

The Gabelli Asset Fund

Shareholder Commentary

June 30, 2009

To Our Shareholders,

For the second quarter of 2009, The Gabelli Asset Fund advanced 19.13% versus a rise of 15.92% for the Standard & Poor's ("S&P") 500 Index. The Fund's annualized total returns for the one year, three year, five year, ten year, fifteen year, twenty year, and since inception periods were (26.08)%, (6.09)%, 0.78%, 2.78%, 8.95%, 9.01%, and 11.18%, respectively, outperforming the S&P 500 benchmark for each of these periods. The Fund's cumulative total return since inception 23.25 years ago on March 3, 1986 is 1,084.17%.

COMMENTARY

The Economy

Mark Twain's observation that "History doesn't repeat itself – at best it sometimes rhymes" has been invoked frequently as commentators search for parallels between the current economic crisis and those of the past. For the moment, a repeat of the Great Depression of the 1930s – with 25% unemployment, a one-third contraction in the money supply, and a collapse of global trade – appears to have been averted. Indeed, comfort that we have retreated from the brink of systemic collapse helped to fuel the second quarter rise in stocks around the world. That leaves us to look for other rhymes.

The National Bureau of Economic Research (NBER) identifies thirty-two recessions, lasting seventeen months on average, since 1854. Excluding the current period, there have been ten recessions since 1945, lasting ten months on average. When viewed against an extended backdrop, the twenty month old Great Recession of 2007-2009 looks almost garden variety, which is not to say it is a garden where anyone would

Comparative Results

<u>Average Annual Returns through June 30, 2009*</u>									
	Quarter	Year to Date	1 Year	3 Year	5 Year	10 Year	15 Year	20 Year	Since Inception (3/3/86)
Gabelli Asset Fund									
AAA Shares	19.13%	4.80%	(26.08)%	(6.09)%	0.78%	2.78%	8.95%	9.01%	11.18%
S&P 500 Index	15.92	3.19	(26.20)	(8.22)	(2.24)	(2.22)	6.92	7.76	8.70
Dow Jones Industrial Average	11.96	(1.93)	(22.96)	(6.34)	(1.65)	(0.37)	8.16	9.07	9.95
Nasdaq Composite Index	21.05	15.33	(27.98)	(10.83)	(4.35)	(1.70)	6.58	7.46	7.24

The expense ratio is 1.38% for the Fund's Class AAA Shares. Class AAA Shares do not have a sales charge.
* **Returns represent past performance and do not guarantee future results.** Total returns and average annual returns reflect changes in share prices and reinvestment of distributions and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.** See page 8 for performance of other classes of shares. The Dow Jones Industrial Average is an unmanaged index of 30 large capitalization stocks. The S&P 500 Index and the Nasdaq Composite Index are unmanaged indicators of stock market performance. Dividends are reinvested except for the Nasdaq Composite Index. You cannot invest directly in an index.

THE GABELLI ASSET FUND INVESTMENT RESULTS (CLASS AAA SHARES) (a)

		Quarter				
		1st	2nd	3rd	4th	Year
2009:	Net Asset Value	\$27.28	\$32.50	—	—	—
	Total Return	(12.0)%	19.1%	—	—	—
2008:	Net Asset Value	\$44.95	\$44.35	\$39.97	\$31.01	\$31.01
	Total Return	(9.8)%	(1.3)%	(9.9)%	(21.7)%	(37.2)%
2007:	Net Asset Value	\$49.29	\$52.86	\$54.01	\$49.81	\$49.81
	Total Return	4.0%	7.2%	2.2%	(1.9)%	11.8%
2006:	Net Asset Value	\$44.13	\$44.54	\$45.85	\$47.38	\$47.38
	Total Return	7.3%	0.9%	2.9%	9.3%	21.8%
2005:	Net Asset Value	\$41.22	\$42.05	\$43.43	\$41.13	\$41.13
	Total Return	(0.6)%	2.0%	3.3%	(0.3)%	4.4%
2004:	Net Asset Value	\$37.37	\$38.06	\$37.42	\$41.45	\$41.45
	Total Return	3.1%	1.8%	(1.7)%	12.9%	16.5%
2003:	Net Asset Value	\$26.82	\$31.49	\$32.25	\$36.26	\$36.26
	Total Return	(5.1)%	17.4%	2.4%	14.4%	30.6%
2002:	Net Asset Value	\$34.21	\$30.77	\$26.04	\$28.25	\$28.25
	Total Return	3.8%	(10.1)%	(15.4)%	8.6%	(14.3)%
2001:	Net Asset Value	\$33.03	\$35.45	\$30.70	\$32.97	\$32.97
	Total Return	(2.6)%	7.3%	(13.4)%	10.6%	0.2%
2000:	Net Asset Value	\$40.93	\$40.18	\$40.14	\$33.90	\$33.90
	Total Return	0.2%	(1.8)%	(0.1)%	(0.7)%	(2.4)%
1999:	Net Asset Value	\$37.18	\$41.38	\$39.52	\$40.84	\$40.84
	Total Return	4.8%	11.3%	(4.5)%	15.3%	28.5%
1998:	Net Asset Value	\$36.00	\$36.41	\$31.24	\$35.47	\$35.47
	Total Return	13.0%	1.1%	(14.2)%	18.2%	15.9%
1997:	Net Asset Value	\$27.00	\$31.45	\$34.99	\$31.85	\$31.85
	Total Return	2.2%	16.5%	11.3%	4.3%	38.1%
1996:	Net Asset Value	\$27.44	\$28.09	\$27.92	\$26.42	\$26.42
	Total Return	6.6%	2.4%	(0.6)%	4.5%	13.4%
1995:	Net Asset Value	\$23.84	\$25.10	\$26.76	\$25.75	\$25.75
	Total Return	7.3%	5.3%	6.6%	3.7%	24.9%
1994:	Net Asset Value	\$22.63	\$22.36	\$23.56	\$22.21	\$22.21
	Total Return	(2.9)%	(1.2)%	5.4%	(1.2)%	(0.1)%
1993:	Net Asset Value	\$21.10	\$22.10	\$23.63	\$23.30	\$23.30
	Total Return	6.1%	4.7%	6.9%	2.5%	21.8%
1992:	Net Asset Value	\$19.04	\$18.91	\$19.02	\$19.88	\$19.88
	Total Return	6.0%	(0.7)%	0.6%	8.5%	14.9%
1991:	Net Asset Value	\$17.36	\$17.36	\$17.90	\$17.96	\$17.96
	Total Return	11.1%	0.0%	3.1%	3.2%	18.1%
1990:	Net Asset Value	\$16.48	\$16.81	\$15.21	\$15.63	\$15.63
	Total Return	(4.5)%	2.0%	(9.5)%	7.8%	(5.0)%
1989:	Net Asset Value	\$16.46	\$18.01	\$18.73	\$17.26	\$17.26
	Total Return	12.0%	9.4%	4.0%	(1.0)%	26.2%
1988:	Net Asset Value	\$13.49	\$14.62	\$14.94	\$14.69	\$14.69
	Total Return	14.4%	8.4%	2.2%	3.5%	31.1%
1987:	Net Asset Value	\$12.97	\$13.93	\$14.66	\$12.61	\$12.61
	Total Return	19.6%	7.4%	5.2%	(14.0)%	16.2%
1986:	Net Asset Value	\$10.44	\$11.21	\$11.29	\$11.28	\$11.28
	Total Return	4.4%(b)	7.4%	0.7%	(0.1)%	12.8%(b)

Average Annual Returns – June 30, 2009 (a)

1 Year	(26.08)%
5 Year	0.78
10 Year	2.78
Since Inception (b)	11.18
Current Expense Ratio	1.38

(a) **Returns represent past performance and do not guarantee future results.** Total returns and average annual returns reflect changes in share price and reinvestment of dividends and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.** See page 8 for performance of other classes of shares.

(b) From commencement of investment operations on March 3, 1986.

like to spend much time. From the 19th century through the Great Depression, sharp and prolonged downturns occurred regularly and shared a number of characteristics. They were often preceded by speculative bubbles (real estate in 1819, railroads in 1893) and combined with financial panics (the Panic of 1907 made famous by the J.P. Morgan led rescue and, of course, the Crash of 1929). Many early panics included political upheaval and significant government intervention. We cannot make predictions about how the current downturn will be viewed in the future or when it will end, only that history tells us that it will end.

The present risks to the economy are clear: increasing joblessness, a continuing deflation in house prices, ballooning deficits with an attendant risk of rising interest rates, and the ever present threat of geopolitical unrest. Counterforces that should support recovery include nearly unprecedented fiscal and monetary stimulus, inventory restocking, emerging market growth, continued innovation, and productivity growth. Ironically, government has been both a problem and solution in past crises. The National Recovery Administration of the 1930s and price controls of the 1970s, among other heavy handed involvements, are generally thought to have delayed recoveries. Coordinated action by the Federal Reserve and U.S. Treasury over the last year may have stabilized the markets in the short term, but we worry that regulatory overreach and increasing taxes could shrivel the “green shoots” present today, which brings to mind another cliché: “those who cannot learn from history are doomed to repeat it.”

Deals... Deals... And More Deals

Deal activity remained slow in the second quarter with announced M&A volume down 28% and 57% worldwide and in the U.S., respectively. However, we continue to expect that increased economic visibility and a loosening of credit markets will fuel a rise in strategic combinations as the strong seek to get stronger. During the quarter, the Fund benefited from Pepsi's simultaneous offers for two of its bottlers, PepsiAmericas (1.1% of net assets as of June 30, 2009) and Pepsi Bottling Group. We also expect continued upside from the May 2009 announcement of a merger between Liberty Entertainment (1.6%) and DIRECTV Group (0.8%).

Investment Scorecard

A rebound in media stocks led the Fund's strong performance in the quarter. The Fund's largest holding, Cablevision Systems (2.2%), was up over 50%, contributing significantly to the Fund's gains. Cablevision addressed financing concerns with two successful bond offerings and announced that it was exploring a spin-off of its Madison Square Garden properties, including the NY Knicks, NY Rangers, and the associated sports networks and arena. Other strong media contributors included Time Warner (0.8%), Viacom (0.7%), and Liberty Entertainment. Long-time holding American Express (0.6%) rebounded sharply, up 71%, and also contributed to performance.

There were few negative performers in the quarter. The largest was Newmont Mining (1.3%), which detracted significantly from performance. Newmont and Barrick Gold (0.7%) were among the biggest gainers in the first quarter as investors sought a safe haven in gold stocks, but a subdued level of fear led to a migration out of those stocks in the second quarter. Given the prospect of accelerated inflation and gold's past role as an inflation hedge, Newmont and Barrick remain Fund holdings.

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 stated in U.S. dollar equivalents as of June 30, 2009.

AMETEK (1.3% of net assets as of June 30, 2009) (AME - \$34.58 - NYSE) is a leading global manufacturer of analytical instruments for the process, aerospace, and industrial markets, and a leading producer of electric motors and blowers for the floor care and outdoor power equipment markets. AMETEK has two operating groups. In Electronic Instruments Group, the company continues to make acquisitions to augment growth. AMETEK expects one-half to two-thirds of its revenue growth to come from acquisitions. The company is focused on acquiring differentiated businesses with revenues of \$30 – \$100 million. Differentiated businesses compete on the basis of product capability, have higher growth rates, and offer superior returns. They currently account for 75% of AMETEK’s revenues and over time, they should account for an even greater portion of sales. At the Electro-mechanical Group, AMETEK’s key strategy is to reduce costs by increasing efficiency and moving non-core operations to low costs countries such as Mexico, the Czech Republic, and China. We believe the execution of these two strategies and the company’s strong cash flow should enable AMETEK to show steady earnings growth.

Brown-Forman Inc. (1.1%) (BFA - \$46.20 - NYSE) based in Louisville, KY, is a leading producer of spirits and wine. The company has a focused portfolio of premium spirits brands, including Jack Daniel’s, Finlandia, and Southern Comfort. In 2007, the company acquired Casa Herradura, a Mexican producer of premium tequila, allowing Brown-Forman to participate in the rapidly growing U.S. tequila market and giving it a distribution platform in Mexico. International markets, which now contribute over 50% of total revenues, continue to post strong growth, particularly in Eastern Europe. Brown-Forman’s premium spirits brands are proving to be exceptionally resilient through the economic downturn, as Jack Daniel’s volumes grew 4% and Finlandia grew 6% in the fiscal year ended April 30, 2009. The company also continues to grow its super premium brands such as Woodford Reserve, Chambord, Herradura, and Sonoma-Cutrer.

Cablevision Systems Corp. (2.2%) (CVC - \$19.41 - NYSE) is one of the nation’s leading telecommunication and entertainment companies. Headquartered in Bethpage, NY, Cablevision serves over 3 million cable customers in the attractive metropolitan New York market. Cablevision also owns sports related assets, including Madison Square Garden, the NY Knicks, the NY Rangers, and the MSG networks and high growth cable networks AMC, Women’s Entertainment, IFC, and Sundance. The company pioneered the “triple play” bundle of video, voice, and data services and is now the majority phone provider in much of its footprint. Cablevision continues to innovate with a robust offering for small businesses and free Wi-Fi service utilizing its advanced infrastructure. Cablevision has begun to reap years of investment in the form of growing free cash flow which we expect to continue for some time. On July 30, 2009, CVC announced plans to spin off its Madison Square Garden assets that include the Madison Square Garden arena, the Knicks, the Rangers, two New York area sports networks, and Radio City Music Hall. We proposed a spinoff of these assets last year. The move could facilitate other transactions, such as the sale of its cable networks and strategic acquisitions, namely contiguous cable assets in the New York metropolitan area.

Deere & Co. (1.7%) (DE - \$39.95 - NYSE) was founded in 1837 and is headquartered in Moline, Illinois. DE manufactures and distributes agricultural and commercial equipment worldwide. After recently reorganizing the Agricultural Equipment Division and the Commercial & Consumer Equipment Division into a single unit called the Worldwide Agriculture and Turf Division, the firm now operates in three segments: Agriculture and Turf Division, Construction and Forestry, and Credit. We continue to believe that Deere remains a quality name in the agricultural equipment space.

Flowserve Corporation (1.6%) (FLS - \$69.81 - NYSE) is the largest pump company serving the petroleum, chemical, and power industries. The company’s products include engineered pumps, automated and control valves, actuators, and seals. About 40% of FLS’ revenues are derived from the oil and gas industry. We believe the company should benefit from the refurbishment of the aging infrastructure to extract oil in the U.S., Middle East, and other parts of the world. In addition, the oil companies now need to bring up the dirtier, heavier, and

harder-to-get crude from thousands of feet below ground as the cleaner, lighter, and easier-to-obtain crude are depleted from down to 800 feet below ground. These requirements demand more highly engineered pumps, valves, and seals that can work under very high pressure, high temperature or under water, boding well for FLS' products.

ITT Corp. (1.4%) (ITT - \$44.50 - NYSE) is a manufacturer of submersible pumps, defense electronics, connectors, and motion control products for the water, wastewater, aerospace, and general industrial markets. ITT's pumps and advance water treatment products are in a growth market driven by the demand for clean water. The global market for water has been estimated at \$350 billion, with the U.S. accounting for half of the total. The market is benefiting from two pronged growth, driven by the U.S. replacement market and new spending in developing countries. Companies selling into the domestic water infrastructure market should benefit from increasing water scarcity, aging infrastructure, and continued economic growth. Internationally, many emerging nations are installing infrastructure for the first time. As these developing economies grow, a larger percentage of water will shift from agricultural uses to industrial uses, requiring more water equipment and services. These positive dynamics are expected to benefit ITT.

Liberty Entertainment Group. (1.6%) (LMDIA - \$26.70 - Nasdaq) is one of three tracking stocks, along with Liberty Interactive and Liberty Capital emanating from Liberty Media. LMDIA was issued in March 2007 and primarily tracks the value of Liberty's 549 million shares or 54% stake in DIRECTV. LMDIA has announced plans to spin-off its DIRECTV shares, along with several other assets, into a new entity. That new company and DIRECTV will then combine, simplifying DIRECTV's ownership structure and facilitating other strategic transactions. The remaining LMDIA assets will consist primarily of pay-TV network Starz Entertainment and cash. We think Liberty could re-combine LMDIA with the other trackers or use Starz as a platform for consolidating other media assets. The current prices of DIRECTV and LMDIA imply that buyers of LMDIA receive Starz for less than half its worth.

News Corp. (1.8%) (NWS - \$10.57 - NYSE) is a leading global media firm with interests in broadcast television (the Fox network and affiliated stations), cable networks, filmed entertainment, publishing, magazine inserts, global satellite distribution, and British and Australian newspapers. In 2007 News acquired Dow Jones and has begun expanding the reach of the flagship Wall Street Journal brand over the web and, we expect at some point, on television. The firm has a uniquely global reach and an attractive mix of new and old media assets. Founder Rupert Murdoch and his family control a 38% voting stake in News.

Precision Castparts Corp. (1.2%) (PCP - \$73.03 - NYSE) is a manufacturer of investment castings and forgings primarily for the aerospace and industrial gas turbine markets. The company also makes fasteners, extruded pipes, metalworking tools, and refiner plates for the automotive, pulp and paper, and general industrial markets. PCP is a strong cash flow generator. We believe the company plans to use the cash for acquisitions. PCP's acquisition strategy centers on buying businesses within the company's core competencies that include manufacturing component products for complex end users. The strategy also includes finding companies that have procurement or technologies similar to PCP's and similar customer profiles. These characteristics should provide opportunities for PCP to improve the acquired company's profitability that enhances PCP's earnings.

Procter & Gamble Co. (1.5%) (PG - \$51.10 - NYSE) is a leading global consumer goods company which generates over \$80 billion of annual revenue through its three global business units; Beauty, Health & Well Being, and Household Care. P&G has 23 brands that have over \$1 billion of revenue and sells its products in over 180 countries. Its brands include Tide, Pantene, Crest, Olay, Charmin, Pampers, and many more. The company has expanded and diversified its product offering over the last several years through acquisitions, including Gillette, which P&G acquired in October 2005. In November 2008, the company divested the slower

growing \$1.6 billion Folgers coffee business into the J. M. Smucker Company for approximately \$3.3 billion. On June 10, 2009, P&G announced Robert A. McDonald (COO) was elected President and Chief Executive Officer effective July 1st, succeeding A.G. Lafley who will continue as Chairman.

Rogers Communications Inc. (1.7%) (RCI - \$25.75 - NYSE) is one of the only companies in North America able to offer consumers the “Quadruple Play” of video, high speed data, and fixed and wireless telephony through a wholly owned plant. The company, founded by the late telecom pioneer Ted Rogers and controlled by his heirs, is Canada’s largest cable and wireless company. As the largest spectrum owner in North America, Rogers is aggressively deploying the next generation of wireless services. Rogers also has a substantial media business that operates radio stations, television networks (including The Shopping Channel), magazines and trade publications, and the Toronto Blue Jays baseball team. Prior investments and acquisitions, combined with significant operational improvements, have positioned Rogers for mid teens cash flow growth for the next several years.

Conclusion

In our view, the market is rife with bargains. Historically, times of uncertainty have been profitable for those who practice our approach to Plain Old Stock Picking (POSP). We believe a diversified portfolio of stocks selling below their PMVs with catalysts for financial engineering and value enhancement will do well.

Sincerely,



Mario J. Gabelli, CFA

Portfolio Manager and

Chief Investment Officer – Value Portfolios

August 11, 2009

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

Portfolio Manager Compensation

Mr. Gabelli’s incentive-based, variable compensation structure and dollar amount have been fully disclosed each year since April of 2000 in GAMCO Investors, Inc.’s (NYSE: GBL) annual proxy statement. Mr. Gabelli receives no base salary, no annual bonus, and no options.

As founder and portfolio manager of The Gabelli Asset Fund, Mr. Gabelli received \$7,870,134 in calendar 2008. In 1986, the Fund’s first year of operation starting in March, Mr. Gabelli received less than \$60,000. As beneficial owner, he had \$1,089,290 invested in The Gabelli Asset Fund as of June 30, 2009, which includes the holdings of GAMCO Asset Management, Inc. and GGCP, Inc., GBL’s parent holding company.

Minimum Initial Investment – \$1,000

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

www.gabelli.com

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

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

The Fund's daily net asset value is available in the financial press and each evening after 6:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554). The Fund's Nasdaq symbol is GABAX for Class AAA Shares. Please call us during the business day for further information.

e-delivery

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

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

Cablevision Systems Corp., Cl. A	2.2%	Liberty Media Corp – Entertainment, Cl. A	1.6%
News Corp., Cl. A	1.8%	Flowerserve Corp.	1.6%
Rogers Communications Inc., Cl. B, Toronto	1.7%	Procter & Gamble Co.	1.5%
Deere & Co.	1.7%	ITT Corp.	1.4%
Telephone & Data Systems Inc.	1.7%	Ametek Inc.	1.3%

Multi-Class Shares

The Gabelli Asset Fund began offering additional classes of Fund shares on December 31, 2003. Class AAA Shares are no-load shares offered directly by selected broker/dealers. Class A and Class C Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available solely to certain institutions which invest directly with the Fund. The minimum initial investment amount for Class I Shares is \$500,000. The Board of 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 Asset Fund Average Annual Returns – June 30, 2009 (a)

	<u>Class AAA Shares</u>	<u>Class A Shares</u>	<u>Class B Shares</u>	<u>Class C Shares</u>	<u>Class I Shares</u>
1 Year	(26.08)%	(26.08)% (30.33)(c)	(26.64)% (30.30)(d)	(26.59)% (27.33)(e)	(25.90)%
5 Year	0.78	0.78 (0.41)(c)	0.02 (0.38)(d)	0.04 0.04	0.85
10 Year	2.78	2.78 2.17(c)	2.35 2.35	2.36 2.36	2.82
Life of Fund (b)	11.18	11.18 10.88(c)	10.98 10.98	10.98 10.98	11.20
Current expense ratio	1.38	1.38	2.13	2.13	1.13
Maximum sales charge . .	None	5.75	5.00	1.00	None

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

The Class AAA Share NAVs per share are used to calculate performance for the periods prior to the issuance of Class A Shares, Class B Shares, and Class C Shares on December 31, 2003 and Class I Shares on January 11, 2008. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional 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.

(b) Performance is calculated from inception of Class AAA shares on March 3, 1986.

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

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

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

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

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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 or Teton Advisors, Inc., which are affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients. Teton Advisors, Inc. is a publicly held company that provides investment advisory services to the GAMCO Westwood Funds.

What kind of non-public information do we collect about you if you become a 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.

GABELLI FAMILY OF FUNDS

VALUE

Gabelli Asset Fund

Seeks to invest primarily in a diversified portfolio of common stocks selling at significant discounts to their private market value. The Fund's primary objective is growth of capital. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

Gabelli Blue Chip Value Fund

Seeks long term growth of capital through investment primarily in the common stocks of established companies which are temporarily out of favor. The fund's objective is to identify a catalyst or sequence of events that will return the company to a higher value. (Multiclass)

Portfolio Manager: Barbara Marcin, CFA

GAMCO Westwood Equity Fund

Seeks to invest primarily in the common stock of well seasoned companies that have recently reported positive earnings surprises and are trading below Westwood's proprietary growth rate estimates. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Susan M. Byrne

FOCUSED VALUE

Gabelli Value Fund

Seeks to invest in securities of companies believed to be undervalued. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

SMALL CAP VALUE

Gabelli Small Cap Fund

Seeks to invest primarily in common stock of smaller companies (market capitalizations at the time of investment of \$2 billion or less) believed to have rapid revenue and earnings growth potential. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Westwood SmallCap Equity Fund

Seeks to invest primarily in smaller capitalization equity securities – market caps of \$2.5 billion or less. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Portfolio Manager: Nicholas F. Galluccio

Gabelli Woodland Small Cap Value Fund

Seeks to invest primarily in the common stocks of smaller companies (market capitalizations generally less than \$3.0 billion) believed to be undervalued with shareholder oriented management teams that are employing strategies to grow the company's value. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Elizabeth M. Lilly, CFA

GROWTH

GAMCO Growth Fund

Seeks to invest primarily in large cap stocks believed to have favorable, yet undervalued, prospects for earnings growth. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Howard F. Ward, CFA

GAMCO International Growth Fund

Seeks to invest in the equity securities of foreign issuers with long-term capital appreciation potential. The Fund offers investors global diversification. (Multiclass)

Portfolio Manager: Caesar Bryan

AGGRESSIVE GROWTH

GAMCO Global Growth Fund

Seeks capital appreciation through a disciplined investment program focusing on the globalization and interactivity of the world's marketplace. The Fund invests in companies at the forefront of accelerated growth. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

MICRO-CAP

GAMCO Westwood Mighty MitesSM Fund

Seeks to invest in micro-cap companies that have market capitalizations of \$300 million or less. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Team Managed

EQUITY INCOME

Gabelli Equity Income Fund

Seeks to invest primarily in equity securities with above average market yields. The Fund pays monthly dividends and seeks a high level of total return with an emphasis on income. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Westwood Balanced Fund

Seeks to invest in a balanced and diversified portfolio of stocks and bonds. The Fund's primary objective is both capital appreciation and current income. (Multiclass)

Co-Portfolio Managers: Susan M. Byrne
Mark Freeman, CFA

GAMCO Westwood Income Fund

Seeks to provide a high level of current income as well as long-term capital appreciation by investing in income producing equity and fixed income securities. (Multiclass)

Portfolio Manager: Barbara Marcin, CFA

SPECIALTY EQUITY

GAMCO Global Convertible Securities Fund

Seeks to invest principally in bonds and preferred stocks which are convertible into common stock of foreign and domestic companies. The Fund's primary objective is total return through a combination of current income and capital appreciation. (Multiclass)

Team Managed

GAMCO Global Opportunity Fund

Seeks to invest in common stock of companies which have rapid growth in revenues and earnings and potential for above average capital appreciation or are undervalued. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

Gabelli SRI Green Fund

Seeks to invest in common and preferred stocks meeting guidelines for social responsibility (avoiding defense contractors and manufacturers of alcohol, abortifacients, gaming, and tobacco products) and sustainability (companies engaged in climate change, energy security and independence, natural resource shortages, organic living, and urbanization). The Fund's primary objective is capital appreciation. (Multiclass)

Co-Portfolio Managers: Christopher C. Desmarais
John M. Segrich, CFA

SECTOR

GAMCO Global Telecommunications Fund

Seeks to invest in telecommunications companies throughout the world – targeting undervalued companies with strong earnings and cash flow dynamics. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

GAMCO Gold Fund

Seeks to invest in a global portfolio of equity securities of gold mining and related companies. The Fund's objective is long-term capital appreciation. Investment in gold stocks is considered speculative and is affected by a variety of worldwide economic, financial, and political factors. (Multiclass)

Portfolio Manager: Caesar Bryan

Gabelli Utilities Fund

Seeks to provide a high level of total return through a combination of capital appreciation and current income. (Multiclass)

Team Managed

MERGER AND ARBITRAGE

Gabelli ABC Fund

Seeks to invest in securities with attractive opportunities for appreciation or investment income. The Fund's primary objective is total return in various market conditions without excessive risk of capital loss. (No-load)

Portfolio Manager: Mario J. Gabelli, CFA

Gabelli Enterprise Mergers and Acquisitions Fund

Seeks to invest in securities believed to be likely acquisition targets within 12–18 months or in arbitrage transactions of publicly announced mergers or other corporate reorganizations. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

CONTRARIAN

GAMCO Mathers Fund

Seeks long-term capital appreciation in various market conditions without excessive risk of capital loss. (No-load)

Portfolio Manager: Henry Van der Eb, CFA

Comstock Capital Value Fund

Seeks capital appreciation and current income. The Fund may use either long or short positions to achieve its objective. (Multiclass)

Portfolio Manager: Martin Weiner, CFA

FIXED INCOME

GAMCO Westwood Intermediate Bond Fund

Seeks to invest in a diversified portfolio of bonds with various maturities. The Fund's primary objective is total return. (Multiclass)

Portfolio Manager: Mark Freeman, CFA

CASH MANAGEMENT-MONEY MARKET

Gabelli U.S. Treasury Money Market Fund

Seeks to invest exclusively in short-term U.S. Treasury securities. The Fund's primary objective is to provide high current income consistent with the preservation of principal and liquidity. (No-load)

Co-Portfolio Managers: Judith A. Raneri
Ronald S. Eaker

An investment in the above Money Market Fund is neither insured nor guaranteed 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.

The Funds may invest in foreign securities which involve risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks.

To receive a prospectus, call **800-GABELLI** (422-3554). Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.

The Gabelli Asset Fund

One Corporate Center
Rye, New York 10580-1422

800-GABELLI

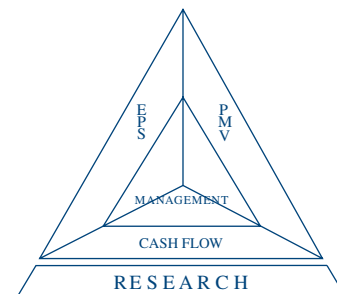
800-422-3554

fax: 914-921-5118

website: www.gabelli.com

e-mail: info@gabelli.com

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



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State Street Bank and Trust Company

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Skadden, Arps, Slate, Meagher & Flom LLP

The Gabelli Asset Fund

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

GAB405Q209SC

SHAREHOLDER COMMENTARY
JUNE 30, 2009

The Gabelli Asset Fund

Semi-Annual Report

June 30, 2009

To Our Shareholders,

During the second quarter of 2009, the net asset value (“NAV”) per Class AAA Share of The Gabelli Asset Fund (the “Fund”) rose 19.1%, while the Standard & Poor’s (“S&P”) 500 Index was up 15.9% and the Dow Jones Industrial Average increased 12.0%. For the six month period ended June 30, 2009, the Fund was up 4.8% versus an increase of 3.2% for the S&P 500 Index and a decline of 1.9% for the Dow Jones Industrial Average.

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

Comparative Results

Average Annual Returns through June 30, 2009 (a)

	Quarter	Year to Date	1 Year	3 Year	5 Year	10 Year	15 Year	20 Year	Since Inception (3/3/86)
Gabelli Asset Fund Class AAA	19.13%	4.80%	(26.08)%	(6.09)%	0.78%	2.78%	8.95%	9.01%	11.18%
S&P 500 Index	15.92	3.19	(26.20)	(8.22)	(2.24)	(2.22)	6.92	7.76	8.70
Dow Jones Industrial Average	11.96	(1.93)	(22.96)	(6.34)	(1.65)	(0.37)	8.16	9.07	9.95
Nasdaq Composite Index	21.05	15.33	(27.98)	(10.83)	(4.35)	(1.70)	6.58	7.46	7.24
Class A	19.17	4.80	(26.08)	(6.09)	0.78	2.78	8.95	9.01	11.18
	12.31(b)	(1.23)(b)	(30.33)(b)	(7.92)(b)	(0.41)(b)	2.17(b)	8.53(b)	8.69(b)	10.88(b)
Class B	18.93	4.41	(26.64)	(6.84)	0.02	2.35	8.65	8.79	10.98
	13.93(c)	(0.59)(c)	(30.30)(c)	(7.79)(c)	(0.38)(c)	2.35	8.65	8.79	10.98
Class C	18.97	4.49	(26.59)	(6.77)	0.04	2.36	8.66	8.79	10.98
	17.97(d)	3.49(d)	(27.33)(d)	(6.77)	0.04	2.36	8.66	8.79	10.98
Class I	19.22	4.94	(25.90)	(5.97)	0.85	2.82	8.98	9.03	11.20

In the current prospectus, the expense ratios for Class AAA, A, B, C, and I Shares are 1.38%, 1.38%, 2.13%, 2.13%, and 1.13%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A, B, and C Shares is 5.75%, 5.00%, and 1.00%, respectively.

(a) **Returns represent past performance and do not guarantee future results.** Total returns and average annual returns reflect changes in share price and reinvestment of distributions and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.** The Dow Jones Industrial Average is an unmanaged index of 30 large capitalization stocks. The S&P 500 Index and the Nasdaq Composite Index are unmanaged indicators of stock market performance. Dividends are considered reinvested except for the Nasdaq Composite Index. You cannot invest directly in an index.

The Class AAA Shares NAVs per share are used to calculate performance for the periods prior to the issuance of Class A Shares, Class B Shares, and Class C Shares on December 31, 2003 and Class I Shares on January 11, 2008. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional 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.

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

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

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

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

The Gabelli Asset Fund

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from January 1, 2009 through June 30, 2009

Expense Table

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

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

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

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

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

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

	Beginning Account Value 01/01/09	Ending Account Value 06/30/09	Annualized Expense Ratio	Expenses Paid During Period*
The Gabelli Asset Fund				
Actual Fund Return				
Class AAA	\$1,000.00	\$1,048.00	1.42%	\$ 7.21
Class A	\$1,000.00	\$1,048.00	1.42%	\$ 7.21
Class B	\$1,000.00	\$1,044.10	2.17%	\$11.00
Class C	\$1,000.00	\$1,044.90	2.17%	\$11.00
Class I	\$1,000.00	\$1,049.40	1.17%	\$ 5.95
Hypothetical 5% Return				
Class AAA	\$1,000.00	\$1,017.75	1.42%	\$ 7.10
Class A	\$1,000.00	\$1,017.75	1.42%	\$ 7.10
Class B	\$1,000.00	\$1,014.03	2.17%	\$10.84
Class C	\$1,000.00	\$1,014.03	2.17%	\$10.84
Class I	\$1,000.00	\$1,018.99	1.17%	\$ 5.86

* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year, then divided by 365.

Summary of Portfolio Holdings (Unaudited)

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

The Gabelli Asset Fund

Food and Beverage	14.4%	Agriculture	1.4%
Energy and Utilities	8.7%	Electronics	1.4%
Equipment and Supplies	6.8%	Communications Equipment	1.3%
Financial Services	6.8%	Business Services	1.3%
Cable and Satellite	6.4%	Automotive	1.3%
Entertainment	5.7%	Specialty Chemicals	1.2%
Diversified Industrial	5.4%	Aerospace	1.2%
Consumer Products	5.2%	Consumer Services	1.0%
Telecommunications	4.2%	Computer Software and Services	0.9%
Health Care	3.6%	Wireless Communications	0.9%
Automotive: Parts and Accessories	3.2%	Broadcasting	0.7%
Publishing	2.9%	Real Estate	0.6%
Machinery	2.6%	Transportation	0.5%
Metals and Mining	2.5%	Manufactured Housing and Recreational Vehicles	0.2%
Retail	2.2%	Closed-End Funds	0.0%
Aviation: Parts and Services	2.2%	Computer Hardware	0.0%
Hotels and Gaming	1.7%	Other Assets and Liabilities (Net)	0.0%
Environmental Services	1.6%		
			<u>100.0%</u>

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year on Form N-Q, the last of which was filed for the quarter ended March 31, 2009. Shareholders may obtain this information at www.gabelli.com or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at www.sec.gov and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30th, no later than August 31st of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at www.sec.gov.

The Gabelli Asset Fund

Schedule of Investments (Continued) — June 30, 2009 (Unaudited)

Shares		Cost	Market Value	Shares		Cost	Market Value
COMMON STOCKS (Continued)				12,000	Philip Morris		
	Cable and Satellite (Continued)				International Inc.	\$ 191,858	\$ 523,440
120,000	Shaw Communications Inc.,			50,000	Reckitt Benckiser Group plc	1,570,345	2,275,307
	Cl. B	\$ 164,952	\$ 2,020,032	125,000	Sally Beauty Holdings Inc.†	1,001,483	795,000
160,000	Shaw Communications Inc.,			55,000	Svenska Cellulosa AB, Cl. B	786,929	577,473
	Cl. B, Non-Voting	312,647	2,697,600	1,100,000	Swedish Match AB	12,254,721	17,858,879
590,000	The DIRECTV Group Inc.† ..	13,195,256	14,578,900	10,000	Syratech Corp.†	2,000	255
60,000	Time Warner Cable Inc. ...	2,590,975	1,900,200	512,000	The Procter & Gamble Co. ...	17,314,208	26,163,200
		<u>51,002,526</u>	<u>113,926,298</u>	36,000	Wolverine World Wide Inc. ...	334,838	794,160
						<u>54,074,444</u>	<u>93,283,067</u>
	Closed-End Funds — 0.0%				Consumer Services — 1.0%		
79,920	Royce Value Trust Inc.	975,443	672,127	3,000	Brink's Home Security		
					Holdings Inc.†	73,969	84,930
	Communications Equipment — 1.3%			175,000	IAC/InterActiveCorp.†	1,901,881	2,808,750
30,000	Alcatel-Lucent, ADR†	225,524	74,400	557,000	Liberty Media Corp. -		
545,000	Corning Inc.	3,960,125	8,752,700		Interactive, Cl. A†	3,288,108	2,790,570
210,000	Motorola Inc.	2,091,250	1,392,300	500	Priceline.com Inc.†	34,467	55,775
110,000	Nortel Networks Corp.† ...	136,367	4,796	650,000	Rollins Inc.	3,375,689	11,251,500
200,000	Portugal Telecom SGPS SA	1,956,602	1,955,866			<u>8,674,114</u>	<u>16,991,525</u>
390,000	Thomas & Betts Corp.† ...	7,650,699	11,255,400		Diversified Industrial — 5.4%		
		<u>16,020,567</u>	<u>23,435,462</u>	18,000	Acuity Brands Inc.	212,436	504,900
	Computer Hardware — 0.0%			5,000	Anixter International Inc.† ..	45,044	187,950
4,000	Wincor Nixdorf AG	249,756	223,784	75,403	Contax Participacoes SA,		
					ADR	30,974	96,516
	Computer Software and Services — 0.9%			490,000	Cooper Industries Ltd., Cl. A	12,041,805	15,214,500
230,000	Diebold Inc.	8,354,238	6,062,800	430,000	Crane Co.	6,839,633	9,593,300
1,600	eBay Inc.†	24,652	27,408	110,000	Gardner Denver Inc.†	901,088	2,768,700
87,000	Metavante			397,000	Greif Inc., Cl. A	4,675,501	17,555,340
	Technologies Inc.†	1,928,478	2,249,820	445,000	Honeywell International Inc.	14,237,994	13,973,000
100,000	NCR Corp.†	1,746,066	1,183,000	575,000	ITT Corp.	9,116,823	25,587,500
90,000	Rockwell Automation Inc. ...	3,265,928	2,890,800	224,000	Katy Industries Inc.†	1,289,633	309,120
26,026	Telecom Italia Media SpA† ..	26,184	4,272	200,000	Magnetek Inc.†	943,176	278,000
10,000	WebMediaBrands Inc.†	87,091	5,489	240,000	Myers Industries Inc.	1,460,520	1,996,800
280,000	Yahoo! Inc.†	8,969,405	4,384,800	52,000	Pentair Inc.	762,065	1,332,240
		<u>24,402,042</u>	<u>16,808,389</u>	53,333	Smiths Group plc	880,170	615,519
				160,000	Textron Inc.	1,241,296	1,545,600
	Consumer Products — 5.2%			110,000	Trinity Industries Inc.	916,097	1,498,200
49,000	Alberto-Culver Co.	1,097,704	1,246,070	140,000	Tyco International Ltd.	6,017,220	3,637,200
12,000	Altria Group Inc.	82,225	196,680			<u>61,611,475</u>	<u>96,694,385</u>
10,000	Avon Products Inc.	275,840	257,800		Electronics — 1.4%		
11,000	Christian Dior SA	307,335	820,490	9,600	Cheung Group plc	125,113	342,727
265,000	Church & Dwight Co. Inc. ...	1,736,340	14,392,150	3,000	Hitachi Ltd., ADR	172,200	92,910
30,000	Clorox Co.	1,664,894	1,674,900	120,000	Intel Corp.	2,567,140	1,986,000
2,000	Colgate-Palmolive Co.	106,021	141,480	12,000	Kyocera Corp., ADR	407,488	896,400
400,000	Eastman Kodak Co.	4,224,276	1,184,000	390,000	LSI Corp.†	2,570,715	1,778,400
268,000	Energizer Holdings Inc.† ..	4,926,201	14,000,320	24,000	Molex Inc., Cl. A	655,086	345,120
120,000	Fortune Brands Inc.	2,579,905	4,168,800	3,000	Samsung Electronics		
3,400	Givaudan SA	1,182,809	2,082,463		Co. Ltd., GDR (b)	1,079,550	699,750
35,000	Harley-Davidson Inc.	88,156	567,350				
75,000	Mattel Inc.	1,353,750	1,203,750				
31,000	National Presto						
	Industries Inc.	992,606	2,359,100				

See accompanying notes to financial statements.

The Gabelli Asset Fund

Schedule of Investments (Continued) — June 30, 2009 (Unaudited)

Shares		Cost	Market Value	Shares		Cost	Market Value
COMMON STOCKS (Continued)							
Electronics (Continued)							
46,000	Samsung Electronics Co. Ltd., OTC, GDR (b)	\$ 8,616,601	\$ 10,688,017	45,000	Transocean Ltd.†	\$ 3,506,531	\$ 3,343,050
50,000	Sony Corp., ADR	1,556,873	1,293,000	16,666	UIL Holdings Corp.	426,371	374,152
215,000	Texas Instruments Inc.	5,388,255	4,579,500	148,000	Weatherford International Ltd.†	3,301,490	2,894,880
85,000	Tyco Electronics Ltd.	2,599,480	1,580,150			111,508,694	154,060,174
		<u>25,738,501</u>	<u>24,281,974</u>				
Energy and Utilities — 8.7%							
27,000	AGL Resources Inc.	454,725	858,600	8,010	Chestnut Hill Ventures† (a)	218,000	269,777
138,000	Allegheny Energy Inc.	1,400,224	3,539,700	373,000	Discovery Communications Inc., Cl. A†	3,432,443	8,411,150
245,000	BP plc, ADR	6,984,075	11,681,600	374,500	Discovery Communications Inc., Cl. C†	2,398,074	7,688,485
4,000	Cameron International Corp.†	69,450	113,200	40,000	DreamWorks Animation SKG Inc., Cl. A†	963,810	1,103,600
25,000	CH Energy Group Inc.	1,040,745	1,167,500	740,000	Grupo Televisa SA, ADR	7,693,671	12,580,000
352,000	Chevron Corp.	13,515,000	23,320,000	1,065,000	Liberty Media Corp. - Entertainment, Cl. A†	7,573,754	28,488,750
355,000	ConocoPhillips	10,144,011	14,931,300	60,000	Macrovision Solutions Corp.†	998,998	1,308,600
25,000	Constellation Energy Group Inc.	551,389	664,500	2,000	Nintendo Co. Ltd.	620,613	552,862
122,000	Devon Energy Corp.	1,673,036	6,649,000	170,000	Rank Group plc†	1,063,171	178,997
6,000	Diamond Offshore Drilling Inc.	683,413	498,300	20,000	Regal Entertainment Group, Cl. A	283,108	265,800
115,000	DPL Inc.	2,578,593	2,664,550	45,000	The Walt Disney Co.	894,821	1,049,850
20,000	DTE Energy Co.	832,127	640,000	552,001	Time Warner Inc.	15,109,361	13,904,905
160,000	Duke Energy Corp.	1,815,927	2,334,400	130,000	Triple Crown Media Inc.†	354,090	1,430
25,000	Edison International	425,000	786,500	500,000	Viacom Inc., Cl. A†	14,672,471	11,990,000
500,000	El Paso Corp.	4,324,186	4,615,000	550,000	Vivendi	11,008,635	13,143,737
250,000	El Paso Electric Co.†	3,092,863	3,490,000	50,000	World Wrestling Entertainment Inc., Cl. A	488,064	628,000
100,000	EOG Resources Inc.	457,975	6,792,000			67,773,084	101,565,943
329,000	Exxon Mobil Corp.	7,960,146	23,000,390	Environmental Services — 1.6%			
15,000	FPL Group Inc.	689,035	852,900	570,000	Republic Services Inc.	6,256,863	13,913,700
155,000	Great Plains Energy Inc.	3,833,482	2,410,250	500,000	Waste Management Inc.	10,415,537	14,080,000
210,000	Halliburton Co.	6,487,444	4,347,000			16,672,400	27,993,700
130,000	Mirant Corp., Escrow† (a)	0	0	Equipment and Supplies — 6.8%			
1,000	Niko Resources Ltd.	57,456	68,779	688,000	AMETEK Inc.	2,673,973	23,791,040
22,086	NiSource Inc.	475,953	257,523	6,000	Amphenol Corp., Cl. A	23,162	189,840
180,000	Northeast Utilities	3,429,763	4,015,800	100,000	CIRCOR International Inc.	982,474	2,361,000
30,000	NSTAR	936,244	963,300	150,000	Crown Holdings Inc.†	676,245	3,621,000
45,000	Oceaneering International Inc.†	1,944,964	2,034,000	175,000	CTS Corp.	1,009,883	1,146,250
500	PetroChina Co. Ltd., ADR	30,266	55,240	4,000	Danaher Corp.	70,641	246,960
52,000	Petroleo Brasileiro SA, ADR	2,224,355	2,130,960	405,000	Donaldson Co. Inc.	2,295,315	14,029,200
100,000	Progress Energy Inc., CVO† (a)	52,000	33,000	20,000	Fedders Corp.† (a)	32,625	0
235,000	Rowan Companies Inc.	8,827,678	4,540,200	400,000	Flowserve Corp.	6,320,445	27,924,000
50,000	Royal Dutch Shell plc, Cl. A, ADR	2,980,580	2,509,500	198,000	Gerber Scientific Inc.†	1,930,780	495,000
118,000	SJW Corp.	1,872,429	2,678,600	247,000	GraffTech International Ltd.†	2,295,633	2,793,570
260,000	Southwest Gas Corp.	4,582,147	5,774,600	765,000	IDEX Corp.	2,896,328	18,796,050
340,000	Spectra Energy Corp.	7,413,470	5,752,800	25,000	Ingersoll-Rand Co. Ltd., Cl. A	503,796	522,500
110,000	The AES Corp.†	434,151	1,277,100				

See accompanying notes to financial statements.

The Gabelli Asset Fund

Schedule of Investments (Continued) — June 30, 2009 (Unaudited)

Shares	Cost	Market Value	Shares	Cost	Market Value
COMMON STOCKS (Continued)			85,000	State Street Corp. \$ 661,975	\$ 4,012,000
Equipment and Supplies (Continued)			20,000	SunTrust Banks Inc.	329,000
160,000	Interpump Group SpA† . . . \$ 628,814	\$ 774,378	60,000	T. Rowe Price Group Inc. . .	2,500,200
200,000	Lufkin Industries Inc. 1,810,811	8,410,000	2,000	The Allstate Corp.	48,800
70,000	Met-Pro Corp. 380,521	757,400	260,000	The Bank of New York	
20,000	Sealed Air Corp. 168,679	369,000		Mellon Corp.	8,374,705
2,000	SL Industries Inc.† 5,719	14,000	42,000	The Blackstone Group LP . .	834,993
130,000	Tenaris SA, ADR 5,926,480	3,515,200	2,000	The Charles Schwab Corp. . .	34,049
100,000	The Manitowoc Co. Inc. . . . 240,518	526,000	7,500	The Goldman Sachs	
115,000	The Weir Group plc 483,908	874,093		Group Inc.	1,133,197
29,000	Valmont Industries Inc. . . . 232,196	2,090,320	58,000	The Phoenix	
380,000	Watts Water Technologies			Companies Inc.†	758,212
	Inc., Cl. A 4,456,404	8,185,200	36,000	The Travelers	
		36,045,350		Companies Inc.	1,422,006
		121,432,001	70,866	Tree.com Inc.†	509,902
			19,000	Unitrin Inc.	498,464
			8,500	Value Line Inc.	136,515
			6,080	Virtus Investment	
				Partners Inc.†	54,720
15,500	Alleghany Corp.† 2,580,237	4,200,500	210,000	Waddell & Reed	
440,000	American Express Co. 10,065,035	10,225,600		Financial Inc., Cl. A	4,736,058
40,000	Ameriprise Financial Inc. . . 1,226,893	970,800	690,000	Wells Fargo & Co.	20,968,165
32,000	Argo Group International				111,561,631
	Holdings Ltd.† 1,167,431	903,040			121,094,611
187,000	Bank of America Corp. 2,242,073	2,468,400			
214	Berkshire Hathaway Inc.,				
	Cl. A† 818,098	19,260,000			
75,500	BKF Capital Group Inc. 582,111	71,725			
15,000	Calamos Asset Management				
	Inc., Cl. A 168,744	211,650	345,000	Food and Beverage — 14.4%	
290,000	Citigroup Inc. 1,792,285	861,300	86,250	Brown-Forman Corp., Cl. A	6,015,904
35,000	Commerzbank AG† 624,519	217,513	90,000	Brown-Forman Corp., Cl. B	2,005,301
105,000	Commerzbank AG, ADR† . . . 2,133,520	665,700	140,000	Cadbury plc, ADR	3,557,164
152,000	Deutsche Bank AG 6,712,532	9,272,000	230,000	Campbell Soup Co.	3,865,608
190,000	Federal National Mortgage			China Mengniu	
	Association 183,890	110,200		Dairy Co. Ltd.†	740,359
40,000	Fortress Investment Group		60,000	Coca-Cola Enterprises Inc.	1,176,706
	LLC, Cl. A† 465,651	136,800	16,500	Coca-Cola Hellenic	
110,000	H&R Block Inc. 1,807,491	1,895,300		Bottling Co. SA, ADR . . .	268,442
33,000	Interactive Brokers		250,000	Constellation Brands Inc.,	
	Group Inc., Cl. A† 812,839	512,490		Cl. A†	3,841,777
310,000	Janus Capital Group Inc. . . . 5,266,976	3,534,000	330,000	Corn Products	
80,051	JPMorgan Chase & Co. 2,402,359	2,730,539		International Inc.	4,032,439
400,000	Legg Mason Inc. 13,956,947	9,752,000	433,974	Danone	20,637,988
75,000	Leucadia National Corp.† . . . 655,691	1,581,750	130,000	Danone, ADR	1,351,289
55,000	Loews Corp. 2,491,749	1,507,000	355,000	Davide Campari -	
30,000	M&T Bank Corp. 1,936,458	1,527,900		Milano SpA	3,483,537
180,000	Marsh & McLennan		200,000	Dean Foods Co.†	4,111,450
	Companies Inc. 5,377,792	3,623,400	210,000	Del Monte Foods Co.	2,077,393
170,000	NewAlliance Bancshares Inc. 2,487,566	1,955,000	318,000	Diageo plc, ADR	11,903,832
40,000	PNC Financial Services		2,000	Diamond Foods Inc.	46,909
	Group Inc. 1,781,863	1,552,400	170,000	Dr. Pepper Snapple	
2,500	Prudential Financial Inc. . . . 68,750	93,050		Group Inc.†	3,590,159
13,000	Seacoast Banking Corp.		70,000	Farmer Brothers Co.	943,094
	of Florida 117,798	31,590	310,000	Flowers Foods Inc.	1,374,285
			70,000	Fomento Economico	
				Mexicano SAB de CV, ADR	2,335,118
					2,256,800

See accompanying notes to financial statements.

The Gabelli Asset Fund

Schedule of Investments (Continued) — June 30, 2009 (Unaudited)

Shares		Cost	Market Value	Shares		Cost	Market Value
COMMON STOCKS (Continued)				440,000	Media General Inc., Cl. A ..	\$ 5,714,320	\$ 928,400
Hotels and Gaming (Continued)				80,000	Meredith Corp.	1,650,283	2,044,000
155,000	Pinnacle			3,580,000	News Corp., Cl. A	27,913,251	32,613,800
	Entertainment Inc.†	\$ 2,091,154	\$ 1,439,950	24,000	News Corp., Cl. B	227,346	253,680
100,000	Starwood Hotels & Resorts Worldwide Inc. ...	1,960,247	2,220,000	45,000	PRIMEDIA Inc.	438,140	90,450
600,000	The Hongkong & Shanghai Hotels Ltd.	492,218	602,319	220,000	The E.W. Scripps Co., Cl. A	1,791,264	459,800
20,000	Wyndham Worldwide Corp.	518,059	242,400	265,000	The McGraw-Hill Companies Inc.	2,463,949	7,979,150
20,000	Wynn Resorts Ltd.†	616,162	706,000	100,000	The New York Times Co., Cl. A	844,889	551,000
		<u>58,897,360</u>	<u>30,892,168</u>			<u>59,423,869</u>	<u>50,902,979</u>
Machinery — 2.6%				Real Estate — 0.6%			
170,000	Baldor Electric Co.	5,542,520	4,044,300	10,000	Brookfield Asset Management Inc., Cl. A ..	274,012	170,700
140,000	Caterpillar Inc.	927,858	4,625,600	103,000	Griffin Land & Nurseries Inc.	1,479,146	3,221,840
530,000	CNH Global NV†	18,371,887	7,441,200	36,000	ProLogis	983,331	290,160
756,000	Deere & Co.	6,205,078	30,202,200	257,000	The St. Joe Co.†	1,964,571	6,807,930
18,524	Mueller Water Products Inc., Cl. A	246,018	69,280			<u>4,701,060</u>	<u>10,490,630</u>
		<u>31,293,361</u>	<u>46,382,580</u>	Retail — 2.2%			
Manufactured Housing and Recreational Vehicles — 0.2%				3,000	Aaron's Inc.	10,352	89,460
265,000	Cavalier Homes Inc.†	960,214	723,450	60,750	Aaron's Inc., Cl. A	287,231	1,427,625
32,000	Cavco Industries Inc.†	605,460	810,560	258,000	AutoNation Inc.†	2,471,084	4,476,300
100,000	Champion Enterprises Inc.†	722,712	32,000	12,500	AutoZone Inc.†	1,051,559	1,888,875
174,000	Coachmen Industries Inc.†	743,300	227,940	238,500	Coldwater Creek Inc.†	1,432,716	1,445,310
40,000	Fleetwood Enterprises Inc.†	9,368	320	118,000	Costco Wholesale Corp.	6,030,510	5,392,600
50,000	Huttig Building Products Inc.†	171,550	47,000	175,000	CVS Caremark Corp.	6,562,641	5,577,250
24,000	Nobility Homes Inc.	507,596	199,200	55,000	HSN Inc.†	464,720	581,350
80,000	Skyline Corp.	2,978,233	1,740,000	185,000	Macy's Inc.	3,223,760	2,175,600
		<u>6,698,433</u>	<u>3,780,470</u>	60,000	Safeway Inc.	1,818,353	1,222,200
				40,000	SUPERVALU Inc.	1,155,671	518,000
Metals and Mining — 2.5%				295,000	The Great Atlantic & Pacific Tea Co. Inc.†	4,884,923	1,253,750
6,000	Agnico-Eagle Mines Ltd.	285,225	314,880	118,000	The Kroger Co.	693,975	2,601,900
160,000	Alcoa Inc.	2,916,418	1,652,800	50,000	Ticketmaster Entertainment Inc.†	815,850	321,000
390,000	Barrick Gold Corp.	7,307,820	13,084,500	60,000	Wal-Mart Stores Inc.	2,845,044	2,906,400
96,025	Freeport-McMoRan Copper & Gold Inc.	3,358,844	4,811,813	126,000	Walgreen Co.	4,771,251	3,704,400
100,000	Ivanhoe Mines Ltd.†	775,931	560,000	75,000	Whole Foods Market Inc. ...	2,006,223	1,423,500
8,000	James River Coal Co.†	58,140	121,040	200,000	Winn-Dixie Stores Inc.†	3,285,961	2,508,000
50,000	Kinross Gold Corp.	359,224	907,500			<u>43,811,824</u>	<u>39,513,520</u>
52,000	New Hope Corp. Ltd.	70,252	191,491	Specialty Chemicals — 1.2%			
555,000	Newmont Mining Corp.	11,595,678	22,682,850	17,000	Ashland Inc.	284,580	476,850
30,000	Peabody Energy Corp.	1,228,776	904,800	280,000	Chemtura Corp.	6,300	67,200
		<u>27,956,308</u>	<u>45,231,674</u>	550,000	Ferro Corp.	7,569,378	1,512,500
Publishing — 2.9%				130,000	General Chemical Group Inc.†	502,184	4,875
12,000	AH Belo Corp., Cl. A	211,147	11,760	145,000	H.B. Fuller Co.	1,336,412	2,721,650
180,000	Belo Corp., Cl. A	2,234,457	322,200	175,000	International Flavors & Fragrances Inc.	7,081,689	5,726,000
1,835,000	Il Sole 24 Ore	15,382,393	5,586,115	30,000	Material Sciences Corp.† ..	246,522	28,500
180,000	Independent News & Media plc	552,430	62,624				

See accompanying notes to financial statements.

The Gabelli Asset Fund
Schedule of Investments (Continued) — June 30, 2009 (Unaudited)

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS (Continued)				Transportation — 0.5%		
	Specialty Chemicals (Continued)				AMR Corp.†	\$ 1,319,268	\$ 402,000
620,000	Omnova Solutions Inc.†	\$ 1,801,546	\$ 2,021,200	280,000	GATX Corp.	6,764,603	7,201,600
335,000	Sensient Technologies Corp.	6,512,584	7,560,950	60,000	Grupo TMM SA, Cl. A, ADR†	377,979	52,800
70,000	Zep Inc.	732,324	843,500	4,000	Kansas City Southern†	7,317	64,440
		<u>26,073,519</u>	<u>20,963,225</u>	30,000	Providence and Worcester Railroad Co.	498,774	337,800
						<u>8,967,941</u>	<u>8,058,640</u>
	Telecommunications — 4.2%				Wireless Communications — 0.9%		
1,000	AboveNet Inc.†	77,550	80,980	95,000	America Movil SAB de CV, Cl. L, ADR	593,308	3,678,400
145,000	AT&T Inc.	3,508,517	3,601,800	3,000	NTT DoCoMo Inc.	4,307,852	4,397,156
14,000	Brasil Telecom Participacoes SA, ADR	810,959	537,600	72,000	Price Communications Corp., Escrow† (a)	0	0
200,000	BT Group plc	753,355	333,975	2,056	Telemig Celular Participacoes SA, ADR	59,420	104,280
15,000	BT Group plc, ADR	475,132	252,000	13,001	Tim Participacoes SA, ADR	157,722	226,607
64,000	CenturyTel Inc.	918,720	1,964,800	182,700	United States Cellular Corp.†	8,836,302	7,024,815
680,000	Cincinnati Bell Inc.†	3,721,672	1,931,200	47	Vivo Participacoes SA	656	872
33,000	Clearwire Corp., Cl. A†	503,412	182,490	16,876	Vivo Participacoes SA, ADR	648,081	319,631
360,000	Deutsche Telekom AG, ADR	6,278,861	4,248,000	1,043	Vivo Participacoes SA, Preference	65,964	19,764
34,000	France Telecom SA, ADR	658,527	775,540	4,375	Vodafone Group plc, ADR	43,962	85,269
125,000	Frontier Communications Corp.	1,835,000	892,500			<u>14,713,267</u>	<u>15,856,794</u>
31,800	Hellenic Telecommunications Organization SA	701,785	486,259		TOTAL COMMON STOCKS	<u>1,324,937,784</u>	<u>1,777,773,177</u>
8,500	Hellenic Telecommunications Organization SA, ADR	90,649	65,025		WARRANTS — 0.0%		
750,000	Qwest Communications International Inc.	1,898,037	3,112,500		Automotive: Parts and Accessories — 0.0%		
480,000	Sprint Nextel Corp.†	1,741,665	2,308,800	14,727	Federal-Mogul Corp., expire 12/27/14†	411,720	1,915
75,403	Tele Norte Leste Participacoes SA, ADR	1,001,480	1,121,243		Broadcasting — 0.0%		
3,800,935	Telecom Italia SpA	2,200,251	5,252,193	2,109	Granite Broadcasting Corp., Ser. A, expire 06/04/12†	0	11
225,000	Telecom Italia SpA, ADR	1,559,431	3,096,000	2,109	Granite Broadcasting Corp., Ser. B, expire 06/04/12†	0	21
94,000	Telefonica SA, ADR	3,341,710	6,381,660			<u>0</u>	<u>32</u>
10,400	Telefonica SA, BDR	119,280	228,434		Energy and Utilities — 0.0%		
40,000	Telefonos de Mexico SAB de CV, Cl. L, ADR	101,330	648,400	11,313	Mirant Corp., Ser. A, expire 01/03/11†	149,058	16,630
590,000	Telephone & Data Systems Inc.	12,260,483	16,697,000		Hotels and Gaming — 0.0%		
500,000	Telephone & Data Systems Inc., Special	10,167,087	12,980,000	200,000	The Indian Hotels Co. Ltd., expire 06/16/14†	298,980	275,754
40,000	Telmex Internacional SAB de CV, ADR	70,416	506,000		TOTAL WARRANTS	<u>859,758</u>	<u>294,331</u>
30,000	tw telecom inc.†	533,467	308,100				
237,000	Verizon Communications Inc.	7,548,389	7,283,010				
35,000	Windstream Corp.	249,129	292,600				
		<u>63,126,294</u>	<u>75,568,109</u>				

See accompanying notes to financial statements.

The Gabelli Asset Fund

Schedule of Investments (Continued) — June 30, 2009 (Unaudited)

<u>Principal Amount</u>	<u>Cost</u>	<u>Market Value</u>
	CONVERTIBLE CORPORATE BONDS — 0.1%	
	Automotive: Parts and Accessories — 0.1%	
\$1,000,000	Standard Motor Products Inc., Sub. Deb. Cv., 15.000%, 04/15/11 \$	955,859 \$
		990,000
	TOTAL	
	INVESTMENTS — 100.0%	\$1,326,753,401
		1,779,057,508
	Other Assets and Liabilities (Net) — 0.0%	641,081
	NET ASSETS — 100.0%	\$1,779,698,589

- (a) Security fair valued under procedures established by the Board of Trustees. The procedures may include reviewing available financial information about the company and reviewing valuation of comparable securities and other factors on a regular basis. At June 30, 2009, the market value of fair valued securities amounted to \$320,335 or 0.02% of net assets.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2009, the market value of Rule 144A securities amounted to \$11,387,767 or 0.64% of net assets.

† Non-income producing security.

ADR American Depositary Receipt

BDR Brazilian Depositary Receipt

CVO Contingent Value Obligation

GDR Global Depositary Receipt

See accompanying notes to financial statements.

The Gabelli Asset Fund

Statement of Assets and Liabilities June 30, 2009 (Unaudited)

Assets:

Investments, at value (cost \$1,326,753,401) ..	\$ 1,779,057,508
Foreign currency, at value (cost \$105,786) . . .	106,951
Cash	568
Receivable for investments sold	2,824,758
Receivable for Fund shares sold	1,078,502
Unrealized appreciation on swap contracts . . .	14,563
Dividends and interest receivable	2,891,165
Prepaid expenses	69,285
Total Assets	<u>1,786,043,300</u>

Liabilities:

Payable for investments purchased	1,068,877
Payable for Fund shares redeemed	746,332
Payable for investment advisory fees	1,487,936
Payable for distribution fees	375,428
Payable for accounting fees	3,750
Payable for shareholder services fees	384,787
Line of credit payable	1,907,000
Other accrued expenses	370,601
Total Liabilities	<u>6,344,711</u>

Net Assets applicable to 54,760,865 shares outstanding	<u>\$ 1,779,698,589</u>
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Net Assets Consist of:

Paid-in capital, each class at \$0.01 par value . .	\$ 1,360,011,309
Accumulated net investment income	9,723,760
Accumulated net realized loss on investments, swap contracts, and foreign currency transactions	(42,361,700)
Net unrealized appreciation on investments . .	452,304,107
Net unrealized appreciation on swap contracts	14,563
Net unrealized appreciation on foreign currency translations	6,550
Net Assets	<u>\$ 1,779,698,589</u>

Shares of Beneficial Interest:

Class AAA:

Net Asset Value, offering, and redemption price per share (\$1,755,952,208 ÷ 54,022,588 shares outstanding; unlimited number of shares authorized)	<u>\$32.50</u>
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Class A:

Net Asset Value and redemption price per share (\$12,772,072 ÷ 395,036 shares outstanding; unlimited number of shares authorized)	<u>\$32.33</u>
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Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price)	<u>\$34.30</u>
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Class B:

Net Asset Value and offering price per share (\$3,987 ÷ 126.674 shares outstanding; unlimited number of shares authorized)	<u>\$31.47 (a)</u>
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Class C:

Net Asset Value and offering price per share (\$6,882,714 ÷ 217,357 shares outstanding; unlimited number of shares authorized)	<u>\$31.67 (a)</u>
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Class I:

Net Asset Value, offering, and redemption price per share (\$4,087,608 ÷ 125,757 shares outstanding; unlimited number of shares authorized)	<u>\$32.50</u>
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(a) Redemption price varies based on the length of time held.

Statement of Operations For the Six Months Ended June 30, 2009 (Unaudited)

Investment Income:

Dividends (net of foreign taxes of \$771,099) . . .	\$ 21,180,019
Interest	120,041
Total Investment Income	<u>21,300,060</u>

Expenses:

Investment advisory fees	8,144,376
Distribution fees – Class AAA	2,010,057
Distribution fees – Class A	14,394
Distribution fees – Class B	18
Distribution fees – Class C	30,621
Shareholder services fees	737,698
Shareholder communications expenses	241,735
Custodian fees	150,474
Legal and audit fees	42,318
Registration expenses	41,416
Trustees' fees	39,893
Accounting fees	22,500
Interest expense	16,570
Miscellaneous expenses	97,379
Total Expenses	<u>11,589,449</u>

Net Investment Income	<u>9,710,611</u>
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Net Realized and Unrealized Gain/(Loss) on Investments, Swap Contracts, and Foreign Currency:

Net realized loss on investments	(25,959,468)
Net realized gain on swap contracts	103,376
Net realized gain on foreign currency transactions	40,044
Net realized loss on investments, swap contracts, and foreign currency transactions	<u>(25,816,048)</u>
Net change in unrealized appreciation/depreciation on investments	90,084,359
Net change in unrealized appreciation/depreciation on swap contracts	(22,465)
Net change in unrealized appreciation/depreciation on foreign currency translations	5,307
Net change in unrealized appreciation/depreciation on investments, swap contracts, and foreign currency translations	<u>90,067,201</u>

Net Realized and Unrealized Gain/(Loss) on Investments, Swap Contracts, and Foreign Currency	<u>64,251,153</u>
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Net Increase in Net Assets Resulting from Operations	<u>\$ 73,961,764</u>
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See accompanying notes to financial statements.

The Gabelli Asset Fund

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Operations:		
Net investment income	\$ 9,710,611	\$ 12,865,717
Net realized loss on investments, swap contracts, and foreign currency transactions	(25,816,048)	(9,196,981)
Net change in unrealized appreciation/depreciation on investments, swap contracts, and foreign currency translations	90,067,201	(1,114,761,217)
Net Increase/(Decrease) in Net Assets Resulting from Operations	73,961,764	(1,111,092,481)
Distributions to Shareholders:		
Net investment income		
Class AAA	—	(12,624,952)
Class A	—	(93,361)
Class B	—	(28)
Class I	—	(40,731)
	—	(12,759,072)
Net realized gain		
Class AAA	—	(1,719,559)
Class A	—	(11,588)
Class B	—	(4)
Class C	—	(6,547)
Class I	—	(3,722)
	—	(1,741,420)
Total Distributions to Shareholders	—	(14,500,492)
Shares of Beneficial Interest Transactions:		
Class AAA	(38,671,385)	(118,093,644)
Class A	667,716	5,429,555
Class B	—	2,680
Class C	215,202	1,995,872
Class I	128,093	5,560,927
Net Decrease in Net Assets from Shares of Beneficial Interest Transactions	(37,660,374)	(105,104,610)
Redemption Fees	2,138	49,931
Net Increase/(Decrease) in Net Assets	36,303,528	(1,230,647,652)
Net Assets:		
Beginning of period	1,743,395,061	2,974,042,713
End of period (including undistributed net investment income of \$9,723,760 and \$13,149, respectively)	\$ 1,779,698,589	\$ 1,743,395,061

See accompanying notes to financial statements.

The Gabelli Asset Fund

Financial Highlights

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

Period Ended December 31	Income from Investment Operations				Distributions			Ratios to Average Net Assets/ Supplemental Data						
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)	Net Realized and Unrealized Gain (Loss) on Investments	Total Investment from Operations	Net Investment Income	Net Realized Gain on Investments	Total Distributions	Redemption Fees(a)	Net Asset Value, End of Period	Total Return	Net Assets End of Period (in 000's)	Net Investment Income (Loss)	Operating Expenses	Portfolio Turnover Rate††
Class AAA														
2009(b)	\$31.01	\$ 0.18	\$ 1.31	\$ 1.49	—	—	—	\$0.00(c)	\$32.50	4.8%	\$1,755,952	1.19%(d)	1.42%(d)	3%
2008	49.81	0.22	(18.76)	(18.54)	\$(0.23)	\$(0.03)	\$(0.26)	0.00(c)	31.01	(37.2)	1,721,697	0.52	1.38	14
2007	47.38	0.16	5.46	5.62	(0.15)	(3.04)	(3.19)	0.00(c)	49.81	11.8	2,953,454	0.31	1.36	9
2006	41.13	0.30	8.70	9.00	(0.31)	(2.44)	(2.75)	0.00(c)	47.38	21.8	2,516,088	0.67	1.36	7
2005	41.45	0.12	1.73	1.85	(0.12)	(2.05)	(2.17)	0.00(c)	41.13	4.4	2,246,439	0.29	1.37	6
2004	36.26	0.02	5.96	5.98	(0.03)	(0.76)	(0.79)	0.00(c)	41.45	16.5	2,216,050	0.06	1.38	7
Class A														
2009(b)	\$30.85	\$ 0.18	\$ 1.30	\$ 1.48	—	—	—	\$0.00(c)	\$32.33	4.8%	\$ 12,772	1.20%(d)	1.42%(d)	3%
2008	49.59	0.23	(18.69)	(18.46)	\$(0.25)	\$(0.03)	\$(0.28)	0.00(c)	30.85	(37.2)	11,522	0.55	1.38	14
2007	47.21	0.16	5.44	5.60	(0.18)	(3.04)	(3.22)	0.00(c)	49.59	11.8	12,497	0.30	1.36	9
2006	41.01	0.32	8.66	8.98	(0.34)	(2.44)	(2.78)	0.00(c)	47.21	21.9	4,806	0.71	1.35	7
2005	41.39	0.10	1.74	1.84	(0.17)	(2.05)	(2.22)	0.00(c)	41.01	4.4	1,991	0.23	1.38	6
2004	36.26	0.03	5.94	5.97	(0.08)	(0.76)	(0.84)	0.00(c)	41.39	16.5	351	0.07	1.40	7
Class B														
2009(b)	\$30.14	\$ 0.06	\$ 1.27	\$ 1.33	—	—	—	\$0.00(c)	\$31.47	4.4%	\$ 4	0.44%(d)	2.17%(d)	3%
2008	48.80	(0.12)	(18.29)	(18.41)	\$(0.22)	\$(0.03)	\$(0.25)	0.00(c)	30.14	(37.7)	4	(0.32)	2.13	14
2007	46.72	(0.26)	5.38	5.12	—	(3.04)	(3.04)	0.00(c)	48.80	10.9	2	(0.52)	2.11	9
2006	40.64	0.18	8.34	8.52	—	(2.44)	(2.44)	0.00(c)	46.72	20.9	1	0.41	2.11	7
2005	41.16	(0.17)	1.70	1.53	—	(2.05)	(2.05)	0.00(c)	40.64	3.7	1	(0.41)	2.02	6
2004	36.26	(0.25)	5.91	5.66	—	(0.76)	(0.76)	0.00(c)	41.16	15.6	1	(0.67)	2.07	7
Class C														
2009(b)	\$30.31	\$ 0.06	\$ 1.30	\$ 1.36	—	—	—	\$0.00(c)	\$31.67	4.5%	\$ 6,883	0.44%(d)	2.17%(d)	3%
2008	48.68	(0.09)	(18.25)	(18.34)	—	\$(0.03)	\$(0.03)	0.00(c)	30.31	(37.7)	6,419	(0.21)	2.13	14
2007	46.58	(0.24)	5.38	5.14	—	(3.04)	(3.04)	0.00(c)	48.68	11.0	8,090	(0.47)	2.11	9
2006	40.54	(0.03)	8.54	8.51	\$(0.03)	(2.44)	(2.47)	0.00(c)	46.58	20.9	3,348	(0.07)	2.11	7
2005	41.14	(0.20)	1.71	1.51	(0.06)	(2.05)	(2.11)	0.00(c)	40.54	3.6	2,261	(0.49)	2.13	6
2004	36.26	(0.26)	5.92	5.66	(0.02)	(0.76)	(0.78)	0.00(c)	41.14	15.6	349	(0.68)	2.15	7
Class I														
2009(b)	\$30.97	\$ 0.21	\$ 1.32	\$ 1.53	—	—	—	\$0.00(c)	\$32.50	4.9%	\$ 4,088	1.45%(d)	1.17%(d)	3%
2008 (e)	47.26	0.33	(16.25)	(15.92)	\$(0.34)	\$(0.03)	\$(0.37)	0.00(c)	30.97	(33.6)	3,753	0.84(d)	1.13(d)	14

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

†† Effective in 2008, a change in accounting policy was adopted with regard to the calculation of the portfolio turnover rate to include cash proceeds due to mergers. Had this policy been adopted retroactively, the portfolio turnover rate for the year ended December 31, 2005 would have been 9%. The portfolio turnover rate for the years ended 2007, 2006, and 2004 would have been as shown.

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

(b) For the six months ended June 30, 2009, unaudited.

(c) Amount represents less than \$0.005 per share.

(d) Annualized.

(e) From the commencement of offering Class I Shares on January 11, 2008 through December 31, 2008.

See accompanying notes to financial statements.

The Gabelli Asset Fund

Notes to Financial Statements (Unaudited)

1. Organization. The Gabelli Asset Fund (the “Fund”) was organized on November 25, 1985 as a Massachusetts business trust. The Fund is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund’s primary objective is growth of capital. The Fund commenced investment operations on March 3, 1986.

2. Significant Accounting Policies. The preparation of financial statements in accordance with United States (“U.S.”) generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

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

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities’ fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than sixty days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value ADR 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.

Statement of Financial Accounting Standard No. 157, “Fair Value Measurements” (“SFAS 157”) clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value measurements. The three levels of the fair value hierarchy under SFAS 157 are described 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

The Gabelli Asset Fund

Notes to Financial Statements (Continued) (Unaudited)

- Level 3 – significant unobservable inputs (including the Fund's determinations as to the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments and other financial instruments by inputs used to value the Fund's investments as of June 30, 2009 is as follows:

	Valuation Inputs			Total Market Value at 6/30/09
	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks				
Aerospace	\$ 20,296,112	\$285,139	—	\$ 20,581,251
Automotive: Parts and Accessories	54,848,370	—	\$ 17,558	54,865,928
Broadcasting	13,186,964	—	0	13,186,964
Energy and Utilities	154,027,174	—	33,000	154,060,174
Entertainment	101,296,166	—	269,777	101,565,943
Wireless Communications	15,856,794	—	0	15,856,794
Other Industries(a)	1,417,656,123	—	—	1,417,656,123
Total Common Stocks	1,777,167,703	285,139	320,335	1,777,773,177
Warrants				
Broadcasting	11	—	21	32
Hotels and Gaming	—	275,754	—	275,754
Other Industries(a)	18,545	—	—	18,545
Total Warrants	18,556	275,754	21	294,331
Convertible Corporate Bonds	990,000	—	—	990,000
TOTAL INVESTMENTS IN SECURITIES	\$1,778,176,259	\$560,893	\$320,356	\$1,779,057,508
OTHER FINANCIAL INSTRUMENTS:				
ASSETS (Unrealized Appreciation): *				
Contract for Difference Swap Agreements	\$ —	\$ 14,563	\$ —	\$ 14,563

(a) Security and industry classifications for these categories are detailed in the Schedule of Investments.

* Other financial instruments are derivative instruments not reflected in the Schedule of Investments, such as futures, forwards, and swaps, which are valued at the unrealized appreciation/depreciation of the investment.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

	Balance as of 12/31/08	Accrued discounts/ (premiums)	Realized gain/ (loss)	Change in unrealized appreciation/ depreciation†	Net purchases/ (sales)	Transfers in and/or out of Level 3	Balance as of 6/30/09	Net change in unrealized appreciation/ depreciation during the period on Level 3 investments held at 6/30/09†
INVESTMENTS IN SECURITIES:								
ASSETS (Market Value):								
Common Stocks								
Automotive: Parts and Accessories	\$ 0	\$—	\$—	\$(25,642)	\$—	\$ 43,200	\$ 17,558	\$(25,642)
Broadcasting	0	—	—	(843)	—	843	0	(843)
Energy and Utilities	33,000	—	—	—	—	—	33,000	—
Entertainment	269,777	—	—	—	—	—	269,777	—
Wireless Communications	0	—	—	—	—	—	0	—
Total Common Stocks	302,777	—	—	(26,485)	—	44,043	320,335	(26,485)
Warrants								
Broadcasting	0	—	—	—	—	21	21	—
TOTAL INVESTMENTS IN SECURITIES	\$302,777	\$—	\$—	\$(26,485)	\$—	\$44,064	\$320,356	\$(26,485)

† Net change in unrealized appreciation/depreciation on investments is included in the related amounts in the Statement of Operations.

The Gabelli Asset Fund

Notes to Financial Statements (Continued) (Unaudited)

Derivative Financial Instruments.

The Fund may invest in various derivative financial instruments and engage in various portfolio investment strategies for the purpose of increasing the income of the Fund or hedging against a specific transaction with respect to either the currency in which the transaction is denominated or another currency. Losses may arise if the value of the contract decreases due to an unfavorable change in the price of the underlying security or if the counterparty does not perform its duties under the contract. Investing in certain derivative financial instruments entails certain execution, market, liquidity, hedging, and tax risks. Participation in the options or futures markets and in currency exchange transactions involves investment risks and transaction costs to which the Fund would not be subject absent the use of these strategies. If the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate, the consequences to the Fund may leave the Fund in a worse position than if it had not used such strategies.

The Fund is subject to equity price risk and foreign currency exchange rate risk in the normal course of pursuing its investment objectives by investing in various derivative financial instruments, as described below.

Swap Agreements. The Fund may enter into equity and contract for difference swap transactions for the purpose of increasing the income of the Fund. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In a swap, a set of future cash flows are exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. There is no assurance that the swap contract counterparties will be able to meet their obligations pursuant to the swap contracts, or that, in the event of default, the Fund will succeed in pursuing contractual remedies. The Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to the swap contracts. The creditworthiness of the swap contract counterparties is closely monitored in order to minimize the risk. Depending on the general state of short-term interest rates and the returns of the Fund's portfolio securities at that point in time, such a default could negatively affect the Fund's ability to make dividend payments. In addition, at the time a swap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction. If this occurs, it could have a negative impact on the Fund's ability to make dividend payments.

The use of derivative instruments involves, to varying degrees, elements of market and counterparty risk in excess of the amount recognized below.

Unrealized gains related to swaps are reported as an asset and unrealized losses are reported as a liability in the Statement of Assets and Liabilities. The change in value of swaps, including the accrual of periodic amounts of interest to be paid or received on swaps, is reported as unrealized gain or loss in the Statement of Operations. A realized gain or loss is recorded upon payment or receipt of a periodic payment or termination of swap agreements.

The Gabelli Asset Fund

Notes to Financial Statements (Continued) (Unaudited)

The Fund has entered into equity contract for difference swap agreements with The Goldman Sachs Group, Inc. Details of the swaps at June 30, 2009 are as follows:

<u>Notional Amount</u>	<u>Equity Security Received</u>	<u>Interest Rate/ Equity Security Paid</u>	<u>Termination Date</u>	<u>Net Unrealized Appreciation</u>
	Market Value	Overnight LIBOR plus 90 bps plus		
	Appreciation on:	Market Value Depreciation on:		
\$282,705 (50,000 Shares)	Rolls-Royce Group plc	Rolls-Royce Group plc	6/25/10	\$14,528
7,020 (4,290,000 Shares)	Rolls-Royce Group plc, Cl. C	Rolls-Royce Group plc, Cl. C	7/02/09	35
				<u>\$14,563</u>

Forward Foreign Exchange Contracts. The Fund may engage in forward foreign exchange contracts for the purpose of hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on investments and foreign currency translations. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. At June 30, 2009, there were no open forward foreign exchange contracts.

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 the 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 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 ability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers.

The Gabelli Asset Fund

Notes to Financial Statements (Continued) (Unaudited)

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 and Illiquid Securities. The Fund may invest up to 10% of its net assets in securities for which the markets are illiquid. Illiquid securities include securities the disposition of which is subject to substantial legal or contractual restrictions. The sale of illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity.

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

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

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

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

Distributions to Shareholders. Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income include

The Gabelli Asset Fund

Notes to Financial Statements (Continued) (Unaudited)

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, including the Fund's use of the tax accounting practice known as equalization, the utilization of earnings and profits distributed to shareholders on redemption of shares as part of the dividends paid deduction for federal income tax purposes.

The tax character of distributions paid during the year ended December 31, 2008 was as follows:

Distributions paid from:

Ordinary income	
(inclusive of short-term capital gains)	\$12,047,652
Net long-term capital gains	<u>2,452,840</u>
Total distributions paid	<u>\$14,500,492</u>

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, swap contracts, and the related unrealized appreciation/depreciation at June 30, 2009:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$1,348,708,203	\$675,107,169	\$(244,757,864)	\$430,349,305
Swap contracts	—	14,563	—	14,563
	<u>\$1,348,708,203</u>	<u>\$675,121,732</u>	<u>\$(244,757,864)</u>	<u>\$430,363,868</u>

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

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

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$9,000 plus \$1,000 for each Board meeting attended. Each Trustee is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended

The Gabelli Asset Fund

Notes to Financial Statements (Continued) (Unaudited)

and the Chairman of each committee and the Lead Trustee each receive an annual fee of \$1,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

4. Distribution Plan. The Fund's Board has adopted a distribution plan (the "Plan") for each class of shares, except for Class I Shares, pursuant to Rule 12b-1 under the 1940 Act. Gabelli & Company, Inc. ("Gabelli & Company"), an affiliate of the Adviser, serves as distributor of the Fund. Under the Class AAA, Class A, Class B, and Class C Share Plans, payments are authorized to Gabelli & Company at annual rates of 0.25%, 0.25%, 1.00%, and 1.00%, respectively, of the average daily net assets of those classes, the annual limitations under each Plan. Such payments are accrued daily and paid monthly.

5. Portfolio Securities. Purchases and sales of securities for the six months ended June 30, 2009, other than short-term securities and U.S. Government obligations, aggregated \$47,083,597 and \$70,828,312, respectively.

6. Transactions with Affiliates. During the six months ended June 30, 2009, the Fund paid brokerage commissions on security trades of \$168,782 to Gabelli & Company. Additionally, Gabelli & Company informed the Fund that it retained \$7,661 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. During the six months ended June 30, 2009, 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 of up to \$75,000,000 under which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bear interest at the higher of the sum of the overnight LIBOR plus 100 basis points or the sum of Fed Funds plus 100 basis points at the time of borrowing. This amount, if any, would be included in "interest expense" in the Statement of Operations. At June 30, 2009, borrowings outstanding under the line of credit amounted to \$1,907,000.

The average daily amount of borrowings outstanding under the line of credit during the six months ended June 30, 2009 was \$3,196,453 with a weighted average interest rate of 1.06%. The maximum amount borrowed at any time during the six months ended June 30, 2009 was \$20,080,000.

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

The Gabelli Asset Fund

Notes to Financial Statements (Continued) (Unaudited)

The Fund imposes a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before the seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund. The redemption fees retained by the Fund during the six months ended June 30, 2009 and the year ended December 31, 2008 amounted to \$2,138 and \$49,931, respectively.

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

Transactions in shares of beneficial interest were as follows:

	Six Months Ended June 30, 2009 (Unaudited)		Year Ended December 31, 2008	
	Shares	Amount	Shares	Amount
	Class AAA		Class AAA	
Shares sold	3,318,035	\$ 97,409,475	8,396,760	\$ 359,692,511
Shares issued upon reinvestment of distributions	—	—	453,871	13,467,980
Shares redeemed	(4,814,973)	(136,080,860)	(12,625,050)	(491,254,135)
Net decrease	<u>(1,496,938)</u>	<u>\$ (38,671,385)</u>	<u>(3,774,419)</u>	<u>\$ (118,093,644)</u>
	Class A		Class A	
Shares sold	81,447	\$ 2,422,023	251,525	\$ 10,434,722
Shares issued upon reinvestment of distributions	—	—	3,306	97,291
Shares redeemed	(59,899)	(1,754,307)	(133,361)	(5,102,458)
Net increase	<u>21,548</u>	<u>\$ 667,716</u>	<u>121,470</u>	<u>\$ 5,429,555</u>
	Class B		Class B	
Shares sold	—	\$ —	94	\$ 2,672
Shares issued upon reinvestment of distributions	—	—	0*	8
Net increase	<u>—</u>	<u>\$ —</u>	<u>94</u>	<u>\$ 2,680</u>
	Class C		Class C	
Shares sold	32,982	\$ 977,135	96,862	\$ 3,893,254
Shares issued upon reinvestment of distributions	—	—	217	6,275
Shares redeemed	(27,372)	(761,933)	(51,513)	(1,903,657)
Net increase	<u>5,610</u>	<u>\$ 215,202</u>	<u>45,566</u>	<u>\$ 1,995,872</u>
	Class I		Class I**	
Shares sold	9,935	\$ 288,569	129,107	\$ 5,914,864
Shares issued upon reinvestment of distributions	—	—	1,501	44,454
Shares redeemed	(5,361)	(160,476)	(9,425)	(398,391)
Net increase	<u>4,574</u>	<u>\$ 128,093</u>	<u>121,183</u>	<u>\$ 5,560,927</u>

* Share rounded to less than 1.0 shares.

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

The Gabelli Asset Fund

Notes to Financial Statements (Continued) (Unaudited)

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 and expects the risk of loss to be remote.

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

11. Subsequent Events. Management has evaluated the impact of all subsequent events on the Fund through August 25, 2009, the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

The Gabelli Asset Fund

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

At its meeting on February 25, 2009, the Board of Trustees (“Board”) of the Fund approved the continuation of the investment advisory agreement with the Adviser for the Fund on the basis of the recommendation by the trustees who are not “interested persons” of the Fund (the “Independent Board Members”). 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 of the Fund against a peer group of multi-cap value and multi-cap core funds chosen by Lipper as being comparable. The Independent Board Members noted that the Fund’s performance was in the top half of the funds in its category for the one year period, and in the top 10% for the three and five year periods.

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 large portion of the Fund’s portfolio transactions were executed by an affiliated broker and that the affiliated broker received distribution fees and minor amounts of sales commissions.

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 advisory fee schedule for the Fund does not take into account any potential economies of scale that may develop or any losses or diminished profitability to the Adviser in prior years.

Service and Cost Comparisons. The Independent Board Members compared the expense ratios of the investment advisory fee, other expenses, and total expenses of the Fund with similar expense ratios of the peer group of multi-cap value and multi-cap core funds and noted that the advisory fee includes substantially all administrative services of the Fund as well as investment advisory services of the Adviser. The Independent Board Members noted that the Fund’s expense ratios and the Fund’s size were above average within this group. The Independent Board Members also noted that the advisory 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 affiliates of the Adviser.

Conclusions. The Independent Board Members concluded that the Fund enjoyed highly experienced portfolio management services, good ancillary services, and a good 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 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 advisory agreement to the full Board.

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 or Teton Advisors, Inc., which are affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients. Teton Advisors, Inc. is a publicly held company that provides investment advisory services to the GAMCO Westwood Funds.

What kind of non-public information do we collect about you if you become a 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.

GABELLI FAMILY OF FUNDS

VALUE

Gabelli Asset Fund

Seeks to invest primarily in a diversified portfolio of common stocks selling at significant discounts to their private market value. The Fund's primary objective is growth of capital. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

Gabelli Blue Chip Value Fund

Seeks long term growth of capital through investment primarily in the common stocks of established companies which are temporarily out of favor. The fund's objective is to identify a catalyst or sequence of events that will return the company to a higher value. (Multiclass)

Portfolio Manager: Barbara Marcin, CFA

GAMCO Westwood Equity Fund

Seeks to invest primarily in the common stock of well seasoned companies that have recently reported positive earnings surprises and are trading below Westwood's proprietary growth rate estimates. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Susan M. Byrne

FOCUSED VALUE

Gabelli Value Fund

Seeks to invest in securities of companies believed to be undervalued. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

SMALL CAP VALUE

Gabelli Small Cap Fund

Seeks to invest primarily in common stock of smaller companies (market capitalizations at the time of investment of \$2 billion or less) believed to have rapid revenue and earnings growth potential. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Westwood SmallCap Equity Fund

Seeks to invest primarily in smaller capitalization equity securities – market caps of \$2.5 billion or less. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Portfolio Manager: Nicholas F. Galluccio

Gabelli Woodland Small Cap Value Fund

Seeks to invest primarily in the common stocks of smaller companies (market capitalizations generally less than \$3.0 billion) believed to be undervalued with shareholder oriented management teams that are employing strategies to grow the company's value. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Elizabeth M. Lilly, CFA

GROWTH

GAMCO Growth Fund

Seeks to invest primarily in large cap stocks believed to have favorable, yet undervalued, prospects for earnings growth. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Howard F. Ward, CFA

GAMCO International Growth Fund

Seeks to invest in the equity securities of foreign issuers with long-term capital appreciation potential. The Fund offers investors global diversification. (Multiclass)

Portfolio Manager: Caesar Bryan

AGGRESSIVE GROWTH

GAMCO Global Growth Fund

Seeks capital appreciation through a disciplined investment program focusing on the globalization and interactivity of the world's marketplace. The Fund invests in companies at the forefront of accelerated growth. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

MICRO-CAP

GAMCO Westwood Mighty MitesSM Fund

Seeks to invest in micro-cap companies that have market capitalizations of \$300 million or less. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Team Managed

EQUITY INCOME

Gabelli Equity Income Fund

Seeks to invest primarily in equity securities with above average market yields. The Fund pays monthly dividends and seeks a high level of total return with an emphasis on income. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Westwood Balanced Fund

Seeks to invest in a balanced and diversified portfolio of stocks and bonds. The Fund's primary objective is both capital appreciation and current income. (Multiclass)

Co-Portfolio Managers: Susan M. Byrne
Mark Freeman, CFA

GAMCO Westwood Income Fund

Seeks to provide a high level of current income as well as long-term capital appreciation by investing in income producing equity and fixed income securities. (Multiclass)

Portfolio Manager: Barbara Marcin, CFA

SPECIALTY EQUITY

GAMCO Global Convertible Securities Fund

Seeks to invest principally in bonds and preferred stocks which are convertible into common stock of foreign and domestic companies. The Fund's primary objective is total return through a combination of current income and capital appreciation. (Multiclass)

Team Managed

GAMCO Global Opportunity Fund

Seeks to invest in common stock of companies which have rapid growth in revenues and earnings and potential for above average capital appreciation or are undervalued. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

Gabelli SRI Green Fund

Seeks to invest in common and preferred stocks meeting guidelines for social responsibility (avoiding defense contractors and manufacturers of alcohol, abortifacients, gaming, and tobacco products) and sustainability (companies engaged in climate change, energy security and independence, natural resource shortages, organic living, and urbanization). The Fund's primary objective is capital appreciation. (Multiclass)

Co-Portfolio Managers: Christopher C. Desmarais
John M. Segrich, CFA

SECTOR

GAMCO Global Telecommunications Fund

Seeks to invest in telecommunications companies throughout the world – targeting undervalued companies with strong earnings and cash flow dynamics. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

GAMCO Gold Fund

Seeks to invest in a global portfolio of equity securities of gold mining and related companies. The Fund's objective is long-term capital appreciation. Investment in gold stocks is considered speculative and is affected by a variety of worldwide economic, financial, and political factors. (Multiclass)

Portfolio Manager: Caesar Bryan

Gabelli Utilities Fund

Seeks to provide a high level of total return through a combination of capital appreciation and current income. (Multiclass)

Team Managed

MERGER AND ARBITRAGE

Gabelli ABC Fund

Seeks to invest in securities with attractive opportunities for appreciation or investment income. The Fund's primary objective is total return in various market conditions without excessive risk of capital loss. (No-load)

Portfolio Manager: Mario J. Gabelli, CFA

Gabelli Enterprise Mergers and Acquisitions Fund

Seeks to invest in securities believed to be likely acquisition targets within 12–18 months or in arbitrage transactions of publicly announced mergers or other corporate reorganizations. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

CONTRARIAN

GAMCO Mathers Fund

Seeks long-term capital appreciation in various market conditions without excessive risk of capital loss. (No-load)

Portfolio Manager: Henry Van der Eb, CFA

Comstock Capital Value Fund

Seeks capital appreciation and current income. The Fund may use either long or short positions to achieve its objective. (Multiclass)

Portfolio Manager: Martin Weiner, CFA

FIXED INCOME

GAMCO Westwood Intermediate Bond Fund

Seeks to invest in a diversified portfolio of bonds with various maturities. The Fund's primary objective is total return. (Multiclass)

Portfolio Manager: Mark Freeman, CFA

CASH MANAGEMENT-MONEY MARKET

Gabelli U.S. Treasury Money Market Fund

Seeks to invest exclusively in short-term U.S. Treasury securities. The Fund's primary objective is to provide high current income consistent with the preservation of principal and liquidity. (No-load)

Co-Portfolio Managers: Judith A. Raneri
Ronald S. Eaker

An investment in the above Money Market Fund is neither insured nor guaranteed 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.

The Funds may invest in foreign securities which involve risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks.

To receive a prospectus, call **800-GABELLI** (422-3554). Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.

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The Gabelli Asset Fund

One Corporate Center
Rye, New York 10580-1422

800-GABELLI

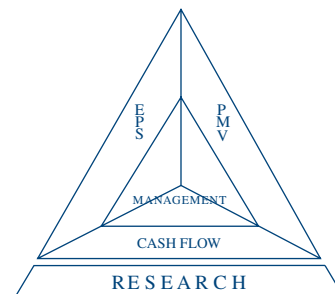
800-422-3554

fax: 914-921-5118

website: www.gabelli.com

e-mail: info@gabelli.com

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



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The Gabelli Asset Fund

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

GAB405Q209SR

SEMI ANNUAL REPORT
JUNE 30, 2009