

Gabelli SRI Green Fund, Inc.

Shareholder Commentary March 31, 2010



Chris Desmarais and John M. Segrich, CFA

To Our Shareholders,

It has been a year now since we refocused the fund on “green” investments, and we are pleased with the results. We thought it would be appropriate to revisit the investment opportunity and our process as we enter 2010.

Comparative Results

Average Annual Returns through March 31, 2010 (a)(b) (Unaudited)			
	Quarter	1 Year	Since Inception (6/1/07)
Gabelli SRI Green Fund Class AAA (SRIGX)	(2.70)%	70.59%	1.84%
S&P 500 Index	5.39	49.73	(6.98)
FTSE KLD Global Sustainability Index	2.97	55.75	(8.53)*
MSCI AC World Index	3.24	56.31	(6.54)
Class A (SRIAX)	(2.80)	70.26	1.80
	(8.39)(c)	60.47(c)	(0.30)(c)
Class C (SRICX)	(2.93)	69.08	1.09
	(3.90)(d)	68.08(d)	1.09
Class I (SRIDX)	(2.70)	70.80	2.08

In the current prospectus, the gross expense ratios for Class AAA, A, C, and I Shares are 11.07%, 11.07%, 11.82%, and 10.82%, respectively. The net expense ratios after contractual reimbursements by Gabelli Funds, LLC (the “Adviser”) in place through July 31, 2010 are 2.01%, 2.01%, 2.76%, and 1.76%, respectively. Class AAA and I Shares do not have a sales charge. The maximum sales charge for Class A and C Shares is 5.75% 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 FTSE KLD Global Sustainability Index is a broadly diversified, sector neutral global benchmark based on environmental, social, and governance rankings. The MSCI AC World Index is a market capitalization weighted index representing both developed and emerging markets. Dividends are considered reinvested. You cannot invest directly in an index.

(b) The Fund's fiscal year end is March 31.

(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 C Shares upon redemption at the end of the quarter and one year periods of 1% of the Fund's net asset value (“NAV”) per share at the time of purchase or sale, whichever is lower.

* From September 28, 2007, the inception date of the FTSE KLD Global Sustainability Index. The Class AAA Share net asset values (“NAV”) per share are used to calculate performance for the periods prior to the inception of this index.

Our Approach

At Gabelli, we believe that socially responsible investing is the integration of personal values and societal concerns with each investment decision. As a Firm, our twenty years of experience in socially responsible investing gives us perspective on the market, while our internal social screening process allows us to find companies not only with business value, but social value as well. By marrying research driven fundamental investing with the Fund's social and sustainability guidelines, we are confident that we shall be able to earn a superior return for our shareholders over the long term.

Our Investment Opportunity

The Gabelli SRI Green Fund is focused on investing in companies whose products, services, or solutions address the issue of sustainability. We believe that the issue of sustainability will be the single greatest global challenge facing companies in coming years. Those companies that can successfully address these issues and adapt their business models will likely sustain greater long-term profitability and deliver superior returns to investors. Those who choose to ignore them or cannot change may disappear. We believe that we are at the beginning of this challenge and opportunity; sustainability issues have shifted from marginal to mainstream.

Simply put, we are attempting to analyze the issues, changes, and the implications of the changes that companies will face as the world population grows beyond 6.8 billion people. More importantly, this growth will predominantly be concentrated in the developing world as it industrializes, grows in wealth, and consumes more energy. Much of the developed world faces a population decline in the coming years, and companies will need to adapt to survive.

While sustainability issues pose challenges to existing companies, sustainability solutions will likely drive economic growth. Already we have seen several economies, such as Germany, Denmark, Sweden, and China embracing the concept of green jobs creation as a driver of economic growth. Our view is that countries will increasingly compete for leadership on sustainability issues, as the economic incentives of exporting the solutions and technology are significant. This is the "space race" of our generation.

For example, Greentech, one area of investment focus, has the potential to revolutionize the entire energy industry as we know it, a \$6 trillion opportunity. In 2008, one in ten venture capital dollars flowed into Greentech. In 2009, that ratio had risen to one in four. We expect that the significant investment on the private side by venture capital and private equity will translate into a strong flow of deals over the coming years; we are positioned to capture this opportunity.

Our research process combines both rigorous fundamental analysis with a deep understanding of sustainability issues. While we have identified several issues that are already facing companies today, we would expect others to emerge over time. Moreover, these issues are not isolated, but often work in concert. Some issues that we have already identified and have incorporated into our investment process include: climate change, natural resource shortages, energy independence and security, urbanization, organic lifestyles, income disparity, and pandemics.

We believe that the companies addressing these issues are likely to experience higher levels of growth and perhaps outperform the companies that have not addressed them. While the Fund offers investors the chance to align their values with their investments, the primary objective of the Fund is performance.

Our fundamental analysis is predicated on understanding the industries we invest in on a global basis and across the entire value chain. Through this deep understanding of the industry, we attempt to pinpoint the best

area within the chain to invest. This often involves assessing where the constraints exist in the industry and then investing in the constrained areas or in the solutions to those constraints.

We expect to invest in new industries and companies that emerge to address issues of sustainability. However, not all new companies or industries will be successful or economically sustainable.

Looking forward, many industries are likely to see significant disruption to the existing companies, supply chain, business models, and even the industry at large. We expect to capture the value creation within our portfolio of investments.

Our Outlook for 2010

The first quarter of 2010 has been challenging. First, China embarked on a series of policy adjustments designed to slow the overheating property market. Loan requirements rose several times, as did rates, which sent a shockwave across the global markets. This impacted several of our positions significantly as China has been one of the strongest markets for renewable investments.

Next, sovereign debt issues rose to the surface in Europe and in particular within Greece, Spain, and Portugal. Again, Spain and Portugal are important countries within the renewable energy world, and our largest position, Telvent (5.5% of net assets as of March 31, 2010), was negatively impacted due to its Spanish exposure.

Finally, the political environment in the U.S. took a step back as Cap and Trade was officially killed and the prospects of a more supportive government policy faded.

At the same time, Germany announced that it would slash its Feed-in Tariff rates as the rate of solar installations skyrocketed at the end of 2009. In December alone, Germany installed 25% of the total world installations for the full year! Unlevered internal rates of returns on solar projects has jumped into the high teens and investors rushed to lock in these returns.

As such, we remain more cautious with our outlook for 2010. We are concerned that subsidy driven markets, such as solar and wind will likely face cuts as debt issues mount and countries can no longer offer rich subsidies to investors in the face of the growing sovereign risk. We have attempted to position the portfolio in “sustainable markets” rather than “subsidized markets” and we expect the results to bear out over the course of 2010. In the absence of U.S. renewable energy standards, there is little incentive for utilities to dramatically increase spending on wind, solar, and geothermal. We believe light emitting diodes (“LED”s), high efficiency motors, and infrastructure oriented companies will outperform the traditional renewable energy industries.

Key Contributors to Performance In the Past Year

Looking back over the past year, our performance has been driven by several major areas. The key driver has been our investments in the LED industry. Cree (5.3%), the leading U.S. manufacturer of LED chips and lighting modules, was the top contributor to performance this past year, our position returned 57.5% during the year. Our second largest contributor was Veeco Instruments (5.6%), the second largest LED equipment manufacturer, with a 41.6% return on our position. We also had an investment in Aixtron (3.5%), the largest LED equipment manufacturer, which returned 20.6%.

Several solar stocks also were in the top ten contributors to performance during the year. Our investment in STR Holdings (3.8%), a maker of encapsulants, the lining that surrounds the solar cell, returned 49.1% and was the third largest contribution to the yearly results. We preferred to have exposure to increasing volumes in the solar market, as opposed to companies that are exposed to price. However, Trina Solar, the vertically

integrated solar module manufacturer, was also a large contributor in the year as their low cost position allowed them to beat expectations during the back half of 2009. Finally, Amtech Systems (2.7%), the solar cell equipment manufacturer, returned 24.3% on our investment, buoyed by several large orders from the Chinese solar manufacturers.

We also had investments in several Canadian wind and hydro developers that we believed were significantly undervalued. Innergex Renewable Energy (2.4%) was one of our largest holdings and the value was unlocked as they merged with their income fund, returning nearly 57.5% on our investment.

We also were invested in Mead Johnson (3.8%), the infant formula company, which focuses on the broader issues of nutrition, especially in emerging markets. Our position returned 17.4% during the year.

China Hydroelectric Corporation (2.1%), a Chinese hydropower company, was the worst performer of the year. Other detractors to performance included: Prime View International (0.8%), maker of digital ink; Maxwell Technologies (0.4%), maker of ultra capacitors; Motech Industries (1.0%), a Taiwanese solar cell manufacturer; and Gamesa, a Spanish wind turbine manufacturer, which was sold before the quarter end.

Sincerely,



Chris Desmarais
Co-Portfolio Manager

May 20, 2010



John Segrich, CFA
Co-Portfolio Manager

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

Minimum Initial Investment – \$1,000

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

Multi-Class Shares

Class AAA Shares are no-load shares offered directly by selected broker/dealers. Class A and Class C Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available solely to certain institutions which invest directly with the Fund. The minimum initial investment amount for Class I Shares is \$500,000. The Board of Directors determined that expanding the types of Fund shares available through various distribution options would enhance the ability of the Fund to attract additional investors.

Top Ten Holdings (Percent of Net Assets)
March 31, 2010

Veeco Instruments Inc. 5.6%	Mead Johnson Nutrition Co. 3.8%
Telvent GIT SA 5.5%	STR Holdings Inc. 3.7%
Cree Inc. 5.3%	Potash Corp. of Saskatchewan Inc. 3.6%
Sino-Forest Corp. 5.2%	Aixtron AG 3.5%
Horsehead Holding Corp. 3.8%	Novozymes A/S 2.9%

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.

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.

Gabelli SRI Green Fund, Inc.

One Corporate Center
Rye, New York 10580-1422

800-GABELLI

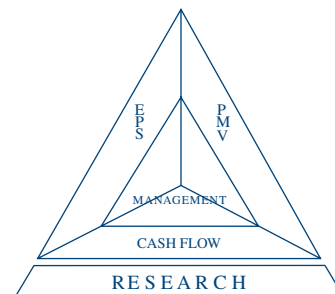
800-422-3554

fax: 914-921-5118

website: www.gabelli.com

e-mail: info@gabelli.com

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



Board of Directors

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

Clarence A. Davis
*Former Chief Executive Officer,
Nestor, Inc.*

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

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

Officers

Bruce N. Alpert
President

Agnes Mullady
Treasurer

Peter D. Goldstein
*Chief Compliance Officer
and Acting Secretary*

Joseph H. Egan
Acting Treasurer

Distributor

Gabelli & Company, Inc.

Custodian

The Bank of New York Mellon

Legal Counsel

Paul, Hastings, Janofsky & Walker LLP

Gabelli SRI Green Fund, Inc.

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

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SHAREHOLDER COMMENTARY
MARCH 31, 2010

Gabelli SRI Green Fund, Inc.

Annual Report
March 31, 2010



**Chris Desmarais and
John M. Segrich, CFA**

To Our Shareholders,

The Sarbanes-Oxley Act requires a fund's principal executive and financial officers to certify the entire contents of the semi-annual and annual shareholder reports in a filing with the Securities and Exchange Commission on Form N-CSR. This certification would cover the portfolio manager's commentary and subjective opinions if they are attached to or a part of the financial statements. Many of these comments and opinions would be difficult or impossible to certify.

Because we do not want our portfolio managers to eliminate their opinions and/or restrict their commentary to historical facts, we have separated their commentary from the financial statements and investment portfolio and have sent it to you separately. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com/funds.

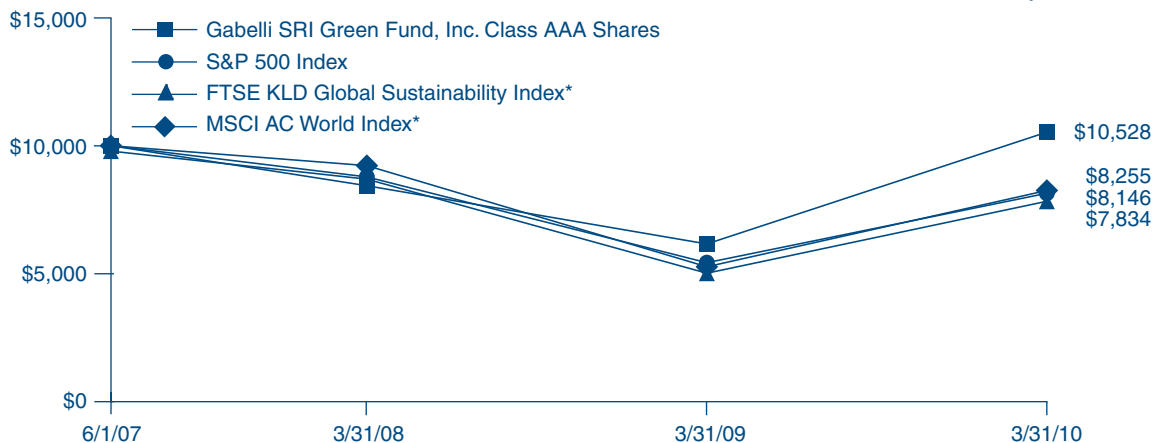
Enclosed are the audited financial statements and the investment portfolio as of March 31, 2010 with a description of factors that affected the performance during the past year.

Performance Discussion

The Gabelli SRI Green Fund's (the "Fund") Class AAA Shares posted a return of 70.6% for the fiscal year ended March 31, 2010 versus a return of 55.8% for the FTSE KLD Global Sustainability Index. The Fund's performance over this period was driven by several major areas, particularly investments in the light emitting diode (LED) industry where Cree (5.3% of net assets as of March 31, 2010), Veeco Instruments (5.6%), and Aixtron (3.5%) were the top three contributors at +57.5%, +41.6%, +20.6%, respectively, and the solar industry where STR Holdings (3.7%) +49.1% and Amtech Systems (2.7%) +24.3% buoyed performance. Innergex Renewable Energy (2.4%), a Canadian hydroelectric power and wind farm company, returned +57.5%.

China Hydroelectric Corporation (2.1%) was the worst performer of the year. Other detractors to performance included Prime View International (0.8%) (digital ink), Maxwell Technologies (0.4%) (ultra capacitors), and Motech Industries (1.0%) (solar cells). Telvent (5.5%) was negatively impacted due to its Spanish exposure.

**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN
GABELLI SRI GREEN FUND, INC. CLASS AAA SHARES AND THE S&P 500 INDEX (Unaudited)**



Past performance is not predictive of future results. The performance tables and graph do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

* Effective July 29, 2009, the Fund changed the benchmark against which it measures its performance from the S&P 500 Index to the MSCI All Country ("AC") World Index and the FTSE KLD Global Sustainability Index because Fund management believes that the latter two indices are more comparable with the Fund's investment style. The FTSE KLD Global Sustainability Index is a broadly diversified, sector neutral global benchmark based on environmental, social, and governance rankings. The MSCI AC World Index is a market capitalization weighted index representing both developed and emerging markets.

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Gabelli SRI Green Fund, Inc.

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from October 1, 2009 through March 31, 2010

Expense Table

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

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

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

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

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which are described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. The "Annualized Expense Ratio" represents the actual expenses for the last six months and may be different from the expense ratio in the Financial Highlights which is for the year ended March 31, 2010.

	Beginning Account Value 10/01/09	Ending Account Value 3/31/10	Annualized Expense Ratio	Expenses Paid During Period*
Gabelli SRI Green Fund, Inc.				
Actual Fund Return				
Class AAA	\$1,000.00	\$1,117.80	2.00%	\$10.56
Class A	\$1,000.00	\$1,116.80	2.00%	\$10.56
Class C	\$1,000.00	\$1,112.60	2.75%	\$14.48
Class I	\$1,000.00	\$1,118.60	1.75%	\$ 9.24
Hypothetical 5% Return				
Class AAA	\$1,000.00	\$1,014.96	2.00%	\$10.05
Class A	\$1,000.00	\$1,014.96	2.00%	\$10.05
Class C	\$1,000.00	\$1,011.22	2.75%	\$13.79
Class I	\$1,000.00	\$1,016.21	1.75%	\$ 8.80

* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year (182 days), then divided by 365.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total net assets as of March 31, 2010:

Gabelli SRI Green Fund, Inc.

Energy Efficiency	22.5%	Health Care	3.7%
Natural Resources	16.1%	Computer Hardware	2.7%
Solar	16.0%	Batteries and Transportation	1.9%
Alternative Generation and Utilities	9.0%	Food and Beverage	1.9%
Wind	6.5%	Environmental Services	1.7%
Biofuels	6.2%	U.S. Government Obligations	0.8%
Water	5.9%	Other Assets and Liabilities (Net)	(0.4)%
Computer Software and Services	5.5%		<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 December 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 are 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.

Gabelli SRI Green Fund, Inc.
Schedule of Investments — March 31, 2010

<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>	<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
COMMON STOCKS — 96.6%			Health Care — 3.7%		
Alternative Generation and Utilities — 8.8%			Natural Resources — 16.1%		
40,000	Algonquin Power & Utilities Corp. \$ 154,654	\$ 173,682	9,500	Mead Johnson Nutrition Co. \$ 416,951	\$ 494,285
10,000	Boralex Inc., Cl. A, New York† 85,770	104,465	250,000	China Forestry Holdings Ltd.† 102,226	111,408
20,000	Boralex Inc., Cl. A, Toronto† 185,976	208,930	50,000	GeoMet Inc.† 70,190	44,650
30,000	China Hydroelectric Corp., ADR† 392,367	277,500	42,000	Horsehead Holding Corp.† 475,862	497,280
5,000	Companhia Energetica de Minas Gerais, ADR 77,645	83,200	10,000	Intrepid Potash Inc.† 280,599	303,300
40,000	Innergex Renewable Energy Inc.† 202,754	319,007	4,000	Potash Corp. of Saskatchewan Inc. 448,369	477,400
	<u>1,099,166</u>	<u>1,166,784</u>	35,000	Sino-Forest Corp.† 632,098	685,768
Batteries and Transportation — 1.9%				<u>2,009,344</u>	<u>2,119,806</u>
20,000	BYD Co. Ltd., Cl. H† 134,301	199,246	Solar — 13.2%		
4,000	Maxwell Technologies Inc.† 65,500	49,560	5,000	Abengoa SA 125,878	144,216
	<u>199,801</u>	<u>248,806</u>	4,000	Advanced Energy Industries Inc.† 54,900	66,240
Biofuels — 6.2%			35,000	Amtech Systems Inc.† 227,414	353,150
5,000	Clean Energy Fuels Corp.† 100,865	113,900	30,000	Motech Industries Inc. 135,764	127,527
17,000	Cosan Ltd., Cl. A† 148,918	160,310	3,000	SMA Solar Technology AG 311,172	367,717
75,000	Equatorial Palm Oil plc† 16,167	18,210	3,500	Solar Millennium AG† 90,250	83,910
4,000	Green Plains Renewable Energy Inc.† 58,240	57,080	100,000	Solar Power Inc.† 122,350	97,000
3,500	Novozymes A/S, Cl. B 335,674	387,351	21,000	STR Holdings Inc.† 306,874	493,500
5,000	Westport Innovations Inc.† 74,659	82,450		<u>1,374,602</u>	<u>1,733,260</u>
	<u>734,523</u>	<u>819,301</u>	Water — 5.9%		
Computer Hardware — 2.7%			5,000	Andritz AG 255,726	296,132
1,500	Apple Inc.† 254,812	352,395	5,000	Duoyuan Global Water Inc., ADR† 146,737	138,850
Computer Software and Services — 5.5%			10,000	Heckmann Corp.† 62,776	58,000
25,000	Telvent GIT SA 771,902	719,000	20,000	Pure Technologies Ltd.† 80,335	88,613
Energy Efficiency — 22.5%			8,500	RINO International Corp.† 183,357	201,705
13,000	Aixtron AG, ADR 344,444	463,840		<u>728,931</u>	<u>783,300</u>
10,000	Cree Inc.† 386,120	702,200	Wind — 6.5%		
9,000	Johnson Controls Inc. 237,347	296,910	12,000	American Superconductor Corp.† 327,182	346,800
20,000	Nanoco Group plc† 25,251	28,984	12,500	Catch The Wind Ltd.† 22,313	24,492
2,500	NIDEC CORP. 258,074	267,943	100,000	China High Speed Transmission Equipment Group Co. Ltd. 216,647	221,013
60,000	Prime View International Co. Ltd.† 111,395	108,634	25,000	China Wind Systems Inc.† 93,588	120,750
6,000	Regal-Beloit Corp. 309,884	356,460	18,789	Clipper Windpower plc† 34,489	28,370
17,000	Veeco Instruments Inc.† 476,468	739,500	3,000	Kaydon Corp. 106,369	112,800
	<u>2,148,983</u>	<u>2,964,471</u>		<u>800,588</u>	<u>854,225</u>
Environmental Services — 1.7%			TOTAL COMMON STOCKS 10,988,727		
50,000	Headwaters Inc.† 202,620	229,500	12,732,161		
Food and Beverage — 1.9%			WARRANTS — 0.2%		
2,000	Nestlé SA 99,983	102,428	Alternative Generation and Utilities — 0.2%		
4,000	Whole Foods Market Inc.† 146,521	144,600	35,000	China Hydroelectric Corp., ADR, expire 01/25/14 45,050	30,800
	<u>246,504</u>	<u>247,028</u>			

See accompanying notes to financial statements.

Gabelli SRI Green Fund, Inc.

Statement of Assets and Liabilities March 31, 2010

Assets:

Investments, at value (cost \$11,439,165)	\$13,225,129
Foreign currency, at value (cost \$4)	4
Cash	214
Receivable for investments sold	293,735
Receivable for Fund shares sold	46,578
Receivable from Adviser	23,483
Dividends and interest receivable	17,369
Prepaid expenses	38,063
Total Assets	<u>\$13,644,575</u>

Liabilities:

Payable for investments purchased	385,767
Payable for Fund shares redeemed	7,899
Payable for distribution fees	2,733
Payable for legal and audit fees	45,639
Other accrued expenses	29,101
Total Liabilities	<u>471,139</u>

Net Assets applicable to 1,263,168 shares outstanding	<u>\$13,173,436</u>
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Net Assets Consist of:

Paid-in capital	\$11,933,890
Accumulated distributions in excess of net investment loss	(4,242)
Accumulated net realized loss on investments, written options, and foreign currency transactions	(541,986)
Net unrealized appreciation on investments	1,785,964
Net unrealized depreciation on foreign currency translations	(190)
Net Assets	<u>\$13,173,436</u>

Shares of Capital Stock:

Class AAA:

Net Asset Value, offering, and redemption price per share (\$4,573,406 ÷ 438,093 shares outstanding, at \$0.001 par value; 500,000,000 shares authorized)	<u>\$10.44</u>
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Class A:

Net Asset Value and offering price per share (\$4,671,408 ÷ 448,122 shares outstanding, at \$0.001 par value; 500,000,000 shares authorized)	<u>\$10.42</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>\$11.06</u>
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Class C:

Net Asset Value and offering price per share (\$1,056,797 ÷ 102,787 shares outstanding, at \$0.001 par value; 500,000,000 shares authorized)	<u>\$10.28(a)</u>
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Class I:

Net Asset Value, offering, and redemption price per share (\$2,871,825 ÷ 274,166 shares outstanding, at \$0.001 par value; 500,000,000 shares authorized)	<u>\$10.47</u>
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Statement of Operations For the Year Ended March 31, 2010

Investment Income:

Dividends (net of foreign taxes of \$1,870)	\$ 36,906
Interest	7,947
Total Investment Income	<u>44,853</u>

Expenses:

Investment advisory fees	65,042
Distribution fees – Class AAA	6,188
Distribution fees – Class A	6,018
Distribution fees – Class C	4,592
Legal and audit fees	90,768
Shareholder communications expenses	34,462
Registration expenses	29,456
Directors' fees	22,125
Custodian fees	17,966
Shareholder services fees	15,370
Tax expense	354
Interest expense	30
Miscellaneous expenses	13,592
Total Expenses	<u>305,963</u>

Less:

Fees waived and expenses reimbursed by Adviser (See Note 3)	(174,957)
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Net Expenses	<u>131,006</u>
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Net Investment Loss	<u>(86,153)</u>
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Net Realized and Unrealized Gain/(Loss) on Investments, Written Options, and Foreign Currency:

Net realized gain on investments	109,354
Net realized loss on written options	(10,747)
Net realized loss on foreign currency transactions	(3,795)
Net realized gain on investments, written options, and foreign currency transactions	94,812
Net change in unrealized appreciation/depreciation: on investments	1,932,181
on foreign currency translations	(190)
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	1,931,991

Net Realized and Unrealized Gain/(Loss) on Investments, Written Options, and Foreign Currency	<u>2,026,803</u>
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Net Increase in Net Assets Resulting from Operations	<u>\$1,940,650</u>
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(a) Redemption price varies based on the length of time held.

See accompanying notes to financial statements.

Gabelli SRI Green Fund, Inc.

Statement of Changes in Net Assets

	<u>Year Ended March 31, 2010</u>	<u>Year Ended March 31, 2009</u>
Operations:		
Net investment loss	\$ (86,153)	\$ (2,702)
Net realized gain/(loss) on investments, written options, and foreign currency transactions	94,812	(638,145)
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	<u>1,931,991</u>	<u>81,791</u>
Net Increase/(Decrease) in Net Assets Resulting from Operations	<u>1,940,650</u>	<u>(559,056)</u>
Distributions to Shareholders:		
Net investment income		
Class AAA	—	(2,529)
Class A	—	(2,772)
Class I	—	(2,735)
	<u>—</u>	<u>(8,036)</u>
Return of capital		
Class AAA	—	(19)
Class A	—	(20)
Class I	—	(20)
	<u>—</u>	<u>(59)</u>
Total Distributions to Shareholders	<u>—</u>	<u>(8,095)</u>
Capital Share Transactions:		
Class AAA	3,223,919	184,423
Class A	3,227,396	328,280
Class C	816,685	(11,244)
Class I	<u>2,207,183</u>	<u>61,595</u>
Net Increase in Net Assets from Capital Share Transactions	<u>9,475,183</u>	<u>563,054</u>
Redemption Fees	<u>6</u>	<u>1</u>
Net Increase/(Decrease) in Net Assets	11,415,839	(4,096)
Net Assets:		
Beginning of period	<u>1,757,597</u>	<u>1,761,693</u>
End of period (including undistributed net investment income of \$0 and \$677, respectively)	<u>\$13,173,436</u>	<u>\$1,757,597</u>

See accompanying notes to financial statements.

Gabelli SRI Green Fund, Inc. Financial Highlights

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

Period Ended March 31 of	Income from Investment Operations				Distributions			Ratios to Average Net Assets/ Supplemental Data							
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)	Net Unrealized Gain (Loss) on Investments	Total from Operations	Net Realized Gain on Investments	Return of Capital	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)	Expenses Net of Waivers/Reimbursements††(b)	Expenses Before Waivers/Reimbursements†††	Portfolio Turnover Rate
Class AAA															
2010	\$ 6.12	\$(0.12)	\$ 4.44	\$ 4.32	—	—	—	\$0.00(c)	\$10.44	70.59%	\$4,573	(1.31)%	2.01%	4.70%	190%
2009	8.41	(0.01)	(2.25)	(2.26)	\$(0.03)	\$(0.00)(c)	\$(0.03)	0.00(c)	6.12	(26.88)	653	(0.15)	2.01	11.07	65
2008(d)	10.00	0.01	(1.57)	(1.56)	(0.00)(c)	—	(0.03)	—	8.41	(15.60)	656	0.11(e)	2.02(e)	22.50(e)	25
Class A															
2010	\$ 6.12	\$(0.13)	\$ 4.43	\$ 4.30	—	—	—	\$0.00(c)	\$10.42	70.26%	\$4,671	(1.36)%	2.01%	4.70%	190%
2009	8.40	(0.01)	(2.24)	(2.25)	\$(0.03)	\$(0.00)(c)	\$(0.03)	0.00(c)	6.12	(26.75)	591	(0.15)	2.01	11.07	65
2008(d)	10.00	(0.00)(c)	(1.56)	(1.56)	(0.01)	—	(0.04)	—	8.40	(15.65)	461	(0.06)(e)	2.02(e)	22.50(e)	25
Class C															
2010	\$ 6.08	\$(0.20)	\$ 4.40	\$ 4.20	—	—	—	\$0.00(c)	\$10.28	69.08%	\$1,057	(2.10)%	2.76%	5.45%	190%
2009	8.37	(0.07)	(2.22)	(2.29)	—	—	—	0.00(c)	6.08	(27.36)	104	(0.93)	2.76	11.82	65
2008(d)	10.00	(0.06)	(1.54)	(1.60)	—	—	\$(0.03)	—	8.37	(16.03)	162	(0.81)(e)	2.77(e)	23.25(e)	25
Class I															
2010	\$ 6.13	\$(0.09)	\$ 4.43	\$ 4.34	—	—	—	\$0.00(c)	\$10.47	70.80%	\$2,872	(0.98)%	1.76%	4.45%	190%
2009	8.42	0.01	(2.25)	(2.24)	\$(0.05)	\$(0.00)(c)	\$(0.05)	0.00(c)	6.13	(26.64)	410	0.10	1.76	10.82	65
2008(d)	10.00	0.02	(1.56)	(1.54)	(0.01)	—	(0.04)	—	8.42	(15.41)	483	0.23(e)	1.77(e)	22.25(e)	25

† 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.

†† The ratios include a reduction for custodian fee credits on cash balances maintained with the custodian ("Custodian Fee Credits"). If the ratios did not reflect a reduction for Custodian Fee Credits, the ratios for the period ended March 31, 2008 would have been 2.04% (Class AAA and Class A), 2.79% (Class C), and 1.79% (Class I), respectively. For the year ended March 31, 2010, there were no Custodian Fee Credits. For the year ended March 31, 2009, the effect of Custodian Fee Credits was minimal.

††† The ratios include a reduction for Custodian Fee Credits. If the ratios did not reflect a reduction for Custodian Fee Credits, the ratios for the period ended March 31, 2008 would have been 22.52% (Class AAA and Class A), 23.27% (Class C), and 22.27% (Class I), respectively. For the year ended March 31, 2010, there were no Custodian Fee Credits. For the year ended March 31, 2009, the effect of Custodian Fee Credits was minimal.

- (a) Per share amounts have been calculated using the average shares outstanding method.
- (b) The expense ratios include interest expense which is not subject to the expense limitation for each class of shares.
- (c) Amount represents less than \$0.005 per share.
- (d) The Gabelli SRI Green Fund, Inc. commenced investment operations on June 1, 2007.
- (e) Annualized.

See accompanying notes to financial statements.

Gabelli SRI Green Fund, Inc.

Notes to Financial Statements

1. Organization. The Gabelli SRI Green Fund, Inc., formerly The Gabelli SRI Fund, Inc., (the “Fund”) was organized on March 1, 2007 as a Maryland corporation. 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 commenced investment operations on June 1, 2007 (“inception”). The Fund’s primary objective is to seek capital appreciation. The Fund will seek to achieve its objective by investing substantially all, and in any case, no less than 80% of its assets in common stocks and preferred stocks of companies that meet the Fund’s guidelines for both social responsibility and sustainability at the time of investment.

2. Significant Accounting Policies. The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) has become the exclusive reference of authoritative United States of America (“U.S.”) generally accepted accounting principles (“GAAP”) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The ASC has superseded all existing non-SEC accounting and reporting standards. The Fund’s financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

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

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market but prior to the close of business on the day the securities are being valued. Debt 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.

Gabelli SRI Green Fund, Inc.

Notes to Financial Statements (Continued)

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.

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

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments by inputs used to value the Fund's investments as of March 31, 2010 is as follows:

	Valuation Inputs		Total Market Value at 3/31/10
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	
INVESTMENTS IN SECURITIES:			
ASSETS (Market Value):			
Common Stocks (a)	\$12,732,161	—	\$12,732,161
Warrants(a)	30,800	—	30,800
Convertible Corporate Bonds	—	\$363,178	363,178
U.S. Government Obligations	—	98,990	98,990
TOTAL INVESTMENTS IN SECURITIES	\$12,762,961	\$462,168	\$13,225,129

(a) Please refer to the Schedule of Investments for the industry classifications of these portfolio holdings.

There were no Level 3 investments at March 31, 2010 or March 31, 2009.

Derivative Financial Instruments.

The Fund may engage in various portfolio investment strategies by investing in a number of derivative financial instruments for the purpose of increasing the income of the Fund, hedging or protecting its exposure to interest rate movements and movements in the securities markets, increasing the income of the Fund or to protect against an anticipated decline in the value of its assets, hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase, or hedging against a specific transaction with respect to either the currency in which the transaction is denominated or another currency. Investing in certain derivative financial instruments, including participation in the options, futures, or swap markets, entails certain execution, liquidity, hedging, tax, and securities, interest, credit, or currency market risks. Losses may arise if the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate. Losses may also arise if the counterparty does not perform its duties under a contract, or that, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored

Gabelli SRI Green Fund, Inc.

Notes to Financial Statements (Continued)

in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

The Fund's derivative contracts held at March 31, 2010 are not accounted for as hedging instruments under accounting principles generally accepted in the United States of America.

Swap Agreements. The Fund may enter into equity and contract for difference swap transactions for the purpose of increasing the income of the Fund or hedging or protecting its exposure to interest rate movements and movements in the securities market. 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 is 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. Depending on the general state of short-term interest rates and the returns on the Fund's portfolio securities 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.

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. During the year ended March 31, 2010, the Fund had no investments in swap agreements.

Options. The Fund may purchase or write call or put options on securities or indices for the purpose of increasing the income of the Fund. As a writer of put options, the Fund receives a premium at the outset and then bears the risk of unfavorable changes in the price of the financial instrument underlying the option. The Fund would incur a loss if the price of the underlying financial instrument decreases between the date the option is written and the date on which the option is terminated. The Fund would realize a gain, to the extent of the premium, if the price of the financial instrument increases between those dates. If a written call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. If a written put option is exercised, the premium reduces the cost basis of the security.

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

Gabelli SRI Green Fund, Inc.

Notes to Financial Statements (Continued)

In the case of call options, these exercise prices are referred to as “in-the-money,” “at-the-money,” and “out-of-the-money,” respectively. The Fund may write (a) in-the-money call options when the Adviser expects that the price of the underlying security will remain stable or decline during the option period, (b) at-the-money call options when the Adviser expects that the price of the underlying security will remain stable, decline, or advance moderately during the option period, and (c) out-of-the-money call options when the Adviser expects that the premiums received from writing the call option will be greater than the appreciation in the price of the underlying security above the exercise price. By writing a call option, the Fund limits its opportunity to profit from any increase in the market value of the underlying security above the exercise price of the option. Out-of-the-money, at-the-money, and in-the-money put options (the reverse of call options as to the relation of exercise price to market price) may be utilized in the same market environments that such call options are used in equivalent transactions. At March 31, 2010, the Fund had no investments in option contracts.

The Fund’s volume of activity in options contracts during the year ended March 31, 2010 can be found in Note 5.

For the year ended March 31, 2010, the effect of option positions with equity risk exposure can be found in the Statement of Operations under Net Realized and Unrealized Gain/(Loss) on Investments, Written Options, and Foreign Currency, Net realized loss on written options.

Futures Contracts. The Fund may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the “initial margin.” Subsequent payments (“variation margin”) are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, and are included in unrealized appreciation/depreciation on investments and futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. During the year ended March 31, 2010, the Fund had no investments in futures contracts.

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.

Gabelli SRI Green Fund, Inc.

Notes to Financial Statements (Continued)

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. During the year ended March 31, 2010, the Fund had no investments in forward foreign exchange contracts.

Repurchase Agreements. The Fund may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Board, with member banks of the Federal Reserve System, or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. It is the policy of the Fund to receive and maintain securities as collateral whose market value is at least equal to the dollar amount invested by the Fund in each agreement. The Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited. At March 31, 2010, there were no open repurchase agreements.

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 purchase trade date and subsequent sale trade date is included in realized gain/loss on investments.

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

Gabelli SRI Green Fund, Inc.

Notes to Financial Statements (Continued)

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

Restricted and Illiquid Securities. The Fund may invest up to 15% 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. During the year ended March 31, 2010, the Fund held no restricted and/or illiquid securities.

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 110% of the 90 day Treasury Bill 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

Gabelli SRI Green Fund, Inc.
Notes to Financial Statements (Continued)

on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions made in excess of current earnings and profits on a tax basis are treated as a non-taxable return of capital. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to write-offs of net operating loss, reclassifications of foreign currency gain to ordinary income, and non-deductible tax expenses. These reclassifications have no impact on the NAV of the Fund. For the year ended March 31, 2010, reclassifications were made to decrease accumulated net investment loss by \$81,234 and decrease accumulated net realized loss on investments, written options, and foreign currency transactions by \$3,796, with an offsetting adjustment to paid-in capital.

The tax character of distributions paid during the year ended March 31, 2009 was as follows:

	<u>Year Ended</u> <u>March 31, 2009</u>
Distributions paid from:	
Ordinary income	
(inclusive of short-term capital gains)	\$8,036
Return of capital	59
Total distributions paid	<u>\$8,095</u>

No distributions were made during the year ended March 31, 2010.

Provision for Income Taxes. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

As of March 31, 2010, the components of accumulated earnings/losses on a tax basis were as follows:

Accumulated capital loss carryforward	\$ (319,038)
Net unrealized appreciation on investments and foreign currency translations	1,639,823
Post-October capital and currency loss deferrals	(81,239)
Total	<u>\$1,239,546</u>

The Fund paid a tax in the amount of \$354 as a result of an amended 2007 excise return. The excise tax return was amended because of the reclassification of operating costs to offering costs.

At March 31, 2010, the Fund had net capital loss carryforwards for federal income tax purposes of \$319,038, which are available to reduce future required distributions of net capital gains to shareholders. \$20,405 of the loss carryforward is available through 2017; and \$298,633 is available through 2018.

Under the current tax law, capital losses related to securities and foreign currency realized after October 31 and prior to the Fund’s fiscal year end may be treated as occurring on the first day of the following year. For the year ended March 31, 2010, the Fund had deferred capital losses of \$76,338 and currency losses of \$4,901.

Gabelli SRI Green Fund, Inc. Notes to Financial Statements (Continued)

At March 31, 2010, the differences between book basis and tax basis unrealized appreciation were primarily due to deferral of losses from wash sales for tax purposes and basis adjustments for investments in partnerships.

The following summarizes the tax cost of investments and the related net unrealized appreciation at March 31, 2010:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$11,585,116	\$2,074,761	\$(434,748)	\$1,640,013

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. For the year ended March 31, 2010, the Fund did not incur any interest or penalties. As of March 31, 2010, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. Tax years ended March 31, 2008 through March 31, 2010 remain subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

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

The Adviser has contractually agreed to waive its investment advisory fee and/or to reimburse expenses of the Fund to the extent necessary to maintain the annualized total operating expenses of the Fund (excluding brokerage, interest, taxes, and extraordinary expenses) until at least July 31, 2010, at no more than 2.00%, 2.00%, 2.75%, and 1.75% of the value of the Fund's average daily net assets for Class AAA, Class A, Class C, and Class I, respectively. For the year ended March 31, 2010, the Adviser reimbursed the Fund in the amount of \$174,957. In addition, the Fund has agreed, during the three year period following any waiver or reimbursement by the Adviser, to repay such amount to the extent, after giving effect to the repayment, such adjusted annualized total operating expenses of the Fund would not exceed 2.00%, 2.00%, 2.75%, and 1.75% of the value of the Fund's average daily net assets for Class AAA, Class A, Class C, and Class I, respectively. The agreements are renewable annually. At March 31, 2010, the cumulative amount which the Fund may repay the Adviser is \$528,101:

For the period ended March 31, 2008, expiring March 31, 2011	\$197,320
For the year ended March 31, 2009, expiring March 31, 2012	155,824
For the year ended March 31, 2010, expiring March 31, 2013	<u>174,957</u>
	<u>\$528,101</u>

The Fund pays each Director who is not considered an affiliated person an annual retainer of \$3,000 plus \$500 for each Board meeting attended. Each Director is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended and the

Gabelli SRI Green Fund, Inc.

Notes to Financial Statements (Continued)

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

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

5. Portfolio Securities. Purchases and sales of securities for the year ended March 31, 2010, other than short-term securities and U.S. Government obligations, aggregated \$21,624,280 and \$12,279,003, respectively.

Equity written options activity for the Fund for the year ended March 31, 2010 was as follows:

	<u>Number of Contracts</u>	<u>Premiums</u>
Options outstanding at March 31, 2009	—	—
Options written	5	\$ 2,895
Options closed	<u>(5)</u>	<u>(2,895)</u>
Options outstanding at March 31, 2010	<u>—</u>	<u>\$ —</u>

6. Transactions with Affiliates. For the year ended March 31, 2010, the Fund paid brokerage commissions on security trades of \$6,364 to Gabelli & Co. Additionally, Gabelli & Co. informed the Fund that it retained \$17,958 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

7. Capital Stock Transactions. The Fund offers four classes of shares – Class AAA Shares, Class A 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 & Co., through selected broker/dealers, or the transfer agent. Class I Shares are offered through Gabelli & Co. and selected broker/dealers 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 C Shares are subject to a 1.00% CDSC for one year after purchase.

The Fund imposes a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before the seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund. The redemption fees retained by the Fund during the years ended March 31, 2010 and March 31, 2009 amounted to \$6 and \$1, respectively. The redemption fee does not apply to redemptions of shares where (i) the shares were purchased through automatic reinvestment of distributions, (ii) the redemption was initiated by the Fund, (iii) the shares were purchased through programs that collect the redemption fee at the program level and remit them to the Fund, or (iv) the shares were purchased through programs that the Adviser determines to have appropriate anti-short-term trading policies in place or as to which the Adviser has received assurances that look-through redemption fee procedures or effective anti-short-term trading policies and procedures are in place.

Gabelli SRI Green Fund, Inc.
Notes to Financial Statements (Continued)

Transactions in shares of capital stock were as follows:

	Year Ended March 31, 2010		Year Ended March 31, 2009	
	Shares	Amount	Shares	Amount
Class AAA				
Shares sold	613,728	\$ 5,857,514	35,268	\$235,742
Shares issued upon reinvestment of distributions	—	—	409	2,506
Shares redeemed	(282,215)	(2,633,595)	(7,142)	(53,825)
Net increase	<u>331,513</u>	<u>\$ 3,223,919</u>	<u>28,535</u>	<u>\$184,423</u>
Class A				
Shares sold	394,752	\$ 3,629,102	43,421	\$343,337
Shares issued upon reinvestment of distributions	—	—	418	2,553
Shares redeemed	(43,190)	(401,706)	(2,089)	(17,610)
Net increase	<u>351,562</u>	<u>\$ 3,227,396</u>	<u>41,750</u>	<u>\$328,280</u>
Class C				
Shares sold	95,990	\$ 915,800	10,487	\$ 79,802
Shares redeemed	(10,283)	(99,115)	(12,725)	(91,046)
Net increase/(decrease)	<u>85,707</u>	<u>\$ 816,685</u>	<u>(2,238)</u>	<u>\$ (11,244)</u>
Class I				
Shares sold	209,719	\$ 2,231,138	9,214	\$ 59,236
Shares issued upon reinvestment of distributions	—	—	450	2,755
Shares redeemed	(2,551)	(23,955)	(19)	(396)
Net increase	<u>207,168</u>	<u>\$ 2,207,183</u>	<u>9,645</u>	<u>\$ 61,595</u>

8. Indemnifications. The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

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

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

Gabelli SRI Green Fund, Inc.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Gabelli SRI Green Fund, Inc.:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Gabelli SRI Green Fund, Inc. (hereafter referred to as the "Fund") at March 31, 2010, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. The financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at March 31, 2010 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
May 25, 2010

Gabelli SRI Green Fund, Inc. Additional Fund Information (Unaudited)

The business and affairs of the Fund are managed under the direction of the Fund's Board of Directors. Information pertaining to the Directors and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Directors and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to the Gabelli SRI Green Fund, Inc. at One Corporate Center, Rye, NY 10580-1422.

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Number of Funds in Fund Complex Overseen by Director</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Director³</u>
<u>INTERESTED DIRECTORS⁴:</u>				
Mario J. Gabelli Director and Chairman Age: 67	Since 2007	26	Chairman and Chief Executive Officer of GAMCO Investors, Inc. and Chief Investment Officer—Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies in the Gabelli/GAMCO Funds complex; Chairman and Chief Executive Officer of GGCP, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications)
<u>NON-INTERESTED DIRECTORS:</u>				
Clarence A. Davis Director Age: 68	Since 2007	2	Former Chief Executive Officer of Nestor, Inc. (2007-2009); Former Chief Operating Officer 2000-2005) and Chief Financial Officer (1999-2000) of the American Institute of Certified Public Accountants	Director of Oneida Ltd. (kitchenware); (2005-2006) Director of Telephone & Data Systems, Inc. (telephone services); Director of Pennichuck Corp. (water supply); Director of Sonesta International Hotels Corp. (hotels); (2005-2006)
Vincent D. Enright Director Age: 66	Since 2007	16	Former Senior Vice President and Chief Financial Officer of KeySpan Corporation (public utility) (1994-1998)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics) and until September 2006, Director of Apton Corporation (pharmaceuticals)
Anthonie C. van Ekris Director Age: 75	Since 2007	20	Chairman of BALMAC International, Inc. (commodities and futures trading)	Director of Aurado Energy Inc. (oil and gas operations) through 2005

Gabelli SRI Green Fund, Inc. Additional Fund Information (Continued) (Unaudited)

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Principal Occupation(s) During Past Five Years</u>
OFFICERS:		
Bruce N. Alpert President Age: 58	Since 2007	Executive Vice President (since 1999) and Chief Operating Officer (since 1988) of Gabelli Funds, LLC; Chairman of Teton Advisors, Inc. since July 2008 and Director and President from 1998 through June 2008; Senior Vice President of GAMCO Investors, Inc. since 2008; Officer of all of the registered investment companies in the Gabelli/GAMCO Fund Complex since 1988
Agnes Mullady Treasurer Age: 51	Since 2007	Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex; Senior Vice President of U.S. Trust Company, N.A and Treasurer and Chief Financial Officer of Excelsior Funds from 2004-2005; Chief Financial Officer of AMIC Distribution Partners from 2002-2004; Effective March 27, 2010, she is on a leave of absence for a limited period of time
Joseph H. Egan Acting Treasurer	Since 2010	Chief Financial Officer of Gabelli Funds, LLC and Officer of all of the registered investment companies in the Gabelli/GAMCO Fund Complex since 2004
Peter D. Goldstein Chief Compliance Officer and Acting Secretary Age: 57	Since 2007	Director of Regulatory Affairs at GAMCO Investors, Inc. since February 2004; Chief Compliance Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex; Vice President of Goldman Sachs Asset Management from 2000-2004

¹ Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.

² Each Director will hold office for an indefinite term until the earliest of (i) the next meeting of shareholders, if any, called for the purpose of considering the election or re-election of such Director and until the election and qualification of his or her successor, if any, elected at such meeting, or (ii) the date a Director resigns or retires, or a Director is removed by the Board of Directors or shareholders, in accordance with the Corporation's By-Laws and Articles of Incorporation. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

³ This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934 (i.e. public companies) or other investment companies registered under the 1940 Act during the past five years.

⁴ "Interested person" of the Fund as defined in the 1940 Act.

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 SRI Green Fund, Inc.

One Corporate Center
Rye, New York 10580-1422

800-GABELLI

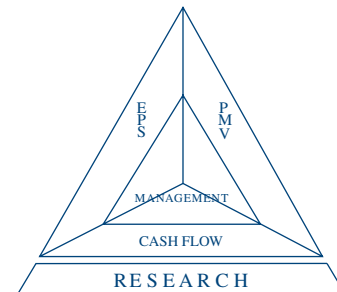
800-422-3554

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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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Gabelli SRI Green Fund, Inc.

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

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