

# The Gabelli Asset Fund

## Third Quarter Report — September 30, 2011



Morningstar® rated The Gabelli Asset Fund Class AAA Shares 5 stars overall and 5 stars for the five and ten year periods and 4 stars for the three year period ended September 30, 2011 among 1,652, 1,408, 832, and 1,652 Large Blend funds, respectively. †



Mario J. Gabelli, CFA

### To Our Shareholders,

For the quarter ended September 30, 2011, the net asset value (“NAV”) per Class AAA Share of The Gabelli Asset Fund (the “Fund”) declined 16.9% compared with a decrease of 13.9% for the Standard & Poor’s (“S&P”) 500 Index.

Enclosed is the schedule of investments as of September 30, 2011.

### Comparative Results

|  | Average Annual Returns through September 30, 2011 (a) (Unaudited) |         |        |         | Since Inception (3/3/86) |
|--|---|---------|--------|---------|--------------------------|
|  | Quarter   | 1 Year  | 5 Year | 10 Year |                          |
| <b>Class AAA (GABAX)</b> .....               | (16.85)%  | (0.48)% | 1.91%  | 6.32%   | 11.50%                   |
| S&P 500 Index .....                          | (13.87)   | 1.14    | (1.18) | 2.82    | 8.98(e)                  |
| Dow Jones Industrial Average .....           | (11.49)   | 3.78    | 1.36   | 4.67    | 10.39(e)                 |
| Nasdaq Composite Index .....                 | (12.70)   | (2.99)  | 2.30   | 5.67    | 7.72(e)                  |
| <b>Class A (GATAX)</b> .....                 | (16.87)   | (0.51)  | 1.91   | 6.32    | 11.50                    |
| With sales charge (b) .....                  | (21.65)   | (6.23)  | 0.71   | 5.69    | 11.23                    |
| <b>Class B (GATBX)</b> .....                 | (17.01)   | (1.23)  | 1.11   | 5.69    | 11.24                    |
| With contingent deferred sales charge (c) .. | (21.16)   | (6.17)  | 0.73   | 5.69    | 11.24                    |
| <b>Class C (GATCX)</b> .....                 | (17.04)   | (1.25)  | 1.16   | 5.71    | 11.25                    |
| With contingent deferred sales charge (d) .. | (17.87)   | (2.24)  | 1.16   | 5.71    | 11.25                    |
| <b>Class I (GABIX)</b> .....                 | (16.83)   | (0.29)  | 2.09   | 6.41    | 11.54                    |



Kevin V. Dreyer



Christopher J. Marangi

**In the current prospectus dated April 29, 2011, the expense ratios for Class AAA, A, B, C, and I Shares are 1.38%, 1.38%, 2.13%, 2.13%, and 1.13%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A, B, and C Shares is 5.75%, 5.00%, and 1.00%, respectively.**

- (a) **Returns represent past performance and do not guarantee future results.** Total returns and average annual returns reflect changes in share price, 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 Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Current performance may be lower or higher than the performance data presented. Performance returns for periods of less than one year are not annualized. Visit [www.gabelli.com](http://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 information about these and other matters and should be read carefully before investing.** The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Dow Jones Industrial Average and the Nasdaq Composite Index are unmanaged indicators of stock market performance. Dividends are considered reinvested, except for the NASDAQ Composite Index. You cannot invest directly in an index. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares, Class B Shares, and Class C Shares on December 31, 2003 and Class I Shares on January 11, 2008. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares.
- (b) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.
- (c) Assuming payment of the maximum contingent deferred sales charge (CDSC). The maximum CDSC for Class B Shares is 5% and is gradually reduced to 0% after six years.
- (d) Assuming payment of the 1% maximum CDSC imposed on redemptions made within one year of purchase.
- (e) S&P 500 Index, Dow Jones Industrial Average, and Nasdaq Composite Index since inception performance are as of February 28, 1986.

† Morningstar Rating™ is based on risk-adjusted returns.

# The Gabelli Asset Fund

## Schedule of Investments — September 30, 2011 (Unaudited)

| Shares  | Market Value      | Shares  | Market Value       |
|---|-------------------|---|--------------------|
| <b>COMMON STOCKS — 96.3%</b>                        |                   |   |                    |
| <b>Aerospace — 1.2%</b>                             |                   |   |                    |
| 5,000 Lockheed Martin Corp. ....                    | \$ 363,200        | 20,000 Cogeco Inc. ....   | \$ 839,775         |
| 11,000 Northrop Grumman Corp. ....                  | 573,760           | 26,666 Corus Entertainment Inc., Cl. B, OTC .....                   | 501,718            |
| 2,200,000 Rolls-Royce Holdings plc† .....           | 20,412,625        | 13,334 Corus Entertainment Inc., Cl. B, Toronto .....               | 251,309            |
| 155,000 The Boeing Co. ....                         | 9,379,050         | 104,000 Fisher Communications Inc.† .....                           | 2,323,360          |
|   | <u>30,728,635</u> | 843 Granite Broadcasting Corp.† (a) .....                           | 0                  |
| <b>Agriculture — 0.7%</b>                           |                   | 215,000 Liberty Media Corp. - Liberty Capital, Cl. A† .....         | 14,215,800         |
| 490,000 Archer-Daniels-Midland Co. ....             | 12,156,900        | 64,000 Liberty Media Corp. - Liberty Starz, Cl. A† .....            | 4,067,840          |
| 74,058 Monsanto Co. ....                            | 4,446,442         | 190,000 LIN TV Corp., Cl. A† .....                                  | 414,200            |
| 9,000 Potash Corp of Saskatchewan Inc. ....         | 388,980           | 12,000 Naspers Ltd., Cl. N .....                                    | 521,598            |
| 29,000 The Mosaic Co. ....                          | 1,420,130         | 390,000 Television Broadcasts Ltd. ....                             | 2,143,463          |
|   | <u>18,412,452</u> | 140,000 Tokyo Broadcasting System Holdings Inc. ....                | 1,738,882          |
| <b>Automotive — 0.9%</b>                            |                   |   | <u>34,051,890</u>  |
| 310,000 Fiat Industrial SpA† .....                  | 2,352,795         | <b>Business Services — 1.7%</b>                                     |                    |
| 303,000 Ford Motor Co.† .....                       | 2,930,010         | 28,000 ACCO Brands Corp.† .....                                     | 133,560            |
| 15,000 General Motors Co.† .....                    | 302,700           | 38,000 Ascent Capital Group Inc., Cl. A† .....                      | 1,494,160          |
| 445,000 Navistar International Corp.† .....         | 14,293,400        | 203,000 Clear Channel Outdoor Holdings Inc., Cl. A† .....           | 1,900,080          |
| 101,250 PACCAR Inc. ....                            | 3,424,275         | 190,000 Ecolab Inc. ....  | 9,289,100          |
| 3,400 Volkswagen AG .....                           | 424,493           | 15,000 Edenred .....  | 360,526            |
|   | <u>23,727,673</u> | 22,000 Equinix Inc.† .....  | 1,954,260          |
| <b>Automotive: Parts and Accessories — 3.7%</b>     |                   | 61,000 Landauer Inc. ....   | 3,021,940          |
| 191,000 BorgWarner Inc.† .....                      | 11,561,230        | 380,987 Live Nation Entertainment Inc.† .....                       | 3,051,706          |
| 335,000 Brembo SpA .....                            | 2,989,108         | 25,000 Macquarie Infrastructure Co. LLC .....                       | 561,000            |
| 230,000 CLARCOR Inc. ....                           | 9,517,400         | 27,500 MasterCard Inc., Cl. A .....                                 | 8,721,900          |
| 340,000 Dana Holding Corp.† .....                   | 3,570,000         | 78,000 Monster Worldwide Inc.† .....                                | 560,040            |
| 62,000 Federal-Mogul Corp.† .....                   | 914,500           | 172,000 The Brink's Co. ....  | 4,009,320          |
| 580,000 Genuine Parts Co. ....                      | 29,464,000        | 795,000 The Interpublic Group of Companies Inc. ....                | 5,724,000          |
| 5,000 HUGHES Telematics Inc.† .....                 | 20,000            | 18,000 Visa Inc., Cl. A .....                                       | 1,542,960          |
| 394,000 Johnson Controls Inc. ....                  | 10,389,780        |   | <u>42,324,552</u>  |
| 175,000 Midas Inc.† .....                           | 1,435,000         | <b>Cable and Satellite — 7.5%</b>                                   |                    |
| 215,000 Modine Manufacturing Co.† .....             | 1,947,900         | 467,750 AMC Networks Inc., Cl. A† .....                             | 14,944,612         |
| 187,000 O'Reilly Automotive Inc.† .....             | 12,459,810        | 16,000 British Sky Broadcasting Group plc .....                     | 165,671            |
| 260,000 Standard Motor Products Inc. ....           | 3,372,200         | 1,862,000 Cablevision Systems Corp., Cl. A .....                    | 29,289,260         |
| 143,000 Superior Industries International Inc. .... | 2,209,350         | 10,000 Charter Communications Inc., Cl. A† .....                    | 468,400            |
| 92,000 Tenneco Inc.† .....                          | 2,356,120         | 224,000 Comcast Corp., Cl. A .....                                  | 4,681,600          |
|   | <u>92,206,398</u> | 340,000 Comcast Corp., Cl. A, Special .....                         | 7,034,600          |
| <b>Aviation: Parts and Services — 2.6%</b>          |                   | 11,000 DigitalGlobe Inc.† .....                                     | 213,730            |
| 1,103,000 BBA Aviation plc .....                    | 2,881,042         | 1,051,002 DIRECTV, Cl. A† .....                                     | 44,404,835         |
| 477,000 Curtiss-Wright Corp. ....                   | 13,751,910        | 422,000 DISH Network Corp., Cl. A† .....                            | 10,575,320         |
| 600,000 GenCorp Inc.† .....                         | 2,694,000         | 88,000 EchoStar Corp., Cl. A† .....                                 | 1,989,680          |
| 115,000 Kaman Corp. ....                            | 3,202,750         | 1,000 Jupiter Telecommunications Co. Ltd. ....                      | 1,082,588          |
| 274,000 Precision Castparts Corp. ....              | 42,596,040        | 227,000 Liberty Global Inc., Cl. A† .....                           | 8,212,860          |
|   | <u>65,125,742</u> | 228,000 Liberty Global Inc., Cl. C† .....                           | 7,891,080          |
| <b>Broadcasting — 1.4%</b>                          |                   | 1,068,000 Rogers Communications Inc., Cl. B, New York .....         | 36,536,280         |
| 322,500 CBS Corp., Cl. A, Voting .....              | 6,646,725         | 50,000 Rogers Communications Inc., Cl. B, Non-Voting, Toronto ..... | 1,711,518          |
| 19,000 CBS Corp., Cl. B, Non-Voting .....           | 387,220           | 282,000 Scripps Networks Interactive Inc., Cl. A .....              | 10,481,940         |
|   |                   | 150,000 Shaw Communications Inc., Cl. B, New York .....             | 3,030,000          |
|   |                   | 120,000 Shaw Communications Inc., Cl. B, Non-Voting, Toronto .....  | 2,434,583          |
|   |                   | 55,000 Time Warner Cable Inc. ....                                  | 3,446,850          |
|   |                   |   | <u>188,595,407</u> |

See accompanying notes to schedule of investments.

# The Gabelli Asset Fund

## Schedule of Investments (Continued) —September 30, 2011 (Unaudited)

| <u>Shares</u>                                      | <u>Market Value</u> | <u>Shares</u>                                   | <u>Market Value</u> |
|--|---------------------|---|---------------------|
| <b>COMMON STOCKS (Continued)</b>                   |                     |   |                     |
| <b>Closed-End Funds — 0.0%</b>                     |                     |   |                     |
| 79,920 Royce Value Trust Inc.                      | \$ 885,514          | 25,000 The Clorox Co.                           | \$ 1,658,250        |
| <b>Commercial Services — 0.0%</b>                  |                     | 1,500 The Estee Lauder Companies Inc., Cl. A    | 131,760             |
| 35,000 Garda World Security Corp., Cl. A†          | 240,481             | 394,000 The Procter & Gamble Co.                | 24,892,920          |
| 2,000 KIT Digital Inc.†                            | 16,800              | 80,000 Unilever plc, ADR                        | 2,495,200           |
|  | <u>257,281</u>      | 50,000 ValueVision Media Inc., Cl. A†           | 118,000             |
| <b>Communications Equipment — 1.0%</b>             |                     | 35,000 Wolverine World Wide Inc.                | 1,163,750           |
| 520,000 Corning Inc.                               | 6,427,200           |   | <u>149,989,735</u>  |
| 451,000 Thomas & Betts Corp.†                      | 17,999,410          | <b>Consumer Services — 1.3%</b>                 |                     |
|  | <u>24,426,610</u>   | 18,000 Coinstar Inc.†                           | 720,000             |
| <b>Computer Hardware — 0.0%</b>                    |                     | 170,000 IAC/InterActiveCorp.†                   | 6,723,500           |
| 5,000 Wincor Nixdorf AG                            | 226,417             | 513,000 Liberty Interactive Corp., Cl. A†       | 7,577,010           |
| <b>Computer Software and Services — 1.0%</b>       |                     | 961,000 Rollins Inc.                            | 17,980,310          |
| 37,400 ADPT Corp.†                                 | 100,232             | 26,000 TiVo Inc.†                               | 242,840             |
| 70,001 AOL Inc.†                                   | 840,012             | 70,866 Tree.com Inc.†                           | 354,330             |
| 242,000 Diebold Inc.                               | 6,657,420           |   | <u>33,597,990</u>   |
| 59,000 eBay Inc.†                                  | 1,739,910           | <b>Diversified Industrial — 5.5%</b>            |                     |
| 98,250 Fidelity National Information Services Inc. | 2,389,440           | 12,000 Acuity Brands Inc.                       | 432,480             |
| 500 Google Inc., Cl. A†                            | 257,190             | 5,000 Anixter International Inc.                | 237,200             |
| 142,000 Internap Network Services Corp.†           | 698,640             | 75,000 Charter International plc                | 1,014,004           |
| 11,000 InterXion Holding NV†                       | 129,910             | 75,403 Contax Participacoes SA, ADR             | 137,987             |
| 95,000 NCR Corp.†                                  | 1,604,550           | 400,000 Cooper Industries plc                   | 18,448,000          |
| 109,000 Rockwell Automation Inc.                   | 6,104,000           | 433,100 Crane Co.                               | 15,457,339          |
| 432,000 Yahoo! Inc.†                               | 5,685,120           | 98,000 Gardner Denver Inc.                      | 6,227,900           |
|  | <u>26,206,424</u>   | 108,000 Greif Inc., Cl. A                       | 4,632,120           |
| <b>Consumer Products — 6.0%</b>                    |                     | 275,043 Greif Inc., Cl. B                       | 11,832,350          |
| 35,000 Altria Group Inc.                           | 938,350             | 459,000 Honeywell International Inc.            | 20,154,690          |
| 75,000 Avery Dennison Corp.                        | 1,881,000           | 25,000 Ingersoll-Rand plc                       | 702,250             |
| 80,000 Avon Products Inc.                          | 1,568,000           | 660,000 ITT Corp.                               | 27,720,000          |
| 22,000 Brunswick Corp.                             | 308,880             | 100,000 Jardine Strategic Holdings Ltd.         | 2,631,000           |
| 11,000 Christian Dior SA                           | 1,246,031           | 220,000 Katy Industries Inc.†                   | 9,240               |
| 432,000 Church & Dwight Co. Inc.                   | 19,094,400          | 308,000 Magnetek Inc.†                          | 283,360             |
| 250,000 Eastman Kodak Co.†                         | 195,025             | 240,000 Myers Industries Inc.                   | 2,436,000           |
| 335,000 Energizer Holdings Inc.†                   | 22,257,400          | 13,000 Nortek Inc.†                             | 287,625             |
| 329,000 Fortune Brands Inc.                        | 17,792,320          | 52,000 Pentair Inc.                             | 1,664,520           |
| 3,400 Givaudan SA†                                 | 2,667,034           | 270,033 Smiths Group plc                        | 4,208,805           |
| 35,000 Harley-Davidson Inc.                        | 1,201,550           | 29,000 Sulzer AG                                | 3,017,101           |
| 78,000 Kimberly-Clark Corp.                        | 5,538,780           | 160,000 Tectron Inc.                            | 2,822,400           |
| 20,000 Mattel Inc.                                 | 517,800             | 120,000 Trinity Industries Inc.                 | 2,569,200           |
| 18,800 National Presto Industries Inc.             | 1,633,908           | 261,000 Tyco International Ltd.                 | 10,635,750          |
| 25,000 Philip Morris International Inc.            | 1,559,500           | 4,000 Waters Corp.†                             | 301,960             |
| 50,000 Reckitt Benckiser Group plc                 | 2,551,968           |   | <u>137,863,281</u>  |
| 125,000 Sally Beauty Holdings Inc.†                | 2,075,000           | <b>Electronics — 1.1%</b>                       |                     |
| 50,000 Svenska Cellulosa AB, Cl. B                 | 614,675             | 45,000 Chemring Group plc                       | 370,866             |
| 1,080,000 Swedish Match AB                         | 35,887,981          | 98,000 Intel Corp.                              | 2,090,340           |
| 10,000 Syratech Corp.†                             | 253                 | 8,000 Kyocera Corp., ADR                        | 666,320             |
|  |                     | 375,000 LSI Corp.†                              | 1,942,500           |
|  |                     | 1,500 Mettler-Toledo International Inc.†        | 209,940             |
|  |                     | 24,000 Molex Inc., Cl. A                        | 405,120             |
|  |                     | 28,000 Samsung Electronics Co. Ltd., GDR (b)(c) | 9,937,200           |

See accompanying notes to schedule of investments.



# The Gabelli Asset Fund

## Schedule of Investments (Continued) — September 30, 2011 (Unaudited)

| <u>Shares</u>                                   | <u>Market Value</u> | <u>Shares</u>                                    | <u>Market Value</u> |
|---|---------------------|--|---------------------|
| <b>COMMON STOCKS (Continued)</b>                |                     |  |                     |
| <b>Financial Services (Continued)</b>           |                     |  |                     |
| 211 Berkshire Hathaway Inc., Cl. A†             | \$ 22,534,800       | 120,000 Dean Foods Co.†                          | \$ 1,064,400        |
| 71,000 BKF Capital Group Inc.†                  | 95,850              | 333,000 Diageo plc, ADR                          | 25,284,690          |
| 20,000 Calamos Asset Management Inc., Cl. A     | 200,200             | 2,000 Diamond Foods Inc.                         | 159,580             |
| 50,000 Citigroup Inc.                           | 1,281,000           | 203,000 Dr Pepper Snapple Group Inc.             | 7,872,340           |
| 40,000 Commerzbank AG, ADR                      | 102,000             | 78,000 Farmer Brothers Co.                       | 429,780             |
| 174,000 Deutsche Bank AG                        | 6,022,140           | 397,500 Flowers Foods Inc.                       | 7,735,350           |
| 165,000 First Niagara Financial Group Inc.      | 1,509,750           | 50,000 Fomento Economico Mexicano SAB de CV, ADR | 3,241,000           |
| 85,000 Fortress Investment Group LLC, Cl. A†    | 255,850             | 605,000 General Mills Inc.                       | 23,274,350          |
| 70,000 GAM Holding AG†                          | 884,267             | 45,500 Green Mountain Coffee Roasters Inc.†      | 4,228,770           |
| 129,000 H&R Block Inc.                          | 1,716,990           | 3,200,000 Grupo Bimbo SAB de CV, Cl. A           | 5,906,933           |
| 24,000 HSBC Holdings plc, ADR                   | 912,960             | 72,000 H.J. Heinz Co.                            | 3,634,560           |
| 50,000 Interactive Brokers Group Inc., Cl. A    | 696,500             | 109,000 Heineken NV                              | 4,897,925           |
| 445,000 Janus Capital Group Inc.                | 2,670,000           | 20,000 Heineken NV, ADR                          | 442,600             |
| 269,000 JPMorgan Chase & Co.                    | 8,102,280           | 210,000 ITO EN Ltd.                              | 3,871,645           |
| 19,000 Kemper Corp.                             | 455,240             | 50,000 Kellogg Co.                               | 2,659,500           |
| 62,000 Kinnevik Investment AB, Cl. A            | 1,163,853           | 82,000 Kerry Group plc, Cl. A                    | 2,888,747           |
| 88,000 Kinnevik Investment AB, Cl. B            | 1,644,225           | 510,000 Kikkoman Corp.                           | 5,884,870           |
| 75,000 KKR & Co. LP                             | 780,000             | 305,229 Kraft Foods Inc., Cl. A                  | 10,249,590          |
| 338,000 Legg Mason Inc.                         | 8,689,980           | 22,000 LVMH Moët Hennessy Louis Vuitton SA       | 2,937,126           |
| 75,000 Leucadia National Corp.                  | 1,701,000           | 15,000 MEIJI Holdings Co. Ltd.                   | 716,647             |
| 72,000 Loews Corp.                              | 2,487,600           | 245,000 Morinaga Milk Industry Co. Ltd.          | 1,092,701           |
| 48,800 M&T Bank Corp.                           | 3,411,120           | 108,000 Nestlé SA                                | 5,969,550           |
| 150,000 Marsh & McLennan Companies Inc.         | 3,981,000           | 200,000 NISSIN FOODS HOLDINGS CO. LTD.           | 8,090,237           |
| 78,000 Northern Trust Corp.                     | 2,728,440           | 200,000 Parmalat SpA                             | 424,700             |
| 153,000 PNC Financial Services Group Inc.       | 7,373,070           | 24,000 Peet's Coffee & Tea Inc.†                 | 1,335,360           |
| 300,000 Popular Inc.†                           | 450,000             | 272,000 PepsiCo Inc.                             | 16,836,801          |
| 20,000 Royal Bank of Canada                     | 914,400             | 74,000 Pernod-Ricard SA                          | 5,832,478           |
| 143,000 State Street Corp.                      | 4,598,880           | 195,500 Ralcorp Holdings Inc.†                   | 14,996,805          |
| 20,000 SunTrust Banks Inc.                      | 359,000             | 86,430 Remy Cointreau SA                         | 6,003,933           |
| 50,000 T. Rowe Price Group Inc.                 | 2,388,500           | 1,004,016 Sara Lee Corp.                         | 16,415,662          |
| 12,000 TD Ameritrade Holding Corp.              | 176,460             | 23,000 Snyders-Lance Inc.                        | 479,550             |
| 601,000 The Bank of New York Mellon Corp.       | 11,172,590          | 331,000 The Coca-Cola Co.                        | 22,362,360          |
| 50,000 The Blackstone Group LP                  | 599,000             | 32,000 The Hain Celestial Group Inc.†            | 977,600             |
| 12,000 The Goldman Sachs Group Inc.             | 1,134,600           | 10,000 The Hershey Co.                           | 592,400             |
| 8,500 Value Line Inc.                           | 97,665              | 20,000 The J.M. Smucker Co.                      | 1,457,800           |
| 180,000 Waddell & Reed Financial Inc., Cl. A    | 4,501,800           | 600,000 Tingyi (Cayman Islands) Holding Corp.    | 1,477,772           |
| 641,000 Wells Fargo & Co.                       | 15,460,920          | 164,800 Tootsie Roll Industries Inc.             | 3,974,976           |
|   | <u>163,958,010</u>  | 160,000 Tyson Foods Inc., Cl. A                  | 2,777,600           |
|   |                     | 444,000 Yakult Honsha Co. Ltd.                   | 13,913,497          |
|   |                     |  | <u>314,330,398</u>  |
| <b>Food and Beverage — 12.5%</b>                |                     |  |                     |
| 345,000 Brown-Forman Corp., Cl. A               | 23,446,200          | <b>Health Care — 4.0%</b>                        |                     |
| 85,000 Brown-Forman Corp., Cl. B                | 5,961,900           | 40,000 Abbott Laboratories                       | 2,045,600           |
| 80,000 Campbell Soup Co.                        | 2,589,600           | 15,000 Alere Inc.†                               | 294,750             |
| 400,000 China Mengniu Dairy Co. Ltd.            | 1,232,761           | 50,000 Allergan Inc.                             | 4,119,000           |
| 80,000 Coca-Cola Enterprises Inc.               | 1,990,400           | 44,000 Amgen Inc.                                | 2,417,800           |
| 16,500 Coca-Cola Hellenic Bottling Co. SA, ADR† | 295,350             | 65,000 AngioDynamics Inc.†                       | 854,100             |
| 210,000 Constellation Brands Inc., Cl. A†       | 3,780,000           | 10,000 ArthroCare Corp.†                         | 287,700             |
| 210,000 Corn Products International Inc.        | 8,240,400           | 75,000 Baxter International Inc.                 | 4,210,500           |
| 323,000 Danone                                  | 19,992,497          | 39,000 Becton, Dickinson and Co.                 | 2,859,480           |
| 600,000 Davide Campari - Milano SpA             | 4,409,105           | 1,500 Bio-Rad Laboratories Inc., Cl. A†          | 136,155             |

See accompanying notes to schedule of investments.

# The Gabelli Asset Fund

## Schedule of Investments (Continued) — September 30, 2011 (Unaudited)

| <u>Shares</u>                                    | <u>Market Value</u> | <u>Shares</u>  | <u>Market Value</u> |
|--|---------------------|--|---------------------|
| <b>COMMON STOCKS (Continued)</b>                 |                     |  |                     |
| <b>Health Care (Continued)</b>                   |                     |  |                     |
| 50,500 Biogen Idec Inc. †                        | \$ 4,704,075        | 4,200,000 Mandarin Oriental International Ltd.               | \$ 5,796,000        |
| 250,000 Boston Scientific Corp. †                | 1,477,500           | 90,000 MGM Resorts International †                           | 836,100             |
| 212,000 Bristol-Myers Squibb Co.                 | 6,652,560           | 55,000 Orient-Express Hotels Ltd., Cl. A †                   | 380,050             |
| 25,000 Cephalon Inc. †                           | 2,017,500           | 110,000 Pinnacle Entertainment Inc. †                        | 998,800             |
| 18,000 Cepheid Inc. †                            | 698,940             | 98,000 Starwood Hotels & Resorts Worldwide Inc.              | 3,804,360           |
| 67,000 Chemed Corp.                              | 3,682,320           | 1,800,000 The Hongkong & Shanghai Hotels Ltd.                | 2,477,849           |
| 32,000 CONMED Corp. †                            | 736,320             | 16,000 The Marcus Corp.                                      | 159,200             |
| 44,000 Covidien plc                              | 1,940,400           | 187,000 Universal Entertainment Corp.                        | 5,670,854           |
| 10,000 DENTSPLY International Inc.               | 306,900             | 18,000 Wyndham Worldwide Corp.                               | 513,180             |
| 57,000 Eli Lilly & Co.                           | 2,107,290           | 15,000 Wynn Resorts Ltd.                                     | 1,726,200           |
| 44,000 Exactech Inc. †                           | 619,520             |  | <u>47,223,318</u>   |
| 5,000 Gilead Sciences Inc. †                     | 194,000             | <b>Machinery — 2.8%</b>                                      |                     |
| 38,000 Henry Schein Inc. †                       | 2,356,380           | 130,000 Caterpillar Inc.                                     | 9,599,200           |
| 147,000 Johnson & Johnson                        | 9,365,370           | 400,000 CNH Global NV †                                      | 10,496,000          |
| 16,000 Laboratory Corp. of America Holdings †    | 1,264,800           | 743,000 Deere & Co.  | 47,975,510          |
| 74,000 Life Technologies Corp. †                 | 2,843,820           | 22,000 Mueller Water Products Inc., Cl. A                    | 54,560              |
| 114,000 Mead Johnson Nutrition Co.               | 7,846,620           | 52,000 Zebra Technologies Corp., Cl. A †                     | 1,608,880           |
| 55,000 Medco Health Solutions Inc. †             | 2,578,950           |  | <u>69,734,150</u>   |
| 150,000 Merck & Co. Inc.                         | 4,906,500           | <b>Manufactured Housing and Recreational Vehicles — 0.1%</b> |                     |
| 11,000 Nobel Biocare Holding AG †                | 110,801             | 32,000 Cavco Industries Inc. †                               | 1,102,080           |
| 20,000 Owens & Minor Inc.                        | 569,600             | 33,000 Nobility Homes Inc. †                                 | 217,800             |
| 130,000 Pain Therapeutics Inc. †                 | 618,800             | 82,000 Skyline Corp.   | 783,100             |
| 71,000 Patterson Companies Inc.                  | 2,032,730           |  | <u>2,102,980</u>    |
| 175,000 Pfizer Inc.                              | 3,094,000           | <b>Metals and Mining — 2.8%</b>                              |                     |
| 44,000 Quidel Corp. †                            | 720,280             | 20,000 Agnico-Eagle Mines Ltd.                               | 1,190,400           |
| 42,000 Roche Holding AG, ADR                     | 1,689,240           | 220,000 Alcoa Inc.   | 2,105,400           |
| 95,000 Smith & Nephew plc                        | 862,196             | 368,000 Barrick Gold Corp.                                   | 17,167,200          |
| 2,000 Stryker Corp.                              | 94,260              | 28,000 Century Aluminum Co. †                                | 250,320             |
| 1,500 Techne Corp.                               | 102,015             | 213,000 Freeport-McMoRan Copper & Gold Inc.                  | 6,485,850           |
| 760,000 Tenet Healthcare Corp. †                 | 3,138,800           | 105,000 Ivanhoe Mines Ltd. †                                 | 1,438,500           |
| 55,000 UnitedHealth Group Inc.                   | 2,536,600           | 8,000 James River Coal Co. †                                 | 50,960              |
| 90,000 Watson Pharmaceuticals Inc. †             | 6,142,500           | 50,000 Kinross Gold Corp.                                    | 739,000             |
| 34,000 William Demant Holding A/S †              | 2,565,402           | 52,000 New Hope Corp. Ltd.                                   | 271,226             |
| 100,000 Wright Medical Group Inc. †              | 1,788,000           | 643,000 Newmont Mining Corp.                                 | 40,444,700          |
| 5,000 Young Innovations Inc.                     | 142,500             | 25,000 Peabody Energy Corp.                                  | 847,000             |
| 13,000 Zimmer Holdings Inc. †                    | 695,500             | 2,000 Randgold Resources Ltd., ADR                           | 193,440             |
|  | <u>100,428,074</u>  |  | <u>71,183,996</u>   |
| <b>Hotels and Gaming — 1.9%</b>                  |                     | <b>Publishing — 2.3%</b>                                     |                     |
| 15,000 Accor SA                                  | 404,938             | 34,000 Belo Corp., Cl. A                                     | 166,260             |
| 24,000 Churchill Downs Inc.                      | 936,720             | 500,000 Il Sole 24 Ore SpA †                                 | 516,137             |
| 397,000 Gaylord Entertainment Co. †              | 7,677,980           | 420,000 Media General Inc., Cl. A †                          | 802,200             |
| 550,000 Genting Singapore plc †                  | 647,603             | 70,000 Meredith Corp.  | 1,584,800           |
| 10,000 Home Inns & Hotels Management Inc., ADR † | 257,700             | 2,850,000 News Corp., Cl. A                                  | 44,089,500          |
| 14,422 Host Hotels & Resorts Inc.                | 157,777             | 82,000 News Corp., Cl. B                                     | 1,278,380           |
| 46,000 Hyatt Hotels Corp., Cl. A †               | 1,443,020           | 137,000 The E.W. Scripps Co., Cl. A †                        | 959,000             |
| 161,000 International Game Technology            | 2,339,330           | 170,000 The McGraw-Hill Companies Inc.                       | 6,970,000           |
| 60,000 Interval Leisure Group Inc. †             | 799,200             | 28,000 The New York Times Co., Cl. A †                       | 162,680             |
| 2,600,000 Ladbrokes plc                          | 4,828,857           |  | <u>56,528,957</u>   |
| 140,000 Las Vegas Sands Corp. †                  | 5,367,600           |  |                     |

See accompanying notes to schedule of investments.

# The Gabelli Asset Fund

## Schedule of Investments (Continued) — September 30, 2011 (Unaudited)

| <u>Shares</u>   | <u>Market Value</u> | <u>Shares</u>   | <u>Market Value</u> |
|---|---------------------|---|---------------------|
| <b>COMMON STOCKS (Continued)</b>                                |                     | <b>Telecommunications — 2.9%</b>                                    |                     |
| <b>Real Estate — 0.3%</b>                                       |                     | 10,000 AboveNet Inc. . . . .  | \$ 536,000          |
| 11,000 Brookfield Asset Management Inc., Cl. A . . . . .        | \$ 303,050          | 145,000 AT&T Inc. . . . .   | 4,135,400           |
| 103,000 Griffin Land & Nurseries Inc. . . . .                   | 2,645,040           | 23,000 Brasil Telecom SA, ADR . . . . .                             | 401,580             |
| 250,000 The St. Joe Co.† . . . . .                              | 3,747,500           | 14,000 Brasil Telecom SA, Cl. C, ADR . . . . .                      | 89,600              |
|   | <u>6,695,590</u>    | 40,000 CenturyLink Inc. . . . .                                     | 1,324,803           |
| <b>Real Estate Investment Trusts — 0.0%</b>                     |                     | 1,155,000 Cincinnati Bell Inc.† . . . . .                           | 3,568,950           |
| 15,000 Prologis Inc. . . . .                                    | 363,760             | 370,000 Deutsche Telekom AG, ADR . . . . .                          | 4,340,100           |
| <b>Retail — 2.7%</b>  |                     | 27,000 France Telecom SA, ADR . . . . .                             | 441,990             |
| 110,000 Aaron's Inc.† . . . . .                                 | 2,777,500           | 36,000 Hellenic Telecommunications Organization SA . . . . .        | 154,339             |
| 203,000 AutoNation Inc.† . . . . .                              | 6,654,340           | 11,000 Hellenic Telecommunications Organization SA, ADR . . . . .   | 24,090              |
| 9,000 AutoZone Inc.† . . . . .                                  | 2,872,710           | 88,000 Loral Space & Communications Inc.† . . . . .                 | 4,408,800           |
| 22,000 Barnes & Noble Inc. . . . .                              | 260,260             | 120,000 NII Holdings Inc.† . . . . .                                | 3,234,000           |
| 230,000 Coldwater Creek Inc.† . . . . .                         | 287,500             | 235,000 Portugal Telecom SGPS SA . . . . .                          | 1,731,622           |
| 125,000 Costco Wholesale Corp. . . . .                          | 10,265,000          | 720,000 Sprint Nextel Corp.† . . . . .                              | 2,188,800           |
| 470,000 CVS Caremark Corp. . . . .                              | 15,782,600          | 75,403 Tele Norte Leste Participacoes SA, ADR . . . . .             | 718,591             |
| 130,000 HSN Inc.† . . . . .                                     | 4,306,900           | 3,100,000 Telecom Italia SpA . . . . .                              | 3,403,558           |
| 15,000 Krispy Kreme Doughnuts Inc.† . . . . .                   | 102,300             | 200,000 Telecom Italia SpA, ADR . . . . .                           | 2,162,000           |
| 1,900,000 Lianhua Supermarket Holdings Ltd., Cl. H . . . . .    | 2,708,221           | 72 Telecommunicacoes de Sao Paulo SA . . . . .                      | 1,681               |
| 200,000 Macy's Inc. . . . .                                     | 5,264,000           | 46,500 Telecommunicacoes de Sao Paulo SA, Preference, ADR . . . . . | 1,229,925           |
| 118,000 Safeway Inc. . . . .                                    | 1,962,340           | 279,000 Telefonica SA, ADR . . . . .                                | 5,334,480           |
| 60,000 The Cheesecake Factory Inc.† . . . . .                   | 1,479,000           | 40,000 Telefonos de Mexico SAB de CV, Cl. L, ADR . . . . .          | 598,000             |
| 53,000 The Home Depot Inc. . . . .                              | 1,742,110           | 585,000 Telephone & Data Systems Inc. . . . .                       | 12,431,250          |
| 70,000 The Kroger Co. . . . .                                   | 1,537,200           | 495,000 Telephone & Data Systems Inc., Special . . . . .            | 9,786,150           |
| 44,000 Wal-Mart Stores Inc. . . . .                             | 2,283,600           | 90,000 tw telecom inc.† . . . . .                                   | 1,486,800           |
| 50,000 Walgreen Co. . . . .                                     | 1,644,500           | 232,000 Verizon Communications Inc. . . . .                         | 8,537,600           |
| 60,000 Whole Foods Market Inc. . . . .                          | 3,918,600           | 40,000 VimpelCom Ltd., ADR . . . . .                                | 381,200             |
| 135,000 Winn-Dixie Stores Inc.† . . . . .                       | 799,200             |   | <u>72,651,309</u>   |
|   | <u>66,647,881</u>   | <b>Transportation — 0.5%</b>  |                     |
| <b>Semiconductors — 0.0%</b>                                    |                     | 375,000 AMR Corp.† . . . . .  | 1,110,000           |
| 5,000 Varian Semiconductor Equipment Associates Inc.† . . . . . | 305,750             | 330,000 GATX Corp. . . . .  | 10,226,700          |
| <b>Specialty Chemicals — 1.3%</b>                               |                     | 2,000 Huntington Ingalls Industries Inc.† . . . . .                 | 48,660              |
| 58,500 Airgas Inc. . . . .                                      | 3,733,470           | 4,000 Kansas City Southern† . . . . .                               | 199,840             |
| 17,000 Ashland Inc. . . . .                                     | 750,380             | 40,000 Providence and Worcester Railroad Co. . . . .                | 503,200             |
| 31,677 Chemtura Corp.† . . . . .                                | 317,720             |   | <u>12,088,400</u>   |
| 12,000 E. I. du Pont de Nemours and Co. . . . .                 | 479,640             | <b>Wireless Communications — 1.0%</b>                               |                     |
| 510,000 Ferro Corp.† . . . . .                                  | 3,136,500           | 182,000 America Movil SAB de CV, Cl. L, ADR . . . . .               | 4,018,560           |
| 110,000 General Chemical Group Inc.† . . . . .                  | 1,375               | 1,000 American Tower Corp., Cl. A† . . . . .                        | 53,800              |
| 136,000 H.B. Fuller Co. . . . .                                 | 2,477,920           | 54,000 Millicom International Cellular SA, SDR . . . . .            | 5,434,353           |
| 145,000 International Flavors & Fragrances Inc. . . . .         | 8,151,900           | 2,700 NTT DoCoMo Inc. . . . .                                       | 4,960,327           |
| 40,000 Material Sciences Corp.† . . . . .                       | 258,800             | 21,857 Tim Participacoes SA, ADR . . . . .                          | 514,951             |
| 2,000 NewMarket Corp. . . . .                                   | 303,740             | 188,000 United States Cellular Corp.† . . . . .                     | 7,454,200           |
| 590,000 Omnova Solutions Inc.† . . . . .                        | 2,112,200           | 130,075 Vodafone Group plc, ADR . . . . .                           | 3,336,424           |
| 7,500 Praxair Inc. . . . .                                      | 701,100             |   | <u>25,772,615</u>   |
| 297,000 Sensient Technologies Corp. . . . .                     | 9,667,350           | <b>TOTAL COMMON STOCKS</b>  |                     |
| 72,000 Zep Inc. . . . .   | 1,081,440           | <u>2,418,015,473</u>  |                     |
|   | <u>33,173,535</u>   | <b>RIGHTS — 0.0%</b>  |                     |
|   |                     | <b>Health Care — 0.0%</b>   |                     |
|   |                     | 208,400 Sanofi, CVR, expire 12/31/20† . . . . .                     | 220,904             |

See accompanying notes to schedule of investments.

# The Gabelli Asset Fund

## Schedule of Investments (Continued) — September 30, 2011 (Unaudited)

| <u>Shares</u>                                   | <u>Market Value</u>   |                        |
|---|---|------------------------|
| <b>WARRANTS — 0.0%</b>                          |   |                        |
| <b>Automotive: Parts and Accessories — 0.0%</b> |   |                        |
| 14,727  | Federal-Mogul Corp., expire 12/27/14†                         | \$ 2,945               |
| <b>Broadcasting — 0.0%</b>                      |   |                        |
| 2,109   | Granite Broadcasting Corp., Ser. A, expire 06/04/12† (a)      | 0                      |
| 2,109   | Granite Broadcasting Corp., Ser. B, expire 06/04/12† (a)      | 0                      |
| <b>Hotels and Gaming — 0.0%</b>                 |   |                        |
| 200,000   | Indian Hotels Co. Ltd, expire 06/16/14† (c)                   | 290,000                |
|   | <b>TOTAL WARRANTS</b>   | <b>292,945</b>         |
| <b>Principal Amount</b>                         |   |                        |
| <b>CORPORATE BONDS — 0.0%</b>                   |   |                        |
| <b>Specialty Chemicals — 0.0%</b>               |   |                        |
| \$ 200,000                                      | Chemtura Corp., Escrow, Zero Coupon, 11/17/20† (a)            | 0                      |
| <b>U.S. GOVERNMENT OBLIGATIONS — 3.7%</b>       |   |                        |
| 93,079,000                                      | U.S. Treasury Bills, 0.000% to 0.115%††, 11/10/11 to 03/29/12 | 93,072,721             |
| <b>TOTAL INVESTMENTS — 100.0%</b>               |   |                        |
|   | (Cost \$1,575,730,399)  | <b>\$2,511,602,043</b> |
|   | Aggregate tax cost  | <u>\$1,592,384,272</u> |
|   | Gross unrealized appreciation                                 | \$1,076,548,658        |
|   | Gross unrealized depreciation                                 | (157,330,887)          |
|   | Net unrealized appreciation/depreciation                      | <u>\$ 919,217,771</u>  |

- (a) Security fair valued under procedures established by the Board of Trustees. The procedures may include reviewing available financial information about the company and reviewing valuation of comparable securities and other factors on a regular basis. At September 30, 2011, the market value of fair valued securities amounted to \$468,122 or 0.02% of total investments.
- (b) Illiquid security.
- (c) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2011, the market value of Rule 144A securities amounted to \$10,227,200 or 0.41% of total investments.

- † Non-income producing security.
- †† Represents annualized yield at date of purchase.
- ADR American Depositary Receipt
- CVO Contingent Value Obligation
- CVR Contingent Value Right
- GDR Global Depositary Receipt
- SDR Swedish Depositary Receipt

Morningstar Rating™ is based on risk-adjusted returns. The Overall Morningstar Rating is derived from a weighted average of the performance figures associated with a fund's three, five, and ten year (if applicable) Morningstar Rating metrics. For funds with at least a three year history, a Morningstar Rating is based on a risk-adjusted return measure (including the effects of sales charges, loads, and redemption fees) placing more emphasis on downward variations and rewarding consistent performance. That accounts for variations in a fund's monthly performance. The top 10% of funds in each category receive 5 stars, the next 22.5% 4 stars, the next 35% 3 stars, the next 22.5% 2 stars, and the bottom 10% 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) Morningstar Rating is for the AAA Share class only; other classes may have different performance characteristics. Ratings reflect relative performance. Results for certain periods were negative. ©2011 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

See accompanying notes to schedule of investments.

## The Gabelli Asset Fund

### Notes to Financial Statements (Unaudited)

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The Fund's schedule of investments is prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), which may require the use of management estimates and assumptions. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its schedule of investments.

**Security Valuation.** Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Trustees (the "Board") so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the "Adviser").

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

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

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

- Level 1 – quoted prices in active markets for identical securities;
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 – significant unobservable inputs (including the Fund's determinations as to the fair value of investments).

## The Gabelli Asset Fund

### Notes to Financial Statements (Continued) (Unaudited)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of September 30, 2011 is as follows:

|   | Valuation Inputs         |  |  | Total Market Value<br>at 9/30/11 |
|---|--------------------------|--|--|----------------------------------|
|   | Level 1<br>Quoted Prices | Level 2 Other Significant<br>Observable Inputs | Level 3 Significant<br>Unobservable Inputs |                                  |
| <b>INVESTMENTS IN SECURITIES:</b>               |                          |  |  |                                  |
| <b>ASSETS (Market Value):</b>                   |                          |  |  |                                  |
| Common Stocks:                                  |                          |  |  |                                  |
| Broadcasting                                    | \$ 34,051,890            | —  | \$ 0                                       | \$ 34,051,890                    |
| Energy and Utilities                            | 199,016,677              | \$ 9,000                                       | 0  | 199,025,677                      |
| Entertainment                                   | 101,470,984              | —  | 466,062                                    | 101,937,046                      |
| Equipment and Supplies                          | 145,694,390              | —  | 2,060                                      | 145,696,450                      |
| Other Industries (a)                            | 1,937,304,410            | —  | —  | 1,937,304,410                    |
| <b>Total Common Stocks</b>                      | <b>2,417,538,351</b>     | <b>9,000</b>                                   | <b>468,122</b>                             | <b>2,418,015,473</b>             |
| Rights (a)                                      | 220,904                  | —  | —  | 220,904                          |
| Warrants:                                       |                          |  |  |                                  |
| Automotive: Parts and Accessories               | 2,945                    | —  | —  | 2,945                            |
| Broadcasting                                    | —                        | —  | 0  | 0                                |
| Hotels and Gaming                               | —                        | 290,000  | —  | 290,000                          |
| <b>Total Warrants</b>                           | <b>2,945</b>             | <b>290,000</b>                                 | <b>0</b>                                   | <b>292,945</b>                   |
| Corporate Bonds                                 | —                        | —  | 0  | 0                                |
| U.S. Government Obligations                     | —                        | 93,072,721                                     | —  | 93,072,721                       |
| <b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b> | <b>\$2,417,762,200</b>   | <b>\$93,371,721</b>                            | <b>\$468,122</b>                           | <b>\$2,511,602,043</b>           |

(a) Please refer to the Schedule of Investments for the industry classifications of these portfolio holdings.

The Fund did not have significant transfers between Level 1 and Level 2 during the period ended September 30, 2011.

## The Gabelli Asset Fund

### Notes to Financial Statements (Continued) (Unaudited)

The following table reconciles Level 3 investments for which significant unobservable inputs were used to determine fair value:

|  | Balance<br>as of<br>12/31/10 | Accrued<br>discounts/<br>(premiums) | Realized<br>gain/<br>(loss) | Change in<br>unrealized<br>appreciation/<br>depreciation | Purchases   | Sales              | Transfers<br>into<br>Level 3† | Transfers<br>out of<br>Level 3† | Balance<br>as of<br>9/30/11 | Net change<br>in unrealized<br>appreciation/<br>depreciation<br>during the<br>period on<br>Level 3<br>investments<br>held at<br>9/30/11 |
|--|------------------------------|-------------------------------------|-----------------------------|--|-------------|--------------------|-------------------------------|---------------------------------|-----------------------------|---|
| <b>INVESTMENTS IN SECURITIES:</b>      |                              |                                     |                             |  |             |                    |                               |                                 |                             |   |
| <b>ASSETS (Market Value):</b>          |                              |                                     |                             |  |             |                    |                               |                                 |                             |   |
| Common Stocks:                         |                              |                                     |                             |  |             |                    |                               |                                 |                             |   |
| Broadcasting                           | \$ 0                         | \$—                                 | \$—                         | \$ —   | \$—         | \$ —               | \$—                           | \$—                             | \$ 0                        | \$ —  |
| Energy and Utilities                   | 0                            | —                                   | —                           | —  | —           | —                  | —                             | —                               | 0                           | —   |
| Entertainment                          | 364,856                      | —                                   | —                           | 101,206  | —           | —                  | —                             | —                               | 466,062                     | 101,206   |
| Equipment and Supplies                 | —                            | —                                   | —                           | 2,060  | 0           | —                  | —                             | —                               | 2,060                       | 2,060   |
| Total Common Stocks                    | 364,856                      | —                                   | —                           | 103,266  | 0           | —                  | —                             | —                               | 468,122                     | 103,266   |
| Warrants:                              |                              |                                     |                             |  |             |                    |                               |                                 |                             |   |
| Broadcasting                           | 0                            | —                                   | —                           | —  | —           | —                  | —                             | —                               | 0                           | —   |
| Energy and Utilities                   | 79                           | —                                   | 0                           | 148,979  | —           | (149,058)          | —                             | —                               | —                           | —   |
| Total Warrants                         | 79                           | —                                   | 0                           | 148,979  | —           | (149,058)          | —                             | —                               | 0                           | —   |
| Corporate Bonds                        | 0                            | —                                   | —                           | —  | —           | —                  | —                             | —                               | 0                           | —   |
| <b>TOTAL INVESTMENTS IN SECURITIES</b> | <b>\$364,935</b>             | <b>\$—</b>                          | <b>\$ 0</b>                 | <b>\$252,245</b>   | <b>\$ 0</b> | <b>\$(149,058)</b> | <b>\$—</b>                    | <b>\$—</b>                      | <b>\$468,122</b>            | <b>\$103,266</b>  |

† The Fund's policy is to recognize transfers into and transfers out of Level 3 as of the beginning of the reporting period.

In May 2011, the FASB issued Accounting Standards Update ("ASU") No. 2011-04 "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards ("IFRS')." ASU 2011-04 includes common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS. ASU 2011-04 will require reporting entities to disclose the following information for fair value measurements categorized within Level 3 of the fair value hierarchy: quantitative information about the unobservable inputs used in the fair value measurement, the valuation processes used by the reporting entity, and a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs and the interrelationships between those unobservable inputs. In addition, ASU 2011-04 will require reporting entities to make disclosures about amounts and reasons for all transfers into and out of Level 1 and Level 2 fair value measurements. The new and revised disclosures are effective for interim and annual reporting periods beginning after December 15, 2011. At this time, management is evaluating the implications of ASU 2011-04 and its impact on the financial statements.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized

## The Gabelli Asset Fund

### Notes to Financial Statements (Continued) (Unaudited)

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appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

**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 inability 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 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.

**Restricted and Illiquid Securities.** The Fund may invest up to 10% of its net assets in securities for which the markets are illiquid. Illiquid securities include securities the disposition of which is subject to substantial legal or contractual restrictions. The sale of illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. For the restricted and illiquid securities the Fund held as of September 30, 2011, refer to the Schedule of Investments.

**Derivative Financial Instruments.** The Fund may engage in various portfolio investment strategies by investing in a number of derivative financial instruments for the purposes of increasing the income of the Fund or hedging against a specific transaction with respect to either the currency in which the transaction is denominated or another currency. Investing in certain derivative financial instruments, including participation in the options, futures, or swap markets, entails certain execution, liquidity, hedging, tax, and securities, interest, credit, or currency market risks. Losses may arise if the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate. Losses may also arise if the counterparty does not perform its duties under a contract, or that, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

## The Gabelli Asset Fund

### Notes to Financial Statements (Continued) (Unaudited)

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The Fund's derivative contracts held at September 30, 2011, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments, together with the related counterparty.

**Swap Agreements.** The Fund may enter into equity contract for difference swap transactions for the purpose of increasing the income of the Fund. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an equity contract for difference swap, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short-term interest rates and the returns on the Fund's portfolio securities at the time a swap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction. At September 30, 2011, the Fund held no investments in equity contract for difference swap agreements.

**Forward Foreign Exchange Contracts.** The Fund may engage in forward foreign exchange contracts for the purpose of hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on foreign currency translations. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. At September 30, 2011, the Fund held no investments in forward foreign exchange contracts.

**Tax Information.** The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

Under the recently enacted Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carryforward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

We have separated the portfolio managers' 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 managers' 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](http://www.gabelli.com).

## Gabelli/GAMCO Funds and Your Personal Privacy

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### **Who are we?**

The Gabelli/GAMCO Funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which is affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients.

### **What kind of non-public information do we collect about you if you become a Fund shareholder?**

If you apply to open an account directly with us, you will be giving us some non-public information about yourself. The non-public information we collect about you is:

- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us, any transactions with our affiliates, and transactions with the entities we hire to provide services to you.* This would include information about the shares that you buy or redeem. If we hire someone else to provide services—like a transfer agent—we will also have information about the transactions that you conduct through them.

### **What information do we disclose and to whom do we disclose it?**

We do not disclose any non-public personal information about our customers or former customers to anyone other than our affiliates, our service providers who need to know such information, and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its website, [www.sec.gov](http://www.sec.gov).

### **What do we do to protect your personal information?**

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the Fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

# 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) Team Managed*

### **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 G. Marcini, 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)*

*Team Managed*

## SMALL CAP

### **Gabelli Small Cap Growth 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<sup>SM</sup> Fund**

Seeks to invest in micro-cap companies that have market capitalizations of \$500 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 R. 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 G. Marcini, CFA*

## SPECIALTY EQUITY

### **GAMCO Vertumnus Fund (formerly 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)*

*Portfolio Manager: Mario J. Gabelli, CFA*

### **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 Green Fund**

Seeks to invest in common and preferred stocks meeting guidelines for social responsibility (avoiding defense contractors and manufacturers of alcohol, abortifacients, gaming, and tobacco products) and sustainability (companies engaged in climate change, energy security and independence, natural resource shortages, organic living, and urbanization). The Fund's primary objective is capital appreciation. *(Multiclass) Team Managed*

## 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)*

*Portfolio Manager: Mario J. Gabelli, CFA*

## 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 Managers: Charles L. Minter  
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 R. 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, economic, and political risks.*

*To receive a prospectus, call 800-GABELLI (800-422-3554). Investors should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing. Distributed by G.distributors, LLC, One Corporate Center, Rye, NY 10580.*

## The Gabelli Asset 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 7:00 P.M.

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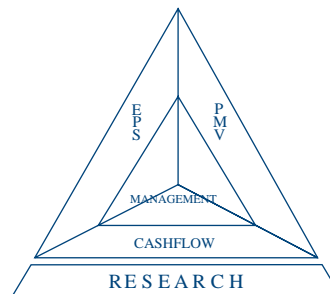
State Street Bank and Trust Company

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G.distributors, LLC

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# The Gabelli Asset Fund

*Morningstar® rated The Gabelli Asset Fund Class AAA  
Shares 5 stars overall and 5 stars for the five and ten  
year periods and 4 stars for the three year period ended  
September 30, 2011 among 1,652, 1,408, 832 and 1,652  
Large Blend funds, respectively.†*

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

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† *Morningstar Rating™ is based on risk-adjusted returns.*

## THIRD QUARTER REPORT SEPTEMBER 30, 2011