GABELLI
FUNDS

One Corporate Center
Rye, NY 10580-1422
t 914.921.5100
GABELLI.COM

7/29/14

On July 23rd, 2014 The Securities and Exchange Commission (SEC) imposed new rules for further regulations on institutional prime and institutional municipal money-market funds. Government funds, (investing 99.5% of assets in government securities) such as the Gabelli US Treasury Money Market Fund and retail funds (limiting owners to natural persons) are exempt from the additional reforms. These new regulations are aimed at discouraging institutional investors from fleeing the market in the event of significant market instability.

The new amendments require a floating net asset value for institutional prime money market funds, allow the imposition of liquidity fees and redemption gates, enhance diversification requirements, and add responsibilities to Boards of Directors. More specifically, all institutional money market funds are required to abandon the amortized cost method of accounting that money market funds utilize to maintain a stable $1.00 NAV and replace it with a floating rate NAV based on the daily mark to market of the portfolio's securities. In addition, the Board of Directors can impose liquidity fees and redemption gates if a fund's liquid assets (cash, Treasuries, short-duration government bonds, and 7-day securities) fall below 30% of total assets. The final rules provide a two year transition period to enable both funds and investors time to fully adjust their systems, operations and investing practices.

Money market mutual funds will continue to be regulated by Rule 2a-7 under the Investment Company Act of 1940. The rule was significantly strengthened in 2010; and with these new industry guidelines in place, the S.E.C. hopes to ensure the stability of the money market industry along with our financial system.

We will keep you apprised of new developments and are available at any time to answer your questions regarding this or any other matter related to the Gabelli U.S. Treasury Money Market Fund.

The Fund's share price will fluctuate with changes in the market value of the Fund's portfolio securities. Securities are subject to market, economic and business risks that cause their prices to

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fluctuate. When you sell Fund shares, they may be worth less than what you paid for them. Consequently, you can lose money by investing in the Fund.

Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus, which contains more complete information about these and other matters, should be read carefully before investing. To obtain a prospectus, please call 800-GABELLI or visit www.gabelli.com.

Investment in the Fund is neither guaranteed nor insured by the Federal Deposit Insurance Corporation or any government agency. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the Fund.
Not FDIC Insured. Not Bank Guaranteed. May Lose Value.
