

Gabelli Enterprise Mergers & Acquisitions Fund

Quarter End • June 30, 2010

Fund Characteristics

- The primary investment objective of the Gabelli Enterprise Mergers and Acquisitions Fund is capital appreciation.
- The Fund combines traditional risk arbitrage techniques with a buy-and-hold component for companies believed to be likely takeover targets within 12 to 18 months.
- The Fund seeks arbitrage opportunities by investing in the equity securities of companies involved in publicly announced mergers, takeovers, tender offers, leveraged buyouts, spin-offs, liquidations and other corporate reorganizations.

Portfolio Management



Mario J. Gabelli, CFA is Chairman, Chief Executive Officer and Chief Investment Officer of Value Products for GAMCO Investors, Inc., which he founded in 1977. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA Degree from Columbia University Graduate School of Business, and an Honorary Doctorate Degree from Roger Williams University in Rhode Island.

SHARE CLASSES

Class AAA	
Symbol	EAAAX
Cusip	362402109

Class A	
Symbol	EMAAX
Cusip	29372K625

Class C	
Symbol	EMACX
Cusip	29372K591

Class Y	
Symbol	EMAYX
Cusip	29372K583

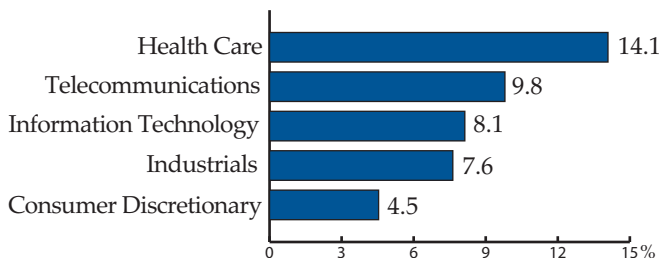
Portfolio Highlights

Total Net Assets	\$198 million
Number of Holdings	174
NAV (Class AAA)	\$9.54
Expense Ratio (Class AAA)	1.54%
Turnover	97%
Inception Date	2/28/01

Top Ten Holdings

Millipore Corp.	6.5%
Sybase Inc.	4.2
CyberSource Corp.	3.9
EV3 Corp.	3.4
Phase Forward Inc.	3.0
Herley Industries Inc.	2.0
SenoRx Inc.	1.9
DynCorp International Inc.	1.6
Sperian Protection	1.6
Myers Industries Inc.	1.5

Top Sectors - % of Portfolio



The top ten holdings and sectors listed are not necessarily representative of the entire portfolio and are subject to change. The most recent quarterly report, which contains a more extensive list of holdings, is available from your Financial Advisor or by contacting the distributor, Gabelli & Company, Inc.

Overall Morningstar Rating™



Morningstar rated this fund (Class A) 4 stars for the overall period out of 364 Funds. Morningstar rated this fund 5 stars for the 3-year and 4 stars for the 5-year periods, among 364 and 307 Mid-Cap Blend Funds, respectively, based on risk-adjusted return. The Overall Morningstar Rating for this fund is derived from a weighted average of the performance figures associated with its 3 and 5-year, if applicable, Morningstar Rating metrics.

The Fund's share price will fluctuate with changes in the market value of the Fund's portfolio securities. Stocks are subject to market, economic and business risks that cause their prices to fluctuate. When you sell Fund shares, they may be worth less than what you paid for them. Consequently, you can lose money by investing in the Fund.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. The prospectus, which contains more complete information about this and other matters, should be read carefully before investing.

Important information including performance history on reverse.

Performance

Average Annual Returns as of 6/30/10

	1 Yr	3 Yr	5 Yr	Inception	
At NAV					
Class AAA	15.03%	-4.45%	1.87%	3.37%	
Class A	15.15	-4.42	1.89	3.39	
Class C	14.47	-4.96	1.32	2.81	
Class Y	15.73	-3.99	2.35	3.85	
Load Adjusted					
Class A	8.53	-6.29	0.69	2.73	
Class C	13.47	-4.96	1.32	2.81	
S&P 500 Index					
	14.43	-9.80	-0.79	-0.08	
		Class AAA	Class A	Class C	Class Y
Gross Expense Ratio^{1*}		1.54%	1.74%	2.29%	1.29%
Maximum Sales Charge		None	5.75%	1.00%	None

¹Expense ratio based on the prospectus dated March 1, 2010.

Total Return Performance History

	Class A Shares*	S&P 500 Index
2010 YTD	-0.7%	-6.6%
2009	24.6	26.5
2008	-26.7	-37.0
2007	2.2	5.5
2006	15.2	15.8
2005	4.6	4.9
2004	6.4	10.9
2003	15.5	28.7
2002	-3.3	-22.1
2001**	2.2	-6.4

*At NAV.

**From inception on 2/28/01.

Past performance is no guarantee of future results. Total return and average annual returns are historical and reflect changes in share price, reinvestment of dividends and capital gains and are net of expenses. Due to market volatility, current performance may be lower or higher than the figures shown. Investment return and principal value will fluctuate so, upon redemption, shares may be worth more or less than their original cost. To obtain the most recent month end performance information and a prospectus, please call 800-GABELLI or visit www.gabelli.com/funds.

The inception date of the Fund was February 28, 2001. The Class AAA Shares inception date is March 1, 2010. The historical performance of Class A Shares is used to calculate performance for the Class AAA Shares prior to its inception date. Performance for periods less than one year is not annualized. Class A Shares (load adjusted) includes the effect of the maximum 5.75% sales charge at the beginning of the period. Class C Shares (load adjusted) includes the effect of the applicable 1% contingent deferred sales charge at the end of the one year period. Class Y Shares are available only to certain types of investors purchasing \$1,000,000 or more with certain exceptions. See prospectus for details. The Fund imposes a 2% redemption fee on shares sold or exchanged in seven days or less after the date of purchase. The S&P 500 Index is an unmanaged indicator of stock market performance and is adjusted for reinvestment of dividends. Minimum initial investment \$1,000.

The Fund may invest in foreign securities. Investing in foreign securities involves risks not ordinarily associated with investment in domestic issues including currency fluctuations, economic and political risks. The Fund may invest in small and mid capitalization securities. Small capitalization stocks are subject to significant price fluctuations and business risks. The stocks of smaller companies may trade less frequently and experience more abrupt price movements than stocks of larger companies; therefore, investing in this sector involves special challenges. The Gabelli Enterprise Mergers and Acquisitions Fund is a non-diversified fund, which means that it can invest in a limited number of issuers.

The Fund may use derivatives. Use of derivatives pose special risks and may not be suitable for certain investors. Derivatives may be riskier than other types of investments because they may respond more to changes in economic conditions than other investments. Effective March 11, 2008, Gabelli Funds LLC became the Investment Adviser for the Fund. Previously, an affiliate (GAMCO Investors, Inc.) was the sub-adviser.

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 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.) The Overall Morningstar Rating for a fund is derived from a weighted-average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. Morningstar Ratings are for the share classes cited only; other classes may have different performance characteristics and different Morningstar ratings. Most of the funds above offer four classes of shares, each with a different combination of sales charges, ongoing fees and other features. The Fund may invest in foreign securities. Investing in foreign securities involves risks not ordinarily associated with investment in domestic issues including currency fluctuations, economic and political risks.

Not FDIC Insured. Not Bank Guaranteed. May Lose Value.

Distributed by Gabelli & Company, Inc. One Corporate Center, Rye, NY 10580

For a prospectus, current performance and additional information, visit our website at: www.gabelli.com/funds or call **800-GABELLI**