

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 I

Symbol	EMAYX
Cusip	29372K583

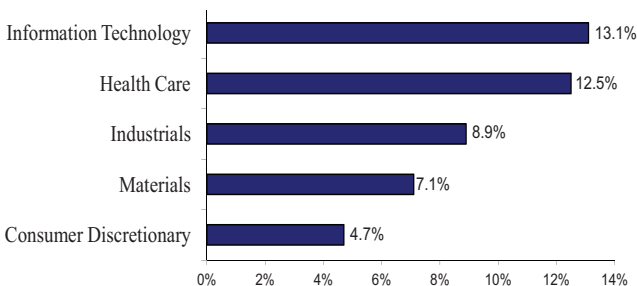
PORTFOLIO HIGHLIGHTS 12/31/11

Total Net Assets	\$162 million
Number of Holdings	185
NAV (Class AAA)	\$10.56
Expense Ratio (Class AAA)	1.51%
Turnover	31%
Inception Date	2/28/01

TOP TEN HOLDINGS

Goodrich Corp.	4.8%
Pharmasset Inc.	4.5
SuccessFactors Inc.	4.0
Temple-Inland Inc.	4.0
NetLogic Microsystems Inc.	3.4
HealthSpring Inc.	2.9
Myers Industries Inc.	1.8
RightNow Technologies Inc.	1.4
Yahoo! Inc.	1.2
Progress Energy Inc.	1.1

TOP EQUITY 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 semiannual report, which contains a more extensive list of holdings, is available from your Financial Advisor or by visiting www.gabelli.com.

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.

Gabelli Enterprise Mergers & Acquisitions Fund

PERFORMANCE

Average Annual Returns through December 31, 2011							Total Return Performance History		
	1 Yr	5 Yr	10 Yr	Inception	Gross Expense Ratio ¹	Maximum Sales Charge		Class A Shares*	S&P 500 Index
At NAV							2011	0.9%	2.1%
Class AAA	1.15%	0.62%	3.97%	3.87%	1.51%	None	2010	8.4	15.1
Class A	0.86%	0.55%	3.93%	3.83%	1.71%	5.75%	2009	25.5	26.5
Class C	0.30%	-0.01%	3.36%	3.26%	2.26%	1.00%	2008	-26.7	-37.0
Class Y	1.30%	1.00%	4.41%	4.30%	1.26%	None	2007	2.2	5.5
Load Adjusted							2006	15.2	15.8
Class A	-4.94%	-0.64%	3.32%	3.27%			2005	4.6	4.9
Class C	-0.70%	-0.01%	3.36%	3.26%			2004	6.3	10.9
S&P 500							2003	15.5	28.7
	2.11%	-0.25%	2.92%	2.07%			2002	-3.3	-22.1
							2001**	2.2	-6.4

¹ Expense ratio based on prospectus dated February 28, 2011.

* 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.

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 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. 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. 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.

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

Distributed by G.distributors, LLC. One Corporate Center, Rye, NY 10580-1422

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