

The Gabelli Utilities Fund

Annual Report — December 31, 2016



Mario J. Gabelli, CFA

To Our Shareholders,

For the year ended December 31, 2016, the net asset value (“NAV”) per Class AAA Share of The Gabelli Utilities Fund increased 17.0% compared with an increase of 16.3% for the Standard & Poor’s (“S&P”) 500 Utilities Index (SPU). See page 3 for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2016.

Performance Discussion (Unaudited)

The SPU provided a 16.3% total return in 2016, besting the 12.0% return for the S&P 500. The strong first half of the year run was driven by a flight to safety, takeover activity, and a surprising decline in interest rates. However, the SPU underperformed in the third quarter, declining nearly 6.0% and then fell an additional 7.0% in the days immediately following the U.S. presidential election. The initial post-election slide resulted from a sector rotation out of defensive stocks into growth/cyclical stocks, heightened inflation concerns, and uncertainty related to the future of environmental investment under a Trump administration. The SPU has since rebounded to levels seen before the election even as the 10 and 30 Year Treasury yields rose to close the year at 2.5% and 3.1%, respectively.

Consolidation activity accelerated in 2016 with eight regulated utility acquisitions announced, ten completed, and one terminated deal. Acquisition trends included the convergence of electric and gas utility businesses, interest by private equity or infrastructure funds to own regulated utilities for low risk returns or to buy merchant power plants at depressed prices, and strategic mergers, specifically larger utilities buying smaller utilities or gaining a footprint in a new region. Solid fundamentals included healthy balance sheets, credit ratings, improved regulatory principles, focused strategies, low natural gas prices, and opportunities to invest in rate base as well as the potential for takeovers.

Our investments in regulated companies have been primarily, though not exclusively, focused on fundamentally sound, reasonably priced, mid cap and small cap utilities that are likely acquisition targets for large utilities seeking increased bulk. We prefer utilities that operate in more constructive regulatory environments, possess lower carbon footprints, and/or access to strategic geographies. We favor utilities with pending transmission line developments, and we focus on natural gas pipelines and storage operators as a way to take advantage of the growing demand for natural gas in the U.S.

Some of our better performing stocks for the year included National Fuel Gas Co. (5.3% of net assets as of December 31, 2016), a diversified natural gas company which operates pipelines, gathering and processing systems, and an oil and gas exploration and production business. National Fuel Gas Co.’s regulated utility and pipeline businesses provide stable earnings and cash flows to support the dividend, while the natural gas production business offers significant upside potential; Southwest Gas Corp. (3.4%), a natural gas distribution utility saw

improving customer growth in the pipeline construction business and expansion of the industry's focus on safety related pipeline and replacement programs; and NextEra Energy (NEE) (4.0%), owner and operator of the nation's largest renewable power portfolio which boasts a significant pipeline of future growth opportunities. On July 29, NEE agreed to acquire an 80% equity interest in the Oncor Electric Delivery Company for \$18.4 billion. Based in Dallas, TX, Oncor is the state's largest electric distribution and transmission company. NEE believes it can close the merger by the end of the first quarter 2017 following necessary approvals from the bankruptcy courts.

Some of the Fund's weaker performing investments were Sky plc (1.0%), a British entertainment and communications company and provider of satellite broadcasting, online media, and broadband and telephone services. In December 2016, as the stock hovered around a four year low due to concerns that viewing habits were shifting away from live sporting events towards internet only streaming services, 21st Century Fox reached a preliminary deal to acquire full control of Sky plc for 11.2 billion pounds; Mexico based broadcasting company Grupo Televisa (0.6%) suffered over concerns about the peso and the outlook for Mexican growth under President Trump; and Millicom (0.7%), an international telecommunications and media company, faced constrained growth due to challenging market conditions and macro-economic headwinds in their largest Central and South American markets.

Thank you for your investment in the Gabelli Utilities Fund.

We appreciate your confidence and trust.

Comparative Results

Average Annual Returns through December 31, 2016 (a) (Unaudited)

	1 Year	5 Year	10 Year	15 Year	Since Inception (8/31/99)
Class AAA (GABUX)	17.00%	7.93%	5.90%	7.61%	7.71%
S&P 500 Utilities Index	16.29	10.35	6.98	7.72	6.56
S&P 500 Index	11.96	14.66	6.95	6.69	5.09
Lipper Utility Fund Average	14.93	9.44	6.11	7.78	6.36
Class A (GAUAX)	17.01	7.93	5.91	7.64	7.73
With sales charge (b)	10.28	6.66	5.29	7.22	7.36
Class C (GAUCX)	16.20	7.14	5.12	6.88	7.07
With contingent deferred sales charge (c)	15.20	7.14	5.12	6.88	7.07
Class I (GAUIX)	17.36	8.21	6.13	7.77	7.84

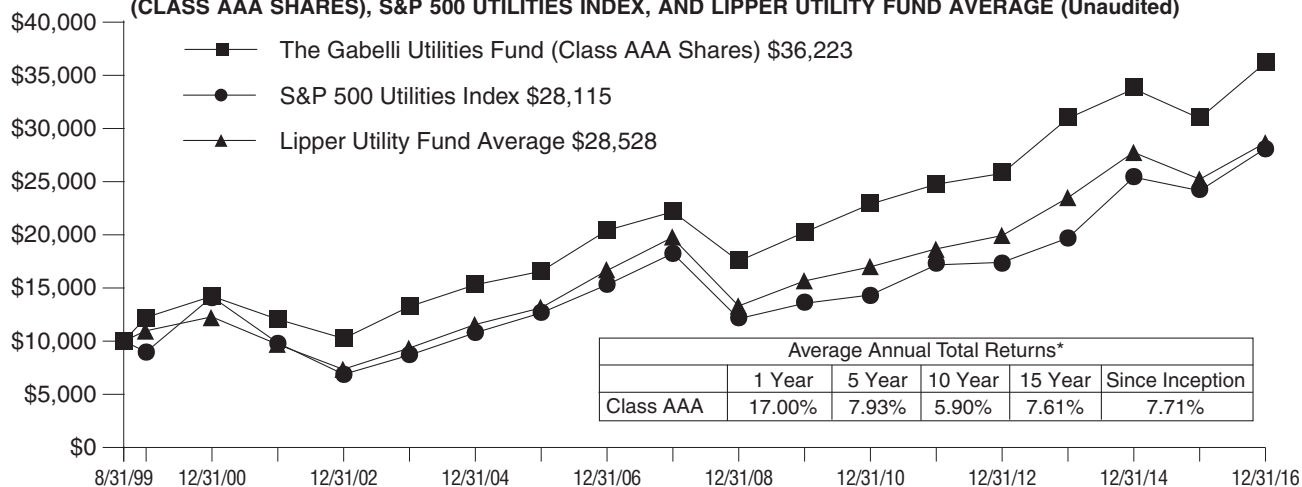
In the current prospectuses dated April 29, 2016, the expense ratios for Class AAA, A, C, and I Shares are 1.39%, 1.39%, 2.14%, and 1.14%, respectively. See page 4 for the expense ratios for the year ended December 31, 2016. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75% and 1.00%, respectively.

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Returns would have been lower had Gabelli Funds, LLC, the Adviser, not reimbursed certain expenses of the Fund for periods prior to December 31, 2002. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after 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 value of utility stocks generally changes as long term interest rates change. Funds investing in a single sector, such as utilities, may be subject to more volatility than funds that invest more broadly. The utilities industry can be significantly affected by government regulation, financing difficulties, supply or demand of services or fuel, and natural resources conservation. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2002 and Class I Shares on January 11, 2008. The actual performance of the Class A Shares and Class C Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The S&P 500 Utilities Index is an unmanaged market capitalization weighted index of large capitalization stocks that may include facilities generation and transmission or distribution of electricity, gas, or water. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Lipper Utility Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index.

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

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

COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE GABELLI UTILITIES FUND (CLASS AAA SHARES), S&P 500 UTILITIES INDEX, AND LIPPER UTILITY FUND AVERAGE (Unaudited)



* 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.

The Gabelli Utilities Fund

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from July 1, 2016 through December 31, 2016

Expense Table

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

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

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

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

Hypothetical 5% Return: This section provides information about hypothetical account values and

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which are described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. 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, 2016.

	Beginning Account Value 07/01/16	Ending Account Value 12/31/16	Annualized Expense Ratio	Expenses Paid During Period*
<i>The Gabelli Utilities Fund</i>				
Actual Fund Return				
Class AAA	\$1,000.00	\$ 990.30	1.37%	\$ 6.85
Class A	\$1,000.00	\$ 990.50	1.37%	\$ 6.85
Class C	\$1,000.00	\$ 987.20	2.12%	\$10.59
Class I	\$1,000.00	\$ 991.70	1.12%	\$ 5.61
Hypothetical 5% Return				
Class AAA	\$1,000.00	\$1,018.25	1.37%	\$ 6.95
Class A	\$1,000.00	\$1,018.25	1.37%	\$ 6.95
Class C	\$1,000.00	\$1,014.48	2.12%	\$10.74
Class I	\$1,000.00	\$1,019.51	1.12%	\$ 5.69

* 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 366.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of December 31, 2016:

The Gabelli Utilities Fund

Energy and Utilities	71.1%
Communications	19.5%
Other	7.2%
U.S. Government Obligations	2.2%
Other Assets and Liabilities (Net) . . .	<u>0.0%</u>
	<u>100.0%</u>

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at www.gabelli.com 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 Utilities Fund

Schedule of Investments — December 31, 2016

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS — 97.7%						
	ENERGY AND UTILITIES — 71.1%			485,000	The Southern Co.	\$ 17,666,344	\$ 23,857,150
	Alternative Energy — 0.4%			48,000	Unitil Corp.	1,343,005	2,176,320
370,000	Algonquin Power & Utilities Corp.	\$ 2,068,158	\$ 3,138,793	460,000	Vectren Corp.	12,745,207	23,989,000
36,000	NextEra Energy Partners LP ...	878,553	919,440	610,000	WEC Energy Group Inc.	16,695,761	35,776,500
65,000	Ormat Technologies Inc., New York ...	1,685,559	3,485,300	927,100	Westar Energy Inc.	22,651,018	52,242,085
6,739	Ormat Technologies Inc., Tel Aviv ...	196,537	360,913	310,000	Xcel Energy Inc.	6,350,159	12,617,000
		<u>4,828,807</u>	<u>7,904,446</u>			<u>515,256,468</u>	<u>913,305,497</u>
	Electric Integrated — 43.3%				Electric Transmission and Distribution — 0.6%		
306,000	ALLETE Inc.	11,005,322	19,642,140	67,000	Consolidated Edison Inc.	2,745,224	4,936,560
174,000	Alliant Energy Corp.	3,065,132	6,592,860	360,000	Red Electrica Corp. SA	4,191,840	6,792,775
550,000	Ameren Corp.	16,055,895	28,853,000	3,400	Uniper SE† ...	38,231	46,939
705,000	American Electric Power Co. Inc.	28,691,072	44,386,800			<u>6,975,295</u>	<u>11,776,274</u>
2,000	Atlantic Power Corp.† ...	27,502	5,035		Global Utilities — 2.1%		
180,000	Avangrid Inc.	6,737,133	6,818,400	352	AES Tiete Energia Receipts ...	1,366	1,514
290,000	Avista Corp.	7,089,367	11,597,100	11,000	AES Tiete Energia SA ...	154,630	47,316
500,000	Black Hills Corp.	12,893,535	30,670,000	32,000	Chubu Electric Power Co. Inc. .	569,135	447,110
16,000	Calpine Corp.† ...	302,612	182,880	34,000	E.ON SE ...	862,519	239,794
60,000	CMS Energy Corp.	402,675	2,497,200	16,000	EDF SA ...	275,437	163,035
168,000	Dominion Resources Inc.	8,198,334	12,867,120	5,000	EDP - Energias de Portugal SA, ADR ...	134,159	153,250
4,000	DTE Energy Co.	151,595	394,040	200,000	Electric Power Development Co. Ltd.	4,991,198	4,603,209
298,000	Duke Energy Corp.	16,331,147	23,130,760	10,000	Eletropaulo Metropolitana Eletricidade de Sao Paulo SA, Preference ...	32,332	34,688
660,000	Edison International.	25,008,103	47,513,400	185,000	Emera Inc.	4,545,769	6,254,162
814,000	El Paso Electric Co.	18,108,780	37,851,000	35,000	Enagas SA ...	916,226	888,835
1,400	Entergy Corp.	96,612	102,858	100,000	Endesa SA ...	2,186,478	2,118,466
835,000	Eversource Energy ...	19,489,271	46,117,050	250,000	Enel SpA ...	1,290,270	1,102,128
365,000	Exelon Corp.	11,563,101	12,953,850	2,000	EuroSite Power Inc.† ...	1,300	804
375,000	FirstEnergy Corp.	10,896,067	11,613,750	500,000	Hera SpA ...	1,056,604	1,153,709
193,960	Fortis Inc.	6,057,073	5,989,397	66,000	Hokkaido Electric Power Co. Inc.	1,054,241	515,576
925,000	Great Plains Energy Inc.	20,480,585	25,298,750	40,000	Hokuriku Electric Power Co. .	661,406	448,342
917,500	Hawaiian Electric Industries Inc.	21,886,449	30,341,725	180,000	Huaneng Power International Inc., ADR ...	4,762,737	4,687,200
42,000	IDACORP Inc.	1,703,782	3,383,100	45,000	Iberdrola SA, ADR ...	1,344,640	1,180,350
318,000	MGE Energy Inc.	9,862,378	20,765,400	277,115	Iberdrola SA, Aquis ...	2,176,351	1,818,496
698,000	NextEra Energy Inc.	47,115,717	83,383,080	405,000	Korea Electric Power Corp., ADR† ...	5,392,840	7,484,400
260,000	NiSource Inc.	2,319,251	5,756,400	110,000	Kyushu Electric Power Co. Inc.	1,563,462	1,193,412
434,397	NorthWestern Corp.	11,738,314	24,704,157	37,000	National Grid plc, ADR ...	2,226,103	2,158,210
785,000	OGE Energy Corp.	13,193,046	26,258,250	32,000	Shikoku Electric Power Co. Inc.† ...	578,871	324,175
755,398	Otter Tail Corp.	18,378,614	30,820,238	2,000	Snam SpA ...	8,967	8,240
120,000	PG&E Corp.	4,272,684	7,292,400	75,000	Statoil ASA ...	1,693,070	1,375,740
320,000	Pinnacle West Capital Corp. ...	13,092,833	24,969,600	28,000	The Chugoku Electric Power Co. Inc.	509,466	328,453
1,610,000	PNM Resources Inc.	20,018,302	55,223,000	305,000	The Kansai Electric Power Co. Inc.† ...	4,106,512	3,335,102
572,000	PPL Corp.	17,657,112	19,476,600				
190,000	Public Service Enterprise Group Inc.	5,490,935	8,337,200				
360,000	SCANA Corp.	13,755,132	26,380,800				
600,707	The Empire District Electric Co.	14,669,512	20,478,102				

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Schedule of Investments (Continued) — December 31, 2016

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS (Continued)						
	ENERGY AND UTILITIES (Continued)			3,700	Targa Resources Corp.	\$ 183,678	\$ 207,459
	Global Utilities (Continued)			98,500	WGL Holdings Inc.	3,993,938	7,513,580
55,000	The Tokyo Electric Power Co. Inc.†	\$ 208,402	\$ 222,118			59,941,458	127,318,982
170,000	Tohoku Electric Power Co. Inc.	2,793,879	2,148,364	14,000	Alliance Holdings GP LP	187,271	393,400
		46,098,370	44,436,198	52,000	Anadarko Petroleum Corp.	3,502,988	3,625,960
				166,500	BP plc, ADR	6,704,844	6,223,770
	Merchant Energy — 1.7%			7,058	California Resources Corp.† ..	83,965	150,265
40,000	GenOn Energy Inc. - Old, Escrow†	0	0	550,000	Cameco Corp.	8,364,730	5,758,500
15,000	GenOn Energy Inc., Escrow† ..	0	0	8,000	Compania de Minas Buenaventura SAA, ADR.	87,836	90,240
120,000	NRG Energy Inc.	2,704,601	1,471,200	717,000	Mueller Industries Inc.	15,637,479	28,651,320
2,963,400	The AES Corp.	31,815,736	34,434,708	30,000	Tulloo Oil plc†	211,873	115,612
		34,520,337	35,905,908			34,780,986	45,009,067
	Natural Gas Integrated — 11.5%				Natural Resources — 2.1%		
9,000	Apache Corp.	562,462	571,230	8,000	Areva SA†	91,328	36,220
25,000	Atlas Energy Group LLC†	58,278	18,000	20,000	Baker Hughes Inc.	906,975	1,299,400
75,000	Devon Energy Corp.	3,780,813	3,425,250	18,000	Halliburton Co.	574,929	973,620
4,000	Dominion Midstream Partners LP	120,511	118,200	34,000	MDU Resources Group Inc.	738,008	978,180
20,000	Enogen Corp.†	239,277	1,153,400	50,000	Patterson-UTI Energy Inc.	737,566	1,346,000
610,000	Energy Transfer Equity LP	1,061,815	11,779,100	50,000	Rowan Companies plc, Cl. A† ..	1,702,506	944,500
145,000	Hess Corp.	8,581,606	9,032,050	1,080,000	Weatherford International plc†	12,663,317	5,389,200
300,000	Kinder Morgan Inc.	6,840,332	6,213,000			17,414,629	10,967,120
1,990,500	National Fuel Gas Co.	97,643,731	112,741,920		Water — 2.2%		
436,000	Northwest Natural Gas Co.	19,423,271	26,072,800	8,000	American States Water Co.	110,252	364,480
520,000	ONEOK Inc.	6,975,466	29,853,200	115,000	American Water Works Co. Inc.	2,627,509	8,321,400
580,000	Spectra Energy Corp.	12,562,139	23,832,200	537,500	Aqua America Inc.	9,434,289	16,146,500
362,000	UGI Corp.	7,671,655	16,680,960	5,000	California Water Service Group	90,622	169,500
		165,521,356	241,491,310	10,000	Connecticut Water Service Inc.	251,353	558,500
	Natural Gas Utilities — 6.0%			16,000	Consolidated Water Co. Ltd.	193,044	173,600
80,000	Atmos Energy Corp.	2,188,623	5,932,000	20,000	Middlesex Water Co.	356,954	858,800
94,000	CenterPoint Energy Inc.	1,812,563	2,316,160	226,000	Sewern Trent plc	5,872,830	6,188,805
45,500	Chesapeake Utilities Corp.	825,611	3,046,225	175,000	SJW Group	4,072,352	9,796,500
24,000	CONSOL Energy Inc.	309,629	437,520	87,000	The York Water Co.	1,205,281	3,323,400
324,000	Corning Natural Gas Holding Corp. (a)	3,685,398	6,156,000	52,000	United Utilities Group plc, ADR	1,399,310	1,170,520
168,000	Delta Natural Gas Co. Inc.	2,564,807	4,927,440			25,613,796	47,072,005
90,000	Gas Natural Inc.	973,052	1,129,500		Diversified Industrial — 0.6%		
100,000	Gulf Coast Ultra Deep Royalty Trust†	8,000	14,500	30,000	AZZ Inc.	1,212,304	1,917,000
400	Italgas SpA†	1,810	1,574	60,000	General Electric Co.	1,200,079	1,896,000
50,000	National Grid plc	719,590	586,379	105,000	ITT Inc.	2,173,813	4,049,850
14,000	New Jersey Resources Corp.	328,068	497,000	360,000	Mueller Water Products Inc., Cl. A	1,974,640	4,791,600
143,000	ONE Gas Inc.	1,132,190	9,146,280	20,600	Park-Ohio Holdings Corp.	399,180	877,560
44,000	RGC Resources Inc.	701,712	1,107,480			6,960,016	13,532,010
140,000	South Jersey Industries Inc.	1,982,945	4,716,600				
938,000	Southwest Gas Holdings Inc.	34,751,863	71,869,560				
119,500	Spire Inc.	3,777,981	7,713,725				

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Schedule of Investments (Continued) — December 31, 2016

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS (Continued)						
	ENERGY AND UTILITIES (Continued)			290,000	Nippon Telegraph & Telephone Corp.	\$ 7,159,565	\$ 12,188,064
	Environmental Services — 0.1%			2,200	Orange Belgium SA†	33,392	45,981
20,000	Covanta Holding Corp.	\$ 338,438	\$ 312,000	330,000	Orascom Telecom Media and Technology Holding SAE, GDR†	534,301	111,870
80,000	Veolia Environnement SA	1,097,512	1,362,134	60,000	Pharol SGPS SA	28,418	13,074
		1,435,950	1,674,134	220,000	Pharol SGPS SA, ADR	182,432	39,160
	TOTAL ENERGY AND UTILITIES	919,347,468	1,500,392,951	78,000	PLDT Inc., ADR	4,159,634	2,148,900
	COMMUNICATIONS — 19.4%			145,000	Proximus SA	4,628,591	4,176,088
	Cable and Satellite — 5.4%			2,000	PT Indosat Tbk†	1,061	958
42,000	Charter Communications Inc., Cl. A†	4,216,493	12,092,640	2,000	Shenandoah Telecommunications Co.	15,867	54,600
25,000	Cogeco Communications Inc. .	684,204	1,233,382	2,300,000	Singapore Telecommunications Ltd.	5,695,042	5,797,051
70,000	Cogeco Inc.	1,589,491	2,957,137	665,000	Sprint Corp.†	3,853,566	5,599,300
20,000	Comcast Corp., Cl. A	402,189	1,381,000	121,000	Swisscom AG, ADR	4,440,719	5,413,056
410,000	DISH Network Corp., Cl. A† ...	11,752,232	23,751,300	9,000	Tele2 AB, Cl. B	146,814	72,163
303,000	EchoStar Corp., Cl. A†	9,947,776	15,571,170	170,000	Telecom Italia SpA, ADR†	2,206,728	1,511,300
344,367	Liberty Global plc, Cl. A†	5,402,838	10,534,174	235,000	Telefonica Brasil SA, ADR	4,137,121	3,144,300
600,001	Liberty Global plc, Cl. C†	10,353,810	17,820,028	53,000	Telefonica Deutschland Holding AG.	280,618	227,068
70,382	Liberty Global plc LiLAC, Cl. A†	1,354,006	1,545,589	530,000	Telefonica SA, ADR	9,312,209	4,876,000
131,311	Liberty Global plc LiLAC, Cl. C†	2,897,153	2,779,854	1,000,000	Telekom Austria AG	7,767,364	5,905,387
90,000	Rogers Communications Inc., Cl. B	2,426,676	3,472,200	340,000	Telenet Group Holding NV†	15,333,232	18,868,608
12,000	Shaw Communications Inc., Cl. B	148,195	240,720	533,000	Telephone & Data Systems Inc.	14,410,184	15,387,710
1,642,000	Sky plc	18,036,183	20,054,004	60,000	Telesites SAB de CV†	45,551	32,591
50,000	Tokyo Broadcasting System Holdings Inc.	683,652	800,000	730,000	Verizon Communications Inc. .	23,525,426	38,967,400
		69,894,898	114,233,198	550,182	VimpelCom Ltd., ADR	2,618,606	2,118,201
	Computer Services Software and Systems — 0.1%					186,098,513	227,571,769
340,538	Internap Corp.†	1,981,239	524,428		Wireless Communications — 3.1%		
	Telecommunications — 10.8%			65,000	America Movil SAB de CV, Cl. L, ADR	1,049,728	817,050
35,000	AT&T Inc.	1,197,700	1,488,550	29,000	ATN International Inc.	950,567	2,323,770
560,000	BCE Inc.	15,759,354	24,214,400	69,000	China Mobile Ltd., ADR	2,765,327	3,617,670
300,000	CenturyLink Inc.	9,480,023	7,134,000	53,000	China Unicom Hong Kong Ltd., ADR	665,499	612,150
800,000	Cincinnati Bell Inc.†	13,360,023	17,880,000	200	Hutchison Telecommunications Hong Kong Holdings Ltd.	19	64
35,000	Deutsche Telekom AG	428,748	602,565	82,000	Millicom International Cellular SA	6,030,473	3,472,700
515,000	Deutsche Telekom AG, ADR ...	6,311,945	8,806,500	242,000	Millicom International Cellular SA, SDR	17,327,832	10,340,768
330,000	Global Telecom Holding SAE, GDR†	1,321,593	613,800	6,500	Mobile TeleSystems PJSC, ADR	86,498	59,215
40,000	Harris Corp.	3,115,629	4,098,800	465,000	NTT DoCoMo Inc.	7,286,947	10,595,037
1,440,000	Koninklijke KPN NV	4,192,069	4,265,521	135,000	SK Telecom Co. Ltd., ADR	2,383,798	2,821,500
18,000	Koninklijke KPN NV, ADR	80,480	54,000	400	SmarTone Telecommunications Holdings Ltd.	207	537
466,000	Level 3 Communications Inc.†	14,697,213	26,263,760				
130,000	Loral Space & Communications Inc.†	5,379,410	5,336,500				
35,200	NextGenTel Holding ASA†	257,885	114,543				

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Schedule of Investments (Continued) — December 31, 2016

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS (Continued)						
	COMMUNICATIONS (Continued)			615,000	Sony Corp., ADR.....	\$ 11,107,292	\$ 17,238,450
	Wireless Communications (Continued)					13,213,572	20,665,890
35,000	Tim Participacoes SA, ADR....	\$ 684,957	\$ 413,000		Entertainment — 0.6%		
405,000	Turkcell Iletisim Hizmetleri			610,000	Grupo Televisa SAB, ADR	15,084,887	12,742,900
	A/S, ADR†	5,670,349	2,794,500		Financial Services — 0.3%		
356,000	United States Cellular Corp.† ..	15,853,968	15,564,320	168,000	Kinnevik AB, Cl. A	3,583,754	4,139,793
510,000	Vodafone Group plc, ADR	20,166,277	12,459,300	80,000	Kinnevik AB, Cl. B	2,519,622	1,916,888
		80,922,446	65,891,581			6,103,376	6,056,681
	TOTAL COMMUNICATIONS ...	338,897,096	408,220,976		Health Care — 0.0%		
	OTHER — 7.2%			12,000	Tsumura & Co.	261,956	330,610
	Aerospace — 0.9%				Machinery — 1.6%		
2,300,000	Rolls-Royce Holdings plc	20,035,417	18,934,707	92,500	Astec Industries Inc.	3,264,589	6,240,050
105,800,000	Rolls-Royce Holdings plc, Cl. C†	129,880	130,389	1,000	Flowserve Corp.	38,156	48,050
		20,165,297	19,065,096	83,000	The Gorman-Rupp Co.	1,924,996	2,568,850
	Automotive: Parts and Accessories — 0.1%			500,000	Xylem Inc.	14,004,416	24,760,000
21,965	Adient plc†	1,032,355	1,287,149			19,232,157	33,616,950
	Aviation: Parts and Services — 0.0%				Metals and Mining — 0.4%		
10,000	Curtiss-Wright Corp.	299,251	983,600	170,000	Freeport-McMoRan Inc.†	2,677,459	2,242,300
	Building and Construction — 0.5%			51,000	Haynes International Inc.	2,451,657	2,192,490
12,000	Acciona SA	1,140,701	883,345	38,500	Materion Corp.	906,433	1,524,600
219,650	Johnson Controls International plc	6,233,102	9,047,383	17,000	Vulcan Materials Co.	797,880	2,127,550
		7,373,803	9,930,728			6,833,429	8,086,940
	Business Services — 0.5%				Transportation — 0.9%		
1,400,000	Clear Channel Outdoor Holdings Inc., Cl. A	6,320,706	7,070,000	311,000	GATX Corp.	8,998,435	19,151,380
40,000	Macquarie Infrastructure Corp.	864,577	3,268,000		TOTAL OTHER	114,020,018	151,135,021
17,500	Vectrus Inc.†	316,783	417,375		TOTAL COMMON STOCKS	1,372,264,582	2,059,748,948
		7,502,066	10,755,375		CONVERTIBLE PREFERRED STOCKS — 0.1%		
	Computer Software and Services — 0.2%				COMMUNICATIONS — 0.1%		
890,000	EarthLink Holdings Corp.	4,309,826	5,019,600	21,000	Telecommunications — 0.1%		
	Diversified Industrial — 0.2%				Cincinnati Bell Inc., 6.750%, Ser. B	695,010	1,032,280
1,000	Alstom SA†	31,457	27,553		ENERGY AND UTILITIES — 0.0%		
30,000	Bouygues SA	938,107	1,075,128		Natural Gas Utilities — 0.0%		
4,000	Donaldson Co. Inc.	133,040	168,320	54,000	Corning Natural Gas, 4.800%, Ser. B	1,120,500	1,025,572
13,000	Raven Industries Inc.	293,478	327,600		TOTAL CONVERTIBLE PREFERRED STOCKS	1,815,510	2,057,852
10,000	Svenska Cellulosa AB, Cl. A ...	165,483	281,321		WARRANTS — 0.0%		
107,000	Twin Disc Inc.†	2,048,043	1,562,200		COMMUNICATIONS — 0.0%		
		3,609,608	3,442,122		Telecommunications — 0.0%		
	Electronics — 1.0%			80,000	Bharti Airtel Ltd., expire 11/30/20†(b)	438,064	359,992
100,000	Corning Inc.	1,118,890	2,427,000				
9,000	Harman International Industries Inc.	987,390	1,000,440				

See accompanying notes to financial statements.

The Gabelli Utilities Fund
Schedule of Investments (Continued) — December 31, 2016

<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>	
			(a) Security considered an affiliated holding because the Fund owns at least 5% of its outstanding shares.
			(b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2016, the market value of the Rule 144A security amounted to \$359,992 or 0.02% of total net assets
			† Non-income producing security.
			†† Represents annualized yield at date of purchase.
			ADR American Depositary Receipt
			GDR Global Depositary Receipt
			PJSC Public Joint Stock Company
			SDR Swedish Depositary Receipt
	WARRANTS (Continued)		
	ENERGY AND UTILITIES — 0.0%		
	Natural Gas Integrated — 0.0%		
1,050,000	Kinder Morgan Inc., expire		
	05/25/17†.....	\$ 1,534,203	\$ 5,775
	TOTAL WARRANTS	<u>1,972,267</u>	<u>365,767</u>
	Principal Amount		
	U.S. GOVERNMENT OBLIGATIONS — 2.2%		
\$46,585,000	U.S. Treasury Bills,		
	0.290% to 0.551%††,		
	01/19/17 to 04/27/17.....	46,547,641	46,546,915
	TOTAL		
	INVESTMENTS — 100.0% ...	<u>\$1,422,600,000</u>	2,108,719,482
	Other Assets and Liabilities (Net) — 0.0% . .		<u>967,828</u>
	NET ASSETS — 100.0%		<u>\$2,109,687,310</u>

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Statement of Assets and Liabilities December 31, 2016

Assets:	
Investments, at value (cost \$1,418,914,602)	\$2,102,563,482
Investments in affiliates, at value (cost \$3,685,398)	6,156,000
Receivable for Fund shares sold	2,922,657
Receivable for investments sold	238,115
Dividends receivable	3,913,240
Prepaid expenses	55,489
Total Assets	<u>2,115,848,983</u>
Liabilities:	
Payable to custodian	4,140
Payable for Fund shares redeemed	2,964,520
Payable for investment advisory fees	1,783,207
Payable for distribution fees	905,422
Payable for accounting fees	7,500
Other accrued expenses	496,884
Total Liabilities	<u>6,161,673</u>
Net Assets (applicable to 254,881,869 shares outstanding)	<u>\$2,109,687,310</u>
Net Assets Consist of:	
Paid-in capital	\$1,437,323,618
Distributions in excess of net investment income	(227,978)
Distributions in excess of net realized gains on investments and foreign currency transactions	(13,502,956)
Net unrealized appreciation on investments	686,119,482
Net unrealized depreciation on foreign currency translations	(24,856)
Net Assets	<u>\$2,109,687,310</u>
Shares of Beneficial Interest, each at \$0.001 par value; unlimited number of shares authorized:	
Class AAA:	
Net Asset Value, offering, and redemption price per share (\$364,411,459 ÷ 39,334,669 shares outstanding)	<u>\$ 9.26</u>
Class A:	
Net Asset Value and redemption price per share (\$808,349,141 ÷ 86,008,816 shares outstanding)	<u>\$ 9.40</u>
Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price)	<u>\$ 9.97</u>
Class C:	
Net Asset Value and offering price per share (\$776,779,622 ÷ 112,907,507 shares outstanding)	<u>\$ 6.88(a)</u>
Class I:	
Net Asset Value, offering, and redemption price per share (\$160,147,088 ÷ 16,630,877 shares outstanding)	<u>\$ 9.63</u>

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

Statement of Operations For the Year Ended December 31, 2016

Investment Income:	
Dividends - Unaffiliated (net of foreign withholding taxes of \$1,239,594)	\$ 62,637,322
Dividends - Affiliated	194,400
Interest	184,811
Other income*	312,695
Total Income	<u>63,329,228</u>
Expenses:	
Investment advisory fees	20,848,808
Distribution fees - Class AAA	940,897
Distribution fees - Class A	1,932,251
Distribution fees - Class C	7,815,663
Shareholder services fees	1,666,151
Shareholder communications expenses	288,995
Custodian fees	204,104
Trustees' fees	137,000
Legal and audit fees	122,596
Registration expenses	108,400
Accounting fees	45,000
Interest expense	15,704
Miscellaneous expenses	138,446
Total Expenses	<u>34,264,015</u>
Less:	
Expenses paid indirectly by broker (See Note 6)	(14,500)
Net Expenses	<u>34,249,515</u>
Net Investment Income	<u>29,079,713</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:	
Net realized gain on investments	33,318,789
Net realized loss on foreign currency transactions	(71,884)
Net realized gain on investments and foreign currency transactions	<u>33,246,905</u>
Net change in unrealized appreciation/depreciation: on investments	252,758,195
on foreign currency translations	(3,823)
Net change in unrealized appreciation/ depreciation on investments and foreign currency translations	<u>252,754,372</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency	<u>286,001,277</u>
Net Increase in Net Assets Resulting from Operations	<u>\$315,080,990</u>

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

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Statement of Changes in Net Assets

	<u>Year Ended December 31, 2016</u>	<u>Year Ended December 31, 2015</u>
Operations:		
Net investment income.....	\$ 29,079,713	\$ 29,499,043
Net realized gain on investments and foreign currency transactions	33,246,905	231,852,901
Net change in unrealized appreciation/depreciation on investments and foreign currency translations.....	<u>252,754,372</u>	<u>(482,101,250)</u>
Net Increase/(Decrease) in Net Assets Resulting from Operations	<u>315,080,990</u>	<u>(220,749,306)</u>
Distributions to Shareholders:		
Net investment income		
Class AAA.....	(5,471,301)	(5,716,875)
Class A	(11,112,907)	(9,544,422)
Class C	(9,783,665)	(12,183,754)
Class I	<u>(2,542,331)</u>	<u>(1,923,225)</u>
	<u>(28,910,204)</u>	<u>(29,368,276)</u>
Net realized gain		
Class AAA.....	(5,335,408)	(44,494,472)
Class A	(10,854,504)	(74,284,304)
Class C	(14,643,900)	(94,826,237)
Class I	<u>(2,115,401)</u>	<u>(14,968,474)</u>
	<u>(32,949,213)</u>	<u>(228,573,487)</u>
Return of capital		
Class AAA.....	(24,739,141)	(3,529,934)
Class A	(50,581,784)	(5,893,286)
Class C	(73,313,008)	(7,522,965)
Class I	<u>(9,476,054)</u>	<u>(1,187,512)</u>
	<u>(158,109,987)</u>	<u>(18,133,697)</u>
Total Distributions to Shareholders	<u>(219,969,404)</u>	<u>(276,075,460)</u>
Shares of Beneficial Interest Transactions:		
Class AAA.....	(30,345,592)	(349,671,407)
Class A	49,728,141	(351,832,769)
Class C	23,406,890	(177,103,835)
Class I	<u>9,333,224</u>	<u>(81,173,972)</u>
Net Increase/(Decrease) in Net Assets from Shares of Beneficial Interest Transactions	<u>52,122,663</u>	<u>(959,781,983)</u>
Redemption Fees	<u>7,011</u>	<u>29,403</u>
Net Increase/(Decrease) in Net Assets	<u>147,241,260</u>	<u>(1,456,577,346)</u>
Net Assets:		
Beginning of year	<u>1,962,446,050</u>	<u>3,419,023,396</u>
End of year (including undistributed net investment income of \$0 and \$3,322,814, respectively)	<u>\$2,109,687,310</u>	<u>\$ 1,962,446,050</u>

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Financial Highlights

Selected data for a share of beneficial interest outstanding throughout each year:

Year Ended December 31	Income (Loss)				Distributions			Ratios to Average Net Assets/ Supplemental Data							
	Net Asset Value Beginning of Year	Net Investment Income(a)	Net Realized Gain (Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gain on Investments	Return of Capital	Total Distributions	Redemption Fee(s)(b)	Net Asset Value End of Year	Total Return†	Net Assets End of Year (in 000 \$)	Net Investment Income	Operating Expenses	Portfolio Turnover Rate
Class AAA															
2016	\$ 8.70	\$ 0.15	\$ 1.28	\$ 1.43	\$(0.14)	\$(0.13)	\$(0.60)	\$(0.87)	\$ 0.00	\$ 9.26	17.0%	\$ 364,411	1.65%	1.38%(c)	4%
2015††	10.50	0.11	(1.07)	(0.96)	(0.09)	(0.70)	(0.05)	(0.84)	0.00	8.70	(8.3)	371,419	1.42	1.39(c)	8
2014††	11.24	0.18	0.94	0.94	(0.14)	(0.10)	(1.44)	(1.68)	0.00	10.50	8.9	820,328	1.64	1.36	9
2013††	10.86	0.18	1.88	2.06	(0.14)	(0.20)	(1.34)	(1.68)	0.00	11.24	20.2	738,742	1.60	1.37	11
2012††	12.06	0.16	0.32	0.48	(0.10)	(0.20)	(1.38)	(1.68)	0.00	10.86	4.3	590,457	1.36	1.39	15
Class A															
2016	\$ 8.82	\$ 0.15	\$ 1.30	\$ 1.45	\$(0.13)	\$(0.13)	\$(0.61)	\$(0.87)	\$ 0.00	\$ 9.40	17.0%	\$ 808,349	1.64%	1.38%(c)	4%
2015††	10.64	0.12	(1.10)	(0.98)	(0.09)	(0.70)	(0.05)	(0.84)	0.00	8.82	(8.3)	713,208	1.45	1.39(c)	8
2014††	11.36	0.18	0.78	0.96	(0.14)	(0.10)	(1.44)	(1.68)	0.00	10.64	9.0	1,231,349	1.64	1.36	9
2013††	10.96	0.18	1.90	2.08	(0.14)	(0.20)	(1.34)	(1.68)	0.00	11.36	20.2	1,109,532	1.60	1.37	11
2012††	12.16	0.16	0.32	0.48	(0.10)	(0.20)	(1.38)	(1.68)	0.00	10.96	4.3	931,577	1.37	1.39	15
Class C															
2016	\$ 6.71	\$ 0.06	\$ 0.98	\$ 1.04	\$(0.09)	\$(0.13)	\$(0.65)	\$(0.87)	\$ 0.00	\$ 6.88	16.2%	\$ 776,780	0.89%	2.13%(c)	4%
2015††	8.40	0.05	(0.90)	(0.85)	(0.09)	(0.70)	(0.05)	(0.84)	0.00	6.71	(9.1)	736,494	0.73	2.14(c)	8
2014††	9.38	0.08	0.62	0.70	(0.14)	(0.10)	(1.44)	(1.68)	0.00	8.40	8.1	1,111,695	0.89	2.11	9
2013††	9.36	0.08	1.62	1.70	(0.14)	(0.20)	(1.34)	(1.68)	0.00	9.38	19.5	1,037,073	0.85	2.12	11
2012††	10.70	0.06	0.28	0.34	(0.10)	(0.20)	(1.38)	(1.68)	0.00	9.36	3.5	880,503	0.62	2.14	15
Class I															
2016	\$ 8.99	\$ 0.18	\$ 1.33	\$ 1.51	\$(0.16)	\$(0.13)	\$(0.58)	\$(0.87)	\$ 0.00	\$ 9.63	17.4%	\$ 160,147	1.89%	1.13%(c)	4%
2015††	10.80	0.14	(1.11)	(0.97)	(0.09)	(0.70)	(0.05)	(0.84)	0.00	8.99	(8.1)	141,325	1.70	1.14(c)	8
2014††	11.48	0.20	0.80	1.00	(0.14)	(0.10)	(1.44)	(1.68)	0.00	10.80	9.3	255,651	1.86	1.11	9
2013††	11.04	0.22	1.90	2.12	(0.14)	(0.20)	(1.34)	(1.68)	0.00	11.48	20.4	179,913	1.85	1.12	11
2012††	12.20	0.20	0.32	0.52	(0.10)	(0.20)	(1.38)	(1.68)	0.00	11.04	4.6	161,415	1.68	1.14	15

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

†† All per share amounts and net asset values have been adjusted as a result of the 1 for 2 reverse stock split on March 6, 2015 (See Note 8).

(a) Per share amounts and net asset values 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, 2016 and 2015, there was no impact on the expense ratios.

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Notes to Financial Statements

1. Organization. The Gabelli Utilities Fund was organized on May 18, 1999 as a Delaware statutory trust. 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 commenced operations on August 31, 1999. The Fund’s primary objective is to provide a high level of total return through a combination of capital appreciation and current income.

The Fund invests a high percentage of its assets in the utilities sector. As a result, the Fund may be more susceptible to economic, political, and regulatory developments, positive or negative, and may experience increased volatility to the Fund’s NAV and a magnified effect in its total return.

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 Trustees (the “Board”) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the “Adviser”).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities’ fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than sixty days 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. U.S. government obligations with maturities greater than sixty days are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. Certain securities are valued principally using dealer quotations.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and 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.

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

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, 2016 is as follows:

	Valuation Inputs			Total Market Value at 12/31/16
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
ENERGY AND UTILITIES				
Global Utilities	\$ 44,434,684	\$ 1,514	—	\$ 44,436,198
Merchant Energy	35,905,908	—	\$ 0	35,905,908
Other Industries (a)	1,420,050,845	—	—	1,420,050,845
COMMUNICATIONS (a)	408,220,976	—	—	408,220,976
OTHER				
Aerospace	18,934,707	130,389	—	19,065,096
Other Industries(a)	132,069,925	—	—	132,069,925
Total Common Stocks	2,059,617,045	131,903	0	2,059,748,948
Convertible Preferred Stocks (a)	1,032,280	1,025,572	—	2,057,852
Warrants (a)	5,775	359,992	—	365,767
U.S. Government Obligations	—	46,546,915	—	46,546,915
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$2,060,655,100	\$48,064,382	\$ 0	\$2,108,719,482

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

The Fund did not have material transfers among Level 1, Level 2, and Level 3 during the year ended December 31, 2016. 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 is ultimately sourced from major stock exchanges and trading systems where these

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

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

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

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

The Fund's derivative contracts held at December 31, 2016, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments together with the related counterparty.

Swap Agreements. The Fund may enter into equity contract for difference swap transactions for the purpose of increasing the income of the Fund. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an equity contract for difference swap, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short term interest rates and the returns on the Fund's portfolio securities at the time an equity contract for difference swap transaction reaches its scheduled termination date, there is

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction.

Unrealized gains related to swaps are reported as an asset and unrealized losses are reported as a liability in the Statement of Assets and Liabilities. The change in value of swaps, including the accrual of periodic amounts of interest to be received or paid on swaps, is reported as unrealized gain or loss in the Statement of Operations. A realized gain or loss is recorded upon receipt or payment of a periodic payment or termination of swap agreements. During the year ended December 31, 2016, the Fund held no investments in equity contract for difference swap agreements.

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

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

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

Restricted Securities. The Fund may invest up to 15% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than 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, 2016, the Fund did not hold restricted securities.

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

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

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

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

Distributions to Shareholders. Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions made in excess of current earnings and profits on a tax basis are treated as a non-taxable return of capital. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to adjustments for tax reclassifications of distributions. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2016, reclassifications were made to decrease distributions in excess of net investment income by \$3,720,301 and increase distributions in excess of net realized gains on investments and foreign currency transactions by \$752,424, with an offsetting adjustment to paid-in capital.

The tax character of distributions paid during the years ended December 31, 2016 and 2015 was as follows:

	<u>Year Ended</u> <u>December 31, 2016</u>	<u>Year Ended</u> <u>December 31, 2015</u>
Distributions paid from:		
Ordinary income	\$ 33,987,237	\$ 29,368,276
Long term capital gains	27,872,180	228,573,487
Return of capital	158,109,987	18,133,697
Total distributions paid	<u>\$219,969,404</u>	<u>\$276,075,460</u>

Since January 2000, the Fund has had a fixed distribution policy. Under the policy, the Fund declares and pays monthly distributions from net investment income, capital gains, and paid-in capital. The actual source of the distribution is determined after the end of the year. Pursuant to this policy, distributions during the year may be made in excess of required distributions. To the extent such distributions are made from current earnings and profits, they are considered ordinary income or long term capital gains. The Fund's current distribution

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

policy may restrict the Fund's ability to pass through to shareholders all of its net realized long term capital gains as a Capital Gain Dividend, and may cause such gains to be treated as ordinary income. Distributions sourced from paid-in capital should not be considered as dividend yield or the total return from an investment in the Fund. The Board continues to evaluate the distribution policy in light of ongoing economic and market conditions and may change the amount of the monthly distributions in the future.

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, 2016, the components of accumulated earnings/losses on a tax basis were as follows:

Net unrealized appreciation on investments and foreign currency translations	\$672,363,692
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At December 31, 2016, 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, tax basis adjustments on investments in partnerships, and mark-to-market adjustments on investments in passive foreign investment companies.

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2016:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$1,436,330,929	\$735,835,520	\$(63,446,967)	\$672,388,553

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, 2016, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2016, 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 Trustees of the Fund who are affiliated persons of the Adviser.

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$18,000 plus \$2,000 for each Board meeting attended and they are reimbursed for any out of pocket expenses incurred in

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

attending meetings. All Board committee members receive \$500 per meeting attended and the Chairman of the Audit Committee and the Lead Trustee each receive an annual fee of \$2,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees 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, and Class C Share Plans, payments are authorized to G.distributors, LLC (the "Distributor"), an affiliate of the Adviser, at annual rates of 0.25%, 0.25%, and 1.00%, respectively, of the average daily net assets of those classes, the annual limitations under each Plan. Such payments are accrued daily and paid monthly.

5. Portfolio Securities. Purchases and sales of securities during the year ended December 31, 2016, other than short term securities and U.S. Government obligations, aggregated \$69,164,772 and \$264,222,313, respectively.

6. Transactions with Affiliates and Other Arrangements. During the year ended December 31, 2016, the Fund paid \$126,570 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser. Additionally the Distributor retained a total of \$1,028,971 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

During the year ended December 31, 2016, 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 \$14,500.

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, 2016, the Fund paid or accrued \$45,000 to the Adviser in connection with the cost of computing the Fund's NAV.

7. Line of Credit. The Fund participates in an unsecured line of credit, which expires March 9, 2017 and may be renewed annually, of up to \$75,000,000 under which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bears interest at a floating rate equal to the higher of the overnight Federal Funds rate plus 125 basis points or the 30 day LIBOR plus 125 basis points in effect on that day. This amount, if any, would be included in "Interest expense" in the Statement of Operations. At December 31, 2016, there were no borrowings outstanding under the line of credit.

The average daily amount of borrowings outstanding under the line of credit during the year ended December 31, 2016 was \$498,412 with a weighted average interest rate of 0.92%. The maximum amount borrowed at any time during the year ended December 31, 2016 was \$14,298,222.

8. Shares of Beneficial Interest. The Fund offers four classes of shares – Class AAA Shares, Class A Shares, Class C Shares, and Class I Shares. Class AAA Shares and Class I Shares are offered without a sales charge. Class A Shares are subject to a maximum front-end sales charge of 5.75%. 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

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

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 years ended December 31, 2016 and 2015, if any, can be found in the Statement of Changes in Net Assets under Redemption Fees.

As approved by the Board of Directors, the Fund effected a 1 for 2 reverse stock split on March 6, 2015. The net asset value of each share class increased proportionately at that time.

Transactions in shares of beneficial interest were as follows:

	Year Ended December 31, 2016		Year Ended December 31, 2015	
	Shares	Amount	Shares	Amount
Class AAA				
Shares sold	4,639,468	\$ 43,018,104	9,543,611	\$ 67,465,336
Shares issued upon reinvestment of distributions	3,454,038	31,946,668	6,528,236	46,859,406
Shares redeemed	(11,440,214)	(105,310,364)	(69,258,903)	(463,996,149)
Share reduction from 1 for 2 reverse stock split	—	—	(60,236,385)	—
Net decrease	<u>(3,346,708)</u>	<u>\$ (30,345,592)</u>	<u>(113,423,441)</u>	<u>\$(349,671,407)</u>
Class A				
Shares sold	16,726,963	\$ 158,562,726	14,667,673	\$ 116,194,342
Shares issued upon reinvestment of distributions	6,431,994	60,335,587	9,292,802	69,521,979
Shares redeemed	(18,041,906)	(169,170,172)	(78,424,819)	(537,549,090)
Share reduction from 1 for 2 reverse stock split	—	—	(96,231,492)	—
Net increase/(decrease)	<u>5,117,051</u>	<u>\$ 49,728,141</u>	<u>(150,695,836)</u>	<u>\$(351,832,769)</u>
Class C				
Shares sold	14,746,021	\$ 103,855,094	18,300,907	\$ 111,972,785
Shares issued upon reinvestment of distributions	11,607,259	81,152,204	15,059,313	88,752,403
Shares redeemed	(23,171,261)	(161,600,408)	(68,394,621)	(377,829,023)
Share reduction from 1 for 2 reverse stock split	—	—	(119,958,972)	—
Net increase/(decrease)	<u>3,182,019</u>	<u>\$ 23,406,890</u>	<u>(154,993,373)</u>	<u>\$(177,103,835)</u>
Class I				
Shares sold	5,401,511	\$ 52,129,624	4,636,261	\$ 38,457,839
Shares issued upon reinvestment of distributions	1,186,059	11,379,762	1,937,391	14,608,140
Shares redeemed	(5,672,219)	(54,176,162)	(18,735,617)	(134,239,951)
Share reduction from 1 for 2 reverse stock split	—	—	(19,463,756)	—
Net increase/(decrease)	<u>915,351</u>	<u>\$ 9,333,224</u>	<u>(31,625,721)</u>	<u>\$(81,173,972)</u>

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

9. Transactions in Securities of Affiliated Issuers. The 1940 Act defines affiliated issuers as those in which the Fund's holdings of an issuer represent 5% or more of the outstanding voting securities of the issuer. A summary of the Fund's transactions in the securities of these issuers during the year ended December 31, 2016 is set forth below:

	<u>Beginning Shares</u>	<u>Shares Sold</u>	<u>Ending Shares</u>	<u>Dividend Income</u>	<u>Realized Gain</u>	<u>Value at December 31, 2016</u>	<u>Percent Owned of Shares Outstanding</u>
Corning Natural Gas Holding Co.	324,000	—	324,000	\$194,400	—	\$6,156,000	13.04%

10. 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.

11. 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 Utilities Fund

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of
The Gabelli Utilities Fund

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Gabelli Utilities Fund (the "Fund"), as of December 31, 2016, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2016, by correspondence with the Fund's custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Fund at December 31, 2016, 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 then ended, and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

New York, New York
February 28, 2017

The Gabelli Utilities Fund

Additional Fund Information (Unaudited)

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

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Number of Funds in Fund Complex Overseen by Trustee</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Trustee⁴</u>
INTERESTED TRUSTEES³:				
Mario J. Gabelli, CFA Trustee Age: 74	Since 1999	31	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); Director of RLJ Acquisition Inc. (blank check company) (2011-2012)
INDEPENDENT TRUSTEES⁵:				
Anthony J. Colavita, Esq. Trustee Age: 81	Since 1999	36	President of the law firm of Anthony J. Colavita, P.C.	—
Vincent D. Enright Trustee Age: 73	Since 1999	17	Former Senior Vice President and Chief Financial Officer of KeySpan Corp. (public utility) (1994-1998)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics) (2008-2014); Director of LGL Group, Inc. (diversified manufacturing) (2011-2014)
Mary E. Hauck Trustee Age: 74	Since 2000	4	Retired Senior Manager of the Gabelli-O'Connor Fixed Income Mutual Funds Management Company	—
Kuni Nakamura Trustee Age: 48	Since 2009	20	President of Advanced Polymer, Inc. (chemical manufacturing company); President of KEN Enterprises, Inc. (real estate)	—
Werner J. Roeder, MD Trustee Age: 76	Since 1999	23	Practicing private physician; Former Medical Director of Lawrence Hospital (1999-2014)	—

The Gabelli Utilities Fund

Additional Fund Information (Continued) (Unaudited)

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Principal Occupation(s) During Past Five Years</u>
OFFICERS:		
Bruce N. Alpert President Age: 65	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; Director of Teton Advisors, Inc., 1998-2012; Chairman of Teton Advisors, Inc., 2008-2010
Andrea R. Mango Secretary Age: 44	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; Vice President and Counsel of Deutsche Bank, 2006-2011
Agnes Mullady Treasurer Age: 58	Since 2006	President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2010; 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 November 2016; Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex
Richard J. Walz Chief Compliance Officer Age: 57	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; Chief Compliance Officer of Cutwater Asset Management, 2004-2011

¹ Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.

² Each Trustee 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 Trustee and until the election and qualification of his or her successor, if any, elected at such meeting, or (ii) the date a Trustee resigns or retires, or a Trustee is removed by the Board of Trustees or shareholders, in accordance with the Fund's By-Laws and Agreement and Declaration of Trust. 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 "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.

⁴ 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.

⁵ Trustees who are not interested persons are considered "Independent" Trustees.

Gabelli/GAMCO Funds and Your Personal Privacy

Who are we?

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

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

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

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

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

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

What do we do to protect your personal information?

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

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

Portfolio Manager Biography

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

2016 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the year ended December 31, 2016, the Fund paid to shareholders ordinary income distributions (comprised of net investment income) totaling \$0.145, \$0.144, \$0.123, and \$0.165 per share for Class AAA, Class A, Class C, and Class I Shares, respectively, and long term capital gains totaling \$27,872,180 or the maximum allowable. The distributions of long term capital gains have been designated as a capital gain dividend by the Fund's Board of Trustees. For the year ended December 31, 2016, 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 0.31% of the ordinary income distribution as qualified interest income pursuant to the Tax Relief, Unemployment Recharacterization, and Job Creation Act of 2010.

U.S. Government Income

The percentage of the ordinary income distribution paid by the Fund during 2016 which was derived from U.S. Treasury securities was 0.25%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The Fund did not meet this strict requirement in 2016. Due to the diversity in state and local tax law, it is recommended that you consult your personal tax adviser as to the applicability of the information provided to your specific situation.

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

THE GABELLI UTILITIES FUND

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

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Skadden, Arps, Slate, Meagher &
Flom LLP

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

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FUNDS

THE GABELLI UTILITIES FUND

Annual Report
December 31, 2016

