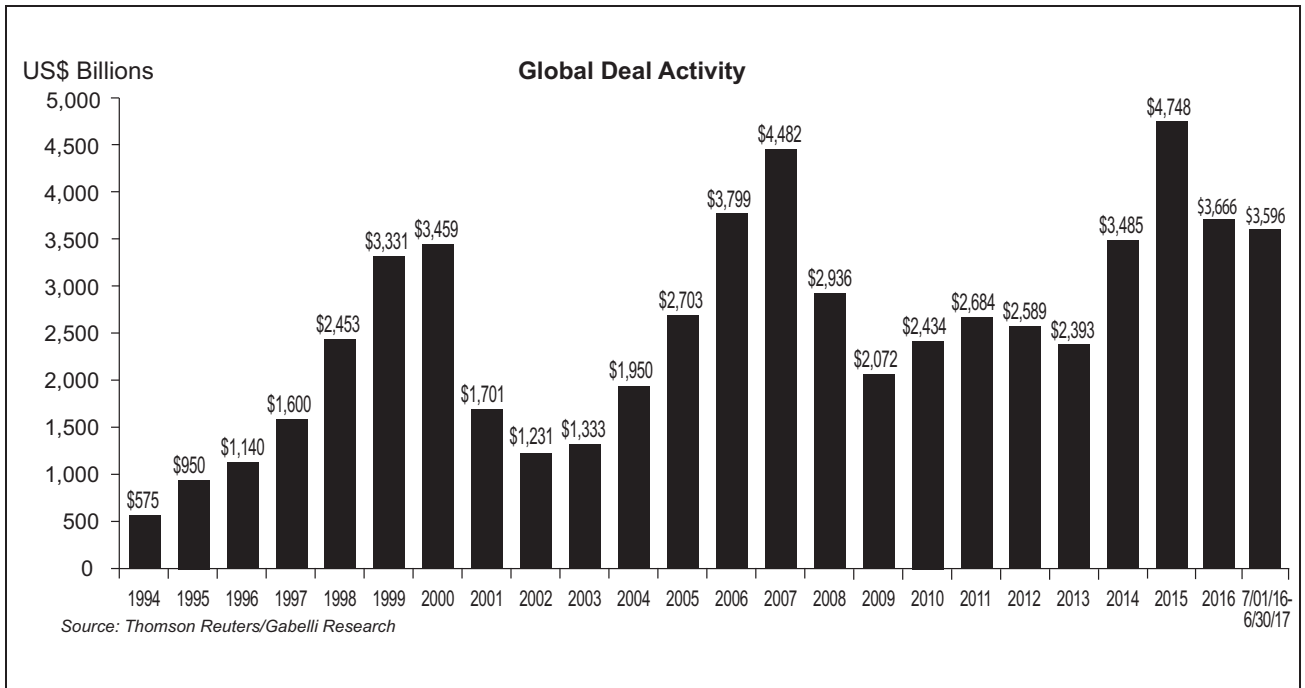
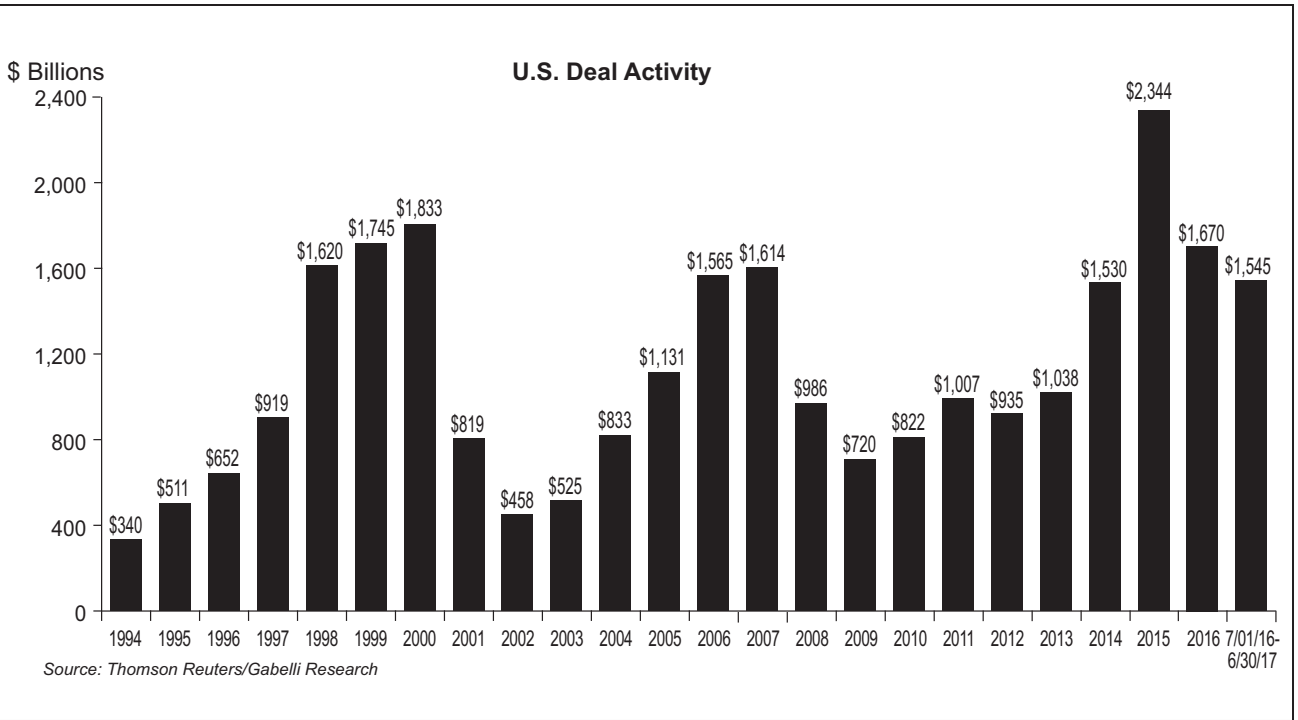
	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (5/14/93)
AAA Shares (GABCX)	0.78%	3.28%	3.16%	2.88%	3.85%	5.74%
Advisor Shares (GADVX)	0.59	2.95	2.90	2.61	3.67	5.62
S&P Long-Only Merger Arbitrage Index	1.63	4.31	4.51	N/A(b)	N/A(b)	N/A(b)
Lipper U.S. Treasury Money Market Fund Average ..	0.09	0.16	0.04	0.35	0.94	2.19(c)
Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index	0.20	0.49	0.17	0.58	1.30	2.63
S&P 500 Index	3.09	17.90	14.63	7.18	8.34	9.47(c)

In the current prospectuses dated April 28, 2017, the expense ratios for the Class AAA and the Advisor Class Shares, are 0.60% and 0.85% respectively. The Fund does not have a sales charge.

(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, 2007. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com. The S&P Long-Only Merger Arbitrage Index is comprised of a maximum of 40 large and liquid stocks that are active targets in pending merger deals. 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. 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. 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. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of the Advisor Class Shares on May 1, 2007. The actual performance of the Advisor Class Shares would have been lower due to the additional expenses associated with this class of shares.*

(b) S&P Long-Only Merger Arbitrage Index inception date is January 17, 2008.

(c) Lipper U.S. Treasury Money Market Fund Average and the S&P 500 Index since inception performance returns are as of April 30, 1993.



Cross border merger and acquisition (M&A) activity totaled \$630.9 billion in the first half of 2017, the highest level reached in the first half of a year since 2007. This surge in cross border transaction activity was driven by outbound U.S. acquirers and an increase in appetite for European assets. M&A activity in Europe totaled \$449 billion in the first half of the year, up 33% on a year over year basis. Although U.S. acquirers breached their borders to search for assets, Chinese acquirers reduced their appetite for foreign assets, as China outbound M&A declined 49% compared to the first half of 2016.

As we saw in the first quarter of 2017, the energy and power sector continued to fuel M&A activity, with deal activity in the space totaling \$240.6 billion in the first half, up 29% on a year over year basis. Real Estate and Industrials rounded out the top three most active sectors in the first six months of 2017.

As the Federal Reserve continues to raise rates, it is important to recall that historically there has been a positive correlation between interest rates and arbitrage spreads. This is due to the fact that the spread is driven by the risks inherent to a particular deal as well as the risk-free rate. Typically, as the risk free rate rises, so too do annualized spreads. Corporations continue to have high cash balances and an appetite to grow inorganically, which we anticipate will continue to drive M&A into the future.

Done Deals

Actelion LTD. is an Allschwil, Switzerland based biotech company. Actelion discovers, develops, and distributes drugs targeting pulmonary arterial hypertension. On January 26, 2017, Actelion agreed to be acquired by Johnson & Johnson for \$280 cash per share in a \$30 billion tender. Immediately prior to the completion of the transaction, Actelion spun out its drug discovery operations into a newly created Swiss Biotech company "Idorsia" which was listed on the SIX Swiss Exchange. The transaction closed June 16, 2017. Given the Idorsia spinoff, we will not be providing an annualized return figure for this deal.

AdvancePierre Foods Holdings, Inc. (APFH) is a Blue Ash, Ohio based food processing company that primarily distributes ready-to-eat sandwiches. APFH agreed to be acquired by Tyson Foods, Inc. (TSN) on April 25, 2017 for \$40.25 in cash per share in a tender offer. The transaction required APFH shareholders to meet the minimum condition of the tender and regulatory approval. APFH and TSN completed the deal on June 8, 2017. The Fund earned a 7.21% annualized return.

Air Methods Corp. (AIRM) is an Englewood, Colorado based healthcare facilities and services company. Air Methods core operations are focused on emergency transport services. A smaller piece of AIRM offers air tourism services to travelers. On March 14, 2017, Air Methods agreed to be acquired by American Securities LLC for \$43 cash per share in a \$2.5 billion tender. Completion of the transaction was contingent upon the satisfaction of the minimum tender condition and regulatory approvals. The deal closed on April 24, 2017. The Fund earned a 1.72% annualized return.

InvenSense Inc. is a San Jose, California based electronic equipment company that sells motion sensor technology to its customers. InvenSense agreed to be acquired by TDK Corp. on December 21, 2016 for \$13

per share or \$1.3 billion. The transaction required shareholder and regulatory approvals and closed on May 18, 2017. The Fund earned a 5.15% annualized return.

Joy Global Inc. is a mining equipment company based in Milwaukee, Wisconsin. Joy Global manufactures mining equipment for the extraction of metals and minerals and also provides clients with the servicing of this machinery. On July 21, 2016, Komatsu entered into a \$28.30 cash per share merger with Joy, valued at \$2.8 billion. Shareholders approved the deal and the companies received regulatory approvals in various jurisdictions. The deal closed on April 6, 2017. The Fund earned a 3.69% annualized return.

Mead Johnson Nutrition Co. is a Chicago, Illinois based nutrition company focused on the distribution of pediatric products. On February 10, 2017, MJN agreed to be acquired by Reckitt Benckiser Group plc for \$90 cash per share, which valued the company at \$17.9 billion. The deal was subject to regulatory and shareholder approval and closed on June 15, 2017. The Fund earned a 2.86% annualized return.

Multi Packaging Solutions International Ltd. (MPSX) is a New York, New York, based paper and packaging company. On January 24, 2016, MPSX agreed to be acquired by WestRock for \$18 per share in cash, representing a total enterprise value of \$2.28 billion. The deal was subject to regulatory and shareholder approvals, and closed June 7, 2017. The Fund earned a 2.46% annualized return.

Syngenta AG (SYT) is a Basel, Switzerland based agricultural chemicals company. On February 3, 2016 Syngenta agreed to be acquired by ChemChina for \$465 cash per share plus a CHF 5 special dividend. The tender offer was contingent upon SYT shareholders meeting the minimum condition and required regulatory approvals. Syngenta and ChemChina closed the deal on May 18, 2017. The Fund earned a 10.11% annualized return.

Zeltiq Aesthetics Inc. (ZLTQ) is a Pleasanton, California based medical technology company that licenses CoolSculpting, a noninvasive body sculpting procedure. ZLTQ agreed to be acquired by Allergan on February 13, 2017 for \$56.50 cash per share. The deal required shareholder and regulatory approvals and closed on May 1, 2017. The Fund earned an 11.66% annualized return.

Pipeline

C.R. Bard Inc. (3% of net asset as of June 30, 2017) (BCR – \$316.11 – NYSE) is a New Providence, New Jersey based medical equipment company that distributes diagnostic and patient care products. BCR agreed to be acquired by Becton Dickinson and Co. (BDX) on April 23, 2017 for \$222.93 cash + 0.5077 BDX per share stock. The transaction requires regulatory and shareholder approvals and is expected to close in the fall of 2017.

Kate Spade & Co. (1.3%) (KATE – \$18.49 – NYSE) is a New York, New York based apparel and accessories retailer. On May 8, 2017 KATE agreed to be acquired by Coach, Inc. for \$18.50 per share in cash representing a \$2.4 billion enterprise value. The deal is contingent upon KATE shareholders meeting the minimum tender condition and it requires regulatory approval. The companies expect to close the transaction in the third quarter of 2017.

Panera Bread Co. (3.2%) (PNRA – \$314.64 – NASDAQ) is a St. Louis, Missouri based restaurant services company that operates over 2,000 locations in 46 states. On April 5, 2017, PNRA agreed to be acquired by JAB for \$315 cash per share, representing \$7.5 billion in enterprise value. The deal requires regulatory approval and a shareholder vote and is expected to close during the third quarter of this year.

Rite Aid Corp.(0.3%) (RAD – \$2.95 – NYSE) is a Camp Hill, Pennsylvania based retail drugstore chain. The company originally entered into a \$17.2 billion merger with Walgreens Boots Alliance Inc, another international pharmacy operator, during October of 2015. The deal was marked by a lengthy and complex regulatory review which lengthened the timeline past its January 30, 2017 termination date. At that point, the deal was subsequently extended to June 30, 2017 and the price revised to \$14.2 billion. Approaching this second termination date and due to opposition by the Federal Trade Commission, the parties restructured the deal to an asset sale whereby Walgreens Boots Alliance will acquire 2,186 Rite Aid Corp. stores across the country for a price of \$5.175 billion and the payment of a \$325 million termination fee associated with the original deal. The asset sale is expected to face a simpler antitrust approval process and reach its conclusion by the end of the year.

Time Warner Inc.(1.3%) (TWX – \$100.41 – NYSE) is a New York, New York based entertainment company. Through a variety of brands, including HBO, Turner, and Warner Bros, the company produces and distributes a wide array of entertainment and media products. On October 22, 2016, AT&T agreed to acquire Time Warner Inc. for \$53.75 cash plus \$53.75 worth of AT&T stock, subject to a collar. The deal requires both shareholder and regulatory approvals, and values Time Warner at \$108.7 billion. The transaction should close prior to year end 2017.

Tribune Media Co. (0.2%) (TRCO – \$40.77 – NYSE) is a Chicago, Illinois based broadcasting company with 42 television stations in operation. Tribune agreed to be acquired by Sinclair Broadcasting Group, Inc. for \$35 in cash and 0.23 SBGI shares for a total deal price of \$43.50 per share at announcement. The deal requires regulatory and shareholder approvals and is expected to close in the fourth quarter.

Westar Energy Inc.(1.9%) (WR – \$53.02 – NYSE) is a Topeka, Kansas based electric utility company. On May 31, 2016, Westar agreed to be acquired by Great Plains Energy for \$60 per share — \$51 in cash consideration and \$9 in Great Plains Energy common stock, for a total value of \$12.2 billion. The deal was subject to shareholder and regulatory approvals and was expected to close in the spring of 2017, however the Kansas Corporation Commission blocked the deal. The companies reworked the merger in early July such that it became an all-stock merger of equals that addressed many of the Commission's concerns. Westar shareholders will now receive one share of the newly combined company and Great Plains' holders will receive 0.5981 of these shares. The newly crafted merger is expected to close in the first half of 2018.

Whole Foods Market, Inc.(0.4%) (WFM – \$42.11 – NASDAQ) is an Austin, Texas based supermarket chain that offers organic food products. Whole Foods Market agreed on June 16, 2017, to be acquired by Amazon for \$42 per share in cash which valued the company at \$13.7 billion. The transaction requires shareholder and regulatory approvals and is expected to close in the second half of 2017.

July 31, 2017

Top Ten Holdings (Percent of Net Assets)
June 30, 2017

Panera Bread Co.	3.2%	VCA Inc.	1.4%
C.R. Bard Inc.	3.0%	Parmalat SPA	1.3%
Lennar Corp.	2.2%	Kate Spade & Co.	1.3%
Westar Energy	1.9%	Time Warner Inc.	1.3%
Spectranetics Corp.	1.4%	Level 3 Communications Inc.	1.1%

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 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.

Merger Arbitrage Risk. The principal risk associated with the Fund's investment strategy is that certain of the proposed reorganizations in which the Fund invests may involve a longer time frame than originally contemplated or be renegotiated or terminated, in which case losses may be realized. The Fund invests all or a portion of its assets to seek short term capital appreciation. This can be expected to increase the portfolio turnover rate and cause increased brokerage commission costs.

FOR THE BENEFICIAL OWNERS

The Gabelli ABC Fund remains open to new investors with the following characteristics:

Direct Ownership – Class AAA (GABCX)

- Purchases may be made through G.distributors, LLC or directly through the Fund's Transfer Agent or through brokers that have entered into selling agreements specifically with respect to Class AAA Shares; and
- The minimum *initial* investment is \$10,000; and
- Investment accounts must be registered in the beneficial owner's name; and
- The Fund may involuntarily redeem shares through brokers or financial consultants in omnibus and individual accounts where the beneficial owner is not disclosed.

Ownership Through Intermediaries – Advisor Class (GADVX)

- The Advisor Share Class is available through brokers or financial intermediaries that have entered into selling agreements with G.distributors, LLC, specifically with respect to this share class; and
- The minimum *initial* investment is \$10,000.

www.gabelli.com

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

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

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

e-delivery

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

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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.

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. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, are available on our website at www.gabelli.com.

Portfolio Management Team Biographies

Mario J. Gabelli, CFA, is Chairman, Chief Executive Officer, and Chief Investment Officer – Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of 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.

Ryan N. Kahn, CFA, is an analyst dedicated to the Gabelli merger arbitrage portfolios, specific to our U.S. mutual funds. He joined the team in 2013 after working as a generalist in the research department. Mr. Kahn earned a Bachelor of Science in Business Management from Babson College.

Gian Maria Magrini, CFA, is an analyst dedicated to the Gabelli merger arbitrage portfolios specific to our U.S. mutual funds. He joined the team in 2013 after serving various roles in the firm's operations and research departments. Mr. Magrini earned a Bachelor of Science in Finance from Fordham University.

Geoffrey P. Astle is involved in the analytics and foreign and domestic trading for the Gabelli merger arbitrage portfolios, specific to our U.S. mutual funds. He has been associated in this capacity since 2007. Mr. Astle earned a Bachelor of Science in both Finance and Marketing from Fairfield University.

THE GABELLI ABC 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.

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Anthony J. Colavita, P.C.

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and Chief Financial Officer,
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Mary E. Hauck
Former Senior Portfolio
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Werner J. Roeder, MD
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CUSTODIAN, TRANSFER AGENT, AND DIVIDEND DISBURSING AGENT

State Street Bank and Trust
Company

LEGAL COUNSEL

Skadden, Arps, Slate, Meagher &
Flom LLP

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



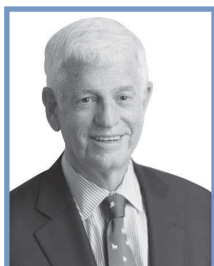
GABELLI
FUNDS

THE GABELLI ABC FUND

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June 30, 2017

The Gabelli ABC Fund

Semiannual Report — June 30, 2017
(Y)our Portfolio Management Team



Mario J. Gabelli, CFA
Chief Investment Officer



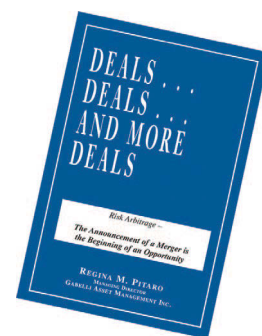
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To Our Shareholders,

For the six months ended June 30, 2017, the net asset value (“NAV”) per Class AAA Share of The Gabelli ABC Fund increased 1.4% compared with an increase of 3.0% for the Standard & Poor’s (“S&P”) Long-Only Merger Arbitrage Index. The performance of the Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index for the period was 0.3%. See page 2 for additional performance information.

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

Comparative Results

Average Annual Returns through June 30, 2017 (a) (Unaudited)

	Six Months	1 Year	5 Year	10 Year	15 Year	Since Inception (5/14/93)
AAA Shares (GBCX)	1.38%	3.28%	3.16%	2.88%	3.85%	5.74%
Advisor Shares (GADVX)	1.19	2.95	2.90	2.61	3.67	5.62
S&P Long-Only Merger Arbitrage Index	2.97	4.31	4.51	N/A(b)	N/A(b)	N/A(b)
Lipper U.S. Treasury Money Market Fund Average	0.13	0.16	0.04	0.35	0.94	2.19(c)
Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index. . .	0.31	0.49	0.17	0.58	1.30	2.63
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- (b) S&P Long-Only Merger Arbitrage Index inception date is January 17, 2008.
- (c) Lipper U.S. Treasury Money Market Fund Average and the S&P 500 Index since inception performance returns are as of April 30, 1993.

The Gabelli ABC Fund

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from January 1, 2017 through June 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 01/01/17	Ending Account Value 06/30/17	Annualized Expense Ratio	Expenses Paid During Period*
The Gabelli ABC Fund				
Actual Fund Return				
Class AAA	\$1,000.00	\$1,013.80	0.56%	\$2.80
Advisor Class	\$1,000.00	\$1,011.90	0.81%	\$4.04
Hypothetical 5% Return				
Class AAA	\$1,000.00	\$1,022.07	0.56%	\$2.81
Advisor Class	\$1,000.00	\$1,020.83	0.81%	\$4.06

* 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 June 30, 2017:

The Gabelli ABC Fund

Long Positions

U.S. Treasury Bills.....	63.2%
Health Care.....	10.1%
Retail.....	5.8%
Energy and Utilities.....	3.1%
Telecommunications.....	2.8%
Building and Construction.....	2.5%
Financial Services.....	1.8%
Food and Beverage.....	1.8%
Entertainment.....	1.4%
Cable and Satellite.....	1.3%
Transportation.....	1.1%
Computer Hardware.....	0.9%
Electronics.....	0.9%
Business Services.....	0.6%
Metals and Mining.....	0.5%
Wireless Communications.....	0.5%
Machinery.....	0.4%
Specialty Chemicals.....	0.4%
Automotive: Parts and Accessories.....	0.3%
Broadcasting.....	0.3%
Computer Software and Services...	0.3%

Diversified Industrial.....	0.3%
Semiconductors.....	0.3%
Consumer Products.....	0.2%
Hotels and Gaming.....	0.2%
Publishing.....	0.2%
Aerospace.....	0.1%
Aviation: Parts and Services.....	0.1%
Real Estate.....	0.1%
Consumer Services.....	0.0%*
Paper and Forest Products.....	0.0%*
Real Estate Investment Trusts.....	0.0%*
Closed-End Funds.....	0.0%*
Other Assets and Liabilities (Net)...	0.6%

Short Positions

Building and Construction.....	(2.1)%
Energy and Utilities.....	(0.0)%**
	<u>100.0%</u>

* Amount represents less than 0.05%.

** Amount represents greater than (0.05)%.

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

Proxy Voting

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

The Gabelli ABC Fund

Schedule of Investments (Continued) — June 30, 2017 (Unaudited)

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS (Continued)						
	Energy and Utilities (Continued)						
5,000	Delta Natural Gas Co. Inc. \$	150,230	\$ 152,350	1,000	Mastercard Inc., Cl. A. \$	19,963	\$ 121,450
20,000	Endesa SA.	453,617	460,744	52,700	MoneyGram International Inc.†.	929,513	909,075
8,654	EnerNOC Inc.†.	66,030	67,069	40,000	Navient Corp.	292,552	666,000
1,000	Etablissements Maurel et Prom†.	4,369	3,906	32,500	Nordnet AB, Cl. B†.	136,494	146,593
1,667	EXCO Resources Inc.†.	102,900	4,417	36,598	OneBeacon Insurance Group Ltd., Cl. A.	667,825	667,181
44,000	Gas Natural Inc.	552,528	567,600	10,000	Oritani Financial Corp.	103,087	170,500
500,000	Gulf Coast Ultra Deep Royalty Trust†.	564,334	32,500	100	Patriot National Inc.†.	968	212
43,150	Hafslund ASA, Cl. A.	497,628	558,191	2,200	Topdanmark A/S†.	62,593	70,254
4,500	Hess Corp.	222,442	197,415	18,000	Waddell & Reed Financial Inc., Cl. A.	341,668	339,840
60,000	National Fuel Gas Co.	3,198,578	3,350,400	100	Wolverine Bancorp Inc.	3,930	4,015
88,000	Noble Energy Inc.	3,409,817	2,490,400	238,000	Wright Investors' Service Holdings Inc.†.	595,000	158,270
9,000	Rice Energy Inc.†.	223,160	239,670			<u>22,497,965</u>	<u>26,275,929</u>
125,000	Severn Trent plc.	3,381,011	3,552,450				
10,000	TerraForm Global Inc., Cl. A†. .	49,425	50,500		Food and Beverage — 1.8%		
450,000	Weatherford International plc†.	2,841,196	1,741,500	5,544,978	Parmalat SpA.	17,729,250	19,189,624
514,000	Westar Energy Inc.	28,998,254	27,252,280	5,000	Pernod Ricard SA.	370,584	669,587
70,000	WesternZagros Resources Ltd.†.	245,398	14,844	5,050,000	Premier Foods plc†.	3,507,625	2,663,849
2,000	WGL Holdings Inc.	165,770	166,860	24,000	Remy Cointreau SA.	1,467,270	2,802,842
		<u>50,053,105</u>	<u>44,505,349</u>	9,718	Snyder's-Lance Inc.	326,074	336,437
				2,000	The Hershey Co.	205,020	214,740
						<u>23,605,823</u>	<u>25,877,079</u>
	Entertainment — 1.4%				Health Care — 10.0%		
13,000	Discovery Communications Inc., Cl. A†.	348,628	335,790	70,000	Akorn Inc.†.	2,315,101	2,347,800
13,000	Discovery Communications Inc., Cl. C†.	256,455	327,730	150,000	Albany Molecular Research Inc.†.	3,234,177	3,255,000
2,000	Liberty Media Corp. - Liberty Braves, Cl. A†.	48,868	47,780	82,000	Alere Inc.†.	4,202,369	4,115,580
1,500	Scripps Networks Interactive Inc., Cl. A.	79,134	102,465	19,000	Allergan plc.	4,551,480	4,618,710
2,000	The Madison Square Garden Co, Cl. A†.	179,986	393,800	90,000	AstraZeneca plc, ADR.	3,478,574	3,068,100
180,000	Time Warner Inc.	16,299,565	18,073,800	800	Bio-Rad Laboratories Inc., Cl. A†.	79,952	181,048
		<u>17,212,636</u>	<u>19,281,365</u>	37,000	Celesio AG.	1,170,356	1,130,445
	Financial Services — 1.8%			10,000	Cigna Corp.	1,387,539	1,673,900
7,000	Alimco Financial Corp.†.	240,731	89,600	136,000	CR Bard Inc.	41,367,677	42,990,960
72,000	AllianceBernstein Holding LP. .	921,024	1,702,800	16,000	Depomed Inc.†.	310,254	171,840
38,000	Allied World Assurance Co. Holdings AG.	1,983,022	2,010,200	20,000	Endo International plc†.	234,840	223,400
355,000	Astoria Financial Corp.	5,315,230	7,153,250	1,800	Humana Inc.	317,801	433,116
3,355	B. Riley Financial Inc.	90,996	62,235	2,000	ICU Medical Inc.†.	115,620	345,000
42,000	CoBiz Financial Inc.	684,618	730,800	160,941	Idorsia Ltd.†.	1,656,880	3,037,889
20,000	Fidelity & Guaranty Life.	614,520	621,000	400	Illumina Inc.†.	16,234	69,400
1,016,432	Fortress Investment Group LLC, Cl. A.	7,930,779	8,121,292	3,300	Incyte Corp.†.	399,562	415,503
40,000	Kinnevik AB, Cl. A.	1,346,449	1,415,362	640,000	Innocoll Holdings plc†.	1,373,960	1,452,800
60,000	KKR & Co. LP.	217,003	1,116,000	500	LifeWatch AG†.	7,114	7,900
				5,000	Mylan NV†.	245,704	194,100
				433,000	Myrex Inc.†.	44,849	33,146
				6,200	Nexvet Biopharma plc†.	41,261	41,416
				67,000	Novadaq Technologies Inc.†. .	780,537	785,240
				52,000	Nutraceutical International Corp.	2,173,355	2,165,800

See accompanying notes to financial statements.

The Gabelli ABC Fund

Schedule of Investments (Continued) — June 30, 2017 (Unaudited)

Shares		Cost	Market Value	Shares		Cost	Market Value
COMMON STOCKS (Continued)				Real Estate — 0.1%			
Health Care (Continued)				Real Estate Investment Trusts — 0.0%			
1,000	PAREXEL International Corp.† \$	87,162	\$ 86,910	63,200	Forestar Group Inc.†	\$ 893,931	\$ 1,083,880
410,000	Patheon NV†	14,234,298	14,300,800	500	American Tower Corp.	7,707	66,160
3,500	Perrigo Co. plc.	332,339	264,320	3,600	Eurosic	204,472	208,671
2,000	SciClone Pharmaceuticals Inc.†	21,910	22,000	500	First Potomac Realty Trust	5,565	5,555
200,000	STADA Arzneimittel AG	13,692,351	14,183,247	6,900	Parkway Inc.	157,948	157,941
32,300	Syneron Medical Ltd.†	354,645	353,685			375,692	438,327
523,500	The Spectranetics Corp.†	20,092,728	20,102,400	Retail — 5.7%			
210,669	VCA Inc.†	19,150,751	19,446,855	126,000	Cabela's Inc.†	7,580,106	7,486,920
31,800	VWR Corp.†	1,052,739	1,049,718	1,000,000	Kate Spade & Co.†	18,454,778	18,490,000
6,000	Zimmer Biomet Holdings Inc.	706,537	770,400	22,000	Macy's Inc.	454,276	511,280
		139,230,656	143,338,436	144,000	Panera Bread Co., Cl. A†	45,045,907	45,308,160
Hotels and Gaming — 0.2%				1,635,000	Rite Aid Corp.†	13,144,378	4,823,250
30,000	Belmond Ltd., Cl. A†	357,851	399,000	127,000	Whole Foods Market Inc.	5,329,530	5,347,970
500	Churchill Downs Inc.	21,323	91,650			90,008,975	81,967,580
12,000	Eldorado Resorts Inc.†	56,605	240,000	Semiconductors — 0.3%			
45,000	Intrawest Resorts Holdings Inc.†	1,064,428	1,068,300	129,400	AIXTRON SE†	524,509	909,675
25,000	Ryman Hospitality Properties Inc.	1,076,449	1,600,250	2,000	MoSys Inc.†	44,242	3,420
		2,576,656	3,399,200	30,000	NXP Semiconductors NV†	2,954,129	3,283,500
						3,522,880	4,196,595
Machinery — 0.4%				Specialty Chemicals — 0.4%			
28,000	Astec Industries Inc.	998,791	1,554,280	13,200	International Flavors & Fragrances Inc.	1,368,521	1,782,000
140,000	CNH Industrial NV	1,121,455	1,593,200	6,600	Linde AG	1,094,574	1,249,834
45,000	CNH Industrial NV, Borsa Italiana	383,886	509,600	14,000	Monsanto Co.	1,465,102	1,657,040
40,000	Xylem Inc.	1,129,100	2,217,200	50,000	SGL Carbon SE†	707,892	621,045
		3,633,232	5,874,280	38,057	Valvoline Inc.	842,963	902,712
						5,479,052	6,212,631
Metals and Mining — 0.5%				Telecommunications — 2.8%			
24,000	Alamos Gold Inc., Cl. A	235,742	172,320	300,000	Asia Satellite Telecommunications Holdings Ltd.	683,347	319,310
42,000	Ampco-Pittsburgh Corp.	398,580	619,500	14,000	Harris Corp.	1,114,460	1,527,120
200,000	Freeport-McMoRan Inc.†	2,179,472	2,402,000	130,000	Koninklijke KPN NV	396,278	415,892
42,000	Newmont Mining Corp.	998,157	1,360,380	260,000	Level 3 Communications Inc.†	14,375,198	15,418,000
12,000	Pan American Silver Corp.	170,418	201,820	14,000	Lumos Networks Corp.†	247,870	250,180
10,500	Vulcan Materials Co.	457,522	1,330,140	52,000	NeuStar Inc., Cl. A†	1,720,858	1,734,200
80,000	Whiting Petroleum Corp.†	1,188,029	440,800	100,000	Pharol SGPS SA†	26,205	34,836
		5,627,920	6,526,960	620,000	Sprint Corp.†	3,139,260	5,090,200
Paper and Forest Products — 0.0%				4,000	Straight Path Communications Inc., Cl. B†	719,299	718,600
142,300	Tembec Inc.†	452,536	460,873	90,000	Telenet Group Holding NV†	4,100,841	5,669,073
Publishing — 0.2%				400,000	West Corp.	9,251,168	9,328,000
5,000	Meredith Corp.	214,965	297,250			35,774,784	40,505,411
14,000	Telegraaf Media Groep NV†	89,203	98,611	Transportation — 1.1%			
130,000	The E.W. Scripps Co., Cl. A†	2,322,198	2,315,300	775,000	Abertis Infraestructuras SA	14,242,001	14,357,425
6,000	tronc Inc.†	68,490	77,340				
		2,694,856	2,788,501				

See accompanying notes to financial statements.

The Gabelli ABC Fund

Schedule of Investments (Continued) — June 30, 2017 (Unaudited)

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS (Continued)						
	Transportation (Continued)			739,500	Synergetics USA Inc., CVR†... \$	73,950	73,950
2,500	XPO Logistics Europe SA†	\$ 607,603	\$ 562,867	825,000	Teva Pharmaceutical Industries Ltd., CCCP, expire 02/20/23†	401,888	0
		14,849,604	14,920,292	12,000	Tobira Therapeutics Inc.†	164,880	164,880
	Wireless Communications — 0.5%					734,916	1,416,324
10,000	Blackberry Ltd.†	68,396	99,900		Retail — 0.1%		
1,000	DGC One AB	28,852	29,675	950,000	Safeway Casa Ley, CVR, expire 01/30/19†	166,857	460,750
112,000	Millicom International Cellular SA, SDR	6,905,904	6,615,215	950,000	Safeway PDC, CVR, expire 01/30/18†	0	14,250
7,500	T-Mobile US Inc.†	121,875	454,650			166,857	475,000
13,000	United States Cellular Corp.† ..	491,946	498,160		TOTAL RIGHTS	964,473	2,297,734
		7,616,973	7,697,600		WARRANTS — 0.0%		
	TOTAL COMMON STOCKS	527,289,538	547,575,814		Metals and Mining — 0.0%		
	CLOSED-END FUNDS — 0.0%			2,550	Hudbay Minerals Inc., expire 07/20/18†	2,886	472
2,000	Altaba Inc.†	29,400	108,960		Principal Amount		
	PREFERRED STOCKS — 0.0%				CONVERTIBLE CORPORATE BONDS — 0.0%		
	Financial Services — 0.0%				Building and Construction — 0.0%		
9,968	Steel Partners Holdings LP, 6.000%, 02/07/26	235,891	216,804	\$ 525,000	Layne Christensen Co., 4.250%, 11/15/18	520,556	469,547
	Telecommunications — 0.0%				Energy and Utilities — 0.0%		
3,000	Cincinnati Bell Inc., 6.750%, Ser. B	62,529	150,030	800,000	Texas Competitive Electric Holdings Co. LLC, 10.250%, 11/01/18†	0	0
	TOTAL PREFERRED STOCKS ..	298,420	366,834		TOTAL CONVERTIBLE CORPORATE BONDS	520,556	469,547
	RIGHTS — 0.2%				CORPORATE BONDS — 0.0%		
	Energy and Utilities — 0.0%				Health Care — 0.0%		
15,000	Interoil Contingent Resource Payment†	62,700	62,700	65,000	Constellation Health Promissory Note, PIK, 5.000%, 01/31/24	27,950	27,950
	Entertainment — 0.0%				U.S. GOVERNMENT OBLIGATIONS — 63.2%		
201,000	Media General Inc., expire 12/31/17†	0	343,710	910,912,000	U.S. Treasury Bills, 0.573% to 1.158%††, 07/13/17 to 05/24/18(a)	908,086,298	907,902,680
	Health Care — 0.1%				TOTAL INVESTMENTS — 101.5% ...	\$1,437,219,521	\$1,458,749,991
110,600	Adolor Corp., CPR, expire 07/01/19†	0	28,756				
187,969	Ambit Biosciences Corp., CVR†	0	112,781				
135,000	American Medical Alert Corp., CPR†	0	1,350				
54,000	Chelsea Therapeutics International Ltd., CVR†	5,940	0				
5,000	Community Health Systems Inc., CVR†	158	97				
795,000	Dyax Corp., CVR, expire 12/31/19†	0	882,450				
100	Omthera Pharmaceuticals Inc., expire 12/31/20†	0	60				
400,000	Sanofi, CVR, expire 12/31/20†	88,100	152,000				

See accompanying notes to financial statements.

The Gabelli ABC Fund
Schedule of Investments (Continued) — June 30, 2017 (Unaudited)

<u>Principal Amount</u>	<u>Settlement Date</u>	<u>Unrealized Appreciation/Depreciation</u>	<u>Shares</u>	<u>Proceeds</u>	<u>Market Value</u>
FORWARD FOREIGN EXCHANGE CONTRACTS (b) — (0.0)%					
11,000,000(c)	Deliver British Pounds in exchange for United States Dollars 14,233,340	07/28/17	\$ (107,177)		
56,000,000(d)	Deliver Euro Currency in exchange for United States Dollars 63,796,992	07/28/17	(261,340)		
TOTAL FORWARD FOREIGN EXCHANGE CONTRACTS					
<u>(368,517)</u>					
SECURITIES SOLD SHORT — (2.1)%					
Building and Construction — (2.1)%					
	Lennar Corp., Cl. A.		550,000	\$ 24,810,869	\$ 29,326,000
Energy and Utilities — (0.0)%					
	EQT Corp.		2,220	119,003	130,070
TOTAL SECURITIES SOLD SHORT(f)					
<u>\$ 24,929,872</u> <u>\$ 29,456,070</u>					
Notional Amount					
EQUITY CONTRACT FOR DIFFERENCE SWAP AGREEMENTS (e) — 0.0%					
\$862,684	Premier Foods plc	03/29/18	28,782		
(1,690,000 Shares)					
<u>Market Value</u>					
SECURITIES SOLD SHORT — (2.1)%					
(Proceeds received \$24,929,872)					
<u>(29,456,070)</u>					
Other Assets and Liabilities (Net) — 0.6%					
<u>8,757,396</u>					
NET ASSETS — 100.0%					
<u>\$1,437,711,582</u>					

- (a) At June 30, 2017, \$109,250,000 of the principal amount was reserved and/or pledged with the custodian for securities sold short, equity contract for difference swap agreements, and forward foreign exchange contracts.
- (b) At June 30, 2017, the Fund had entered into forward foreign exchange contracts with State Street Bank and Trust Co.
- (c) Principal amount denoted in British Pounds.
- (d) Principal amount denoted in Euros.
- (e) At June 30, 2017, the Fund had entered into an equity contract for difference swap agreement with The Goldman Sachs Group, Inc.
- (f) At June 30, 2017, these proceeds were being held at Pershing LLC.
- † Non-income producing security.
- †† Represents annualized yield at date of purchase.
- ADR American Depository Receipt
- CCCP Contingent Cash Consideration Payment
- CPR Contingent Payment Right
- CVR Contingent Value Right
- SDR Swedish Depository Receipt

See accompanying notes to financial statements.

The Gabelli ABC Fund

Statement of Assets and Liabilities June 30, 2017 (Unaudited)

Assets:	
Investments, at value (cost \$1,437,219,521) ..	\$1,458,749,991
Cash	50,214
Deposit at brokers	29,203,425
Receivable for investments sold	923,436
Receivable for Fund shares sold	1,153,827
Dividends and interest receivable	895,895
Prepaid expenses	75,975
Unrealized appreciation on swap contracts	28,782
Total Assets	<u>1,491,081,545</u>
Liabilities:	
Securities sold short, at value (proceeds \$24,929,872)	29,456,070
Payable for investments purchased	21,277,276
Payable for Fund shares redeemed	1,344,796
Payable for investment advisory fees	588,631
Payable for distribution fees	168,388
Payable for accounting fees	11,250
Unrealized depreciation on forward foreign exchange contracts	368,517
Other accrued expenses	155,035
Total Liabilities	<u>53,369,963</u>
Net Assets (applicable to 140,281,466 shares outstanding)	<u>\$1,437,711,582</u>
Net Assets Consist of:	
Paid-in capital	\$1,412,553,966
Undistributed net investment income	3,553,017
Accumulated net realized gain on investments, securities sold short, swap contracts, and foreign currency transactions	4,937,257
Net unrealized appreciation on investments	21,530,470
Net unrealized depreciation on securities sold short	(4,526,198)
Net unrealized appreciation on swap contracts	28,782
Net unrealized depreciation on foreign currency translations	(365,712)
Net Assets	<u>\$1,437,711,582</u>

**Shares of Capital Stock, each at \$0.001 par value;
500,000,000 shares authorized:**

Class AAA:

Net Asset Value, offering, and redemption
price per share (\$613,298,968 ÷ 59,493,585
shares outstanding)

\$10.31

Advisor Class:

Net Asset Value, offering, and redemption
price per share (\$824,412,614 ÷ 80,787,881
shares outstanding)

\$10.20

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

Investment Income:	
Dividends (net of foreign withholding taxes of \$185,331)	\$ 5,041,027
Interest	2,774,964
Total Income	<u>7,815,991</u>
Expenses:	
Investment advisory fees	3,547,016
Distribution fees - Advisor Class	996,974
Custodian fees	67,811
Service fees for securities sold short (See Note 2)	5,008
Shareholder communications expenses	56,308
Registration expenses	53,768
Dividend expense on securities sold short	50,754
Directors' fees	45,622
Legal and audit fees	34,310
Shareholder services fees	29,998
Accounting fees	22,500
Interest expense	7,207
Miscellaneous expenses	44,400
Total Expenses	<u>4,961,676</u>
Less:	
Expenses paid indirectly by broker (See Note 6)	(5,476)
Net Expenses	<u>4,956,200</u>
Net Investment Income	<u>2,859,791</u>
Net Realized and Unrealized Gain/(Loss) on Investments, Securities Sold Short, Swap Contracts, and Foreign Currency:	
Net realized gain on investments	14,536,549
Net realized loss on securities sold short	(934,924)
Net realized loss on swap contracts	(96,756)
Net realized loss on foreign currency transactions	(4,623,479)
Net realized gain on investments, securities sold short, swap contracts, and foreign currency transactions	<u>8,881,390</u>
Net change in unrealized appreciation/depreciation: on investments	12,630,413
on securities sold short	(5,562,644)
on swap contracts	6,153
on foreign currency translations	(113,431)
Net change in unrealized appreciation/depreciation on investments, securities sold short, swap contracts, and foreign currency translations	<u>6,960,491</u>
Net Realized and Unrealized Gain/(Loss) on Investments, Securities Sold Short, Swap Contracts, and Foreign Currency	<u>15,841,881</u>
Net Increase in Net Assets Resulting from Operations	<u>\$18,701,672</u>

See accompanying notes to financial statements.

The Gabelli ABC Fund

Statement of Changes in Net Assets

	Six Months Ended June 30, 2017 (Unaudited)	Year Ended December 31, 2016
Operations:		
Net investment income	\$ 2,859,791	\$ 774,207
Net realized gain on investments, securities sold short, swap contracts, and foreign currency transactions	8,881,390	29,894,761
Net change in unrealized appreciation on investments, securities sold short, swap contracts, and foreign currency translations	6,960,491	11,071,021
Net Increase in Net Assets Resulting from Operations	18,701,672	41,739,989
Distributions to Shareholders:		
Net investment income		
Class AAA	—	(4,082,045)
Advisor Class	—	(3,735,843)
	—	(7,817,888)
Net realized gain		
Class AAA	—	(9,264,805)
Advisor Class	—	(12,875,590)
	—	(22,140,395)
Total Distributions to Shareholders	—	(29,958,283)
Capital Share Transactions:		
Class AAA	(25,363,789)	(6,638,642)
Advisor Class	34,593,446	57,104,679
Net Increase in Net Assets from Capital Share Transactions	9,229,657	50,466,037
Redemption Fees	8,168	16,661
Net Increase in Net Assets	27,939,497	62,264,404
Net Assets:		
Beginning of year	1,409,772,085	1,347,507,681
End of period (including undistributed net investment income of \$3,553,017 and \$693,226, respectively)	\$1,437,711,582	\$1,409,772,085

See accompanying notes to financial statements.

The Gabelli ABC Fund

Financial Highlights

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

Year Ended December 31	Income (Loss) from Investment Operations				Distributions			Ratios to Average Net Assets/ Supplemental Data						
	Net Asset Value Beginning of Year	Net Investment Income (Loss) (a)	Net Realized Gain on Investments	Total from Investment Operations	Net Realized Gain on Investments	Return of Capital	Total Distributions	Redemption Fees (a)(b)	Net Asset Value End of Period	Total Return†	Net Assets End of Period (in 000's)	Net Investment Income (Loss)	Operating Expenses	Portfolio Turnover Rate
Class AAA														
2017(c)	\$0.17	\$ 0.03	\$0.11	\$0.14	—	—	—	\$0.00	\$10.31	1.4%	\$613,299	0.53%(d)0.56%(d)(e)(f)	109%	
2016	10.10	0.02	0.29	0.31	\$(0.17)	—	\$(0.24)	0.00	10.17	3.1	630,052	0.19 0.60(e)(f)(g)	287	
2015	10.13	(0.00)(b)	0.24	0.24	(0.21)	—	(0.27)	0.00	10.10	2.3	630,205	(0.01) 0.59(e)(f)	276	
2014	10.24	(0.00)(b)	0.12	0.12	(0.05)	—	(0.23)	0.00	10.13	1.2	659,818	(0.04) 0.58(f)	281	
2013	9.96	0.06	0.43	0.49	(0.19)	\$(0.01)	(0.21)	0.00	10.24	4.9	446,566	0.63 0.58(f)	324	
2012	9.76	0.02	0.49	0.51	(0.27)	—	(0.31)	0.00	9.96	5.2	299,111	0.17 0.60	256	
Advisor Class														
2017(c)	\$10.08	\$ 0.02	\$0.10	\$0.12	—	—	—	\$0.00	\$10.20	1.2%	\$824,413	0.30%(d)0.81%(d)(e)(f)	109%	
2016	10.01	(0.01)	0.30	0.29	\$(0.17)	—	\$(0.22)	0.00	10.08	2.9	779,720	(0.06) 0.85(e)(f)(g)	287	
2015	10.05	(0.03)	0.23	0.20	(0.03)	—	(0.24)	0.00	10.01	2.0	717,303	(0.27) 0.84(e)(f)	276	
2014	10.16	(0.03)	0.12	0.09	(0.18)	—	(0.20)	0.00	10.05	0.9	712,086	(0.30) 0.83(f)	281	
2013	9.89	0.03	0.43	0.46	(0.00)(b)	—	\$(0.00)(b)	0.00	10.16	4.7	677,405	0.29 0.83(f)	324	
2012	9.69	0.01	0.47	0.48	(0.27)	—	(0.19)	0.00	9.89	4.9	304,468	0.14 0.85	256	

† 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. 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 June 30, 2017, unaudited.
 (d) Annualized.

(e) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the six months ended June 30, 2017 and the years ended December 31, 2016 and 2015, there was no impact to the securities sold short. If these expenses and fees had not been incurred, the ratios of operating expenses to average net assets for the six months ended June 30, 2017 and the years ended December 31, 2016, 2015, and 2014 would have been 0.55%, 0.55%, 0.55%, and 0.57% (Class AAA) and 0.80%, 0.80%, 0.77%, and 0.82% (Advisor Class), respectively. For the year ended December 31, 2013, there was no impact on the expense ratios.
 (g) During the year ended December 31, 2016, the Fund received a one time reimbursement 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 this period, the annualized expense ratios would have been 0.58% (Class AAA) and 0.83% (Advisor Class), respectively.

See accompanying notes to financial statements.

The Gabelli ABC Fund

Notes to Financial Statements (Unaudited)

1. Organization. The Gabelli ABC Fund, a series of Gabelli Investor Funds, Inc., was incorporated on October 30, 1992 in Maryland. The Fund is a non-diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund’s primary objective is to achieve total returns that are attractive to investors in various market conditions without excessive risk of capital loss. The Fund commenced investment operations on May 14, 1993.

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, unless the Board determines such amount does not reflect the securities’ fair value, in which case these securities will be fair valued as determined by the Board. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one of more dealers in the instrument in question by the Adviser.

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 Gabelli ABC 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 and other financial instruments by inputs used to value the Fund's investments as of June 30, 2017 is as follows:

	Valuation Inputs			Total Market Value at 6/30/17
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
Automotive: Parts and Accessories	\$ 308,300	—	\$4,130,000	\$ 4,438,300
Business Services	8,857,769	—	0	8,857,769
Diversified Industrial	4,648,528	\$ 1,260	—	4,649,788
Financial Services	25,971,066	158,270	146,593	26,275,929
Health Care	143,297,020	41,416	—	143,338,436
Transportation	14,357,425	562,867	—	14,920,292
Other Industries (a)	345,095,300	—	—	345,095,300
Total Common Stocks	542,535,408	763,813	4,276,593	547,575,814
Closed-End Funds	108,960	—	—	108,960
Preferred Stocks (a)	366,834	—	—	366,834
Rights (a)	152,097	475,000	1,670,637	2,297,734
Warrants (a)	472	—	—	472
Convertible Corporate Bonds (a)	—	469,547	0	469,547
Corporate Bonds (a)	—	—	27,950	27,950
U.S. Government Obligations	—	907,902,680	—	907,902,680
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$543,163,771	\$909,611,040	\$5,975,180	\$1,458,749,991
LIABILITIES (Market Value):				
Securities Sold Short (a)	\$ (29,456,070)	—	—	\$ (29,456,070)
TOTAL INVESTMENTS IN SECURITIES - LIABILITIES	\$ (29,456,070)	—	—	\$ (29,456,070)

The Gabelli ABC Fund

Notes to Financial Statements (Unaudited) (Continued)

	Valuation Inputs			Total Market Value at 6/30/17
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
OTHER FINANCIAL INSTRUMENTS:*				
ASSETS (Unrealized Appreciation):				
EQUITY CONTRACTS				
Contract for Difference Swap Agreements	—	\$ 28,782	—	\$ 28,782
LIABILITIES (Unrealized Depreciation):				
FORWARD CURRENCY EXCHANGE CONTRACTS				
Forward Foreign Exchange Contracts	—	(368,517)	—	(368,517)
TOTAL OTHER FINANCIAL INSTRUMENTS:	—	\$(339,735)	—	\$(339,735)

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

* Other financial instruments are derivatives reflected in the SOI, such as options, futures, forwards, and swaps, which may be valued at the unrealized appreciation/depreciation of the instrument.

The Fund did not have material transfers among Level 1, Level 2, and Level 3 during the six months ended June 30, 2017. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

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, hedging against changes

The Gabelli ABC Fund

Notes to Financial Statements (Unaudited) (Continued)

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 that, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

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 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 policy with respect to offsetting is that, absent an event of default by the counterparty or a termination of the agreement, the master agreement does not result in an offset of reported amounts of financial assets and financial liabilities in the Statement of Assets and Liabilities across transactions between the Fund and the applicable counterparty. The enforceability of the right to offset may vary by jurisdiction.

The Fund's derivative contracts held at June 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 received or paid on swaps, is reported as unrealized gain or loss in the Statement of Operations. A realized gain or loss is recorded upon receipt or payment of a periodic payment or termination of swap agreements.

The Gabelli ABC Fund

Notes to Financial Statements (Unaudited) (Continued)

The Fund has entered into equity contract for difference swap agreements with The Goldman Sachs Group, Inc. Details of the swap at June 30, 2017 are reflected within the Schedule of Investments and further details are as follows:

<u>Notional Amount</u>	<u>Equity Security Received</u>	<u>Interest Rate/ Equity Security Paid</u>	<u>Termination Date</u>	<u>Net Unrealized Appreciation</u>
	Market Value Appreciation on:	One month LIBOR plus 90 bps plus Market Value Depreciation on:		
\$862,684 (1,690,000 Shares)	Premier Foods plc	Premier Foods plc	03/29/18	\$28,782

The Fund's volume of activity in equity contract for difference swap agreements during the six months ended June 30, 2017 had an average monthly notional amount of approximately \$925,847 over the period that the swaps were outstanding.

At June 30, 2017, the value of equity contract for difference swap agreements can be found in the Statement of Assets and Liabilities under Assets, Unrealized appreciation on swap contracts. For the six months ended June 30, 2017, the effect of equity contract for difference swap agreements can be found in the Statement of Operations under Net Realized and Unrealized Gain/(Loss) on Investments, Securities Sold Short, Swap Contracts, and Foreign Currency, Net realized loss on swap contracts and Net change in unrealized appreciation/depreciation on swap contracts.

Forward Foreign Exchange Contracts. The Fund may engage in forward foreign exchange contracts for the purpose of hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on foreign currency translations. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. For the six months ended June 30, 2017, the effect of forward foreign exchange contracts can be found in the Statement of Operations under Net Realized and Unrealized Gain/(Loss) on Investments, Securities Sold Short, Swap Contracts, and Foreign Currency, within Net realized gain on foreign currency transactions and Net change in unrealized appreciation/depreciation on foreign currency translations.

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. Forward foreign exchange contracts at June 30, 2017 are reflected within the Schedule of Investments. The Fund's volume of activity in forward foreign exchange contracts during the six months ended June 30, 2017 had an average monthly notional amount of approximately \$67,158,234.

The Gabelli ABC Fund

Notes to Financial Statements (Unaudited) (Continued)

At June 30, 2017, the value of forward foreign exchange contracts can be found in the Statement of Assets and Liabilities under Assets, Unrealized appreciation on forward foreign exchange contracts, and under Liabilities, Unrealized depreciation on forward foreign exchange contracts. For the six months ended June 30, 2017, the effect of forward foreign exchange contracts can be found in the Statement of Operations under Net Realized and Unrealized Gain/(Loss) on Investments, Securities Sold Short, Swap Contracts, and Foreign Currency, within Net realized gain on foreign currency transactions and Net change in unrealized appreciation/depreciation on foreign currency translations.

At June 30, 2017, the Fund's derivative assets (by type) are as follows:

	Gross Amounts of Recognized Assets Presented in the Statement of Assets and Liabilities	Gross Amounts Available for Offset in the Statement of Assets and Liabilities	Net Amounts of Assets Presented in the Statement of Assets and Liabilities
Assets			
Equity Contract for Difference Swap Agreements	\$28,782	—	\$28,782
	Gross Amounts of Recognized Liabilities Presented in the Statement of Assets and Liabilities	Gross Amounts Available for Offset in the Statement of Assets and Liabilities	Net Amounts of Liabilities Presented in the Statement of Assets and Liabilities
Liabilities			
Forward Foreign Exchange Contracts	\$368,517	—	\$368,517

The following tables present the Fund's derivative assets and liabilities by counterparty net of the related collateral segregated by the Fund for the benefit of the counterparty as of June 30, 2017:

	Net Amounts Not Offset in the Statement of Assets and Liabilities			Net Amount
	Net Amounts of Assets Presented in the Statement of Assets and Liabilities	Financial Instruments	Cash Collateral Received	
Counterparty				
The Goldman Sachs Group, Inc.	\$28,782	\$(28,782)	—	—
	Net Amounts Not Offset in the Statement of Assets and Liabilities			Net Amount
	Net Amounts of Liabilities Presented in the Statement of Assets and Liabilities	Financial Instruments	Cash Collateral Pledged	
Counterparty				
State Street Bank & Trust Co.	\$368,517	\$(368,517)	—	—

Securities Sold Short. The Fund enters into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with

The Gabelli ABC Fund

Notes to Financial Statements (Unaudited) (Continued)

an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis. The broker retains collateral for the value of the open positions, which is adjusted periodically as the value of the position fluctuates. Securities sold short and details of collateral at June 30, 2017 are reflected within the Schedule of Investments. For the six months ended June 30, 2017, the Fund incurred \$5,008 in service fees related to its investment positions sold short and held by the broker. These amounts are included in the Statement of Operations under Expenses, Service fees for securities sold short.

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 does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly

The Gabelli ABC Fund

Notes to Financial Statements (Unaudited) (Continued)

traded securities, and accordingly the Board will monitor their liquidity. At June 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/(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.

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, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. 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.

The tax character of distributions paid during the year ended December 31, 2016 was as follows:

Distributions paid from:*	
Ordinary income (inclusive of short term capital gains)	\$26,568,268
Net long term capital gains	<u>4,181,853</u>
Total distributions paid	<u>\$30,750,121</u>

* Total distributions paid differs from the Statement of Changes in Net Assets due to the utilization of equalization.

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.

The Fund is permitted to carry capital losses forward for an unlimited period. Capital losses that are carried forward will retain their character as either short term or long term capital losses.

The Gabelli ABC Fund

Notes to Financial Statements (Unaudited) (Continued)

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

	<u>Cost/ (Proceeds)</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$1,440,445,360	\$43,052,334	\$(24,747,703)	\$18,304,631
Securities sold short	(24,929,872)	—	(4,526,198)	(4,526,198)
		<u>\$43,052,334</u>	<u>\$(29,273,901)</u>	<u>\$13,778,433</u>

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. For the six months ended June 30, 2017, the Fund did not incur any income tax, interest, or penalties. As of June 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.

3. Investment Advisory Agreement and Other Transactions. The Fund has entered into an investment advisory agreement (the "Advisory Agreement") with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, at the annual rate of 0.50% of the value of its average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio, oversees the administration of all aspects of the Fund's business and affairs, and pays the compensation of all Officers and Directors of the Fund who are affiliated persons of the Adviser.

The Fund pays each Director who is not considered an affiliated person an annual retainer of \$9,000 plus \$2,000 for each Board meeting attended. Each Director is 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 each receives a \$2,000 annual fee. 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 plan (the "Plan") for the Advisor Class Shares pursuant to Rule 12b-1 under the 1940 Act. Under the Advisor Class Share Plan, payment is authorized to G.distributors, LLC (the "Distributor"), an affiliate of the Adviser, at an annual rate of 0.25% of the average daily net assets of the Advisor Class Shares, the annual limitation under the Plan. Such payments are accrued daily and paid monthly.

5. Portfolio Securities. Purchases and sales of securities during the six months ended June 30, 2017, other than short term securities and U.S. Government obligations, aggregated \$663,132,340 and \$748,479,649, respectively.

6. Transactions with Affiliates and Other Arrangements. During the six months ended June 30, 2017, the Fund paid \$236,282 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser.

The Gabelli ABC Fund

Notes to Financial Statements (Unaudited) (Continued)

During the six months ended June 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 \$5,476.

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

As of June 30, 2017, the Fund's Adviser and its affiliates beneficially owned greater than 25% of the voting securities of the Fund. This includes accounts for which the affiliates of the Adviser have voting control but disclaim pecuniary interest.

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 bears interest at a floating rate equal to the higher of the overnight Federal Funds rate plus 125 basis points or the 30 day LIBOR plus 125 basis points in effect on that day. This amount, if any, would be included in "Interest expense" in the Statement of Operations. During the six months ended June 30, 2017, there were no borrowings outstanding under the line of credit.

8. Capital Stock. The Fund offers Class AAA Shares and Advisor Class Shares to investors without a front-end sales charge. Class AAA Shares are available directly through the Distributor or through the Fund's transfer agent. Advisor Class Shares are available through registered broker-dealers or other financial intermediaries that have entered into appropriate selling agreements with the Distributor.

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

The Gabelli ABC Fund

Notes to Financial Statements (Unaudited) (Continued)

Transactions in shares of capital stock were as follows:

	Six Months Ended June 30, 2017 (Unaudited)		Year Ended December 31, 2016	
	Shares	Amount	Shares	Amount
Class AAA				
Shares sold	2,545,134	\$ 26,059,652	12,888,893	\$ 130,848,242
Shares issued upon reinvestment of distributions	—	—	1,306,229	13,271,299
Shares redeemed	<u>(5,017,161)</u>	<u>(51,423,441)</u>	<u>(14,633,652)</u>	<u>(150,758,183)</u>
Net (decrease)	<u>(2,472,027)</u>	<u>\$ (25,363,789)</u>	<u>(438,530)</u>	<u>\$ (6,638,642)</u>
Advisor Class				
Shares sold	17,130,026	\$ 173,562,049	35,654,900	\$ 359,810,156
Shares issued upon reinvestment of distributions	—	—	1,271,472	12,803,725
Shares redeemed	<u>(13,713,025)</u>	<u>(138,968,603)</u>	<u>(31,203,881)</u>	<u>(315,509,202)</u>
Net increase	<u>3,417,001</u>	<u>\$ 34,593,446</u>	<u>5,722,491</u>	<u>\$ 57,104,679</u>

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.

The Gabelli ABC Fund

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

At its meeting on February 23, 2017, the Board of Directors (“Board”) of the Fund approved the continuation of the investment advisory agreement with the Adviser for the Fund on the basis of the recommendation by the directors who are not “interested persons” of the Fund (the “Independent Board Members”). The following paragraphs summarize the material information and factors considered by the Independent Board Members as well as their conclusions relative to such factors.

Nature, Extent, and Quality of Services. The Independent Board Members considered information regarding the portfolio manager, the depth of the analyst pool available to the Adviser and the portfolio manager, the scope of administrative, shareholder, and other services supervised or provided by the Adviser and the absence of significant service problems reported to the Board. The Independent Board Members noted the experience, length of service, and reputation of the portfolio manager.

Investment Performance. The Independent Board Members reviewed the short, medium, and long term performance of the Fund against a peer group of alternative event-driven funds chosen by Broadridge as being comparable. The Independent Board Members noted that the Fund’s performance was in the third quartile for the one year period, in the fourth quartile for the three year period, and in the second quartile for the five year period.

Profitability. The Independent Board Members reviewed summary data regarding the profitability of the Fund to the Adviser both with an administrative overhead charge and without such a charge. The Independent Board Members also noted that a substantial portion of the Fund’s portfolio transactions were executed by an affiliated broker.

Economies of Scale. The Independent Board Members discussed the major elements of the Adviser’s cost structure and the relationship of those elements to potential economies of scale. The Independent Board Members agreed that the low relative cost structure of the Fund and the low historical profitability of the Fund to the Adviser argued strongly against any concern regarding economies of scale.

Sharing of Economies of Scale. The Independent Board Members noted that the investment management fee schedule for the Fund does not take into account any potential economies of scale that may develop or any losses or diminished profitability to the Adviser in prior years.

Service and Cost Comparisons. The Independent Board Members compared the expense ratios of the investment management fee, other expenses, and total expenses of the Fund with similar expense ratios of the peer group of diversified specialty funds and noted that the Adviser’s management fee includes substantially all administrative services for the Fund as well as investment advisory services. The Independent Board Members noted that the Fund’s expense ratios were at the low end of its peer group. The Independent Board Members also noted that the management fee structure was much lower than that in effect for most of the Gabelli funds. The Independent Board Members were presented with, but did not consider material to their decision, various information comparing the advisory fee with the advisory fees for other types of accounts managed by affiliates of the Adviser. The Independent Board Members recognized that the Adviser and its affiliates did not manage other accounts with similar strategies that had fees lower than those charged for the Fund.

Conclusions. The Independent Board Members concluded that the Fund enjoyed highly experienced portfolio management services, good ancillary services, and a reasonable performance record. The Independent Board Members also concluded that the Fund’s expense ratios and the profitability to the Adviser of managing the Fund were lower than normal and that economies of scale were not a significant factor in their thinking at this

The Gabelli ABC Fund

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

time. The Independent Board Members did not view the potential profitability of ancillary services as material to their decision. On the basis of the foregoing and without assigning particular weight to any single conclusion, the Independent Board Members determined to recommend continuation of the Advisory Agreement to the full Board.

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/GAMCO Funds and Your Personal Privacy

Who are we?

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

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

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

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

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

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

What do we do to protect your personal information?

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

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

Portfolio Management Team Biographies

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

Ryan N. Kahn, CFA, is an analyst dedicated to the Gabelli merger arbitrage portfolios, specifically to our U.S. open and closed-end funds. He joined the team in 2013 after working as a generalist in the research department. Mr. Kahn earned a Bachelor of Science in Business Management from Babson College.

Gian Maria Magrini, CFA, is an analyst dedicated to the Gabelli merger arbitrage portfolios, specifically to our U.S. open and closed-end funds. He joined the team in 2013 after serving various roles in the Firm's operations and research departments. Mr. Magrini earned a B.S. in Finance from Fordham University.

Geoffrey P. Astle is involved in the analytics and foreign and domestic trading for the Gabelli merger arbitrage portfolios, specifically to our U.S. open and closed end funds. He has been associated in this capacity since 2007. Mr. Astle earned a Bachelor of Science in both Finance and Marketing from Fairfield University.

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

THE GABELLI ABC 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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State Street Bank and Trust
Company

LEGAL COUNSEL

Skadden, Arps, Slate, Meagher &
Flom LLP

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

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THE GABELLI ABC FUND

Semiannual Report
June 30, 2017

