

# Gabelli Capital Asset Fund Quarter End • June 30, 2008

## (A Variable Annuity Option)

### Fund Characteristics

- The Gabelli Capital Asset Fund is an open-end, diversified, management investment company whose investment objective is growth of capital. Investments will be made based on management's perception of their potential for capital appreciation.
- Current income is a secondary investment objective. The Fund seeks out undervalued companies with greater than average potential for growth.

### CUSIP NUMBER

Cusip 36239J105

Shares of the Fund are available to the public only through the purchase of certain variable annuity and variable life insurance contracts issued by the Guardian Insurance & Annuity Company, Inc.

### Portfolio Management



**Mario J. Gabelli, CFA** is Chairman, Chief Executive Officer and Chief Investment Officer of Value Products for GAMCO Investors, Inc., which he founded in 1977. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia University Graduate School of Business, and an Honorary Doctorate Degree from Roger Williams University.

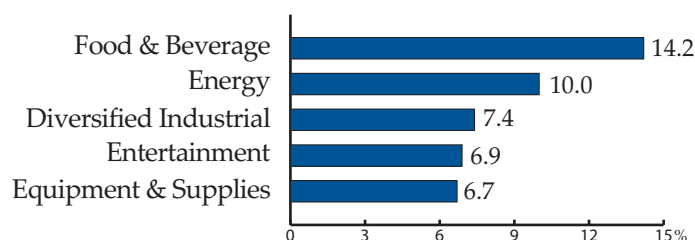
### Portfolio Highlights

Total Net Assets	\$177 million
Number of Holdings	197
NAV (Class AAA)	\$15.91
Stocks	100%
U.S. Treasury Bills	0.0%
Turnover	24.0%
Expense Ratio (Class AAA)	1.15%
Inception Date	5/1/95

### Top Ten Holdings

Honeywell International Inc.	2.3%
General Mills Inc.	2.3
The Coca-Cola Co.	2.2
Diageo Plc	2.1
Cablevision Systems Corp., Cl. A	2.1
American Express Co.	1.9
Viacom Inc., Cl. A	1.7
Allegheny Energy Inc.	1.7
Waste Management Inc.	1.6
Pfizer Inc.	1.5

### Top Sectors - % of Portfolio



The top ten holdings and sectors listed are not necessarily representative of the entire portfolio and are subject to change. The most recent quarterly report, which contains a more extensive list of holdings, is available from Guardian Investor Services Corporation at 7 Hanover Square, NY, NY 10004 (800-221-3253) or by contacting the distributor, Gabelli & Company, Inc.

The Fund's share price will fluctuate with changes in the market value of the Fund's portfolio securities. Stocks are subject to market, economic and business risks that cause their prices to fluctuate. When you sell Fund shares, they may be worth less than what you paid for them. Consequently, you can lose money by investing in the Fund.

Investors should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. The prospectus, which contains more complete information about this and other matters, should be read carefully before investing.

Important information including performance history on reverse.

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### Performance

#### Average Annual Returns as of 6/30/08

	Cumulative Return	Average Annual Return
1 Year	(16.88)%	(16.88)%
5 Year	59.54	9.79
10 Year	97.93	7.07
Since Inception	285.84	10.80

	Class AAA
Gross Expense Ratio <sup>1</sup>	1.15%
Maximum Sales Charge	None

<sup>1</sup> Expense ratio based on prospectus dated April 30, 2008.

#### Total Return Performance History

	Class AAA Shares	S&P 500 Index
2008 YTD	(14.7)%	(11.9)%
2007	9.1	5.5
2006	11.7	11.8
2005	2.0	4.9
2004	15.5	10.9
2003	35.5	28.7
2002	(14.3)	(22.1)
2001	2.6	(11.9)
2000	5.6	(9.1)
1999	19.8	21.0
1998	42.6	28.6
1997	42.0	33.3
1996	11.0	23.0
1995*	8.4	21.8

\* From inception on 5/1/95.

Past performance is no guarantee of future results. Total return and average annual returns are historical and reflect changes in share price, reinvestment of dividends and capital gains and are net of expenses. Due to market volatility, current performance may be lower or higher than the figures shown. Investment return and principal value will fluctuate so, upon redemption, shares may be worth more or less than their original cost. To obtain the most recent month-end performance information, please call 800-GABELLI or visit [www.gabelli.com/funds](http://www.gabelli.com/funds). The S&P 500 Index is an unmanaged indicator of stock market performance and is adjusted for reinvestment of dividends.

Not FDIC Insured. Not Bank Guaranteed. May Lose Value.

Distributed by Gabelli & Company, Inc. One Corporate Center, Rye, NY 10580

For a prospectus, current performance and additional information, visit our website at:

**[www.gabelli.com/funds](http://www.gabelli.com/funds)**

or call

**800-GABELLI**

800-422-3554 • 914-921-5100

Fax: 914-921-5118 • [info@gabelli.com](mailto:info@gabelli.com)