The Gabelli Value 25 Fund Inc.

Shareholder Commentary
December 31, 2017

(Y)our Portfolio Management Team

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To Our Shareholders,

For the quarter ended December 31, 2017, the net asset value ("NAV") per Class A Share of The Gabelli Value 25 Fund increased 1.9% compared with increases of 6.6% and 10.9% for the Standard & Poor's ("S&P") 500 Index and the Dow Jones Industrial Average, respectively. See page 2 for additional performance information.

In a year marred by acts of man and acts of nature, the prices for assets, including equities, real estate, art, and cryptocurrencies marched to record highs in 2017. This growth in U.S. equities has been accompanied by surprisingly little drama, and without even a 5% correction, for over 14 months. On the surface, it would appear the world suffers from a severe case of cognitive dissonance. A closer look at the global economic data – low unemployment, improving trade, housing and consumer trends and rising corporate profits – would suggest that optimism is not misplaced, however. Although not always efficient, the market is an effective discounting machine capable of separating meaningful signals from distracting noise. Our job is similar: to identify securities that are improperly reflecting future prospects and trading with a Margin of Safety relative to Private Market Values (PMV).

Absolute returns in (y)our Fund were strong in 2017, and we look forward to an acceleration in earnings growth and deal activity in 2018. Volatility, while present in many industrial stocks but absent in the general market, will at some point return, driven by real or imagined noise. Market corrections and economic recessions are inevitable and indeed necessary for the proper functioning of our capitalist system. We remain alert and prepared for most eventualities, and believe our PMV with a Catalyst™ approach should continue to deliver superior risk-adjusted results over the long term.

Comparative Results

Average Annual Returns through December 31, 2017 (a)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (9/29/89)
Class A (GABVX)	1.88%	12.79%	9.03%	6.16%	8.58%	10.24%
With sales charge (b)	(3.98)	6.30	7.75	5.53	8.15	10.01
S&P 500 Index	6.64	21.83	15.79	8.50	9.92	9.80
Dow Jones Industrial Average	10.94	28.07	16.31	9.24	10.24	10.86
Nasdaq Composite Index	6.57	29.80	19.50	11.35	12.81	9.95
Class AAA (GVCAX)	1.84	12.71	9.03	6.16	8.58	10.24
Class C (GVCCX)	1.63	11.82	8.22	5.36	7.77	9.73
With contingent deferred sales charge (c)	0.63	10.82	8.22	5.36	7.77	9.73
Class I (GVCIX)	1.98	13.19	9.36	6.45	8.78	10.35
Class T (GVCTX)	1.83	12.74	9.02	6.15	8.57	10.24
With sales charge (d)	(0.72)	9.92	8.47	5.89	8.39	10.14

In the current prospectuses dated April 28, 2017, the gross expense ratios for Class AAA, A, C, I, and T Shares are 1.40%, 1.40%, 2.15%, 1.15%, and 1.40% respectively, and the net expense ratios for these share classes after contractual reimbursements by Gabelli Funds, LLC, (the "Adviser") are 1.40%, 1.40%, 2.15%, 1.00%, and 1.40% 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 the Adviser not reimbursed certain expenses of the Fund. 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 Class A Share NAVs are used to calculate performance for the periods prior to the issuance of Class AAA Shares on April 30, 2010, Class C Shares on March 15, 2000, Class I Shares on January 11, 2008, and Class T Shares on July 5, 2017. The actual performance of the Class C Shares would have been lower due to the additional fees and expenses associated with this class of shares. The actual performance of the Class AAA Shares, Class I Shares, and Class T Shares would have been higher due to lower expenses associated with these classes of shares. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Dow Jones Industrial Average and the Nasdaq Composite Index are unmanaged indicators of stock market performance. Dividends are considered reinvested, except for the Nasdaq Composite Index. 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.

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

Barron's 2018 Roundtable

Mario J. Gabelli, our Chief Investment Officer, has appeared in the prestigious Barron's Roundtable discussion annually since 1980. Many of our readers enjoyed the inclusion of selected and edited comments from Barron's Roundtable in previous reports to shareholders. As is our custom, we are including selected comments of Mario Gabelli from Barron's 2018 Roundtable Part 1 and Part 2, published on January 15 and January 22, 2018, respectively.

BARRON'S: ***Getting back to the economy, Mario, what are your assumptions for 2018?***

Gabelli: Global GDP will be about $83 trillion in 2018. The U.S. is about 25% of that, and Europe is about 25%. China and Japan combined are more than 22%. The global economy is growing, but Mario Draghi [president of the European Central Bank] will have to pull back the punch bowl at some point, much as we are doing here [through Fed rate hikes]. At some point, the ECB and the Bank of Japan will do the same.

I am optimistic about the U.S. economy. I expect real GDP [adjusted for inflation] to grow by 3%. Many companies I speak with have been paying an effective cash tax rate of 35%. Lower tax rates will drive growth. The U.S. consumer will have gross assets of about $117 trillion at year end, and debt of about $17 trillion, of which two areas are troublesome: car loans and student debt. Outstanding car loans should result in a significant slowdown in the growth of car sales. Student loans are a major social problem.

We talked about rising wages. I see it, too. Also, higher heating bills this winter should have a short-term impact on consumer spending, but could have a bigger psychological impact. We haven't talked yet about the new rules allowing full expensing of certain capital investments, effective on Sept. 27, 2017. In the last week of December, even used planes were being bought.

Now that the tax bill has passed, is an infrastructure bill next?

Gabelli: It could be announced in the next two weeks. It will be a powerful stimulus to certain sectors of the economy, including inland waterways, the railroad industry, surface transportation, and avionics — even airport construction.

Give us your best ideas for 2018, Mario.

Gabelli: [wheeling a model of a skeleton on a stand to the front of the table]: This is an active manager.

Very funny! But reports of his death are premature.

Gabelli: Last year was the year of As: Alphabet [ticker: GOOGL], Amazon.com [AMZN], Apple [AAPL], Alibaba [BABA]. I am focusing this year on Bs. First, basketball [throws a ball across the room]. Madison Square Garden [MSG] has 23.5 million shares outstanding. The stock trades for $213, and the equity capitalization is about $5 billion. The company has about $1.1 billion of net cash. MSG is a sports and entertainment holding company. It owns the New York Knicks, an exciting basketball team. They beat Dallas last night. Other brands include the Radio City Rockettes, and the New York Rangers ice hockey team. The company owns a variety of live-entertainment venues, including the Garden and the Beacon Theater in New York, and the Forum in California. Millennials and the Gen Z population love live entertainment.
MSG also owns real estate. One of the hottest places in the U.S. is the Hudson Yards development on the West Side of Manhattan. MSG has air rights above Madison Square Garden. Adding up the value of the company's assets, the stock could be worth $280 to $300 a share.

How might MSG achieve that value, or something close to it?

Gabelli: Deal making has been a big part of MSG's history, and that of its CEO, James Dolan. Madison Square Garden was spun out of Cablevision, which was then sold to Altice [ATC. Netherlands], the European telecom company. Several opportunities for deal making exist. You have entertainment and the sports teams.

Next B is baseball [throws a baseball across the room; Gundlach catches it]. Look at that catch! Liberty Braves Group [BATRA] is another media and entertainment company. It is part of John Malone's ecosystem. Liberty Braves is a tracking stock that owns Liberty Media's interest in the Atlanta Braves. Malone is as tax sensitive an investor as Warren Buffett, but he is more visible about it. With Liberty Braves, you're also getting the new SunTrust Park built in Cobb County, an Atlanta suburb.

Attendance has gone from roughly 25,000 to 31,000 per game. The team is improving, too. Plus, the company owns land.

How has the stock performed?

Gabelli: Liberty Braves has about 58.5 million shares outstanding. At $22 apiece, the market cap is $1.3 billion. This is a small-cap stock. Based on prices paid for other sports teams, coupled with the stadium and the Battery Atlanta, a mixed-use property, the company could be worth $35 a share in two years.

My next B is betting. MGM Resorts International [MGM] is based in Las Vegas and owns casinos in the U.S. and Macau. It is run by James Murren, who has done a great job coordinating as CEO. The company has 566 million shares outstanding, and the stock is trading for $33. The market cap is $19 billion. MGM put most of its U.S. properties into a REIT [real estate investment trust], MGM Growth Properties [MGP], in 2016. This is worth about $10.50 a share at market. If I value the publicly traded Macau properties, or MGM China Holdings [2282. Hong Kong] at $10.50 and MGM's stake in the REIT at $10.50, I'm paying only $12 a share for the U.S. business. Assuming an exChina, ex-MGM enterprise value [market value plus net debt] of $14 billion, and 2018 EBITDA [earnings before interest, taxes, depreciation, and amortization] of $1.8 billion, the stock is selling for about eight times EV (Enterprise Value) to EBITDA.

MGM is opening a new casino in Springfield, Mass. Steve Wynn [founder, chairman, and CEO of Wynn Resorts (WYNN)] is opening one in Everett, Mass. Once MGM's new Macau casino and the Springfield property come online, capex [capital expenditures] will be de minimus. Then, it's a question of what Murren will do next.

What is your bet?

Gabelli: The next transformation of Las Vegas will focus on e-sports and e-gaming, and MGM will participate and benefit.

Paul Wick: There has been a lot of insider selling at MGM by the executive management team.

Gabelli: I'm delighted. That increases liquidity.

What was the rationale for the REIT's creation?

Gabelli: About 10-12 years ago, many casino stocks collapsed in price. Wynn did something brilliant. He said, let's arbitrage multiples on a global basis, and took his Macau casino company public in Hong Kong. That jump started the entire process. Sheldon Adelson [chairman and CEO of Las Vegas Sands (LVS)] followed suit with his Macau properties. Returning to MGM, the company spun off some properties into a separate

(2017 Report Card) MARIO GABELLI'S PICKS

Company	Ticker	Price 1/6/17	Price 12/29/17	Price Change	Total Return
Viacom	VIA.B	$37.79	$30.81	-18.5%	-16.5%
Herc Holdings	HRI	$40.00	62.61	56.5	56.5
CNH Industrial	CNHI	$8.94	13.40	49.9	51.6
National Beverage	FIZZ	$49.34	97.44	97.5	100.5
Davide Campari-Milano	CPR.Italy	€4.66	€6.45	38.5	39.5
Liberty Braves Group	BATRK	$20.65	$22.22	7.6	7.6
Live Nation Entertainment	LYV	$27.68	42.57	53.8	53.8
Mueller Water Products	MWA	$13.35	12.53	-6.1	-4.9

Total Return in USD: CPR.IM=58.9%

Source: Bloomberg

subsidiary in April 2016 and allowed outside investors to invest in the real estate. The properties had a capitalization rate [rate of return] of 8%. After creating the REIT and taking it public, MGM's multiple improved dramatically. MGM didn't put the Bellagio or MGM Grand into the REIT, so the company has other assets it can monetize. The Macau asset, MGM China, is undervalued in part because of concerns about what Chinese President Xi Jinping is going to do. Also, gaming company licenses in Macau are up for renewal in 2022. There is some question about the renewal process.

Are rising interest rates a risk to the REIT?

Gabelli: The stock could come down a bit if rates go up, but bear in mind that the new tax law allows for a 20% deduction on income from REITs. That would offset some of the negative hit from higher rates.

My next B involves booze. Beer is more than a $600 billion business globally. Wine is about $300 billion, and spirits are about $475 billion. Demand is increasing, as is the emphasis on premium products. This bottle of Jameson Irish Whiskey [holds up bottle] is about $18. Newer premium products are around $30. Booze companies have pricing power. While all are attractive, the stock I'm recommending today is Davide Campari-Milano [CPR.Italy], which I have mentioned before. The company is based in Milan. It is trading for 6.30 euros ($7.68), and there are 1.160 billion shares outstanding. We estimate that 2017 revenue totaled €1.8 billion. The company earned 17 euro cents a share two years ago and about 20 euro cents this past year. It could earn maybe 23 euro cents in 2018. Management is excellent. They are buying niche products, most recently Grand Marnier. Other company brands include Campari, Aperol, Wild Turkey, and SKYY Vodka. I like the booze business and, unfortunately, so does the rest of the world.

We can't wait to hear your next B.

Gabelli: Body parts! As the population ages, people are dealing with replacement body parts. It is a $38 billion business on a global basis. Knee and hip replacements are $14 billion. Spine parts are $9 billion. Trauma-related replacements are another $5.5 billion. My pick is Zimmer Biomet Holdings [ZBH], which makes products for knee replacements, spine surgery, and other uses. The industry is growing by 2%-3% a year. There are 202 million shares outstanding, and the stock trades around $125. Shares jumped recently when a new CEO came on board from Medtronic [MDT]. Zimmer's market cap is $25 billion, and the company has about $10 billion of net debt stemming from its $14 billion purchase of Biomet in June 2015. We expect that Zimmer should earn about $8.50 a share this year, and should do $9.50 next year and $14 over the next three or four years.

Moving on, let's talk about another B—building products. GCP Applied Technologies [GCP] was spun out of W.R. Grace in February 2016. It is based in Cambridge, Mass., and run by Gregory Poling, who has been with the company since 1977. GCP makes chemical additives for concrete and cement. It also makes waterproofing products used in construction. Its chief competitor is a Swiss company, Sika [SIK. Switzerland]. GCP has a transit management program called Verifi that allows it to monitor ready-mix trucks and get everything to the right place at the right time. GCP could generate revenue of about $1.2 billion this year. Earnings could climb in the next three or four years from $1.10 a share to nearly $2. The company has about $195 million in net cash before a year end transaction. Abby talked earlier today about how the tax law will create some background noise in calendar fourth quarter earnings, and that will be the case here.

Meryl Witmer: It's a great company.

Gabelli: You own it?

Witmer: I don't own it now.

Gabelli: CNH Industrial [CNHI], the former Case New Holland, is another construction play. Shares of Caterpillar [CAT] and Deere [DE] have gone up sharply, and appropriately so. CNH hasn't risen as much. CNH has 1.3 billion shares and is trading for $13.75. The company is controlled by Exor, the Agnelli family investment company that also controls Fiat Chrysler Automobiles [FCAU]. Both Deere and CNH under produced agricultural equipment to reduce inventory in the system. If demand stays flat, production will be rising. The construction business is turning around, too. The third part of CNH is Iveco, a European truck maker. It has about 6% of the European heavy duty truck market. Paccar [PCAR], based near Seattle, has 16%. It is logical for Paccar and Iveco to merge because of consolidation elsewhere in the European and U.S. markets. Second, Sergio Marchionne [chairman of CNH and CEO of Fiat Chrysler] spun Ferrari [RACE] out of Fiat Chrysler in 2016. The stock came public at $52, fell sharply, and now trades around $110. My thinking is that his mind set, before he steps down, is to do a transaction with Iveco. CNH earnings could go from 65 cents a share in 2018 to $1.25 by 2021-22. The stock could trade for 16 times those earnings, and you make a 50% profit in the next three years.

We'd take it.

Gabelli: Looking at intermodal transportation in the U.S., more than 71% is trucking, 13% is rails, 11% is pipelines, and 6% is inland waterways. There has been a surge in demand for truck components. In December alone, there was a 37% increase in Class 8 truck orders. Paccar, which makes two truck brands, Kenworth and Peterbilt, participated fully in that. I am recommending Paccar, as well. The stock is selling for $74. The company has a great balance sheet. It has been around a long time. The size of the Class 8 market in the U.S. could rise dramatically in the next 12 months. Europe will hold its own, and Latin America will do well. Paccar could report earnings of $4.40 a share for 2017. This year, they could do $5.10 to $5.20, and for 2019 our estimate is for $6.20 per share. I like both stocks as part of an infrastructure play.

My next B is business jets, and the company is Textron [TXT]. It has 263 million shares. Cessna is Textron's business jet brand. It introduced a new plane, the Cessna Citation Latitude, in 2015, and it has been doing extremely well. Next up is the Cessna Citation Longitude. Textron also owns Bell Helicopter, and makes aircraft parts and industrial products.

The big question I have about Textron is this: Boeing [BA] put an arm around Embraer [ERJ] the other day. [The U.S. and Brazilian aircraft makers are discussing a possible merger.] Textron has put a lot of money into the Scorpion, an ISR/Strike [Intelligence Surveillance Reconnaissance] jet used by the military. It is faster than a turboprop. Embraer makes a turboprop known as the A-29 Super Tucano. The U.S. Air Force seems ready to sign a contract for 300 new planes, and the Scorpion, which costs $20 million, is efficient and highly desired by the people who fly these things in combat. If Boeing buys Embraer, given its political clout, it is going to try to convince the Air Force to buy the Tucano instead.

MARIO GABELLI'S PICKS

Company	Ticker	Price 1/5/2018
Madison Square Garden	MSG	$212.87
Liberty Braves Group	BATRA	$22.27
MGM Resorts International	MGM	$33.89
Davide Campari-Milano	CPR.Italy	€6.36
Zimmer Biomet Holdings	ZBH	$125.98
CNH Industrial	CNHI	$14.05
GCP Applied Technologies	GCP	$33.60
Paccar	PCAR	$75.10
Textron	TXT	$58.50
Energizer Holdings	ENR	$51.59

Source: Bloomberg

And if Boeing succeeds?

Gabelli: Work in progress. For the data purists among you, there are 21,350 commercial and 36,700 business aircraft in the worldwide fleet. The Chinese own comparatively few. At some point, will the Chinese market open up? Textron, based in Providence, R.I., and run by Scott Donnelly, is an interesting play on global aviation. My last B is Energizer Holdings [ENR], the battery maker that was spun out of Edgewell Personal Care [EPC] in July 2015. Batteries are a $6 billion business globally. There is no growth. Duracell was bought by Berkshire Hathaway [BRK.A]. Spectrum Brands Holdings [SPB] is looking to sell its Rayovac unit. [After the Roundtable, Energizer announced its intention to buy Rayovac for $2 billion.] Meanwhile, the price of zinc, a major ingredient in batteries, has gone from 60 cents a pound to $1.30 in recent years. Energizer has a terrific management team. Last summer, the CEO of Post Holdings [POST], another company I have sometimes recommended, joined the board.

Energizer generates half its revenue overseas. The euro is strengthening against the dollar, as is the pound. Many companies will get a tailwind from currency translation. The stock is trading for $50, and earnings should rise sharply in the next three years.

You haven't said much today about media consolidation, one of your specialties. Any thoughts?

Gabelli: Let's look at 21st Century Fox [FOX] and Disney [DIS]. Everyone thinks Rupert Murdoch [executive chairman of Fox and Barron's parent, News Corp (NWS)] will sell much of 21st Century Fox to Disney and become a passive investor. But zebras don't change their stripes. Murdoch and his related interests, which I have followed for 40-odd years, will have about 100 million, or $11 billion worth, of Disney shares. This is a win-win for Disney and for Rupert.

Thank you, Mario.

Mario J. Gabelli is the Chairman and Chief Investment Officer — Value Portfolios of GAMCO Investors, Inc. and Portfolio Manager of various investment products at the firm. The securities mentioned in the article are not representative of any portfolio, and the views expressed are subject to change at any time. As of December 31, 2017, the Gabelli Value 25 Fund owned 4.0% of Madison Square Garden Company, 1.0% of CNH Industrial, 0.4% of Energizer Holdings and 5.2% of Viacom.

The Political Economy of 2017

State of the Consumer

After a sluggish start to the year, the U.S. economy grew at a faster than anticipated 3.1% and 3.3% in the second and third quarters, respectively. At 4.1%, unemployment stands at a ten-year low, while consumer wealth of nearly $97 trillion is at an all-time high. Housing starts of 1.3 million units continue their steady increase, but remain comfortably below the prior peak of 2.2 million units. The U.S. is in its ninth year of economic expansion, making this the third longest expansion at 101 months, trailing only 1961-1969 and 1991-2001 (those expansions were 106 and 120 months, respectively). Perhaps as important, the global economy is in synchronized expansion. For all of 2017, the eurozone is set to grow 2.2%, its fastest since 2007, while Japan has accelerated to 1.5%; China (by design), is likely to post growth of 6.7%. All of this bodes well for U.S. exporters and their employees.

State of the "Swamp"

Last year we wrote that the "Trump bump" in the market was premised on (a) tax reform (b) deregulation and (c) fiscal stimulus. To date, the Trump administration appears to be delivering on the first two objectives, with an infrastructure bill planned for early 2018. Deregulation in the energy, financial, and media/telecom sectors has already unleashed corporate animal spirits. A change to the existing tax regime – we will resist calling the imperfect bill "reform" – should make U.S. corporate taxes more competitive with other OECD countries. Many individuals will see lower taxes with reduced rates and an increased standard deduction, but higher income households in higher state and local tax (SALT) locations could see an increase. The government has picked a new set of winners and losers (tax lawyers remain winners). The impact this change in taxes could have on the economy is dependent on myriad factors: will the marginal propensity of the "winners" to spend to offset that of the "losers"? How will corporations redeploy increased cash flow? Will lower corporate taxes be competed away, lowering prices to customers but also profits to companies? Will increased government deficits cause interest rates to rise, "crowding out" other investment? For now, we would put these factors in the knowable unknowns category.

All else being equal, corporate earnings would rise in 2018 as a result of lower tax rates. However, the market likely anticipated most of this increase in the 30% rally since the November 2016 election. In addition, all else is never equal and, depending on the answers to the questions posed above, growth could either accelerate or slow. Long term, demographics and productivity growth, which are not necessarily altered by corporate tax regimes, are far more important drivers of GDP. That being said, in the near term, higher profits and a higher market are the base case, and fortunately (y)our portfolio is well positioned to capture the benefits of lower corporate taxes, as it includes a disproportionate weighting of small and mid-sized U.S. firms which are currently paying higher effective rates and whose revenues are centered on domestic operations.

State of the Fed

Notwithstanding excitement about potential tax windfalls, the most powerful market levitating force from Washington over the last decade did not originate from the White House or the Capitol, but from the Eccles Building, home to the Federal Reserve. Through open market activity and three rounds of quantitative easing (QE), the Federal Reserve slashed short-term interest rates from 4.5% before the 2008-2009 financial crisis to nearly zero, lifting asset prices everywhere. The Federal Reserve began tapping the brakes by tapering QE in October 2014, and has now raised rates five times, the latest of which took the Federal Funds rate to a range of 1.25%-1.50% in December 2017. The Federal Reserve started shrinking its balance sheet, with current expectations for three additional increases in each of 2018 and 2019, which would ratchet the Federal Reserve Funds rate to 3.0%, still well below the prior peak. Newly appointed Fed Chair Jerome H. ("Jay") Powell, a centrist and former banker, will likely continue this path.

Over the long term, the Federal Reserve's "normalization" of rates is healthy for the economy, but the timing of this process has been the subject of debate, given a lack of inflation. The last two rate hike cycles ended in market dislocations in 2001 and 2007, but the circumstances in each were very different from today. A future recession may be unavoidable, but it need not be triggered by the Federal Reserve anytime soon. What is unquestionably unavoidable is that monetary policy has gone from being a tailwind to being a headwind for the economy and the market.

Mr. Market

Global Stocks

For 2017 the S&P 500 Index rose 20%. Since the March 9, 2009 low, the U.S. market is up 360%. At approximately 18x forward earnings, the market is not cheap by historical standards. Taken in the context of low interest rates, with the added prospect of lesser-taxed earnings, valuation seems less stretched. Importantly, we are not buying "the market" on your behalf. We pick individual stocks, and we can still uncover bargains, though admittedly with the need to turn over more stones than a few years ago.

Among the areas that worked in (y)our Fund were Industrials, which benefited from some combination of higher capital investment (e.g., water infrastructure company Xylem (1.6% of net assets as of December 31, 2017) and truck maker Navistar (1.5%) or defense spending (e.g., Aerojet Rocketdyne (2.0%) and Honeywell (3.4%). Other areas were challenged by changing consumer preferences, including Consumer Staples and Media (although the announced acquisition of Fox (1.9%), discussed below, was an early Christmas gift). We think those companies could be poised to rebound in 2018, especially in the event of consolidation.

In any given year, certain areas are more in favor than others, and 2017 saw the third highest concentration in market movers (after 1999 and 2004) in over two decades. The five stocks of the FAANG – Facebook, Apple, Amazon, Netflix, and Google (now Alphabet – comprised an average S&P 500 weighting of 10% and drove nearly five points (25%) of performance. The current period strikes us more akin to the "one decision" stocks of the Nifty Fifty of the late 1960's than the Internet Bubble of 1999, in that the FAANG as a whole are generating large and accelerating amounts of cash flow and possess deep moats. Apple, Google, and Facebook are merely expensive with no "absurdly" or "outrageously" attached. In our view, the biggest threats to those businesses are the law of large numbers (Google and Facebook already account for 40% of U.S. advertising spend) and regulatory/antitrust pressure. Google and Facebook are under investigation in Europe and facing scrutiny over their roles in the Presidential election in the U.S.; we imagine that Amazon may be on the radar as well. Just as we look for bargains, there are pockets of exuberance in this market that we normally avoid.

A Bit on Bitcoin

Speaking of exuberance, it may be worth mentioning Bitcoin, which over the last year has risen 2,200%. All the bitcoin mined to date would be worth $295 billion, a large number to be sure, but a mere shade of the $8 trillion value of all gold mined to date. Bitcoin and other cryptocurrencies are based on the "blockchain," a secure, distributed method of storing information that could be valuable across many functions. Bitcoin itself may have a place in the future as a store of value in an environment of eroding faith in central banks. Like gold, Bitcoin is in limited supply and is no one else's liability; it is cheaper to store, transport, and handle than gold, though it lacks a few thousand years of gold's history. For the moment, however, its usefulness as a currency or asset class is limited by its extreme volatility and lack of wide acceptance. Bitcoin's explosion in value seems based on a greater fool being willing to pay more for it – almost the very definition of a bubble. Much like the Tulip Mania of 1637 or the Mississippi Bubble of 1720, this bubble will also pop. Unlike those classic bubbles of yore, Bitcoin is a global phenomenon, as accessible as a touch of one's cellphone, which gives it the potential to get much bigger, but perhaps limits the collateral damage to any one economy. Bitcoin and blockchain will be with us in some shape or form for a very long time, and are certainly worth monitoring.

Deals, Deals, Deals

U.S. deal activity slowed slightly to $1.1 trillion in the fourth quarter. Nevertheless, as we look into 2018, the underpinnings of "merger mania" – low interest rates, scarce organic growth, and rising corporate confidence – are even more powerful. Uncertainty around tax structures (now resolved) and a challenge to the AT&T/Time Warner (0.1%) merger may have given some pause. Historically, the Department of Justice has been loath to challenge vertical combinations, like distributor AT&T buying supplier Time Warner. The transaction was cruising for approval until Makan Delrahim, President Trump's nominee as Assistant Attorney General for Antitrust who took office in September, rejected proposed behavioral remedies and is suing to block the merger. If the cynics are right and this is motivated by Time Warner-owned CNN's negative coverage of the President, then this may not be worrisome for future mergers (albeit a blow to the rule of law); if the attempted block is a broader populist backlash against big corporations, it may be a problem. Nevertheless, the controversy did not dissuade Disney from attempting a purchase of Fox's assets, a security we own on your behalf. With Disney and AT&T's potentially broader reach and the entry into the entertainment arena by tech companies, including Amazon and Facebook, the need for scale becomes an even stronger impetus for consolidation in media. These same forces are being felt in other industries undergoing change, in particular consumer products. We are well represented in those sectors, and expect to see more deals in the new year.

Conclusion

Surmounting a Wall of Worry

Our process tends to be very respectful of risk – we look down before we look up. A list of things that could go wrong in the larger economy is easy to compose, but, short of a hot war, major terrorist attack, or social unrest, the two biggest risks to the U.S. economy would seem to be an inflationary spike and a Federal Reserve that raises rates too fast because it finds itself behind the curve, and/or a 1930's style trade war. A little inflation might be good for the economy and (y)our Fund, as we tend to own companies with pricing power. The impact of a collapse of NAFTA or an escalation of trade tensions with China and Europe (which are not happy with the new tax plan) is difficult to gauge, and the fallout for most companies would be hard to avoid. One would hope that good sense prevails on the topic.

A different kind of risk is underestimating what could go right. What if deregulation and changes to the tax code really do spur renewed investment, while inflation is kept at bay by technology and globalization (basically the goldilocks scenario of the last year)? Ultimately the health of the U.S. economy is not reliant on who occupies the White House; the stock market is not the President's report card. Growth and markets are driven by the collective efforts of entrepreneurs and hardworking individuals, and we remain as bullish as ever on those factors. We also remain confident that our time-tested investment process and methodology should ensure you share in this prosperity.

Investment Scorecard

The largest contributor to performance in 2017 was Sony Corp. (5.3% of net assets as of December 31, 2017, +61%) which continued its resurgence under CEO Kaz Hirai with robust PlayStation activity, a rebirth in music sales, and a position as a leading supplier of mobile phone camera chips. Industrial firms, including Honeywell (3.4%, +35%), Aerojet Rocketdyne (2.0%, +74%), Xylem (1.6%, +40%), and Crane (2.1%, +26%) were strong due to some combination of accelerating manufacturing activity, strong aerospace and defense spending, and lower corporate tax rates. American Express (3.8%, +36%) was another beneficiary of tax reform as well as a healthier consumer. Finally, Diageo (3.8%, +44%), the world's largest distiller, delivered strong top and bottom line growth, aided by both currency benefits but also sustained growth in the spirits market in both developed and emerging markets.

Traditional television programmers, such as CBS Corp. (6.9%, -7%), Viacom (5.2%, -7%), and Discovery Communications (1.0%, -21%) were among the largest detractors from annual performance, as an accelerated shift in consumer viewing habits led to a reduction in subscriptions and ratings/advertising in the U.S. DISH Network (1.9%, -18%) was depressed by similar cord-cutting concerns, as well as uncertainty regarding the fate of its substantial spectrum position. Finally, not all industrial companies rose: Circor (1.4%, -25%) and Flowserve (0.9%, -11%) suffered from the overhang of lower oil prices in early 2017.

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 share prices are listed first in United States dollars (USD) and second in the local currency, where applicable, and are presented as of December 31, 2017.

American Express Co. (3.8% of net assets as of December 31, 2017) (AXP – $99.31– NYSE) is the largest closed loop credit card company in the world. The company operates its eponymous premiere branded payment network and lends to its largely affluent customer base. American Express has 112 million cards in force and nearly $66 billion in loans, while its customers charged over $1 trillion of spending on their cards in 2016. The company's strong consumer brand has allowed American Express to enter the deposit gathering market as an alternate source of funding, while the company's affluent customers have picked up spending. Longer term, American Express should capitalize on its higher spending customer base and continue to expand into other payment related businesses, such as corporate purchasing, while also growing in emerging markets. Similarly, the company is looking at the growing success of social media as an opportunity to expand its product base and payment options.

Bank of New York Mellon Corp. (3.4%) (BK – $53.86 – NYSE) is a global leader in providing financial services to institutions and individuals. The company operates in more than one hundred markets worldwide and strives to be the global provider of choice for investment management and investment services. As of September 2017, the firm had $32.2 trillion in assets under custody and $1.8 trillion in assets under management. Going forward, we expect BK to benefit from rising global incomes and the cross border movement of financial transactions. We believe BK is also well positioned to grow earnings in a rising interest rate environment, given its large customer cash deposits and significant loan book

Crane Co. (2.1%) (CR – $89.22 – NYSE) based in Stamford, Connecticut, is a diversified manufacturer of highly engineered industrial products comprised of four business segments: Fluid handling, Aerospace & Electronics, Engineered Materials, and Payments & Merchandising Systems with over 11,000 employees across 26 countries. The company recently acquired Crane Currency, a producer of currency products for more than 200 years and is entrusted by more than 50 central banks to play an integral role in the design and manufacture of their nations' banknotes. Crane Currency is the fastest growing fully integrated global currency provider and is an excellent complement to Crane Co.'s expanding presence in the currency and payment markets.

Honeywell International Inc. (3.4%) (HON – $153.36 – NYSE) operates as a diversified technology company with highly engineered products, including turbine propulsion engines, auxiliary power units, turbochargers, brake pads, environmental and combustion controls, sensors, security and life safety products, resins and chemicals, nuclear services, and process technology for the petrochemical and refining industries. One of the key drivers of HON's growth is acquisitions that increase the company's growth profile globally, creating both organic and inorganic opportunities. The company recently announced its plan to spin-off its Homes product portfolio and ADI Global Distribution businesses as well as its Transportation Systems business into two publicly-traded companies.

Liberty Global Plc (1.9%) (LBTYA/LBTYK – $35.84/$33.84 – NASDAQ) is the leading international cable operator, offering advanced video, telephone, and broadband Internet services. The company operates broadband communications networks in twelve European countries, under brands that include UPC, Unitymedia (Germany), Virgin (UK), and Telenet (Belgium). In July 2015 Liberty issued the UK's first tracker stock, known as "LiLAC," to highlight its properties in Chile and Puerto Rico. In May 2016, LiLAC completed the acquisition of Cable & Wireless, expanding its reach to twenty countries in Latin America and the Caribbean. In December 2017, the company completed the separation of its European and Latin American businesses into two asset-backed companies.

Ryman Hospitality Properties Inc. (2.1%) (RHP – $69.02 – NYSE) is the owner/operator of four large convention-centric hotels under the Gaylord brand. It also owns the Opryland brand and entertainment complex in Nashville, the city of its origin. As such, it has benefited from the growth in country music and consumer preference for live entertainment. The company's hotels are group-centric, and revenues and bookings have remained strong due to its long and steady economic expansion in the United States. Future growth should come from new hotels (probably established as joint ventures) as well as development of additional live entertainment venues, one of which will open in Times Square in New York City later this year. The company is structured as a REIT (real estate investment trust), providing an extra level of tax efficiency to enhance its investment attraction. Given the low level of interest rates, the company's tax efficient dividend stream provides significant investor protection, as does the consistency of its cash flow

Sony Corp. (5.3%) (SNE – $44.95 – NYSE) is a diversified electronics and entertainment company based in Tokyo, Japan. The company manufactures image sensors, televisions, PlayStation game consoles, mobile phone handsets, and cameras. It also operates the Columbia film studio and Sony Music entertainment group. We expect growth opportunity in image sensor and Game business and operational improvements in consumer electronics and entertainment to generate EBITDA growth through 2018. We also think the potential spinoff of the entertainment assets could be a catalyst.

Viacom Inc. (5.2%) (VIA – $34.90 – NASDAQ) is a pure-play content company that owns a global stable of cable networks, including MTV, Nickelodeon, Comedy Central, VH1, BET, and the Paramount movie studio. Viacom's cable networks generate revenue from advertising sales, fixed monthly subscriber fees, and ancillary revenue from toy licensing, etc. We believe a low valuation and M&A potential outweigh the secular risks of cord-cutting.

January 26, 2018

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

CBS Corp.	6.9%	Madison Square Garden Co.	3.9%
Sony Corp.	5.3%	Diageo Plc.	3.8%
Viacom Inc.	5.2%	American Express Co.	3.8%
Republic Services Inc.	4.2%	Newmont Mining Corp.	3.5%
Swedish Match AB	4.1%	Honeywell International Inc.	3.4%

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Managers only through the end of the period stated in this Shareholder Commentary. The Portfolio Managers' views are subject to change at any time based on market and other conditions. The information in this Portfolio Managers' Shareholder Commentary represents the opinions of the individual Portfolio Managers 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 Managers 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 Prospectus 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 Value 25 Fund began offering additional classes of Fund shares on March 15, 2000. Class AAA are no-load shares available directly through selected broker/dealers. Class A, Class C, and Class T Shares are offered to 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 Directors 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.

Portfolio Management Team Biographies

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

Christopher J. Marangi joined Gabelli in 2003 as a research analyst. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Marangi graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College and holds an MBA with honors from Columbia Business School.

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by calling 800-GABELLI after 7:00 P.M.

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FUNDS

THE GABELLI VALUE 25 FUND INC.

Shareholder Commentary
December 31, 2017

The Gabelli Value 25 Fund Inc.

Annual Report — December 31, 2017

(Y)our Portfolio Management Team

Mario J. Gabelli, CFA
Chief Investment Officer

Christopher J. Marangi
Co-Chief Investment Officer
BA, Williams College
MBA, Columbia Business School

To Our Shareholders,

For the year ended December 31, 2017, the net asset value ("NAV") per Class A Share of The Gabelli Value 25 Fund Inc. increased 12.8% compared with increases of 21.8% and 28.1% for the Standard & Poor's ("S&P") 500 Index and the Dow Jones Industrial Average, respectively. Other classes of shares are available. See page 3 for performance information for all classes of shares.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2017.

Performance Discussion (Unaudited)

The investment objective of the Fund is to provide long term capital appreciation.

The Fund's investment strategy is to invest primarily in equity securities of companies that Gabelli Funds, LLC (the "Adviser") believes are undervalued and have the potential to achieve significant capital appreciation, overweighting its core twenty-five equity positions. The Adviser invests in companies whose securities are selling at a significant discount to their private market value ("PMV"). PMV is the value the Adviser believes informed investors would be willing to pay to acquire the entire company. If investor attention is focused on the underlying asset value of a company due to expected or actual developments or other catalysts, an investment opportunity to realize this PMV may exist. The Fund may invest in companies of any size and from time to time may invest a greater portion in companies with large, medium, or small market capitalizations.

In selecting investments, the Adviser also considers the market price of the issuer's securities, its balance sheet characteristics and the perceived strength of its management. The Fund's assets will be invested primarily in common stock. Many of the common stocks the Fund will buy will not pay dividends. These stocks will be bought for the potential that their prices will increase, providing capital appreciation for the Fund. The value of equity securities will fluctuate due to many factors, including the past and predicted earnings of the issuer, the quality of the issuer's management, general market conditions, and the forecasts for the issuer's industry and the value of the issuer's assets.

After a sluggish start to the year, the U.S. economy grew at a faster than anticipated 3.1% and 3.3% in the second and third quarters, respectively. At 4.1%, unemployment stands at a ten year low while consumer wealth of nearly $97 trillion is at an all time high. Housing starts of 1.3 million units continue their steady increase, but remain below the prior peak of 2.2 million units. The U.S. is in its ninth year of economic expansion, making this the third longest expansion at 101 months, trailing only 1961-1969 and 1991-2001 (those expansions were 106 and 120 months, respectively). Perhaps as important, the global economy is in synchronized expansion. For all of 2017, the Eurozone is set to grow 2.2%, its fastest since 2007 while Japan has accelerated to 1.5%; China is likely to post growth of 6.7%. The stock market rose in the latter half of the year, following President Trump's agenda on tax reform, deregulation, and fiscal stimulus. The Federal Reserve raised the Federal Funds rate for the fifth time since October of 2014, now ranging from 1.25%-1.50%.

Among the better performing stocks for the fiscal year were: Sony Corp (5.3% of net assets as of December 31, 2017), which saw its stock advance in 2017 due to the diversified product range and gaming and networking services; Diageo Plc. (3.8%), which has over 200 brands of beer and spirits under its belt as a global leader in beverage alcohol, and completed its acquisition in June of Casamigos, the fastest growing super-premium tequila brand in the U.S.; and American Express Co. (3.8%), the multinational financial services corporation headquartered in New York City which was able to start reporting earnings growth after spending a year adjusting for the loss of its former co-branded card agreement with Costco.

Some of our weaker performers were: CBS Corp (6.9%), the American mass media corporation, which in October 2017 split off its radio business as part of a merger with Entercom; Circor International Inc. (1.4%), a manufacturer in the energy, aerospace, and industrial markets; and Dish Network Corp. (1.9%), an American based direct-broadcast satellite service provider who cut 145,000 subscribers after Hurricane Maria took out power in Puerto Rico and the U.S. Virgin Islands.

Thank you for your investment in The Gabelli Value 25 Fund.

We appreciate your confidence and trust.

Comparative Results

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

	1 Year	5 Year	10 Year	15 Year	Since Inception (9/29/89)
Class A (GABVX)	12.79%	9.03%	6.16%	8.58%	10.24%
With sales charge (b)	6.30	7.75	5.53	8.15	10.01
S&P 500 Index	21.83	15.79	8.50	9.92	9.80
Dow Jones Industrial Average	28.07	16.31	9.24	10.24	10.86
Nasdaq Composite Index	29.80	19.50	11.35	12.81	9.95
Class AAA (GVCAX)	12.71	9.03	6.16	8.58	10.24
Class C (GVCCX)	11.82	8.22	5.36	7.77	9.73
With contingent deferred sales charge (c)	10.82	8.22	5.36	7.77	9.73
Class I (GVCIX)	13.19	9.36	6.45	8.78	10.35
Class T (GVCTX)	12.74	9.02	6.15	8.57	10.24
With sales charge (d)	9.92	8.47	5.89	8.39	10.14

In the current prospectuses dated April 28, 2017, the gross expense ratios for Class AAA, A, C, I, and T Shares are 1.40%, 1.40%, 2.15%, 1.15%, and 1.40% respectively, and the net expense ratios for these share classes after contractual reimbursements by Gabelli Funds, LLC, (the "Adviser") are 1.40%, 1.40%, 2.15%, 1.00%, and 1.40%, respectively. See page 10 for the expense ratios for the year ended December 31, 2017. 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.

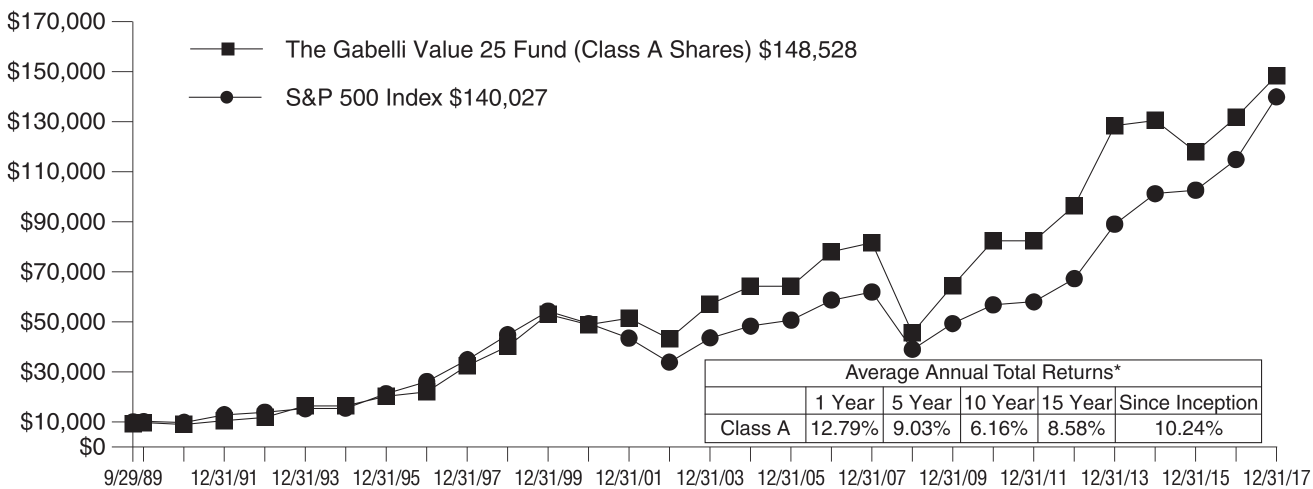
(a) *Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, 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 the Adviser not reimbursed certain expenses of the Fund. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. 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 Class A Share NAVs are used to calculate performance for the periods prior to the issuance of Class AAA Shares on April 30, 2010, Class C Shares on March 15, 2000, Class I Shares on January 11, 2008, and Class T Shares on July 5, 2017. The actual performance of the Class C Shares would have been lower due to the additional fees and expenses associated with this class of shares. The actual performance of the Class AAA Shares, Class I Shares, and Class T Shares would have been higher due to lower expenses associated with these classes of shares. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Dow Jones Industrial Average and the Nasdaq Composite Index are unmanaged indicators of stock market performance. Dividends are considered reinvested, except for the Nasdaq Composite Index. 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.

COMPARISON OF CHANGE IN VALUE OF A $10,000 INVESTMENT IN THE GABELLI VALUE 25 FUND INC. (CLASS A SHARES) AND S&P 500 INDEX (Unaudited)



Average Annual Total Returns*					
	1 Year	5 Year	10 Year	15 Year	Since Inception
Class A	12.79%	9.03%	6.16%	8.58%	10.24%

* Past performance is not predictive of future results. The performance tables and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

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

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

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

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

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which would be described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. The "Annualized Expense Ratio" represents the actual expenses for the last six months and may be different from the expense ratio in the Financial Highlights which is for the year ended December 31, 2017.

	Beginning Account Value 07/01/17	Ending Account Value 12/31/17	Annualized Expense Ratio	Expenses Paid During Period*
The Gabelli Value 25 Fund Inc.				
Actual Fund Return				
Class AAA	$1,000.00	$1,042.90	1.41%	$ 7.26
Class A	$1,000.00	$1,043.20	1.41%	$ 7.26
Class C	$1,000.00	$1,038.80	2.16%	$11.10
Class I	$1,000.00	$1,045.50	1.00%	$ 5.16
Class T**	$1,000.00	$1,042.70	1.41%	$ 7.10
Hypothetical 5% Return				
Class AAA	$1,000.00	$1,018.10	1.41%	$ 7.17
Class A	$1,000.00	$1,018.10	1.41%	$ 7.17
Class C	$1,000.00	$1,014.32	2.16%	$10.97
Class I	$1,000.00	$1,020.16	1.00%	$ 5.09
Class T	$1,000.00	$1,018.10	1.41%	$ 7.17

* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (184 days), then divided by 365.

** Class T Shares use a beginning account value date of 07/05/17, and Class T Share expenses are equal to the Funds' annualized expense ratio for the period since inception multiplied by the number of days since inception (180 days), then divided by 365.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of December 31, 2017:

The Gabelli Value 25 Fund Inc.

Entertainment	13.4%	Hotels and Gaming	2.1%
Financial Services	10.4%	Automotive	1.5%
Broadcasting	10.1%	Specialty Chemicals	1.4%
Cable and Satellite	8.5%	Consumer Services	1.2%
Food and Beverage	5.8%	Computer Software and Services	1.0%
Diversified Industrial	5.7%	Building and Construction	0.9%
Environmental Services	5.7%	Telecommunications	0.8%
Consumer Products	5.7%	Communications Equipment	0.6%
Electronics	5.3%	Wireless Communications	0.6%
Metals and Mining	3.5%	Real Estate	0.5%
Aerospace	2.8%	Other Assets and Liabilities (Net)	(0.2)%
Energy and Utilities	2.7%		100.0%
Automotive: Parts and Accessories	2.7%		
Machinery	2.5%		
Business Services	2.5%		
Equipment and Supplies	2.3%		

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

Proxy Voting

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

The Gabelli Value 25 Fund Inc.
Schedule of Investments — December 31, 2017

Shares		Cost	Market Value
	COMMON STOCKS — 100.2%		
	Aerospace — 2.8%		
277,000	Aerojet Rocketdyne Holdings Inc.†	$ 2,013,210	$ 8,642,400
300,000	Rolls-Royce Holdings plc	2,246,222	3,430,724
18,400,000	Rolls-Royce Holdings plc, Cl. C†(a)	24,381	24,843
		4,283,813	12,097,967
	Automotive — 1.5%		
153,000	Navistar International Corp.†	4,200,079	6,560,640
	Automotive: Parts and Accessories — 2.7%		
94,000	Genuine Parts Co.	2,227,983	8,930,940
11,000	O'Reilly Automotive Inc.†	1,559,683	2,645,940
		3,787,666	11,576,880
	Broadcasting — 10.1%		
510,000	CBS Corp., Cl. A, Voting	9,560,757	30,263,400
7,000	Liberty Broadband Corp., Cl. A†	314,951	595,350
68,000	Liberty Broadband Corp., Cl. C†	1,835,654	5,790,880
100,000	Liberty Media Corp.- Liberty SiriusXM, Cl. C†	179,817	3,966,000
173,000	MSG Networks Inc., Cl. A†	89,187	3,503,250
		11,980,366	44,118,880
	Building and Construction — 0.9%		
106,000	Johnson Controls International plc	2,288,010	4,039,660
	Business Services — 2.5%		
51,000	Gerber Scientific Inc., Escrow†(a)	0	0
75,000	Macquarie Infrastructure Corp.	2,483,561	4,815,000
40,000	Mastercard Inc., Cl. A	851,864	6,054,400
		3,335,425	10,869,400
	Cable and Satellite — 8.5%		
84,000	AMC Networks Inc., Cl. A†	110,652	4,542,720
160,000	Comcast Corp., Cl. A	1,830,600	6,408,000
170,000	DISH Network Corp., Cl. A†	4,640,235	8,117,500
80,000	EchoStar Corp., Cl. A†	1,943,279	4,792,000
190,000	Liberty Global plc, Cl. A†	3,851,756	6,809,600
45,000	Liberty Global plc, Cl. C†	448,934	1,522,800
94,000	Rogers Communications Inc., Cl. B	681,271	4,787,420
		13,506,727	36,980,040
	Communications Equipment — 0.6%		
64,000	Loral Space & Communications Inc.†	3,283,031	2,819,200
	Computer Software and Services — 1.0%		
3,100	CommerceHub Inc., Cl. A†	13,090	68,169
6,200	CommerceHub Inc., Cl. C†	26,181	127,658
57,000	eBay Inc.†	1,148,503	2,151,180
155,000	Hewlett Packard Enterprise Co.	$ 2,123,644	$ 2,225,800
		3,311,418	4,572,807
	Consumer Products — 5.7%		
81,000	Edgewell Personal Care Co.†	3,630,721	4,810,590
37,000	Energizer Holdings Inc.	415,583	1,775,260
459,000	Swedish Match AB	6,960,247	18,084,480
		11,006,551	24,670,330
	Consumer Services — 1.2%		
220,000	Liberty Interactive Corp. QVC Group, Cl. A†	2,817,833	5,372,400
	Diversified Industrial — 5.7%		
35,000	Ampco-Pittsburgh Corp.	175,012	434,000
105,000	Crane Co.	2,801,045	9,368,100
98,000	Honeywell International Inc.	2,316,552	15,029,280
		5,292,609	24,831,380
	Electronics — 5.3%		
510,000	Sony Corp., ADR	9,005,410	22,924,500
	Energy and Utilities — 2.7%		
200,000	GenOn Energy Inc., Escrow†(a)	0	0
215,000	National Fuel Gas Co.	9,498,365	11,805,650
		9,498,365	11,805,650
	Entertainment — 13.4%		
40,000	Discovery Communications Inc., Cl. A†	369,758	895,200
161,000	Discovery Communications Inc., Cl. C†	2,263,571	3,408,370
200,000	Grupo Televisa SAB, ADR	1,738,225	3,734,000
5,000	Liberty Media Corp.- Liberty Braves, Cl. A†	7,979	110,250
82,740	Liberty Media Corp.- Liberty Braves, Cl. C†	1,262,195	1,838,483
81,400	The Madison Square Garden Co, Cl. A†	1,232,175	17,163,190
7,000	Time Warner Inc.	192,641	640,290
180,000	Twenty-First Century Fox Inc., Cl. A	2,282,825	6,215,400
55,000	Twenty-First Century Fox Inc., Cl. B	1,701,437	1,876,600
645,000	Viacom Inc., Cl. A	19,520,371	22,510,500
		30,571,177	58,392,283
	Environmental Services — 5.7%		
271,600	Republic Services Inc.	4,642,139	18,362,876
90,000	Waste Connections Inc.	2,994,272	6,384,600
		7,636,411	24,747,476
	Equipment and Supplies — 2.3%		
127,500	CIRCOR International Inc.	1,667,162	6,206,700

See accompanying notes to financial statements.

The Gabelli Value 25 Fund Inc.
Schedule of Investments (Continued) — December 31, 2017

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Equipment and Supplies (Continued)		
90,000	Flowserve Corp.	$ 528,443	$ 3,791,700
		2,195,605	9,998,400
	Financial Services — 10.4%		
165,000	American Express Co.	4,299,536	16,386,150
115,000	H&R Block Inc.	2,329,328	3,015,300
97,000	Legg Mason Inc.	2,670,038	4,072,060
275,000	The Bank of New York Mellon Corp.	8,760,100	14,811,500
115,000	Wells Fargo & Co.	3,872,589	6,977,050
		21,931,591	45,262,060
	Food and Beverage — 5.8%		
114,000	Diageo plc, ADR	4,370,147	16,647,420
43,200	Fomento Economico Mexicano SAB de CV, ADR	499,575	4,056,480
106,000	Mondelēz International Inc., Cl. A	2,910,922	4,536,800
		7,780,644	25,240,700
	Hotels and Gaming — 2.1%		
135,000	Ryman Hospitality Properties Inc.	4,141,189	9,317,700
	Machinery — 2.5%		
183,744	CNH Industrial NV	1,331,785	2,462,170
110,000	CNH Industrial NV, Borsa Italiana, Brsaltaliana	990,523	1,474,251
104,000	Xylem Inc.	2,421,311	7,092,800
		4,743,619	11,029,221
	Metals and Mining — 3.5%		
407,000	Newmont Mining Corp.	8,187,681	15,270,640
	Real Estate — 0.5%		
62,000	Griffin Industrial Realty Inc.	$ 1,066,792	$ 2,275,400
	Specialty Chemicals — 1.4%		
20,000	Ashland Global Holdings Inc.	1,180,714	1,424,000
31,000	International Flavors & Fragrances Inc.	2,628,371	4,730,910
		3,809,085	6,154,910
	Telecommunications — 0.8%		
127,000	Telephone & Data Systems Inc.	2,875,846	3,530,600
	Wireless Communications — 0.6%		
70,000	United States Cellular Corp.†	3,117,671	2,634,100
	TOTAL COMMON STOCKS	185,654,614	437,093,224
	TOTAL INVESTMENTS — 100.2%	$185,654,614	437,093,224
	Other Assets and Liabilities (Net) — (0.2)%		(915,889)
	NET ASSETS — 100.0%		$436,177,335

(a) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
† Non-income producing security.
ADR American Depositary Receipt

The Gabelli Value 25 Fund Inc.

Statement of Assets and Liabilities
December 31, 2017

Assets:	
Investments, at value (cost $185,654,614)	$437,093,224
Receivable for Fund shares sold	108,043
Receivable from Adviser	7,927
Dividends receivable	1,063,354
Prepaid expenses	47,548
Total Assets	438,320,096
Liabilities:	
Payable to custodian	1,108,768
Payable for Fund shares redeemed	420,606
Payable for investment advisory fees	376,652
Payable for distribution fees	86,728
Payable for accounting fees	3,750
Other accrued expenses	146,257
Total Liabilities	2,142,761
Net Assets (applicable to 28,337,064 shares outstanding)	$436,177,335
Net Assets Consist of:	
Paid-in capital	$186,666,387
Accumulated distributions in excess of net realized gains on investments and foreign currency transactions	(1,946,174)
Net unrealized appreciation on investments	251,438,610
Net unrealized appreciation on foreign currency translations	18,512
Net Assets	$436,177,335
Shares of Capital Stock, each at $0.001 par value:	
Class AAA:	
Net Asset Value, offering, and redemption price per share ($4,542,681 ÷ 294,740 shares outstanding; 50,000,000 shares authorized)	$15.41
Class A:	
Net Asset Value and redemption price per share ($362,729,077 ÷ 23,434,277 shares outstanding; 100,000,000 shares authorized)	$15.48
Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price)	$16.42
Class C:	
Net Asset Value and offering price per share ($8,350,729 ÷ 688,783 shares outstanding; 50,000,000 shares authorized)	$12.12(a)
Class I:	
Net Asset Value, offering, and redemption price per share ($60,553,809 ÷ 3,919,197 shares outstanding; 50,000,000 shares authorized)	$15.45
Class T:	
Net Asset Value and redemption price per share ($1,039.01 ÷ 67.24 shares outstanding; 50,000,000 shares authorized)	$15.45
Maximum offering price per share (NAV ÷ 0.975, based on maximum sales charge of 2.50% of the offering price)	$15.85

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

Statement of Operations
For the Year Ended December 31, 2017

Investment Income:	
Dividends (net of foreign withholding taxes of $169,142)	$ 6,782,179
Interest	37,195
Total Investment Income	6,819,374
Expenses:	
Investment advisory fees	4,559,033
Distribution fees - Class AAA	11,102
Distribution fees - Class A	964,645
Distribution fees - Class C	98,330
Distribution fees - Class T	1
Shareholder services fees	245,316
Directors' fees	94,500
Shareholder communications expenses	92,235
Registration expenses	75,003
Legal and audit fees	71,226
Custodian fees	57,867
Accounting fees	45,000
Interest expense	975
Miscellaneous expenses	34,804
Total Expenses	6,350,037
Less:	
Expense reimbursements (See Note 3)	(87,199)
Expenses paid indirectly by broker (See Note 6)	(4,392)
Total Reimbursements	(91,591)
Net Expenses	6,258,446
Net Investment Income	560,928
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:	
Net realized gain on investments	30,342,018
Net realized loss on foreign currency transactions	(7,208)
Net realized gain on investments and foreign currency transactions	30,334,810
Net change in unrealized appreciation:	
on investments	23,940,142
on foreign currency translations	18,512
Net change in unrealized appreciation on investments and foreign currency translations	23,958,654
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency	54,293,464
Net Increase in Net Assets Resulting from Operations	$54,854,392

See accompanying notes to financial statements.

The Gabelli Value 25 Fund Inc.

Statement of Changes in Net Assets

	Year Ended December 31, 2017	Year Ended December 31, 2016
Operations:		
Net investment income	$ 560,928	$ 2,354,466
Net realized gain on investments and foreign currency transactions	30,334,810	34,537,770
Net change in unrealized appreciation on investments and foreign currency translations	23,958,654	14,257,624
Net Increase in Net Assets Resulting from Operations	54,854,392	51,149,860
Distributions to Shareholders:		
Net investment income		
Class AAA	(4,232)	(18,055)
Class A	(281,247)	(1,742,121)
Class I	(290,730)	(342,634)
Class T	(2)	—
	(576,211)	(2,102,810)
Net realized gain		
Class AAA	(288,565)	(270,308)
Class A	(23,450,159)	(25,578,994)
Class C	(666,142)	(899,588)
Class I	(3,830,151)	(3,051,374)
Class T	(65)	—
	(28,235,082)	(29,800,264)
Total Distributions to Shareholders	(28,811,293)	(31,903,074)
Capital Share Transactions:		
Class AAA	211,262	(557,067)
Class A	(46,819,852)	(58,452,721)
Class C	(3,303,351)	(2,464,170)
Class I	11,148,820	(18,927,012)
Class T	1,068	—
Net Decrease in Net Assets from Capital Share Transactions	(38,762,053)	(80,400,970)
Redemption Fees	110	222
Net Decrease in Net Assets	(12,718,844)	(61,153,962)
Net Assets:		
Beginning of year	448,896,179	510,050,141
End of year (including undistributed net investment income of $0 and $0, respectively)	$436,177,335	$448,896,179

See accompanying notes to financial statements.

The Gabelli Value 25 Fund Inc.

Financial Highlights

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

		Income (Loss) from Investment Operations			Distributions						Ratios to Average Net Assets / Supplemental Data				
Year Ended December 31	Net Asset Value, Beginning of Year	Net Investment Income (Loss)(a)	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gain on Investments	Total Distributions	Redemption Fees (a)(b)	Net Asset Value, End of Year	Total Return†	Net Assets, End of Year (in 000's)	Net Investment Income (Loss)	Operating Expenses Before Reimbursements	Operating Expenses Net of Reimbursements	Portfolio Turnover Rate
Class AAA															
2017	$14.61	$ 0.01	$ 1.85	$ 1.86	$(0.02)	$(1.04)	$(1.06)	$0.00	$15.41	12.7%	$ 4,542	0.09%	1.41%	1.41%(c)	2%
2016	14.07	0.07	1.57	1.64	(0.07)	(1.03)	(1.10)	0.00	14.61	11.6	4,103	0.48	1.40	1.40(c)	2
2015	18.23	0.01	(1.72)	(1.71)	(0.01)	(2.44)	(2.45)	—	14.07	(9.5)	4,492	0.05	1.39	1.39(c)	3
2014	19.71	0.02	0.34	0.36	(0.03)	(1.81)	(1.84)	0.00	18.23	1.7	7,321	0.12	1.38	1.38	23
2013	15.21	0.03	4.98	5.01	(0.04)	(0.47)	(0.51)	0.00	19.71	33.1	7,174	0.16	1.39	1.39(d)	9
Class A															
2017	$14.66	$ 0.01	$ 1.86	$ 1.87	$(0.01)	$(1.04)	$(1.05)	$0.00	$15.48	12.8%	$362,729	0.09%	1.41%	1.41%(c)	2%
2016	14.12	0.07	1.57	1.64	(0.07)	(1.03)	(1.10)	0.00	14.66	11.6	386,700	0.48	1.40	1.40(c)	2
2015	18.29	0.01	(1.73)	(1.72)	(0.01)	(2.44)	(2.45)	—	14.12	(9.5)	427,905	0.07	1.39	1.39(c)	3
2014	19.78	0.02	0.33	0.35	(0.03)	(1.81)	(1.84)	0.00	18.29	1.6	563,876	0.11	1.38	1.38	23
2013	15.24	0.03	5.00	5.03	(0.02)	(0.47)	(0.49)	0.00	19.78	33.2	635,817	0.18	1.39	1.39(d)	9
Class C															
2017	$11.77	$(0.08)	$ 1.47	$ 1.39	$ —	$(1.04)	$(1.04)	$0.00	$12.12	11.8%	$ 8,351	(0.67)%	2.16%	2.16%(c)	2%
2016	11.55	(0.03)	1.28	1.25	—	(1.03)	(1.03)	0.00	11.77	10.8	11,171	(0.27)	2.15	2.15(c)	2
2015	15.55	(0.10)	(1.46)	(1.56)	—	(2.44)	(2.44)	—	11.55	(10.2)	13,317	(0.69)	2.14	2.14(c)	3
2014	17.18	(0.11)	0.29	0.18	—	(1.81)	(1.81)	0.00	15.55	0.9	19,395	(0.64)	2.13	2.13	23
2013	13.37	(0.09)	4.37	4.28	—	(0.47)	(0.47)	0.00	17.18	32.2	23,912	(0.58)	2.14	2.14(d)	9
Class I															
2017	$14.64	$ 0.08	$ 1.85	$ 1.93	$(0.08)	$(1.04)	$(1.12)	$0.00	$15.45	13.2%	$ 60,554	0.50%	1.16%	1.00%(c)(e)	2%
2016	14.10	0.12	1.57	1.69	(0.12)	(1.03)	(1.15)	0.00	14.64	11.9	46,922	0.79	1.15	1.13(c)(e)	2
2015	18.28	0.05	(1.73)	(1.68)	(0.06)	(2.44)	(2.50)	—	14.10	(9.3)	64,336	0.28	1.14	1.14(c)	3
2014	19.76	0.07	0.34	0.41	(0.08)	(1.81)	(1.89)	0.00	18.28	2.0	138,916	0.33	1.13	1.13	23
2013	15.22	0.06	5.02	5.08	(0.07)	(0.47)	(0.54)	0.00	19.76	33.5	127,347	0.32	1.14	1.14(d)	9
Class T(f)															
2017	$15.91	$(0.01)	$ 0.63	$ 0.62	$(0.04)	$(1.04)	$(1.08)	$ —	$15.45	3.9%	$ 1	(0.18%)(g)	1.41%(g)	1.41%(c)(g)	2%

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

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

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

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

(d) The ratios do not include a reduction of advisory fee on unsupervised assets for the year ended December 31, 2013. Including such advisory fee reduction on unsupervised assets, the ratios of operating expenses to average net assets would have been 1.40% and 1.40% (Class AAA and Class A), 2.15% (Class C), and 1.15% (Class I), respectively. For the six months ended June 30, 2017 and the years ended December 31, 2016, 2015, 2014 and 2012, the effect was minimal.

(e) Under an expense reimbursement agreement with the Adviser, the Adviser reimbursed certain Class I expenses to the Fund of $87,199 for the year ended December 31, 2017, and $11,790 for the year ended December 31, 2016, the effects of which were minimal.

(f) Class T Shares were initially offered on July 5, 2017.

(g) Annualized.

See accompanying notes to financial statements.

1. Organization. The Gabelli Value 25 Fund Inc. was incorporated on July 20, 1989 in Maryland. On July 5, 2017, the Fund began to offer for sale Class T Shares. The Fund is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund’s primary objective is long term capital appreciation. The Fund commenced investment operations on September 29, 1989.

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

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

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt obligations for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price, unless the Board determines that 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 December 31, 2017 is as follows:

	Valuation Inputs			
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Total Market Value at 12/31/17
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
Aerospace	$ 12,073,124	—	$24,843	$ 12,097,967
Business Services	10,869,400	—	0	10,869,400
Energy and Utilities	11,805,650	—	0	11,805,650
Other Industries (a)	402,320,207	—	—	402,320,207
Total Common Stocks	437,068,381	—	24,843	437,093,224
TOTAL INVESTMENTS IN SECURITIES – ASSETS	$437,068,381	—	$24,843	$437,093,224

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

The Fund did not have transfers among Level 1, Level 2, and Level 3 during the year ended December 31, 2017. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

Additional Information to Evaluate Qualitative Information.

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

Fair Valuation. Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. Among the factors to be considered to fair value a security are 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 include backtesting the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

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 10% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. At December 31, 2017, the Fund held no restricted securities.

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

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

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

Distributions to Shareholders. Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. Permanent differences were primarily due to underlying fund investments and tax equalization utilized. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2017, reclassifications were made to decrease distributions in excess of net investment income by $15,283 and increase accumulated distributions in excess of net realized gains on investments and foreign currency transactions by $1,843,045, with an offsetting adjustment to paid-in capital.

The tax character of distributions paid during the years ended December 31, 2017 and 2016 was as follows:

	Year Ended December 31, 2017	Year Ended December 31, 2016
Distributions paid from:*		
Ordinary income (inclusive of short term capital gains)	$ 1,141,947	$ 2,339,654
Net long term capital gains	29,541,548	33,751,367
Total distributions paid	$30,683,495	$36,091,021

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

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

As of December 31, 2017, the components of accumulated earnings/losses on a tax basis were as follows:

Net unrealized appreciation on investments and foreign currency translations	$249,510,948

At December 31, 2017, the temporary differences between book basis and tax basis net unrealized appreciation on investments were primarily due to deferral of losses from wash sales for tax purposes and tax basis adjustments on investments in real estate investment trusts.

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2017:

	Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
Investments.	$187,600,787	$253,839,115	$(4,346,678)	$249,492,437

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. For the year ended December 31, 2017, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2017, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. The Fund's federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

3. Investment Advisory Agreement and Other Transactions. The Fund has entered into an investment advisory agreement (the "Advisory Agreement") with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, at the annual rate of 1.00% of the value of its average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio, oversees the administration of all aspects of the Fund's business and affairs, and pays the compensation of all Officers and Directors of the Fund who are affiliated persons of the Adviser.

Effective October 1, 2016, the Adviser contractually agreed to waive its investment advisory fee and/or reimburse expenses of Class I Shares to the extent necessary to maintain the total operating expenses (excluding brokerage, acquired fund fees and expenses, interest, taxes, and extraordinary expenses) until at least April 30, 2019 at no more than 1.00% of the value of its average daily net assets. In addition, the Fund has agreed, during the three year period following any waiver or reimbursement by the Adviser, to repay such amount to the extent, that after giving the effect to the repayment, such adjusted annualized total operating expenses of the Fund would not exceed 1.00% of the value of the Fund's average daily net assets for Class I. The agreement is renewable annually. At December 31, 2017, the cumulative amount which the Fund may repay the Advisor is $98,989.

For the year ended December 31, 2016, expiring December 31, 2019	$11,790
For the year ended December 31, 2017, expiring December 31, 2020	87,199
	$98,989

The Fund pays each Director who is not considered an affiliated person an annual retainer of $9,000 plus $2,000 for each Board meeting attended, and they are reimbursed for any out of pocket expenses incurred in attending meetings. All Board committee members receive $500 per meeting attended. The Chairman of the Audit Committee and the Lead Director each receives an annual fee of $2,000 per year. The Chairman of the Nominating Committee and Proxy Voting Committee each receives an annual fee of $2,500. A Director may receive a single meeting fee, allocated among the participating funds, for attending certain meetings held on behalf of multiple funds. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

4. Distribution Plan. The Fund's Board has adopted a distribution plan (the "Plan") for each class of shares, except for Class I Shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Class AAA, Class A, Class C, and Class T Share Plans, payments are authorized to G.distributors, LLC (the "Distributor"), an affiliate of the Adviser, at annual rates of 0.25%, 0.25%, 1.00%, and 0.25%, respectively, of the average daily net assets of those classes, the annual limitations under each Plan. Such payments are accrued daily and paid monthly.

5. Portfolio Securities. Purchases and sales of securities during the year ended December 31, 2017, other than short term securities and U.S. Government obligations, aggregated $9,056,145 and $74,105,643 respectively.

6. Transactions with Affiliates and Other Arrangements. During the year ended December 31, 2017, the Fund paid $20,704 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser. Additionally, the Distributor retained a total of $4,790 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

During the year ended December 31, 2017, the Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. The amount of such expenses paid through this directed brokerage arrangement during this period was $4,392.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. During the year ended December 31, 2017, the Fund paid or accrued $45,000 to the Adviser in connection with the cost of computing the Fund's NAV.

7. Capital Stock. The Fund offers five classes of shares – Class AAA Shares, Class A Shares, Class C Shares, Class I Shares, and Class T Shares. Class AAA Shares and Class I Shares are offered without a sales charge. Class A Shares and Class T Shares are subject to a maximum front-end sales charge of 5.75% and 2.50%, respectively. Class C Shares are subject to a 1.00% contingent deferred sales charge for one year after purchase.

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

Transactions in shares of capital stock were as follows:

	Year Ended December 31, 2017		Year Ended December 31, 2016	
	Shares	Amount	Shares	Amount
Class AAA				
Shares sold	56,037	$ 881,770	90,705	$ 1,375,906
Shares issued upon reinvestment of distributions	18,601	287,025	19,224	282,208
Shares redeemed	(60,788)	(957,533)	(148,285)	(2,215,181)
Net increase/(decrease)	13,850	$ 211,262	(38,356)	$ (557,067)
Class A				
Shares sold	190,962	$ 2,981,864	415,539	$ 6,239,344
Shares issued upon reinvestment of distributions	1,438,964	22,303,924	1,756,196	25,868,799
Shares redeemed	(4,566,779)	(72,105,640)	(6,103,550)	(90,560,864)
Net decrease	(2,936,853)	$(46,819,852)	(3,931,815)	$(58,452,721)
Class C				
Shares sold	22,582	$ 279,493	72,672	$ 877,530
Shares issued upon reinvestment of distributions	51,731	628,009	63,414	749,557
Shares redeemed	(334,977)	(4,210,853)	(339,972)	(4,091,257)
Net decrease	(260,664)	$ (3,303,351)	(203,886)	$ (2,464,170)
Class I				
Shares sold	1,207,770	$ 19,052,127	1,619,632	$ 24,438,699
Shares issued upon reinvestment of distributions	246,145	3,807,872	213,646	3,142,730
Shares redeemed	(740,070)	(11,711,179)	(3,190,736)	(46,508,441)
Net increase/(decrease)	713,845	$ 11,148,820	(1,357,458)	$(18,927,012)
Class T(a)				
Shares sold	63	$ 1,000	—	—
Shares issued upon reinvestment of distributions	4	68	—	—
Net increase	67	$ 1,068	—	—

(a) Class T Shares were initially offered on July 5, 2017.

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

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

The Gabelli Value 25 Fund Inc.
Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
The Gabelli Value 25 Fund Inc.:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Gabelli Value 25 Fund Inc. (the “Fund”) as of December 31, 2017, the related statement of operations for the year ended December 31, 2017, the statement of changes in net assets for each of the two years in the period ended December 31, 2017, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2017, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2017 and the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017 by correspondence with the custodian and transfer agent. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
February 27, 2018

We have served as the auditor of one or more investment companies in Gabelli/GAMCO Fund Complex since 1986.

The Gabelli Value 25 Fund Inc.
Additional Fund Information (Unaudited)

The business and affairs of the Fund are managed under the direction of the Fund's Board of Directors. Information pertaining to the Directors and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Directors and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Value 25 Fund Inc. at One Corporate Center, Rye, NY 10580-1422.

Name, Position(s) Address[1] and Age	Term of Office and Length of Time Served[2]	Number of Funds in Fund Complex Overseen by Director	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director[3]
INTERESTED DIRECTORS[4]:				
Mario J. Gabelli, CFA Director and Chief Investment Officer Age: 75	Since 1989	32	Chairman, Chief Executive Officer, and Chief Investment Officer– Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer– Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/ Trustee or Chief Investment Officer of other registered investment companies within the Gabelli/GAMCO Fund Complex; Chief Executive Officer of GGCP, Inc.; Executive Chairman of Associated Capital Group, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications)
INDEPENDENT DIRECTORS[5]:				
Anthony J. Colavita Director Age: 82	Since 1989	28	President of the law firm of Anthony J. Colavita, P.C.	—
Robert J. Morrissey Director Age: 78	Since 1989	6	Partner in the law firm of Morrissey, Hawkins & Lynch	Chairman of the Board of Directors, Belmont Savings Bank
Kuni Nakamura Director Age: 49	Since 2016	33	President of Advanced Polymer, Inc. (chemical manufacturing company); President of KEN Enterprises, Inc. (real estate)	—
Anthony R. Pustorino Director Age: 92	Since 1989	10	Certified Public Accountant; Professor Emeritus, Pace University	Director of The LGL Group, Inc. (diversified manufacturing) (2004-2011)
Werner J. Roeder Director Age: 77	Since 2001	23	Retired physician; Former Vice President of Medical Affairs (Medical Director) of New York Presbyterian/Lawrence Hospital (1999-2014)	—

Name, Position(s) Address[1] and Age	Term of Office and Length of Time Served[2]	Principal Occupation(s) During Past Five Years
OFFICERS:		
Bruce N. Alpert President Age: 66	Since 2003	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of registered investment companies within the Gabelli/GAMCO Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008
John C. Ball Treasurer Age: 41	Since 2017	Treasurer of all the registered investment companies within the Gabelli/GAMCO Fund Complex since 2017; Vice President and Assistant Treasurer of AMG Funds, 2014-2017; Vice President of State Street Corporation, 2007-2014
Agnes Mullady Vice President Age: 59	Since 2006	Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex since 2006; President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2015; Chief Executive Officer of G.distributors, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Executive Vice President of Associated Capital Group, Inc. since 2016
Andrea R. Mango Secretary Age: 45	Since 2013	Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of all registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of all closed-end funds within the Gabelli/GAMCO Fund Complex since 2014; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company, 2011-2013
Richard J. Walz Chief Compliance Officer Age: 58	Since 2013	Chief Compliance Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013

1 Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.
2 Each Director will hold office for an indefinite term until the earliest of (i) the next meeting of shareholders, if any, called for the purpose of considering the election or re-election of such Director and until the election and qualification of his or her successor, if any, elected at such meeting, or (ii) the date a Director resigns or retires, or a Director is removed by the Board of Directors or shareholders, in accordance with the Fund's By-Laws and Articles of Incorporation. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.
3 This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended, i.e., public companies, or other investment companies registered under the 1940 Act.
4 "Interested person" of the Fund as defined in the 1940 Act. Mr. Gabelli is considered an "interested person" because of his affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser.
5 Directors who are not interested persons are considered "Independent" Directors.

The Gabelli Value 25 Fund Inc.

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

Section 15(c) of the Investment Company Act of 1940, as amended (the "1940 Act"), contemplates that the Board of Directors (the "Board") of The Gabelli Value 25 Fund Inc. (the "Fund"), including a majority of the Directors who have no direct or indirect interest in the investment advisory agreement and are not "interested persons" of the Fund, as defined in the 1940 Act (the "Independent Board Members"), are required annually to review and re-approve the terms of the Fund's existing investment advisory agreement and approve any newly proposed terms therein. In this regard, the Board reviewed and re-approved, during the most recent six month period covered by this report, the Investment Advisory Agreement (the "Advisory Agreement") with Gabelli Funds, LLC (the "Adviser") for the Fund.

More specifically, at a meeting held on November 16, 2017, the Independent Board Members, meeting in executive session, reviewed the written and oral information that had been made available, and considered the factors and reached the conclusions described below relating to the selection of the Adviser and the re-approval of the Advisory Agreement.

In determining whether to approve the continuance of the Advisory Agreement, the Board Members considered the following information:

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

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

The Board Members reviewed the personnel responsible for providing services to the Fund and concluded, based on their experience and interaction with the Adviser, that (i) the Adviser was able to retain quality personnel, (ii) the Adviser and its agents exhibited a high level of diligence and attention to detail in carrying out their advisory and administrative responsibilities under the Advisory Agreement, (iii) the Adviser was responsive to requests of the Board, (iv) the scope and depth of the Adviser's resources were adequate, and (v) the Adviser had kept the Board apprised of developments relating to the Fund and the industry in general. The Board

Members also focused on the Adviser's reputation and long standing relationship with the Fund. The Board Members also believed that the Adviser had devoted substantial resources and made substantial commitments to address new regulatory compliance requirements applicable to the Fund.

2. The performance of the Fund and the Adviser.

The Board Members reviewed the investment performance of the Fund, on an absolute basis, as compared to its Broadridge peer group of other SEC registered funds, and against the Fund's broad based securities market benchmark as reflected in the Fund's prospectus and annual report. The Board Members considered the Fund's one, three, five and ten year average annual total return for the periods ended September 30, 2017, but placed greater emphasis on the Fund's longer term performance. The peer group considered by the Board Members was developed by Broadridge and was comprised of the Fund and a representative class/fund from each retail portfolio in the multi-cap core classifications, excluding outliers (the "Performance Peer Group"). The Board considered these comparisons helpful in their assessment as to whether the Adviser was obtaining for the Fund's shareholders the total return performance that was available in the marketplace, given the Fund's objectives, strategies, limitations and restrictions. In reviewing the performance of the Fund, the Board Members noted that the Fund's performance was below the median for the one-year, three-year, and five-year periods. The Board Members concluded that the Fund's performance was reasonable in comparison to that of the Performance Peer Group.

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

3. The cost of the advisory services and the profits to the Adviser and its affiliates from the relationship with the Fund.

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

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

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

4. The extent to which economies of scale will be realized as the Fund grows and whether fee levels reflect those economies of scale.

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

5. Other Factors.

In addition to the above factors, the Board also discussed other benefits received by the Adviser from its management of the Fund. The Board considered that the Adviser does use soft dollars in connection with its management of the Fund.

Based on a consideration of all these factors in their totality, the Board Members, including all of the Independent Board Members, determined that the Fund's advisory fee was fair and reasonable with respect to the quality of services provided and in light of the other factors described above that the Board deemed relevant. Accordingly, the Board Members determined to approve the continuation of the Fund's Advisory Agreement. The Board based their decision on evaluations of all these factors as a whole and did not consider any one factor as all important or controlling.

Gabelli/GAMCO Funds and Your Personal Privacy

Who are we?

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

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

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

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

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

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

What do we do to protect your personal information?

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

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THE GABELLI VALUE 25 FUND INC.
One Corporate Center
Rye, NY 10580-1422

Portfolio Management Team Biographies

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

Christopher J. Marangi joined Gabelli in 2003 as a research analyst. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Marangi graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College and holds an MBA degree with honors from Columbia Business School.

2017 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the year ended December 31, 2017, the Fund paid to shareholders ordinary income distributions (comprised of net investment income and short term capital gains) totaling $0.035, $0.032, $0.019, $0.099, and $0.054 per share for Class AAA, Class A, Class C, Class I and Class T Shares, respectively, and long term capital gains totaling $29,541,548, or the maximum allowable. The distribution of long term capital gains has been designated as a capital gain dividend by the Fund's Board of Directors. For the year ended December 31, 2017, 100% of the ordinary income distribution qualifies for the dividends received deduction available to corporations. The Fund designates 100% of the ordinary income distribution as qualified dividend income pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund designates 0.89% of the ordinary income distribution as qualified interest income pursuant to the Tax Relief, Unemployment Reauthorization, and Job Creation Act of 2010. The Fund designates 100% of the ordinary income distribution as qualified short term gain pursuant to the American Jobs Creation Act of 2004.

U.S. Government Income

The percentage of the ordinary income distribution paid by the Fund during 2017 which was derived from U.S. Treasury securities was 0.24%.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

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

THE GABELLI VALUE 25 FUND INC.
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Annual Report
December 31, 2017