

The Gabelli Small Cap Growth Fund

First Quarter Report (a) – December 31, 2009



Morningstar® rated The Gabelli Small Cap Growth Fund Class AAA Shares 5 stars overall and 5 stars for the three and five year periods and 4 stars for the ten year period ended December 31, 2009 among 566, 566, 467, and 243 Small Blend funds, respectively.



Mario Gabelli, CFA

To Our Shareholders,

During the quarter ended December 31, 2009, the net asset value (“NAV”) per Class AAA Share of The Gabelli Small Cap Growth Fund (the “Fund”) increased 3.1%, while the Russell 2000 Index rose 3.9%.

Enclosed is the investment portfolio as of December 31, 2009.

Comparative Results

Average Annual Returns through December 31, 2009 (a)(b) (Unaudited)

	Quarter	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception (10/22/91)
Gabelli Small Cap Growth Fund Class AAA	3.10%	29.72%	(1.34)%	3.92%	8.38%	11.15%	12.56%
Russell 2000 Index	3.87	27.17	(6.07)	0.51	3.51	8.56	8.56
Class A	3.10	29.66	(1.34)	3.92	8.38	11.15	12.56
Class B	(2.83)(c)	22.20(c)	(3.27)(c)	2.69(c)	7.74(c)	10.71(c)	12.19(c)
Class C	2.85	28.69	(2.09)	3.14	7.90	10.82	12.28
Class I	(2.15)(d)	23.69(d)	(3.08)(d)	2.78(d)	7.90	10.82	12.28
	2.93	28.79	(2.06)	3.16	7.91	10.82	12.29
	1.93(e)	27.79(e)	(2.06)	3.16	7.91	10.82	12.29
	3.16	30.02	(1.17)	4.03	8.44	11.19	12.59

In the current prospectus, the expense ratios for Class AAA, A, B, C, and I Shares are 1.48%, 1.48%, 2.23%, 2.23%, and 1.23%, respectively. Class AAA and I Shares do not have a sales charge. The maximum sales charge for Class A, B, and C Shares is 5.75%, 5.00%, and 1.00%, respectively.

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

(b) **Returns represent past performance and do not guarantee future results.** Total returns and average annual returns reflect changes in share price and reinvestment of distributions and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.**

The Class AAA Share NAVs per share 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 for the Class B Shares and Class C Shares would have been lower and Class I Shares would have been higher due to the differences in expenses associated with these classes of shares. Investing in small capitalization securities involves special risks because these securities may trade less frequently and experience more abrupt price movements than large capitalization securities. The Russell 2000 Index of small U.S. companies is an unmanaged indicator of stock market performance. Dividends are considered reinvested. You cannot invest directly in an index.

(c) Includes the effect of the maximum 5.75% sales charge at the beginning of the period.

(d) Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the quarter, one year, three year, and five year periods of 5%, 5%, 3%, and 2%, respectively, of the Fund's NAV per share at the time of purchase or sale, whichever is lower. Class B Shares are not available for new purchases.

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

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. ©2009 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.

The Gabelli Small Cap Growth Fund

Schedule of Investments (Continued) — December 31, 2009 (Unaudited)

<u>Shares/ Units</u>	<u>Market Value</u>	<u>Shares</u>	<u>Market Value</u>
COMMON STOCKS (Continued)			
Cable — 1.7%			
230,000	Adelphia Communications Corp., Cl. A† (a) .. \$	750,000	Eastman Kodak Co.†
230,000	Adelphia Communications Corp., Cl. A, Escrow† (a)	2,000	Harley-Davidson Inc.
			Marine Products Corp.
230,000	Adelphia Recovery Trust†	340,000	National Presto Industries Inc.
		27,000	Sally Beauty Holdings Inc.†
500,000	Cablevision Systems Corp., Cl. A	430,196	Schiff Nutrition International Inc.
6,000	Cogeco Cable Inc.	750,000	Steven Madden Ltd.†
250,000	DIRECTV, Cl. A†	3,070	Stewart Enterprises Inc., Cl. A
30,000	EchoStar Corp., Cl. A†	127,000	Swedish Match AB
9,329	Liberty Global Inc., Cl. A†	150,000	Syratech Corp.†
9,329	Liberty Global Inc., Cl. C†	87,425	The Scotts Miracle-Gro Co., Cl. A
470,000	LIN TV Corp., Cl. A†	16,000	WD-40 Co.
33,000	Outdoor Channel Holdings Inc.†	22,000	Wolverine World Wide Inc.
		68,000	
	24,750,631		34,388,422
Closed-End Business Development Company — 0.1%			
98,000	MVC Capital Inc.		
	1,156,400		
Closed-End Funds — 0.7%			
700,072	KKR & Company (Guernsey) LP†	50,000	Bowlin Travel Centers Inc.†
98,000	The Central Europe and Russia Fund Inc.	30,000	Brink's Home Security Holdings Inc.†
38,225	The European Equity Fund Inc.	2,750	Collectors Universe Inc.
54,000	The New Germany Fund Inc.	20,000	IAC/InterActiveCorp.†
11,000	The Spain Fund Inc.	4,000	KAR Auction Services Inc.†
	10,184,288	170,000	Martha Stewart Living Omnimedia Inc., Cl. A†
		400,500	Rollins Inc.
		120,000	SearchMedia Holdings Ltd.†
		695,000	TiVo Inc.†
			18,039,413
Communications Equipment — 0.9%			
160,000	Communications Systems Inc.		
65,000	Sycamore Networks Inc.		
275,000	Thomas & Betts Corp.†		
	13,191,800		
Computer Software and Services — 0.9%			
40,000	Emulex Corp.†	15,000	A.O. Smith Corp., Cl. A
95,000	FalconStor Software Inc.†	29,000	Acuity Brands Inc.
240,000	Global Sources Ltd.†	27,000	Albany International Corp., Cl. A
6,000	KIT Digital Inc.†	140,000	Ampco-Pittsburgh Corp.
45,000	Mentor Graphics Corp.†	6,000	Anixter International Inc.†
20,187	MKS Instruments Inc.†	390,000	Baldor Electric Co.
455,000	NCR Corp.†	141,000	Brush Engineered Materials Inc.†
800,000	StorageNetworks Inc., Escrow† (a)	330,000	Crane Co.
295,000	Tyler Technologies Inc.†	250,000	Delta plc
	14,098,106	3,000	ESCO Technologies Inc.
		18,640	Foster Wheeler AG†
		14,000	Gardner Denver Inc.
		154,200	Greif Inc., Cl. A
		47,300	Greif Inc., Cl. B
		1,033,700	Griffon Corp.†
		150,000	Hawk Corp., Cl. A†
		121,000	Jardine Strategic Holdings Ltd.
		417,000	Katy Industries Inc.†
		71,000	Lindsay Corp.
		580,000	Magnetek Inc.†
		32,000	Mathews International Corp., Cl. A
		285,000	Myers Industries Inc.
		572,000	National Patent Development Corp.† (c)
		130,300	Oil-Dri Corp. of America
			2,019,650
			2,019,650

See accompanying notes to schedule of investments.

The Gabelli Small Cap Growth Fund

Schedule of Investments (Continued) — December 31, 2009 (Unaudited)

Shares	Market Value	Shares	Market Value
COMMON STOCKS (Continued)			
Equipment and Supplies (Continued)			
90,000	Donaldson Co. Inc. \$ 3,828,600	434,000	Janus Capital Group Inc. \$ 5,837,300
90,000	Entegris Inc.† 475,200	20,000	JPMorgan Chase & Co. 833,400
40,000	Fedders Corp.† (a) 0	35,000	KBW Inc.† 957,600
151,000	Flowserve Corp. 14,274,030	23,000	LaBranche & Co. Inc.† 65,320
160,000	Franklin Electric Co. Inc. 4,652,800	150,000	Legg Mason Inc. 4,524,000
200,000	Gerber Scientific Inc.† 1,010,000	3,000	Leucadia National Corp.† 71,370
124,000	Graco Inc. 3,542,680	12,000	Morningstar Inc.† 580,080
990,000	GrafTech International Ltd.† 15,394,500	285,000	Nara Bancorp Inc.† 3,231,900
100,000	IDEX Corp. 3,115,000	3,000	NetBank Inc.† (a) 15
200,757	Interpump Group SpA† 1,067,719	145,000	NewAlliance Bancshares Inc. 1,741,450
3,000	Itron Inc.† 202,710	235,000	Och-Ziff Capital Management Group LLC, Cl. A 3,228,900
4,000	Jarden Corp. 123,640	12,000	PrivateBancorp Inc. 107,640
9,500	K-Tron International Inc.† 1,033,030	10,000	Seacoast Banking Corp. of Florida 16,300
139,000	L.S. Starrett Co., Cl. A 1,224,590	200,000	Sterling Bancorp 1,428,000
40,000	Littelfuse Inc.† 1,286,000	270,000	SWS Group Inc. 3,267,000
115,000	Lufkin Industries Inc. 8,418,000	10,000	T. Rowe Price Group Inc. 532,500
55,000	Maezawa Kyuso Industries Co. Ltd. 783,057	11,033	Tree.com Inc.† 100,952
80,000	Met-Pro Corp. 849,600	4,800	Value Line Inc. 120,528
25,000	Mueller Industries Inc. 621,000	450,000	Waddell & Reed Financial Inc., Cl. A 13,743,000
12,000	Plantronics Inc. 311,760	138,000	Wilmington Trust Corp. 1,702,920
2,000	Regal-Beloit Corp. 103,880		<u>76,731,885</u>
130,000	Robbins & Myers Inc. 3,057,600	Food and Beverage — 6.5%	
135,000	SL industries Inc.† 1,131,300	175,000	American Dairy Inc.† 3,794,000
5,000	Teleflex Inc. 269,450	48,000	Boston Beer Co. Inc., Cl. A† 2,236,800
295,000	Tennant Co. 7,726,050	38,100	Brown-Forman Corp., Cl. A 2,146,935
335,000	The Gorman-Rupp Co. 9,259,400	6,250	Brown-Forman Corp., Cl. B 334,813
85,000	The Greenbrier Cos. Inc. 882,300	200,000	Bull-Dog Sauce Co. Ltd. 425,189
100,000	The Manitowoc Co. Inc. 997,000	785,600	CoolBrands International Inc.† 916,414
23,000	The Middleby Corp.† 1,127,460	370,000	Corn Products International Inc. 10,815,100
8,000	Valmont Industries Inc. 627,600	350,000	Davide Campari - Milano SpA 3,660,206
75,000	Vicor Corp.† 697,500	235,000	Dean Foods Co.† 4,239,400
7,875	Watsco Inc., Cl. B 393,750	150,000	Del Monte Foods Co. 1,701,000
153,000	Watts Water Technologies Inc., Cl. A 4,730,760	85,000	Denny's Corp.† 186,150
	<u>130,770,406</u>	1,000	Diamond Foods Inc. 35,540
Financial Services — 5.1%		320,000	Dr. Pepper Snapple Group Inc. 9,056,000
10,204	Alleghany Corp.† 2,816,304	1,600,000	Dynasty Fine Wines Group Ltd. 520,030
25,287	Argo Group International Holdings Ltd.† 736,863	25,000	Farmer Brothers Co. 493,500
409,000	Artio Global Investors Inc.† 10,425,410	290,000	Flowers Foods Inc. 6,890,400
10,121	BCB Holdings Ltd.† 15,775	500	Genesee Corp., Cl. A† (a) 0
110,000	BKF Capital Group Inc.† 102,300	21,500	Genesee Corp., Cl. B† (a) 0
570,000	CNA Surety Corp.† 8,487,300	630,000	Grupo Continental SAB de CV 1,593,059
22,000	Crazy Woman Creek Bancorp Inc. 321,750	160,000	ITO EN Ltd. 2,399,957
150,000	Discover Financial Services 2,206,500	25,000	J & J Snack Foods Corp. 999,000
26,000	Duff & Phelps Corp., Cl. A 474,760	670,000	Kikkoman Corp. 8,157,835
46,400	Epoch Holding Corp. 484,880	197,000	Lifeway Foods Inc.† 2,340,360
8,185	Fidelity Southern Corp.† 29,466	3,000	MEIJI Holdings Co. Ltd.† 113,062
195,000	Flushing Financial Corp. 2,195,700	70,000	MGP Ingredients Inc.† 535,500
420,000	GAM Holding Ltd. 5,111,702	300,000	Morinaga Milk Industry Co. Ltd. 1,182,155
50,000	Hudson Valley Holding Corp. 1,233,000	80,000	NISSIN FOODS HOLDINGS CO. LTD. 2,602,674
		4,000	Omni Nutraceuticals Inc.† (a) 0
		1,900,000	Parmalat SpA 5,319,466

See accompanying notes to schedule of investments.

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Schedule of Investments (Continued) — December 31, 2009 (Unaudited)

<u>Shares</u>	<u>Market Value</u>	<u>Shares</u>	<u>Market Value</u>
COMMON STOCKS (Continued)			
Machinery — 1.1%			
460,000	CNH Global NV† \$ 11,490,800	10,000	Gyrodyne Co. of America Inc.† \$ 400,050
3,000	Nordson Corp. 183,540	107,000	Morguard Corp. 3,405,871
32,900	Twin Disc Inc. 343,476	200,000	The St. Joe Co.† 5,778,000
135,000	Zebra Technologies Corp., Cl. A† 3,828,600		16,306,469
	15,846,416	Retail — 3.8%	
Manufactured Housing and Recreational Vehicles — 0.4%			
74,000	Cavco Industries Inc.† 2,658,080	30,000	99 Cents Only Stores† 392,100
30,000	Champion Enterprises Inc.† 1,317	144,000	Aaron's Inc., Cl. A 3,288,960
15,000	Drew Industries Inc.† 309,750	100,000	AutoNation Inc.† 1,915,000
24,000	Nobility Homes Inc.† 250,800	50,000	Big 5 Sporting Goods Corp. 859,000
171,000	Skyline Corp. 3,146,400	135,000	Casey's General Stores Inc. 4,309,200
	6,366,347	690,000	Coldwater Creek Inc.† 3,077,400
Metals and Mining — 0.4%			
52,003	Barrick Gold Corp. 2,047,878	55,000	Copart Inc.† 2,014,650
10,000	Inmet Mining Corp. 609,839	600,000	Ingles Markets Inc., Cl. A 9,078,000
40,000	Ivanhoe Mines Ltd.† 584,400	170,000	Macy's Inc. 2,849,200
140,000	Kinross Gold Corp. 2,576,000	40,000	Movado Group Inc. 388,800
2,000	Northwest Pipe Co.† 53,720	120,000	Nathan's Famous Inc.† 1,831,200
2,000	Royal Gold Inc. 94,200	25,000	Pier 1 Imports Inc.† 127,250
52,100	Stillwater Mining Co.† 493,908	250,000	Rush Enterprises Inc., Cl. B† 2,625,000
34,000	Uranium Resources Inc.† 26,180	300,000	The Bon-Ton Stores Inc. 2,943,000
15,000	Yamana Gold Inc. 170,700	65,000	The Cheesecake Factory Inc.† 1,403,350
	6,656,825	275,000	The Great Atlantic & Pacific Tea Co. Inc.† 3,242,250
Paper and Forest Products — 0.1%			
24,000	Schweitzer-Mauduit International Inc. 1,688,400	19,450	The Steak n Shake Co.† 6,304,134
40,000	Wausau Paper Corp. 464,000	105,000	Tractor Supply Co.† 5,560,800
	2,152,400	30,000	Village Super Market Inc., Cl. A 819,600
Publishing — 1.3%			
60,000	Belo Corp., Cl. A 326,400	50,000	Weis Markets Inc. 1,818,000
1,000	Cambium Learning Group Inc.† 3,920	168,000	Wendy's/Arby's Group Inc., Cl. A 787,920
330,000	Il Sole 24 Ore 907,823	155,000	Winn-Dixie Stores Inc.† 1,556,200
250,000	Independent News & Media plc† 46,590		57,191,014
12,000	John Wiley & Sons Inc., Cl. B 501,600	Specialty Chemicals — 4.6%	
1,044,000	Journal Communications Inc., Cl. A 4,061,160	55,000	A. Schulman Inc. 1,109,900
689,000	Media General Inc., Cl. A† 5,401,760	19,000	Airgas Inc. 904,400
30,000	Meredith Corp. 925,500	82,000	Albemarle Corp. 2,982,340
260,000	News Corp., Cl. A 3,559,400	35,000	Arch Chemicals Inc. 1,080,800
180,000	PRIMEDIA Inc. 649,800	74,000	Ashland Inc. 2,931,880
340,000	The E.W. Scripps Co., Cl. A† 2,366,400	11,000	Cytec Industries Inc. 400,620
	18,750,353	2,195,500	Ferro Corp. 18,090,920
Real Estate — 1.1%			
15,150	Capital Properties Inc., Cl. A 140,138	275,000	H.B. Fuller Co. 6,256,250
15,000	Capital Properties Inc., Cl. B (a) 138,750	118,000	Hawkins Inc. 2,575,940
50,000	Cohen & Steers Inc. 1,142,000	950,000	Huntsman Corp. 10,725,500
182,000	Griffin Land & Nurseries Inc. 5,301,660	85,000	Material Sciences Corp.† 150,450
		355,000	Omnova Solutions Inc.† 2,176,150
		60,000	Penford Corp. 521,400
		13,000	Quaker Chemical Corp. 268,320
		100,000	Rockwood Holdings Inc.† 2,356,000
		260,000	Sensient Technologies Corp. 6,838,000
		560,000	Zep Inc. 9,699,200
			69,068,070

See accompanying notes to schedule of investments.

The Gabelli Small Cap Growth Fund

Schedule of Investments (Continued) — December 31, 2009 (Unaudited)

Shares	Market Value	Shares	Market Value
COMMON STOCKS (Continued)		Business Services — 0.0%	
Telecommunications — 1.5%		445,000	BPW Acquisition Corp., expire 02/26/14† ... \$ 396,050
30,000	Atlantic Tele-Network Inc. \$ 1,650,300	Consumer Services — 0.0%	
1,100,000	Cincinnati Bell Inc.† 3,795,000	120,000	SearchMedia Holdings Ltd., expire 11/19/11† 268,800
6,795	Community Service Communications Inc. 8,630	Telecommunications — 0.0%	
130,000	Fastweb† 3,596,772	86	Virgin Media Inc., Ser. A, expire 01/10/11† ... 4
110,000	HickoryTech Corp. 971,300	TOTAL WARRANTS 665,656	
123,000	New Ulm Telecom Inc. 673,425	Principal Amount	
118,000	Rogers Communications Inc., Cl. B 3,658,000	\$ 400,000	CONVERTIBLE CORPORATE BONDS — 0.0%
63,000	Shenandoah Telecommunications Co. 1,282,050	Hotels and Gaming — 0.0%	
1,500,000	Sprint Nextel Corp.† 5,490,000	Gaylord Entertainment Co., Cv.,	
37,584	Verizon Communications Inc. 1,245,158	3.750%, 10/01/14 (c) 409,500	
30,000	Windstream Corp. 329,700	CORPORATE BONDS — 0.0%	
53,000	Winstar Communications Inc.† (a) 53	Computer Software and Services — 0.0%	
	<u>22,700,388</u>	300,000	Exodus Communications Inc., Sub. Deb.,
Transportation — 0.6%		5.250%, 02/15/10† (a) 1,185	
270,000	GATX Corp. 7,762,500	U.S. GOVERNMENT OBLIGATIONS — 15.6%	
8,000	Grupo TMM SA, Cl. A, ADR† 30,080	U.S. Treasury Bills — 14.7%	
2,000	Irish Continental Group plc† 40,856	220,214,000	U.S. Treasury Bills, 0.056% to 0.289%††,
111,200	Providence and Worcester Railroad Co. 1,195,400	01/21/10 to 06/24/10 220,151,166	
	<u>9,028,836</u>	13,840,000	U.S. Treasury Cash Management Bills — 0.9%
Wireless Communications — 1.1%		U.S. Treasury Cash Management Bills,	
21,000	Millicom International Cellular SA 1,549,170	0.101% to 0.170%††, 04/01/10 to 06/10/10 13,836,797	
72,000	Price Communications Corp., Escrow† (a) ... 0	TOTAL U.S. GOVERNMENT OBLIGATIONS 233,987,963	
830,000	Vimpel-Communications, ADR 15,429,700	TOTAL INVESTMENTS — 100.0%	
	<u>16,978,870</u>	(Cost \$1,208,936,101) \$1,498,864,984	
TOTAL COMMON STOCKS 1,262,840,115		Aggregate book cost \$1,208,936,101	
PREFERRED STOCKS — 0.1%		Gross unrealized appreciation \$ 373,890,240	
Automotive: Parts and Accessories — 0.1%		Gross unrealized depreciation (83,961,357)	
50,000	Jungheinrich AG Pfd. 960,477	Net unrealized appreciation/depreciation ... \$ 289,928,883	
Broadcasting — 0.0%			
1,103	PTV Inc., 10.000% Pfd., Ser. A† 88		
Business Services — 0.0%			
24,317	Interop National Radio Sales Inc.,		
	4.000% Cv. Pfd., Ser. A (a)(c)(d)† 0		
TOTAL PREFERRED STOCKS 960,565			
WARRANTS — 0.0%			
Automotive: Parts and Accessories — 0.0%			
1,213	Exide Technologies, expire 05/05/11† (a) 109		
4,531	Federal-Mogul Corp., expire 12/27/14† 684		
	<u>793</u>		
Broadcasting — 0.0%			
6,082	Granite Broadcasting Corp., Ser. A,		
	expire 06/04/12† (a) 6		
3,430	Granite Broadcasting Corp., Ser. B,		
	expire 06/04/12† (a) 3		
	<u>9</u>		

- (a) Security fair valued under procedures established by the Board of Directors. 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 December 31, 2009, the market value of fair valued securities amounted to \$368,105 or 0.02% of total investments.
- (b) Security considered an affiliated holding because the Fund owns at least 5% of its outstanding shares.
- (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 December 31, 2009, the market value of Rule 144A securities amounted to \$1,324,700 or 0.09% of total investments.
- (d) Illiquid security.
- † Non-income producing security.
- †† Represents annualized yield at date of purchase.
- ADR American Depositary Receipt

See accompanying notes to schedule of investments.

The Gabelli Small Cap Growth Fund

Notes to Schedule of Investments (Unaudited)

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

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of 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. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board.

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 Small Cap Growth Fund

Notes to Schedule of Investments (Continued) (Unaudited)

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 by inputs used to value the Fund's investments as of December 31, 2009 is as follows:

	Valuation Inputs			Total Market Value at 12/31/09
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
Broadcasting	\$ 8,435,086	—	\$ 0	\$ 8,435,086
Cable	24,750,631	—	0	24,750,631
Computer Software and Services	14,074,106	—	24,000	14,098,106
Entertainment	15,586,486	—	203,984	15,790,470
Equipment and Supplies	130,770,406	—	0	130,770,406
Food and Beverage	96,940,314	—	0	96,940,314
Real Estate	16,167,719	\$ 138,750	0	16,306,469
Telecommunications	22,700,335	—	53	22,700,388
Wireless Communications	16,978,870	—	0	16,978,870
Other Industries (a)	916,069,375	—	—	916,069,375
Total Common Stocks	1,262,473,328	138,750	228,037	1,262,840,115
Preferred Stocks:				
Business Services	—	—	0	0
Other Industries (a)	960,565	—	—	960,565
Total Preferred Stocks	960,565	—	0	960,565
Warrants (a)	665,538	118	—	665,656
Convertible Corporate Bonds	—	409,500	—	409,500
Corporate Bonds	—	1,185	—	1,185
U.S. Government Obligations	—	233,987,963	—	233,987,963
TOTAL INVESTMENTS IN SECURITIES	\$1,264,099,431	\$234,537,516	\$228,037	\$1,498,864,984

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

The Gabelli Small Cap Growth Fund

Notes to Schedule of Investments (Continued) (Unaudited)

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

	Balance as of 9/30/09	Accrued discounts/ (premiums)	Realized gain/ (loss)	Change in unrealized appreciation/ depreciation	Net purchases/ (sales)	Transfers in and/or out of Level 3	Balance as of 12/31/09	Net change in unrealized appreciation/ depreciation during the period on Level 3 investments held at 12/31/09
INVESTMENTS IN SECURITIES:								
ASSETS (Market Value):								
Common Stocks:								
Broadcasting	\$ 3	\$—	\$—	\$ (3)	\$—	\$ 0	\$ 0	\$ (3)
Cable	0	—	—	—	—	—	0	—
Computer Software and Services	24,000	—	—	—	—	—	24,000	—
Entertainment	203,984	—	—	—	—	—	203,984	—
Equipment and Supplies	0	—	—	—	—	—	0	—
Financial Services	15	—	—	—	—	(15)	—	—
Food and Beverage	0	—	—	—	—	—	0	—
Real Estate	0	—	—	—	—	—	0	—
Telecommunications	53	—	—	—	—	—	53	—
Wireless Communications	0	—	—	—	—	—	0	—
Total Common Stocks	228,055	—	—	(3)	—	(15)	228,037	(3)
Preferred Stocks:								
Business Service	0	—	—	—	—	—	0	—
Warrants:								
Automotive: Parts and Accessories	243	—	—	—	—	(243)	—	—
Broadcasting	35	—	—	—	—	(35)	—	—
Total Warrants	278	—	—	—	—	(278)	—	—
TOTAL INVESTMENTS IN SECURITIES	\$228,333	\$—	\$—	\$(3)	\$—	\$(293)	\$228,037	\$(3)

2. Derivative Financial Instruments. The Fund may engage in various portfolio investment strategies by investing in a number of derivative financial instruments for the purpose 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 Small Cap Growth Fund

Notes to Schedule of Investments (Continued) (Unaudited)

Swap Agreements. The Fund may enter into equity and 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 a 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. Unrealized gains related to swaps are reported as an asset and unrealized losses are reported as a liability in the Statement of Assets and Liabilities. The change in value of swaps, including the accrual of periodic amounts of interest to be paid or received on swaps, is reported as unrealized gain or loss in the Statement of Operations. A realized gain or loss is recorded upon payment or receipt of a periodic payment or termination of swap agreements. At December 31, 2009, there were no open swap agreements.

Futures Contracts. The Fund may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the "initial margin." Subsequent payments ("variation margin") are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, which are included in unrealized appreciation/depreciation on investments and futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. At December 31, 2009, there were no open futures contracts.

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 investments and 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. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. At December 31, 2009, there were no open forward foreign exchange contracts.

The Gabelli Small Cap Growth Fund

Notes to Schedule of Investments (Continued) (Unaudited)

3. Tax Information. At September 30, 2009, the Fund had a net capital loss carryforward for federal income tax purposes of \$1,435,829, which is available to reduce future required distributions of net capital gains to shareholders through 2017.

Under the current tax law, capital losses related to securities and foreign currency realized after October 31 and prior to the Fund's fiscal year end may be treated as occurring on the first day of the following year. For the year ended September 30, 2009, the Fund deferred capital losses of \$32,957,944.

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

Gabelli/GAMCO Funds and Your Personal Privacy

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 or Teton Advisors, Inc., which are 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. Teton Advisors, Inc. is a publicly held company that provides investment advisory services to the GAMCO Westwood Funds.

What kind of non-public information do we collect about you if you become a 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.

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)

Portfolio Manager: Mario J. Gabelli, CFA

Gabelli Blue Chip Value Fund

Seeks long term growth of capital through investment primarily in the common stocks of established companies which are temporarily out of favor. The fund's objective is to identify a catalyst or sequence of events that will return the company to a higher value. (Multiclass)

Portfolio Manager: Barbara Marcin, CFA

GAMCO Westwood Equity Fund

Seeks to invest primarily in the common stock of well seasoned companies that have recently reported positive earnings surprises and are trading below Westwood's proprietary growth rate estimates. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Susan M. Byrne

FOCUSED VALUE

Gabelli Value Fund

Seeks to invest in securities of companies believed to be undervalued. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

SMALL CAP VALUE

Gabelli Small Cap Fund

Seeks to invest primarily in common stock of smaller companies (market capitalizations at the time of investment of \$2 billion or less) believed to have rapid revenue and earnings growth potential. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Westwood SmallCap Equity Fund

Seeks to invest primarily in smaller capitalization equity securities – market caps of \$2.5 billion or less. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Portfolio Manager: Nicholas F. Galluccio

Gabelli Woodland Small Cap Value Fund

Seeks to invest primarily in the common stocks of smaller companies (market capitalizations generally less than \$3.0 billion) believed to be undervalued with shareholder oriented management teams that are employing strategies to grow the company's value. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Elizabeth M. Lilly, CFA

GROWTH

GAMCO Growth Fund

Seeks to invest primarily in large cap stocks believed to have favorable, yet undervalued, prospects for earnings growth. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Howard F. Ward, CFA

GAMCO International Growth Fund

Seeks to invest in the equity securities of foreign issuers with long-term capital appreciation potential. The Fund offers investors global diversification. (Multiclass)

Portfolio Manager: Caesar Bryan

AGGRESSIVE GROWTH

GAMCO Global Growth Fund

Seeks capital appreciation through a disciplined investment program focusing on the globalization and interactivity of the world's marketplace. The Fund invests in companies at the forefront of accelerated growth. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

MICRO-CAP

GAMCO Westwood Mighty MitesSM Fund

Seeks to invest in micro-cap companies that have market capitalizations of \$300 million or less. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Team Managed

EQUITY INCOME

Gabelli Equity Income Fund

Seeks to invest primarily in equity securities with above average market yields. The Fund pays monthly dividends and seeks a high level of total return with an emphasis on income. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Westwood Balanced Fund

Seeks to invest in a balanced and diversified portfolio of stocks and bonds. The Fund's primary objective is both capital appreciation and current income. (Multiclass)

Co-Portfolio Managers: Susan M. Byrne
Mark Freeman, CFA

GAMCO Westwood Income Fund

Seeks to provide a high level of current income as well as long-term capital appreciation by investing in income producing equity and fixed income securities. (Multiclass)

Portfolio Manager: Barbara Marcin, CFA

SPECIALTY EQUITY

GAMCO Global Convertible Securities Fund

Seeks to invest principally in bonds and preferred stocks which are convertible into common stock of foreign and domestic companies. The Fund's primary objective is total return through a combination of current income and capital appreciation. (Multiclass)

Team Managed

GAMCO Global Opportunity Fund

Seeks to invest in common stock of companies which have rapid growth in revenues and earnings and potential for above average capital appreciation or are undervalued. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

Gabelli SRI 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)

Co-Portfolio Managers: Christopher C. Desmarais
John M. Segrich, CFA

SECTOR

GAMCO Global Telecommunications Fund

Seeks to invest in telecommunications companies throughout the world – targeting undervalued companies with strong earnings and cash flow dynamics. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

GAMCO Gold Fund

Seeks to invest in a global portfolio of equity securities of gold mining and related companies. The Fund's objective is long-term capital appreciation. Investment in gold stocks is considered speculative and is affected by a variety of worldwide economic, financial, and political factors. (Multiclass)

Portfolio Manager: Caesar Bryan

Gabelli Utilities Fund

Seeks to provide a high level of total return through a combination of capital appreciation and current income. (Multiclass)

Team Managed

MERGER AND ARBITRAGE

Gabelli ABC Fund

Seeks to invest in securities with attractive opportunities for appreciation or investment income. The Fund's primary objective is total return in various market conditions without excessive risk of capital loss. (No-load)

Portfolio Manager: Mario J. Gabelli, CFA

Gabelli Enterprise Mergers and Acquisitions Fund

Seeks to invest in securities believed to be likely acquisition targets within 12–18 months or in arbitrage transactions of publicly announced mergers or other corporate reorganizations. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

CONTRARIAN

GAMCO Mathers Fund

Seeks long-term capital appreciation in various market conditions without excessive risk of capital loss. (No-load)

Portfolio Manager: Henry Van der Eb, CFA

Comstock Capital Value Fund

Seeks capital appreciation and current income. The Fund may use either long or short positions to achieve its objective. (Multiclass)

Portfolio Manager: Martin Weiner, CFA

FIXED INCOME

GAMCO Westwood Intermediate Bond Fund

Seeks to invest in a diversified portfolio of bonds with various maturities. The Fund's primary objective is total return. (Multiclass)

Portfolio Manager: Mark Freeman, CFA

CASH MANAGEMENT-MONEY MARKET

Gabelli U.S. Treasury Money Market Fund

Seeks to invest exclusively in short-term U.S. Treasury securities. The Fund's primary objective is to provide high current income consistent with the preservation of principal and liquidity. (No-load)

Co-Portfolio Managers: Judith A. Raneri
Ronald S. Eaker

An investment in the above Money Market Fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

The Funds may invest in foreign securities which involve risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks.

To receive a prospectus, call **800-GABELLI** (422-3554). Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.

Gabelli Equity Series Funds, Inc.
The Gabelli Small Cap Growth Fund

One Corporate Center
Rye, New York 10580-1422

800-GABELLI

800-422-3554

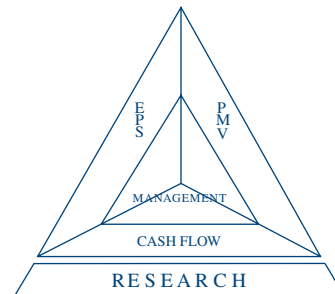
fax: 914-921-5118

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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Gabelli & Company, Inc.

Custodian, Transfer Agent, and Dividend Agent

State Street Bank and Trust Company

Legal Counsel

Skadden, Arps, Slate, Meagher & Flom LLP

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

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★ ★ ★ ★ ★
**The
Gabelli
Small Cap
Growth
Fund**

Morningstar® rated The Gabelli Small Cap Growth Fund Class AAA Shares 5 stars overall and 5 stars for the three and five year periods and 4 stars for the ten year period ended December 31, 2009 among 566, 566, 467, and 243 Small Blend funds, respectively.

**FIRST QUARTER REPORT
DECEMBER 31, 2009**