

Gabelli Enterprise Mergers and Acquisitions Fund

Third Quarter Report

July 31, 2017

To Our Shareholders,

For the quarter ended July 31, 2017, the net asset value (“NAV”) per Class A Share of the Gabelli Enterprise Mergers and Acquisitions Fund increased 1.4% compared with an increase of 4.1% for the Standard & Poor’s (“S&P”) 500 Index. The performance of the Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index for the quarter was 0.2%. See below for additional performance information.

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

Comparative Results

Average Annual Returns through July 31, 2017 (a)(b) (Unaudited)

	Quarter	1 Year	5 Year	10 Year	Since Inception (2/28/01)
Class A (EMAAX)	1.38%	8.03%	6.30%	3.23%	4.61%
With sales charge (c)	(4.45)	1.82	5.05	2.62	4.23
Class AAA (EAAAX)	1.36	8.15	6.51	3.38	4.70
Class C (EMACX)	1.28	7.40	5.73	2.66	4.03
With contingent deferred sales charge (d)	0.28	6.40	5.73	2.66	4.03
Class T (EMATX)	1.45	8.11	6.32	3.24	4.61
With sales charge (e)	(1.08)	5.40	5.78	2.98	4.45
Class Y (EMAYX)	1.43	8.48	6.79	3.69	5.08
S&P 500 Index	4.14	16.04	14.78	7.74	6.38
Lipper U.S. Treasury Money Market Fund Average	0.11	0.20	0.05	0.32	1.06
Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index	0.22	0.54	0.19	0.55	1.45

In the current prospectuses dated February 28, 2017 as amended June 30, 2017, the Fund’s expense ratios are 1.52%, 1.72%, 2.27%, 1.52%, and 1.27% for the Class AAA, A, C, T and Y Shares, respectively. Class AAA and Class Y Shares have no sales charge. The maximum sales charge for Class A Shares, Class C Shares, and Class T Shares is 5.75%, 1.00%, and 2.50%, respectively.

- (a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, sales charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com. The Class A Share NAVs are used to calculate the performance for the periods prior to the issuance of Class AAA Shares on February 26, 2010 and Class T Shares on June 30, 2017. The actual performance for the Class AAA Shares and Class T Shares would have been higher due to lower expenses associated with these share classes. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Lipper U.S. Treasury Money Market Fund Average reflects the average performance of mutual funds classified in this particular category. The Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into the outstanding Treasury Bill that matures closest to, but not beyond three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the rebalancing (month end) date. Dividends are considered reinvested except for the Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index. You cannot invest directly in an index.
- (b) The Fund’s fiscal year ends October 31.
- (c) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.
- (d) Assuming payment of the 1% maximum contingent deferred sales charge imposed on redemptions made within one year of purchase.
- (e) Performance results include the effect of the maximum 2.50% sales charge at the beginning of the period.

Gabelli Enterprise Mergers and Acquisitions Fund

Schedule of Investments — July 31, 2017 (Unaudited)

Shares	Market Value	Shares	Market Value
COMMON STOCKS — 75.2%		20,000	Shaw Communications Inc., Cl. B
Aerospace and Defense — 1.4%		60,000	Sky plc
10,000	Arconic Inc. \$ 247,900		\$ 445,400
40,000	Kaman Corp. 2,044,800		763,933
	<u>2,292,700</u>		<u>6,602,527</u>
Automotive: Parts and Accessories — 1.1%		100,000	Communications Equipment — 1.4%
10,000	Federal-Mogul Holdings Corp.† 100,000	37,000	Brocade Communications Systems Inc. 1,263,000
24,000	Haldex AB† 320,295	3,001	Digi International Inc.† 386,650
15,000	Mobileye NV† 949,500	4,050	exactEarth Ltd.† 2,961
7,800	Tenneco Inc. 431,340	6,600	Harris Corp. 463,603
	<u>1,801,135</u>		Park Electrochemical Corp. 124,014
			<u>2,240,228</u>
Broadcasting — 1.0%		Computer Software and Services — 1.3%	
40,000	Tribune Media Co., Cl. A 1,686,000	15,500	Bankrate Inc.† 215,450
Building and Construction — 2.0%		4,000	Dalenys† 40,533
52,000	Griffon Corp. 1,066,000	1,000	Dell Technologies Inc., Cl. V† 64,270
10,000	Nobility Homes Inc. 179,000	30,000	FalconStor Software Inc.† 6,300
14,000	Norbord Inc. 496,892	16,000	Guidance Software Inc.† 113,120
17,000	Skyline Corp.† 126,990	1,000	NCI Inc., Cl. A† 19,950
11,000	Vulcan Materials Co. 1,354,320	200	Synchronoss Technologies Inc.† 3,376
	<u>3,223,202</u>	25,000	WebMD Health Corp.† 1,656,250
			<u>2,119,249</u>
Business Services — 2.2%		Consumer Products — 0.2%	
1,000	CDI Corp.† 8,250	100	Accell Group 3,049
185,000	Clear Channel Outdoor Holdings Inc., Cl. A 937,950	100,000	Avon Products Inc.† 364,000
165,000	Gerber Scientific Inc., Escrow† 0	2,000	Bang & Olufsen A/S† 35,019
1,500	Global Sources Ltd.† 29,400		<u>402,068</u>
100,000	The Interpublic Group of Companies Inc. 2,161,000	Consumer Services — 0.4%	
1,111	Vectrus Inc.† 37,785	9,000	Cape plc 30,993
2,000	XPO Logistics Europe SA 509,624	2,000	Funespana SA† 16,928
	<u>3,684,009</u>	15,000	MoneyGram International Inc.† 244,800
		9,000	Rollins Inc. 390,690
Cable and Satellite — 4.0%			<u>683,411</u>
3,000	AMC Entertainment Holdings Inc., Cl. A 61,200	Containers and Packaging — 0.2%	
20,000	DISH Network Corp., Cl. A† 1,280,600	5,200	Greif Inc., Cl. A 291,668
4,000	Liberty Broadband Corp., Cl. A† 395,680	1,000	Greif Inc., Cl. B 59,900
5,000	Liberty Broadband Corp., Cl. C† 495,900		<u>351,568</u>
21,000	Liberty Global plc, Cl. A† 711,060	Diversified Industrial — 2.5%	
28,000	Liberty Global plc, Cl. C† 917,560	2,000	Handy & Harman Ltd.† 66,200
8,000	Liberty Global plc LiLAC, Cl. A† 205,760	241,642	Myers Industries Inc. 4,107,914
10,094	Liberty Global plc LiLAC, Cl. C† 257,599	500	Sevcon Inc.† 10,925
3,000	Liberty Media Corp.- Liberty Formula One, Cl. A† 101,250		<u>4,185,039</u>
3,000	Liberty Media Corp.- Liberty Formula One, Cl. C† 105,510	Energy and Utilities — 5.0%	
6,500	Liberty Media Corp.- Liberty SiriusXM, Cl. A† 299,845	7,000	Alerion Cleanpower SpA 22,374
6,500	Liberty Media Corp.- Liberty SiriusXM, Cl. C† 299,000	485,000	Alvopetro Energy Ltd.† 81,692
3,000	Scripps Networks Interactive Inc., Cl. A 262,230	7,600	Anadarko Petroleum Corp. 347,092
		4,000	Avangrid Inc. 181,680
		500	Avista Corp. 26,305
		10,000	Delta Natural Gas Co. Inc. 304,300
		38,000	Endesa SA 900,135

See accompanying notes to schedule of investments.

Gabelli Enterprise Mergers and Acquisitions Fund

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

Shares		Market Value	Shares		Market Value
	COMMON STOCKS (Continued)			Food and Beverage — 3.3%	
	Energy and Utilities (Continued)				
7,500	EnerNOC Inc.†	\$ 57,375	4,500	Flowers Foods Inc.	\$ 79,155
200	Etablissements Maurel et Prom†	829	30,000	GrainCorp Ltd., Cl. A.	209,520
10,000	Gas Natural Inc.	129,500	10,000	Mondelez International Inc., Cl. A.	440,200
75,000	GenOn Energy Inc., Escrow†	0	575,000	Parmalat SpA	2,084,251
255,000	Gulf Coast Ultra Deep Royalty Trust†	13,515	2,000,000	Premier Foods plc†	1,035,729
5,100	Hafslund ASA, Cl. A.	67,781	4,650	Snyder's-Lance Inc.	161,773
3,081	Noble Energy Inc.	89,072	1,500	The Hershey Co.	157,965
11,000	NorthWestern Corp.	635,690	30,000	Tootsie Roll Industries Inc.	1,116,000
3,000	Rice Energy Inc.†	83,910	450,000	Yashili International Holdings Ltd.†	81,234
10,000	Severn Trent plc	295,546			<u>5,365,827</u>
1,000	Southwest Gas Holdings Inc.	80,100		Health Care — 15.1%	
10,000	TerraForm Global Inc., Cl. A†	51,000	60,000	Akorn Inc.†	2,017,200
90,000	Westar Energy Inc.	4,567,517	30,000	Albany Molecular Research Inc.†	652,200
1,000	WGL Holdings Inc.	85,720	60,000	Alere Inc.†	3,023,429
33,000	Whiting Petroleum Corp.†	173,250	6,000	Allergan plc	1,513,980
		<u>8,194,383</u>	30,000	AstraZeneca plc, ADR.	905,400
			3,200	Bio-Rad Laboratories Inc., Cl. A†	754,016
	Entertainment — 0.7%		11,000	Bristol-Myers Squibb Co.	625,900
15,000	ClubCorp. Holdings Inc.	254,250	800	Chemed Corp.	158,000
3,600	Discovery Communications Inc., Cl. A†	88,560	3,000	Cigna Corp.	520,680
10,800	Discovery Communications Inc., Cl. C†	249,804	5,000	CR Bard Inc.	1,603,000
180,000	Dover Motorsports Inc.	369,000	7,500	Depomed Inc.†	77,325
8,140	Lions Gate Entertainment Corp., Cl. B†	223,931	8,000	Exactech Inc.†	233,200
		<u>1,185,545</u>	8,000	Grifols SA, ADR	167,600
			1,200	Humana Inc.	277,440
	Equipment and Supplies — 1.2%		5,700	ICU Medical Inc.†	979,830
47,300	Axis Communications AB	2,057,197	10,000	Idorsia Ltd.†	187,187
			3,000	Illumina Inc.†	521,550
	Financial Services — 5.6%		6,000	Mylan NV†	233,940
1,400	Argo Group International Holdings Ltd.	83,930	1,000	Neuroderm Ltd.†	38,700
1,000	Aspen Insurance Holdings Ltd.	48,800	1,000	Nexvet Biopharma plc†	6,720
135,000	Astoria Financial Corp.	2,724,300	140,000	Novadaq Technologies Inc.†	1,640,800
5,000	BKF Capital Group Inc.†	43,800	6,000	Nutraceutical International Corp.	250,800
2,000	Fidelity & Guaranty Life	62,300	500	PAREXEL International Corp.†	43,760
500	First Potomac Realty Trust	5,565	72,031	Patheon NV†	2,518,204
7,500	Forestar Group Inc.†	128,625	3,000	Perrigo Co. plc	224,760
318,000	Fortress Investment Group LLC, Cl. A	2,544,000	200	SciClone Pharmaceuticals Inc.†	2,190
3,000	Kinnevik AB, Cl. A	102,034	6,000	Smith & Nephew plc, ADR	211,500
27,000	Monogram Residential Trust Inc.	322,920	20,000	STADA Arzneimittel AG	1,557,876
90,000	Navient Corp.	1,327,500	60,000	The Spectranetics Corp.†	2,310,000
3,400	Nordnet AB, Cl. B†	16,002	16,500	VCA Inc.†	1,527,570
500	Novae Group plc	4,654	3,500	VWR Corp.†	115,500
5,601	OneBeacon Insurance Group Ltd., Cl. A	102,610			<u>24,900,257</u>
5,000	Parkway Inc.	115,050			
100	Patriot National Inc.†	217			
100,000	SLM Corp.†	1,108,000			
1,600	SLM Solutions Group AG†	71,407			
20,025	Sterling Bancorp	462,578			
400	Topdanmark A/S†	13,683			
100	Wolverine Bancorp Inc.	4,050			
		<u>9,292,025</u>			

See accompanying notes to schedule of investments.

Gabelli Enterprise Mergers and Acquisitions Fund

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

Shares		Market Value	Shares		Market Value
	COMMON STOCKS (Continued)			Specialty Chemicals — 0.8%	
	Hotels and Gaming — 1.8%			Ferro Corp.†	\$ 134,680
20,000	Belmond Ltd., Cl. A†	\$ 261,000	1,500	Linde AG	287,307
500	Churchill Downs Inc.	93,525	4,000	Monsanto Co.	467,280
2,000	Eldorado Resorts Inc.†	40,800	32,000	SGL Carbon SE†	403,627
10,000	Intrawest Resorts Holdings Inc.†	237,500			<u>1,292,894</u>
38,000	Ryman Hospitality Properties Inc.	2,378,420			
		<u>3,011,245</u>			
	Machinery — 0.9%		280,000	Telecommunications — 5.2%	
2,500	CIRCOR International Inc.	125,150	46,000	Asia Satellite Telecommunications Holdings Ltd.	286,782
30,000	CNH Industrial NV	348,036	8,500	Cincinnati Bell Inc.†	857,900
19,000	Xylem Inc.	1,077,870	220,000	Hitachi Kokusai Electric Inc.	219,661
		<u>1,551,056</u>	50,000	Koninklijke KPN NV	797,973
			5,000	Level 3 Communications Inc.†	2,934,000
			1,500	Loral Space & Communications Inc.†	232,750
3,000	Telegraaf Media Groep NV†	21,347	500	Lumos Networks Corp.†	26,865
70,000	Telenet Group Holding NV†	4,888,250	1,000	NeuStar Inc., Cl. A†	16,700
50,000	The E.W. Scripps Co., Cl. A†	982,500	11,000	Rogers Communications Inc., Cl. B	52,000
40,000	Time Warner Inc.	4,096,800	2,000	ShoreTel Inc.†	81,950
2,000	tronc Inc.†	25,540	115,000	Straight Path Communications Inc., Cl. B†	358,800
		<u>10,014,437</u>		West Corp.	2,687,550
					<u>8,552,931</u>
	Metals and Mining — 0.5%			Transportation — 2.2%	
40,000	Alamos Gold Inc., Cl. A	283,600	90,000	Abertis Infraestructuras SA	1,778,180
2,222	Alcoa Corp.	80,881	3,000	GATX Corp.	185,490
17,752	AuRico Metals Inc.†	16,802	54,000	Navistar International Corp.†	1,661,580
3,000	Dominion Diamond Corp.	42,240			<u>3,625,250</u>
19,000	Pan American Silver Corp.	320,032			
		<u>743,555</u>			
	Paper and Forest Products — 0.0%		1,000	Wireless Communications — 5.3%	
17,000	Tembec Inc.†	61,905	46,000	DGC One AB	30,964
			58,000	Millicom International Cellular SA, SDR	2,882,905
4,000	Aaron's Inc.	185,120	9,000	Sprint Corp.†	462,840
34,000	Cabela's Inc.†	1,937,320	40,000	Telephone & Data Systems Inc.	255,870
38,000	Jimmy Choo plc†	114,564	70,000	T-Mobile US Inc.†	2,466,400
340,000	Rite Aid Corp.†	761,600		United States Cellular Corp.†	2,651,600
6,000	SpartanNash Co.	166,440			<u>8,750,579</u>
29,000	Village Super Market Inc., Cl. A	717,170		TOTAL COMMON STOCKS	<u>124,002,423</u>
6,000	West Marine Inc.	77,340		RIGHTS — 0.2%	
14,500	Whole Foods Market Inc.	605,520		Energy and Utilities — 0.1%	
		<u>4,565,074</u>		Dyax Corp., CVR†	99,900
	Semiconductors — 1.0%		20,000	Health Care — 0.0%	
14,800	AIXTRON SE†	131,647	13,000	Adolor Corp., CPR, expire 07/01/19†	5,200
1,000	MoSys Inc.†	1,190	5,000	Ambit Biosciences Corp., CVR†	7,800
13,000	NXP Semiconductors NV†	1,434,290	11,000	American Medical Alert Corp., CPR†	50
		<u>1,567,127</u>	75,000	Chelsea Therapeutics International Ltd., CVR†	0
			100	Innocoll, CVR†	45,000
				Omthera Pharmaceuticals Inc., CVR†	60

See accompanying notes to schedule of investments.

Gabelli Enterprise Mergers and Acquisitions Fund

Notes to Schedule of Investments (Unaudited)

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

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

Gabelli Enterprise Mergers and Acquisitions Fund

Notes to Schedule of Investments (Unaudited) (Continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of July 31, 2017 is as follows:

	Valuation Inputs			Total Market Value at 7/31/17
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
Automotive: Parts and Accessories	\$ 1,701,135	—	\$100,000	\$ 1,801,135
Business Services	3,684,009	—	0	3,684,009
Communications Equipment	2,237,267	\$ 2,961	—	2,240,228
Energy and Utilities	8,194,383	—	0	8,194,383
Equipment and Supplies	—	2,057,197	—	2,057,197
Financial Services	9,232,223	43,800	16,002	9,292,025
Health Care	24,893,537	6,720	—	24,900,257
All Other Industries (a)	71,833,189	—	—	71,833,189
Total Common Stocks	121,775,743	2,110,678	116,002	124,002,423
Rights (a)	—	166,000	206,850	372,850
Warrants (a)	341	—	—	341
Corporate Bonds (a)	—	—	3,010	3,010
U.S. Government Obligations	—	40,566,360	—	40,566,360
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$121,776,084	\$42,843,038	\$325,862	\$164,944,984

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

Additional Information to Evaluate Qualitative Information.

General. The Fund uses recognized industry pricing services – approved by the Board and unaffiliated with the Adviser – to value most of its securities, and uses broker quotes provided by market makers of securities not valued by these and other recognized pricing sources. Several different pricing feeds are received to value domestic equity securities, international equity securities, preferred equity securities, and fixed income securities. The data within these feeds are ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

Fair Valuation. Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. When fair valuing a security, factors to consider include recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not

Gabelli Enterprise Mergers and Acquisitions Fund

Notes to Schedule of Investments (Unaudited) (Continued)

apply. A significant change in the unobservable inputs could result in a lower or higher value in Level 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

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

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

The Fund's derivative contracts held at July 31, 2017, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments together with the related counterparty.

Swap Agreements. The Fund may enter into equity contract for difference swap transactions for the purpose of increasing the income of the Fund. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an equity contract for difference swap, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short term interest rates and the returns on the Fund's portfolio securities at the time an equity contract for difference swap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction.

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

Gabelli Enterprise Mergers and Acquisitions Fund Notes to Schedule of Investments (Unaudited) (Continued)

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.

Securities Sold Short. The Fund may enter into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis. The broker retains collateral for the value of the open positions, which is adjusted periodically as the value of the position fluctuates. At July 31, 2017, there were no short sales outstanding.

Tax Information. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

At October 31, 2016, the Fund had net capital loss carryforwards for federal income tax purposes of \$3,064,357 which are available to reduce future required distributions of net capital gains to shareholders through 2017.

GABELLI ENTERPRISE MERGERS AND ACQUISITIONS FUND

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GABELLI ENTERPRISE MERGERS AND ACQUISITIONS FUND

*Third Quarter Report
July 31, 2017*

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