

The Gabelli Woodland Small Cap Value Fund

Shareholder Commentary September 30, 2009



Elizabeth M. Lilly, CFA

To Our Shareholders,

The net asset value per Class AAA Share of The Gabelli Woodland Small Cap Value Fund increased 16.2% for the quarter ended September 30, 2009 versus the Russell 2000 Index, which rose 19.3%.

Comparative Results

Average Annual Returns through September 30, 2009 (a)(b)

	Quarter	Year to Date	Six Months	1 Year	3 Year	5 Year	Since Inception (12/31/02)
Gabelli Woodland Small Cap Value Fund Class AAA	16.18%	26.00%	47.11%	(8.99)%	(1.57)%	2.77%	5.88%
Russell 2000 Index	19.28	22.43	43.95	(9.55)	(4.57)	2.41	8.37
S&P 500 Index	15.59	19.27	33.98	(6.91)	(5.43)	1.01	4.82
Value Line Composite Index	25.36	76.31	65.73	12.62	1.68	6.40	11.45

In the current prospectus, the gross expense ratio is 2.52%. The net expense ratio is 2.01%, after contractual reimbursements by the Adviser in place through September 30, 2009. Class AAA Shares do not have a sales charge.

(a) ***Returns represent past performance and do not guarantee future results.*** Total returns and average annual returns reflect changes in share price and reinvestment of dividends 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. Performance returns for periods of less than one year are not annualized. 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. ***Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.*** See page 7 for performance of other classes of shares. Investing in small capitalization securities involves special challenges because these securities may trade less frequently and experience more abrupt price movements than large capitalization securities. The Russell 2000, the S&P 500, and Value Line Composite Indices are unmanaged indicators of stock market performance. You cannot invest directly in an index.

(b) *The Fund's fiscal year ends September 30.*

COMMENTARY

One year ago it felt like the world was coming to an end. We saw events in the financial markets we thought would never happen in our lifetime. Forced marriages of banks, financial institutions seized by the government, more 4 letter bailout programs than we can count on two hands, and the onslaught of a “Repression.” Based on the performance of the equity markets over the last six months, it would seem logical to conclude that the economy is strengthening and that we are well on our way to a sustainable economic recovery.

We beg to differ. It is our belief that for the financial challenges the United States is facing to come to an end, four important issues need to be resolved. First, excess housing needs to be eliminated from the system. Second, the savings rate for U.S. citizens needs to go up for a sustained period of time. Third, unemployment needs to go down and confidence needs to be restored in the economy. Finally, and very importantly, banks need to lend and create credit.

Let us start with the good news – housing and the personal savings rate. Based on recent statistics, it appears as though the worst of the housing crisis may be behind us. Housing inventories, which were at 11 months supply a year ago dropped to 9.4 months in June and new home inventory is running at 8.8 months supply. 9.4 months is still a high number as ‘normal’ inventory levels run at about 5 months supply, but it is declining. However, there still may be some rough sledding ahead with foreclosures accelerating in some severely overbuilt markets. But with inventories declining, home prices should stabilize and eventually increase, which bodes well for home values and the housing industry overall.

The other encouraging statistic is the increase in the U.S. savings rate. Although in the near term this does not bode well for the economy because it removes dollars from the system, longer term it will provide a sense of financial stability to the markets. After declining to 1.5% the last several years (it was close to 9% between 1966-1990), the savings rate has recently increased to 4.8%. We view this as a positive sign that consumers’ addiction to debt (and leverage) as a way to finance their lifestyles may be actually coming to an end. We are encouraged by this increase, but until it stays consistently above 7%, we are not ready to declare victory.

Now the bad news – employment and credit creation. We remain very concerned about the unemployment situation in the country. In September 2009, the unemployment rate hit 10% and we believe it will go higher. In looking back at the ending of prior recessions and what happened to employment when the economy strengthened, jobs that were lost in the downturn eventually came back. The problem with the current unemployment situation and why it has such a long-term component is that many of the jobs that are being eliminated are not returning. People will have to find jobs in different fields using different skills and expertise. The last time the U.S. went through a period like we are facing today was the 1930s. The jobs people lost back then were largely in agriculture and they never came back. Workers had to move to the industrial sector – a transition helped by the demands of WWII.

A metric that we have found helpful in measuring true unemployment is a statistic we have written about in the past, U-6. This measures the unemployed plus part-time workers who want full-time work but cannot find a job plus “marginally affected workers.” In September 2009, U-6 jumped to over 17% from 10.6% a year ago. That 17% rate is the equivalent of 26 million people. A key component to restoring confidence in our economy is the unemployment rate and until that substantially improves, we are in for a bumpy road.

The other factor holding back a meaningful economic recovery is the lack of credit creation by banks and financial institutions. Access to credit is being denied at an accelerating pace. Well capitalized companies are having no problems finding credit, but small businesses have never had a harder time getting a loan. This is a critical problem for a recovery because small businesses employ 50% of the country's workforce and contribute 38% of GDP. Without credit, it is very hard for small businesses to grow, hire, and innovate.

So where have all the dollars gone that are part of all the 4 letter programs (i.e. TARP, TALF, PPIP, ARRA)? They have gone to support the too big to fail businesses yet left small companies at a significant disadvantage. Well known bank analyst Meredith Whitney wrote recently in the Wall Street Journal that a disproportionate share of stimulus dollars have gone to Wall Street rather than Main Street. The major financial institutions are devoting more of their capital to speculative activities (trading for their own account or supporting customers who are trading for their own account) and less to making loans to businesses. Because trading is potentially more profitable than lending, the firms would rather trade than provide loans. This is in direct contrast with what the government wanted them to do with the capital they gave to them. Clearly, an interesting outgrowth of the credit crisis is that the same consumers and small businesses that regulators are trying to help are actually being hurt by the substantial reduction in credit.

Overall, we think it is safe to say that the financial panic is over given the scale of government guaranties and as reflected in the recovery of the stock market. The recovery has been fueled by the bailout of the financial system and the extraordinary fiscal and monetary policies. Ironically, the markets are already returning to their speculative ways. Noted economist Michael Levitt wrote recently in the HCM Market Letter, "The stock market has been running its own 'cash for clunkers' program as the shares of the worst companies are trading as though they are AAA. Some attribute it to the deeply embedded culture of speculation that the financial crisis did little to shake."

The U.S. let its economy and financial system become too vulnerable over the last twenty years. We have stabilized the patient but have not totally restored our economy to health. That will undoubtedly take years.

Now onto stocks and your portfolio.

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 percentage of net assets and their share prices are presented as of September 30, 2009.

Among the best performing stocks this quarter were Gerber Scientific (1.4% of net assets as of September 30, 2009), Gaylord Entertainment (1.9%), and Stratasys (1.7%).

Gerber Scientific (GRB - \$5.98 - NYSE) increased 99% during the third quarter. It was only six months ago that Gerber was one of the worst performing stocks in the portfolio when it declined 53% during the first quarter. It is amazing how quickly sentiment can change in such a short period of time. Gerber is a leading global supplier of automated manufacturing systems operating in three niche segments: sign making and specialty graphics, apparel cutting systems, and optical lens processing equipment. The company is well positioned with either the number one or two position in the market with 25-40% share. Earlier in the year, Gerber's business suffered due to challenges in its U.S. business as well as the European markets. As stated

in our March 2009 commentary, CEO Mark Giles and the management team were taking significant steps to reduce costs and sell off noncore assets. In August, Gerber announced the disposal of two assets for over \$30 million in proceeds and also announced significantly improved financial results. We are confident that Gerber's margins will continue to increase from 3% today to a level of 10% in several years.

Stratasys Corporation (SSYS - \$17.16 - Nasdaq) increased 54% in the quarter. Stratasys develops, manufactures, and markets rapid prototype equipment (including 3D printers) and direct digital manufacturing equipment. The company is a pioneer in the development of 3D printing technology that enables users to produce high quality prototypes of components parts and products direct from 3D Computer Aided Design models. Stratasys' 3D printers are much like an office printer but instead of printing a document users download a CAD generated design to a Stratasys printer. The Stratasys printer is filled with a consumable made of plastic filament that produces the shape from the CAD design. Stratasys' rapid prototyping machines gained broad acceptance among many different industries including: automotive, aerospace, toy, consumer electronics, and medical.

Over the past year, Stratasys stock declined due to investor concerns over spending in the capital equipment market. Our investment in late 2008 was based in the belief that demand would return for their products and that management had a strategy to expand operating margins from the present level of 18% into the mid 20% range due to their razor/razorblade model. Furthermore, CEO Scott Crump and his family own over 20% of the company and we were comfortable that management would operate the company in the best interest of shareholders. As market sentiment improved over the past several months and Stratasys demonstrated the resiliency of their business model, the stock gained significantly.

Gaylord Entertainment (GET - \$20.10 - NYSE) increased over 53% during the quarter. Gaylord's primary business is the ownership/operation of four major convention hotels located in Nashville, Orlando, Dallas, and Washington, DC. These four hotels have an average of 1,900 guest rooms and 465,050 square feet of meeting space. Gaylord's operations also include the Grand Ole Opry – one of the most widely recognized country music platforms in the world – and the historic Ryman Auditorium and related assets, including a 300 foot showboat, eighteen hole PGA golf course, country music saloon, and AM radio station. Over the past eighteen months as the economy has slowed, Gaylord's results at its hotels have slowed considerably and their financial results suffered. In this past quarter, investors recognized that the low point in the convention and group business cycle had been hit and that Gaylord's financial results should improve going forward.

The portfolio was not without its disappointments. One of them we would like to discuss is Juhl Wind (0.9%) (JUHL - \$1.98 - OTC). During the quarter Juhl declined over 17%. Juhl develops community based wind farms to generate wind powered electricity. Wind powered electricity has been the center of attention for the Department of Energy (DOE) whose model, "20% Wind Energy by 2030," requires those targets.

Juhl's business model is based on the idea of C-BED (Community Based Energy Development) which are wind energy projects that are locally owned by farmers, investors, businesses, schools, utilities, or other public or private local entities. Because they are locally owned, the projects keep more dollars in communities, preserve local energy independence, have lower operational costs and easier access to the transmission grid. Juhl generates revenue by not only developing the wind farm but also by serving as a liaison between the utility buying that power and the wind farm. CEO Dan Juhl is considered an outstanding innovator in the industry. Our investment in Juhl Wind is based on several factors: our confidence in CEO Dan Juhl and his management team; the robust outlook for wind power generation growth over the next five years; and Juhl's unique business model. We believe that Juhl's stock is significantly undervalued and has the potential to double in the next year.

During the quarter, the market gave us the opportunity to make several new investments. One we would like to highlight is ATC Technology (1.2%).

ATC Technology operates in two segments: logistics services for electronic device manufacturers, and drivetrain manufacturing for large automotive companies. Through the logistics business, the company offers value-added supply chain services to the wireless, high end consumer electronics, broadband, and cable markets. These services include fulfillment, returns management, reverse logistics, repair, and other related services. Through the drivetrain division, the company provides customized remanufacturing services focused on complex light and medium/heavy duty vehicle drivetrain products, i.e., automatic transmissions.

Historically, ATC has been viewed by investors as an automotive services company. Due to the concerns over ATC's exposure to the automotive market as well as disappointment with several customer losses, ATC's stock has been severely punished the last year. We have taken advantage of this short-term perspective, as we believe there is a structural transformation occurring in ATC's business that investors are overlooking. The strong growth of the logistics segment with high margins and extremely attractive returns on capital is overwhelming the company's low growth, capital intensive drivetrain business. CEO Todd Peters and his management team are very focused on Return on Invested Capital (ROIC) and generating higher returns for shareholders going forward. We believe that this focus will eventually lead to ATC disposing of the drivetrain segment and becoming solely a logistics company. This should result in higher returns and a better valuation by the markets as investors fully grasp the powerful economics of ATC's logistics segment.

The portfolio continues to be constructed with a fundamental bottom up investment approach. Therefore, we do not have a Fund that will mirror the performance of the Russell 2000. What we do own is a collection of good businesses that generate free cash flow that we believe are operated by honest and talented management teams, and are disciplined in their capital allocation decisions.

We are deeply grateful for your loyalty and appreciate your support and look forward to communicating with you next quarter.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth M. Lilly". The signature is written in a cursive, slightly slanted style.

Elizabeth M. Lilly, CFA
Portfolio Manager

November 20, 2009

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

Minimum Initial Investment – \$1,000

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

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 open end mutual funds can now elect to receive their Annual, Semiannual, and Quarterly Fund Reports, Manager Commentaries, and Prospectuses via e-delivery. For more information or to sign up for e-delivery, please visit our website at www.gabelli.com.

Top Ten Holdings (Percent of Net Assets) September 30, 2009

Tier Technologies Inc., Cl. B	3.7%	BWAY Holding Co.	2.1%
Discovery Communications Inc.	3.5%	Alberto-Culver Co.	2.1%
Texas Industries Inc.	2.8%	Brink's Home Security Holdings Inc.	2.1%
MTS Systems Corp.	2.2%	Dynamics Research Corp.	2.1%
Toro Co.	2.2%	Lawson Software Inc.	2.0%

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

Multi-Class Shares

The Gabelli Woodland Small Cap Value Fund Class AAA Shares are no-load shares offered directly by selected broker/dealers. Class A and Class C Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available solely to certain institutions which invest directly with the Fund. The minimum initial investment amount for Class I Shares is \$500,000. 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.

Gabelli Woodland Small Cap Value Fund Average Annual Returns — September 30, 2009

	<u>Class AAA Shares</u>	<u>Class A Shares</u>	<u>Class B Shares</u>	<u>Class C Shares</u>	<u>Class I Shares</u>
One Year	(8.99)%	(9.04)% (14.41)(a)	(9.56)% (14.08)(c)	(9.61)% (10.52)(d)	(8.76)%
Three Year	(1.57)	(1.52) (3.50)(a)	(2.36) (3.35)(c)	(2.28) (2.28)	(1.45)
Five Year	2.77	2.82 1.58(a)	1.97 1.60(c)	2.05 2.05	2.85
Since Inception (b)	5.88	5.92 4.97(a)	5.50 5.39	5.17 5.17	5.94
Gross Expense Ratio . . .	2.52	2.52	3.27	3.27	2.27
Current Expense Ratio after Adviser Reimbursements	2.01	2.01	2.76	2.76	1.76
Maximum Sales Charge . .	None	5.75	5.00	1.00	None

Past performance does not guarantee future results. Total returns reflect changes in share price and 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. The Adviser reimbursed expenses to limit the expense ratio. Had such limitation not been in place, returns would have been lower. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com to obtain performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.** Investing in small capitalization securities involves special challenges because these securities may trade less frequently and experience more abrupt price movements than large capitalization securities. The Class AAA Share net asset values (“NAV”) per share are used to calculate performance for the periods prior to the issuance of Class I Shares on January 11, 2008. The actual performance of the Class I Shares would have been higher due to lower expenses related to Class I Shares. Expenses are limited by contract through September 30, 2009.

(a) Includes the effect of the maximum 5.75% sales charge at the beginning of the period.

(b) Performance is calculated since inception on December 31, 2002.

(c) Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the one year, three year, and five year periods of 5%, 3%, and 2%, respectively, of the Fund's NAV at the time of purchase or sale, whichever is lower.

(d) Performance results include the deferred sales charge for the Class C Shares upon redemption at the end of the one year period of 1% of the Fund's NAV at the time of purchase or sale, whichever is lower.

Gabelli Equity Series Funds, Inc.
The Gabelli Woodland Small Cap Value Fund

One Corporate Center
Rye, New York 10580-1422

800-GABELLI

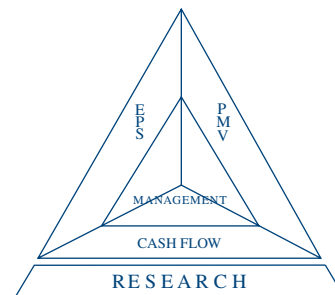
800-422-3554

fax: 914-921-5118

website: www.gabelli.com

e-mail: info@gabelli.com

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



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The Gabelli Woodland Small Cap Value Fund

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

GAB840Q309SC

**SHAREHOLDER COMMENTARY
SEPTEMBER 30, 2009**

The Gabelli Woodland Small Cap Value Fund

Annual Report ^(a) September 30, 2009

To Our Shareholders,

The Gabelli Woodland Small Cap Value Fund's (the "Fund") (Class AAA) total return was (9.0)% for the year ended September 30, 2009, compared with (9.6)% for the Russell 2000 Index and 12.6% for the Value Line Composite Index.

Enclosed are the investment portfolio and financial statements as of September 30, 2009.

Comparative Results

Average Annual Returns through September 30, 2009 (a)(b)

	Quarter	Year to Date	1 Year	3 Year	5 Year	Since Inception (12/31/02)
Gabelli Woodland Small Cap Value Fund						
Class AAA	16.18%	26.00%	(8.99)%	(1.57)%	2.77%	5.88%
Russell 2000 Index	19.28	22.43	(9.55)	(4.57)	2.41	8.37
S&P 500 Index	15.59	19.27	(6.91)	(5.43)	1.01	4.82
Value Line Composite Index	25.36	76.31	12.62	1.68	6.40	11.45
Class A	16.20	25.95	(9.04)	(1.52)	2.82	5.92
	9.52(c)	18.71(c)	(14.41)(c)	(3.50)(c)	1.58(c)	4.97(c)
Class B	15.99	25.36	(9.56)	(2.36)	1.97	5.50
	10.99(d)	20.36(d)	(14.08)(d)	(3.35)(d)	1.60(d)	5.39
Class C	15.91	25.30	(9.61)	(2.28)	2.05	5.17
	14.91(e)	24.30(e)	(10.52)(e)	(2.28)	2.05	5.17
Class I	16.11	26.27	(8.76)	(1.45)	2.85	5.94

In the current prospectus, the gross expense ratios for Class AAA, A, B, C, and I Shares are 2.52%, 2.52%, 3.27%, 3.27%, and 2.27%, respectively. The net expense ratios after contractual reimbursements by Gabelli Funds, LLC (the "Adviser") in place through January 31, 2011 are 2.01%, 2.01%, 2.76%, 2.76%, and 1.76% respectively. Class AAA and I Shares do not have a sales charge. The maximum sales charge for Class A, B, and C Shares is 5.75%, 5.00%, and 1.00%, respectively. Class AAA and Class I Shares do not have a sales charge. See page 9 for the expense ratios for the year ended September 30, 2009.

(a) The Fund's fiscal year ends September 30.

(b) **Returns represent past performance and do not guarantee future results.** Total returns and average annual returns reflect changes in share price and 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. Performance returns for periods of less than one year are not annualized. 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. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.**

The Class AAA Shares net asset values ("NAVs") per share are used to calculate performance for the periods prior to the issuance of Class I Shares on January 11, 2008. The actual performance of Class I Shares would have been higher due to lower expenses associated with this class of shares. Investing in small capitalization securities involves special challenges because these securities may trade less frequently and experience more abrupt price movements than large capitalization securities. The Russell 2000 Index of small U.S. companies, the S&P 500 Index of the largest U.S. companies, and the Value Line Composite Index (comprised of equally weighted positions in every stock covered in the Value Line Investment Survey) are unmanaged indicators of stock market performance. Dividends are considered reinvested. You cannot invest directly in an index.

(c) Includes the effect of the maximum 5.75% sales charge at the beginning of the period.

(d) Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the quarter, year to date, one year, three year, five year and since inception periods of 5%, 5%, 5%, 3% and 2%, respectively, of the Fund's NAV per share at the time of purchase or sale, whichever is lower. Class B Shares are not available for new purchases.

(e) Performance results include the deferred sales charges for the Class C Shares upon redemption at the end of the quarter, year to date, and one year periods of 1% of the Fund's NAV per share at the time of purchase or sale, whichever is lower.

Performance Discussion

The Fund's Class AAA Shares fell 9.0% for the fiscal year ended September 30, 2009 versus the Russell 2000, which declined 9.6%.

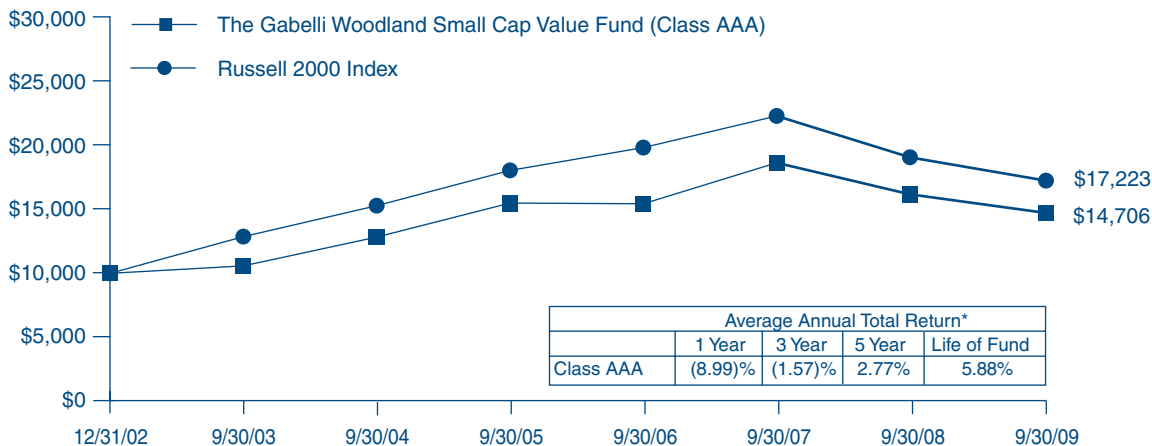
Overall, we think it is safe to say that the financial panic is over, given the scale of government guarantees and as reflected in the recovery of the stock market. The recovery has been fueled by the bailout of the financial system and the extraordinary fiscal and monetary policies.

During the past year, we had several investments that added to our overall performance. Four of the more significant contributors were Tier Technologies Inc. (3.7% of net assets as of September 30, 2009), Discovery Communications Inc. (3.5%), Bway Holding Co. (2.1%), and Gaylord Entertainment Co. (1.9%).

Our weaker performing stocks during the year were SurModics Inc. (1.8%), Immucor Inc. (1.3%), and Midas (0.9%).

The portfolio continues to be constructed with a fundamental bottom up investment approach. Therefore, we do not have a Fund that will mirror the performance of the Russell 2000. What we do own is a collection of good businesses that generate free cash flow that the portfolio manager believes are operated by honest and talented management teams, and are disciplined in their capital allocation decisions.

COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE GABELLI WOODLAND SMALL CAP VALUE FUND CLASS AAA AND THE RUSSELL 2000 INDEX



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

The Gabelli Woodland Small Cap Value Fund

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from April 1, 2009 through September 30, 2009

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 September 30, 2009.

	Beginning Account Value 04/01/09	Ending Account Value 09/30/09	Annualized Expense Ratio	Expenses Paid During Period*
The Gabelli Woodland Small Cap Value Fund				
Actual Fund Return				
Class AAA	\$1,000.00	\$1,471.10	2.01%	\$12.45
Class A	\$1,000.00	\$1,468.60	2.01%	\$12.44
Class B	\$1,000.00	\$1,464.20	2.76%	\$17.05
Class C	\$1,000.00	\$1,465.50	2.75%	\$17.00
Class I	\$1,000.00	\$1,471.20	1.76%	\$10.90
Hypothetical 5% Return				
Class AAA	\$1,000.00	\$1,014.99	2.01%	\$10.15
Class A	\$1,000.00	\$1,014.99	2.01%	\$10.15
Class B	\$1,000.00	\$1,011.23	2.76%	\$13.92
Class C	\$1,000.00	\$1,011.28	2.75%	\$13.87
Class I	\$1,000.00	\$1,016.24	1.76%	\$ 8.90

* 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, then divided by 365.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of September 30, 2009:

The Gabelli Woodland Small Cap Value Fund

Computer Software and Services	18.4%	U.S. Government Obligations	2.6%
Diversified Industrial	12.2%	Food and Beverage	2.5%
Health Care	10.2%	Consumer Services	2.1%
Business Services	8.0%	Automotive: Parts and Accessories	2.0%
Equipment and Supplies	5.9%	Hotels and Gaming	1.9%
Aerospace	5.6%	Retail	1.9%
Entertainment	4.6%	Specialty Chemicals	1.2%
Machinery	4.5%	Telecommunications	1.1%
Energy and Utilities	4.3%	Transportation	0.9%
Consumer Products	4.1%	Restaurants	0.8%
Publishing	3.4%	Other Assets and Liabilities(Net)	(1.2)%
Financial Services	3.0%		<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, the last of which was filed for the quarter ended June 30, 2009. 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 1-800-SEC-0330.

Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30th, no later than August 31st 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 Woodland Small Cap Value Fund

Schedule of Investments (Continued) — September 30, 2009

<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>
COMMON STOCKS (Continued)			
Hotels and Gaming — 1.9%			
5,370	Gaylord Entertainment Co.† ..	\$ 40,893	\$ 107,937
Machinery — 4.5%			
6,764	Key Technology Inc.†	80,211	72,713
3,500	Robbins & Myers Inc.	69,482	82,180
1,200	Valmont Industries Inc.	66,661	102,216
		<u>216,354</u>	<u>257,109</u>
Publishing — 3.4%			
7,900	Dolan Media Co.†	105,439	94,721
4,000	Scholastic Corp.	47,550	97,360
		<u>152,989</u>	<u>192,081</u>
Restaurants — 0.8%			
8,000	Famous Dave's of America Inc.†	49,700	46,800
Retail — 1.9%			
1,800	J. Crew Group Inc.†	21,936	64,476
2,500	Shutterfly Inc.†	24,237	41,575
		<u>46,173</u>	<u>106,051</u>
Specialty Chemicals — 1.2%			
1,260	FMC Corp.	48,289	70,875
Telecommunications — 1.1%			
7,400	HickoryTech Corp.	56,094	63,270
Transportation — 0.9%			
1,700	Bristow Group Inc.†	45,028	50,473
	TOTAL COMMON STOCKS	<u>5,035,966</u>	<u>5,614,517</u>
Principal Amount			
U.S. GOVERNMENT OBLIGATIONS — 2.6%			
\$150,000	U.S. Treasury Bills, 0.167% to 0.177%††, 10/15/09	149,990	149,990
	TOTAL		
	INVESTMENTS — 101.2% ..	<u>\$5,185,956</u>	5,764,507
	Other Assets and Liabilities (Net) — (1.2)% ..		(71,156)
	NET ASSETS — 100.0%		<u>\$5,693,351</u>

† Non-income producing security.

†† Represents annualized yield at date of purchase.

See accompanying notes to financial statements.

The Gabelli Woodland Small Cap Value Fund

Statement of Assets and Liabilities September 30, 2009

Assets:	
Investments, at value (cost \$5,185,956)	\$ 5,764,507
Cash	11,160
Receivable for Fund shares sold	984
Dividends and interest receivable	1,612
Prepaid expenses	16,187
Total Assets	<u>5,794,450</u>
Liabilities:	
Payable for investments purchased	58,445
Payable for investment advisory fees	3,354
Payable for distribution fees	1,220
Payable for legal and audit fees	24,541
Payable for shareholder communications expenses	8,165
Other accrued expenses	5,374
Total Liabilities	<u>101,099</u>
Net Assets applicable to 721,806 shares outstanding	<u>\$ 5,693,351</u>
Net Assets Consist of:	
Paid-in capital, each class at \$0.001 par value ...	\$ 6,619,176
Accumulated net realized loss on investments ...	(1,504,376)
Net unrealized appreciation on investments	578,551
Net Assets	<u>\$ 5,693,351</u>
Shares of Capital Stock	
Class AAA:	
Net Asset Value, offering, and redemption price per share (\$5,461,984 ÷ 691,623 shares outstanding; 100,000,000 shares authorized) ...	<u>\$7.90</u>
Class A:	
Net Asset Value and redemption price per share (\$50,187 ÷ 6,304 shares outstanding; 50,000,000 shares authorized)	<u>\$7.96</u>
Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price)	<u>\$8.45</u>
Class B:	
Net Asset Value and offering price per share (\$143.41 ÷ 18.49 shares outstanding; 50,000,000 shares authorized)	<u>\$7.76(a)</u>
Class C:	
Net Asset Value and offering price per share (\$121,694 ÷ 16,380 shares outstanding; 50,000,000 shares authorized)	<u>\$7.43(a)</u>
Class I:	
Net Asset Value, offering, and redemption price per share (\$59,343 ÷ 7,480 shares outstanding; 50,000,000 shares authorized)	<u>\$7.93</u>

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

Statement of Operations For the Year Ended September 30, 2009

Investment Income:	
Dividends	\$ 46,211
Interest	305
Total Investment Income	<u>46,516</u>
Expenses:	
Investment advisory fees	47,803
Distribution fees – Class AAA	11,439
Distribution fees – Class A	95
Distribution fees – Class B	1
Distribution fees – Class C	1,099
Registration expenses	30,924
Shareholder communications expenses	19,915
Legal and audit fees	19,831
Shareholder services fees	12,548
Custodian fees	9,146
Interest expense	484
Directors' fees	225
Miscellaneous expenses	6,759
Total Expenses	<u>160,269</u>
Less:	
Fees waived and expenses reimbursed by Adviser (See Note 3)	<u>(63,496)</u>
Net Expenses	<u>96,773</u>
Net Investment Loss	<u>(50,257)</u>
Net Realized and Unrealized Gain/(Loss) on Investments:	
Net realized loss on investments	(1,491,355)
Net change in unrealized appreciation/ depreciation on investments	<u>509,146</u>
Net Realized and Unrealized Gain/(Loss) on Investments	<u>(982,209)</u>
Net Decrease in Net Assets Resulting from Operations	<u>\$(1,032,466)</u>

See accompanying notes to financial statements.

The Gabelli Woodland Small Cap Value Fund

Statement of Changes in Net Assets

	<u>Year Ended</u> <u>September 30, 2009</u>	<u>Year Ended</u> <u>September 30, 2008</u>
Operations:		
Net investment loss	\$ (50,257)	\$ (65,989)
Net realized gain/(loss) on investments	(1,491,355)	369,935
Net change in unrealized appreciation/depreciation on investments	<u>509,146</u>	<u>(1,505,525)</u>
Net Decrease in Net Assets Resulting from Operations	<u>(1,032,466)</u>	<u>(1,201,579)</u>
Distributions to Shareholders:		
Net realized gain		
Class AAA	(301,983)	(1,262,098)
Class A	(2,225)	(9,144)
Class B	(7)	(26)
Class C	(6,124)	(43,337)
Class I	<u>(3,246)</u>	<u>—</u>
Total Distributions to Shareholders	<u>(313,585)</u>	<u>(1,314,605)</u>
Capital Share Transactions:		
Class AAA	(556,713)	703,505
Class A	5,845	3,296
Class B	7	27
Class C	(2,199)	(69,071)
Class I	<u>(3,163)</u>	<u>73,953</u>
Net Increase/(Decrease) in Net Assets from Capital Share Transactions	<u>(556,223)</u>	<u>711,710</u>
Redemption Fees	<u>7</u>	<u>1</u>
Net Decrease in Net Assets	<u>(1,902,267)</u>	<u>(1,804,473)</u>
Net Assets:		
Beginning of period	<u>7,595,618</u>	<u>9,400,091</u>
End of period (including undistributed net investment income of \$0 and \$0, respectively)	<u>\$ 5,693,351</u>	<u>\$ 7,595,618</u>

See accompanying notes to financial statements.

The Gabelli Woodland Small Cap Value Fund

Financial Highlights

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

Period Ended September 30	Income from Investment Operations				Distributions			Ratios to Average Net Assets/ Supplemental Data							
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)(b)	Net Realized and Unrealized Gain (Loss) on Investments	Total Investment Operations	Net Investment Income	Net Realized Gain on Investments	Total Distributions	Redemption Fees(a)	Net Asset Value, End of Period	Total Return†	Net Assets End of Period (in 000's)	Net Investment Income (Loss)(b)	Expenses Net of Waivers/ Reimburse-ments(c)	Expenses Before Waivers/ Reimburse-ments(d)	Portfolio Turnover Rate††
Class AAA															
2009	\$ 9.30	\$(0.07)	\$(0.92)	\$(0.99)	—	\$(0.41)	\$(0.41)	\$0.00(e)	\$ 7.90	(8.99)%	\$ 5,462	(1.04)%	2.01%(f)	3.34%	62%
2008	12.61	(0.08)	(1.43)	(1.51)	—	(1.80)	(1.80)	0.00(e)	9.30	(13.20)	7,327	(0.80)	2.01(f)	2.52	58
2007	13.35	0.05	2.44	2.49	\$(0.06)	(3.17)	(3.23)	0.00(e)	12.61	20.71	9,040	0.38	2.01(f)	2.33	51
2006	14.64	(0.12)	0.07	(0.05)	—	(1.24)	(1.24)	0.00(e)	13.35	(0.35)	9,137	(0.84)	2.01(f)	2.31	59
2005	12.79	(0.11)	2.69	2.58	—	(0.73)	(0.73)	0.00(e)	14.64	20.67	11,839	(0.78)	2.01	2.99	35
Class A															
2009	\$ 9.37	\$(0.07)	\$(0.93)	\$(1.00)	—	\$(0.41)	\$(0.41)	\$0.00(e)	\$ 7.96	(9.04)%	\$ 50	(1.06)%	2.01%(f)	3.34%	62%
2008	12.69	(0.08)	(1.44)	(1.52)	—	(1.80)	(1.80)	0.00(e)	9.37	(13.19)	51	(0.80)	2.01(f)	2.52	58
2007	13.36	0.13	2.39	2.52	\$(0.02)	(3.17)	(3.19)	0.00(e)	12.69	20.94	65	1.00	2.01(f)	2.33	51
2006	14.65	(0.12)	0.07	(0.05)	—	(1.24)	(1.24)	0.00(e)	13.36	(0.36)	100	(0.83)	2.01(f)	2.31	59
2005	12.79	(0.09)	2.68	2.59	—	(0.73)	(0.73)	0.00(e)	14.65	20.76	108	(0.88)	2.01	3.17	35
Class B															
2009	\$ 9.20	\$(0.12)	\$(0.91)	\$(1.03)	—	\$(0.41)	\$(0.41)	—	\$ 7.76	(9.56)%	\$ 0.1	(1.80)%	2.76%(f)	4.09%	62%
2008	12.60	(0.16)	(1.44)	(1.60)	—	(1.80)	(1.80)	—	9.20	(14.04)	0.1	(1.68)	2.76(f)	3.27	58
2007	13.37	(0.09)	2.49	2.40	—	(3.17)	(3.17)	\$0.00(e)	12.60	19.73	0.1	(0.68)	2.76(f)	3.07	51
2006	14.77	(0.25)	0.09	(0.16)	—	(1.24)	(1.24)	0.00(e)	13.37	(1.19)	0.1	(1.77)	2.76(f)	3.06	59
2005	12.98	(0.21)	2.73	2.52	—	(0.73)	(0.73)	0.00(e)	14.77	19.86	0.1	(1.50)	2.75	3.87	35
Class C															
2009	\$ 8.84	\$(0.11)	\$(0.89)	\$(1.00)	—	\$(0.41)	\$(0.41)	\$0.00(e)	\$ 7.43	(9.61)%	\$ 122	(1.78)%	2.76%(f)	4.09%	62%
2008	12.16	(0.15)	(1.37)	(1.52)	—	(1.80)	(1.80)	0.00(e)	8.84	(13.86)	146	(1.58)	2.76(f)	3.27	58
2007	13.00	(0.03)	2.36	2.33	—	(3.17)	(3.17)	0.00(e)	12.16	19.84	295	0.26	2.76(f)	3.08	51
2006	14.39	(0.21)	0.06	(0.15)	—	(1.24)	(1.24)	0.00(e)	13.00	(1.11)	425	(1.58)	2.76(f)	3.06	59
2005	12.66	(0.20)	2.66	2.46	—	(0.73)	(0.73)	0.00(e)	14.39	19.91	189	(1.46)	2.76	3.87	35
Class I															
2009	\$ 9.31	\$(0.05)	\$(0.92)	\$(0.97)	—	\$(0.41)	\$(0.41)	\$0.00(e)	\$ 7.93	(8.76)%	\$ 59	(0.79)%	1.76%(f)	3.09%	62%
2008(g)	9.41	(0.03)	(0.07)	(0.10)	—	—	—	0.00(e)	9.31	(1.06)	72	(0.44)(h)	1.76(f)(h)	2.27(h)	58

† 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.

†† Effective in 2008, a change in accounting policy was adopted with regard to the calculation of the portfolio turnover rate to include cash proceeds due to mergers. Had this policy been adopted retroactively, the portfolio turnover rate for the years ended September 30, 2007, 2006, and 2005 would have been as shown.

- (a) Per share amounts have been calculated using the average shares outstanding method.
- (b) Due to capital share activity throughout the year, net investment income per share and the ratio to average net assets are not necessarily correlated among the different classes of shares.
- (c) The ratios do not include a reduction of expenses for custodian fee credits on cash balances maintained with the custodian. Including such custodian fee credits, the expense ratios for the year ended September 30, 2005 would have been 2.00% (Class AAA), 2.00% (Class A), 2.75% (Class B), and 2.75% (Class C), respectively. For the years ended September 30, 2008, 2007, and 2006, the effect of the custodian fee credits was minimal. For the year ended September 30, 2009, there were no custodian fee credits.
- (d) During the period, expenses were voluntarily reduced and/or reimbursed. If such fee reductions and/or reimbursements had not occurred, the ratio would have been as shown.
- (e) Amount represents less than \$0.005 per share.
- (f) The Fund incurred interest expense during the years ended September 30, 2009, 2008, 2007, and 2006. If interest expense had not been incurred, the ratios of operating expenses to average net assets would have been 2.00%, 2.00%, 2.00%, and 2.00% (Class AAA and Class A), 2.75%, 2.75%, 2.75%, and 2.75% (Class B and Class C), and 1.75% and 1.75% (Class I), respectively.
- (g) From the commencement of offering Class I Shares on January 11, 2008 through September 30, 2008.
- (h) Annualized.

See accompanying notes to financial statements.

The Gabelli Woodland Small Cap Value Fund

Notes to Financial Statements

1. Organization. The Gabelli Woodland Small Cap Value Fund (the “Fund”) is a series of Gabelli Equity Series Funds, Inc. (the “Corporation”), which was organized on July 25, 1991 as a Maryland corporation. The Fund is a non-diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), and one of three separately managed portfolios (collectively, the “Portfolios”) of the Corporation. The Fund’s primary objective is capital appreciation. The Fund’s Adviser currently characterizes small capitalization companies for the Fund as those with a total market value at the time of investment not greater than that of the largest company in the Russell 2000 Index or \$3.0 billion, whichever is greater. The Fund commenced investment operations on December 31, 2002.

2. Significant Accounting Policies. The preparation of financial statements in accordance with United States (“U.S.”) generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the 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 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. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value American Depositary Receipt securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The Gabelli Woodland Small Cap Value Fund Notes to Financial Statements (Continued)

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

- Level 1 – quoted prices in active markets for identical securities;
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 – significant unobservable inputs (including the Fund's determinations as to the fair value of investments).

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 by inputs used to value the Fund's investments as of September 30, 2009 is as follows:

<u>Valuation Inputs</u>	<u>Investments in Securities (Market Value) Assets</u>
Level 1 – Quoted Prices*	\$5,614,517
Level 2 – Other Significant Observable Inputs**	149,990
Total	<u>\$5,764,507</u>

* The industry classifications are detailed in the Schedule of Investments.

** The Level 2 securities represent U.S. Government Obligations as detailed in the Schedule of Investments.

There were no Level 3 investments held at September 30, 2008 or September 30, 2009.

Repurchase Agreements. The Fund may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Board, with member banks of the Federal Reserve System, or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. It is the policy of the Fund to always receive and maintain securities as collateral whose market value, including accrued interest, is at least equal to 102% of the dollar amount invested by the Fund in each agreement. The Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited. At September 30, 2009, there were no open repurchase agreements.

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 ability 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 those of securities of comparable U.S. issuers.

The Gabelli Woodland Small Cap Value Fund Notes to Financial Statements (Continued)

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

Securities Transactions and Investment Income. Securities transactions are accounted for on the trade date with realized gain or 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 which are recorded as soon as the Fund is informed of the dividend.

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.

Custodian Fee Credits and Interest Expense. When cash balances are maintained in the custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under the custody arrangement are included in custodian fees in the Statement of Operations with the corresponding expense offset, if any, shown as "custodian fee credits." When cash balances are overdrawn, the Fund is charged an overdraft fee equal to 2.00% above the federal funds rate on outstanding balances. This amount, if any, would be included in "interest expense" in the Statement of Operations.

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 U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. These reclassifications have no impact on the NAV of the Fund. For the year ended September 30, 2009, reclassifications were made to decrease accumulated net investment loss by \$50,257, with an offsetting adjustment to additional paid-in capital.

The tax character of distributions paid during the years ended September 30, 2009 and September 30, 2008 was as follows:

	<u>Year Ended</u> <u>September 30, 2009</u>	<u>Year Ended</u> <u>September 30, 2008</u>
Distributions paid from:		
Ordinary income		
(inclusive of short-term capital gains)	—	\$ 28,446
Net long-term capital gains	\$313,533	1,286,159
Return of capital	52	—
Total distributions paid	<u>\$313,585</u>	<u>\$1,314,605</u>

The Gabelli Woodland Small Cap Value Fund

Notes to Financial Statements (Continued)

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 September 30, 2009, the components of accumulated earnings/losses on a tax basis were as follows:

Accumulated capital loss carryforward	\$(279,715)
Net unrealized appreciation on investments	565,325
Post-October capital loss deferral	(1,211,435)
Total	<u>\$(925,825)</u>

At September 30, 2009, the Fund had a net capital loss carryforward for federal income tax purposes of \$279,715, which is available to reduce future required distributions of net capital gains to shareholders through 2017.

Under the current tax law, capital losses related to securities and foreign currency realized after October 31 and prior to the Fund’s fiscal year end may be treated as occurring on the first day of the following year. For the year ended September 30, 2009, the Fund deferred capital losses of \$1,211,435.

At September 30, 2009, the difference between book and tax basis unrealized appreciation is primarily due to deferral of losses on wash sales for tax purposes.

The following summarizes the tax cost of investments and the related unrealized appreciation/depreciation at September 30, 2009:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$5,199,182	\$977,337	\$(412,012)	\$565,325

Management has analyzed the Fund’s tax positions taken on federal income tax returns for all open tax years (current and prior three tax years) and has concluded that no provision for federal income tax is required in the Fund’s financial statements. The Fund’s federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

3. Investment Advisory Agreement and Other Transactions. The Fund has 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.

The Adviser has contractually agreed to waive its fees and reimburse expenses of the Fund to the extent necessary to maintain the annualized total operating expenses (exclusive of brokerage fees, interest, taxes, and extraordinary expenses) at 2.00%, 2.00%, 2.75%, 2.75%, and 1.75% of the value of the Fund’s average daily net assets for Class AAA, Class A, Class B, Class C, and Class I Shares, respectively, through January 31, 2011.

The Gabelli Woodland Small Cap Value Fund

Notes to Financial Statements (Continued)

For the year ended September 30, 2009, the Adviser reimbursed the Fund in the amount of \$63,496. The Fund is obliged to repay the Adviser for a period of two years following the year in which the Adviser reimbursed the Fund only to the extent that the operating expenses of the Fund fall below the applicable expense limitations. At September 30, 2009, the cumulative amount which the Fund may repay the Adviser is \$104,647.

The Corporation pays each Director who is not considered an affiliated person an annual retainer of \$9,000 plus \$1,000 for each Board meeting attended. Each Director is reimbursed by the Corporation for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended and the Chairman of the Audit Committee and the Lead Director each receive an annual fee of \$1,000. A Director may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Corporation.

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. Gabelli & Company, Inc. ("Gabelli & Company"), an affiliate of the Adviser, serves as distributor of the Fund. Under the Class AAA, Class A, Class B, and Class C Share Plans, payments are authorized to Gabelli & Company at annual rates of 0.25%, 0.25%, 1.00%, 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 for the year ended September 30, 2009, other than short-term securities and U.S. Government obligations, aggregated \$3,004,717 and \$3,825,784, respectively.

6. Line of Credit. The Fund participates in an unsecured line of credit 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 bear interest at the higher of the sum of the overnight LIBOR plus 100 basis points or the sum of the federal funds rate plus 100 basis points at the time of borrowing. This amount, if any, would be included in "interest expense" in the Statement of Operations. At September 30, 2009, 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 September 30, 2009 was \$5,767 with a weighted average interest rate of 0.97%. The maximum amount borrowed at any time during the year ended September 30, 2009 was \$247,000.

7. Capital Stock. The Fund offers five classes of shares – Class AAA Shares, Class A Shares, Class B Shares, Class C Shares, and Class I Shares. Class AAA Shares are offered without a sales charge only to investors who acquire them directly from Gabelli & Company, or through selected broker/dealers, or the transfer agent. Class I Shares are offered to foundations, endowments, institutions, and employee benefit plans without a sales charge. Class A Shares are subject to a maximum front-end sales charge of 5.75%. Class B Shares are subject to a contingent deferred sales charge ("CDSC") upon redemption within six years of purchase and automatically convert to Class A Shares approximately eight years after the original purchase. The applicable CDSC is equal to a declining percentage of the lesser of the NAV per share at the date of the original purchase or at the date of redemption, based on the length of time held. Class C Shares are subject to a 1.00% CDSC for one year after purchase. Class B Shares are available only through exchange of Class B Shares of other funds distributed by Gabelli & Company. Class I Shares were first issued on January 11, 2008.

The Gabelli Woodland Small Cap Value Fund

Notes to Financial Statements (Continued)

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. The redemption fees retained by the Fund during the years ended September 30, 2009 and 2008, amounted to \$7 and \$1, respectively.

The redemption fee does not apply to redemptions of shares where (i) the shares were purchased through automatic reinvestment of distributions, (ii) the redemption was initiated by the Fund, (iii) the shares were purchased through programs that collect the redemption fee at the program level and remit them to the Fund, or (iv) the shares were purchased through programs that the Adviser determines to have appropriate anti-short-term trading policies in place or as to which the Adviser has received assurances that look-through redemption fee procedures or effective anti-short-term trading policies and procedures are in place.

Transactions in shares of capital stock were as follows:

	Year Ended September 30, 2009		Year Ended September 30, 2008	
	Shares	Amount	Shares	Amount
	Class AAA		Class AAA	
Shares sold	157,059	\$ 959,441	66,401	\$ 658,099
Shares issued upon reinvestment of distributions	50,701	290,012	124,080	1,259,410
Shares redeemed	(304,082)	(1,806,166)	(119,232)	(1,214,004)
Net increase/(decrease)	<u>(96,322)</u>	<u>\$ (556,713)</u>	<u>71,249</u>	<u>\$ 703,505</u>
	Class A		Class A	
Shares sold	463	\$ 3,620	343	\$ 3,299
Shares issued upon reinvestment of distributions	386	2,225	895	9,144
Shares redeemed	—	—	(874)	(9,147)
Net increase	<u>849</u>	<u>\$ 5,845</u>	<u>364</u>	<u>\$ 3,296</u>
	Class B		Class B	
Shares issued upon reinvestment of distributions	2	\$ 7	2	\$ 27
Net increase	<u>2</u>	<u>\$ 7</u>	<u>2</u>	<u>\$ 27</u>
	Class C		Class C	
Shares sold	9,388	\$ 50,275	282	\$ 3,502
Shares issued upon reinvestment of distributions	1,132	6,124	4,463	43,337
Shares redeemed	(10,624)	(58,598)	(12,531)	(115,910)
Net decrease	<u>(104)</u>	<u>\$ (2,199)</u>	<u>(7,786)</u>	<u>\$ (69,071)</u>
	Class I		Class I*	
Shares sold	4,217	\$ 27,230	8,531	\$ 81,394
Shares issued upon reinvestment of distributions	567	3,246	—	—
Shares redeemed	(5,044)	(33,639)	(791)	(7,441)
Net increase/(decrease)	<u>(260)</u>	<u>\$ (3,163)</u>	<u>7,740</u>	<u>\$ 73,953</u>

* From the commencement of offering Class I Shares on January 11, 2008.

The Gabelli Woodland Small Cap Value Fund

Notes to Financial Statements (Continued)

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 and expects the risk of loss to be remote.

9. Other Matters. On April 24, 2008, the Adviser entered into an administrative settlement with the SEC to resolve the SEC's inquiry regarding prior frequent trading activity in shares of the GAMCO Global Growth Fund (the "Global Growth Fund") by one investor who was banned from the Global Growth Fund in August 2002. In the settlement, the SEC found that the Adviser had violated Section 206(2) of the Investment Advisers Act, Section 17(d) of the 1940 Act, and Rule 17d-1 thereunder, and had aided and abetted and caused violations of Section 12(d)(1)(B)(i) of the 1940 Act. Under the terms of the settlement, the Adviser, while neither admitting nor denying the SEC's findings and allegations, agreed, among other things, to pay the previously reserved total of \$16 million (including a \$5 million penalty), of which at least \$11 million will be distributed to shareholders of the Global Growth Fund in accordance with a plan developed by an independent distribution consultant and approved by the independent directors of the Global Growth Fund and the staff of the SEC, and to cease and desist from future violations of the above referenced federal securities laws. The settlement will not have a material adverse impact on the Adviser or its ability to fulfill its obligations under the Advisory Agreement. On the same day, the SEC filed a civil action against the Executive Vice President and Chief Operating Officer of the Adviser, alleging violations of certain federal securities laws arising from the same matter including the Fund. The officer is also an officer of the Global Growth Fund and other funds in the Gabelli/GAMCO fund complex. The officer denies the allegations and is continuing in his positions with the Adviser and the funds. The Adviser currently expects that any resolution of the action against the officer will not have a material adverse impact on the Fund or the Adviser or its ability to fulfill its obligations under the Advisory Agreement.

10. Subsequent Events. Management has evaluated the impact of all subsequent events on the Fund through November 24, 2009, the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
The Gabelli Woodland Small Cap Value Fund

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Gabelli Woodland Small Cap Value Fund (the "Fund"), a series of Gabelli Equity Series Funds, Inc., as of September 30, 2009, 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 periods indicated therein. 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 September 30, 2009, 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 Gabelli Woodland Small Cap Value Fund, a series of Gabelli Equity Series Funds, Inc., at September 30, 2009, 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 periods indicated therein, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Philadelphia, Pennsylvania
November 24, 2009

The Gabelli Woodland Small Cap Value Fund Additional Fund Information (Unaudited)

The business and affairs of the Fund are managed under the direction of the Corporation's Board of Directors. Information pertaining to the Directors and officers of the Corporation is set forth below. The Corporation's Statement of Additional Information includes additional information about the Corporation's Directors and is available, without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Woodland Small Cap Value 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 Director</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Director³</u>
INTERESTED DIRECTORS⁴:				
Mario J. Gabelli Director and Chief Investment Officer Age: 67	Since 1991	26	Chairman and Chief Executive Officer 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 in the Gabelli/GAMCO Funds complex; Chairman and Chief Executive Officer of GGCP, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board of LICIT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications)
John D. Gabelli Director Age: 65	Since 1991	10	Senior Vice President of Gabelli & Company, Inc.	—
INDEPENDENT DIRECTORS⁵:				
Anthony J. Colavita Director Age: 73	Since 1991	36	President of the law firm of Anthony J. Colavita, P.C.	—
Vincent D. Enright Director Age: 65	Since 1991	16	Former Senior Vice President and Chief Financial Officer of KeySpan Corporation (public utility) (1994–1998)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics)
Robert J. Morrissey Director Age: 70	Since 1991	6	Partner in the law firm of Morrissey, Hawkins & Lynch	—
Anthony R. Pustorino Director Age: 84	Since 1991	13	Certified Public Accountant; Professor Emeritus, Pace University	Director of The LGL Group, Inc. (diversified manufacturing)
Anthonie C. van Ekris Director Age: 75	Since 1991	20	Chairman of BALMAC International, Inc. (commodities and futures trading)	—
Salvatore J. Zizza Director Age: 63	Since 2001	28	Chairman of Zizza & Company, Ltd. (consulting)	Director of Hollis-Eden Pharmaceuticals (biotechnology); Director of Trans-Lux Corporation (business services)

The Gabelli Woodland Small Cap Value Fund Additional Fund Information (Unaudited) (Continued)

<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 and Secretary Age: 57	Since 1991	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988 and an officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex; President of Teton Advisors, Inc. 1998 through 2008; Chairman of Teton Advisors, Inc. since 2008; Senior Vice President of GAMCO Investors, Inc. since 2008
Agnes Mullady Treasurer Age: 51	Since 2006	Senior Vice President of GAMCO Investors, Inc. since 2009, Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex; Senior Vice President of U.S. Trust Company, N.A. and Treasurer and Chief Financial Officer of Excelsior Funds from 2004 through 2005; Chief Financial Officer of AMIC Distribution Partners from 2002 through 2004
Peter D. Goldstein Chief Compliance Officer Age: 56	Since 2004	Director of Regulatory Affairs at GAMCO Investors, Inc. since 2004; Chief Compliance Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex

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 Corporation'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 (i.e. public companies) or other investment companies registered under the 1940 Act.

⁴ "Interested person" of the Fund as defined in the Investment Company Act of 1940. Messrs. Gabelli are each considered an "interested person" because of their affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser. Mario J. Gabelli and John D. Gabelli are brothers.

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

2009 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the year ended September 30, 2009, the Fund paid to shareholders long-term capital gains totaling \$0.41 for all classes on November 26, 2008. The distributions of long-term capital gains have been designated as a capital gain dividend by the Fund's Board of Directors.

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.

Gabelli Equity Series Funds, Inc.
The Gabelli Woodland Small Cap Value Fund

One Corporate Center
Rye, New York 10580-1422

800-GABELLI

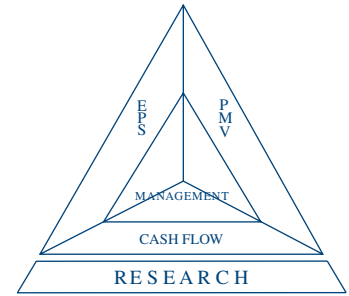
800-422-3554

fax: 914-921-5118

website: www.gabelli.com

e-mail: info@gabelli.com

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



Board of Directors

Mario J. Gabelli, CFA
*Chairman and Chief
Executive Officer
GAMCO Investors, Inc.*

Robert J. Morrissey
*Attorney-at-Law
Morrissey, Hawkins & Lynch*

Anthony J. Colavita
*President
Anthony J. Colavita, P.C.*

Anthony R. Pustorino
*Certified Public Accountant,
Professor Emeritus
Pace University*

Vincent D. Enright
*Former Senior Vice President
and Chief Financial Officer
KeySpan Corp.*

Anthonie C. van Ekris
*Chairman
BALMAC International, Inc.*

John D. Gabelli
*Senior Vice President
Gabelli & Company, Inc.*

Salvatore J. Zizza
*Chairman
Zizza & Co., Ltd.*

Officers and Portfolio Manager

Elizabeth M. Lilly, CFA
Portfolio Manager

Bruce N. Alpert
President and Secretary

Peter D. Goldstein
Chief Compliance Officer

Agnes Mullady
Treasurer

Distributor

Gabelli & Company, Inc.

Custodian, Transfer Agent, and Dividend Agent

State Street Bank and Trust Company

Legal Counsel

Skadden, Arps, Slate, Meagher & Flom LLP

The Gabelli Woodland Small Cap Value Fund

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

GAB840Q309SR

**ANNUAL REPORT
SEPTEMBER 30, 2009**