

# The Gabelli Equity Income Fund

Third Quarter Report — June 30, 2017



**Mario J. Gabelli, CFA**  
Portfolio Manager

## To Our Shareholders,

For the quarter ended June 30, 2017, the net asset value (“NAV”) per Class AAA Share of The Gabelli Equity Income Fund increased 2.6% compared with an increase of 3.1% for the Standard & Poor’s (“S&P”) 500 Index. See below for additional performance information.

Enclosed is the schedule of investments as of June 30, 2017.

## Comparative Results

### Average Annual Returns through June 30, 2017 (a)(b) (Unaudited)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (01/02/92)
<b>Class AAA (GABEX)</b> . . . . .	2.59%	11.93%	10.75%	5.89%	8.42%	9.96%
S&P 500 Index . . . . .	3.09	17.90	14.63	7.18	8.34	9.34(c)
Nasdaq Composite Index . . . . .	4.20	28.37	17.45	10.23	11.22	9.64(c)
Lipper Equity Income Fund Average . . . . .	2.17	14.43	12.30	5.54	7.46	8.45
<b>Class A (GCAEX)</b> . . . . .	2.58	11.95	10.76	5.90	8.41	9.95
With sales charge (d) . . . . .	(3.32)	5.51	9.46	5.27	7.99	9.70
<b>Class C (GCCEX)</b> . . . . .	2.41	11.11	9.94	5.11	7.70	9.53
With contingent deferred sales charge (e) . . . . .	1.41	10.11	9.94	5.11	7.70	9.53
<b>Class I (GCIEX)</b> . . . . .	2.68	12.25	11.04	6.16	8.60	10.06

In the current prospectuses dated January 27, 2017, the expense ratios for Class AAA, A, C, and I Shares are 1.39%, 1.39%, 2.14%, and 1.14%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A and C Shares is 5.75% 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. Current performance may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus please visit [www.gabelli.com](http://www.gabelli.com). The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2003 and Class I Shares on January 11, 2008. The actual performance of the Class A Shares and Class C Shares would have been lower due to the additional fees and 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. 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 Nasdaq Composite Index is an unmanaged indicator of stock market performance. The Lipper Equity Income Fund Average includes the 30 largest equity funds in this category tracked by Lipper, Inc. Dividends are considered reinvested, except for the Nasdaq Composite Index. You cannot invest directly in an index.

(b) The Fund’s fiscal year ends September 30.

(c) S&P 500 Index and Nasdaq Composite Index since inception performance are as of December 31, 1991.

(d) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.

(e) Assuming payment of the 1% maximum contingent deferred sales charge imposed on redemptions made within one year of purchase.

# The Gabelli Equity Income Fund

## Schedule of Investments — June 30, 2017 (Unaudited)

Shares		Market Value	Shares		Market Value
<b>COMMON STOCKS — 99.3%</b>					
<b>Aerospace — 2.0%</b>					
64,000	Aerojet Rocketdyne Holdings Inc.†	\$ 1,331,200	30,000	S&P Global Inc.	\$ 4,379,700
2,000	Lockheed Martin Corp.	555,220	4,000	Vectrus Inc.†	129,280
10,000	Raytheon Co.	1,614,800			<u>25,658,520</u>
80,000	Rockwell Automation Inc.	12,956,800	10,000	<b>Cable and Satellite — 1.1%</b>	
2,000	Rockwell Collins Inc.	210,160	165,000	AMC Networks Inc., Cl. A†	534,100
1,300,000	Rolls-Royce Holdings plc	15,086,353	16,000	DISH Network Corp., Cl. A†	10,355,400
97,625,000	Rolls-Royce Holdings plc, Cl. C†	127,152	16,000	EchoStar Corp., Cl. A†	971,200
		<u>31,881,685</u>	9,581	Liberty Global plc LiLAC, Cl. A†	208,578
			20,030	Liberty Global plc LiLAC, Cl. C†	428,842
			60,000	Scripps Networks Interactive Inc., Cl. A	4,098,600
					<u>16,596,720</u>
<b>Agriculture — 0.7%</b>					
90,000	Archer Daniels Midland Co.	3,724,200	<b>Communications Equipment — 0.4%</b>		
57,000	Monsanto Co.	6,746,520	220,000	Corning Inc.	6,611,000
12,000	The Mosaic Co.	273,960			
		<u>10,744,680</u>	<b>Computer Hardware — 0.9%</b>		
<b>Automotive — 0.5%</b>					
214,000	Navistar International Corp.†	5,613,220	22,000	Apple Inc.	3,168,440
30,000	PACCAR Inc.	1,981,200	76,000	International Business Machines Corp.	11,691,080
		<u>7,594,420</u>			<u>14,859,520</u>
<b>Automotive: Parts and Accessories — 2.5%</b>					
11,500	Adient plc	751,870	10,000	CDK Global Inc.	620,600
164,000	Dana Inc.	3,662,120	100,000	Fidelity National Information Services Inc.	8,540,000
350,000	Genuine Parts Co.	32,466,000	280,000	Hewlett Packard Enterprise Co.	4,645,200
28,000	Modine Manufacturing Co.†	463,400	50,000	Microsoft Corp.	3,446,500
1,200	O'Reilly Automotive Inc.†	262,488	23,000	NetScout Systems Inc.†	791,200
20,000	Tenneco Inc.	1,156,600			<u>18,043,500</u>
		<u>38,762,478</u>	<b>Consumer Products — 5.0%</b>		
<b>Aviation: Parts and Services — 0.4%</b>					
100,000	Arconic Inc.	2,265,000	44,000	Altria Group Inc.	3,276,680
29,000	United Technologies Corp.	3,541,190	80,000	Edgewell Personal Care Co.†	6,081,600
		<u>5,806,190</u>	60,000	Engelizer Holdings Inc.	2,881,200
<b>Broadcasting — 1.9%</b>					
347,000	CBS Corp., Cl. A, Voting	22,489,070	25,000	Essity AB, Cl. A†	684,891
65,575	Liberty Global plc, Cl. A†	2,106,269	2,000	National Presto Industries Inc.	221,000
158,000	Liberty Global plc, Cl. C†	4,926,440	50,000	Philip Morris International Inc.	5,872,500
36,000	MSG Networks Inc., Cl. A†	808,200	90,000	Reckitt Benckiser Group plc	9,124,489
		<u>30,329,979</u>	25,000	Svenska Cellulosa AB, Cl. A	216,625
<b>Building and Construction — 1.5%</b>					
200,000	Fortune Brands Home & Security Inc.	13,048,000	1,000,000	Swedish Match AB	35,217,871
49,000	Herc Holdings Inc.†	1,926,680	118,000	The Procter & Gamble Co	10,283,700
218,000	Johnson Controls International plc	9,452,480	78,000	Unilever NV - NY Shares	4,311,060
		<u>24,427,160</u>			<u>78,171,616</u>
<b>Business Services — 1.6%</b>					
37,000	Automatic Data Processing Inc.	3,791,020	<b>Consumer Services — 0.2%</b>		
85,000	Diebold Nixdorf Inc.	2,380,000	3,500	Allegion plc	283,920
100,000	Mastercard Inc., Cl. A	12,145,000	56,500	Rollins Inc.	2,300,115
2,000	MSC Industrial Direct Co. Inc., Cl. A	171,920			<u>2,584,035</u>
40,000	Pentair plc	2,661,600	<b>Diversified Industrial — 4.5%</b>		
			92,000	Crane Co.	7,302,960
			80,000	Eaton Corp. plc	6,226,400
			635,000	General Electric Co.	17,151,350
			140,000	Honeywell International Inc.	18,660,600
			50,000	ITT Inc.	2,009,000
			50,000	Jardine Matheson Holdings Ltd.	3,210,000

See accompanying notes to schedule of investments.

# The Gabelli Equity Income Fund

## Schedule of Investments (Continued) — June 30, 2017 (Unaudited)

Shares		Market Value	Shares		Market Value
	<b>COMMON STOCKS (Continued)</b>				
	<b>Diversified Industrial (Continued)</b>		22,000	Marathon Petroleum Corp. ....	\$ 1,151,260
180,000	Jardine Strategic Holdings Ltd. ....	\$ 7,504,200	44,000	Occidental Petroleum Corp. ....	2,634,280
120,000	Textron Inc. ....	5,652,000	3,000	PetroChina Co. Ltd., ADR .....	183,840
350,000	Toray Industries Inc. ....	2,926,028	100,000	Royal Dutch Shell plc, Cl. A, ADR .....	5,319,000
37,000	Trinity Industries Inc. ....	1,037,110	17,000	Total SA, ADR .....	843,030
		<u>71,679,648</u>			<u>46,024,520</u>
	<b>Electronics — 1.5%</b>			<b>Energy and Utilities: Services — 1.3%</b>	
45,000	Sony Corp. ....	1,714,781	345,000	Halliburton Co. ....	14,734,950
85,000	Sony Corp., ADR. ....	3,246,150	93,000	Oceaneering International Inc. ....	2,124,120
74,000	TE Connectivity Ltd. ....	5,822,320	44,000	Schlumberger Ltd. ....	2,896,960
160,000	Texas Instruments Inc. ....	12,308,800	90,000	Weatherford International plc† .....	348,300
		<u>23,092,051</u>			<u>20,104,330</u>
	<b>Energy and Utilities: Electric — 0.3%</b>			<b>Energy and Utilities: Water — 0.2%</b>	
10,000	American Electric Power Co. Inc. ....	694,700	17,000	Aqua America Inc. ....	566,100
7,000	Avangrid Inc. ....	309,050	80,000	Severn Trent plc .....	2,273,568
45,000	El Paso Electric Co. ....	2,326,500			<u>2,839,668</u>
50,000	Korea Electric Power Corp., ADR .....	898,500		<b>Entertainment — 1.6%</b>	
105,000	The AES Corp. ....	1,166,550	132,000	Grupo Televisa SAB, ADR .....	3,216,840
		<u>5,395,300</u>	12,000	The Madison Square Garden Co, Cl. A† .....	2,362,800
	<b>Energy and Utilities: Integrated — 0.6%</b>		34,000	Time Warner Inc. ....	3,413,940
5,512	California Resources Corp.† .....	47,128	155,000	Twenty-First Century Fox Inc., Cl. B. ....	4,319,850
4,000	Duke Energy Corp. ....	334,360	294,000	Viacom Inc., Cl. A. ....	11,186,700
188,000	Energy Transfer Equity LP .....	3,376,480			<u>24,500,130</u>
29,000	Eni SpA. ....	435,891		<b>Environmental Services — 0.8%</b>	
13,000	Eversource Energy .....	789,230	50,000	Republic Services Inc. ....	3,186,500
6,500	Iberdrola SA, ADR .....	206,213	130,000	Waste Management Inc. ....	9,535,500
64,000	OGE Energy Corp. ....	2,226,560			<u>12,722,000</u>
59,000	PNM Resources Inc. ....	2,256,750		<b>Equipment and Supplies — 1.7%</b>	
		<u>9,672,612</u>	57,500	A.O. Smith Corp. ....	3,238,975
	<b>Energy and Utilities: Natural Gas — 1.3%</b>		16,346	Danaher Corp. ....	1,379,439
2,000	Atmos Energy Corp. ....	165,900	179,000	Flowserve Corp. ....	8,310,970
80,000	Kinder Morgan Inc. ....	1,532,800	22,500	Graco Inc. ....	2,458,800
200,000	National Fuel Gas Co. ....	11,168,000	12,000	Ingersoll-Rand plc .....	1,096,680
15,000	ONE Gas Inc. ....	1,047,150	22,000	Minerals Technologies Inc. ....	1,610,400
100,000	ONEOK Inc. ....	5,216,000	186,500	Mueller Industries Inc. ....	5,678,925
12,000	Southwest Gas Holdings Inc. ....	876,720	16,000	Parker-Hannifin Corp. ....	2,557,120
		<u>20,006,570</u>	15,000	Tenaris SA, ADR .....	467,100
	<b>Energy and Utilities: Oil — 2.9%</b>				<u>26,798,409</u>
170,000	Anadarko Petroleum Corp. ....	7,707,800		<b>Financial Services — 21.8%</b>	
1,500	Apache Corp. ....	71,895	6,500	Alleghany Corp.† .....	3,866,200
44,000	BP plc, ADR .....	1,524,600	209,000	AllianceBernstein Holding LP .....	4,942,850
100,000	Chevron Corp. ....	10,433,000	228,000	American Express Co. ....	19,206,720
95,000	ConocoPhillips .....	4,176,200	128,000	American International Group Inc. ....	8,002,560
25,000	Denbury Resources Inc.† .....	38,250	26,000	Argo Group International Holdings Ltd. ....	1,575,600
39,000	Devon Energy Corp. ....	1,246,830	5,195	Banco Santander Chile, ADR .....	132,005
73,000	Exxon Mobil Corp. ....	5,893,290	93,000	Banco Santander SA, ADR .....	622,170
103,500	Hess Corp. ....	4,540,545	335,000	Bank of America Corp. ....	8,127,100
22,000	Marathon Oil Corp. ....	260,700	13,056	BNP Paribas SA. ....	940,347

See accompanying notes to schedule of investments.

# The Gabelli Equity Income Fund

## Schedule of Investments (Continued) — June 30, 2017 (Unaudited)

Shares	Market Value	Shares	Market Value
<b>COMMON STOCKS (Continued)</b>			
<b>Financial Services (Continued)</b>			
380,000	Citigroup Inc. .... \$ 25,414,400	128,000	Danone SA ..... \$ 9,621,125
18,000	Deutsche Bank AG ..... 320,220	1,140,000	Daveide Campari-Milano SpA ..... 8,033,671
40,000	Dundee Corp., Cl. A† ..... 87,909	96,000	Diageo plc, ADR ..... 11,503,680
44,000	Eaton Vance Corp. .... 2,082,080	50,000	Dr Pepper Snapple Group Inc. .... 4,555,500
130,000	Federated Investors Inc., Cl. B ..... 3,672,500	128,000	Fomento Economico Mexicano SAB de CV, ADR ..... 12,587,520
34,000	Fidelity Southern Corp. .... 777,240	220,000	General Mills Inc. .... 12,188,000
92,000	H&R Block Inc. .... 2,843,720	2,750,000	Grupo Bimbo SAB de CV, Cl. A ..... 6,930,780
54,000	Interactive Brokers Group Inc., Cl. A ..... 2,020,680	147,000	Heineken NV ..... 14,293,019
230,000	JPMorgan Chase & Co. .... 21,022,000	17,000	Heineken NV, ADR ..... 828,325
82,000	Julius Baer Group Ltd. .... 4,314,214	230,000	ITO EN Ltd. .... 8,384,085
30,000	Kemper Corp. .... 1,158,000	39,000	Kellogg Co. .... 2,708,940
90,100	Kinnevik AB, Cl. A ..... 3,188,103	2,000	McCormick & Co. Inc., Cl. V. .... 195,260
19,000	Kinnevik AB, Cl. B ..... 581,635	28,000	McCormick & Co. Inc., Non-Voting ..... 2,730,280
235,000	Legg Mason Inc. .... 8,967,600	750,000	Mondelēz International Inc., Cl. A ..... 32,392,500
15,000	Leucadia National Corp. .... 392,400	115,000	Nestlé SA ..... 10,008,082
110,000	Loews Corp. .... 5,149,100	65,000	Nestlé SA, ADR ..... 5,668,000
132,000	M&T Bank Corp. .... 21,377,400	112,000	Nissin Foods Holdings Co. Ltd. .... 6,990,353
330,000	Marsh & McLennan Companies Inc. .... 25,726,800	3,080,000	Parmalat SpA ..... 10,659,022
280,000	Morgan Stanley ..... 12,476,800	100,000	PepsiCo Inc. .... 11,549,000
220,000	Navient Corp. .... 3,663,000	45,000	Pernod Ricard SA ..... 6,026,281
8,000	Northern Trust Corp. .... 777,680	58,000	Remy Cointreau SA ..... 6,773,534
60,000	Och-Ziff Capital Management Group LLC, Cl. A ..... 153,600	40,000	Sapporo Holdings Ltd. .... 1,100,689
38,000	Oritani Financial Corp. .... 647,900	68,000	The Kraft Heinz Co. .... 5,823,520
40,000	Popular Inc. .... 1,668,400	90,000	The Coca-Cola Co. .... 4,036,500
265,000	SLM Corp.† ..... 3,047,500	1,000	The Hershey Co. .... 107,370
170,000	State Street Corp. .... 15,254,100	84,000	Tootsie Roll Industries Inc. .... 2,927,400
284,000	Sterling Bancorp. .... 6,603,000	4,000	Tyson Foods Inc., Cl. A ..... 250,520
12,000	SunTrust Banks Inc. .... 680,640	104,000	Yakult Honsha Co. Ltd. .... 7,073,572
77,000	T. Rowe Price Group Inc. .... 5,714,170		<u>237,065,947</u>
100,000	TD Ameritrade Holding Corp. .... 4,299,000	<b>Health Care — 10.5%</b>	
970,000	The Bank of New York Mellon Corp. .... 49,489,400	14,000	Abbott Laboratories ..... 680,540
3,000	The Dun & Bradstreet Corp. .... 324,450	10,000	AbbVie Inc. .... 725,100
18,500	The Goldman Sachs Group Inc. .... 4,105,150	34,000	Aetna Inc. .... 5,162,220
130,000	The Hartford Financial Services Group Inc. .... 6,834,100	4,000	Allergan plc. .... 972,360
104,500	The PNC Financial Services Group Inc. .... 13,048,915	78,000	Baxter International Inc. .... 4,722,120
16,000	The Travelers Companies Inc. .... 2,024,480	20,000	Bio-Rad Laboratories Inc., Cl. A† ..... 4,526,200
50,000	W. R. Berkley Corp. .... 3,458,500	50,000	Boston Scientific Corp.† ..... 1,386,000
104,000	Waddell & Reed Financial Inc., Cl. A ..... 1,963,520	408,000	Bristol-Myers Squibb Co. .... 22,733,760
550,000	Wells Fargo & Co. .... 30,475,500	177,000	Eli Lilly & Co. .... 14,567,100
275,000	Wright Investors' Service Holdings Inc.† ..... 182,875	20,000	Express Scripts Holding Co.† ..... 1,276,800
	<u>343,404,233</u>	13,000	GlaxoSmithKline plc, ADR ..... 560,560
		20,000	Henry Schein Inc.† ..... 3,660,400
		140,000	Johnson & Johnson ..... 18,520,600
		3,000	Laboratory Corp. of America Holdings† ..... 462,420
1,000	<b>Food and Beverage — 15.0%</b>	327,000	Merck & Co. Inc. .... 20,957,430
4,500	Ajinomoto Co. Inc. .... 21,574	232,000	Novartis AG, ADR ..... 19,365,040
355,500	Anheuser-Busch InBev SA/NV ..... 497,059	215,000	Patterson Cos., Inc. .... 10,094,250
172,000	Brown-Forman Corp., Cl. A ..... 17,526,150	280,000	Pfizer Inc. .... 9,405,200
80,000	Campbell Soup Co. .... 8,969,800	115,000	Roche Holding AG, ADR ..... 3,657,000
20,000	Coca-Cola Amatil Ltd., ADR ..... 572,000	28,000	Roche Holding AG, Genuschein ..... 7,130,671
14,500	Coca-Cola European Partners plc. .... 813,400		
7,700	Coca-Cola Femsa SAB de CV, ADR ..... 1,227,715		
	Constellation Brands Inc., Cl. A ..... 1,491,721		

See accompanying notes to schedule of investments.

# The Gabelli Equity Income Fund

## Schedule of Investments (Continued) — June 30, 2017 (Unaudited)

Shares		Market Value	Shares		Market Value
	<b>COMMON STOCKS (Continued)</b>				
	<b>Health Care (Continued)</b>		106,000	Whole Foods Market Inc.....	\$ 4,463,660
38,000	Tenet Healthcare Corp.† .....	\$ 734,920			<u>98,568,902</u>
1,000	UnitedHealth Group Inc.....	185,420		<b>Specialty Chemicals — 1.5%</b>	
87,500	William Demant Holding A/S† .....	2,264,663	13,000	Albemarle Corp. ....	1,372,020
61,854	Wright Medical Group NV† .....	1,700,366	6,000	Ashland Global Holdings Inc.....	395,460
50,000	Zimmer Biomet Holdings Inc. ....	6,420,000	160,000	Ferro Corp.† .....	2,926,400
62,000	Zoetis Inc.....	<u>3,867,560</u>	8,000	FMC Corp. ....	584,400
		<u>165,738,700</u>	46,000	H.B. Fuller Co. ....	2,351,060
			89,000	International Flavors & Fragrances Inc. ....	12,015,000
	<b>Hotels and Gaming — 0.3%</b>		2,400	NewMarket Corp. ....	1,105,152
7,500	Las Vegas Sands Corp. ....	479,175	1,000	Quaker Chemical Corp.....	145,230
78,000	MGM Resorts International.....	2,440,620	12,000	Sensient Technologies Corp. ....	966,360
17,000	Wynn Resorts Ltd.....	<u>2,280,040</u>	20,000	The Chemours Co. ....	758,400
		<u>5,199,835</u>	21,000	Valvoline Inc. ....	<u>498,120</u>
					<u>23,117,602</u>
	<b>Machinery — 1.0%</b>			<b>Telecommunications — 3.2%</b>	
6,000	Caterpillar Inc.....	644,760	2,000	AT&T Inc. ....	75,460
90,000	Deere & Co. ....	11,123,100	300,000	BCE Inc. ....	13,512,000
72,500	Xylem Inc.....	<u>4,018,675</u>	50,000	BT Group plc .....	191,950
		<u>15,786,535</u>	32,000	BT Group plc, ADR.....	621,120
			21,000	CenturyLink Inc. ....	501,480
	<b>Metals and Mining — 0.6%</b>		65,000	Cincinnati Bell Inc.† .....	1,270,750
220,000	Freeport-McMoRan Inc.† .....	2,642,200	285,000	Deutsche Telekom AG, ADR .....	5,134,275
233,000	Newmont Mining Corp. ....	<u>7,546,870</u>	10,000	Harris Corp. ....	1,090,800
		<u>10,189,070</u>	33,000	Loral Space & Communications Inc.† .....	1,371,150
			25,000	Orange SA, ADR .....	399,500
	<b>Paper and Forest Products — 0.1%</b>		47,000	Proximus SA .....	1,644,254
15,000	International Paper Co.....	<u>849,150</u>	45,010	Telefonica SA, ADR .....	467,654
			316,000	Telephone & Data Systems Inc.....	8,769,000
	<b>Publishing — 0.0%</b>		24,000	TELUS Corp.....	828,563
3,000	Value Line Inc.....	<u>54,900</u>	25,000	TELUS Corp., New York .....	863,000
			295,000	Verizon Communications Inc. ....	<u>13,174,700</u>
	<b>Real Estate — 0.0%</b>				<u>49,915,656</u>
10,049	Griffin Industrial Realty Inc. ....	<u>315,237</u>		<b>Transportation — 0.6%</b>	
			142,500	GATX Corp.....	<u>9,158,475</u>
	<b>Real Estate Investment Trusts — 1.1%</b>			<b>Wireless Communications — 0.9%</b>	
45,600	Ryman Hospitality Properties Inc. ....	2,918,856	9,000	Millicom International Cellular SA .....	535,500
422,000	Weyerhaeuser Co. ....	<u>14,137,000</u>	32,000	Millicom International Cellular SA, SDR.....	1,890,061
		<u>17,055,856</u>	228,000	NTT DoCoMo Inc.....	5,375,915
			66,000	Turkcell Iletisim Hizmetleri A/S, ADR.....	541,200
	<b>Retail — 6.2%</b>		39,846	United States Cellular Corp.† .....	1,526,899
16,000	Compagnie Financiere Richemont SA .....	1,318,177	140,000	Vodafone Group plc, ADR .....	<u>4,022,200</u>
49,124	Copart Inc.† .....	1,561,652			<u>13,891,775</u>
68,000	Costco Wholesale Corp.....	10,875,240		<b>TOTAL COMMON STOCKS</b> .....	<u>1,565,218,614</u>
373,000	CVS Health Corp. ....	30,011,580		<b>CLOSED-END FUNDS — 0.5%</b>	
97,200	Ingles Markets Inc., Cl. A .....	3,236,760	161,000	Alta Inc.† .....	<u>8,771,280</u>
380,000	J.C. Penney Co. Inc.† .....	1,767,000			
425,000	Macy's Inc. ....	9,877,000			
90,000	Seven & i Holdings Co. Ltd. ....	3,703,223			
115,000	The Home Depot Inc. ....	17,641,000			
28,000	Tractor Supply Co. ....	1,517,880			
115,000	Walgreens Boots Alliance Inc. ....	9,005,650			
41,000	Wal-Mart Stores Inc.....	3,102,880			
10,000	Weis Markets Inc.....	487,200			

See accompanying notes to schedule of investments.

**The Gabelli Equity Income Fund**  
**Schedule of Investments (Continued) — June 30, 2017 (Unaudited)**

<u>Shares</u>		<u>Market Value</u>	<u>Principal Amount</u>	<u>Market Value</u>	
	<b>CONVERTIBLE PREFERRED STOCKS — 0.1%</b>				
	<b>Telecommunications — 0.1%</b>				
30,000	Cincinnati Bell Inc., 6.750%, Ser. B .....	\$ 1,500,300	\$ 1,025,000		
				<b>CONVERTIBLE CORPORATE BONDS — 0.1%</b>	
				<b>Building and Construction — 0.1%</b>	
				Layne Christensen Co.,	
				4.250%, 11/15/18 .....	\$ 916,734
	<b>RIGHTS — 0.0%</b>				
	<b>Retail — 0.0%</b>				
250,017	Safeway Casa Ley, CVR, expire 01/30/19† .....	121,258			
250,017	Safeway PDC, CVR, expire 01/30/18† .....	3,750	200,000		
		<u>125,008</u>			
	<b>TOTAL RIGHTS .....</b>	<u>125,008</u>			
	<b>WARRANTS — 0.0%</b>				
	<b>Retail — 0.0%</b>				
105	Sears Holdings Corp., expire 12/15/19† .....	214	3,000		
				<b>Retail — 0.0%</b>	
				Sears Holdings Corp.,	
				8.000%, 12/15/19 .....	2,363
				<b>TOTAL CORPORATE BONDS .....</b>	<u>2,363</u>
				<b>TOTAL INVESTMENTS — 100.0%</b>	
				(Cost \$774,182,326) .....	<u>\$1,576,534,513</u>
				Aggregate tax cost .....	<u>\$ 781,142,636</u>
				Gross unrealized appreciation .....	<u>\$ 814,606,738</u>
				Gross unrealized depreciation .....	<u>(19,214,861)</u>
				Net unrealized appreciation/depreciation .....	<u>\$ 795,391,877</u>

† Non-income producing security.  
ADR American Depositary Receipt  
CVR Contingent Value Right  
SDR Swedish Depositary Receipt

See accompanying notes to schedule of investments.

## The Gabelli Equity Income Fund

### Notes to Schedule of Investments (Unaudited)

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As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (“GAAP”) that may require the use of management estimates and assumptions in the preparation of its schedule of investments. 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 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 obligations 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, 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. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

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 American Depositary Receipt 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 Board’s determinations as to the fair value of investments).

## The Gabelli Equity Income Fund

### Notes to Schedule of Investments (Unaudited) (Continued)

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 June 30, 2017 is as follows:

	Valuation Inputs			Total Market Value at 6/30/17
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Other Significant Observable Inputs	
<b>INVESTMENTS IN SECURITIES:</b>				
<b>ASSETS (Market Value):</b>				
Common Stocks				
Aerospace	\$ 31,754,533	—	\$127,152	\$ 31,881,685
Financial Services	343,221,358	\$ 182,875	—	343,404,233
Other Industries (a)	1,189,932,696	—	—	1,189,932,696
Total Common Stocks	1,564,908,587	182,875	127,152	1,565,218,614
Closed-End Funds	8,771,280	—	—	8,771,280
Convertible Preferred Stocks (a)	1,500,300	—	—	1,500,300
Rights (a)	—	125,008	—	125,008
Warrants (a)	214	—	—	214
Convertible Corporate Bonds (a)	—	916,734	—	916,734
Corporate Bonds (a)	—	2,363	0	2,363
<b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b>	<b>\$1,575,180,381</b>	<b>\$1,226,980</b>	<b>\$127,152</b>	<b>\$1,576,534,513</b>

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

#### Additional Information to Evaluate Qualitative Information.

**General.** The Fund uses recognized industry pricing services – approved by the Board and unaffiliated with the Adviser – to value most of its securities, and uses broker quotes provided by market makers of securities not valued by these and other recognized pricing sources. Several different pricing feeds are received to value domestic equity securities, international equity securities, preferred equity securities, and fixed income securities. The data within these feeds are ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

**Fair Valuation.** Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. When fair valuing a security, factors to consider include recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. A significant change in the unobservable inputs could result in a lower or higher value in Level 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.



## The Gabelli Equity Income Fund

### Notes to Schedule of Investments (Unaudited) (Continued)

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The Adviser reports quarterly to the Board the results of the application of fair valuation policies and procedures. These may include backtesting the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

**Derivative Financial Instruments.** The Fund may engage in various portfolio investment strategies by investing in derivative financial instruments for the purposes of increasing the income of the Fund, hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase, 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, 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 Fund's derivative contracts held at June 30, 2017, 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 an equity contract for difference 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 June 30, 2017, the Fund held no investments in equity contract for difference swap agreements.

**Securities Sold Short.** The Fund may enter into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis.

## The Gabelli Equity Income Fund

### Notes to Schedule of Investments (Unaudited) (Continued)

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The broker retains collateral for the value of the open positions, which is adjusted periodically as the value of the position fluctuates. At June 30, 2017, there were no short sales outstanding.

**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 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 Securities.** The Fund may invest up to 15% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than 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. At June 30, 2017, the Fund held no restricted securities.

**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.

**GABELLI EQUITY INCOME FUND**  
**One Corporate Center**  
**Rye, NY 10580-1422**

**Portfolio Manager Biography**

**Mario J. Gabelli, CFA**, is Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer - Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School and Honorary Doctorates from Fordham University and Roger Williams University.

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. 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).

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

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GABELLI  
FUNDS

# THE GABELLI EQUITY INCOME FUND

*Third Quarter Report  
June 30, 2017*

