The Gabelli Equity Income Fund

Shareholder Commentary
March 31, 2018

To Our Shareholders,

For the quarter ended March 31, 2018, the net asset value ("NAV") per Class AAA Share of The Gabelli Equity Income Fund decreased 2.3% compared with a decrease of 0.8% for the Standard & Poor's ("S&P") 500 Index. Other classes of shares are available. See page 2 for performance information for all classes.

In Review

In stock market terms, the first quarter of 2018 was a little bit different from recent quarters. Previously, the U.S. stock market had been going up for many quarters in a row. In the first quarter, however, the stock market was actually down slightly; something we are not used to seeing. Another difference was that volatility has come back to the stock market. One way to measure volatility is to look at the number of days when the stock market, as measured by the S&P 500, was up or down by at least 1% in one trading day. During all of 2017, the S&P 500 only had eight such trading days, a very low number. During the first quarter of 2018, however, there were 23 daily moves of at least 1%. So volatility is back, and as long term investors know well, the stock market does not always go up in the short term.

Absolute returns in (y)our portfolio were strong in 2017, and we look forward to an acceleration in earning growth and deal activity in 2018. We expect volatility, as mentioned above, to stay with us. Market corrections and economic recessions are inevitable, and indeed necessary, for the proper functioning of our capitalist system. We remain alert and prepared for most eventualities and believe our PMV with a Catalyst™ approach will continue to deliver superior risk-adjusted results over the long term.

Monthly Distributions – $0.10 per share

The Gabelli Equity Income Fund has a $0.10 per share monthly distribution policy in place. For more specific dividend and tax information, please visit our website at www.gabelli.com or call 800-GABELLI (800-422-3554). **Shareholders should be aware that a portion of the distribution may represent a non-taxable return of capital.** Such distributions will reduce the cost basis of your shares if you hold them in a taxable account. The distributions should not be confused with the yield or total return of the Fund.

Comparative Results

Average Annual Returns through March 31, 2018 (a) (b) (Unaudited)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (1/2/92)
Class AAA (GABEX)	(2.30)%	7.93%	8.00%	7.33%	9.41%	9.87%
S&P 500 Index	(0.76)	13.99	13.31	9.49	10.10	9.48(c)
Nasdaq Composite Index	2.59	20.90	18.13	13.31	12.96	9.94(c)
Lipper Equity Income Fund Average	(2.63)	8.98	10.14	7.64	9.09	8.47
Class A (GCAEX)	(2.31)	7.88	7.99	7.33	9.41	9.87
With sales charge (d)	(7.93)	1.68	6.72	6.70	8.97	9.62
Class C (GCCEX)	(2.50)	7.10	7.19	6.53	8.64	9.43
With contingent deferred sales charge (e)	(3.47)	6.10	7.19	6.53	8.64	9.43
Class I (GCIEX)	(2.21)	8.20	8.27	7.60	9.61	9.98
Class T (GCTEX)	(2.26)	7.93	7.99	7.33	9.41	9.87
With sales charge (f)	(4.70)	5.23	7.45	7.06	9.23	9.70

In the current prospectuses dated January 26, 2018, the expense ratios for Class AAA, A, C, I, and T Shares are 1.39%, 1.39%, 2.14%, 1.14%, and 1.39%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares, Class C Shares, and Class T Shares is 5.75%, 1.00%, and 2.50%, respectively.

(a) *Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com.* The Class 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, 2003, Class I Shares on January 11, 2008, and Class T Shares on July 5, 2017. The actual performance of the Class A Shares, Class C Shares, and Class T Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Nasdaq Composite Index is an unmanaged indicator of stock market performance. The Lipper Equity Income Fund Average includes the 30 largest equity funds in this category tracked by Lipper, Inc. Dividends are considered reinvested, except for the Nasdaq Composite Index. You cannot invest directly in an index.

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

(c) S&P 500 Index and Nasdaq Composite Index since inception performance are as of December 31, 1991.

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

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

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

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, are available on our website at www.gabelli.com.

The Economy

The U.S. economy grew at an impressing rate of about 3.0%, in real terms, during 2017, and we expect that the economy will continue to grow by that same 3.0 % rate during the current year of 2018. Inflation has started to move up ever so slightly, and we expect this metric, as measured by the Consumer Price Index, will hover just above 2% for 2018, a level that central bankers should be comfortable with as they gradually raise short term rates. The unemployment rate, at approximately 4%, stands at a ten year low. Housing starts of about 1.3 million units continue their steady increase, but remain comfortably below the prior peak of 2.2 million units.

The U.S. economic expansion has been going on since June 2009, according to the National Bureau of Economic Research. That means we are about to enter the second longest economic expansion in the U.S., beating the 106 month expansion of the 1960s. The longest economic expansion was from 1991-2001, and we will have to wait another year to see if we can beat that record, to become the longest economic expansion in U.S. recorded history, which goes back to before the Civil War.

The State of Washington

Since late 2017, a rising stock market was based on a “Trump Bump,” consisting of (a) tax reform (b) deregulation, and (c) fiscal stimulus. To date, the Trump administration has delivered on the first two objectives. Fiscal stimulus could become part of the picture in 2018 if an infrastructure bill gets passed, and military spending goes up, both of which the administration would like to do. The new tax bill, which lowers the Federal corporate tax rate to 21%, will make U.S. corporate taxes very competitive with other OECD countries, which is a major positive for the U.S. economy and the U.S. stock market. We believe (y)our portfolio is well positioned to capture the benefits of the lower corporate taxes, as it includes a disproportionate weighting of smaller and mid-size U.S. firms, who are currently paying higher effective rates and whose revenues are centered on domestic operations. Many individuals will see lower taxes with reduced rates and an increased standard deduction, but higher income households in higher state and local tax (SALT) geographies could see an increase. Deregulation in the energy, financial, and media/telecom sectors has already unleashed corporate animal spirits. We expect more deregulation to come from this administration.

The State of the Federal Reserve

Notwithstanding excitement about potential tax windfalls, the most powerful market force coming out of Washington during the past few years has come from the Federal Reserve. Through open market activity and three rounds of quantitative easing (QE), the Federal Reserve slashed short term interest rates from 4.5% before the 2008-2009 financial crisis, to nearly zero, lifting assets prices everywhere. The Federal Reserve began tapping the brakes by tapering QE in October 2014, and has now raised rates six times, the latest of which took the Federal Reserve Funds rate to a range of 1.50% – 1.75%. The Federal Reserve started shrinking its balance sheet, with current expectations for two additional increases in 2018, and maybe three in 2019, which would ratchet the Federal Reserve Funds rate to 3.0%. Newly appointed Federal Reserve Chair Jerome H. (“Jay”) Powell, a centrist and former banker, will likely continue this path.

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

Dividends

Dividends are an important element in the historical returns of stocks. They provide current income and a growing income stream over time. During the first quarter of 2018, U.S. companies continued to increase their dividends. At the end of the quarter, the dividend yield on the S&P 500 was just below 2.0%, and 26% of the stocks in the S&P 500 had dividend yields greater than the 10-year U.S. Treasury

Investment Scorecard

During the first quarter of 2018, the S&P 500 was down about 1% on a total return basis and all of the eleven sectors that make up the S&P 500 index were down, with the exception of two sectors. Information Technology was up 3.5% in the quarter and Consumer Discretionary was up 3.1%. The worst performing sector during the quarter was Telecom (down by 7.5%), followed by Consumer Staples (down by 7.1%).

Some of the stocks that helped performance the most in the Fund during the first quarter were Dr. Pepper Snapple (0.4% of net assets as of March 31, 2018), Hewlett Packard Enterprise (0.4%), and Mastercard (1.3%), all of which were up over 10%.

Dr. Pepper Snapple is a beverage company and in late January the company agreed to be acquired by Keurig Green Mountain. As part of the deal, shareholders in Dr. Pepper Snapple receive 13% ownership in the combined company and $103.75 per share in a special cash dividend. Hewlett Packard Enterprise reported strong earnings during the quarter and the stock hit an all-time high as a result. Likewise, Mastercard (1.3%), the credit card company, reported good earnings with purchase volume up by 13%.

A few of the worst performing stocks in the Fund during the first quarter were General Mills (0.7%), CVS (1.1%), and General Electric (0.5%). These three stocks were each down over 10%.

General Mills, the manufacturer and marketer of branded consumer foods, reported disappointing earnings in the quarter, as cost pressures led to a lowering of full year earnings guidance. CVS is still on track to acquire AETNA (0.4%) in 2018, but they may have to divest some business lines in order for the deal to receive anti-trust approval. General Electric, under the new leadership of CEO John Flannery, has increased charges related to GE Capital's insurance 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 share prices are listed first in United States dollars (USD) and second in the local currency, where applicable, and are presented as of March 31, 2018.

Bank of New York Mellon Corp. (2.9% of net assets as of March 31, 2018) (BK – $51.53 – NYSE) is a global leader in providing financial services to institutions and individuals. The company operates in more than one hundred markets worldwide and strives to be the global provider of choice for investment management and investment services. As of December 31, 2017, the firm had $33.3 trillion in assets under custody and $1.9 trillion in assets under management. Going forward, we expect BK to benefit from rising global incomes and the cross border movement of financial transactions. We believe BK is also well positioned to grow earnings in a rising interest rate environment, given its large customer cash deposits and significant loan book.

Bristol-Myers Squibb (1.5%) (BMY – $63.25 – NYSE) has revolutionized the treatment of many types of cancer by harnessing the body's own immune system to fight malignancies. The company's lead drug, Opdivo, can be used alone and in combination with other drugs to treat a broad range of cancers. While the immuno-oncology space is highly competitive, Bristol-Myers is willing to partner its drug with any and all peers to find the most effective course of treatment for each tumor type. Bristol-Myers also has a very successful blood thinning medication, Eliquis, that is winning significant market share from peers. The company continues to invest heavily in research and development to sustain its strong growth prospects while remaining committed to paying a healthy dividend to shareholders.

Brown-Forman Corp. (1.6%) (BF/A / BF/B – $53.33/54.40 – NYSE) is a leading global distilled spirits producer. Spirits is an advantaged category that enjoys high margins, low capital requirements, strong free cash flow generation and good pricing power. The company's global brands include Jack Daniel's Tennessee whiskey, Finlandia vodka, Woodford Reserve bourbon, and el Jimador and Herradura tequilas. Jack Daniel's is one of the world's most valuable spirits brands, enjoying strong growth both in the U.S. and internationally as consumers increasingly choose to drink American whiskies. The company has also successfully expanded the brand into the fast growing flavored whiskey category. While Brown-Forman does face some near term headwinds from negative foreign currency exposure, emerging market sales have returned to growth, and the company is positioned to grow revenues and profits substantially over the next several years, and has significant balance sheet flexibility. While the company is family controlled, we believe that if it ever became available for sale it would be highly coveted by other large global spirits players. This was evidenced recently when the stock rose on news that Constellation Brands made an overture for the company, which was rejected by Brown-Forman's board.

CBS Corp. (1.4%) (CBS – $51.68 – NYSE) operates the CBS television network and the premium cable network Showtime. It also owns 29 local television stations and 130 radio stations. We believe that CBS has a number of opportunities to generate incremental non-advertising revenue from the sale of existing content through its OTT platforms, online video distributors and retransmission agreements with traditional distributors. In addition, we expect a continued recovery in advertising to contribute to earnings growth. Finally, we believe a combination with Viacom could act as a catalyst for shares.

Citigroup Inc. (1.3%) (C – $67.50 – NYSE) is a leading global bank, with approximately 100 million customer accounts. The firm conducts business in more than 100 countries and jurisdictions. Citigroup provides consumers, corporations, governments, and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management. The firm is well positioned to capitalize on the growth of global personal wealth.

Genuine Parts Co. (2.0%) (GPC – $89.84 – NYSE) is an Atlanta, Georgia-based distributor of automotive and industrial replacement parts, and electrical and electronic components. We expect GPC's well known NAPA Auto Parts group to benefit as an aged vehicle population, which includes the highest percentage of off warranty vehicles in history, helps drive sales of automotive aftermarket products over the next several years. Additionally, economic indicators remain supportive of the company's industrial and electrical parts distribution businesses amid steady economic expansion. Finally, GPC's management has shown consistent dedication to shareholder value via share repurchases and dividend increases, and most recently announced its intention to spin its Office Products division and merge it with Essendant in a Reverse Morris Trust transation.

Mondelēz International Inc. (1.8%) (MDLZ – $41.73 – NASDAQ) headquartered in Deerfield, Illinois, is the renamed Kraft Foods Inc. following the tax-free spin-off to shareholders of the North American grocery business on October 1, 2012. On July 2, 2015 Mondelēz combined its coffee business with D.E Master Blenders 1753 to form a new coffee company, Jacobs Douwe Egberts. Subsequently, MDLZ exchanged part of its stake in this coffee joint venture for 24% ownership in Keurig Green Mountain, which was acquired by an investor group led by JAB Holding Co. in March 2016. This narrows the company's product focus, as nearly 85% of Mondelēz's $26 billion of revenue is derived from snacking, including leading brands such as Oreo, LU and Ritz biscuits, Trident gum, and Cadbury and Milka chocolates. The company continues to execute against its plan to accelerate growth and to improve margins, targeting 17% in 2018. In November, CEO Irene Rosenfeld was succeeded by Dirk Van de Put, who joined the company after eight years as CEO of McCain Foods.

State Street Corp. (1.1%) (STT – $99.73 – NYSE) is a global custodian and asset manager with a history that dates back over one hundred years. The firm has over $33.1 trillion in assets under custody and $2.8 trillion in assets under management. Although headquartered in the U.S., State Street continues to expand globally and has over 29,000 employees worldwide. As a leader in many aspects of financial services, it is well positioned to capture a greater share of managed assets.

Verizon Communications Inc. (1.0%) (VZ – $47.82 – NYSE) is one of the world's leading telecommunications services companies. Its wholly-owned subsidiary, Verizon Wireless (VZW), is the largest mobile operator in the United States with over 116 million retail customers. In January 2018, Verizon reported stronger than expected 4Q revenues and in-line adjusted EBITDA. The highlight of the quarter were stronger than expected wireless retail postpaid net additions (at approximately 1.2 million, including over 430,000 postpaid phone net adds). The company is a beneficiary of the Tax Cuts and Jobs Act. VZ estimates savings from tax reform to generate net $3.5-$4.0 billion uplift to cash flow from operations. The incremental cash flow will be used primarily to strengthen the company's balance sheet. In late November 2017, VZ announced that it plans to launch 5G residential broadband services (via fixed wireless) in up to five markets in 2018 (expected to be followed by a broader rollout in 2019). The first commercial launch is planned to be in Sacramento, CA in 2H'18. The above commercial launch will be powered by millimeter-wave spectrum. Verizon estimates the market opportunity for initial 5G residential broadband services to be ~30 million households. Verizon expects its capital expenditures for 2018 to be in the range of $17.0-$17.8 billion, including the commercial launch of 5G.

National Fuel Gas Co. (0.8%) (NFG – $51.45 – NYSE) is a diversified natural gas company. NFG owns a regulated gas utility serving the region around Buffalo, New York, gas pipelines that move gas between the Midwest and Canada and from the Marcellus to the Northeast, gathering and processing systems, and an oil and gas exploration and production business. NFG's regulated utility and pipeline businesses, as well as its California oil production business, provide stable earnings and cash flows to support the dividend, while the natural gas production business offers significant upside potential. Natural gas prices have been depressed over the past few years, but NFG's net ownership of 785,000 acres in the Marcellus Shale, holds enormous natural gas reserve potential and the company has proven to be among the lower cost producers. We continue to expect above average long term earnings and cash flow growth from improving gas prices, growing gas production and strategically located pipeline expansion. The company has increased its dividend for 46 consecutive years.

Johnson & Johnson (0.6%) (JNJ – $128.15 – NYSE) is the world's largest and most diversified healthcare company. The company's pharmaceutical business is one of the fastest growing in the industry, driven by multiple new oncology products and the recent acquisition of Swiss biotech company Actelion. The consumer division is benefiting from an improving economy but must continue to innovate and reformulate its products to meet consumer demands for natural and organic products. While the medical device business has been losing some market share, management has been working to improve the business mix by divesting several declining or low-growth businesses. Johnson & Johnson will be a significant beneficiary of tax reform, gaining global access to its prodigious cash flow and likely increasing the dividend significantly later this year.

Conclusion

While change is constant, the fundamental underpinnings of common stock value investing remain unchanged. Our stock selection process is based on the investment principles first articulated in 1934 by the fathers of security analysis, Benjamin Graham and David Dodd. Their work provided the framework for value investing. Our firm contributed to the academic and empirical research on value investing by introducing the concept of Private Market Value (PMV) with a Catalyst™. This is our proprietary research methodology that focuses on individual stock selection by identifying stocks of firms selling at a discount to intrinsic value per share with a reasonable probability of realizing their PMVs. We define PMV as the price a strategic acquirer would likely be willing to pay for the entire enterprise. Catalysts are specific events or circumstances with varying time horizons that can trigger a narrowing of the difference between the market price of a stock and its estimated PMV per share. Price appreciation can occur instantly, as in the case in an announced takeover, or more gradually over time. There are a variety of catalysts that can cause change. Some general categories include: company specific, industry, regulatory, demographic, political and economic. We continue to find good value in many companies that have some combination of long term growth prospects, strong cash flow generation, good balance sheets as well as shareholder friendly management teams. We thank you for your investment in the Fund and we look forward to serving you in the future.

May 2, 2018

Top Ten Holdings **(Percent of Net Assets)**
March 31, 2018

Swedish Match AB	3.0%	Wells Fargo & Co.	1.6%
Bank of New York Mellon Corp.	2.9%	Marsh & McLennan Co.	1.5%
Genuine Parts Co.	2.0%	M&T Bank Corp.	1.5%
Mondelēz International Inc.	1.8%	Bristol – Myers Squibb Corp.	1.5%
Brown-Forman Corp.	1.6%	CBS Corp.	1.4%

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

Minimum Initial Investment – $1,000

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

www.gabelli.com

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

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

You may sign up for our e-mail alerts at www.gabelli.com and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance.

e-delivery

We are pleased to offer electronic delivery of Gabelli fund documents. Direct shareholders of our mutual funds can elect to receive their Annual and Semiannual Reports, Manager Commentaries, and Prospectuses via e-delivery. For more information or to sign up for e-delivery, please visit our website at www.gabelli.com.

Multi-Class Shares

Class AAA Shares are no-load shares offered directly through selected broker/dealers. Class A, Class C, and Class T Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available directly through the Fund's distributor or brokers that have entered into selling agreements specifically with respect to Class I Shares. The Board of Trustees determined that expanding the types of Fund shares available through various distribution options will enhance the ability of the Fund to attract additional investors.

Gabelli/GAMCO Funds and Your Personal Privacy

Who are we?

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

Portfolio Manager Biography

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

Gabelli Equity Series Funds, Inc.
THE GABELLI EQUITY INCOME FUND
One Corporate Center
Rye, NY 10580-1422

t 800-GABELLI (800-422-3554)
f 914-921-5118
e info@gabelli.com
GABELLI.COM

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

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GABELLI FUNDS

THE GABELLI EQUITY INCOME FUND

Shareholder Commentary
March 31, 2018

The Gabelli Equity Income Fund
Semiannual Report — March 31, 2018

To Our Shareholders,

For the six months ended March 31, 2018, the net asset value ("NAV") per Class AAA Share of The Gabelli Equity Income Fund increased 1.8% compared with an increase of 5.8% for the Standard & Poor's ("S&P") 500 Index. Other classes of shares are available. See below for performance information for all classes of shares.

Enclosed are the financial statements, including the schedule of investments, as of March 31, 2018.

Comparative Results

Average Annual Returns through March 31, 2018 (a)(b) (Unaudited)

	Six Months	1 Year	5 Year	10 Year	15 Year	Since Inception (01/02/92)
Class AAA (GABEX)	1.84%	7.93%	8.00%	7.33%	9.41%	9.87%
S&P 500 Index	5.84	13.99	13.31	9.49	10.10	9.48(c)
Nasdaq Composite Index	9.33	20.90	18.13	13.31	12.96	9.94(c)
Lipper Equity Income Fund Average	2.74	8.98	10.14	7.64	9.09	8.47
Class A (GCAEX)	1.80	7.88	7.99	7.33	9.41	9.87
With sales charge (d)	(4.05)	1.68	6.72	6.70	8.97	9.62
Class C (GCCEX)	1.46	7.10	7.19	6.53	8.64	9.43
With contingent deferred sales charge (e)	0.46	6.10	7.19	6.53	8.64	9.43
Class I (GCIEX)	1.98	8.20	8.27	7.60	9.61	9.98
Class T (GCTEX)	1.84	7.93	7.99	7.33	9.41	9.87
With sales charge (f)	(0.71)	5.23	7.45	7.06	9.23	9.70

In the current prospectuses dated January 26, 2018, the expense ratios for Class AAA, A, C, I, and T Shares are 1.39%, 1.39%, 2.14%, 1.14%, and 1.39%, respectively. See page 11 for the expense ratios for the six months ended March 31, 2018. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares, Class C Shares, and Class T Shares is 5.75%, 1.00%, and 2.50%, respectively.

(a) *Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com. The Class 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, 2003, Class I Shares on January 11, 2008, and Class T Shares on July 5, 2017. The actual performance of the Class A Shares, Class C Shares, and Class T Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Nasdaq Composite Index is an unmanaged indicator of stock market performance. The Lipper Equity Income Fund Average includes the 30 largest equity funds in this category tracked by Lipper, Inc. Dividends are considered reinvested, except for the Nasdaq Composite Index. You cannot invest directly in an index.*

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

(c) S&P 500 Index and Nasdaq Composite Index since inception performance are as of December 31, 1991.

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

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

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

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.

	Beginning Account Value 10/01/17	Ending Account Value 03/31/18	Annualized Expense Ratio	Expenses Paid During Period*
The Gabelli Equity Income Fund				
Actual Fund Return				
Class AAA	$1,000.00	$1,018.40	1.41%	$ 7.10
Class A	$1,000.00	$1,018.00	1.41%	$ 7.09
Class C	$1,000.00	$1,014.60	2.16%	$10.85
Class I	$1,000.00	$1,019.80	1.16%	$ 5.84
Class T	$1,000.00	$1,018.40	1.41%	$ 7.10
Hypothetical 5% Return				
Class AAA	$1,000.00	$1,017.90	1.41%	$ 7.09
Class A	$1,000.00	$1,017.90	1.41%	$ 7.09
Class C	$1,000.00	$1,014.16	2.16%	$10.85
Class I	$1,000.00	$1,019.15	1.16%	$ 5.84
Class T	$1,000.00	$1,017.90	1.41%	$ 7.09

* 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 (182 days), then divided by 365.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of March 31, 2018:

The Gabelli Equity Income Fund

Financial Services	19.9%
Food and Beverage	16.9%
Health Care	8.8%
Retail	5.5%
Consumer Products	5.5%
Diversified Industrial	4.7%
Telecommunications	3.5%
Energy and Utilities: Oil	3.4%
Automotive: Parts and Accessories	2.4%
Business Services	2.2%
Aerospace	2.1%
Broadcasting	2.0%
Equipment and Supplies	1.9%
Entertainment	1.6%
Computer Software and Services	1.5%
Building and Construction	1.5%
Energy and Utilities: Services	1.4%
Energy and Utilities: Natural Gas	1.4%
Machinery	1.3%
Specialty Chemicals	1.1%
Electronics	1.0%
Computer Hardware	1.0%
Environmental Services	1.0%
Metals and Mining	1.0%
Paper and Forest Products	0.9%
Wireless Communications	0.9%
Transportation	0.8%
Closed-End Funds	0.6%
Energy and Utilities: Integrated	0.6%
Cable and Satellite	0.6%
Hotels and Gaming	0.6%
Automotive	0.6%
Energy and Utilities: Electric	0.4%
Aviation: Parts and Services	0.4%
Agriculture	0.3%
Energy and Utilities: Water	0.2%
Communications Equipment	0.2%
Consumer Services	0.2%
Real Estate	0.0%*
Publishing	0.0%*
Other Assets and Liabilities (Net)	0.1%
	100.0%

* Amount represents less than 0.05%.

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 Equity Income Fund
Schedule of Investments — March 31, 2018 (Unaudited)

Shares		Cost	Market Value
	COMMON STOCKS — 99.2%		
	Aerospace — 2.1%		
64,000	Aerojet Rocketdyne Holdings Inc.†	$ 359,828	$ 1,790,080
2,000	Lockheed Martin Corp.	47,350	675,860
10,000	Raytheon Co.	279,200	2,158,200
65,000	Rockwell Automation Inc.	2,242,982	11,323,000
2,000	Rockwell Collins Inc.	15,844	269,700
900,000	Rolls-Royce Holdings plc	6,152,649	11,005,668
		9,097,853	27,222,508
	Agriculture — 0.3%		
90,000	Archer-Daniels-Midland Co.	2,386,667	3,903,300
12,000	The Mosaic Co.	186,246	291,360
		2,572,913	4,194,660
	Automotive — 0.6%		
165,000	Navistar International Corp.†	3,082,911	5,770,050
30,000	PACCAR Inc.	1,348,822	1,985,100
		4,431,733	7,755,150
	Automotive: Parts and Accessories — 2.4%		
148,000	Dana Inc.	2,298,117	3,812,480
290,000	Genuine Parts Co.	11,836,124	26,053,600
1,200	O'Reilly Automotive Inc.†	30,096	296,856
15,000	Tenneco Inc.	224,085	823,050
		14,388,422	30,985,986
	Aviation: Parts and Services — 0.4%		
46,000	Arconic Inc.	825,877	1,059,840
29,000	United Technologies Corp.	1,453,950	3,648,780
		2,279,827	4,708,620
	Broadcasting — 2.0%		
347,000	CBS Corp., Cl. A, Voting	8,241,275	17,932,960
65,575	Liberty Global plc, Cl. A†	1,481,226	2,053,153
150,000	Liberty Global plc, Cl. C†	3,341,084	4,564,500
36,000	MSG Networks Inc., Cl. A†	134,967	813,600
		13,198,552	25,364,213
	Building and Construction — 1.5%		
169,000	Fortune Brands Home & Security Inc.	1,601,677	9,952,410
47,500	Herc Holdings Inc.†	1,502,647	3,085,125
160,000	Johnson Controls International plc	3,072,396	5,638,400
		6,176,720	18,675,935
	Business Services — 2.2%		
35,000	Automatic Data Processing Inc.	1,308,659	3,971,800
92,000	Mastercard Inc., Cl. A	760,267	16,114,720
2,000	MSC Industrial Direct Co. Inc., Cl. A	132,352	183,420
40,000	Pentair plc	1,223,885	2,725,200
28,000	S&P Global Inc.	$ 1,157,119	$ 5,349,680
4,000	Vectrus Inc.†	61,245	148,960
		4,643,527	28,493,780
	Cable and Satellite — 0.6%		
10,000	AMC Networks Inc., Cl. A†	389,742	517,000
165,000	DISH Network Corp., Cl. A†	3,263,481	6,251,850
16,000	EchoStar Corp., Cl. A†	478,840	844,320
6,000	Liberty Latin America Ltd., Cl. A†	142,271	116,700
13,692	Liberty Latin America Ltd., Cl. C†	340,172	261,380
		4,614,506	7,991,250
	Communications Equipment — 0.2%		
70,000	Corning Inc.	805,554	1,951,600
	Computer Hardware — 1.0%		
20,000	Apple Inc.	1,464,807	3,355,600
64,000	International Business Machines Corp.	5,055,591	9,819,520
		6,520,398	13,175,120
	Computer Software and Services — 1.5%		
9,000	CDK Global Inc.	137,566	570,060
85,000	Fidelity National Information Services Inc.	1,344,733	8,185,500
280,000	Hewlett Packard Enterprise Co.	1,927,522	4,911,200
50,000	Microsoft Corp.	1,397,000	4,563,500
23,000	NetScout Systems Inc.†	371,369	606,050
		5,178,190	18,836,310
	Consumer Products — 5.5%		
44,000	Altria Group Inc.	517,039	2,742,080
69,000	Edgewell Personal Care Co.†	2,539,974	3,368,580
30,000	Energizer Holdings Inc.	262,233	1,787,400
27,000	Essity AB, Cl. A†	436,838	750,198
2,000	National Presto Industries Inc.	60,046	187,500
50,000	Philip Morris International Inc.	1,501,172	4,970,000
77,000	Reckitt Benckiser Group plc	2,353,641	6,518,576
865,000	Swedish Match AB	10,544,741	39,107,224
85,000	The Procter & Gamble Co	4,687,916	6,738,800
75,000	Unilever NV - NY Shares	1,480,452	4,229,250
		24,384,052	70,399,608
	Consumer Services — 0.2%		
3,500	Allegion plc	50,080	298,515
32,000	Rollins Inc.	70,527	1,632,960
		120,607	1,931,475
	Diversified Industrial — 4.7%		
80,000	Crane Co.	2,475,345	7,419,200
78,000	Eaton Corp. plc	3,497,469	6,232,980
475,000	General Electric Co.	7,564,325	6,403,000
113,000	Honeywell International Inc.	3,080,109	16,329,630

See accompanying notes to financial statements.

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Diversified Industrial (Continued)		
50,000	ITT Inc.	$ 1,004,526	$ 2,449,000
50,000	Jardine Matheson Holdings Ltd.	2,372,853	3,081,000
180,000	Jardine Strategic Holdings Ltd.	4,227,653	6,901,200
120,000	Textron Inc.	763,372	7,076,400
340,000	Toray Industries Inc.	2,318,732	3,198,534
37,000	Trinity Industries Inc.	622,753	1,207,310
		27,927,137	60,298,254
	Electronics — 1.0%		
45,000	Sony Corp.	1,174,377	2,161,083
85,000	Sony Corp., ADR	2,025,391	4,108,900
60,000	TE Connectivity Ltd.	1,996,558	5,994,000
10,000	Texas Instruments Inc.	147,000	1,038,900
		5,343,326	13,302,883
	Energy and Utilities: Electric — 0.4%		
10,000	American Electric Power Co. Inc.	343,190	685,900
6,000	Avangrid Inc.	117,823	306,720
45,000	El Paso Electric Co.	351,450	2,295,000
50,000	Korea Electric Power Corp.,, ADR†	650,030	769,500
200,000	Texas Competitive Electric Holdings Co. LLC, Escrow†(a)	0	0
105,000	The AES Corp.	472,508	1,193,850
		1,935,001	5,250,970
	Energy and Utilities: Integrated — 0.6%		
170,000	Energy Transfer Equity LP	797,891	2,415,700
29,000	Eni SpA	304,221	509,840
13,000	Eversource Energy	195,779	765,960
6,500	Iberdrola SA, ADR	98,020	191,685
62,000	OGE Energy Corp.	827,187	2,031,740
59,000	PNM Resources Inc.	607,016	2,256,750
		2,830,114	8,171,675
	Energy and Utilities: Natural Gas — 1.4%		
1,200	Atmos Energy Corp.	31,565	101,088
200,000	National Fuel Gas Co.	8,744,249	10,290,000
14,000	ONE Gas Inc.	58,650	924,280
91,000	ONEOK Inc.	839,486	5,179,720
12,000	Southwest Gas Holdings Inc.	246,965	811,560
		9,920,915	17,306,648
	Energy and Utilities: Oil — 3.4%		
127,000	Anadarko Petroleum Corp.	5,883,616	7,672,070
100,000	Chevron Corp.	3,963,114	11,404,000
70,000	ConocoPhillips	1,320,255	4,150,300
39,000	Devon Energy Corp.	1,150,716	1,239,810
50,000	Exxon Mobil Corp.	1,157,049	3,730,500
96,000	Hess Corp.	$ 4,740,381	$ 4,859,520
22,000	Marathon Petroleum Corp.	305,868	1,608,420
44,000	Occidental Petroleum Corp.	1,545,094	2,858,240
2,000	PetroChina Co. Ltd., ADR	153,111	139,480
82,000	Royal Dutch Shell plc, Cl. A, ADR	3,535,747	5,232,420
17,000	TOTAL SA, ADR	282,789	980,730
		24,037,740	43,875,490
	Energy and Utilities: Services — 1.4%		
340,000	Halliburton Co.	9,983,669	15,959,600
93,000	Oceaneering International Inc.	2,001,490	1,724,220
10,000	Schlumberger Ltd.	206,840	647,800
		12,191,999	18,331,620
	Energy and Utilities: Water — 0.2%		
16,000	Aqua America Inc.	117,969	544,960
80,000	Severn Trent plc	2,133,400	2,069,701
		2,251,369	2,614,661
	Entertainment — 1.6%		
148,000	Grupo Televisa SAB, ADR	3,077,034	2,362,080
12,000	The Madison Square Garden Co, Cl. A†	347,057	2,949,600
100,000	Twenty-First Century Fox Inc., Cl. B	3,138,600	3,637,000
292,000	Viacom Inc., Cl. A	11,464,203	11,563,200
		18,026,894	20,511,880
	Environmental Services — 1.0%		
50,000	Republic Services Inc.	1,684,307	3,311,500
114,000	Waste Management Inc.	3,675,293	9,589,680
		5,359,600	12,901,180
	Equipment and Supplies — 1.9%		
30,000	A.O. Smith Corp.	97,513	1,907,700
16,346	Danaher Corp.	476,946	1,600,437
179,000	Flowserve Corp.	2,258,602	7,756,070
60,000	Graco Inc.	1,006,940	2,743,200
11,000	Ingersoll-Rand plc	222,627	940,610
22,000	Minerals Technologies Inc.	757,033	1,472,900
174,000	Mueller Industries Inc.	3,372,546	4,551,840
16,000	Parker-Hannifin Corp.	835,168	2,736,480
15,000	Tenaris SA, ADR	306,100	520,050
		9,333,475	24,229,287
	Financial Services — 19.9%		
6,300	Alleghany Corp.	969,808	3,870,972
136,418	AllianceBernstein Holding LP	1,288,696	3,662,823
95,000	American Express Co.(b)	2,319,983	8,861,600
44,000	American International Group Inc.	1,004,678	2,394,480
25,300	Argo Group International Holdings Ltd.	499,598	1,452,220

See accompanying notes to financial statements.

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Financial Services (Continued)		
5,195	Banco Santander Chile, ADR	$ 29,250	$ 174,084
93,000	Banco Santander SA, ADR	699,738	609,150
335,000	Bank of America Corp.	3,395,384	10,046,650
13,056	BNP Paribas SA.	580,935	966,617
245,000	Citigroup Inc.	8,699,203	16,537,500
30,000	Dundee Corp., Cl. A†	140,046	43,078
37,000	Eaton Vance Corp.	1,048,071	2,059,790
65,000	Federated Investors Inc., Cl. B	1,521,570	2,171,000
34,000	Fidelity Southern Corp.	281,974	784,380
75,000	H&R Block Inc.	1,078,937	1,905,750
50,000	Interactive Brokers Group Inc., Cl. A	752,861	3,362,000
30,000	JPMorgan Chase & Co.	596,713	3,299,100
70,000	Julius Baer Group Ltd.	2,299,124	4,301,046
23,000	Kemper Corp.	575,687	1,311,000
90,100	Kinnevik AB, Cl. A.	1,682,511	3,280,366
10,000	Kinnevik AB, Cl. B.	153,263	359,769
152,681	Legg Mason Inc.	2,630,235	6,206,483
15,000	Leucadia National Corp.	263,160	340,950
101,000	Loews Corp.	3,835,017	5,022,730
107,000	M&T Bank Corp.	7,252,007	19,726,520
240,681	Marsh & McLennan Companies Inc.	7,177,571	19,877,844
169,000	Morgan Stanley	3,621,446	9,119,240
180,000	Navient Corp.	1,400,487	2,361,600
58,000	Och-Ziff Capital Management Group LLC, Cl. A	257,437	154,860
38,000	Oritani Financial Corp.	380,000	583,300
10,000	Popular Inc.	178,910	416,200
235,000	SLM Corp.†	1,071,458	2,634,350
145,000	State Street Corp.	6,616,867	14,460,850
275,000	Sterling Bancorp	2,964,139	6,201,250
12,000	SunTrust Banks Inc.	251,737	816,480
10,500	T. Rowe Price Group Inc.	184,226	1,133,685
100,000	TD Ameritrade Holding Corp.	1,692,686	5,923,000
720,000	The Bank of New York Mellon Corp.	19,360,958	37,101,600
3,000	The Dun & Bradstreet Corp.	105,969	351,000
18,500	The Goldman Sachs Group Inc.	2,239,746	4,659,410
95,000	The Hartford Financial Services Group Inc.	2,987,752	4,894,400
103,000	The PNC Financial Services Group Inc.	5,437,483	15,577,720
15,000	The Travelers Companies Inc.	596,973	2,082,900
26,000	W. R. Berkley Corp.	927,940	1,890,200
90,000	Waddell & Reed Financial Inc., Cl. A	1,730,138	1,818,900
400,000	Wells Fargo & Co.	11,993,029	20,964,000
		114,775,401	255,772,847
	Food and Beverage — 16.9%		
1,000	Ajinomoto Co. Inc.	$ 15,519	$ 18,030
1,000	Anheuser-Busch InBev SA/NV	15,876	109,855
348,000	Brown-Forman Corp., Cl. A.	5,247,982	18,558,840
45,000	Brown-Forman Corp., Cl. B.	762,286	2,448,000
161,000	Campbell Soup Co.	5,037,955	6,972,910
80,000	Coca-Cola Amatil Ltd., ADR	246,845	540,400
20,000	Coca-Cola European Partners plc	450,000	833,200
14,500	Coca-Cola Femsa SAB de CV, ADR	590,410	963,235
7,700	Constellation Brands Inc., Cl. A.	95,506	1,754,984
110,000	Danone SA	5,410,599	8,896,531
855,000	Davide Campari-Milano SpA.	2,904,334	6,470,020
91,000	Diageo plc, ADR	5,033,506	12,323,220
45,000	Dr Pepper Snapple Group Inc.	793,189	5,327,100
122,000	Fomento Economico Mexicano SAB de CV, ADR.	2,803,143	11,154,460
200,000	General Mills Inc.	5,128,763	9,012,000
2,450,000	Grupo Bimbo SAB de CV, Cl. A	1,963,382	5,360,891
136,000	Heineken NV.	6,199,382	14,608,901
17,000	Heineken NV, ADR	430,190	915,620
200,000	ITO EN Ltd.	3,951,717	7,772,191
35,500	Kellogg Co.	1,826,705	2,307,855
2,000	McCormick & Co. Inc., Cl. V.	137,120	217,690
28,000	McCormick & Co. Inc., Non-Voting.	1,282,199	2,978,920
563,000	Mondelēz International Inc., Cl. A	10,250,125	23,493,990
115,000	Nestlé SA.	3,174,203	9,096,548
65,000	Nestlé SA, ADR	3,829,280	5,138,250
95,000	Nissin Foods Holdings Co. Ltd.	3,080,973	6,553,263
2,950,000	Parmalat SpA	8,036,312	10,871,344
100,000	PepsiCo Inc.	6,444,340	10,915,000
45,000	Pernod Ricard SA.	3,674,041	7,488,834
58,000	Remy Cointreau SA	3,534,133	8,264,203
36,000	Sapporo Holdings Ltd.	810,532	1,045,440
74,000	The Coca-Cola Co.	1,557,437	3,213,820
1,000	The Hershey Co.	36,300	98,960
65,000	The Kraft Heinz Co.	1,817,290	4,048,850
61,800	Tootsie Roll Industries Inc.	1,132,488	1,820,010
2,000	Tyson Foods Inc., Cl. A.	15,981	146,380
70,000	Yakult Honsha Co. Ltd.	1,727,042	5,216,860
		99,447,085	216,956,605
	Health Care — 8.8%		
10,000	Abbott Laboratories	227,205	599,200
8,000	AbbVie Inc.	198,766	757,200
30,000	Aetna Inc.	1,076,517	5,070,000
4,000	Allergan plc.	576,000	673,160
78,000	Baxter International Inc.	1,729,585	5,073,120

See accompanying notes to financial statements.

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Health Care (Continued)		
10,000	Bio-Rad Laboratories Inc., Cl. A†	$ 980,778	$ 2,500,800
26,000	Boston Scientific Corp.†	146,512	710,320
298,000	Bristol-Myers Squibb Co.	7,199,504	18,848,500
85,000	Eli Lilly & Co.	2,935,331	6,576,450
8,000	Express Scripts Holding Co.†	293,490	552,640
13,000	GlaxoSmithKline plc, ADR	574,785	507,910
40,000	Henry Schein Inc.†	501,982	2,688,400
60,000	Johnson & Johnson	3,519,274	7,689,000
218,000	Merck & Co. Inc.	5,862,941	11,874,460
180,000	Novartis AG, ADR	9,819,107	14,553,000
210,000	Patterson Cos., Inc.	7,354,890	4,668,300
280,000	Pfizer Inc.	4,758,441	9,937,200
50,000	Roche Holding AG, ADR	916,691	1,431,250
22,000	Roche Holding AG, Genusschein	3,182,657	5,042,050
78,000	William Demant Holding A/S†	756,834	2,886,409
61,854	Wright Medical Group NV†	1,273,574	1,227,183
50,000	Zimmer Biomet Holdings Inc.	2,907,785	5,452,000
50,000	Zoetis Inc.	1,451,613	4,175,500
		58,244,262	113,494,052
	Hotels and Gaming — 0.6%		
7,500	Las Vegas Sands Corp.	18,435	539,250
75,000	MGM Resorts International	763,041	2,626,500
44,000	Ryman Hospitality Properties Inc., REIT	1,678,991	3,407,800
7,000	Wynn Resorts Ltd.	237,306	1,276,520
		2,697,773	7,850,070
	Machinery — 1.3%		
6,000	Caterpillar Inc.	35,181	884,280
79,500	Deere & Co.	3,236,125	12,347,940
47,000	Xylem Inc.	1,170,117	3,615,240
		4,441,423	16,847,460
	Metals and Mining — 1.0%		
200,000	Freeport-McMoRan Inc.†	2,171,089	3,514,000
233,000	Newmont Mining Corp.	6,872,575	9,103,310
		9,043,664	12,617,310
	Paper and Forest Products — 0.9%		
11,000	International Paper Co.	343,320	587,730
25,000	Svenska Cellulosa AB, Cl. A	101,961	264,976
300,000	Weyerhaeuser Co., REIT	5,040,190	10,500,000
		5,485,471	11,352,706
	Publishing — 0.0%		
3,000	Value Line Inc.	41,976	54,900
	Real Estate — 0.0%		
10,049	Griffin Industrial Realty Inc.	224,724	377,139

Shares		Cost	Market Value
	Retail — 5.5%		
16,000	Compagnie Financiere Richemont SA	$ 540,728	$ 1,435,314
49,000	Copart Inc.†	431,941	2,495,570
60,000	Costco Wholesale Corp.	2,931,493	11,305,800
226,000	CVS Health Corp.	7,620,746	14,059,460
97,500	Ingles Markets Inc., Cl. A	1,728,820	3,300,375
415,000	J.C. Penney Co. Inc.†	2,662,848	1,253,300
380,000	Macy's Inc.	4,917,022	11,301,200
90,000	Seven & i Holdings Co. Ltd.	2,692,986	3,833,279
75,000	The Home Depot Inc.	2,087,099	13,368,000
20,000	Tractor Supply Co.	157,683	1,260,400
93,000	Walgreens Boots Alliance Inc.	2,802,917	6,088,710
4,200	Walmart Inc.	182,028	373,674
10,000	Weis Markets Inc.	300,480	409,800
		29,056,791	70,484,882
	Specialty Chemicals — 1.1%		
10,500	Albemarle Corp.	107,534	973,770
4,000	Ashland Global Holdings Inc.	84,545	279,160
75,000	Ferro Corp.†	132,085	1,741,500
8,000	FMC Corp.	186,076	612,560
46,000	H.B. Fuller Co.	950,216	2,287,580
40,000	International Flavors & Fragrances Inc.	1,808,834	5,476,400
2,400	NewMarket Corp.	9,263	964,032
1,000	Quaker Chemical Corp.	10,797	148,130
20,000	The Chemours Co.	210,932	974,200
15,000	Valvoline Inc.	126,264	331,950
		3,626,546	13,789,282
	Telecommunications — 3.4%		
2,000	AT&T Inc.	47,800	71,300
260,000	BCE Inc.	4,947,118	11,190,400
32,000	BT Group plc, ADR	469,025	517,120
18,000	Cincinnati Bell Inc.†	241,200	249,300
260,000	Deutsche Telekom AG, ADR	3,768,063	4,261,400
8,000	Harris Corp.	629,557	1,290,240
33,000	Loral Space & Communications Inc.†	1,317,447	1,374,450
20,000	Orange SA, ADR	299,004	341,600
45,000	Proximus SA	1,398,374	1,396,993
45,010	Telefonica SA, ADR	428,921	444,249
284,000	Telephone & Data Systems Inc.	8,028,720	7,960,520
24,000	TELUS Corp., New York	536,827	843,840
23,000	TELUS Corp., Toronto	176,604	807,638
275,000	Verizon Communications Inc.	9,227,696	13,150,500
		31,516,356	43,899,550
	Transportation — 0.8%		
141,000	GATX Corp.	4,677,308	9,657,090

See accompanying notes to financial statements.

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Wireless Communications — 0.9%		
6,000	Millicom International Cellular SA	$ 291,776	$ 415,200
35,000	Millicom International Cellular SA, SDR	2,279,555	2,387,183
220,000	NTT DoCoMo Inc.	3,191,948	5,560,735
42,000	Turkcell Iletisim Hizmetleri A/S, ADR	562,198	401,520
39,846	United States Cellular Corp.†	1,586,062	1,601,411
35,000	Vodafone Group plc, ADR	991,750	973,700
		8,903,289	11,339,749
	TOTAL COMMON STOCKS	589,752,493	1,272,974,405
	CLOSED-END FUNDS — 0.6%		
112,500	Altaba Inc.†	1,816,992	8,329,500
	CONVERTIBLE PREFERRED STOCKS — 0.1%		
	Telecommunications — 0.1%		
24,000	Cincinnati Bell Inc., 6.750%, Ser. B	492,246	1,174,080
	RIGHTS — 0.0%		
	Retail — 0.0%		
250,017	Safeway PDC, CVR†	0	2,500
	WARRANTS — 0.0%		
	Retail — 0.0%		
105	Sears Holdings Corp., expire 12/15/19†	$ 522	$ 25
	TOTAL INVESTMENTS — 99.9%	$ 592,062,253	1,282,480,510
	Other Assets and Liabilities (Net) — 0.1%		841,909
	NET ASSETS — 100.0%		$1,283,322,419

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

(b) Securities, or a portion thereof, with a value of $2,332,000 were deposited with Pershing LLC as collateral.

† Non-income producing security.

ADR American Depositary Receipt
CVR Contingent Value Right
REIT Real Estate Investment Trust
SDR Swedish Depositary Receipt

See accompanying notes to financial statements.

The Gabelli Equity Income Fund

Statement of Assets and Liabilities
March 31, 2018 (Unaudited)

Assets:	
Investments, at value (cost $592,062,253)	$1,282,480,510
Foreign currency, at value (cost $719)	719
Cash	339,179
Receivable for investments sold	7,146,665
Receivable for Fund shares sold	885,842
Dividends receivable	4,019,353
Prepaid expenses	70,063
Total Assets	1,294,942,331
Liabilities:	
Payable for Fund shares redeemed	1,870,189
Payable for investment advisory fees	1,113,469
Payable for distribution fees	329,224
Payable for accounting fees	7,500
Line of credit payable	7,923,000
Other accrued expenses	376,530
Total Liabilities	11,619,912
Net Assets (applicable to 57,787,770 shares outstanding)	$1,283,322,419
Net Assets Consist of:	
Paid-in capital	$ 479,062,689
Distributions in excess of net investment income	(30,901,749)
Accumulated net realized gain on investments and foreign currency transactions	144,736,207
Net unrealized appreciation on investments	690,418,257
Net unrealized appreciation on foreign currency translations	7,015
Net Assets	$1,283,322,419
Shares of Capital Stock, each at $0.001 par value:	
Class AAA:	
Net Asset Value, offering, and redemption price per share ($578,329,539 ÷ 25,511,400 shares outstanding; 150,000,000 shares authorized)	$22.67
Class A:	
Net Asset Value and redemption price per share ($102,260,589 ÷ 4,533,942 shares outstanding; 50,000,000 shares authorized)	$22.55
Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price)	$23.93
Class C:	
Net Asset Value and offering price per share ($208,550,443 ÷ 11,057,604 shares outstanding; 50,000,000 shares authorized)	$18.86(a)
Class I:	
Net Asset Value, offering, and redemption price per share ($394,180,802 ÷ 16,684,778 shares outstanding; 50,000,000 shares authorized)	$23.63
Class T:	
Net Asset Value and redemption price per share ($1,045.93 ÷ 46.14 shares outstanding; 50,000,000 shares authorized)	$22.67
Maximum offering price per share (NAV ÷ 0.975, based on maximum sales charge of 2.50% of the offering price)	$23.25

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

Statement of Operations
For the Six Months Ended March 31, 2018 (Unaudited)

Investment Income:	
Dividends (net of foreign withholding taxes of $258,964)	$ 13,864,604
Interest	8,328
Total Investment Income	13,872,932
Expenses:	
Investment advisory fees	6,938,479
Distribution fees - Class AAA	782,347
Distribution fees - Class A	136,199
Distribution fees - Class C	1,147,213
Distribution fees - Class T	1
Shareholder services fees	611,853
Interest expense	124,566
Shareholder communication expenses	119,234
Custodian fees	95,724
Registration expenses	46,042
Legal and audit fees	33,893
Directors' fees	26,120
Accounting fees	22,500
Miscellaneous expenses	56,959
Total Expenses	10,141,130
Less:	
Expenses paid indirectly by broker (See Note 6)	(5,942)
Net Expenses	10,135,188
Net Investment Income	3,737,744
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:	
Net realized gain on investments	154,234,055
Net realized loss on foreign currency transactions	(3,099)
Net realized gain on investments and foreign currency transactions	154,230,956
Net change in unrealized appreciation/depreciation:	
on investments	(129,597,355)
on foreign currency translations	9,684
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	(129,587,671)
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency	24,643,285
Net Increase in Net Assets Resulting from Operations	$ 28,381,029

See accompanying notes to financial statements.

The Gabelli Equity Income Fund

Statement of Changes in Net Assets

	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30, 2017
Operations:		
Net investment income	$ 3,737,744	$ 14,870,100
Net realized gain on investments, securities sold short, and foreign currency transactions	154,230,956	224,392,351
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	(129,587,671)	(28,275,715)
Net Increase in Net Assets Resulting from Operations	28,381,029	210,986,736
Distributions to Shareholders:		
Net investment income		
Class AAA	(16,017,000)*	(7,628,898)
Class A	(2,799,475)*	(1,403,125)
Class C	(7,015,792)*	(1,318,106)
Class I	(10,429,647)*	(5,758,710)
Class T	(27)*	(1)
	(36,261,941)	(16,108,840)
Net realized gain		
Class AAA	—	(100,333,046)
Class A	—	(18,436,177)
Class C	—	(43,531,683)
Class I	—	(60,818,823)
Class T	—	(131)
	—	(223,119,860)
Return of capital		
Class AAA	—	(18,409,905)
Class A	—	(2,789,080)
Class C	—	(10,392,849)
Class I	—	(13,075,661)
Class T	—	(3)
	—	(44,667,498)
Total Distributions to Shareholders	(36,261,941)	(283,896,198)
Capital Share Transactions:		
Class AAA	(81,458,188)	(141,336,801)
Class A	(12,835,431)	(40,539,407)
Class C	(35,099,414)	(38,669,080)
Class I	(48,405,265)	(21,947,515)
Class T	27	1,134
Net Decrease in Net Assets from Capital Share Transactions	(177,798,271)	(242,491,669)
Redemption Fees	490	1,038
Net Decrease in Net Assets	(185,678,693)	(315,400,093)
Net Assets:		
Beginning of year	1,469,001,112	1,784,401,205
End of period (including undistributed net investment income of $0 and $1,622,448, respectively)	$1,283,322,419	$1,469,001,112

* Based on year to date book income. Amounts are subject to change and recharacterization at year end.

See accompanying notes to financial statements.

Financial Highlights

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

		Income from Investment Operations			Distributions								Ratios to Average Net Assets/ Supplemental Data		
Year Ended September 30	Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)	Net Realized and Unrealized Gain/(Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gain on Investments	Return of Capital	Total Distributions	Redemption Fees (a)(b)	Net Asset Value, End of Period	Total Return †	Net Assets End of Period (in 000's)	Net Investment Income	Operating Expenses	Portfolio Turnover Rate
Class AAA															
2018(c)	$22.84	$ 0.07	$ 0.36	$ 0.43	$(0.60)*	—	—	$(0.60)	$0.00	$22.67	1.84%	$ 578,329	0.59%(d)	1.41%(d)(e)(f)	0%(g)
2017	24.06	0.24	2.97	3.21	(0.25)	$(3.33)	$(0.85)	(4.43)	0.00	22.84	13.91%	662,696	0.97	1.39(e)(f)	1
2016	25.08	0.26	2.72	2.98	(0.26)	(2.35)	(1.39)	(4.00)	0.00	24.06	11.31	833,154	0.99	1.39(e)	1
2015	28.55	0.25	(1.71)	(1.46)	(0.18)	(1.83)	—	(2.01)	0.00	25.08	(5.40)	985,647	0.88	1.37(e)	3
2014	26.68	0.30	3.05	3.35	(0.44)	(0.38)	(0.66)	(1.48)	0.00	28.55	12.64	1,604,629	1.06	1.37	4
2013	22.54	0.29	4.49	4.78	(0.64)	—	—	(0.64)	0.00	26.68	21.38	1,726,724	1.15	1.39	6
Class A															
2018(c)	$22.73	$ 0.07	$ 0.35	$ 0.42	$(0.60)*	—	—	$(0.60)	$0.00	$22.55	1.80%	$ 102,261	0.59%(d)	1.41%(d)(e)(f)	0%(g)
2017	23.96	0.24	2.96	3.20	(0.25)	$(3.33)	$(0.85)	(4.43)	0.00	22.73	13.92	115,702	0.96	1.39(e)(f)	1
2016	24.99	0.26	2.71	2.97	(0.26)	(2.35)	(1.39)	(4.00)	0.00	23.96	11.31	160,593	0.99	1.39(e)	1
2015	28.45	0.26	(1.71)	(1.45)	(0.18)	(1.83)	—	(2.01)	0.00	24.99	(5.38)	183,418	0.90	1.37(e)	3
2014	26.59	0.30	3.04	3.34	(0.44)	(0.38)	(0.66)	(1.48)	0.00	28.45	12.64	209,501	1.07	1.37	4
2013	22.47	0.28	4.48	4.76	(0.64)	—	—	(0.64)	0.00	26.59	21.36	215,353	1.14	1.39	6
Class C															
2018(c)	$19.17	$(0.02)	$ 0.31	$ 0.29	$(0.60)*	—	—	$(0.60)	$0.00	$18.86	1.46%	$ 208,550	(0.17%)(d)	2.16%(d)(e)(f)	0%(g)
2017	20.99	0.05	2.56	2.61	(0.10)	$(3.33)	$(1.00)	(4.43)	0.00	19.17	13.04	246,690	0.22	2.14(e)(f)	1
2016	22.48	0.06	2.45	2.51	(0.09)	(2.35)	(1.56)	(4.00)	0.00	20.99	10.51	306,349	0.24	2.14(e)	1
2015	25.99	0.04	(1.54)	(1.50)	(0.18)	(1.83)	—	(2.01)	0.00	22.48	(6.10)	329,846	0.15	2.12(e)	3
2014	24.59	0.08	2.80	2.88	(0.25)	(0.38)	(0.85)	(1.48)	0.00	25.99	11.78	321,772	0.31	2.12	4
2013	20.97	0.09	4.17	4.26	(0.64)	—	—	(0.64)	0.00	24.59	20.50	224,804	0.38	2.14	6
Class I															
2018(c)	$23.75	$ 0.10	$ 0.38	$ 0.48	$(0.60)*	—	—	$(0.60)	$0.00	$23.63	1.98%	$ 394,181	0.84%(d)	1.16%(d)(e)(f)	0%(g)
2017	24.80	0.31	3.07	3.38	(0.31)	$(3.33)	$(0.79)	(4.43)	0.00	23.75	14.19	443,912	1.21	1.14(e)(f)	1
2016	25.68	0.33	2.79	3.12	(0.32)	(2.35)	(1.33)	(4.00)	0.00	24.80	11.59	484,305	1.24	1.14(e)	1
2015	29.11	0.34	(1.76)	(1.42)	(0.18)	(1.83)	—	(2.01)	0.00	25.68	(5.15)	663,429	1.15	1.12(e)	3
2014	27.11	0.38	3.10	3.48	(0.51)	(0.38)	(0.59)	(1.48)	0.00	29.11	12.92	652,719	1.28	1.12	4
2013	22.84	0.35	4.56	4.91	(0.64)	—	—	(0.64)	0.00	27.11	21.67	382,333	1.38	1.14	6
Class T(h)															
2018(c)	$22.84	$ 0.07	$ 0.36	$ 0.43	$(0.60)*	—	—	$(0.60)	—	$22.67	1.84%	$ 1	0.60%(d)	1.41%(d)(e)(f)	0%(g)
2017	25.48	0.01	0.64	0.65	(0.01)	$(3.19)	$(0.09)	(3.29)	—	$22.84	2.72	1	0.20(d)	1.39(d)(e)(f)	1

† 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.

* Based on year to date book income. Amounts are subject to change and recharacterization at year end.

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

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

(c) For the six months ended March 31, 2018, unaudited.

(d) Annualized.

(e) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the six months ended March 31, 2018, and the years ended September 30, 2017, 2016, and 2015, there was no impact on the expense ratios.

(f) The Fund incurred interest expense during the six months ended March 31, 2018 and year ended September 30, 2017. If interest expense had not been incurred, the ratio of operating expenses to average net assets would have been 1.39% and 1.38% (Class AAA, Class A, and Class T), 2.14% and 2.13% (Class C), and 1.14% and 1.13% (Class I), respectively. For the years ended September 30, 2016, 2015, 2014, and 2013, the effect of interest expense was minimal.

(g) Amount represents less than 0.5%.

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

See accompanying notes to financial statements.

1. Organization. The Gabelli Equity Income Fund is a series of the Gabelli Equity Series Funds, Inc. (the "Corporation"). The Corporation was incorporated on July 25, 1991 in Maryland. The Fund is a 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 of the Corporation. The Fund seeks to provide a high level of total return on its assets with an emphasis on income. The Fund commenced investment operations on January 2, 1992.

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

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

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt obligations for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

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

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

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

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities and other financial instruments by inputs used to value the Fund's investments as of March 31, 2018 is as follows:

	Valuation Inputs			
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Other Significant Observable Inputs	Total Market Value at 3/31/18
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
Energy and Utilities: Electric	$ 5,250,970	—	$ 0	$ 5,250,970
Food and Beverage	216,738,915	$217,690	—	216,956,605
Other Industries (a)	1,050,766,830	—	—	1,050,766,830
Total Common Stocks	1,272,756,715	217,690	0	1,272,974,405
Closed-End Funds	8,329,500	—	—	8,329,500
Convertible Preferred Stocks (a)	1,174,080	—	—	1,174,080
Rights (a)	—	2,500	—	2,500
Warrants (a)	25	—	—	25
TOTAL INVESTMENTS IN SECURITIES – ASSETS	$1,282,260,320	$220,190	$ 0	$1,282,480,510

(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 six months ended March 31, 2018. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

Additional Information to Evaluate Qualitative Information.

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

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

Derivative Financial Instruments. The Fund may engage in various portfolio investment strategies by investing in derivative financial instruments for the purposes of increasing the income of the Fund, 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 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.

Collateral requirements differ by type of derivative. Collateral requirements are set by the broker or exchange clearing house for exchange traded derivatives, while collateral terms are contract specific for derivatives traded over-the-counter. Securities pledged to cover obligations of the Fund under derivative contracts are noted in the Schedule of Investments. Cash collateral, if any, pledged for the same purpose will be reported separately in the Statement of Assets and Liabilities.

The Fund's derivative contracts held at March 31, 2018, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments together with the related counterparty.

Options. The Fund may purchase or write call or put options on securities or indices for the purpose of increasing the income of the Fund. As a writer of put options, the Fund receives a premium at the outset and then bears the risk of unfavorable changes in the price of the financial instrument underlying the option. The Fund would incur a loss if the price of the underlying financial instrument decreases between the date the option is written and the date on which the option is terminated. The Fund would realize a gain, to the extent of the premium, if the price of the financial instrument increases between those dates.

As a purchaser of call options, the Fund pays a premium for the right to buy the underlying security at a specified price. The seller of the call has the obligation to sell the underlying security upon exercise at the exercise price. If the price of the underlying security declines, the Fund would realize a loss upon sale or exercise. If the price of the underlying security increases or stays the same, the Fund would realize a gain upon sale or at expiration date, but only to the extent of the premium paid.

As a purchaser of put options, the Fund pays a premium for the right to sell to the seller of the put option the underlying security at a specified price. The seller of the put has the obligation to purchase the underlying security upon exercise at the exercise price. If the price of the underlying security declines, the Fund would realize a gain upon sale or exercise. If the price of the underlying security increases or stays the same, the Fund would realize a loss upon sale or at expiration date, but only to the extent of the premium paid.

If a written call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. If a written put option is exercised, the premium reduces the cost basis of the security. In the case of call options, the exercise prices are referred to as "in-the-money," "at-the-money," and "out-of-the-money," respectively. The Fund may write (a) in-the-money call options when the Adviser expects that the price of the underlying security will remain stable or decline during the option period, (b) at-the-money call options when the Adviser expects that the price of the underlying security will remain stable, decline, or advance moderately during the option period, and (c) out-of-the-money call options when the Adviser expects that the premiums received from writing the call option will be greater than the appreciation in the price of the underlying security above the exercise price. By writing a call option, the Fund limits its opportunity to profit from any increase in the market value of the underlying security above the exercise price of the option. Out-of-the-money, at-the-money, and in-the-money put options (the reverse of call options as to the relation of exercise price to market price) may be utilized in the same market environments that such call options are used in equivalent transactions. At March 31, 2018, the Fund held no option positions.

The Fund's volume of activity in put options purchased while outstanding during the six months ended March 31, 2018 had an average monthly market value of approximately $254,375

For the six months ended March 31, 2018, the effect of options purchased with equity risk exposure can be found in the Statement of Operations, under Net Realized and Unrealized Gain/(Loss) on Investments, and Foreign Currency, within Net change in unrealized appreciation/depreciation on investments.

Securities Sold Short. The Fund may enter into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis. The broker retains collateral for the value of the open positions, which is adjusted periodically as the value of the position fluctuates. During the six months ended March 31, 2018, there were no short sales.

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

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

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

Restricted Securities. The Fund may invest up to 15% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. At March 31, 2018, the Fund held no restricted securities.

Securities Transactions and Investment Income. Securities transactions are accounted for on the trade date with realized gain/(loss) on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on 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. The characterization of distributions to shareholders is based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. 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.

The tax character of distributions paid during the year ended September 30, 2017 was as follows:

Distributions paid from:	
Ordinary income	$ 16,301,070
Net long term capital gains	222,927,630
Return of capital	44,667,498
Total distributions paid	$283,896,198

The Fund has 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 calendar year. Pursuant to this policy, distributions during the calendar year are 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 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 its 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.

The following summarizes the tax cost of investments and the related net unrealized appreciation at March 31, 2018:

	Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
Investments.	$598,640,361	$706,272,463	$(22,432,314)	$683,840,149

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. During the six months ended March 31, 2018, the Fund did not incur any income tax, interest, or penalties. As of March 31, 2018, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. The Fund's federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

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

The Corporation pays each Director 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 attending meetings. All Board committee members receive $1,000 per meeting attended. The Chairman of the Audit Committee receives a $3,000 annual fee, and the Lead Director receives an annual fee of $2,000. A Director may receive a single meeting fee, allocated among the participating funds, for attending certain meetings held on behalf of multiple funds. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the 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. Under the Class AAA, Class A, Class C, and Class T Share Plans, payments are authorized to G.distributors, LLC (the "Distributor"), an affiliate of the Adviser, at annual rates of 0.25%, 0.25%, 1.00%, and 0.25%, respectively, of the average daily net assets of those classes, the annual limitations under each Plan. Such payments are accrued daily and paid monthly.

5. Portfolio Securities. Purchases and sales of securities during the six months ended March 31, 2018, other than short term securities and U.S. Government obligations, aggregated $1,857,481 and $271,859,291, respectively.

6. Transactions with Affiliates and Other Arrangements. During the six months ended March 31, 2018, the Fund paid $94,972 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser. Additionally, the Distributor retained a total of $30,131 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

During the six months ended March 31, 2018, 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 $5,942.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. During the six months ended March 31, 2018, the Fund paid or accrued $22,500 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 on March 6, 2019 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 bear interest at a floating rate equal to the higher of the overnight Federal Funds rate plus 125 basis points or the one month 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 March 31, 2018, there was $7,923,000 outstanding under the line of credit.

The average daily amount of borrowings outstanding under the line of credit during the six months ended March 31, 2018 was $5,675,110 with a weighted average interest rate of 2.75%. The maximum amount borrowed at any time during the six months ended March 31, 2018 was $61,182,000.

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

The Fund imposes a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before the seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund as an increase in paid-in capital. The redemption fees retained by the Fund during the six months ended March 31, 2018 and the year ended September 30, 2017, if any, can be found in the Statement of Changes in Net Assets under Redemption Fees.

Transactions in shares of capital stock were as follows:

	Six Months Ended March 31, 2018 (Unaudited)		Year Ended September 30, 2017	
	Shares	Amount	Shares	Amount
Class AAA				
Shares sold	432,406	$ 10,161,107	862,523	$ 21,170,107
Shares issued upon reinvestment of distributions	665,747	15,509,016	5,139,637	121,720,640
Shares redeemed	(4,599,502)	(107,128,311)	(11,617,845)	(284,227,548)
Net decrease	(3,501,349)	$ (81,458,188)	(5,615,685)	$(141,336,801)
Class A				
Shares sold	335,542	$ 7,790,628	1,006,847	$ 24,446,134
Shares issued upon reinvestment of distributions	111,429	2,582,560	883,500	20,834,875
Shares redeemed	(1,003,519)	(23,208,619)	(3,502,297)	(85,820,416)
Net decrease	(556,548)	$ (12,835,431)	(1,611,950)	$ (40,539,407)
Class C				
Shares sold	607,751	$ 11,912,442	1,568,812	$ 32,959,277
Shares issued upon reinvestment of distributions	322,108	6,265,755	2,430,036	48,957,746
Shares redeemed	(2,739,532)	(53,277,611)	(5,728,392)	(120,586,103)
Net decrease	(1,809,673)	$ (35,099,414)	(1,729,544)	$ (38,669,080)
Class I				
Shares sold	1,125,759	$ 27,379,363	4,269,136	$ 108,875,120
Shares issued upon reinvestment of distributions	393,103	9,534,548	2,954,672	72,514,758
Shares redeemed	(3,524,088)	(85,319,176)	(8,063,673)	(203,337,393)
Net decrease	(2,005,226)	$ (48,405,265)	(839,865)	$ (21,947,515)
Class T (a)				
Shares sold	—	—	39	$ 1,000
Shares issued upon reinvestment of distributions	1	$ 27	6	134
Net increase	1	$ 27	45	$ 1,134

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

9. 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.

10. 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.

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

During the six months ended March 31, 2018, the Board of Directors of the Corporation approved the continuation of the investment advisory agreement with the Adviser for the Fund on the basis of the recommendation by the directors (the "Independent Board Members") who are not "interested persons" of the Fund. The following paragraphs summarize the material information and factors considered by the Independent Board Members as well as their conclusions relative to such factors.

Nature, Extent, and Quality of Services. The Independent Board Members considered information regarding the portfolio manager, the depth of the analyst pool available to the Adviser and the portfolio manager, the scope of administrative, shareholder, and other services supervised or provided by the Adviser and the absence of significant service problems reported to the Board. The Independent Board Members noted the experience, length of service, and reputation of the portfolio manager.

Investment Performance. The Independent Board Members reviewed the short, medium, and long term performance (as of December 31, 2017) of the Fund against a peer group of eight other comparable funds prepared by the Adviser (the "Adviser Peer Group") and against a peer group prepared by Broadridge (the "Broadridge Performance Peer Group") consisting of all retail and institutional equity income funds, regardless of asset size or primary channel of distribution, as represented by the Lipper Equity Income Index. The Independent Board Members noted that the Fund's performance was in the third quartile for the one year period, and in the fourth quartile for the three and five year periods, as measured against the Adviser Peer Group. The Independent Board Members noted that, although the Fund's performance was in the lower quartiles, the Fund's performance for the one year period was less than one percentage point below the median of the Adviser Peer Group, and for the five year period was only slightly more than one percentage point below the median of the Adviser Peer Group. Against the Broadridge Performance Peer Group, the Independent Board Members noted that the Fund's performance was in the fourth quintile of the funds in its category for the one year and three year periods, and the fifth quintile for the five year period, and further noted that, despite the low quintile rankings, the Fund's absolute performance relative to the Broadridge Peer Group for the one and five year periods was generally comparable with the Fund's absolute performance relative to the Adviser Peer Group.

Profitability. The Independent Board Members reviewed summary data regarding the profitability of the Fund to the Adviser both with an administrative overhead charge and without such a charge. The Independent Board Members also noted that a substantial portion of the Fund's portfolio transactions were executed by an affiliated broker, that another affiliated broker received distribution fees and minor amounts of sales commissions, and that the Adviser received a moderate level of soft dollar research benefits through the Fund's portfolio brokerage.

Economies of Scale. The Independent Board Members discussed the major elements of the Adviser's cost structure and the relationship of those elements to potential economies of scale.

Sharing of Economies of Scale. The Independent Board Members noted that the investment management fee schedule for the Fund does not take into account any potential economies of scale that may develop.

Service and Cost Comparisons. The Independent Board Members compared the expense ratios of the investment management fee, other expenses, and total expenses of the Fund to expense ratios of the Adviser Peer Group and a peer group of seven other equity income funds selected by Broadridge and noted that the Adviser's management fee includes substantially all administrative services for the Fund as well as investment advisory services. The Independent Board Members noted that the Fund's expense ratio was above average within this group. The Independent Board Members also noted that the management fee structure was the same as that in effect for most of the Gabelli funds. The Independent Board Members were presented with, but did not consider to be material to their decision, various information comparing the advisory fee with the fee for other types of accounts managed by the Adviser.

Conclusions. The Independent Board Members concluded that the Fund enjoyed highly experienced portfolio management services, good ancillary services, and an acceptable performance record. The Independent Board Members also concluded that the Fund's expense ratios and the profitability to the Adviser of managing the Fund were reasonable, particularly in light of the Fund's performance, and that economies of scale were not a significant factor in their thinking at this time. The Independent Board Members did not view the potential profitability of ancillary services as material to their decision. On the basis of the foregoing and without assigning particular weight to any single conclusion, the Independent Board Members determined to recommend continuation of the investment management agreements to the full Board.

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

GABELLI EQUITY INCOME 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.

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.

Gabelli Equity Series Funds, Inc.
THE GABELLI EQUITY INCOME FUND
One Corporate Center
Rye, New York 10580-1422

t 800-GABELLI (800-422-3554)
f 914-921-5118
e info@gabelli.com
GABELLI.COM

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

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