

The Gabelli Blue Chip Value Fund

Shareholder Commentary – December 31, 2009



Morningstar® rated The Gabelli Blue Chip Value Fund Class AAA Shares 4 stars overall and 4 stars for the three and five year periods and 3 stars for the ten year period ended December 31, 2009 among 1,757; 1,757; 1,376; and 710 Large Blend funds, respectively.



Barbara G. Marcin, CFA

To Our Shareholders,

The stock market closed 2009 with a strong finish after three consecutive quarterly gains, more than making up for the freefall in the markets that concluded in the first quarter. The Standard & Poor's ("S&P") 500 gained 42% in those three quarters and closed out the year with a 26% gain, at a level last seen in October of 2008. It was a tumultuous year with many twists and turns. Investors had to figure out the effects of a frozen and then a strongly recovering economy; a financial system that was on the verge of collapse and then was bailed out by the government; our largest banks almost failing and then posting strong profits at year end; the bailout of our automobile industry; and a dizzying array of government programs and subsidies designed to stabilize and stimulate the economy.

Every asset class, including stocks, bonds, and commodities, and markets in virtually all countries concluded on a strong note and posted solid gains for the year.

Performance

The net asset value ("NAV") of The Gabelli Blue Chip Value Fund Class AAA shares rose 4.50% during the fourth quarter of 2009, compared with gains of 6.0% and 4.6% for the S&P 500 Index and the Lipper Large Cap Value Average, respectively. For 2009, the Fund's total return was 30.6%, compared with gains of 26.5% and 23.1% for the S&P 500 Index and Lipper Large Cap Value Fund, respectively.

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. Current returns may be higher or lower than that shown. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Returns would have been lower if expenses were not limited by the Adviser during 2009. 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 S&P 500 is divided into ten industry sectors. Technology stocks continued to lead performance in the fourth quarter, posting an 11% gain, with a full year gain of 61%. For the quarter, all ten sectors had positive returns except for the financial stocks, which declined 3% in the quarter, although they gained 16% for the year.

After the technology sector, the two best performing sectors during the year were consumer discretionary and materials, with gains of more than 40% each, benefiting from the improved outlook for the economy. All ten industry groups had positive performance for the year; the three with the lowest returns were telecommunications, utilities, and energy.

Stocks which rose more than 10% in the quarter included: American Water Works (1.6% of net assets as of December 31, 2009), Apple (1.0%), The Walt Disney Company (1.1%), American Express (0.8%), Halliburton (1.7%), Covidien (1.2%), Stryker (1.2%), and Pfizer (0.9%). Three positions that we had initiated in the third quarter, UnitedHealth (2.4%), DIRECTV (2.3%), and Bristol-Meyers (1.1%), all appreciated more than 10% as well. Stocks of more than 1% position in the Fund that declined in the quarter were Weatherford International (0.8%) and Bank of America (1.1%).

For the year, stocks that contributed most to performance for the year were positions we held for most of the year were: IBM (2.5%), CME Group (2.3%), EMC Group (2.1%), the DIRECTV Group, Intel (2.0%), Halliburton, and UnitedHealth Group.

The Year In Review

The first quarter of 2009 began with weak economic and corporate earnings news, accompanied by dismal forecasts and the apparent lack of an effective plan by our government. This was evident on February 10, when Treasury Secretary Timothy Geithner gave his highly anticipated address to Congress. His lack of detail failed to impress investors and the Dow fell 382 points.

The freeze in credit markets made financing virtually unavailable to even creditworthy borrowers. This exacerbated the decline in many durable goods, none more so than automobiles, as evidenced by the 36% plunge in auto sales in the first quarter to levels not seen in twenty-six years. By early March, the economy appeared to be deteriorating at an alarming rate. The Congressional Budget Office said that this recession, which officially started in December of 2007 “will probably be the longest and deepest since World War II,” eclipsing the two longest postwar downturns, which began in November of 1973 and July of 1981, each lasting sixteen months. At that point, comparisons with our own Great Depression and with the “Lost Decade” in Japan were common.

Congressional committees held publicly televised hearings in which they grilled and embarrassed the heads of eight of our largest banks and brokerage firms. The three large auto manufacturers and their suppliers were in danger of going bankrupt and came to Washington where they applied for federal rescue funds and were similarly questioned. Appearing both insensitive and out of touch, they flew in on their private planes and unwittingly helped bring the outrage upon themselves.

On March 9, the stock market hit the low for the year and for this bear market, which started in October of 2007. By the end of the quarter, faint signs were appearing that economic prospects might be bottoming.

Tremendous government stimulus and spending programs put a floor under the economy, and stock and bond markets worldwide rallied broadly for the rest of the year. In addition to government stimulus spending under the American Recovery and Reinvestment Act, the U.S. Treasury established the “TARP” or Troubled Asset Relief Program, to purchase assets and equity from financial institutions to strengthen the financial sector and the Federal Reserve created the “TALF,” or Term Asset-Backed Securities Loan Facility, to restart the issuance of securities backed by assets such as student loans, auto loans, credit cards, and loans guaranteed by the Small Business Administration.

Also, the Car Allowance Rebate System, colloquially known as “Cash for Clunkers,” provided economic incentives to consumers to purchase a new, more fuel efficient vehicle when trading in a less fuel efficient vehicle, and thus provide stimulus to the economy by boosting auto sales. The Housing and Economic Recovery Act of 2008 established a tax credit for first time homebuyers.

The country now has a tremendous amount of debt, which will have to be paid back some day and which will carry an annual cost to service until then. The energy “cap and trade” and universal healthcare plans address good long-term goals. However, the efforts to sell them are accompanied by unrealistic long-term projections of what they will cost.

Last but not least, and perhaps most effective, are the low interest rates which the government is helping to engineer with its massive purchases of mortgage backed securities and Treasury Bills, helping to restore the quality of bank balance sheets.

Let’s Talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. The share prices of the following holdings are stated in U.S. dollars or U.S. dollar equivalent terms as of December 31, 2009.

American Water Works (1.6% of net assets as of December 31, 2009) (AWK - \$22.41 - NYSE) is a water utility with unique growth opportunities. The shares offer investors a 4.6% dividend yield, and the likelihood of consistent annual dividend increases. We expect solid growth in earnings over the near-term (2008–2011) due to increases in rates as American Water Works is allowed to recognize and earn a return on its past investments. This company was purchased by RWEs in 2003, and as a result during the 2003–2006 period, little rate increases were requested. Now, subsidiaries currently have \$300 million in revenue requests pending decisions, creating a greater certainty of rate base growth than typically achieved in the regulated electric and gas utility sector. We also believe the company has as greater opportunity for customer growth through consolidation and privatization opportunities.

Exxon Mobil Corp. (1.4%) (XOM - \$68.19 - NYSE) is a leading international energy company with operations in most of the world’s countries. In the United States, Exxon Mobil has significant exploration, production, refining, marketing, and chemicals operations. Exxon Mobil is one of the largest oil and gas producers and owners of oil and gas reserves, with a portfolio that includes Alaska, onshore Gulf Coast, and deepwater Gulf of Mexico. There are approximately 13,000 Exxon and Mobil branded service stations in the U.S. and seven refineries, four of which are integrated petrochemical facilities. Exxon Mobil’s full year 2008 earnings, excluding special items, were a record \$44 billion, up 8% from 2007. The company distributed an average of 20% of its earnings to shareholders in the form of dividends over the past five years. Exxon Mobil’s financial strength continued to support its long-term focus and disciplined capital investment approach in the midst of a growing global economic slowdown.

Intel Corp. (2.0%) (INTC - \$20.40 - Nasdaq) recently introduced consumer ultra low voltage mobile processors that are creating a new personal computer segment of ultra thin, full function notebooks. Ultra thin notebooks are now shipping in the market, and we believe that they will further invigorate the notebook category and become a significant contributor to Intel’s future profits. The company has taken significant steps to improve its efficiency and reduce costs resulting in cost savings of \$800 million in 2008, and expected further spending reductions for 2009 of \$700 million over the 2008 level.

Kraft Foods Inc. (2.2%) (KFT - \$27.18 - NYSE) continues to invest in its portfolio in order to reinvigorate sales growth. Its purchase of Cadbury will add both depth and breadth to its product line, as Cadbury adds a chocolate and gum footprint in China and India. Kraft will continue to struggle to expand margins in key categories as it absorbs higher input costs and spends heavily to support its brands through marketing and new product development, and has to manage through weaker consumer spending. We think the company has a good long-term growth profile and that the combination of growth and income from a solid dividend make Kraft a good investment for the next few years.

PepsiCo (2.3%) (PEP - \$60.80 - NYSE) could experience double digit earnings growth over the next few years. With its global blue chip brands in Pepsi and Frito Lay, the longer-term growth outlook is compelling. Earlier this year, the company made an offer for the balance of the Pepsi Bottling Group that it does not own, and as a result, Pepsi is trading at an historically high discount to the market. However, this deal could produce tremendous cost savings. Pepsi offers a good dividend yield and we believe there is considerable upside to the shares over the next few years.

Looking Ahead

By 2009 year end, estimates for gross domestic product for 2010 were rising every week as the snap back from the frozen first quarter, as well as the subsequent strength from inventory build in the fourth quarter, were extrapolated to a full year's worth of growth. The stock and bond markets continued to rally strongly heading into the new year, and investors' recent aversion to extreme risk ended. Prices rallied and lower quality stock and bond issuance regained full strength.

The job market losses have been abating, and the economy may even begin to generate new jobs in the next several months. However, there are a few forces at work that will keep unemployment relatively high over the next few quarters. For one, the high unemployment now reflects a structural change, whereby many jobs lost in one industry, real estate, will take a long time to be absorbed within the broad economy. The real estate industry accounted for a quarter of all the jobs created in the last recovery, from 2003 to 2007. Jobs in construction and design of commercial and residential real estate, as well as real estate agents and suppliers of home goods and office building products, will not be created over the next year or so as the real estate inventory oversupply is worked off through sales of new and foreclosed properties. What industry can create substantial jobs to re-absorb these housing related workers?

Other forces holding back employment are the terrific technology and management systems, which automate jobs and allow management of larger geographic areas. This was made plain just after the end of the year when United Parcel Service reported a much better quarter than expected. It said that the economy and outlook for its business was improving, but that it would still lay off more workers simply because it could use technology. Rising profit margins and large productivity gains over the past year are also evidence of this trend.

A new commission has been established to examine “what caused the crisis,” and these are publicly televised hearings. The list of witnesses testifying before the commission makes clear that the hearings are for the purpose of venting populist anger at the banks. This inquiry seeks to determine the causes and process of the mortgage meltdown and ensuing financial crisis that led to a government bailout of the system. Notably absent from televised hearings are any representatives from Fannie Mae, Freddie Mac, even AIG, or members of Congress or the administration, people who oversaw anything or even who aggressively pushed irresponsible home ownership programs. The commission questioned the chief executive officers of the four largest investment banks, JPMorgan Chase (1.6%), Bank of America, Goldman Sachs, and Morgan Stanley. In fact, most news reports used words like “public flogging” to describe the questioning.

The frustration of the administration and Congress is palpable and public. As we start the new year, there is fresh anger and pain as it becomes clear that these large banks are making good profits again and, particularly irritating to the administration, are still paying their executives princely sums. We have had no progress on financial reforms that would regulate the derivatives that allowed securitized mortgages to be sliced and sold all over the world. Even Alan Greenspan, when he was head of the Federal Reserve, believed that slicing them up had lowered their risk. There is talk of taxing large investment banks and/or taxing compensation, both very blunt tools of anger which do not address needed reform.

We expect bond yields to rise this year, as the Federal Reserve starts to drain the excess liquidity that kept rates artificially low. In addition, government programs to purchase mortgage backed securities, along with support facilities such as TALF are expected to conclude at the end of the first quarter, which may pressure yields. Last but not least, as we start 2010, investors are beginning to move away from the safe haven of high quality bonds and into riskier assets to improve returns. This may be another catalyst for U.S. Treasury yields to rise as they compete against other asset classes.

Conclusion

Overall, the 2000s, or the Terrible 2000s we might say, were the worst calendar decade for stocks since records began in the 1820s. We expect the economy to grow at a slow and maybe even recessionary rate for some period. Eventually, the economy will have real growth and when it surfaces, we believe that the stock market can deliver returns closer to the long-term average of 9.5% to 10% over the next decade. We believe that the best values in the stock market are found in many of the stocks that we own in The Gabelli Blue Chip Value Fund, that have global brands, years of investment in building those brands, solid distribution systems through which they sell, strong balance sheets, good cash generation, and, often, a history of paying dividends.

Sincerely,



Barbara G. Marcin, CFA
Portfolio Manager

January 29, 2010

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

Minimum Initial Investment – \$1,000

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

The Fund's daily net asset value is available each evening after 7:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554) or through financial websites on the Internet. The Fund's Nasdaq symbol is GABBX for Class AAA Shares. Please call us during the business day for further information.

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

e-delivery

We are pleased to offer electronic delivery of Gabelli fund documents. Direct shareholders of our 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.

Morningstar Rating™ is based on risk-adjusted returns. The Overall Morningstar Rating is derived from a weighted average of the performance figures associated with a fund's three, five, and ten year (if applicable) Morningstar Rating metrics. For funds with at least a three year history, a Morningstar Rating is based on a risk-adjusted return measure (including the effects of sales charges, loads, and redemption fees) placing more emphasis on downward variations and rewarding consistent performance. That accounts for variations in a fund's monthly performance. The top 10% of funds in each category receive 5 stars, the next 22.5% 4 stars, the next 35% 3 stars, the next 22.5% 2 stars, and the bottom 10% 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) Morningstar Rating is for the AAA Share class only; other classes may have different performance characteristics. Ratings reflect relative performance. Results for certain periods were negative. ©2009 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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 initially invest directly with the Fund. The minimum initial investment amount for Class I Shares is \$500,000. The Board of Trustees determined that expanding the types of Fund shares available through various distribution options will enhance the ability of the Fund to attract additional investors.

Average Annual Returns through December 31, 2009 (a)

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (8/26/99)(b)
Gabelli Blue Chip Value Fund						
Class AAA GABBX	4.50%	30.63%	(4.66)%	1.67%	1.65%	3.21%
S&P 500 Index	6.04	26.47	(5.62)	0.42	(0.95)	(0.15)
Lipper Large Cap Value Average	4.55	23.09	(7.59)	(0.25)	2.04	1.69
Class A GBCAX	4.48	30.57	(4.66)	1.71	1.68	3.24
	(1.53)(c)	23.06(c)	(6.52)(c)	0.51(c)	1.08(c)	2.65(c)
Class B GBCBX	4.30	29.69	(5.34)	0.97	1.22	2.80
	(0.70)(d)	24.69(d)	(6.30)(d)	0.58(d)	1.22	2.80
Class C GBCCX	4.31	29.62	(5.37)	0.94	1.21	2.78
	3.31(e)	28.62(e)	(5.37)	0.94	1.21	2.78
Class I GBCIX	4.53	30.86	(4.43)	1.94	1.75	3.31

In the current prospectus the gross expense ratios for Class AAA, A, B, C, and I Shares are 2.02%, 2.02%, 2.77%, 2.77%, and 1.77%, respectively. The net expense ratios in the current prospectus for these share classes are 2.00%, 2.00%, 2.75%, 2.75%, and 1.75%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A, B, and C Shares is 5.75%, 5.00%, and 1.00%, respectively.

(a) **Returns represent past performance and do not guarantee future results.** Total returns and average annual returns reflect changes in share price and reinvestment of distributions and are net of expenses. Current returns may be higher or lower than that shown. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Returns would have been lower if expenses were not limited by the Adviser during 2009. 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.**

(b) Performance is calculated from inception of Class AAA Shares on August 26, 1999.

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

(d) Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the quarter, one year, three year, and five year periods of 5%, 3%, and 2%, respectively, of the Fund's NAV at the time of purchase or sale, whichever is lower.

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

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

The Gabelli Blue Chip Value Fund

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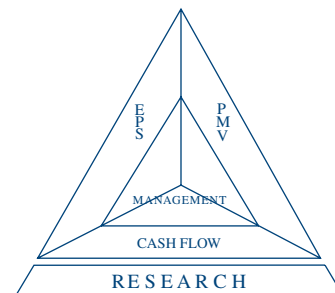
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e-mail: info@gabelli.com

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



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The Gabelli Blue Chip Value Fund

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

GAB402Q409SC

**SHAREHOLDER COMMENTARY
DECEMBER 31, 2009**

The Gabelli Blue Chip Value Fund

Annual Report – December 31, 2009



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Barbara Marciniak, 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 ("SEC") 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.

Enclosed are the audited financial statements including the investment portfolio as of December 31, 2009 with a description of factors that affected the performance during the past year.

Performance Discussion (Unaudited)

In 2009 The Gabelli Blue Chip Value Fund (the "Fund") (Class AAA) net asset value ("NAV") per share rose 30.63% compared with increases of 26.47% and 23.09% for the S&P 500 Index and the Lipper Large-Cap Value Fund Average, respectively.

The stock market closed 2009 with a strong finish after three consecutive quarterly gains, more than making up for the freefall in the markets that concluded in the first quarter. The S&P 500 gained 42% in those three quarters and closed out the year with a 26.47% gain, to a level last seen in October of 2008. It was a tumultuous year with many twists and turns, as investors had to figure out the effects of a frozen and then a strongly recovering economy, a financial system that was on the verge of collapse and then was bailed out by the government; our largest banks almost failing and then posting strong profits at year end, the bailout of our automobile industry, and a dizzying array of government programs and subsidies designed to stabilize the system.

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Every asset class, including stocks, bonds, and commodities, and markets in virtually all countries, posted solid gains for the year and concluded on a strong note.

The S&P 500 is divided into ten industry sectors. Technology stocks continued to lead performance in the fourth quarter posting an 11% gain, for a full year gain of 61%. For the year, after the technology sector, the two best performing sectors were consumer discretionary and materials, with gains of more than 40% each, benefiting from the improved outlook for the economy. All ten industry sectors had positive performance for the year; the three with the lowest returns were telecommunications, utilities, and energy.

Selected holdings that contributed positively to performance in 2009 were International Business Machines Corp. (2.5% of net assets as of December 31, 2009), CME Group Inc. (2.3%), Texas Instruments Inc., (1.3%), and American Express Co. (0.8%). Some of our weaker performing stocks during the year were Citigroup Inc. (1.7%), Genzyme Corp. (1.7%), and Cephalon Inc. (1.5%).

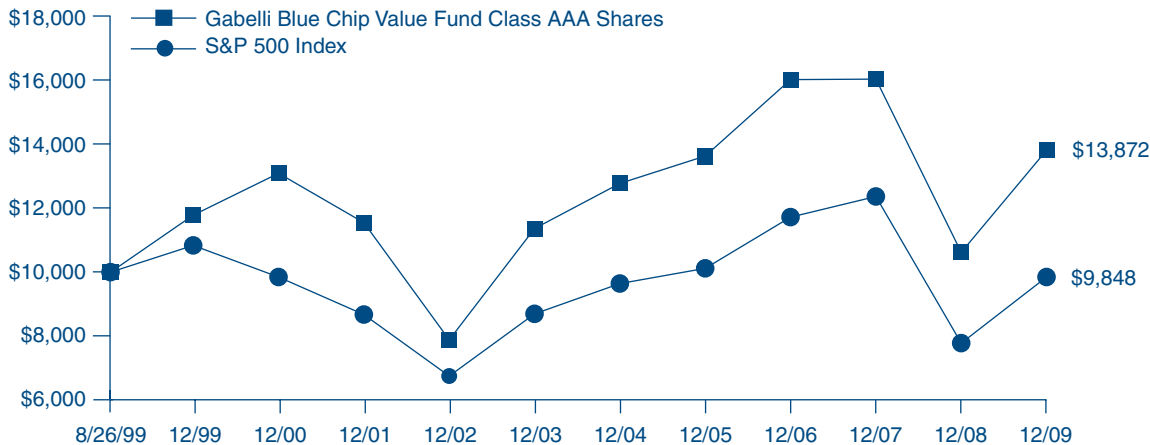
Sincerely yours,



Bruce N. Alpert
President

February 19, 2010

**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN
THE GABELLI BLUE CHIP VALUE FUND 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.

Comparative Results

Average Annual Returns through December 31, 2009 (a) (Unaudited)

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (8/26/99)
Gabelli Blue Chip Value Fund Class AAA	4.50%	30.63%	(4.66)%	1.67%	1.65%	3.21%
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Lipper Large Cap Value Average	4.55	23.09	(7.59)	(0.25)	2.04	1.69
Class A	4.48	30.57	(4.66)	1.71	1.68	3.24
	(1.53)(b)	23.06(b)	(6.52)(b)	0.51(b)	1.08(b)	2.65(b)
Class B	4.30	29.69	(5.34)	0.97	1.22	2.80
	(0.70)(c)	24.69(c)	(6.30)(c)	0.58(c)	1.22	2.80
Class C	4.31	29.62	(5.37)	0.94	1.21	2.78
	3.31(d)	28.62(d)	(5.37)	0.94	1.21	2.78
Class I	4.53	30.86	(4.43)	1.94	1.75	3.31

In the current prospectus the gross expense ratios for Class AAA, A, B, C, and I Shares are 2.02%, 2.02%, 2.77%, 2.77%, and 1.77%, respectively. The net expense ratios in the current prospectus for these share classes are 2.00%, 2.00%, 2.75%, 2.75%, and 1.75%, respectively. See page 10 for the expense ratios for the year ended December 31, 2009. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A, B, and C Shares is 5.75%, 5.00%, and 1.00%, respectively.

(a) **Returns represent past performance and do not guarantee future results.** Total returns and average annual returns reflect changes in share price and reinvestment of distributions and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.** The Standard & Poor's ("S&P") 500 Index is an unmanaged indicator of stock market performance, while the Lipper Large Cap Value Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index.

The Class AAA Shares NAVs per share are used to calculate performance for the periods prior to the issuance of Class A Shares, Class B Shares, and Class C Shares on December 31, 2003, and the Class I Shares on June 30, 2004. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional expenses associated with these classes of shares. The actual performance for the Class I Shares would have been higher due to the lower expenses related to this class of shares.

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

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

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

The Gabelli Blue Chip Value Fund

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from July 1, 2009 through December 31, 2009

Expense Table

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

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

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

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

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which are described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. 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 December 31, 2009.

	Beginning Account Value 07/01/09	Ending Account Value 12/31/09	Annualized Expense Ratio	Expenses Paid During Period*
The Gabelli Blue Chip Value Fund				
Actual Fund Return				
Class AAA	\$1,000.00	\$1,173.90	2.02%	\$11.07
Class A	\$1,000.00	\$1,173.50	2.02%	\$11.07
Class B	\$1,000.00	\$1,169.30	2.77%	\$15.15
Class C	\$1,000.00	\$1,168.50	2.77%	\$15.14
Class I	\$1,000.00	\$1,175.00	1.77%	\$ 9.70
Hypothetical 5% Return				
Class AAA	\$1,000.00	\$1,015.02	2.02%	\$10.26
Class A	\$1,000.00	\$1,015.02	2.02%	\$10.26
Class B	\$1,000.00	\$1,011.24	2.77%	\$14.04
Class C	\$1,000.00	\$1,011.24	2.77%	\$14.04
Class I	\$1,000.00	\$1,016.28	1.77%	\$ 9.00

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

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total net assets as of December 31, 2009:

Gabelli Blue Chip Value Fund

U.S. Government Obligations	16.7%	Entertainment	2.8%
Health Care	13.7%	Diversified Industrial	2.7%
Energy	8.7%	Satellite	2.3%
Food and Beverage	7.1%	Computer Software and Services	2.3%
Financial Services	5.7%	Exchange Traded Funds	2.1%
Computer Hardware	5.0%	Metals and Mining	2.0%
Electronics	4.5%	Agriculture	1.9%
Banking	4.4%	Specialty Chemicals	1.9%
Telecommunications	3.9%	Water	1.6%
Aerospace	3.5%	Machinery	0.7%
Energy Services	3.5%	Other Assets and Liabilities (Net)	0.0%
Retail	3.0%		<u>100.0%</u>

The Fund files a complete schedule of portfolio holdings with 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 September 30, 2009. Shareholders may obtain this information at www.gabelli.com or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at www.sec.gov and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Proxy Voting

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

2009 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the year ended December 31, 2009, the Fund paid to shareholders ordinary income distributions (comprised of net investment income) totaling \$0.028, \$0.035 and \$0.053 per share for Class AAA, Class A and Class I, respectively. For the year ended December 31, 2009, 100% of the ordinary income distribution qualifies for the dividends received deduction available to corporations. The Fund designates 100% of the ordinary income distribution as qualified dividend income pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003.

U.S. Government Income:

The percentage of the ordinary income distribution paid by the Fund during 2009 which was derived from U.S. Treasury securities was 0.14%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The Gabelli Blue Chip Value Fund did not meet this strict requirement in 2009. The percentage of U.S. Government securities held as of December 31, 2009 was 16.69%. Due to the diversity in state and local tax law, it is recommended that you consult your personal tax adviser as to the applicability of the information provided to your specific situation.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

The Gabelli Blue Chip Value Fund

Schedule of Investments — December 31, 2009

Shares		Cost	Market Value	Shares		Cost	Market Value
COMMON STOCKS — 83.3%				Energy Services — 3.5%			
Aerospace — 3.5%				Energy Services — 3.5%			
6,000	General Dynamics Corp.	\$ 319,792	\$ 409,020	3,000	Diamond Offshore		
11,000	The Boeing Co.	705,463	595,430		Drilling Inc.	\$ 205,559	\$ 295,260
		<u>1,025,255</u>	<u>1,004,450</u>	16,000	Halliburton Co.	454,300	481,440
				12,000	Weatherford		
					International Ltd.†	404,036	214,920
						<u>1,063,895</u>	<u>991,620</u>
Agriculture — 1.9%				Entertainment — 2.8%			
12,000	Archer-Daniels-Midland Co.	338,403	375,720	10,000	The Walt Disney Co.	252,820	322,500
2,000	Monsanto Co.	149,742	163,500	17,000	Time Warner Inc.	538,650	495,380
		<u>488,145</u>	<u>539,220</u>			<u>791,470</u>	<u>817,880</u>
Banking — 4.4%				Exchange Traded Funds — 2.1%			
20,876	Bank of America Corp.	88,103	314,393	12,000	ProShares UltraShort 20+		
150,000	Citigroup Inc.	499,500	496,500		Year Treasury†	562,055	600,000
11,000	JPMorgan Chase & Co.	335,347	458,370				
		<u>922,950</u>	<u>1,269,263</u>				
Computer Hardware — 5.0%				Financial Services — 5.7%			
1,300	Apple Inc.†	161,431	274,118	6,000	American Express Co.	180,780	243,120
19,000	Cisco Systems Inc.†	361,586	454,860	2,000	CME Group Inc.	466,486	671,900
5,500	International Business			20,000	Discover Financial Services	152,246	294,200
	Machines Corp.	610,309	719,950	10,000	The Bank of New York		
		<u>1,133,326</u>	<u>1,448,928</u>		Mellon Corp.	295,913	279,700
				5,000	Wells Fargo & Co.	62,340	134,950
						<u>1,157,765</u>	<u>1,623,870</u>
Computer Software and Services — 2.3%				Food and Beverage — 7.1%			
1,545	AOL Inc.†	40,531	35,968	8,000	H.J. Heinz Co.	315,232	342,080
35,000	EMC Corp.†	617,124	611,450	23,200	Kraft Foods Inc., Cl. A	671,259	630,576
		<u>657,655</u>	<u>647,418</u>	8,846	Mead Johnson Nutrition Co.		
					Cl. A	309,940	386,570
				11,000	PepsiCo Inc.	604,211	668,800
						<u>1,900,642</u>	<u>2,028,026</u>
Diversified Industrial — 2.7%				Health Care — 13.7%			
15,000	Honeywell International Inc.	448,917	588,000	12,987	Bristol-Myers Squibb Co. ...	287,263	327,926
5,000	Tyco International Ltd.	185,140	178,400	7,000	Cephalon Inc.†	395,238	436,870
		<u>634,057</u>	<u>766,400</u>	7,000	Covidien plc	218,687	335,230
				10,000	Genzyme Corp.†	561,943	490,100
				10,000	Johnson & Johnson	625,229	644,100
				10,650	Merck & Co. Inc.	221,171	389,151
				13,790	Pfizer Inc.	243,118	250,840
				7,000	Stryker Corp.	280,049	352,590
				23,000	UnitedHealth Group Inc.	582,357	701,040
						<u>3,415,055</u>	<u>3,927,847</u>
Electronics — 4.5%				Machinery — 0.7%			
26,000	Applied Materials Inc.	418,245	362,440	3,500	Deere & Co.	141,789	189,315
28,000	Intel Corp.	618,825	571,200				
14,000	Texas Instruments Inc.	268,640	364,840				
		<u>1,305,710</u>	<u>1,298,480</u>				
Energy — 8.7%							
3,000	Chevron Corp.	204,751	230,970				
11,050	ConocoPhillips	465,510	564,323				
6,000	Devon Energy Corp.	381,295	441,000				
6,000	Exxon Mobil Corp.	363,388	409,140				
10,000	FPL Group Inc.	566,988	528,200				
9,000	Suncor Energy Inc.	290,468	317,790				
		<u>2,272,400</u>	<u>2,491,423</u>				

See accompanying notes to financial statements.

The Gabelli Blue Chip Value Fund

Schedule of Investments (Continued) — December 31, 2009

<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
COMMON STOCKS (Continued)		
Metals and Mining — 2.0%		
5,000	Agnico-Eagle Mines Ltd. . . . \$ 300,385	\$ 270,000
1,000	Freeport-McMoRan Copper & Gold Inc.†	32,370
5,000	Newmont Mining Corp.	151,539
		484,294
		586,840
Retail — 3.0%		
10,000	The Home Depot Inc.	288,093
8,000	Wal-Mart Stores Inc.	412,333
4,000	Yum! Brands Inc.	143,509
		843,935
		856,780
Satellite — 2.3%		
20,000	DIRECTV, Cl. A†	513,400
		667,000
Specialty Chemicals — 1.9%		
16,000	E. I. du Pont de Nemours and Co.	590,060
		538,720
Telecommunications — 3.9%		
23,000	AT&T Inc.	712,240
14,200	Verizon Communications Inc.	439,623
		1,151,863
		1,115,136
Water — 1.6%		
20,800	American Water Works Co. Inc.	365,160
		466,128
	TOTAL COMMON STOCKS	21,420,881
		23,874,744
Principal Amount		
	U.S. GOVERNMENT OBLIGATIONS — 16.7%	
	U.S. Treasury Bills — 16.3%	
\$4,682,000	U.S. Treasury Bills, 0.091% to 0.244%††, 02/11/10 to 06/03/10	4,679,771
		4,680,145
	U.S. Treasury Cash Management Bills — 0.4%	
105,000	U.S. Treasury Cash Management Bill, 0.137%††, 06/10/10	104,938
		104,921
	TOTAL U.S. GOVERNMENT OBLIGATIONS	4,784,709
		4,785,066
	TOTAL INVESTMENTS — 100.0%	\$26,205,590
		28,659,810
	Other Assets and Liabilities (Net) — 0.0%	2,807
	NET ASSETS — 100.0%	\$28,662,617

† Non-income producing security.

†† Represents annualized yield at date of purchase.

See accompanying notes to financial statements.

The Gabelli Blue Chip Value Fund

Statement of Assets and Liabilities December 31, 2009

Assets:	
Investments, at value (cost \$26,205,590)	\$28,659,810
Cash	62,144
Receivable for Fund shares sold	13,402
Dividends receivable	32,848
Prepaid expenses	30,544
Total Assets	<u>28,798,748</u>
Liabilities:	
Payable for Fund shares redeemed	41,781
Payable for investment advisory fees	22,414
Payable for distribution fees	6,109
Payable for legal and audit fees	32,160
Payable for shareholder communications expenses	22,563
Payable for shareholder services fees	8,645
Other accrued expenses	2,459
Total Liabilities	<u>136,131</u>
Net Assets applicable to 2,340,793 shares outstanding	<u>\$28,662,617</u>
Net Assets Consist of:	
Paid-in capital	\$30,112,936
Accumulated net realized loss on investments	(3,904,539)
Net unrealized appreciation on investments	2,454,220
Net Assets	<u>\$28,662,617</u>
Shares of Beneficial Interest:	
Class AAA:	
Net Asset Value, offering, and redemption price per share (\$26,045,093 ÷ 2,126,253 shares outstanding, at \$0.001 par value; unlimited number of shares authorized)	<u>\$12.25</u>
Class A:	
Net Asset Value and offering price per share (\$1,403,958 ÷ 114,575 shares outstanding, at \$0.001 par value; unlimited number of shares authorized)	<u>\$12.25</u>
Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price)	<u>\$13.00</u>
Class B:	
Net Asset Value and offering price per share (\$70,089 ÷ 5,902 shares outstanding, at \$0.001 par value; unlimited number of shares authorized)	<u>\$11.88(a)</u>
Class C:	
Net Asset Value and offering price per share (\$299,818 ÷ 25,271 shares outstanding, at \$0.001 par value; unlimited number of shares authorized)	<u>\$11.86(a)</u>
Class I:	
Net Asset Value, offering, and redemption price per share (\$843,659 ÷ 68,792 shares outstanding, at \$0.001 par value; unlimited number of shares authorized)	<u>\$12.26</u>

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

Statement of Operations For the Year Ended December 31, 2009

Investment Income:	
Dividends (net of foreign taxes of \$451)	\$ 463,850
Interest	6,152
Total Investment Income	<u>470,002</u>
Expenses:	
Investment advisory fees	230,293
Distribution fees – Class AAA	53,112
Distribution fees – Class A	1,954
Distribution fees – Class B	601
Distribution fees – Class C	1,370
Shareholder communications expenses	45,590
Registration expenses	36,796
Shareholder services fees	35,912
Legal and audit fees	30,414
Trustees' fees	25,875
Custodian fees	12,036
Tax expense	2,185
Interest expense	166
Miscellaneous expenses	14,359
Total Expenses	<u>490,663</u>
Less:	
Expense reimbursement (See Note 3)	<u>(28,262)</u>
Net Expenses	<u>462,401</u>
Net Investment Income	<u>7,601</u>
Net Realized and Unrealized Gain/(Loss) on Investments:	
Net realized loss on investments	(2,071,450)
Net change in unrealized appreciation on investments	<u>8,291,540</u>
Net Realized and Unrealized Gain/(Loss) on Investments	<u>6,220,090</u>
Net Increase in Net Assets Resulting from Operations	<u>\$ 6,227,691</u>

See accompanying notes to financial statements.

The Gabelli Blue Chip Value Fund

Statement of Changes in Net Assets

	<u>Year Ended</u> <u>December 31, 2009</u>	<u>Year Ended</u> <u>December 31, 2008</u>
Operations:		
Net investment income	\$ 7,601	\$ 63,384
Net realized loss on investments	(2,071,450)	(1,669,994)
Net change in unrealized appreciation/depreciation on investments	<u>8,291,540</u>	<u>(8,430,696)</u>
Net Increase/(Decrease) in Net Assets Resulting from Operations	<u>6,227,691</u>	<u>(10,037,306)</u>
Distributions to Shareholders:		
Net investment income		
Class AAA	(58,964)	(30,929)
Class A	(4,013)	(309)
Class I	<u>(3,485)</u>	<u>(3,429)</u>
	(66,462)	(34,667)
Net realized gain		
Class AAA	—	(6,380)
Class A	—	(39)
Class B	—	(2)
Class C	—	(23)
Class I	<u>—</u>	<u>(232)</u>
	—	(6,676)
Return of capital		
Class AAA	(2,706)	—
Class A	(184)	—
Class I	<u>(160)</u>	<u>—</u>
	(3,050)	—
Total Distributions to Shareholders	<u>(69,512)</u>	<u>(41,343)</u>
Shares of Beneficial Interest Transactions:		
Class AAA	2,250,290	(4,188,826)
Class A	1,075,527	45,912
Class B	—	47,144
Class C	199,834	24,751
Class I	<u>(51,458)</u>	<u>992,214</u>
Net Increase/(Decrease) in Net Assets from Shares of Beneficial Interest Transactions	<u>3,474,193</u>	<u>(3,078,805)</u>
Redemption Fees	<u>3</u>	<u>331</u>
Net Increase/(Decrease) in Net Assets	9,632,375	(13,157,123)
Net Assets:		
Beginning of period	<u>19,030,242</u>	<u>32,187,365</u>
End of period (including undistributed net investment income of \$0 and \$69,934, respectively)	<u>\$28,662,617</u>	<u>\$ 19,030,242</u>

See accompanying notes to financial statements.

The Gabelli Blue Chip Value Fund

Financial Highlights

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

Period Ended December 31	Income from Investment Operations					Distributions			Ratios to Average Net Assets/ Supplemental Data							
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gain on Investments	Return of Capital (b)	Total Distributions	Redemption Fees(a)(b)	Net Asset Value End of Period	Total Return†	Net Assets End of Period (in 000's)	Net Investment Income (Loss)	Operating Expenses Before Reimbursement	Operating Expenses (Net of Reimbursement)(c)	Portfolio Turnover Rate††
Class AAA																
2009	\$ 9.40	\$ 0.00(b)	\$ 2.88	\$ 2.88	\$ (0.03)	—	—	\$ (0.03)	\$ 0.00	\$ 12.25	30.6%	\$26,045	0.04%	2.13%	2.01%	76%
2008	14.21	0.03	(4.82)	(4.79)	(0.02)	—	—	(0.02)	0.00	9.40	(33.7)	18,136	0.23	2.02	2.00	90
2007	14.77	0.05	(0.03)	0.02	(0.04)	—	—	(0.58)	0.00	14.21	0.1	32,011	0.33	1.78	1.78	41
2006	12.60	0.03	2.18	2.21	(0.04)	—	—	(0.04)	0.00	14.77	17.5	36,754	0.23	1.82	1.82	44
2005	11.81	(0.01)	0.80	0.79	—	—	—	—	0.00	12.60	6.7	36,663	(0.08)	1.89	1.89	37
Class A																
2009	\$ 9.41	\$ (0.01)	\$ 2.89	\$ 2.88	\$ (0.04)	—	—	\$ (0.04)	\$ 0.00	\$ 12.25	30.6%	\$ 1,404	(0.07)%	2.13%	2.01%	76%
2008	14.23	0.03	(4.82)	(4.79)	(0.03)	—	—	(0.03)	0.00	9.41	(33.7)	111	0.24	2.02	2.00	90
2007	14.80	0.05	(0.04)	0.01	(0.04)	—	—	(0.58)	0.00	14.23	0.1	103	0.32	1.78	1.78	41
2006	12.63	0.04	2.17	2.21	(0.04)	—	—	(0.04)	0.00	14.80	17.5	88	0.27	1.82	1.82	44
2005	11.82	(0.01)	0.82	0.81	—	—	—	—	0.00	12.63	6.9	42	(0.07)	1.89	1.89	37
Class B																
2009	\$ 9.16	\$ (0.07)	\$ 2.79	\$ 2.72	—	—	—	—	\$ 0.00	\$ 11.88	29.7%	\$ 70	(0.70)%	2.88%	2.76%	76%
2008	13.92	(0.06)	(4.70)	(4.76)	—	—	—	—	(0.00)(b)	9.16	(34.2)	54	(0.51)	2.77	2.75	90
2007	14.55	(0.05)	(0.03)	(0.09)	—	—	—	(0.54)	0.00	13.92	(0.7)	9	(0.42)	2.53	2.53	41
2006	12.47	(0.07)	2.15	2.08	—	—	—	—	0.00	14.55	16.7	10	0.53	2.57	2.57	44
2005	11.76	(0.09)	0.80	0.71	—	—	—	—	0.00	12.47	6.0	1	(0.71)	2.64	2.64	37
Class C																
2009	\$ 9.15	\$ (0.09)	\$ 2.80	\$ 2.71	—	—	—	—	\$ 0.00	\$ 11.86	29.6%	\$ 300	(0.82)%	2.88%	2.76%	76%
2008	13.91	(0.06)	(4.70)	(4.76)	—	—	—	—	(0.00)(b)	9.15	(34.2)	64	(0.50)	2.77	2.75	90
2007	14.54	(0.05)	(0.04)	(0.09)	—	—	—	(0.54)	0.00	13.91	(0.7)	63	(0.37)	2.53	2.53	41
2006	12.47	(0.06)	2.13	2.07	—	—	—	—	0.00	14.54	16.6	5	(0.48)	2.57	2.57	44
2005	11.76	(0.09)	0.80	0.71	—	—	—	—	0.00	12.47	6.0	6	(0.72)	2.64	2.64	37
Class I																
2009	\$ 9.41	\$ 0.03	\$ 2.87	\$ 2.90	\$ (0.05)	—	—	\$ (0.05)	\$ 0.00	\$ 12.26	30.9%	\$ 844	0.28%	1.88%	1.76%	76%
2008	14.23	0.06	(4.83)	(4.77)	(0.05)	—	—	(0.05)	0.00	9.41	(33.5)	665	0.52	1.77	1.75	90
2007	14.80	0.09	(0.04)	0.05	(0.08)	—	—	(0.62)	0.00	14.23	0.3	1	0.59	1.53	1.53	41
2006	12.63	0.06	2.18	2.24	(0.07)	—	—	(0.07)	0.00	14.80	17.7	1	0.46	1.57	1.57	44
2005	11.79	0.03	0.81	0.84	—	—	—	—	0.00	12.63	7.1	1	0.28	1.64	1.64	37

† 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.

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

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

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

(c) The Fund incurred interest expense during the years ended December 31, 2007 and 2006. If interest expense had not been incurred, the ratio of operating expenses to average net assets would have been 1.77% and 1.81% (Class AAA and Class A), 2.52% and 2.56% (Class B and Class C), and 1.52% and 1.56% (Class I), respectively. For the years ended December 31, 2009, 2008, and 2005, the effect of interest expense was minimal. The Fund also incurred tax expense during the year ended December 31, 2009. If tax expense had not been incurred, the ratios of operating expenses to average net assets would have been 2.00% (Class AAA and Class A), 2.75% (Class B and Class C), and 1.75% (Class I), respectively.

See accompanying notes to financial statements.

The Gabelli Blue Chip Value Fund

Notes to Financial Statements

1. Organization. The Gabelli Blue Chip Value Fund (the “Fund”) was organized on May 13, 1999 as a Delaware statutory trust. The Fund is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund commenced operations on August 26, 1999. The Fund’s primary objective is long-term growth of capital.

2. Significant Accounting Policies. The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) has become the exclusive reference of authoritative 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 Trustees (the “Board”) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the “Adviser”).

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

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

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

- Level 1 – quoted prices in active markets for identical securities;

The Gabelli Blue Chip Value Fund

Notes to Financial Statements (Continued)

- 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 December 31, 2009 is as follows:

<u>Valuation Inputs</u>	<u>Investments in Securities (Market Value) Assets</u>
Level 1 – Quoted Prices*	\$23,874,744
Level 2 – Other Significant Observable Inputs*	4,785,066
Total	<u>\$28,659,810</u>

* Portfolio holdings designated in Level 1 and Level 2 are disclosed individually in the Schedule of Investments (“SOI”). Level 2 consists of U.S. Government Obligations. Please refer to the SOI for the industry classifications of the portfolio holdings.

There were no Level 3 investments held at December 31, 2009 or December 31, 2008.

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 always receive and maintain securities as collateral whose market value, including accrued interest, is at least equal to 102% of 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 December 31, 2009, there were no open repurchase agreements.

Investments in Other Investment Companies. The Fund may invest, from time to time, in shares of other investment companies (or entities that would be considered investment companies but are excluded from the definition pursuant to certain exceptions under the 1940 Act) (the “Acquired Funds”) in accordance with the 1940 Act and related rules. Shareholders in the Fund bear the pro rata portion of the periodic expenses of the Acquired Funds in addition to the Fund’s expenses. For the year ended December 31, 2009, the Fund’s pro rata portion of the periodic expenses charged by the Acquired Funds was less than one basis point.

The Gabelli Blue Chip Value Fund

Notes to Financial Statements (Continued)

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

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.

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 of 2.00% above the federal funds rate on outstanding balances. This amount, if any, would be included in "interest expense" in the Statement of Operations.

Distributions to Shareholders. Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. 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 non-deductible excise tax. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2009, reclassifications were made to decrease accumulated net investment income by \$11,073 and decrease accumulated net realized loss on investments by \$13,258, with an offsetting adjustment to paid-in capital.

The Gabelli Blue Chip Value Fund

Notes to Financial Statements (Continued)

The tax character of distributions paid during the years ended December 31, 2009 and December 31, 2008 was as follows:

	<u>Year Ended</u> <u>December 31, 2009</u>	<u>Year Ended</u> <u>December 31, 2008</u>
Distributions paid from:		
Ordinary income (inclusive of short-term capital gains) . . .	\$66,462	\$34,682
Net long-term capital gains	—	6,661
Return of capital	<u>3,050</u>	<u>—</u>
Total distributions paid	<u>\$69,512</u>	<u>\$41,343</u>

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

At December 31, 2009, the components of accumulated earnings/losses on a tax basis were as follows:

Accumulated capital loss carryforwards	\$(3,693,444)
Net unrealized appreciation on investments	<u>2,243,125</u>
Total	<u>\$(1,450,319)</u>

At December 31, 2009, the Fund had net capital loss carryforwards for federal income tax purposes of \$3,693,444, which are available to reduce future required distributions of net capital gains to shareholders. \$1,253,292 is available through 2016; and \$2,440,152 is available through 2017.

At December 31, 2009, the difference between book basis and tax basis unrealized appreciation was primarily due to deferral of losses from wash sales for tax purposes.

The following summarizes the tax cost of investments and the related unrealized appreciation/depreciation at December 31, 2009:

	<u>Cost</u>	<u>Gross</u> <u>Unrealized</u> <u>Appreciation</u>	<u>Gross</u> <u>Unrealized</u> <u>Depreciation</u>	<u>Net Unrealized</u> <u>Appreciation</u>
Investments	\$26,416,685	\$3,240,600	\$(997,475)	\$2,243,125

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 to not meet the more-likely-than-not threshold. For the year ended December 31, 2009, the Fund did not incur any interest or penalties. As of December 31, 2009, 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 December 31, 2007 through December 31, 2009, remain subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Adviser will monitor its 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 Trustees of the Fund who are affiliated persons of the Adviser.

The Gabelli Blue Chip Value Fund

Notes to Financial Statements (Continued)

The Adviser has contractually agreed to waive its advisory fee and/or reimburse expenses of the Fund to the extent necessary to maintain the annualized total operating expenses of the Fund (exclusive of brokerage fees, interest, taxes, and extraordinary expenses) at 2.00%, 2.00%, 2.75%, 2.75%, and 1.75%, respectively, of Class AAA, Class A, Class B, Class C, and Class I Shares' average daily net assets. For the year ended December 31, 2009, the Adviser reimbursed the Fund in the amount of \$28,262. The Fund is obliged to repay the Adviser for a period of two years following the year in which the Adviser reimbursed the Fund only to the extent that the operating expenses of the Fund fell below those percentages of average daily net assets for those respective share classes. At December 31, 2009, the cumulative amount which the Fund may repay the Adviser is \$32,075.

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$3,000 plus \$500 for each Board meeting attended and each Trustee is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended and the Chairman of the Audit Committee and the Lead Trustee each receive a \$1,000 annual fee. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

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

5. Portfolio Securities. Purchases and sales of securities for the year ended December 31, 2009, other than short-term securities and U.S. Government obligations, aggregated \$14,368,397 and \$14,454,985, respectively.

6. Transactions with Affiliates. During the year ended December 31, 2009, the Fund paid brokerage commissions on security trades of \$40,514 to Gabelli & Company. Additionally, Gabelli & Company informed the Fund that it retained \$6,199 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. A reimbursement was not sought by the Adviser during 2009.

7. Line of Credit. The Fund participates in an unsecured line of credit of up to \$75,000,000 under which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bear interest at the higher of the sum of the overnight LIBOR plus 100 basis points or the sum of the federal funds rate plus 100 basis points at the time of borrowing. This amount, if any, would be included in "interest expense" in the Statement of Operations. During the year ended December 31, 2009, there were no borrowings under the line of credit.

8. Shares of Beneficial Interest. The Fund offers five classes of shares – Class AAA Shares, Class A Shares, Class B Shares, Class C Shares, and Class I Shares. Class AAA Shares and Class I Shares are offered to investors without a front-end sales charge. Class A Shares are subject to a maximum front-end sales charge of 5.75%. Class B Shares are subject to a contingent deferred sales charge ("CDSC") upon redemption within

The Gabelli Blue Chip Value Fund

Notes to Financial Statements (Continued)

six years of purchase and automatically convert to Class A Shares approximately eight years after the original purchase. The applicable CDSC is equal to a declining percentage of the lesser of the NAV per share at the date of the original purchase or at the date of redemption, based on the length of time held. Class C Shares are subject to a 1.00% CDSC for one year after purchase. Class B Shares are available only through exchange of Class B Shares of other funds distributed by Gabelli & Company.

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 December 31, 2009 and December 31, 2008 amounted to \$3 and \$331, respectively.

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

Transactions in shares of beneficial interest were as follows:

	Year Ended December 31, 2009		Year Ended December 31, 2008	
	Shares	Amount	Shares	Amount
Class AAA				
Shares sold	566,520	\$ 6,084,422	340,547	\$ 4,042,321
Shares issued upon reinvestment of distributions	4,819	59,373	3,651	33,076
Shares redeemed	(374,356)	(3,893,505)	(667,545)	(8,264,223)
Net increase/(decrease)	<u>196,983</u>	<u>\$ 2,250,290</u>	<u>(323,347)</u>	<u>\$(4,188,826)</u>
Class A				
Shares sold	127,606	\$ 1,345,833	6,925	\$ 75,725
Shares issued upon reinvestment of distributions	320	3,948	29	265
Shares redeemed	(25,125)	(274,254)	(2,404)	(30,078)
Net increase	<u>102,801</u>	<u>\$ 1,075,527</u>	<u>4,550</u>	<u>\$ 45,912</u>
Class B				
Shares sold	—	—	5,215	\$ 47,141
Shares issued upon reinvestment of distributions	—	—	—	3
Net increase	<u>—</u>	<u>—</u>	<u>5,215</u>	<u>\$ 47,144</u>
Class C				
Shares sold	20,653	\$ 222,799	3,196	\$ 30,264
Shares issued upon reinvestment of distributions	—	—	3	23
Shares redeemed	(2,441)	(22,965)	(656)	(5,536)
Net increase	<u>18,212</u>	<u>\$ 199,834</u>	<u>2,543</u>	<u>\$ 24,751</u>
Class I				
Shares sold	15,854	\$ 152,383	78,099	\$ 1,080,092
Shares issued upon reinvestment of distributions	295	3,645	404	3,661
Shares redeemed	(18,064)	(207,486)	(7,892)	(91,539)
Net increase/(decrease)	<u>(1,915)</u>	<u>\$ (51,458)</u>	<u>70,611</u>	<u>\$ 992,214</u>

The Gabelli Blue Chip Value Fund

Notes to Financial Statements (Continued)

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

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

11. Subsequent Events. Management has evaluated the impact on the Fund of events occurring subsequent to December 31, 2009 through February 25, 2010, the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

The Gabelli Blue Chip Value Fund

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of
The Gabelli Blue Chip Value Fund

We have audited the accompanying statement of assets and liabilities of The Gabelli Blue Chip Value Fund (the "Fund"), including the schedule of investments, as of December 31, 2009, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits 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 and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2009, by correspondence with the Fund's custodian. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of The Gabelli Blue Chip Value Fund at December 31, 2009, 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 five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Philadelphia, Pennsylvania
February 25, 2010

Ernst & Young LLP

The Gabelli Blue Chip Value Fund

Additional Fund Information (Unaudited)

The business and affairs of the Fund are managed under the direction of the Fund's Board of Trustees. Information pertaining to the Trustees and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Trustees and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Blue Chip Value Fund 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 Trustee</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Trustee⁴</u>
INTERESTED TRUSTEES³:				
Mario J. Gabelli Trustee Age: 67	Since 1999	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)
INDEPENDENT TRUSTEES⁵:				
Anthony J. Colavita Trustee Age: 74	Since 1999	34	President of the law firm of Anthony J. Colavita, P.C.	—
Vincent D. Enright Trustee Age: 66	Since 1999	16	Former Senior Vice President and Chief Financial Officer of KeySpan Corporation (public utility) (1994-1998)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics)
Mary E. Hauck Trustee Age: 67	Since 2000	3	Retired Senior Manager of the Gabelli O'Connor Fixed Income Mutual Funds Management Company	—
Kuni Nakamura Trustee Age: 41	Since 2009	9	President of Advanced Polymer, Inc.	—
Werner J. Roeder, MD Trustee Age: 69	Since 1999	22	Medical Director of Lawrence Hospital and practicing private physician	—
OFFICERS:				
Bruce N. Alpert President Age: 58	Since 2003	—	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988 and an officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex; Director and President of Teton Advisors, Inc. 1998 through 2008; Chairman of Teton Advisors, Inc. since 2008; Senior Vice President of GAMCO Investors, Inc. since 2008	—
Agnes Mullady Treasurer Age: 51	Since 2006	—	Senior Vice President of GAMCO Investors, Inc. since 2009; 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 through 2005	—
Peter D. Goldstein Chief Compliance Officer Age: 56	Since 2004	—	Director of Regulatory Affairs at GAMCO Investors, Inc. since 2004; Chief Compliance Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex	—

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

² Each Trustee 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 Trustee and until the election and qualification of his or her successor, if any, elected at such meeting, or (ii) the date a Trustee resigns or retires, or a Trustee is removed by the Board of Trustees or shareholders, in accordance with the Fund's By-Laws and Agreement and Declaration of Trust. 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 "Interested person" of the Fund as defined in the 1940 Act. Mr. Gabelli is considered an "interested person" because of his affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser.

⁴ This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended (i.e. public companies) or other investment companies registered under the 1940 Act.

⁵ Trustees who are not interested persons are considered "Independent" Trustees.

The Gabelli Blue Chip Value Fund

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800-GABELLI

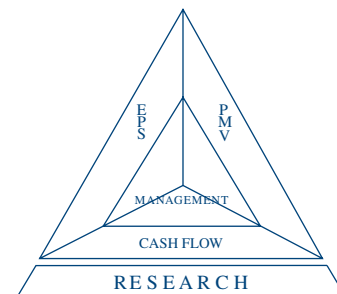
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Net Asset Value per share available daily by calling
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The Gabelli Blue Chip Value Fund

Morningstar® rated The Gabelli Blue Chip Value Fund Class AAA Shares 4 stars overall and 4 stars for the three and five year periods and 3 stars for the ten year period ended December 31, 2009 among 1,757; 1,757; 1,376; and 710 Large Blend funds, respectively.

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

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**ANNUAL REPORT
DECEMBER 31, 2009**