The Gabelli Utilities Fund

Shareholder Commentary
September 30, 2017

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To Our Shareholders,

For the quarter ended September 30, 2017, the net asset value ("NAV") per Class AAA Share of The Gabelli Utilities Fund increased 2.7% compared with an increase of 2.9% for the Standard & Poor's ("S&P") 500 Utilities Index (SPU). See page 2 for additional performance information.

Hurricane Activity Highlights Need for Infrastructure Investment

In the third quarter of 2017, the S&P 500 Utilities Index returned 2.9% compared to a 4.5% total return for the S&P 500 Index. Utility stocks reached an all-time high on September 11, 2017, but corrected nearly 5% by the end of the period. We attribute the healthy correction to a lack of clarity regarding proposed revisions in federal tax policy, concerns over a higher treasury yield curve, and relatively full valuations. The third quarter was highlighted by hurricane activity in the Texas/Gulf Coast and Florida/Southeast regions, which left millions temporarily without power, and impacted by significant restoration efforts. Given regulatory support, utilities are made economically whole for the power outages and restoration costs, and thus utility stock prices and valuations were not significantly impacted. On a positive note, the events highlight the importance of investment in grid modernization, including grid reliability/hardening programs, smart meters/substations, and communication technology.

Through nine months, utility stocks returned 11.9%, compared to the S&P 500 return of 14.2%. Utility stocks continue to benefit from low interest rates, strong fundamentals, merger activity, and defensive appeal. The 10 and 30 year U.S. Treasuries yielded 2.33% and 2.87%, respectively, at the end of the third quarter, lower than the year end 2016 levels of 2.45% and 3.1%, respectively. In the face of the four "rate hikes" beginning in December 2015, bringing the Federal Funds rate to 1.0%-1.25% from 0%, the S&P Utilities Index has returned 35.6% and the S&P 500 returned 29.4%. The Federal Reserve remains in a tightening mode and committed to shrinking its portfolio. The actions help harness the economy, mitigate inflation, and put downward pressure on the longer end of the yield curve. The slow but steady U.S. economic growth rate and tame inflation bodes well for the equity markets, including utility stocks.

Comparative Results

Average Annual Returns through September 30, 2017 (a)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (8/31/99)
Class AAA (GABUX)	2.67%	10.14%	8.53%	6.12%	10.04%	7.84%
S&P 500 Utilities Index	2.87	12.03	11.92	7.07	11.49	6.94
S&P 500 Index	4.48	18.61	14.22	7.44	10.04	5.65
Lipper Utility Fund Average	3.37	10.59	9.85	5.93	11.08	6.70
Class A (GAUAX)	2.63	10.11	8.53	6.13	10.07	7.86
With sales charge (b)	(3.27)	3.78	7.26	5.50	9.64	7.51
Class C (GAUCX)	2.34	9.17	7.69	5.32	9.24	7.19
With contingent deferred sales charge (c)	1.34	8.17	7.69	5.32	9.24	7.19
Class I (GAUIX)	2.66	10.29	8.81	6.36	10.21	7.98
Class T (GAUTX)	2.67	10.14	8.53	6.12	10.04	12.06
With sales charge (d)	0.10	7.39	7.98	5.85	9.86	7.84

In the current prospectuses dated April 28, 2017, the expense ratios for Class AAA, A, C, I, and T Shares are 1.38%, 1.38%, 2.13%, 1.13%, and 1.38%, respectively. Class AAA and Class I Shares do not have a 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. Returns would have been lower had Gabelli Funds, LLC, the Adviser not reimbursed certain expenses of the Fund for periods prior to December 31, 2002. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com.* The value of utility stocks generally changes as long term interest rates change. Funds investing in a single sector, such as utilities, may be subject to more volatility than funds that invest more broadly. The utilities industry can be significantly affected by government regulation, financing difficulties, supply or demand of services or fuel, and natural resources conservation. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2002, Class I Shares on January 11, 2008, and Class T Shares on July 5, 2017. The actual performance of the Class A Shares, Class C Shares, and Class T Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The S&P 500 Utilities Index is an unmanaged market capitalization weighted index of large capitalization stocks that may include facilities generation and transmission or distribution of electricity, gas, or water. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Lipper Utility Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index.

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

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

(d) Performance results include the effect of the maximum 2.50% sales charge at the beginning of the period.

Monthly Distributions – $0.07 per share

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

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

We continue to emphasize that, while utility stocks are sensitive to interest rates, they are by no means bond proxies. Earnings and dividend growth rates primarily determine long term total returns and mitigate the negative impact of higher interest rates.

Outlook: Infrastructure Investment Drives Earnings and Dividend Growth

Our universe of 44 electric utility stocks offers a median current return of 3.1% and 4%-6% annual earnings and dividend growth, which is higher than forecast inflation. In 2016, median utility earnings growth was 6.1%, and 40 of the 44 electric utility stocks (91%) raised their annual dividend, with a median increase of 5.6%. The fundamentals of the sector remain healthy, and include strong balance sheets, credit ratings, improving regulatory principles, focused strategies, low natural gas prices, and opportunities to invest in infrastructure.

The nation's power sector is experiencing an accelerated "greening," as many traditional electric utilities undergo major renewable programs. The transformation is driven by economic, political, and social forces as well as renewable tax credits, which phase out over the next several years. In 2016, capital investment rose 8% to a record level of $113 billion, and is expected to rise further to $120 billion in 2017, driving ongoing earnings growth.

Political gridlock has hampered the Trump administration from making material policy changes, but we continue to expect changes in fiscal policy, including lower corporate and personal income tax rates, as well as other changes in tax policy. Items of particular interest include: (1) lowering the corporate tax rate; (2) revising the tax deductibility of interest expense; and (3) allowing the expensing of capital investments. A lower corporate tax rate would be passed on directly to customers through lower bills, and create some positive "goodwill" for utilities and Public Utility Commissions (PUCs). After running various scenarios, most utility managements believe that the aforementioned policy changes would not have a material impact on utility financials.

Finally, the sector continues to consolidate, resulting in takeover premiums and added growth opportunities. Electric (19.9x and 18.8x), gas (24.5x and 22.5x), and water (26.5x and 24.5x) utilities trade near historically high absolute P/E multiples of forward earnings estimates (2017E and 2018P), respectively. Adjusted for interest rates and considering the strong fundamental outlook, which includes stronger than historical growth rate and lower risk profiles, valuations appear justified.

Merger and Acquisition Activity Update

During the third quarter, Calpine Corp. (less than 0.1% of net assets as of September 30, 2017) (Houston, Texas) agreed to be bought by private equity Energy Capital Partners, and Avista Corp. (0.7%) (Spokane, Washington) agreed to be a bought by Hydro One (Toronto, Canada). In addition, Sempra Energy (San Diego, Callifornia) became the fourth potential buyer (Hunt, NextEra Energy (4.1%) and Berkshire Energy) of Texas's largest (but bankrupt) distribution utility, Oncor (Dallas, Texas). In the first half of 2017, two gas utilities agreed to be purchased by infrastructure funds: WGL Holdings (0.4%) (Washington, D.C.) by Canadian infrastructure fund AltaGas (Calgary, Canada), and Delta Gas (Winchester, Kentucky) by Steel River Infrastructure. In 2016, eight regulated utility acquisitions were announced, nine were completed (including four of those announced in 2016), and one deal was terminated.

The long term consolidation trend has benefited shareholders, as some premiums have been significant. We attribute the recent acceleration of activity to the low interest rate environment, desire for scale in the face of ongoing infrastructure investment, and the emergence of the Canadian utilities. However, we expect that consolidation activity could moderate over the near term, given uncertainty related to the potential for comprehensive tax law changes. A revision in the tax deductibility of interest expense would discourage leverage and result in a higher cost of capital. Consolidation activity is outlined below:

Announced Deals Currently Pending

Date	Buyer	Target Entity	Enterprise Value	Premium**
8/21/2017	Sempra Energy	Oncor	$18.8 billion	NA
8/18/2017	Energy Capital Partners	Calpine	$5.6 billion	23%
7/19/2017	Hydro One	Avista	$5.3 billion	24%
7/6/2017	Berkshire Energy	Oncor	$18.5 billion	NA
2/21/17	Steel River	DeltaGas	$258 million	17%
1/26/17	AltaGas	WGL Resources (0.4%*)	$6.4 billion	12%
10/10/16	First Reserve	Gas Natural	$196 million	39%

Deals Closed in 2016/2017

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

* of net assets as of September 30, 2017.
**Represents the premium to the closing share price on the last trading day prior to the announcement of the deal.

With nearly 80 North American utilities and power companies, 60 electric, and 20 gas companies, we recommend that investors purchase a portfolio of small-to-mid-cap utilities with earnings and dividend growth potential. More significant takeover premiums are normally associated with fundamentally sound, reasonably priced, mid-cap and small-cap utilities. Attractive takeover characteristics include constructive regulatory environments, healthy service areas, transmission growth potential, low carbon footprints, strategic geographies, or a particularly stressed situation. Given the significant long term demand for natural gas, we consider most gas distribution utilities, particularly those with pending pipeline development projects, to be highly coveted.

Earnings and Dividend Growth Driven By Infrastructure Investment

The successful formula driving our strong fundamental and earnings outlook remains: Investment Opportunities + Constructive Regulation = Earnings Growth. The $112.5 billion invested by the Edison Electric Institute (EEI) member utilities in 2016 was 8% higher than the $104 billion spent in 2015, and it marked the fourth consecutive year of record investment. EEI projects industry investment at $120 billion in 2017, $114 billion in 2018, and $109 billion in 2019. We expect 2018-2019 investment to be higher than the EEI's forecast, as the forecast normally only includes more significant visible projects.

State Regulators Support Rate Base Investment

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

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

Economics Driving Gas and Renewables Investment

Despite a more relaxed Environmental Protection Agency (EPA), withdrawal from the Paris Agreement on climate change, and an end to the Clean Power Plan (March 2017 Executive Order), utility infrastructure investment continues in earnest. The U.S. electric and gas utility industry is undergoing a dramatic transformation to cleaner and more efficient energy usage, including the rapid development of wind and solar generation and the retirement of older coal and nuclear units. Cleaner generation is driven by the economics and efficiency of new gas plants and low gas prices, increasing state renewable portfolio standards, federal tax credits, public demands, and technology improvement. Cost declines have made large scale renewables competitive with new combined cycle gas plants. The 2.3 cent wind production tax credit phases out by 2019 and solar investment tax credits in 2020, but a safe harbor provision allows the commercial operation date to occur up to four calendar years after construction began (2020-2023). Over time, battery storage technological improvements will likely render coal plants extinct.

According to the U.S. Energy Information Administration (EIA), renewable generation (wind and solar) represented a record 10% of total generation in March and April of 2017. In 2016, the U.S. added 33 GW's of new electric capacity, including a record 13 GW's of solar, 9.2 GW's of wind and 9.1 GW's of natural gas. Over 2017-2020, we expect 60 GW's of wind and solar to be added to the roughly 1,000 current GW generating capacity.

Since 1990, the power industry has reduced sulfur dioxide (SO2) emissions by 80%, nitrogen oxides (NOx) by 74%, and mercury by 90%, primarily due to the EPA's Clean Air Act (1973 and amended 1990), as well as the 2015 Mercury Air Toxin Standards. In 2016, 33% of U.S. generation came from zero carbon emitting nuclear (20%), hydro (6%), and renewables (7%), 33% from low emitting natural gas, and 33% was derived from coal. In 1986, 58% of generation was from coal. There hasn't been a coal plant built in more than five years, and, absent technological breakthroughs, there may never be another built. The nation's nuclear plants continue to age, and the low cost of natural gas and renewables challenge the ongoing economics of upgrades.

Electric and Gas Transmission Development

We expect the newly appointed Federal Energy Regulatory Commission (FERC) commissioners to be more constructive in approving interstate gas and electric transmission development than the previous five member commission. Natural gas, and oil pipelines, long distance transmission lines, electric, gas and water distribution systems, all stand to benefit from infrastructure investment. As natural gas becomes a more integral part of the electric utility industry, electric utilities are building and developing natural gas pipelines and investing in natural gas midstream assets and reserves.

In 2016, electric utility industry leaders The Southern Company (0.9% of net assets as of September 30, 2017), Dominion Energy (0.6%), and Duke Energy Corp. (1.1%) bought local gas utilities, while DTE Resources and Consolidated Edison (0.2%) purchased midstream assets and pipelines. Dominion, Duke Energy, and The Southern Company have ventured to build the $5 billion Atlantic Coast Pipeline; The Southern Company, Spectra Energy, New Jersey Resources Corp. (less than 0.1%), UGI Corp. (0.8%), Public Service Enterprise Group (0.4%), and South Jersey Industries have teamed to build the $1 billion PennEast Pipeline; and NextEra Energy (4.1%) has ventured to build several pipeline projects. Numerous other pipelines have been delayed pending various regulatory approvals. We expect the permitting and approval process to become somewhat easier under the new administration.

Over the past couple of years, complaints and the potential for lower returns on equity (ROE) dampened enthusiasm for FERC regulated electric transmission. Given FERC's favorable, incentive oriented regulation, transmission investment is one of the more compelling uses of capital for electric utilities, as FERC's favorable formulaic and forward looking regulation was designed to help the nation repair, modernize, and expand its aging transmission network. Allowed ROEs had ranged as high as approximately 14%, though recent FERC rate decisions reset the benchmark at levels closer to 10%. We consider it likely that a new set of FERC commissioners will award more constructive ROEs, as well as implement policy to end the pancaking of complaints.

Interest Rates

Utility dividend returns become less compelling when returns on other investments increase, including U.S. Treasury yields. The utility dividend yield and ten-year U.S. Treasury bond yield are highly correlated, but utility stock prices, unlike Treasury bond prices, are likely to rise if earnings and dividends grow over time. The factors below mitigate the negative impact of higher interest rates.

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

The current 3.1% utility dividend return is more than 133% of the 2.33% yield on the ten year U.S. Treasury note, which is right at the twenty year median level.

Our Approach

For several decades, utility companies have acquired other utilities and utility assets for the sake of gaining economies of scale and efficiency. Since 1995, the electric utility sector has experienced over 140 acquisition announcements and over 100 completed deals. Consolidation activity peaked from 1996-2000, when it appeared that the industry would deregulate. The electric and gas utility sector remains fragmented with roughly sixty electric utilities and thirty gas utilities. This is fifty more utilities than we need from the standpoint of economic efficiency.

More significant takeover premiums are normally associated with fundamentally sound, reasonably priced, mid cap and small cap utilities. Our investments in regulated companies have primarily, though not exclusively, focused on fundamentally sound, reasonably priced, mid cap and small cap utilities that are likely acquisition targets. Attractive takeover characteristics include constructive regulatory environments, healthy service areas, transmission growth potential, low carbon footprints, strategic geographies or a particularly stressful situation. Given the significant long term demand for natural gas, we consider most gas distribution utilities, particularly those with pending pipeline development projects to be highly coveted.

Conclusion

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

Let’s Talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the percentages of net assets, and their share prices are stated as of September 30, 2017.

AES Corp. (1.5% of net assets as of September 30, 2017) (AES – $11.02 – NYSE) is a global power company that owns assets in 17 countries. Since late 2011, AES has been narrowing its strategic focus, including the sale of over $3 billion in non-core assets, buing back stock and debt, and paying a dividend. The company’s strategic business units focus on six regions: the U.S. (26% of estimated 2017 pre-tax contribution), Andes (28% Chile, Columbia, and Argentina), Brazil (4%), MCAC (25% Mexico, Central America, and the Caribbean), EMEA (11% Europe, Middle East, and Africa) and Asia (6%). The acqusition of sPower enhanced the company's renewable platform by adding 1.3 gigawatts (GW) of solar and wind and a 10.0 GW renewable development pipeline. The company is adding 8.3 GW of new generation (including 1,320 megawatts of coal in India), investing in battery-based energy storage and targeting adjusted earnings, cash flow and dividend growth of 8%-10% through 2020. AES offers a 4.3% current return on a $0.48 per share annual dividend, which management expects to grow 10% annually. We regard AES as one of the better securities to allow the Fund to gain exposure to utility markets both inside and outside of the U.S.

AVANGRID Inc. (0.4%) (AGR – $47.42 – NYSE), based in New Haven, Connecticut, consists of eight regulated utilities in four states: New York State Electric & Gas, Rochester Gas and Electric, Central Maine Power, United Illuminating, Southern Connecticut Gas, Connecticut Natural Gas, Maine Natural Gas, and Berkshire Gas, serving ~2.2 million electric and ~1.0 million gas customers. The company also operates 6.5 GWs of generation, including 5.9 GWs of renewables. AGR is the product of the December 2015 merger between Iberdrola USA and UIL Holdings Corp. Iberdrola, based in Madrid, Spain, owns an 81.5% share of the company. We believe AGR has the scale and geographic diversity to grow the low risk networks rate base, expand the leading renewable portfolio, compete for new transmission, and achieve ongoing merger synergies. Our 2017-2018 earnings estimates are $2.25, and $2.45 per share, respectively, and represent the mid-point of 8%-10% earnings growth. Above average earnings growth is driven by rate base growth, renewable development, and synergies. AGR plans to grow its renewable portfolio materially by 1.8 GW's by 2020, including 800 MW's of secured contracted capacity, but has a pipeline of of over 7 GW's and secured two GWs of wind turbines to capitalize on the PTC credit extension through 2020.

Edison International (2.2%) (EIX – $77.17 – NYSE) is one of the nation's largest regulated electric distribution utilities through Southern California Edison (SCE), serving 15 million residents (5 million customers) in central, coastal, and southern California. We consider EIX to be a relatively low risk, high quality utility operating in a constructive regulatory environment. SCE filed for its 2018-2020 general rate case (GRC) with a decision expected by year end 2017. EIX targets 8.6% annual rate base growth, based on a 10.45% allowed ROE, dropping to 10.3% in 2018-2019, a $19.3 billion 2017-2020 capital program, and progressive regulatory principles. The capital program is directed toward replacing, upgrading, and modernizing the distribution and transmission system to incorporate renewables, storage, electric vehicle charging stations, and various smart grid applications. EIX currently pays an annual dividend of $2.17 per share, representing a SCE earnings payout ratio of roughly 52% (using $4.15 per share, midpoint of the earning guidance range).

El Paso Electric Co. (2.0%) (EE – $55.25 – NYSE) is a vertically integrated electric utility serving ~411,000 customers in and around El Paso, Texas and Las Cruces, New Mexico. Roughly 70% of capacity is natural gas and 30% is nuclear. We consider El Paso Electric to be a well-managed, low risk, traditional utility investment, with solid earnings growth potential. We expect above average annual customer and sales growth, driven by military base expansion, increased cross border trade, customer additions, as well as an increased use of refrigerated air conditioning. Only 35% of El Paso residences have refrigerated air conditioning, but 99% of new residences install central air conditioning. In February of 2017, EE requested an additional $42.5 million revenue increase for its Texas jurisdiction to recognize investment in its new peaking power plants (MPS Units 3 and 4), with rates effective early 2018. Full earnings power of $2.80 per share reflects rate recognition of the new peaking Units 3 and 4 and a stronger cash flow position.

Eversource Energy (2.2%) (ES – $60.44 – NYSE) is New England's largest electric and gas distribution utility and delivery system. ES is the product of a 2012 merger between Northeast Utilities, headquartered in Hartford, Connecticut, and NSTAR, headquartered in Boston, Massachusetts, creating a premier New England distribution utility. ES serves 3.6 million customers in Connecticut, New Hampshire, and Massachusetts. The company targets 5%–7% long term earnings growth driven by transmission investment, cost cutting opportunities, and oil-to-gas heat conversions in the Northeast. ES expects its 192-mile, $1.6 billion Northern Pass electric transmission line to be completed in late 2020, with construction to begin early 2018 following a final environmental impact statement and New Hampshire siting approval. In early June 2017, ES announced the acquisition of Aquarion Water Company in CT, MA and NH for $1.6 billion. The company expects further transmission development as aging nuclear and coal facilities are replaced with renewables, including offshore wind generation.

National Fuel Gas Co. (4.9%) (NFG – $56.61 – NYSE) is a diversified natural gas company. NFG owns a regulated gas utility serving the region around Buffalo, New York, gas pipelines that move gas between the Midwest and Canada and from the Marcellus to the Northeast, gathering and processing systems, and an oil and gas exploration and production business. NFG's regulated utility and pipeline businesses, as well as its California oil production business, provide stable earnings and cash flows to support the dividend, while the natural gas production business offers significant upside potential. Natural gas prices have been depressed over the past few years, but NFG's net ownership of 785,000 acres in the Marcellus Shale holds enormous natural gas reserve potential and the company has proven to be among the lower cost producers. We continue to expect above average long term earnings and cash flow growth from improving gas prices, growing gas production and strategically located pipeline expansion. The company has increased its dividend for 46 consecutive years.

NextEra Energy Inc. (4.1%) (NEE – $146.55 – NYSE) is the holding company for Florida Power & Light (FP&L), largest electric utility in Florida, and NextEra Energy Resources (NER), a leading wholesale renewables operator. Florida Power & Light operates one of the premier utility franchises in the nation, with favorable long term demographics and above average rate base growth potential, due to power plant rate adjustments, flexible amortization, and other regulatory mechanisms. In late 2016, FP&L implemented a four year rate plan (2017-2020) based on a 10.6% (+/- 100 basis points) allowed ROE. Additionally, NER owns and operates the nation's largest renewable power portfolio, with a significant pipeline of future growth opportunities, and owns 65% of the NextEra Energy Partners, a yieldco focused on renewable develpment and acquisitions. NEE is also developing several gas pipeline projects designed to bring more natural gas into Florida.We regard NEE as one of the better positioned electric companies to grow earnings and dividends over the next several years.

Severn Trent plc (0.4%) (SVT – $29.12/£21.73 – London Stock Exchange) is an international provider of water and wastewater services. Severn Trent Water, the UK-based utility, provides water to eight million people and wastewater services to nine million people in the Midlands and Mid-Wales. Severn Trent operates under a 2015-2020 five year rate plan that provides inflation adjusted annual rates increases approved by OFWAT, the UK water regulator. The plan will likely allow SVT to achieve efficiencies and continue to provide steady and modestly growing returns. Additionally, as one of the UK's premier water and wastewater providers, Severn Trent is well positioned to provide expertise and infrastructure investment opportunities in less developed regions of the world. Severn Trent Services, the non-regulated water and waste water service division of the company, which focuses on water purification projects and operating plants and systems for municipalities, has a growing presence in Europe, the Middle East, and Asia.

Southwest Gas Corp. (3.2%) (SWX – $77.62 – NYSE) is a natural gas distribution utility serving 1.9 million customers in geographically diverse portions of Arizona (~1.0 million, or 53%), Nevada (~700,000, or 37%), and California (~185,000, or 10%). SWX serves one of the faster growing service areas with above-average long-term customer growth potential. SWX also owns Centuri Construction Group, a full service underground piping contractor that provides trenching and installation, replacement, and maintenance services for energy distribution systems. The pipeline construction business is growing strongly, given the industry's focus on safety related pipeline replacement programs and has broken the $1 billion revenue milestone. We consider SWX to be a high quality gas utility with a focused, low risk strategy and solid earnings outlook, driven by recent and future rate increases, expanded infrastructure tracking mechanisms, customer growth, and cost controls.

PNM Resources (2.9%) (PNM – $40.30 – NYSE) (Albuquerque, NM) is the holding company for regulated electric utilities Public Service Company of New Mexico (PSNM) and Texas-New Mexico Power Company (TNMP). PSNM serves 520,000 customers in and around Albuquerque, Rio Rancho and Santa Fe and owns

2,800 MWs (15% nuclear) of generation. TNMP is a distribution/transmission company and serves 247,000 customers in three non-contiguous areas of Texas. PSNM is awaiting regualtory approval of a rate settlement calling for a $32 million revenue increase in 2018 and an additional $30 million in 2019 based on a 9.575% allowed ROE. HIgher rates are necessary to recognize its environmental plan, the addition of Palo Verde 3 at $1,118/kW ($150 million) into rate base, other investments, and declining sales. Importantly, the request was based on a future 2018 test year. PNM targets earnings growth of 7%-8% and outlines 2018 and 2019 earnings power ranges of $1.68-$1.76 per share and $2.00-$2.18 per share, respectively, based on an earned 9.575% ROE.

Westar Energy, Inc. (2.0%) (WR – $49.60 – NYSE) – (Topeka, KS) is an electric utility serving 700,000 customers in central and northeastern Kansas, including the cities of Topeka, Lawrence, Manhattan, and Hutchinson; and south-central and southeastern, including the city of Wichita. WR's 6,800 MW generation portfolio includes coal (75% of output), nuclear (13%), natural gas (10%) and wind. On May 31, 2016, WR announced a definitive agreement to be acquired by GXP for an enterprise value of $12.2 billion, or $60.00 per share. On July 10, 2017, WR and GXP amended the merger agreement where the two companies would combine via a merger of equals (MOE). WR shareholders would receive one share of the new company and GXP shareholders would receive 0.5891 shares. We expect this transaction to be approved, accretive in the first year, produce a higher growth rate, stronger credit profile and result in a higher dividend of $1.84 per share (from $1.60 per share) to WR holders. The companies expect the transaction to close in the first half of 2018 and be accretive (to respective stand-alone earnings) in the first year after closing and then generate 6%-to-8% annual earnings growth from 2016-2021, which is higher than the previous transaction projection of 5%-7% and stand-alone 4%-6% projections. GXP expects to have $1.25 billion in cash on its balance sheet, which the combined company plans to use to buy-back 30 million shares per year over the following two years. We consider the $60 per share price to be fair-to-full value and represents healthy multiples, including 2016 and 2017 P/E's of 24.0x and 23.1x, 2016 and 2017 EV/EBITDA of 11.1x and 10.6x, and price to book of 230% ($23.60 per share). We believe the combination makes great strategic sense given that the two companies have contiguous service areas, own and operate the Wolf Creek Nuclear Generating Station, the La Cygne and Jeffrey power plants and together would own one of the largest portfolios of wind generation in the country. We expect significant synergies and economies of scale

October 23, 2017

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

National Fuel Gas Co.	4.9%	Edison International	2.2%
NextEra Energy Inc	4.1%	Eversource Energy	2.2%
Southwest Gas Holdings Inc.	3.2%	Westar Energy Inc.	2.0%
PNM Resources Inc.	2.9%	El Paso Electric Co.	2.0%
American Electric Power Company Inc.	2.2%	WEC Energy Group Inc.	1.7%

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Manager only through the end of the period stated in this Shareholder Commentary. The Portfolio Manager's views are subject to change at any time based on market and other conditions. The information in this Portfolio Manager's Shareholder Commentary represents the opinions of the individual Portfolio Manager and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Manager and may differ from those of other portfolio managers or of the Firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed.

Minimum Initial Investment – $1,000

The Fund's minimum initial investment for regular accounts is $1,000. There are no subsequent investment minimums. No initial minimum is required for those establishing an Automatic Investment Plan. Additionally, the Fund and other Gabelli/GAMCO Funds are available through the no-transaction fee programs at many major brokerage firms. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. See the prospectuses for more details.

www.gabelli.com

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

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

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.

Multi-Class Shares

The Gabelli Utilities Fund began offering additional classes of Fund shares on December 31, 2002. Class AAA Shares are no-load shares offered directly through selected broker/dealers. Class A and Class C Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available directly through the Fund's distributor or brokers that have entered into selling agreements specifically with respect to Class I Shares. The Board of Trustees determined that expanding the types of Fund shares available through various distribution options will enhance the ability of the Fund to attract additional investors.

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Gabelli/GAMCO Funds and Your Personal Privacy

Who are we?

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

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

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

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

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

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

What do we do to protect your personal information?

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

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

Portfolio Manager Biography

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

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

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GABELLI
FUNDS

THE GABELLI UTILITIES FUND

Shareholder Commentary
September 30, 2017

The Gabelli Utilities Fund

Third Quarter Report — September 30, 2017

Mario J. Gabelli, CFA

To Our Shareholders,

For the quarter ended September 30, 2017, the net asset value ("NAV") per Class AAA Share of The Gabelli Utilities Fund increased 2.7% compared with an increase of 2.9% for the Standard & Poor's ("S&P") 500 Utilities Index. See below for additional performance information.

Enclosed is the schedule of investments as of September 30, 2017.

Comparative Results

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

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (8/31/99)
Class AAA (GABUX)	2.67%	10.14%	8.53%	6.12%	10.04%	7.84%
S&P 500 Utilities Index	2.87	12.03	11.92	7.07	11.49	6.94
S&P 500 Index	4.48	18.61	14.22	7.44	10.04	5.65
Lipper Utility Fund Average	3.37	10.59	9.85	5.93	11.08	6.70
Class A (GAUAX)	2.63	10.11	8.53	6.13	10.07	7.86
With sales charge (b)	(3.27)	3.78	7.26	5.50	9.64	7.51
Class C (GAUCX)	2.34	9.17	7.69	5.32	9.24	7.19
With contingent deferred sales charge (c)	1.34	8.17	7.69	5.32	9.24	7.19
Class I (GAUIX)	2.66	10.29	8.81	6.36	10.21	7.98
Class T (GAUTX)	2.67	10.14	8.53	6.12	10.04	12.06
With sales charge (d)	0.10	7.39	7.98	5.85	9.86	7.84

In the current prospectuses dated April 28, 2017, the expense ratios for Class AAA, A, C, I, and T Shares are 1.38%, 1.38%, 2.13%, 1.13%, and 1.38%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A, Class C, 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. Returns would have been lower had Gabelli Funds, LLC, the Adviser, not reimbursed certain expenses of the Fund for periods prior to December 31, 2002. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com.* The value of utility stocks generally changes as long term interest rates change. Funds investing in a single sector, such as utilities, may be subject to more volatility than funds that invest more broadly. The utilities industry can be significantly affected by government regulation, financing difficulties, supply or demand of services or fuel, and natural resources conservation. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2002, Class I Shares on January 11, 2008, and Class T Shares on July 5, 2017. The actual performance of the Class A Shares, Class C Shares, and Class T Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The S&P 500 Utilities Index is an unmanaged market capitalization weighted index of large capitalization stocks that may include facilities generation and transmission or distribution of electricity, gas, or water. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Lipper Utility Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index.

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

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

(d) Performance results include the effect of the 2.50% sales charge at the beginning of the period.

The Gabelli Utilities Fund
Schedule of Investments — September 30, 2017 (Unaudited)

Shares		Market Value
	COMMON STOCKS — 95.6%	
	ENERGY AND UTILITIES — 68.6%	
	Alternative Energy — 0.4%	
370,000	Algonquin Power & Utilities Corp.	$ 3,911,280
36,000	NextEra Energy Partners LP	1,450,440
64,261	Ormat Technologies Inc., New York	3,923,134
6,739	Ormat Technologies Inc., Tel Aviv	411,036
		9,695,890
	Electric Integrated — 42.3%	
304,000	ALLETE Inc.	23,496,160
174,000	Alliant Energy Corp.	7,233,180
550,000	Ameren Corp.	31,812,000
700,000	American Electric Power Co. Inc.	49,168,000
6,000	Atlantic Power Corp.†	14,763
180,000	Avangrid Inc.	8,535,600
290,000	Avista Corp.	15,013,300
478,000	Black Hills Corp.	32,919,860
34,000	Calpine Corp.†	501,500
60,000	CMS Energy Corp.	2,779,200
168,000	Dominion Energy Inc.	12,924,240
4,000	DTE Energy Co.	429,440
298,000	Duke Energy Corp.	25,008,160
632,000	Edison International	48,771,440
814,000	El Paso Electric Co.	44,973,500
1,400	Entergy Corp.	106,904
800,000	Eversource Energy	48,352,000
355,000	Exelon Corp.	13,372,850
380,000	FirstEnergy Corp.	11,715,400
78,960	Fortis Inc.	2,824,399
111,040	Fortis Inc., Toronto	3,985,070
900,000	Great Plains Energy Inc.	27,270,000
915,000	Hawaiian Electric Industries Inc.	30,533,550
42,000	IDACORP Inc.	3,693,060
313,000	MGE Energy Inc.	20,219,800
634,000	NextEra Energy Inc.	92,912,700
260,000	NiSource Inc.	6,653,400
434,000	NorthWestern Corp.	24,711,960
785,000	OGE Energy Corp.	28,283,550
750,000	Otter Tail Corp.	32,512,500
120,000	PG&E Corp.	8,170,800
320,000	Pinnacle West Capital Corp.	27,059,200
1,610,000	PNM Resources Inc.	64,883,000
572,000	PPL Corp.	21,707,400
190,000	Public Service Enterprise Group Inc.	8,787,500
330,000	SCANA Corp.	16,001,700
430,000	The Southern Co.	21,130,200
51,125	Unitil Corp.	2,528,644
440,000	Vectren Corp.	28,938,800
597,000	WEC Energy Group Inc.	37,479,660
927,100	Westar Energy Inc.	45,984,160
310,000	Xcel Energy Inc.	$ 14,669,200
		948,067,750
	Electric Transmission and Distribution — 0.6%	
67,000	Consolidated Edison Inc.	5,405,560
360,000	Red Electrica Corp. SA	7,565,063
3,400	Uniper SE	93,228
		13,063,851
	Global Utilities — 2.0%	
352	AES Tiete Energia Receipts	1,585
11,000	AES Tiete Energia SA	49,527
40,000	Chubu Electric Power Co. Inc.	496,601
40,000	E.ON SE	452,712
20,800	EDF SA	252,594
5,000	EDP - Energias de Portugal SA, ADR	189,000
200,000	Electric Power Development Co. Ltd.	5,022,884
10,000	Eletropaulo Metropolitana Eletricidade de Sao Paulo SA, Preference	39,878
185,000	Emera Inc.	7,007,093
35,000	Enagas SA	985,551
100,000	Endesa SA	2,254,462
265,000	Enel SpA	1,595,763
4,000	EuroSite Power Inc.†	700
550,000	Hera SpA	1,729,110
66,000	Hokkaido Electric Power Co. Inc.†	470,989
40,000	Hokuriku Electric Power Co.	335,570
180,000	Huaneng Power International Inc., ADR	4,395,600
45,000	Iberdrola SA, ADR	1,395,450
289,300	Iberdrola SA, Aquis	2,247,110
405,000	Korea Electric Power Corp., ADR	6,787,800
110,000	Kyushu Electric Power Co. Inc.	1,168,185
32,000	Shikoku Electric Power Co. Inc.	376,236
2,000	Snam SpA	9,635
75,000	Statoil ASA	1,500,094
28,000	The Chugoku Electric Power Co. Inc.	297,356
305,000	The Kansai Electric Power Co. Inc.	3,901,777
55,000	The Tokyo Electric Power Co. Holdings Inc.†	221,906
170,000	Tohoku Electric Power Co. Inc.	2,161,920
		45,347,088
	Merchant Energy — 1.6%	
40,000	GenOn Energy Inc. - Old, Escrow†(a)	0
15,000	GenOn Energy Inc., Escrow†(a)	0
120,000	NRG Energy Inc.	3,070,800
2,964,500	The AES Corp.	32,668,790
		35,739,590
	Natural Gas Integrated — 9.4%	
15,000	Apache Corp.	687,000
25,000	Atlas Energy Group LLC†	2,688
80,000	Devon Energy Corp.	2,936,800
6,000	Dominion Energy Midstream Partners LP	192,000

See accompanying notes to schedule of investments.

Shares		Market Value
	COMMON STOCKS (Continued)	
	ENERGY AND UTILITIES (Continued)	
	Natural Gas Integrated (Continued)	
20,000	Energen Corp.†	$ 1,093,600
610,000	Energy Transfer Equity LP	10,601,800
150,000	Hess Corp.	7,033,500
300,000	Kinder Morgan Inc.	5,754,000
1,927,500	National Fuel Gas Co.	109,115,775
436,000	Northwest Natural Gas Co.	28,078,400
520,000	ONEOK Inc.	28,813,200
362,000	UGI Corp.	16,963,320
		211,272,083
	Natural Gas Utilities — 5.9%	
80,000	Atmos Energy Corp.	6,707,200
94,000	CenterPoint Energy Inc.	2,745,740
43,500	Chesapeake Utilities Corp.	3,403,875
50,000	CONSOL Energy Inc.†	847,000
388,800	Corning Natural Gas Holding Corp.(b)	7,223,904
100,000	Gulf Coast Ultra Deep Royalty Trust†	4,500
5,000	Italgas SpA	28,070
100,000	National Grid plc	1,238,962
41,250	National Grid plc, ADR	2,586,788
14,000	New Jersey Resources Corp.	590,100
143,000	ONE Gas Inc.	10,530,520
66,000	RGC Resources Inc.	1,885,620
140,000	South Jersey Industries Inc.	4,834,200
930,000	Southwest Gas Holdings Inc.	72,186,600
119,500	Spire Inc.	8,920,675
95,000	WGL Holdings Inc.	7,999,000
		131,732,754
	Natural Resources — 1.9%	
14,000	Alliance Holdings GP LP	389,340
86,000	Anadarko Petroleum Corp.	4,201,100
168,000	BP plc, ADR	6,456,240
14,058	California Resources Corp.†	147,047
10,000	Callon Petroleum Co.†	112,400
545,000	Cameco Corp.	5,270,150
8,000	Compania de Minas Buenaventura SAA, ADR	102,320
710,000	Mueller Industries Inc.	24,814,500
50,006	Tullow Oil plc†	124,702
60,000	Ultra Petroleum Corp.†	520,200
		42,137,999
	Services — 1.5%	
22,000	Baker Hughes a GE Co.	805,640
570,000	Enbridge Inc.	23,848,800
20,000	Halliburton Co.	920,600
34,000	MDU Resources Group Inc.	882,300
50,000	Patterson-UTI Energy Inc.	1,047,000
40,000	Rowan Companies plc, Cl. A†	514,000

Shares		Market Value
1,000,000	Weatherford International plc†	$ 4,580,000
		32,598,340
	Water — 2.2%	
8,000	American States Water Co.	394,000
115,000	American Water Works Co. Inc.	9,304,650
532,000	Aqua America Inc.	17,657,080
5,000	California Water Service Group	190,750
10,000	Connecticut Water Service Inc.	593,000
16,000	Consolidated Water Co. Ltd.	204,800
20,000	Middlesex Water Co.	785,400
276,700	Severn Trent plc	8,056,991
155,000	SJW Group	8,773,000
87,000	The York Water Co.	2,949,300
52,000	United Utilities Group plc, ADR	1,203,280
		50,112,251
	Diversified Industrial — 0.7%	
30,000	AZZ Inc.	1,461,000
160,000	General Electric Co.	3,868,800
100,000	ITT Inc.	4,427,000
375,975	Mueller Water Products Inc., Cl. A	4,812,480
20,000	Park-Ohio Holdings Corp.	912,000
		15,481,280
	Environmental Services — 0.1%	
22,000	Covanta Holding Corp.	326,700
80,000	Veolia Environnement SA	1,848,481
		2,175,181
	TOTAL ENERGY AND UTILITIES	1,537,424,057
	COMMUNICATIONS — 19.7%	
	Cable and Satellite — 5.7%	
42,000	Charter Communications Inc., Cl. A†	15,263,640
25,000	Cogeco Communications Inc.	1,843,719
70,000	Cogeco Inc.	4,593,548
40,000	Comcast Corp., Cl. A	1,539,200
430,000	DISH Network Corp., Cl. A†	23,318,900
308,000	EchoStar Corp., Cl. A†	17,626,840
344,366	Liberty Global plc, Cl. A†	11,677,451
600,000	Liberty Global plc, Cl. C†	19,620,000
80,000	Liberty Global plc LiLAC, Cl. A†	1,900,800
150,000	Liberty Global plc LiLAC, Cl. C†	3,495,000
90,000	Rogers Communications Inc., Cl. B	4,638,600
12,000	Shaw Communications Inc., Cl. B	276,120
1,650,000	Sky plc	20,230,614
50,000	Tokyo Broadcasting System Holdings Inc.	927,349
		126,951,781
	Computer Services Software and Systems — 0.1%	
388,698	Internap Corp.†	1,690,836

See accompanying notes to schedule of investments.

Shares		Market Value
	COMMON STOCKS (Continued)	
	COMMUNICATIONS (Continued)	
	Telecommunications — 10.5%	
35,000	AT&T Inc.	$ 1,370,950
560,000	BCE Inc.	26,224,800
275,000	CenturyLink Inc.	5,197,500
790,000	Cincinnati Bell Inc.†	15,681,500
35,000	Deutsche Telekom AG	652,967
515,000	Deutsche Telekom AG, ADR	9,609,900
1,750,000	Global Telecom Holding SAE†	636,544
28,000	Harris Corp.	3,687,040
1,440,000	Koninklijke KPN NV	4,944,096
18,000	Koninklijke KPN NV, ADR	62,154
466,000	Level 3 Communications Inc.†	24,833,140
134,470	Loral Space & Communications Inc.†	6,656,265
35,200	NextGenTel Holding ASA	86,624
290,000	Nippon Telegraph & Telephone Corp.	13,290,647
2,200	Orange Belgium SA	50,859
330,000	Orascom Telecom Media and Technology Holding SAE, GDR	52,800
60,000	Pharol SGPS SA†	26,522
220,000	Pharol SGPS SA, ADR†	88,000
74,000	PLDT Inc., ADR	2,362,080
150,000	Proximus SA	5,168,715
2,000	PT Indosat Tbk	928
2,300,000	Singapore Telecommunications Ltd.	6,239,817
635,000	Sprint Corp.†	4,940,300
121,000	Swisscom AG, ADR	6,213,350
10,000	Tele2 AB, Cl. B	114,427
170,000	Telecom Italia SpA, ADR†	1,598,000
235,000	Telefonica Brasil SA, ADR	3,722,400
53,000	Telefonica Deutschland Holding AG	297,416
525,000	Telefonica SA, ADR	5,664,750
1,000,000	Telekom Austria AG	9,071,032
340,000	Telenet Group Holding NV†	22,495,213
546,000	Telephone & Data Systems Inc.	15,227,940
60,000	Telesites SAB de CV†	46,194
575,000	VEON Ltd., ADR	2,403,500
730,000	Verizon Communications Inc.	36,127,700
650,000	Windstream Holdings Inc.	1,150,500
		235,996,570
	Wireless Communications — 3.4%	
65,000	America Movil SAB de CV, Cl. L, ADR	1,153,750
27,000	ATN International Inc.	1,422,900
69,000	China Mobile Ltd., ADR	3,489,330
53,000	China Unicom Hong Kong Ltd., ADR†	743,590
200	Hutchison Telecommunications Hong Kong Holdings Ltd.	73
85,000	Millicom International Cellular SA	5,594,700
243,000	Millicom International Cellular SA, SDR	16,036,108
6,500	Mobile TeleSystems PJSC, ADR	67,860
465,000	NTT DoCoMo Inc.	10,622,373
135,000	SK Telecom Co. Ltd., ADR	$ 3,319,650
400	SmarTone Telecommunications Holdings Ltd.	480
35,000	Tim Participacoes SA, ADR	639,800
400,000	Turkcell Iletisim Hizmetleri A/S, ADR	3,528,000
385,000	United States Cellular Corp.†	13,629,000
600,000	Vodafone Group plc, ADR	17,076,000
		77,323,614
	TOTAL COMMUNICATIONS	441,962,801
	OTHER — 7.3%	
	Aerospace — 1.1%	
2,000,000	Rolls-Royce Holdings plc	23,771,557
	Aviation: Parts and Services — 0.0%	
11,087	Curtiss-Wright Corp.	1,159,035
	Building and Construction — 0.4%	
12,000	Acciona SA	965,134
215,000	Johnson Controls International plc	8,662,350
		9,627,484
	Business Services — 0.4%	
1,420,000	Clear Channel Outdoor Holdings Inc., Cl. A	6,603,000
40,000	Macquarie Infrastructure Corp.	2,887,200
17,500	Vectrus Inc.†	539,700
		10,029,900
	Consumer Products — 0.0%	
10,000	Essity AB, Cl. A†	270,844
	Diversified Industrial — 0.2%	
1,000	Alstom SA	42,471
40,000	Bouygues SA	1,898,121
4,000	Donaldson Co. Inc.	183,760
12,000	Raven Industries Inc.	388,800
10,000	Svenska Cellulosa AB, Cl. A	88,092
111,780	Twin Disc Inc.†	2,080,226
		4,681,470
	Electronics — 1.1%	
100,000	Corning Inc.	2,992,000
610,000	Sony Corp., ADR	22,777,400
		25,769,400
	Entertainment — 0.7%	
610,000	Grupo Televisa SAB, ADR	15,048,700
	Financial Services — 0.4%	
168,000	Kinnevik AB, Cl. A	5,940,404
80,000	Kinnevik AB, Cl. B	2,608,749
		8,549,153

See accompanying notes to schedule of investments.

Shares		Market Value
	COMMON STOCKS (Continued)	
	OTHER (Continued)	
	Health Care — 0.0%	
12,000	Tsumura & Co.	$ 431,904
	Machinery — 1.7%	
92,500	Astec Industries Inc.	5,180,925
16,000	Flowserve Corp.	681,440
79,000	The Gorman-Rupp Co.	2,573,030
460,000	Xylem Inc.	28,809,800
		37,245,195
	Metals and Mining — 0.4%	
215,000	Freeport-McMoRan Inc.†	3,018,600
49,000	Haynes International Inc.	1,759,590
38,000	Materion Corp.	1,639,700
17,000	Vulcan Materials Co.	2,033,200
		8,451,090
	Transportation — 0.9%	
311,000	GATX Corp.	19,145,160
	TOTAL OTHER	164,180,892
	TOTAL COMMON STOCKS	2,143,567,750
	CONVERTIBLE PREFERRED STOCKS — 0.3%	
	ENERGY AND UTILITIES — 0.2%	
	Natural Gas Utilities — 0.2%	
54,000	Corning Natural Gas Holding Corp., 4.800%, Ser. B	5,319,000
	COMMUNICATIONS — 0.1%	
	Telecommunications — 0.1%	
21,000	Cincinnati Bell Inc., 6.750%, Ser. B	1,058,190
	TOTAL CONVERTIBLE PREFERRED STOCKS	6,377,190
	WARRANTS — 0.0%	
	COMMUNICATIONS — 0.0%	
	Telecommunications — 0.0%	
80,000	Bharti Airtel Ltd., expire 11/30/20†(c)	476,800

Principal Amount		Market Value
	CORPORATE BONDS — 0.1%	
	Energy and Utilities — 0.1%	
$ 1,500,000	Mueller Industries Inc., 6.000%, 03/01/27	$ 1,552,500
	U.S. GOVERNMENT OBLIGATIONS — 4.0%	
89,215,000	U.S. Treasury Bills, 0.955% to 1.187%††, 10/26/17 to 03/29/18	89,007,695
	TOTAL INVESTMENTS — 100.0% (Cost $1,423,546,460)	$2,240,981,935

Aggregate tax cost	$1,430,523,760
Gross unrealized appreciation	$ 862,547,469
Gross unrealized depreciation	(52,089,294)
Net unrealized appreciation/depreciation	$ 810,458,175

(a) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.

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

(c) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2017, the market value of the Rule 144A security amounted to $476,800 or 0.02% of total net assets.

† Non-income producing security.

†† Represents annualized yield at date of purchase.

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

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. On July 5, 2017, the Fund began to offer for sale Class T Shares.

Security Valuation. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Trustees (the "Board") so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the "Adviser").

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt obligations for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price, 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 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).

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 September 30, 2017 is as follows:

	Valuation Inputs			
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Total Market Value at 9/30/17
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
ENERGY AND UTILITIES				
Global Utilities	$ 45,345,503	$ 1,585	—	$ 45,347,088
Merchant Energy	35,739,590	—	$ 0	35,739,590
Natural Gas Utilities	124,508,850	7,223,904	—	131,732,754
Other Industries (a)	1,324,604,625	—	—	1,324,604,625
COMMUNICATIONS (a)	441,962,801	—	—	441,962,801
OTHER (a)	164,180,892	—	—	164,180,892
Total Common Stocks	2,136,342,261	7,225,489	0	2,143,567,750
Convertible Preferred Stocks (a)	1,058,190	5,319,000	—	6,377,190
Warrants (a)		476,800	—	476,800
Corporate Bonds(a)	—	1,552,500	—	1,552,500
U.S. Government Obligations	—	89,007,695	—	89,007,695
TOTAL INVESTMENTS IN SECURITIES – ASSETS	$2,137,400,451	$103,581,484	$ 0	$2,240,981,935

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

Additional Information to Evaluate Qualitative Information.

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

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

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

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

The Fund's derivative contracts held at September 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. At September 30, 2017, the Fund held no investments in equity contract for difference swap agreements.

Foreign Currency Translations. The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

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

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

Restricted Securities. The Fund may invest up to 15% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. At September 30, 2017, the Fund did not hold restricted securities.

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

Monthly Distributions - $0.07 per share

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

THE GABELLI UTILITIES FUND
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Portfolio Manager Biography

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

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

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

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Third Quarter Report
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