The Gabelli Woodland Small Cap Value Fund

Shareholder Commentary
September 30, 2008

Elizabeth M. Lilly, CFA

To Our Shareholders,

The Gabelli Woodland Small Cap Fund decreased 0.85% for the quarter ended September 30, 2008 versus the Russell 2000, which decreased 1.11%.

Comparative Results

Average Annual Returns through September 30, 2008 (a)(b)

	Quarter	Year to Date	1 Year	3 Year	5 Year	Since Inception (12/31/02)
Gabelli Woodland Small Cap Value Fund						
Class AAA	**(0.85)%**	**(8.91)%**	**(13.20)%**	**1.45%**	**8.84%**	**8.71%**
Russell 2000 Index	(1.11)	(10.38)	(14.48)	1.83	8.15	11.83
S&P 500 Index	(8.36)	(19.27)	(21.96)	0.22	5.17	7.00
Value Line Composite Index	(4.32)	(19.50)	(19.32)	0.51	7.54	11.25

The gross expense ratio is 2.33%. The net expense ratio is 2.01%, after contractual reimbursements by the Adviser in place through September 30, 2009. Class AAA Shares do not have a sales charge.

(a) ***Returns represent past performance and do not guarantee future results.*** *Total returns and average annual returns reflect changes in share price and reinvestment of dividends and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end.* ***Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.*** *See page 6 for performance of other classes of shares. Investing in small capitalization securities involves special challenges because these securities may trade less frequently and experience more abrupt price movements than large capitalization securities. The Russell 2000, the S&P 500, and Value Line Composite Indices are unmanaged indicators of stock market performance. You cannot invest directly in an index.*

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

COMMENTARY

In the July 2008 shareholder letter, we conveyed to you our concerns about the economy and its impact on the stock market. We compared the present environment to a game of dominoes and that we believed more trouble was ahead for the market and economy and that more dominoes would continue to fall. Unfortunately, during the quarter this scenario played out even more dramatically than we had ever imagined. We saw the demise of AIG, Lehman Brothers, Fannie Mae, and Freddie Mac and the forced marriages of Washington Mutual with JPMorgan, Merrill Lynch with Bank of America and Wachovia teaming up with Wells Fargo. Little did anyone anticipate that the landscape of Wall Street would change so dramatically in such a short span of time. It is likely that there will be more dominoes to fall in the ensuing months. Most importantly, the domino that has fallen and may not be 'picked up' for several months or quarters is the United States economy. Although the price of oil has come down to below $100 per barrel, industrial production is declining, unemployment is at multiyear high, and the consumer is gripped by panic and fear.

What is so curious about the economic "bust" we are experiencing is that it did not start as a broad based expansion that benefited many sectors of the U.S. The boom transpired strictly in the financial sector but led to a subsequent collapse in the financial sector AND the overall economy. As Howard Marks, the Chairman of Oaktree Capital Management, wrote so astutely, "Most of the current problems can be attributed to a decades long bubble in the financial sector that made it the employer of obvious choice; attracted employees who were 'the best and the brightest' (although often untrammeled by experience); contributed to greed and risk taking; drove out fear and skepticism; and carried institutions, behavior, expectations, and asset prices to unsustainable levels."

No one knows how long this "bust" or cycle will last. However, it is unlike any other, which is often the case. Warren Buffett recently referred to this period as an 'Economic Pearl Harbor'. For the downward spiral to be stopped in the economy and for things to stabilize, there are several things that need to happen. First, housing prices need to stop going down. Second, home mortgages have to be made available so that the excess inventory in the system gets cleared out. Third, financial institutions need to stop experiencing further write-offs. Fourth and finally, financial institutions need to be able to raise additional funds with which to rebuild their balance sheets. How and when these things occur is an unknown and they will not occur in step function. Housing prices may not stop going down until financial institutions get additional capital to stabilize their balance sheets and allow them to provide loans again. There are plenty of houses and willing sellers but no buyers because the mortgage market is nonexistent. As Howard Marks wrote, "The mechanism for providing capital is in great disrepair, and less credit certainly means a slower recovery and less growth." The money markets, which are the lifeblood of the economy and allow institutions, companies, and banks to lend to and borrow trillions of dollars, have seized up. The money markets are considered the plumbing in the U.S. economy's house. It is the guts of the liquidity in the financial system. We need the money markets to behave more normally and efficiently before the financial crisis will be over. The $700 billion Troubled Asset Relief Program (TARP) that was recently enacted is a big step in the right direction. However, we see this challenging economic period lasting for quite some time.

Rest assured, at some point there will be recovery. The catalyst of the recovery can not be predicted or identified in advance. Just as with every boom comes a bust, with every bust comes a recovery.

Let's Talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the percentage of net assets and their share prices are presented as of September 30, 2008.

Among the best performing stocks this quarter were Collective Brands (1.7% of net assets as of September 30, 2008), Sally Beauty Holdings (1.3%), and Furmanite Corporation (2.1%).

During the quarter *Collective Brands (PSS - $18.31 - NYSE)* increased 75%. Collective Brands consists of two main operating divisions – Payless Shoe Source and Stride Rite. Payless operates roughly 4,500 retail stores under the Payless banner. Stride Rite operates 350 retail stores and is a wholesaler of footwear primarily under the Stride Rite, Keds, Sperry Top-Sider, Saucony, and Robeez brands. CEO Matthew E. Rubel, who joined Collective Brands in 2005 from Cole Haan, has taken a disciplined approach to Collective Brand's operations and finances and the company's performance has improved immensely. Collective Brands has transformed from solely a value priced retailer to a vertically integrated house of brands. In the process, they have identified tremendous opportunities for cost reductions and efficiencies. With a laser like focus on operating margins and Return on Invested Capital, we see continued opportunity for enhanced financial returns.

Sally Beauty Holdings (SBH - $8.60 - NYSE) increased 32% in the quarter. Sally Beauty distributes and sells beauty products. The company distributes directly to salons, and sells beauty products at retail under two operating segments – Sally Beauty Stores and Beauty Systems Group. After being spun out from Alberto Culver Corporation two years ago, CEO Gary Winterhalter and his management team have done a terrific job expanding Sally's operating margins, growing store sales, and improving several underperforming divisions. As the only true pure play operator in this professional beauty supply space, Sally should benefit from a more cautious consumer retail environment.

Furmanite Corporation (FRM - $10.34 - NYSE) increased 27% in the quarter. Furmanite provides specialty industrial services for highly pressurized piping systems and vessels to the oil and gas, power generation, and other heavy industries. We invested in Furmanite several years ago based on the beliefs that the management team was capable of improving operating margins to at least 10% (at that time they were 4%) and that Furmanite had strong market presence and excellent technical capability that at some point would be valuable to another company. In the most recent quarter, Furmanite's operating margin was close to 11% and now management is targeting 15% over the next several years. Additionally, the company has no debt and generates significant positive free cash flow.

The portfolio was not without its disappointments and two of those were Mariner Energy (1.0%) and Surmodics Corporation (0.9%).

Mariner Energy (ME - $20.50 - NYSE) declined 38% during the quarter. Mariner Energy is an independent oil and gas company with operations based in the Gulf of Mexico and the Permian Basin. Mariner owns a portfolio of assets with high impact exploration prospects in the Gulf of Mexico, particularly the deepwater, alongside the stable organic growth cash flow rich Permian Basin properties. In the second quarter as oil approached $150 per barrel, Mariner stock increased 48%. As the price of oil has declined to under $90 per barrel, Mariner stock has decreased accordingly. (Our other energy holding, Comstock Resources, declined over 27% in the quarter after increasing 88% in the prior quarter.) We continue to have tremendous confidence in CEO Scott Josey and the team at Mariner Energy.

Surmodics Corporation (SRDX - $31.49 - Nasdaq) declined 31% in the quarter. Surmodics is a provider of surface modification and drug delivery technologies to the healthcare industry. The services provided by the company include drug delivery technologies (coatings, microparticles, and implants), surface modification coating technologies that impart lubricity, pro-healing and biocompatibility capabilities, and components for in vitro diagnostic test kits. In late September, after collaborating for over a year on several projects related to back of the eye diseases, Merck Corporation cancelled its license agreement with Surmodics. We continue to believe Surmodics has very valuable ophthalmic technology and drug delivery platform for helping solve Diabetic Macular Edema (DME). In the coming months we expect Surmodics to announce several new partners and licensing agreements. Furthermore, Surmodics has over $5 per share in cash on its balance sheet, no debt, and over the next several years will experience operating margin expansion to over 35%.

During the quarter, the volatile market environment gave us the opportunity to make several new investments which we believe are below their intrinsic value. One we would like to highlight is *Shutterfly (1.6%). Shutterfly (SFLY - $9.61 - Nasdaq)* is an online personal publishing platform for digital photos, enabling customers to order prints for mail delivery, share photos over the Internet, and create customized photo-based merchandise. The company has a 34% market share in the online photo industry, generates over 17% Earnings Before Interest, Taxes, Depreciation, and Amortization margins, and has close to $4 per share in cash on its balance sheet. CEO, Jeffrey Housenbold, joined Shutterfly in 2005 from eBay and is quickly bringing operational and financial discipline to the organization. Over time we believe that Shutterfly's value will be recognized in the market as margins expand to at least 25% and revenues continue to grow at mid-double digit.

Conclusion

The portfolio continues to be constructed with a fundamental bottom up investment approach. Therefore, we do not have a Fund that will mirror the performance of the Russell 2000. What we do own is a collection of good businesses that generate free cash flow, are operated by honest and talented management teams, and that are disciplined in their capital allocation decisions.

As always, we appreciate your continued loyalty and support and look forward to communicating with you next quarter.

Sincerely,

Elizabeth M. Lilly

Elizabeth M. Lilly, CFA
Portfolio Manager

October 6, 2008

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 in seven calendar 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.

e-delivery

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

Top Ten Holdings (Percent of Net Assets)
September 30, 2008

The Brink's Co. 3.1%	Alberto-Culver Co. 2.4%
Griffon Corp. 2.9%	Hawk Corp. 2.4%
NewAlliance Bancshares Inc. 2.9%	MTS Systems Corp. 2.4%
Kaman Corp. 2.8%	Tier Technologies Inc. 2.4%
Deluxe Corp. 2.5%	Hilb Rogal & Hobbs Co. 2.3%

Multi-Class Shares

The Gabelli Woodland Small Cap Value Fund 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 will enhance the ability of the Fund to attract additional investors.

Gabelli Woodland Small Cap Value Fund
Average Annual Returns — September 30, 2008

	Class AAA Shares	Class A Shares	Class B Shares	Class C Shares	Class I Shares
One Year	(13.20)%	(13.19)% (18.18)(a)	(14.04)% (18.34)(c)	(13.86)% (14.72)(d)	(13.11)%
Three Year	1.45	1.51 (0.47)(a)	0.56 (0.44)(c)	0.69 0.69	1.49
Five Year	8.84	8.92 7.64(a)	8.42 8.13(c)	8.06 8.06	8.86
Since Inception (b)	8.71	8.76 7.64(a)	8.36 8.24(c)	7.97 7.97	8.73
Gross Expense Ratio	**2.33**	**2.33**	**3.07**	**3.08**	**2.08**
Current Expense Ratio after Adviser Reimbursements	**2.01**	**2.01**	**2.76**	**2.76**	**1.76**
Maximum Sales Charge	**None**	**5.75**	**5.00**	**1.00**	**None**

Past performance does not guarantee future results. *Total 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. The Adviser reimbursed expenses to limit the expense ratio. Had such limitation not been in place, returns would have been lower. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com to obtain 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.*** *Investing in small capitalization securities involves special challenges because these securities may trade less frequently and experience more abrupt price movements than large capitalization securities. The Class AAA Share net asset values ("NAV") per share are used to calculate performance for the periods prior to the issuance of Class I Shares on January 11, 2008. The actual performance of the Class I Shares would have been higher due to lower expenses related to Class I Shares. Expenses are limited by contract through September 30, 2009.*

(a) *Includes the effect of the maximum 5.75% sales charge at the beginning of the period.*
(b) *Performance is calculated since inception on December 31, 2002.*
(c) *Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the one year, three year, five year, and since inception periods of 5%, 3%, 2%, and 1%, respectively, of the Fund's NAV at the time of purchase or sale, whichever is lower.*
(d) *Performance results include the deferred sales charge for the Class C Shares upon redemption at the end of the one year period 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.

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 Mites℠ 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 Fund

Seeks to invest in common and preferred stocks of companies that meet the Fund's guidelines for social responsibility at the time of investment, looking to avoid companies in tobacco, alcohol, and gaming, defense/weapons contractors, and manufacturers of abortifacients. The Fund's primary objective is capital appreciation. *(Multiclass)*

Portfolio Manager: Christopher C. Desmarais

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

Comstock Strategy Fund

The Fund emphasizes investments in debt securities, which maximize total return in light of credit risk, interest rate risk, and the risk associated with the length of maturity of debt instruments. *(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, conomic, 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 Equity Series Funds, Inc.
The Gabelli Woodland Small Cap Value Fund
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Net Asset Value per share available daily by calling
800-GABELLI after 6:00 P.M.

GAB840Q308SC

The Gabelli Woodland Small Cap Value Fund

SHAREHOLDER COMMENTARY
SEPTEMBER 30, 2008

The Gabelli Woodland Small Cap Value Fund

Annual Report (a)
September 30, 2008

To Our Shareholders,

The Gabelli Woodland Small Cap Value Fund (the "Fund") outperformed its small cap benchmark, the Russell 2000 Index, as well as the other broad based market indices for the twelve month period ended September 30, 2008. During this period, the Fund's net asset value ("NAV") per share declined 13.20% versus declines of 14.48% for the Russell 2000 Index, 21.96% for the Standard & Poor's ("S&P") 500 Index, and 19.32% for the Value Line Composite Index.

Comparative Results

Average Annual Returns through September 30, 2008 (a)(b)

	Quarter	1 Year	3 Year	5 Year	Since Inception (12/31/02)
Gabelli Woodland Small Cap Value Fund					
Class AAA	**(0.85)%**	**(13.20)%**	**1.45%**	**8.84%**	**8.71%**
Russell 2000 Index	(1.11)	(14.48)	1.83	8.15	11.83
S&P 500 Index	(8.36)	(21.96)	0.22	5.17	7.00
Value Line Composite Index	(4.32)	(19.32)	0.51	7.54	11.25
Class A	(0.85)	(13.19)	1.51	8.92	8.76
	(6.55)(c)	(18.18)(c)	(0.47)(c)	7.64(c)	7.64(c)
Class B	(1.18)	(14.04)	0.56	8.42	8.36
	(6.12)(d)	(18.34)(d)	(0.44)(d)	8.13(d)	8.24(d)
Class C	(1.12)	(13.86)	0.69	8.06	7.97
	(2.11)(e)	(14.72)(e)	0.69	8.06	7.97
Class I	(0.85)	(13.11)	1.49	8.86	8.73

In the current prospectus, the gross expense ratios for Class AAA, A, B, C, and I Shares are 2.33%, 2.33%, 3.08%, 3.08%, and 2.08%, respectively. The net expense ratios after contractual reimbursements by the Adviser in place through September 30, 2009 are 2.00%, 2.00%, 2.75%, 2.75%, and 1.75% respectively. Class AAA and 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) *The Fund's fiscal year ends September 30.*

(b) ***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 Class AAA Shares' NAV's per share are used to calculate performance for the periods prior to the issuance of Class I Shares on January 11, 2008. The actual performance of Class I Shares would have been higher due to lower expenses associated with this class of shares. Investing in small capitalization securities involves special challenges because these securities may trade less frequently and experience more abrupt price movements than large capitalization securities. The Russell 2000 Index of small U.S. companies, the S&P 500 Index of the largest U.S. companies, and the Value Line Composite Index (comprised of equally weighted positions in every stock covered in the Value Line Investment Survey) are unmanaged indicators of stock market performance. Dividends are considered reinvested. You cannot invest directly in an index.

(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, five year and since inception periods of 5%, 5%, 3%, 2%, and 1%, respectively, of the Fund's NAV per share at the time of purchase or sale, whichever is lower. Class B Shares are not available for new purchases.*

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

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

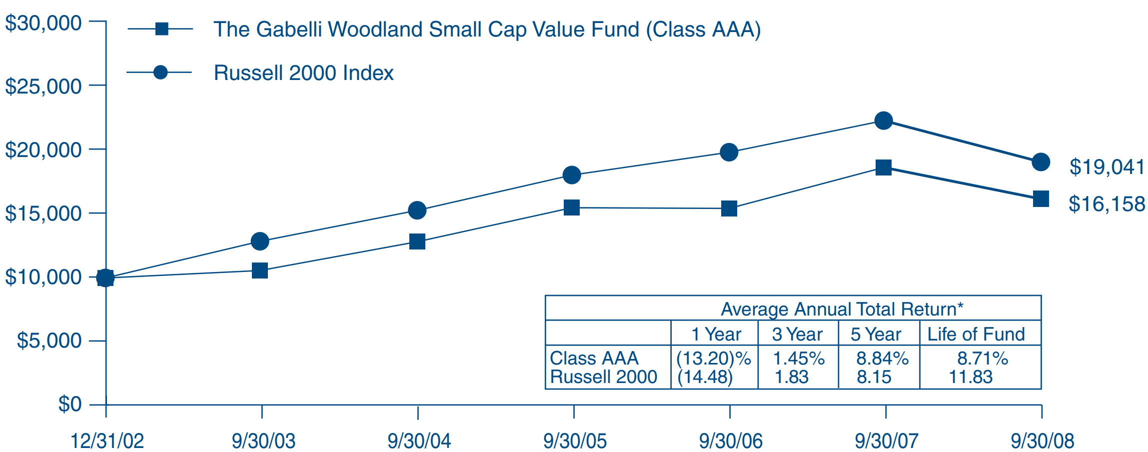
Performance Discussion

The Fund's Class AAA Shares declined 13.20% for the fiscal year ended September 30, 2008 versus the Russell 2000, which was down 14.48%.

During the past year we had several investments that added to our overall performance. Two of the more significant contributors were Collective Brands (1.7% of net assets as of September 30, 2008) and Comstock Resources. Collective Brands increased 75% over the past year and consists of two divisions – Payless Shoe Source and Stride Rite. In 2006, under the leadership of new CEO Matthew E. Rubel, Collective Brands underwent a restructuring that started to bear fruit this past year. Rubel and his management team have taken a disciplined approach to Collective Brands operations and finances and the company's performance has improved immensely. Comstock Resources, up 84% during the year, is a Texas based oil and gas producer with significant assets in Texas and Louisiana. When we invested in Comstock several years ago, we identified an exploration and production company that had terrific domestic low risk and long lived properties that were unappreciated by the market. We believed that over time as the value of the assets grew Wall Street would take notice. Given the dramatic appreciation in the price of oil and gas in 2008 investors took note of Comstock's production profile and reserves and the stock increased.

One of our weaker performing stocks during the year was Gaylord Entertainment (1.3%), which declined 48%. Gaylord owns a wonderful collection of convention oriented hotels in Nashville, TN; Orlando, FL; Dallas, TX, and Washington, D.C. Gaylord stock has declined precipitously over the last year as recession concerns have developed among investors. Longer term, we believe Gaylord has a very unique strategy. It is the only lodging company that exclusively focuses on the large group meetings segment. Convention customers tend to rotate the location of their annual meetings and Gaylord intends to have a presence in most major convention markets in order to capture this rotational business. In addition, the economics of the business model are compelling as Gaylord generates close to 80% of its occupancy from advanced group bookings versus 20-50% for the peer group. Large groups typically book 2-4 years in advance, which increases revenue visibility.

COMPARISON OF CHANGE IN VALUE OF A $10,000 INVESTMENT IN THE GABELLI WOODLAND SMALL CAP VALUE FUND CLASS AAA AND THE RUSSELL 2000 INDEX



Average Annual Total Return*				
	1 Year	3 Year	5 Year	Life of Fund
Class AAA	(13.20)%	1.45%	8.84%	8.71%
Russell 2000	(14.48)	1.83	8.15	11.83

* 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.

The Gabelli Woodland Small Cap Value Fund
Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from April 1, 2008 through September 30, 2008 **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 September 30, 2008.

	Beginning Account Value 04/01/08	Ending Account Value 09/30/08	Annualized Expense Ratio	Expenses Paid During Period*
The Gabelli Woodland Small Cap Value Fund				
Actual Fund Return				
Class AAA	$1,000.00	$1,004.30	2.01%	$10.07
Class A	$1,000.00	$1,004.30	2.01%	$10.07
Class B	$1,000.00	$ 998.90	2.76%	$13.79
Class C	$1,000.00	$1,000.00	2.76%	$13.80
Class I	$1,000.00	$1,005.40	1.76%	$ 8.82
Hypothetical 5% Return				
Class AAA	$1,000.00	$1,014.95	2.01%	$10.13
Class A	$1,000.00	$1,014.95	2.01%	$10.13
Class B	$1,000.00	$1,011.20	2.76%	$13.88
Class C	$1,000.00	$1,011.20	2.76%	$13.88
Class I	$1,000.00	$1,016.20	1.76%	$ 8.87

* 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 366.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of September 30, 2008:

The Gabelli Woodland Small Cap Value Fund

Diversified Industrial	14.4%
Business Services	12.9%
Equipment and Supplies	9.6%
Computer Software and Services	9.3%
Consumer Products	9.0%
Specialty Chemicals	8.4%
Health Care	8.2%
Financial Services	5.4%
Retail	4.8%
Aerospace	4.6%
Energy and Utilities	4.2%
U.S. Government Obligations	1.7%
Aviation: Parts and Services	1.4%
Entertainment	1.3%
Hotels and Gaming	1.3%
Automotive: Parts and Accessories	1.2%
Food and Beverage	1.1%
Telecommunications	0.9%
Building and Construction	0.8%
Machinery	0.7%
Other Assets and Liabilities (Net)	(1.2)%
	100.0%

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 June 30, 2008. 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 12 months ended June 30th, no later than August 31st of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at www.sec.gov.

The Gabelli Woodland Small Cap Value Fund
Schedule of Investments — September 30, 2008

Shares		Cost	Market Value
	COMMON STOCKS — 99.5%		
	Aerospace — 4.6%		
8,100	Herley Industries Inc.†	$ 120,057	$ 138,510
7,520	Kaman Corp.	204,173	214,170
		324,230	352,680
	Automotive: Parts and Accessories — 1.2%		
6,490	Midas Inc.†	122,392	89,302
	Aviation: Parts and Services — 1.4%		
5,080	Barnes Group Inc.	129,986	102,718
	Building and Construction — 0.8%		
2,000	NCI Building Systems Inc.†	77,729	63,500
	Business Services — 12.9%		
358	Ascent Media Corp., Cl. A†	10,842	8,739
13,090	Deluxe Corp.	274,696	188,365
12,150	Edgewater Technology Inc.†	92,991	59,049
12,610	Federal Signal Corp.	148,084	172,757
4,470	Imation Corp.	108,140	100,977
7,350	Intermec Inc.†	178,882	144,354
11,000	MDC Partners Inc., Cl. A†	90,973	73,920
3,820	The Brink's Co.	148,066	233,096
		1,052,674	981,257
	Computer Software and Services — 9.3%		
4,300	eResearch Technology Inc.†	31,390	51,213
15,500	Furmanite Corp.†	104,675	160,270
18,410	Lawson Software Inc.†	138,033	128,870
4,340	MTS Systems Corp.	152,438	182,714
24,500	Tier Technologies Inc., Cl. B†	234,414	182,035
		660,950	705,102
	Consumer Products — 9.0%		
6,770	Alberto-Culver Co.	164,985	184,415
2,085	Church & Dwight Co. Inc.	53,976	129,458
12,680	Kimball International Inc., Cl. B	166,964	136,944
11,600	Sally Beauty Holdings Inc.†	102,151	99,760
4,680	Steinway Musical Instruments Inc.†	152,717	132,538
		640,793	683,115
	Diversified Industrial — 14.4%		
6,650	Columbus McKinnon Corp.†	161,231	156,741
24,657	Griffon Corp.†	230,940	222,406
9,100	Hawk Corp., Cl. A†	125,355	183,183
2,900	L.B. Foster Co., Cl. A†	97,560	88,218
9,920	LeCroy Corp.†	93,530	76,285
29,440	Magnetek Inc.†	144,666	119,232
6,700	OSI Systems Inc.†	173,104	157,517
2,190	Texas Industries Inc.	114,404	89,483
		1,140,790	1,093,065
	Energy and Utilities — 4.2%		
2,879	ALLETE Inc.	$ 82,984	$ 128,116
3,740	Mariner Energy Inc.†	69,649	76,670
3,170	PICO Holdings Inc.†	115,994	113,835
		268,627	318,621
	Entertainment — 1.3%		
3,585	Discovery Communications Inc., Cl. A†	57,543	51,086
3,585	Discovery Communications Inc., Cl. C†	40,172	50,764
		97,715	101,850
	Equipment and Supplies — 9.6%		
13,600	C&D Technologies Inc.†	72,670	77,248
11,000	Gerber Scientific Inc.†	108,295	100,540
3,230	Powell Industries Inc.†	132,212	131,816
3,770	Tennant Co.	75,916	129,160
4,150	The Toro Co.	110,608	171,395
7,000	Thermadyne Holdings Corp.†	109,410	116,690
		609,111	726,849
	Financial Services — 5.4%		
3,750	Hilb Rogal & Hobbs Co.	152,955	175,275
1,430	HMN Financial Inc.	50,068	17,703
14,700	NewAlliance Bancshares Inc.	218,159	220,941
		421,182	413,919
	Food and Beverage — 1.1%		
3,900	PepsiAmericas Inc.	70,438	80,808
	Health Care — 8.2%		
14,000	Home Diagnostics Inc.†	110,522	135,520
5,210	K-V Pharmaceutical Co., Cl. A†	147,864	118,319
9,940	Rochester Medical Corp.†	118,098	131,804
2,116	SurModics Inc.†	74,154	66,633
3,480	West Pharmaceutical Services Inc.	143,094	169,894
		593,732	622,170
	Hotels and Gaming — 1.3%		
3,370	Gaylord Entertainment Co.†	102,054	98,977
	Machinery — 0.7%		
2,164	Key Technology Inc.†	53,126	51,287
	Retail — 4.8%		
7,200	Collective Brands Inc.†	75,240	131,832
13,000	Shutterfly Inc.†	129,628	124,930
20,140	Wendy's/Arby's Group Inc., Cl. A	234,310	105,936
		439,178	362,698

See accompanying notes to financial statements.

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Specialty Chemicals — 8.4%		
3,900	Arch Chemicals Inc.	$ 118,927	$ 137,670
8,340	Ferro Corp.	151,313	167,634
1,660	FMC Corp.	60,332	85,307
2,000	NewMarket Corp.	123,302	105,120
8,200	Penford Corp.	116,995	145,058
		570,869	640,789
	Telecommunications — 0.9%		
11,400	HickoryTech Corp.	109,915	66,234
	TOTAL COMMON STOCKS	7,485,491	7,554,941
Principal Amount			
	U.S. GOVERNMENT OBLIGATIONS — 1.7%		
$132,000	U.S. Treasury Bill, 0.284%††, 11/06/08	131,963	131,918
	TOTAL INVESTMENTS — 101.2%	$7,617,454	7,686,859
	Other Assets and Liabilities (Net) — (1.2)%		(91,241)
	NET ASSETS — 100.0%		$7,595,618

† Non-income producing security.
†† Represents annualized yield at date of purchase.

See accompanying notes to financial statements.

The Gabelli Woodland Small Cap Value Fund

Statement of Assets and Liabilities
September 30, 2008

Assets:	
Investments, at value (cost $7,617,454)	$7,686,859
Receivable for Fund shares sold	2,049
Dividends receivable	5,782
Prepaid expenses	17,196
Total Assets	7,711,886
Liabilities:	
Payable to custodian	61,666
Payable for Fund shares redeemed	1,500
Payable for investment advisory fees	8,772
Payable for distribution fees	1,729
Payable for legal and audit fees	28,525
Payable for shareholder communications expenses	10,465
Other accrued expenses	3,611
Total Liabilities	116,268
Net Assets applicable to 817,641 shares outstanding	$7,595,618
Net Assets Consist of:	
Paid-in capital, each class at $0.001 par value	$7,225,701
Accumulated net realized gain on investments	300,512
Net unrealized appreciation on investments	69,405
Net Assets	$7,595,618
Shares of Capital Stock:	
Class AAA:	
Net Asset Value, offering, and redemption price per share ($7,326,475 ÷ 787,945 shares outstanding; 100,000,000 shares authorized)	$9.30
Class A:	
Net Asset Value and redemption price per share ($51,095 ÷ 5,455 shares outstanding; 50,000,000 shares authorized)	$9.37
Maximum offering price per share (NAV ÷ .9425, based on maximum sales charge of 5.75% of the offering price)	$9.94
Class B:	
Net Asset Value and offering price per share ($158.69 ÷ 17.25 shares outstanding; 50,000,000 shares authorized)	$9.20(a)
Class C:	
Net Asset Value and offering price per share ($145,798 ÷ 16,484 shares outstanding; 50,000,000 shares authorized)	$8.84(a)
Class I:	
Net Asset Value, offering, and redemption price per share ($72,091 ÷ 7,740 shares outstanding; 50,000,000 shares authorized)	$9.31

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

Statement of Operations
For the Year Ended September 30, 2008

Investment Income:	
Dividends	$ 86,390
Interest	10,968
Total Investment Income	97,358
Expenses:	
Investment advisory fees	80,681
Distribution fees – Class AAA	19,430
Distribution fees – Class A	135
Distribution fees – Class B	2
Distribution fees – Class C	1,996
Registration expenses	30,844
Shareholder communications expenses	21,986
Legal and audit fees	21,546
Shareholder services fees	12,159
Custodian fees	9,638
Interest expense	713
Directors' fees	262
Miscellaneous expenses	5,238
Total Expenses Before Fees Waived and Expenses Reimbursed by Adviser	204,630
Less:	
Fees waived and expenses reimbursed by Adviser	(41,151)
Custodian fee credits	(132)
Net Expenses	163,347
Net Investment Loss	(65,989)
Net Realized and Unrealized Gain/(Loss) on Investments:	
Net realized gain on investments	369,935
Net change in unrealized appreciation/(depreciation) on investments	(1,505,525)
Net Realized and Unrealized Loss on Investments	(1,135,590)
Net Decrease in Net Assets Resulting from Operations	$(1,201,579)

See accompanying notes to financial statements.

The Gabelli Woodland Small Cap Value Fund

Statement of Changes in Net Assets

	Year Ended September 30, 2008	Year Ended September 30, 2007
Operations:		
Net investment income/(loss)	$ (65,989)	$ 34,514
Net realized gain on investments	369,935	1,560,963
Net change in unrealized appreciation/(depreciation) on investments	(1,505,525)	267,092
Net Increase/(Decrease) in Net Assets Resulting from Operations	(1,201,579)	1,862,569
Distributions to Shareholders:		
Net investment income		
Class AAA	—	(39,316)
Class A	—	(73)
	—	(39,389)
Net realized gain on investments		
Class AAA	(1,262,098)	(2,044,419)
Class A	(9,144)	(10,469)
Class B	(26)	(37)
Class C	(43,337)	(99,535)
	(1,314,605)	(2,154,460)
Total Distributions to Shareholders	(1,314,605)	(2,193,849)
Capital Share Transactions:		
Class AAA	703,505	214,548
Class A	3,296	(40,999)
Class B	27	36
Class C	(69,071)	(103,753)
Class I	73,953	—
Net Increase in Net Assets from Capital Share Transactions	711,710	69,832
Redemption Fees	1	9
Net Decrease in Net Assets	(1,804,473)	(261,439)
Net Assets:		
Beginning of period	9,400,091	9,661,530
End of period (including undistributed net investment income of $0 and $0, respectively)	$ 7,595,618	$ 9,400,091

See accompanying notes to financial statements.

The Gabelli Woodland Small Cap Value Fund
Financial Highlights

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

		Income from Investment Operations			Distributions						Ratios to Average Net Assets/Supplemental Data				
Period Ended September 30	Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)(b)	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gain on Investments	Total Distributions	Redemption Fees(a)	Net Asset Value, End of Period	Total Return†	Net Assets End of Period (in 000's)	Net Investment Income (Loss)(b)	Expenses Net of Waivers/ Reimburse-ments(c)	Expenses Before Waivers/ Reimburse-ments(d)	Portfolio Turnover Rate††
Class AAA															
2008	$12.61	$(0.08)	$(1.43)	$(1.51)	—	$(1.80)	$(1.80)	$0.00(e)	$ 9.30	(13.20)%	$ 7,327	(0.80)%	2.01%(f)	2.52%	58%
2007	13.35	0.05	2.44	2.49	$(0.06)	(3.17)	(3.23)	0.00(e)	12.61	20.71	9,040	0.38	2.01(f)	2.33	51
2006	14.64	(0.12)	0.07	(0.05)	—	(1.24)	(1.24)	0.00(e)	13.35	(0.35)	9,137	(0.84)	2.01(f)	2.31	59
2005	12.79	(0.11)	2.69	2.58	—	(0.73)	(0.73)	0.00(e)	14.64	20.67	11,839	(0.78)	2.01	2.99	35
2004	10.58	(0.14)	2.38	2.24	—	(0.03)	(0.03)	—	12.79	21.22	3,388	(1.14)	2.00	5.94	45
Class A															
2008	$12.69	$(0.08)	$(1.44)	$(1.52)	—	$(1.80)	$(1.80)	$0.00(e)	$ 9.37	(13.19)%	$ 51	(0.80)%	2.01%(f)	2.52%	58%
2007	13.36	0.13	2.39	2.52	$(0.02)	(3.17)	(3.19)	0.00(e)	12.69	20.94	65	1.00	2.01(f)	2.33	51
2006	14.65	(0.12)	0.07	(0.05)	—	(1.24)	(1.24)	0.00(e)	13.36	(0.36)	100	(0.83)	2.01(f)	2.31	59
2005	12.79	(0.09)	2.68	2.59	—	(0.73)	(0.73)	0.00(e)	14.65	20.76	108	(0.68)	2.01	3.17	35
2004	10.57	(0.14)	2.39	2.25	—	(0.03)	(0.03)	—	12.79	21.34	47	(1.16)	2.00	5.94	45
Class B															
2008	$12.60	$(0.16)	$(1.44)	$(1.60)	—	$(1.80)	$(1.80)	—	$ 9.20	(14.04)%	$ 0.2	(1.68)%	2.76%(f)	3.27%	58%
2007	13.37	(0.09)	2.49	2.40	—	(3.17)	(3.17)	$0.00(e)	12.60	19.73	0.1	(0.68)	2.76(f)	3.07	51
2006	14.77	(0.25)	0.09	(0.16)	—	(1.24)	(1.24)	0.00(e)	13.37	(1.19)	0.1	(1.77)	2.76(f)	3.06	59
2005	12.98	(0.21)	2.73	2.52	—	(0.73)	(0.73)	0.00(e)	14.77	19.86	0.1	(1.50)	2.75	3.87	35
2004	10.59	0.02	2.40	2.42	—	(0.03)	(0.03)	—	12.98	22.91	0.1	0.18	2.75	6.69	45
Class C															
2008	$12.16	$(0.15)	$(1.37)	$(1.52)	—	$(1.80)	$(1.80)	$0.00(e)	$ 8.84	(13.86)%	$ 146	(1.58)%	2.76%(f)	3.27%	58%
2007	13.00	(0.03)	2.36	2.33	—	(3.17)	(3.17)	0.00(e)	12.16	19.84	295	(0.26)	2.76(f)	3.08	51
2006	14.39	(0.21)	0.06	(0.15)	—	(1.24)	(1.24)	0.00(e)	13.00	(1.11)	425	(1.58)	2.76(f)	3.06	59
2005	12.66	(0.20)	2.66	2.46	—	(0.73)	(0.73)	0.00(e)	14.39	19.91	189	(1.46)	2.76	3.87	35
2004	10.55	(0.23)	2.37	2.14	—	(0.03)	(0.03)	—	12.66	20.33	41	(1.88)	2.75	6.69	45
Class I															
2008(g)	$ 9.41	$(0.03)	$(0.07)	$(0.10)	—	—	—	$0.00(e)	$ 9.31	(1.06)%	$ 72	(0.44)%(h)	1.76%(f)(h)	2.27%(h)	58%

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

†† Effective in 2008, a change in accounting policy was adopted with regard to the calculation of the portfolio turnover rate to include cash due to mergers. Had this policy been adopted retroactively, the portfolio turnover rate for the fiscal years ended September 30, 2007, 2006, 2005, and 2004 would have been as shown.

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

(b) Due to capital share activity throughout the fiscal year, net investment income per share and the ratio to average net assets are not necessarily correlated among the different classes of shares.

(c) The ratios do not include a reduction of expenses for custodian fee credits on cash balances maintained with the custodian. Including such custodian fee credits, the expense ratios for the fiscal year ended September 30, 2005 would have been 2.00% (Class AAA), 2.00% (Class A), 2.75% (Class B), and 2.75% (Class C), respectively. For the fiscal years ended September 30, 2008, 2007, 2006, and 2004, the effect of the custodian fee credits was minimal.

(d) During the period, expenses were voluntarily reduced and/or reimbursed. If such fee reductions and/or reimbursements had not occurred, the ratio would have been as shown.

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

(f) The Fund incurred interest expense during fiscal years ended September 30, 2008, 2007, and 2006. If interest expense had not been incurred, the ratios of operating expenses to average net assets would have been 2.00%, 2.00%, and 2.00% (Class AAA), 2.00%, 2.00%, and 2.00% (Class A), 2.75%, 2.75%, and 2.75% (Class B), 2.75%, 2.75%, and 2.75% (Class C), and 1.75% (Class I), respectively.

(g) From the commencement of offering Class I Shares on January 11, 2008 through September 30, 2008.

(h) Annualized.

See accompanying notes to financial statements.

1. Organization. The Gabelli Woodland Small Cap Value Fund (the “Fund”) is a series of Gabelli Equity Series Funds, Inc. (the “Corporation”), which was organized on July 25, 1991 as a Maryland corporation. The Fund is a non-diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), and one of three separately managed portfolios (collectively, the “Portfolios”) of the Corporation. The Fund’s primary objective is capital appreciation. The Fund’s Adviser currently characterizes small capitalization companies for the Fund as those with a total market value at the time of investment not greater than that of the largest company in the Russell 2000 Index or $3.0 billion, whichever is greater. The Fund commenced investment operations on December 31, 2002.

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

Security Valuation. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market’s official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of 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 60 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 60 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 to the valuation and changes in valuation of similar securities, including a comparison of foreign securities to the equivalent U.S. dollar value American Depositary Receipts securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

Statement of Financial Accounting Standard No. 157, “Fair Value Measurements” (“SFAS 157”) clarifies the definition of fair value and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. Adoption of SFAS 157 requires the use of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. As of September 30, 2008, the Fund does not believe the adoption of SFAS 157 will impact the amounts reported in the financial statements.

In March 2008, the Financial Accounting Standards Board (the “FASB”) issued Statement of Financial Accounting Standard No. 161, “Disclosures about Derivative Instruments and Hedging Activities” (“SFAS 161”) that is effective for fiscal years beginning after November 15, 2008. SFAS 161 is intended to improve financial reporting for derivative instruments by requiring enhanced disclosure that enables investors to understand how and why an entity uses derivatives, how derivatives are accounted for, and how derivative instruments affect an entity’s results of operations and financial position. Management is currently evaluating the implications of SFAS 161 on the Fund’s financial statement disclosures.

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. The Fund will always receive and maintain securities as collateral whose market value, including accrued interest, will be 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 September 30, 2008, there were no open repurchase agreements.

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 equal to 2.00% above the federal funds rate on outstanding balances. This amount, if any, would be shown as "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. These reclassifications have no impact on the NAV of the Fund. For the fiscal year ended September 30, 2008, reclassifications were made to increase accumulated net investment loss by $65,989 and decrease accumulated net realized gain on investments by $13,654, with an offsetting adjustment to additional paid-in capital.

The tax character of distributions paid during the fiscal years ended September 30, 2008 and September 30, 2007 was as follows:

Distributions paid from:	**Year Ended September 30, 2008**	**Year Ended September 30, 2007**
Ordinary income		
(inclusive of short-term capital gains) . . .	$ 28,446	$ 320,582
Net long-term capital gains	1,286,159	1,873,267
Total distributions paid	$1,314,605	$2,193,849

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 September 30, 2008, the components of accumulated earning/losses on tax basis were as follows:

Undistributed long-term capital gains	$313,534
Net unrealized appreciation	56,383
Total accumulated earnings	$369,917

At September, 30, 2008, the difference between book and tax basis unrealized appreciation is primarily due to deferral of losses on wash sales.

The following summarizes the tax cost of investments and the related unrealized appreciation/depreciation at September 30, 2008:

	Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
Investments	$7,630,476	$830,890	$(774,507)	$56,383

The Fund has adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Trust's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold are recorded as a tax benefit or expense in the current year. The adoption of FIN 48 did not result in the recording of any tax benefit or expense in the current period.

As of and during the year ended September 30, 2008, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statement of operations. During the period, the Fund did not incur any interest or penalties. Each of the tax years in the three-year period ended September 30, 2008, remains subject to examination by the Internal Revenue Service and state tax authorities. Management's determination regarding FIN 48 may be subject to review and adjustment at a later date based on factors including, but not limited to, an on-going analysis of tax laws, regulations and interpretations thereof.

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

The Adviser has contractually agreed to waive its fees and reimburse expenses of the Fund to the extent necessary to maintain the annualized total operating expenses (exclusive of brokerage fees, interest, taxes, and extraordinary expenses) at 2.00%, 2.00%, 2.75%, 2.75%, and 1.75% of the value of the Fund's average daily net assets for Class AAA, Class A, Class B, Class C, and Class I Shares, respectively, through September 30, 2009. For the fiscal year ended September 30, 2008, the Adviser reimbursed the Fund in the amount of $41,151. The Fund is obliged to repay the Adviser for a period of two fiscal years following the fiscal year in which the Adviser reimbursed the Fund only to the extent that the operating expenses of the Fund fall below the applicable expense limitations. At September 30, 2008, the cumulative amount which the Fund may repay the Adviser is $71,738.

The Corporation pays each Director who is not considered to be an affiliated person an annual retainer of $9,000 plus $1,000 for each Board meeting attended and they are reimbursed for any out of pocket expenses incurred in attending meetings. All Board committee members receive $500 per meeting attended and the Chairman of the Audit Committee and the Lead Director each receives an annual fee of $1,000. 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 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 proceeds from the sales of securities for the fiscal year ended September 30, 2008, other than short-term securities and U.S. Government obligations, aggregated $4,294,833 and $4,631,987, respectively.

Purchases and proceeds from the sales of U.S. Government obligations for the fiscal year ended September 30, 2008, other than short-term obligations, aggregated $178,559 and $177,625, respectively.

6. Transactions with Affiliates. During the fiscal year ended September 30, 2008, Gabelli & Company informed the Fund that it received $224 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

7. Line of Credit. The Fund participates in an unsecured line of credit of up to $75,000,000, and may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bear interest at 0.75% above the federal funds rate on outstanding balances. This amount, if any, is shown as "interest expense" in the Statement of Operations. During the fiscal year ended September 30, 2008, there were no borrowings under the line of credit.

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

The 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 fiscal years ended September 30, 2008 and September 30, 2007 amounted to $1 and $9, 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 capital stock were as follows:

	Year Ended September 30, 2008		Year Ended September 30, 2007	
	Shares	Amount	Shares	Amount
	Class AAA		Class AAA	
Shares sold	66,401	$ 658,099	37,674	$ 483,712
Shares issued upon reinvestment of distributions	124,080	1,259,410	168,367	1,958,111
Shares redeemed	(119,232)	(1,214,004)	(173,852)	(2,227,275)
Net increase	71,249	$ 703,505	32,189	$ 214,548
	Class A		Class A	
Shares sold	343	$ 3,299	1,239	$ 16,152
Shares issued upon reinvestment of distributions	895	9,144	902	10,542
Shares redeemed	(874)	(9,147)	(4,553)	(67,693)
Net increase/(decrease)	364	$ 3,296	(2,412)	$ (40,999)
	Class B		Class B	
Shares issued upon reinvestment of distributions	2	$ 27	3	$ 36
Net increase	2	$ 27	3	$ 36
	Class C		Class C	
Shares sold	282	$ 3,502	810	$ 9,500
Shares issued upon reinvestment of distributions	4,463	43,337	8,824	99,535
Shares redeemed	(12,531)	(115,910)	(18,030)	(212,788)
Net decrease	(7,786)	$ (69,071)	(8,396)	$ (103,753)
	Class I*			
Shares sold	8,531	$ 81,394		
Shares redeemed	(791)	(7,441)		
Net increase	7,740	$ 73,953		

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

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 to be 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. 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 Adviser or its ability to fulfill its obligations under the Advisory Agreement.

In a separate matter, in August 2008, the Adviser, while neither admitting nor denying the SEC's findings and allegations, made an offer to the staff of the SEC to settle a previously disclosed matter concerning compliance with Section 19(a) and Rule 19a-1 of the 1940 Act by two closed-end funds managed by the Adviser. These provisions require registered investment companies to provide written statements to shareholders when a distribution is made in the nature of a dividend from a source other than net investment income. While the two funds sent annual statements and provided other materials containing this information, the funds did not send the notices required by Rule 19a-1 to shareholders with each distribution in 2002 and 2003. The Adviser believes that the funds have been in compliance with Rule 19a-1 since that time. The Adviser believes that the settlement would have no effect on the funds or any material adverse effect on the Adviser or its ability to manage the funds. This offer of settlement is subject to final agreement regarding the specific language of the SEC's administrative order and other settlement documents and approval by the SEC.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
The Gabelli Woodland Small Cap Value Fund

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Gabelli Woodland Small Cap Value Fund (the “Fund”), a series of Gabelli Equity Series Funds, Inc., as of September 30, 2008, 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 periods indicated therein. 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 September 30, 2008, by correspondence with the Fund’s custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. 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 Woodland Small Cap Value Fund, a series of Gabelli Equity Series Funds, Inc., at September 30, 2008, 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 its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Philadelphia, Pennsylvania
November 19, 2008

The Gabelli Woodland Small Cap Value Fund
Additional Fund Information (Unaudited)

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

Name, Position(s) Address[1] and Age	Term of Office and Length of Time Served[2]	Number of Funds in Fund Complex Overseen by Director	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director[3]
INTERESTED DIRECTORS[4]:				
Mario J. Gabelli Director and Chief Investment Officer Age: 66	Since 1991	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)
John D. Gabelli Director Age: 64	Since 1991	10	Senior Vice President of Gabelli & Company, Inc.	Director of GAMCO Investors, Inc. (asset management)
INDEPENDENT DIRECTORS[5]:				
Anthony J. Colavita Director Age: 72	Since 1991	37	Partner in the law firm of Anthony J. Colavita, P.C.	—
Vincent D. Enright Director Age: 64	Since 1991	17	Former Senior Vice President and Chief Financial Officer of KeySpan Corporation (public utility)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics)
Robert J. Morrissey Director Age: 69	Since 1991	6	Partner in the law firm of Morrissey, Hawkins & Lynch	—
Anthony R. Pustorino Director Age: 83	Since 1991	14	Certified Public Accountant; Professor Emeritus, Pace University	Director of The LGL Group, Inc. (diversified manufacturing)
Anthonie C. van Ekris Director Age: 74	Since 1991	20	Chairman of BALMAC International, Inc. (commodities and futures trading)	—
Salvatore J. Zizza Director Age: 62	Since 2001	28	Chairman of Zizza & Company, Ltd. (consulting)	Director of Hollis-Eden Pharmaceuticals (biotechnology); Director of Earl Scheib, Inc. (automotive services)

Name, Position(s) Address[1] and Age	Term of Office and Length of Time Served[2]	Principal Occupation(s) During Past Five Years
OFFICERS:		
Bruce N. Alpert President and Secretary Age: 56	Since 1991	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. (formerly Gabelli Advisers, Inc.) since 1998
Agnes Mullady Treasurer Age: 50	Since 2006	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; Chief Financial Officer of AMIC Distribution Partners from 2002 through 2004; Controller of Reserve Management Corporation and Reserve Partners, Inc.
Peter D. Goldstein Chief Compliance Officer Age: 55	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; Vice President of Goldman Sachs Asset Management from 2000 through 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.

[4] "Interested person" of the Fund as defined in the Investment Company Act of 1940. Messrs. Gabelli are each considered an "interested person" because of their affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser. Mario J. Gabelli and John D. Gabelli are brothers.

[5] Directors who are not interested persons are considered "Independent" Directors.

2008 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the fiscal year ended September 30, 2008, the Fund paid to shareholders ordinary income dividends (comprised of short-term capital gains) totaling $0.04 per share for Class AAA, Class A, Class B, and Class C, respectively, and long-term capital gains totaling $1,286,159. The distributions of long-term capital gains have been designated as Capital Gain Dividends by the Fund's Board of Directors. For the fiscal year ended September 30, 2008, 40.30% of the ordinary income dividend qualifies for the dividends received deduction available to corporations. The Fund designates 60.84% of the ordinary income distribution as qualified dividend income, pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund designates 100% of the ordinary income distribution as qualified short-term gain, pursuant to the American Jobs Creation Act of 2004.

U.S. Government Income:

The percentage of the ordinary income dividend paid by the Fund during fiscal year 2008 which was derived from U.S. Treasury securities was 0.94%. 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 Woodland Small Cap Value Fund did not meet this strict requirement in 2008. 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.

Gabelli Equity Series Funds, Inc.

The Gabelli Woodland Small Cap Value Fund

One Corporate Center
Rye, New York 10580-1422

800-GABELLI
800-422-3554
fax: 914-921-5118
website: www.gabelli.com
e-mail: info@gabelli.com

Net Asset Value per share available daily by calling
800-GABELLI after 6:00 P.M.

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

GAB840Q308SR

The Gabelli Woodland Small Cap Value Fund

ANNUAL REPORT
SEPTEMBER 30, 2008