

Gabelli Equity Income Fund

FUND CHARACTERISTICS

- The Gabelli Equity Income Fund seeks to provide a high level of total return with an emphasis on current income.
- The Fund focuses on issuers that are well-managed, have strong free cash flow, and will benefit from sustainable long-term economic dynamics, such as globalization of an issuer's industry or an issuer's increased focus on productivity or enhancement of services.
- The Fund's Adviser looks for equity securities that have a better yield than the average of the the Standard & Poors 500 Stock Index, as well as potential for capital gains.

Share Classes

Class AAA

Symbol GABEX

Cusip 36239T202

Class A

Symbol GCAEX

Cusip 36239T707

Class C

Symbol GCCEX

Cusip 36239T889

Class I

Symbol GCIEX

Cusip 36239T848

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.

PORTFOLIO HIGHLIGHTS 12/31/11

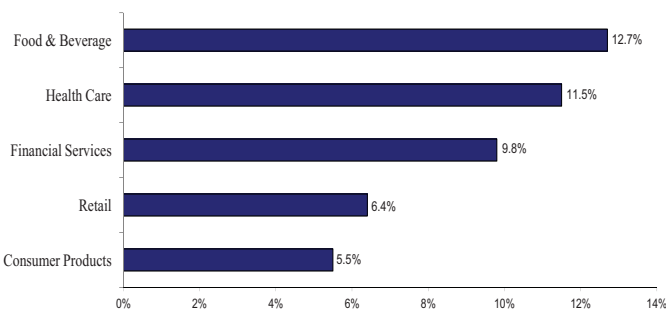
Total Net Assets	\$2.0 billion
Number of Holdings	365
NAV (Class AAA)	\$20.46
Expense Ratio (Class AAA)	1.44%
Turnover	14%
Inception Date	1/2/92

Overall Morningstar Rating™



Morningstar rated this fund (Class AAA) 5 stars for the overall period out of 1,127 Funds. Morningstar rated this fund 5 stars for the 3 year, 5 year and 10 year periods, among 1127, 996, and 571 Large Value 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, 5 and 10 year, if applicable, Morningstar Rating metrics.

TOP SECTORS % OF PORTFOLIO



TOP TEN HOLDINGS

Swedish Match AB	2.2%
Kraft Foods Inc.	1.9
Coca-Cola Co.	1.8
International Business Machines Corp.	1.8
Genuine Parts Co.	1.6
Boeing Co.	1.6
Pfizer Inc.	1.4
Deere & Co.	1.2
CVS Caremark Corp.	1.2
Rockwell Automation Inc.	1.2

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 Equity Income Fund

PERFORMANCE

Average Annual Returns through December 31, 2011

	1 Yr	5 Yr	10 Yr	Inception	Gross Expense Ratio ¹	Maximum Sales Charge
At NAV						
Class AAA	1.75%	1.71%	6.32%	9.68%	1.44%	None
Class A	1.75%	1.73%	6.32%	9.68%	1.44%	5.75%
Class C	1.02%	0.96%	5.70%	9.36%	2.19%	1.00%
Class I	1.98%	1.93%	6.44%	9.74%	1.19%	None
Load Adjusted						
Class A	-4.10%	0.53%	5.69%	9.36%		
Class C	0.02%	0.96%	5.70%	9.36%		
S&P 500	2.11%	-0.25%	2.92%	7.81%		

¹ Expense ratio based on prospectus dated January 31, 2011.

Total Return Performance History

	Class AAA Shares	S&P 500 Index	Lipper Equity Inc. Fund Avg.
2011	1.8%	2.1%	2.7%
2010	17.0	15.1	14.0
2009	29.1	26.5	22.9
2008	-35.0	-37.0	-33.8
2007	8.9	5.5	4.0
2006	19.2	15.8	18.5
2005	6.4	4.9	5.8
2004	13.0	10.9	12.8
2003	28.3	28.7	25.8
2002	-7.7	-22.1	-15.5
2001	-0.9	-11.9	-4.8
2000	11.3	-9.1	10.5
1999	9.3	21.0	4.1
1998	12.6	28.6	12.9
1997	27.9	33.4	27.0
1996	17.9	23.0	17.2
1995	28.3	37.5	31.4
1994	1.1	1.3	-1.1
1993	17.9	10.1	13.9
1992*	9.8	7.6	11.0

* From inception on 1/2/92.

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 January 2, 1992. The Class AAA Shares' net asset values are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2003, and Class I Shares on January 11, 2008. The actual performance for Class C Shares would have been lower and Class I Shares higher due to the different expenses associated with those classes of shares. Other share classes may have different performance characteristics. 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. 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. The Lipper Equity Income Fund Average reflects the average performance of mutual funds classified in this particular category.

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. The Fund above offers four classes of shares, each with a different combination of sales charges, ongoing fees and other features.

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

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

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