

# The Gabelli Equity Income Fund

## Semiannual Report — March 31, 2017



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

### To Our Shareholders,

For the six months ended March 31, 2017, the net asset value (“NAV”) per Class AAA Share of The Gabelli Equity Income Fund increased 7.5% compared with an increase of 10.1% for the Standard & Poor’s (“S&P”) 500 Index. See below for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of March 31, 2017.

### Comparative Results

#### Average Annual Returns through March 31, 2017 (a)(b) (Unaudited)

	Six Months	1 Year	5 Year	10 Year	15 Year	Since Inception (01/02/92)
<b>Class AAA (GABEX)</b> . . . . .	7.48%	13.38%	9.64%	6.31%	7.74%	9.95%
S&P 500 Index . . . . .	10.12	17.17	13.30	7.51	7.09	9.31(c)
Nasdaq Composite Index . . . . .	11.99	22.93	15.38	10.60	9.23	9.58(c)
Lipper Equity Income Fund Average . . . . .	9.26	16.09	11.34	5.93	6.60	8.45
<b>Class A (GCAEX)</b> . . . . .	7.51	13.39	9.65	6.32	7.74	9.95
With sales charge (d) . . . . .	1.33	6.87	8.35	5.70	7.31	9.69
<b>Class C (GCCEX)</b> . . . . .	7.08	12.52	8.82	5.53	7.04	9.52
With contingent deferred sales charge (e) . . . . .	6.08	11.52	8.82	5.53	7.04	9.52
<b>Class I (GCIEX)</b> . . . . .	7.62	13.67	9.92	6.57	7.91	10.05

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. See page 11 for the expense ratios for the six months ended March 31, 2017. 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 is 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 Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from October 1, 2016 through March 31, 2017

## Expense Table

We believe it is important for you to understand the impact of fees and expenses regarding your investment. All mutual funds have operating expenses. As a shareholder of a fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund's gross income, directly reduce the investment return of a fund. When a fund's expenses are expressed as a percentage of its average net assets, this figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The Expense Table below illustrates your Fund's costs in two ways:

**Actual Fund Return:** This section provides information about actual account values and actual expenses. You may use this section to help you to estimate the actual expenses that you paid over the period after any fee waivers and expense reimbursements. The "Ending Account Value" shown is derived from the Fund's **actual** return during the past six months, and the "Expenses Paid During Period" shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Fund. You may use this information, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your Fund under the heading "Expenses Paid During Period" to estimate the expenses you paid during this period.

**Hypothetical 5% Return:** This section provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio. It assumes a hypothetical annualized return of 5% before expenses during the period shown. In this case – because the hypothetical return used is **not** the Fund's actual return – the results do not apply to your investment and you cannot use the hypothetical account value and expense to estimate the actual ending account balance or expenses you paid for the period. This example is useful in making comparisons of the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which are described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

	Beginning Account Value 10/01/16	Ending Account Value 03/31/17	Annualized Expense Ratio	Expenses Paid During Period*
<b><i>The Gabelli Equity Income Fund</i></b>				
<b>Actual Fund Return</b>				
Class AAA	\$1,000.00	\$1,074.80	1.41%	\$ 7.29
Class A	\$1,000.00	\$1,075.10	1.41%	\$ 7.29
Class C	\$1,000.00	\$1,070.80	2.16%	\$11.15
Class I	\$1,000.00	\$1,076.20	1.16%	\$ 6.00
<b>Hypothetical 5% Return</b>				
Class AAA	\$1,000.00	\$1,017.90	1.41%	\$ 7.09
Class A	\$1,000.00	\$1,017.90	1.41%	\$ 7.09
Class C	\$1,000.00	\$1,014.16	2.16%	\$10.85
Class I	\$1,000.00	\$1,019.15	1.16%	\$ 5.84

\* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (182 days), then divided by 365.

## Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of March 31, 2017:

### The Gabelli Equity Income Fund

Financial Services . . . . .	21.1%	Computer Hardware . . . . .	1.0%
Food and Beverage . . . . .	14.3%	Machinery . . . . .	0.9%
Health Care . . . . .	10.5%	Environmental Services . . . . .	0.9%
Retail . . . . .	6.9%	Agriculture . . . . .	0.8%
Consumer Products . . . . .	4.6%	Wireless Communications . . . . .	0.8%
Diversified Industrial . . . . .	4.5%	Metals and Mining . . . . .	0.7%
Energy and Utilities: Oil . . . . .	3.3%	Communications Equipment . . . . .	0.7%
Telecommunications . . . . .	3.3%	Energy and Utilities: Integrated . . . . .	0.6%
Automotive: Parts and Accessories . . . . .	2.4%	Transportation . . . . .	0.5%
Broadcasting . . . . .	2.0%	Automotive . . . . .	0.4%
Aerospace . . . . .	2.0%	Aviation: Parts and Services . . . . .	0.4%
Entertainment . . . . .	1.9%	Energy and Utilities: Electric . . . . .	0.3%
Equipment and Supplies . . . . .	1.8%	Hotels and Gaming . . . . .	0.3%
Computer Software and Services . . . . .	1.6%	Consumer Services . . . . .	0.2%
Specialty Chemicals . . . . .	1.6%	Energy and Utilities: Water . . . . .	0.2%
Business Services . . . . .	1.5%	Paper and Forest Products . . . . .	0.0%*
Energy and Utilities: Services . . . . .	1.5%	Real Estate . . . . .	0.0%*
Building and Construction . . . . .	1.4%	Publishing . . . . .	0.0%*
Electronics . . . . .	1.4%	Other Assets and Liabilities (Net) . . . . .	0.2%
Energy and Utilities: Natural Gas . . . . .	1.3%		
Real Estate Investment Trusts . . . . .	1.1%		
Cable and Satellite . . . . .	1.1%		
			<u>100.0%</u>

\* Amount represents less than 0.05%

*The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at [www.gabelli.com](http://www.gabelli.com) or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.*

### Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

# The Gabelli Equity Income Fund

## Schedule of Investments — March 31, 2017 (Unaudited)

Shares		Cost	Market Value	Shares		Cost	Market Value
<b>COMMON STOCKS — 99.6%</b>							
<b>Aerospace — 2.0%</b>							
64,000	Aerojet Rocketdyne Holdings Inc.†	\$ 359,828	\$ 1,388,800	100,000	MasterCard Inc., Cl. A	\$ 864,079	\$ 11,247,000
2,000	Lockheed Martin Corp.	47,350	535,200	2,000	MSC Industrial Direct Co. Inc., Cl. A	132,352	205,520
10,000	Raytheon Co.	279,200	1,525,000	40,000	Pentair plc	1,223,885	2,511,200
97,000	Rockwell Automation Inc.	3,592,399	15,103,870	30,000	S&P Global Inc.	1,225,693	3,922,200
2,000	Rockwell Collins Inc.	15,844	194,320	4,000	Vectrus Inc.†	61,245	89,400
1,400,000	Rolls-Royce Holdings plc	10,045,580	13,225,584			<u>7,556,788</u>	<u>24,526,750</u>
		<u>14,340,201</u>	<u>31,972,774</u>	<b>Cable and Satellite — 1.1%</b>			
<b>Agriculture — 0.8%</b>				10,000	AMC Networks Inc., Cl. A†	389,742	586,800
90,000	Archer Daniels Midland Co.	2,386,667	4,143,600	167,000	DISH Network Corp., Cl. A†	3,388,521	10,602,830
80,000	Monsanto Co.	1,395,675	9,056,000	16,000	EchoStar Corp., Cl. A†	478,840	911,200
12,000	The Mosaic Co.	186,246	350,160	8,181	Liberty Global plc LiLAC, Cl. A†	221,309	181,945
		<u>3,968,588</u>	<u>13,549,760</u>	20,030	Liberty Global plc LiLAC, Cl. C†	541,872	461,491
<b>Automotive — 0.4%</b>				60,000	Scripps Networks Interactive Inc., Cl. A	<u>2,582,949</u>	<u>4,702,200</u>
214,000	Navistar International Corp.†	4,167,904	5,268,680			<u>7,603,233</u>	<u>17,446,466</u>
30,000	PACCAR Inc.	1,348,822	2,016,000	<b>Communications Equipment — 0.7%</b>			
		<u>5,516,726</u>	<u>7,284,680</u>	430,000	Corning Inc.	5,496,825	11,610,000
<b>Automotive: Parts and Accessories — 2.4%</b>				<b>Computer Hardware — 1.0%</b>			
15,000	Adient plc	705,000	1,090,050	22,000	Apple Inc.	1,611,288	3,160,520
164,000	Dana Inc.	2,605,637	3,166,840	77,000	International Business Machines Corp.	6,120,171	13,408,780
352,000	Genuine Parts Co.	14,628,700	32,528,320			<u>7,731,459</u>	<u>16,569,300</u>
32,000	Modine Manufacturing Co.†	237,394	390,400	<b>Computer Software and Services — 1.6%</b>			
2,500	O'Reilly Automotive Inc.†	62,700	674,600	10,000	CDK Global Inc.	151,748	650,100
25,000	Tenneco Inc.	377,913	1,560,500	100,000	Fidelity National Information Services Inc.	1,648,845	7,962,000
		<u>18,617,344</u>	<u>39,410,710</u>	280,000	Hewlett Packard Enterprise Co.	3,269,102	6,636,000
<b>Aviation: Parts and Services — 0.4%</b>				50,000	Microsoft Corp.	1,397,000	3,293,000
100,000	Arconic Inc.	1,882,016	2,634,000	23,000	NetScout Systems Inc.†	371,369	872,850
29,000	United Technologies Corp.	1,453,950	3,254,090	163,000	Yahoo! Inc.†	2,658,679	7,564,830
		<u>3,335,966</u>	<u>5,888,090</u>			<u>9,496,743</u>	<u>26,978,780</u>
<b>Broadcasting — 2.0%</b>				<b>Consumer Products — 4.6%</b>			
347,500	CBS Corp., Cl. A, Voting	8,267,956	24,460,525	44,000	Altria Group Inc.	517,039	3,142,480
65,575	Liberty Global plc, Cl. A†	1,481,226	2,352,175	81,000	Edgewell Personal Care Co.†	3,402,906	5,924,340
158,000	Liberty Global plc, Cl. C†	3,557,432	5,536,320	60,000	Energizer Holdings Inc.	744,798	3,345,000
36,000	MSG Networks Inc., Cl. A†	134,967	840,600	2,000	National Presto Industries Inc.	60,046	204,400
		<u>13,441,581</u>	<u>33,189,620</u>	50,000	Philip Morris International Inc.	1,501,172	5,645,000
<b>Building and Construction — 1.4%</b>				92,000	Reckitt Benckiser Group plc	2,835,852	8,398,321
200,000	Fortune Brands Home & Security Inc.	1,974,872	12,170,000	25,000	Svenska Cellulosa AB, Cl. A	485,531	823,043
49,000	Herc Holdings Inc.†	1,576,954	2,395,610	1,000,000	Swedish Match AB	12,530,354	32,531,122
218,000	Johnson Controls International plc	4,478,617	9,182,160	120,000	The Procter & Gamble Co.	6,634,812	10,782,000
		<u>8,030,443</u>	<u>23,747,770</u>	80,000	Unilever NV - NY Shares	1,607,207	3,974,400
<b>Business Services — 1.5%</b>						<u>30,319,717</u>	<u>74,770,106</u>
37,000	Automatic Data Processing Inc.	1,358,159	3,788,430	<b>Consumer Services — 0.2%</b>			
90,000	Diebold Nixdorf Inc.	2,691,375	2,763,000	3,500	Allegion plc	50,080	264,950

See accompanying notes to financial statements.

# The Gabelli Equity Income Fund

## Schedule of Investments (Continued) — March 31, 2017 (Unaudited)

Shares		Cost	Market Value	Shares		Cost	Market Value
	<b>COMMON STOCKS (Continued)</b>						
	<b>Consumer Services (Continued)</b>			12,000	Southwest Gas Holdings Inc....	\$ 246,965	\$ 994,920
76,000	Rollins Inc. ....	\$ 168,607	\$ 2,821,880			<u>12,690,805</u>	<u>21,417,580</u>
		<u>218,687</u>	<u>3,086,830</u>				
	<b>Diversified Industrial — 4.5%</b>				<b>Energy and Utilities: Oil — 3.3%</b>		
92,000	Crane Co. ....	3,022,292	6,884,360	170,000	Anadarko Petroleum Corp. ....	8,487,661	10,540,000
80,000	Eaton Corp. plc ....	3,769,548	5,932,000	1,500	Apache Corp. ....	83,360	77,085
635,000	General Electric Co. ....	10,524,243	18,923,000	60,000	BP plc, ADR ....	2,465,794	2,071,200
150,000	Honeywell International Inc. ....	4,338,399	18,730,500	100,000	Chevron Corp. ....	3,963,114	10,737,000
50,000	ITT Inc. ....	1,004,526	2,051,000	97,000	ConocoPhillips ....	1,868,720	4,837,390
50,000	Jardine Matheson Holdings Ltd. ....	2,372,853	3,212,500	16,000	Denbury Resources Inc.† ....	47,450	41,280
180,000	Jardine Strategic Holdings Ltd..	4,227,653	7,560,000	39,000	Devon Energy Corp. ....	1,150,715	1,627,080
120,000	Textron Inc. ....	763,372	5,710,800	100,000	Exxon Mobil Corp. ....	2,740,792	8,201,000
350,000	Toray Industries Inc. ....	2,392,238	3,102,937	106,000	Hess Corp. ....	6,323,282	5,110,260
37,000	Trinity Industries Inc. ....	622,753	982,350	24,000	Marathon Oil Corp. ....	536,370	379,200
		<u>33,037,877</u>	<u>73,089,447</u>	22,000	Marathon Petroleum Corp. ....	305,868	1,111,880
				44,000	Occidental Petroleum Corp. ....	1,545,094	2,787,840
				3,000	PetroChina Co. Ltd., ADR ....	234,161	219,750
				100,000	Royal Dutch Shell plc, Cl. A, ADR ....	4,387,400	5,273,000
	<b>Electronics — 1.4%</b>			17,000	Total SA, ADR ....	282,789	857,140
45,000	Sony Corp. ....	1,174,377	1,522,231			<u>34,422,570</u>	<u>53,871,105</u>
85,000	Sony Corp., ADR. ....	2,025,391	2,867,050				
74,000	TE Connectivity Ltd. ....	2,500,525	5,516,700		<b>Energy and Utilities: Services — 1.5%</b>		
160,000	Texas Instruments Inc. ....	4,058,668	12,889,600	345,000	Halliburton Co. ....	10,163,305	16,977,450
		<u>9,758,961</u>	<u>22,795,581</u>	93,000	Oceaneering International Inc. ....	2,001,490	2,518,440
				50,000	Schlumberger Ltd. ....	1,999,420	3,905,000
				100,000	Weatherford International plc† ..	1,082,690	665,000
						<u>15,246,905</u>	<u>24,065,890</u>
	<b>Energy and Utilities: Electric — 0.3%</b>						
10,000	American Electric Power Co. Inc. ....	343,190	671,300		<b>Energy and Utilities: Water — 0.2%</b>		
7,000	Avangrid Inc. ....	137,482	299,180	18,000	Aqua America Inc. ....	132,783	578,700
45,000	El Paso Electric Co. ....	351,450	2,272,500	80,000	Severn Trent plc ....	2,133,400	2,387,521
50,000	Korea Electric Power Corp., ADR† ....	650,030	1,036,500			<u>2,266,183</u>	<u>2,966,221</u>
105,000	The AES Corp. ....	518,708	1,173,900				
		<u>2,000,860</u>	<u>5,453,380</u>				
					<b>Entertainment — 1.9%</b>		
	<b>Energy and Utilities: Integrated — 0.6%</b>			140,000	Grupo Televisa SAB, ADR .....	3,208,156	3,631,600
5,512	California Resources Corp.† ....	109,927	82,901	12,000	The Madison Square Garden Co. Cl. A† .....	347,057	2,396,520
5,000	Duke Energy Corp. ....	232,724	410,050	64,000	Time Warner Inc. ....	1,538,072	6,253,440
200,000	Energy Transfer Equity LP. ....	1,172,695	3,946,000	155,000	Twenty-First Century Fox Inc., Cl. B .....	4,830,463	4,925,900
29,000	Eni SpA. ....	304,221	474,887	294,000	Viacom Inc., Cl. A. ....	11,552,581	14,332,500
14,000	Eversource Energy ....	211,873	822,920			<u>21,476,329</u>	<u>31,539,960</u>
6,500	Iberdrola SA, ADR ....	98,020	185,900				
64,000	OGE Energy Corp. ....	853,373	2,238,720		<b>Environmental Services — 0.9%</b>		
59,000	PNM Resources Inc. ....	607,016	2,183,000	50,000	Republic Services Inc. ....	1,684,307	3,140,500
		<u>3,589,849</u>	<u>10,344,378</u>	160,000	Waste Management Inc. ....	5,307,780	11,667,200
						<u>6,992,087</u>	<u>14,807,700</u>
	<b>Energy and Utilities: Natural Gas — 1.3%</b>				<b>Equipment and Supplies — 1.7%</b>		
2,000	Atmos Energy Corp. ....	52,608	157,980	60,000	A.O. Smith Corp. ....	208,117	3,069,600
82,000	Kinder Morgan Inc. ....	2,633,430	1,782,680	16,346	Danaher Corp. ....	476,946	1,398,073
200,000	National Fuel Gas Co. ....	8,744,249	11,924,000	183,000	Flowserve Corp. ....	2,365,375	8,860,860
15,000	ONE Gas Inc. ....	62,574	1,014,000	24,000	Graco Inc. ....	1,307,940	2,259,360
100,000	ONEOK Inc. ....	950,979	5,544,000				

See accompanying notes to financial statements.

# The Gabelli Equity Income Fund

## Schedule of Investments (Continued) — March 31, 2017 (Unaudited)

Shares	Cost	Market Value	Shares	Cost	Market Value
<b>COMMON STOCKS (Continued)</b>					
<b>Equipment and Supplies (Continued)</b>					
12,000	Ingersoll-Rand plc ..... \$ 249,750	\$ 975,840	12,000	SunTrust Banks Inc. .... \$ 251,737	\$ 663,600
22,000	Minerals Technologies Inc. .... 757,033	1,685,200	77,000	T. Rowe Price Group Inc. .... 3,357,105	5,247,550
186,500	Mueller Industries Inc. .... 3,696,433	6,383,895	100,000	TD Ameritrade Holding Corp. .... 1,692,686	3,886,000
16,000	Parker-Hannifin Corp. .... 835,168	2,565,120	1,000,000	The Bank of New York Mellon Corp. .... 28,005,472	47,230,000
15,000	Tenaris SA, ADR ..... 306,100	512,100	3,000	The Dun & Bradstreet Corp. .... 105,969	323,820
			18,500	The Goldman Sachs Group Inc. .... 2,239,746	4,249,820
	<u>10,202,862</u>	<u>27,710,048</u>	134,000	The Hartford Financial Services Group Inc. .... 4,223,029	6,441,380
<b>Financial Services — 21.1%</b>					
6,500	Alleghany Corp.† ..... 1,001,491	3,995,290	104,500	The PNC Financial Services Group Inc. .... 5,544,491	12,565,080
220,000	AllianceBernstein Holding LP ... 2,898,171	5,027,000	16,000	The Travelers Companies Inc. ... 636,771	1,928,640
235,000	American Express Co. .... 8,383,426	18,590,850	50,000	W. R. Berkley Corp. .... 1,802,579	3,531,500
140,000	American International Group Inc. .... 3,196,704	8,740,200	108,000	Waddell & Reed Financial Inc., Cl. A ..... 2,182,196	1,836,000
27,000	Argo Group International Holdings Ltd. .... 605,879	1,830,600	580,000	Wells Fargo & Co. .... 17,813,900	32,282,800
19,000	Banco Popular Espanol SA† .... 141,050	18,445	309,000	Wright Investors' Service Holdings Inc.† ..... 757,026	201,159
5,195	Banco Santander Chile, ADR ... 29,250	130,291		<u>184,861,237</u>	<u>346,842,082</u>
93,000	Banco Santander SA, ADR ..... 699,738	564,510	<b>Food and Beverage — 14.3%</b>		
335,000	Bank of America Corp. .... 3,395,384	7,902,650	1,000	Ajinomoto Co. Inc. .... 15,519	19,730
13,056	BNP Paribas SA ..... 580,935	869,536	21,000	Anheuser-Busch InBev SA/NV .. 344,388	2,305,255
384,000	Citigroup Inc. .... 14,216,228	22,970,880	356,000	Brown-Forman Corp., Cl. A. .... 6,727,526	16,756,920
12,000	Deutsche Bank AG† ..... 197,322	205,920	178,500	Campbell Soup Co. .... 5,637,633	10,217,340
57,000	Dundee Corp., Cl. A† ..... 681,292	174,448	80,000	Coca-Cola Amatil Ltd., ADR .... 246,845	659,200
44,000	Eaton Vance Corp. .... 1,344,334	1,978,240	20,000	Coca-Cola European Partners plc ..... 450,000	753,800
130,000	Federated Investors Inc., Cl. B. . 3,202,051	3,424,200	14,500	Coca-Cola Femsa SAB de CV, ADR ..... 590,410	1,039,650
34,000	Fidelity Southern Corp. .... 281,974	760,920	9,000	Constellation Brands Inc., Cl. A. 111,631	1,458,630
165,000	H&R Block Inc. .... 2,657,891	3,836,250	136,000	Danone SA ..... 6,835,990	9,250,635
54,000	Interactive Brokers Group Inc., Cl. A ..... 820,617	1,874,880	570,000	Davide Campari-Milano SpA. .... 4,009,951	6,609,806
245,000	Janus Capital Group Inc. .... 2,159,085	3,234,000	96,000	Diageo plc, ADR ..... 5,503,813	11,095,680
240,000	JPMorgan Chase & Co. .... 8,149,374	21,081,600	50,000	Dr Pepper Snapple Group Inc. . . 909,059	4,896,000
82,000	Julius Baer Group Ltd. .... 2,712,412	4,093,246	132,000	Fomento Economico Mexicano SAB de CV, ADR ..... 3,153,416	11,684,640
30,000	Kemper Corp. .... 795,002	1,197,000	220,000	General Mills Inc. .... 5,882,682	12,982,200
90,100	Kinnevik AB, Cl. A ..... 1,682,511	2,686,716	2,750,000	Grupo Bimbo SAB de CV, Cl. A . 2,204,405	6,837,453
19,000	Kinnevik AB, Cl. B. .... 278,394	506,771	148,000	Heineken NV ..... 6,988,553	12,599,373
335,000	Legg Mason Inc. .... 6,681,494	12,096,850	17,000	Heineken NV, ADR ..... 430,190	721,650
15,000	Leucadia National Corp. .... 263,160	390,000	230,000	ITO EN Ltd. .... 4,740,133	8,398,006
110,000	Loews Corp. .... 4,225,687	5,144,700	39,000	Kellogg Co. .... 2,082,651	2,831,790
134,000	M&T Bank Corp. .... 9,515,118	20,733,820	2,000	McCormick & Co. Inc., Cl. V. . . 137,120	194,760
330,000	Marsh & McLennan Companies Inc. .... 9,904,960	24,383,700	28,000	McCormick & Co. Inc., Non-Voting. .... 1,282,199	2,731,400
300,000	Morgan Stanley ..... 7,001,380	12,852,000	753,000	Mondelēz International Inc., Cl. A ..... 14,359,651	32,439,240
262,000	Navient Corp. .... 2,121,415	3,867,120	115,000	Nestlé SA ..... 3,174,203	8,823,192
60,000	Northern Trust Corp. .... 2,586,193	5,194,800	65,000	Nestlé SA, ADR ..... 3,829,280	4,998,500
60,000	Och-Ziff Capital Management Group LLC, Cl. A ..... 285,790	135,600	112,000	Nissin Foods Holdings Co. Ltd. . 3,674,644	6,207,132
40,000	Oritani Financial Corp. .... 400,000	680,000			
40,000	Popular Inc. .... 1,006,510	1,629,200			
280,000	SLM Corp.† ..... 1,288,367	3,388,000			
170,000	State Street Corp. .... 7,766,302	13,533,700			
284,000	Sterling Bancorp. .... 3,091,639	6,730,800			

See accompanying notes to financial statements.



# The Gabelli Equity Income Fund

## Schedule of Investments (Continued) — March 31, 2017 (Unaudited)

Shares	Cost	Market Value	Shares	Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			15,200	Wynn Resorts Ltd. ....	\$ 529,409 \$ 1,742,072
<b>Food and Beverage (Continued)</b>					<u>1,348,597</u> <u>4,335,832</u>
3,500,000	Parmalat SpA ..... \$ 9,623,611	\$ 11,447,865		<b>Machinery — 0.9%</b>	
100,000	PepsiCo Inc. ....	6,444,340	6,000	Caterpillar Inc. ....	35,181 556,560
45,000	Pernod Ricard SA .....	3,674,041	90,000	Deere & Co. ....	3,930,677 9,797,400
58,000	Remy Cointreau SA .....	3,534,133	100,000	Xylem Inc. ....	<u>2,608,556</u> <u>5,022,000</u>
40,000	Sapporo Holdings Ltd. ....	932,502			<u>6,574,414</u> <u>15,375,960</u>
71,000	The Kraft Heinz Co. ....	2,125,573		<b>Metals and Mining — 0.7%</b>	
160,000	The Coca-Cola Co. ....	3,550,158	30,000	Alcoa Corp. ....	560,214 1,032,000
1,000	The Hershey Co. ....	36,300	220,000	Freeport-McMoRan Inc.† .....	2,553,476 2,939,200
91,000	Tootsie Roll Industries Inc. ....	1,746,636	237,000	Newmont Mining Corp. ....	<u>7,046,043</u> <u>7,811,520</u>
4,000	Tyson Foods Inc., Cl. A. ....	31,963			<u>10,159,733</u> <u>11,782,720</u>
118,000	Yakult Honsha Co. Ltd. ....	3,061,394			
		<u>118,082,543</u>			<u>234,772,536</u>
				<b>Paper and Forest Products — 0.0%</b>	
			15,000	International Paper Co. ....	469,570 761,700
				<b>Publishing — 0.0%</b>	
			3,000	Value Line Inc. ....	41,976 51,630
				<b>Real Estate — 0.0%</b>	
			9,749	Griffin Industrial Realty Inc. ....	215,514 301,732
				<b>Real Estate Investment Trusts — 1.1%</b>	
			45,600	Ryman Hospitality Properties Inc. ....	1,742,930 2,819,448
			470,000	Weyerhaeuser Co. ....	<u>9,844,344</u> <u>15,970,600</u>
					<u>11,587,274</u> <u>18,790,048</u>
				<b>Retail — 6.9%</b>	
			16,000	Compagnie Financiere Richemont SA. ....	540,728 1,265,113
			24,562	Copart Inc.† .....	433,098 1,521,125
			75,000	Costco Wholesale Corp. ....	3,711,893 12,576,750
			377,000	CVS Health Corp. ....	13,031,934 29,594,500
			97,200	Ingles Markets Inc., Cl. A. ....	1,718,799 4,194,180
			408,000	J.C. Penney Co. Inc.† .....	4,275,735 2,513,280
			425,000	Macy's Inc. ....	6,051,219 12,597,000
			90,000	Seven & i Holdings Co. Ltd. ....	2,692,986 3,526,273
			166,000	The Home Depot Inc. ....	4,640,772 24,373,780
			27,000	Tractor Supply Co. ....	278,125 1,862,190
			115,000	Walgreens Boots Alliance Inc. ...	3,580,660 9,550,750
			41,000	Wal-Mart Stores Inc. ....	1,841,970 2,955,280
			10,000	Weis Markets Inc. ....	300,480 596,500
			180,000	Whole Foods Market Inc. ....	<u>2,898,304</u> <u>5,349,600</u>
					<u>45,996,703</u> <u>112,476,321</u>
				<b>Specialty Chemicals — 1.6%</b>	
			15,000	Albemarle Corp. ....	154,896 1,584,600
			6,000	Ashland Global Holdings Inc. ...	275,062 742,859
			180,000	Ferro Corp.† .....	577,134 2,734,200
			8,000	FMC Corp. ....	186,076 556,720
			46,000	H.B. Fuller Co. ....	950,216 2,371,760
				<b>Hotels and Gaming — 0.3%</b>	
8,000	Las Vegas Sands Corp. ....	19,953 456,560			
78,000	MGM Resorts International. ....	799,235 2,137,200			

See accompanying notes to financial statements.





## The Gabelli Equity Income Fund

### Statement of Assets and Liabilities March 31, 2017 (Unaudited)

<b>Assets:</b>	
Investments, at value (cost \$822,719,826) . . . .	\$1,639,413,468
Foreign currency, at value (cost \$11,212) . . . .	11,258
Cash . . . . .	42,015
Receivable for investments sold . . . . .	5,559,568
Receivable for Fund shares sold . . . . .	1,185,794
Dividends and interest receivable . . . . .	4,073,066
Prepaid expenses . . . . .	62,747
<b>Total Assets</b> . . . . .	<u>1,650,347,916</u>
<b>Liabilities:</b>	
Payable for Fund shares redeemed . . . . .	3,317,709
Payable for investment advisory fees . . . . .	1,415,076
Payable for distribution fees . . . . .	435,697
Payable for accounting fees . . . . .	7,500
Line of credit payable . . . . .	2,549,000
Other accrued expenses . . . . .	456,351
<b>Total Liabilities</b> . . . . .	<u>8,181,333</u>
<b>Net Assets</b>	
(applicable to 66,892,847 shares outstanding) . . . . .	<u>\$1,642,166,583</u>
<b>Net Assets Consist of:</b>	
Paid-in capital . . . . .	\$ 720,514,339
Distributions in excess of net investment income . . . . .	(5,357,240)
Accumulated net realized gain on investments and foreign currency transactions . . . . .	110,350,282
Net unrealized appreciation on investments . . .	816,693,642
Net unrealized depreciation on foreign currency translations . . . . .	(34,440)
<b>Net Assets</b> . . . . .	<u>\$1,642,166,583</u>
<b>Shares of Capital Stock, each at \$0.001 par value:</b>	
<b>Class AAA:</b>	
Net Asset Value, offering, and redemption price per share (\$750,100,717 ÷ 30,011,329 shares outstanding; 150,000,000 shares authorized) . . .	<u>\$24.99</u>
<b>Class A:</b>	
Net Asset Value and redemption price per share (\$129,223,798 ÷ 5,192,334 shares outstanding; 50,000,000 shares authorized) . . . . .	<u>\$24.89</u>
Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price) . . . . .	<u>\$26.41</u>
<b>Class C:</b>	
Net Asset Value and offering price per share (\$284,181,541 ÷ 13,151,275 shares outstanding; 50,000,000 shares authorized) . . . .	<u>\$21.61(a)</u>
<b>Class I:</b>	
Net Asset Value, offering, and redemption price per share (\$478,660,527 ÷ 18,537,909 shares outstanding; 50,000,000 shares authorized) . . . .	<u>\$25.82</u>

(a) Redemption price varies based on the length of time held.

### Statement of Operations For the Six Months Ended March 31, 2017 (Unaudited)

<b>Investment Income:</b>	
Dividends (net of foreign withholding taxes of \$466,827) . . . . .	\$ 21,212,204
Interest . . . . .	52,472
Other income* . . . . .	67,326
<b>Total Investment Income</b> . . . . .	<u>21,332,002</u>
<b>Expenses:</b>	
Investment advisory fees . . . . .	8,484,161
Distribution fees - Class AAA . . . . .	983,558
Distribution fees - Class A . . . . .	187,350
Distribution fees - Class C . . . . .	1,458,387
Shareholder services fees . . . . .	754,622
Shareholder communication expenses . . . . .	138,053
Interest expense . . . . .	113,338
Custodian fees . . . . .	106,338
Legal and audit fees . . . . .	71,116
Registration expenses . . . . .	48,453
Directors' fees . . . . .	28,934
Accounting fees . . . . .	22,500
Miscellaneous expenses . . . . .	61,491
<b>Total Expenses</b> . . . . .	<u>12,458,301</u>
Less:	
Expenses paid indirectly by broker (See Note 6) . . . . .	(7,138)
<b>Net Expenses</b> . . . . .	<u>12,451,163</u>
<b>Net Investment Income</b> . . . . .	<u>8,880,839</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments, Securities Sold Short, and Foreign Currency:</b>	
Net realized gain on investments . . . . .	144,388,989
Net realized gain on securities sold short . . . . .	9,861
Net realized loss on foreign currency transactions . . . . .	(72,040)
Net realized gain on investments, securities sold short, and foreign currency transactions . . . . .	<u>144,326,810</u>
Net change in unrealized appreciation/depreciation: on investments . . . . .	(31,622,150)
on foreign currency translations . . . . .	(7,306)
Net change in unrealized appreciation/ depreciation on investments and foreign currency translations . . . . .	<u>(31,629,456)</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments, Securities Sold Short, and Foreign Currency</b> . . . . .	<u>112,697,354</u>
<b>Net Increase in Net Assets Resulting from Operations</b> . . . . .	<u>\$121,578,193</u>

\* The Fund received a reimbursement of custody expenses paid in prior years.

See accompanying notes to financial statements.

# The Gabelli Equity Income Fund

## Statement of Changes in Net Assets

	<b>Six Months Ended March 31, 2017 (Unaudited)</b>	<b>Year Ended September 30, 2016</b>
<b>Operations:</b>		
Net investment income .....	\$ 8,880,839	\$ 18,933,756
Net realized gain on investments, securities sold short, and foreign currency transactions .....	144,326,810	185,422,705
Net change in unrealized appreciation/depreciation on investments and foreign currency translations .....	<u>(31,629,456)</u>	<u>10,943,889</u>
<b>Net Increase in Net Assets Resulting from Operations .....</b>	<b><u>121,578,193</u></b>	<b><u>215,300,350</u></b>
<b>Distributions to Shareholders:</b>		
Net investment income		
Class AAA .....	(7,531,552)*	(9,078,082)
Class A .....	(1,437,288)*	(1,758,236)
Class C .....	(3,203,327)*	(1,304,743)
Class I .....	<u>(4,346,638)*</u>	<u>(7,020,663)</u>
	<u>(16,518,805)</u>	<u>(19,161,724)</u>
Net realized gain		
Class AAA .....	(10,794,156)*	(83,259,250)
Class A .....	(2,059,909)*	(16,104,680)
Class C .....	(4,590,981)*	(34,165,941)
Class I .....	<u>(6,229,564)*</u>	<u>(51,342,435)</u>
	<u>(23,674,610)</u>	<u>(184,872,306)</u>
Return of capital		
Class AAA .....	(8,493,026)*	(32,303,440)
Class A .....	(1,620,772)*	(6,305,011)
Class C .....	(3,612,262)*	(16,125,596)
Class I .....	<u>(4,901,528)*</u>	<u>(14,445,009)</u>
	<u>(18,627,588)</u>	<u>(69,179,056)</u>
<b>Total Distributions to Shareholders .....</b>	<b><u>(58,821,003)</u></b>	<b><u>(273,213,086)</u></b>
<b>Capital Share Transactions:</b>		
Class AAA .....	(112,753,857)	(127,327,265)
Class A .....	(37,392,419)	(17,529,218)
Class C .....	(30,662,380)	(4,788,500)
Class I .....	<u>(24,183,812)</u>	<u>(170,384,648)</u>
<b>Net Decrease in Net Assets from Capital Share Transactions .....</b>	<b><u>(204,992,468)</u></b>	<b><u>(320,029,631)</u></b>
<b>Redemption Fees .....</b>	<b>656</b>	<b>3,762</b>
<b>Net Decrease in Net Assets .....</b>	<b><u>(142,234,622)</u></b>	<b><u>(377,938,605)</u></b>
<b>Net Assets:</b>		
Beginning of year .....	<u>1,784,401,205</u>	<u>2,162,339,810</u>
End of period (including undistributed net investment income of \$0 and \$2,280,726, respectively) .....	<u>\$1,642,166,583</u>	<u>\$1,784,401,205</u>

\* Based on year to date book income. Amounts are subject to change and recharacterization at year end.

See accompanying notes to financial statements.

# The Gabelli Equity Income Fund

## Financial Highlights

Selected data for a share of capital stock outstanding throughout each period:

Year Ended September 30	Income from Investment Operations				Distributions			Ratios to Average Net Assets/ Supplemental Data						
	Net Asset Value, Beginning of Year	Net Investment Income (a)	Net Unrealized Gain/(Loss) on Investments	Total from Investment Operations	Net Realized Gain on Investments	Return of Capital	Total Distributions	Redemption Fees (a)(b)	Net Asset Value, End of Period	Total Return †	Net Assets End of Period (in 000's)	Net Investment Income	Operating Expenses	Portfolio Turnover Rate
<b>Class AAA</b>														
2017(c)	\$24.06	\$0.13	\$ 1.64	\$ 1.77	\$(0.34)	\$(0.26)	\$(0.84)	\$0.00	\$24.99	7.48%	\$ 750,101	1.10%(d)	1.41%(d)(e)(f)	0%(g)
2016	25.08	0.26	2.72	2.98	(2.35)	(1.39)	(4.00)	0.00	24.06	11.31	833,154	0.99	1.39(e)	1
2015	28.55	0.25	(1.71)	(1.46)	(1.83)	(0.66)	(2.01)	0.00	25.08	(5.40)	985,647	0.88	1.37(e)	3
2014	26.68	0.30	3.05	3.35	(0.38)	(0.66)	(1.48)	0.00	28.55	12.64	1,604,629	1.06	1.37	4
2013	22.54	0.29	4.49	4.78	—	—	(0.64)	0.00	26.68	21.38	1,726,724	1.15	1.39	6
2012	18.52	0.25	4.13	4.38	—	(0.01)	(0.36)	0.00	22.54	23.78	1,603,696	1.17	1.40	6
<b>Class A</b>														
2017(c)	\$23.96	\$0.13	\$ 1.64	\$ 1.77	\$(0.34)	\$(0.26)	\$(0.84)	\$0.00	\$24.89	7.51%	\$ 129,224	1.08%(d)	1.41%(d)(e)(f)	0%(g)
2016	24.99	0.26	2.71	2.97	(2.35)	(1.39)	(4.00)	0.00	23.96	11.31	160,593	0.99	1.39(e)	1
2015	28.45	0.26	(1.71)	(1.45)	(1.83)	—	(2.01)	0.00	24.99	(5.38)	183,418	0.90	1.37(e)	3
2014	26.59	0.30	3.04	3.34	(0.38)	(0.66)	(1.48)	0.00	28.45	12.64	209,501	1.07	1.37	4
2013	22.47	0.28	4.48	4.76	—	(0.01)	(0.64)	0.00	26.59	21.36	215,353	1.14	1.39	6
2012	18.47	0.25	4.11	4.36	—	(0.01)	(0.36)	0.00	22.47	23.73	164,177	1.19	1.40	6
<b>Class C</b>														
2017(c)	\$20.99	\$0.04	\$ 1.42	\$ 1.46	\$(0.34)	\$(0.26)	\$(0.84)	\$0.00	\$21.61	7.08%	\$ 284,181	0.36%(d)	2.16%(d)(e)(f)	0%(g)
2016	22.48	0.06	2.45	2.51	(2.35)	(1.56)	(4.00)	0.00	20.99	10.51	306,349	0.24	2.14(e)	1
2015	25.99	0.04	(1.54)	(1.50)	(1.83)	—	(2.01)	0.00	22.48	(6.10)	329,846	0.15	2.12(e)	3
2014	24.59	0.08	2.80	2.88	(0.38)	(0.85)	(1.48)	0.00	25.99	11.78	321,772	0.31	2.12	4
2013	20.97	0.09	4.17	4.26	—	—	(0.64)	0.00	24.59	20.50	224,804	0.38	2.14	6
2012	17.38	0.09	3.86	3.95	—	(0.15)	(0.36)	0.00	20.97	22.85	161,842	0.46	2.15	6
<b>Class I</b>														
2017(c)	\$24.80	\$0.17	\$ 1.69	\$ 1.86	\$(0.34)	\$(0.26)	\$(0.84)	\$0.00	\$25.82	7.62%	\$ 478,661	1.37%(d)	1.16%(d)(e)(f)	0%(g)
2016	25.68	0.33	2.79	3.12	(2.35)	(1.33)	(4.00)	0.00	24.80	11.59	484,305	1.24	1.14(e)	1
2015	29.11	0.34	(1.76)	(1.42)	(1.83)	(0.59)	(2.01)	0.00	25.68	(5.15)	663,429	1.15	1.12(e)	3
2014	27.11	0.38	3.10	3.48	(0.38)	(0.59)	(1.48)	0.00	29.11	12.92	652,719	1.28	1.12	4
2013	22.84	0.35	4.56	4.91	—	—	(0.64)	0.00	27.11	21.67	382,333	1.38	1.14	6
2012	18.71	0.33	4.16	4.49	—	—	(0.36)	0.00	22.84	24.13	309,157	1.54	1.15	6

† Total return represents aggregate total return of a hypothetical \$1,000 investment at the beginning of the year and sold at the end of the period including reinvestment of distributions and does not reflect applicable sales charges. Total return for a period of less than one year is not annualized.

- (a) Per share amounts have been calculated using the average shares outstanding method.
- (b) Amount represents less than \$0.005 per share.
- (c) For the six months ended March 31, 2017, unaudited.
- (d) Annualized.
- (e) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the six months ended March 31, 2017 and the years ended September 30, 2016 and 2015, there was no impact to the expense ratios.
- (f) The Fund incurred interest expense during the six months ended March 31, 2017. If interest expense had not been incurred, the ratio of operating expenses to average net assets would have been 1.39% (Class AAA and Class A), 2.14% (Class C), and 1.14% (Class I). For the years ended September 30, 2016, 2015, 2014, 2013, and 2012, the effect of interest expense was minimal.
- (g) Amount represents less than 0.5%.

See accompanying notes to financial statements.

## The Gabelli Equity Income Fund

### Notes to Financial Statements (Unaudited)

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**1. Organization.** The Gabelli Equity Income Fund is a series of the Gabelli Equity Series Funds, Inc. (the "Corporation"). The Corporation was incorporated on July 25, 1991 in Maryland. The Fund is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"), and one of three separately managed portfolios of the Corporation. The Fund seeks to provide a high level of total return on its assets with an emphasis on income. The Fund commenced investment operations on January 2, 1992.

**2. Significant Accounting Policies.** 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 financial statements. 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 financial statements.

**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. Such debt obligations are valued through prices provided by a pricing service approved by the Board. 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 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 Gabelli Equity Income Fund

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

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).

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 March 31, 2017 is as follows:

	Valuation Inputs			Total Market Value at 3/31/17
	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 (a)	\$1,635,958,769	—	—	\$1,635,958,769
Convertible Preferred Stocks (a)	1,485,600	—	—	1,485,600
Rights (a)	28,320	\$ 100,006	—	128,326
Warrants (a)	327	—	—	327
Convertible Corporate Bonds (a)	—	908,406	—	908,406
Corporate Bonds (a)	—	932,040	\$ 0	932,040
<b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b>	<b>\$1,637,473,016</b>	<b>\$1,940,452</b>	<b>\$ 0</b>	<b>\$1,639,413,468</b>

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

The Fund did not have material transfers among Level 1, Level 2, and Level 3 during the six months ended March 31, 2017. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

#### 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

## The Gabelli Equity Income Fund

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

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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 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 March 31, 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.

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 received or paid on swaps, is reported as unrealized gain or loss in the Statement



## The Gabelli Equity Income Fund

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

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of Operations. A realized gain or loss is recorded upon payment or receipt of a periodic payment or termination of swap agreements. At March 31, 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 broker retains collateral for the value of the open positions, which is adjusted periodically as the value of the position fluctuates. At March 31, 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

## The Gabelli Equity Income Fund

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

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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 March 31, 2017, the Fund held no restricted securities.

**Securities Transactions and Investment Income.** Securities transactions are accounted for on the trade date with realized gain/(loss) on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on the accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

**Determination of Net Asset Value and Calculation of Expenses.** Certain administrative expenses are common to, and allocated among, various affiliated funds. Such allocations are made on the basis of each fund's average net assets or other criteria directly affecting the expenses as determined by the Adviser pursuant to procedures established by the Board.

In calculating the NAV per share of each class, investment income, realized and unrealized gains and losses, redemption fees, and expenses other than class specific expenses are allocated daily to each class of shares based upon the proportion of net assets of each class at the beginning of each day. Distribution expenses are borne solely by the class incurring the expense.

**Distributions to Shareholders.** Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. These reclassifications have no impact on the NAV of the Fund.

The tax character of distributions paid during the year ended September 30, 2016 was as follows:

<b>Distributions paid from:</b>	
Ordinary income .....	\$ 19,177,983
Net long term capital gains .....	184,856,047
Return of capital .....	<u>69,179,056</u>
Total distributions paid .....	<u>\$273,213,086</u>

The Fund has a fixed distribution policy. Under the policy, the Fund declares and pays monthly distributions from net investment income, capital gains, and paid-in capital. The actual source of the distribution is determined after the end of the calendar year. Pursuant to this policy, distributions during the calendar year are made in excess of required distributions. To the extent such distributions are made from current earnings and profits, they are considered ordinary income or long term capital gains. The Fund's current distribution policy may restrict the Fund's ability to pass through to shareholders all of its net realized long term capital gains as a Capital Gain Dividend, subject to the maximum federal income tax rate of 20%, and may cause such gains to be treated as ordinary income subject to a maximum federal income tax rate of 39.6%. In addition, certain U.S. shareholders who are individuals, estates, or trusts and whose income exceeds certain thresholds will be required

## The Gabelli Equity Income Fund

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

to pay 3.8% Medicare tax on their “net investment income,” which includes dividends received from the Fund and capital gains from the sale or other disposition of shares of the Fund. Distributions sourced from paid-in capital should not be considered as dividend yield or the total return from an investment in the Fund. The Board continues to evaluate its distribution policy in light of ongoing economic and market conditions and may change the amount of the monthly distributions in the future.

**Provision for Income Taxes.** The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

The following summarizes the tax cost of investments and the related net unrealized appreciation at March 31, 2017:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments . . . . .	\$829,778,266	\$827,963,549	\$(18,328,347)	\$809,635,202

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund’s tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. For the six months ended March 31, 2017, the Fund did not incur any income tax, interest, or penalties. As of March 31, 2017, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund’s net assets or results of operations. The Fund’s federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund’s tax positions to determine if adjustments to this conclusion are necessary.

**3. Investment Advisory Agreement and Other Transactions.** The Fund has entered into an investment advisory agreement (the “Advisory Agreement”) with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, at the annual rate of 1.00% of the value of its average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund’s portfolio, oversees the administration of all aspects of the Fund’s business and affairs, and pays the compensation of all Officers and Directors of the Fund who are affiliated persons of the Adviser.

The Corporation pays each Director who is not considered an affiliated person an annual retainer of \$18,000 plus \$2,000 for each Board meeting attended, and they are reimbursed for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$1,000 per meeting attended. The Chairman of the Audit Committee receives a \$3,000 annual fee, and the Lead Director receives an annual fee of \$2,000. A Director may receive a single meeting fee, allocated among the participating funds, for attending certain meetings held on behalf of multiple funds. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Corporation.

**4. Distribution Plan.** The Fund’s Board has adopted a distribution plan (the “Plan”) for each class of shares, except for Class I Shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Class AAA, Class A, and Class C Share Plans, payments are authorized to G.distributors, LLC (the “Distributor”), an affiliate of the Adviser,

## The Gabelli Equity Income Fund

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

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at annual rates of 0.25%, 0.25%, and 1.00%, respectively, of the average daily net assets of those classes, the annual limitations under each Plan. Such payments are accrued daily and paid monthly.

**5. Portfolio Securities.** Purchases and sales of securities during the six months ended March 31, 2017, other than short term securities and U.S. Government obligations, aggregated \$7,049,079 and \$313,248,880, respectively.

**6. Transactions with Affiliates and Other Arrangements.** During the six months ended March 31, 2017, the Fund paid \$148,112 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser. Additionally, the Distributor retained a total of \$66,131 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

During the six months ended March 31, 2017, the Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. The amount of such expenses paid through this directed brokerage arrangement during this period was \$7,138.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. During the six months ended March 31, 2017, the Fund paid or accrued \$22,500 to the Adviser in connection with the cost of computing the Fund's NAV.

During the six months ended March 31, 2017, the Fund engaged in sale transactions with funds that have a common investment adviser. These sale transactions complied with Rule 17a-7 under the Act and amount to \$3,131.

**7. Line of Credit.** The Fund participates in an unsecured line of credit, which expires on March 8, 2018 and may be renewed annually, of up to \$75,000,000 under which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bear interest at a floating rate equal to the higher of the overnight Federal Funds rate plus 125 basis points or the 30 day LIBOR plus 125 basis points in effect on that day. This amount, if any, would be included in "interest expense" in the Statement of Operations. At March 31, 2017, there was \$2,549,000 outstanding under the line of credit.

The average daily amount of borrowings outstanding under the line of credit during the six months ended March 31, 2017 was \$10,835,692 with a weighted average interest rate of 1.90%. The maximum amount borrowed at any time during the six months ended March 31, 2017 was \$55,607,000.

**8. Capital Stock.** The Fund offers four classes of shares – Class AAA Shares, Class A Shares, Class C Shares, and Class I Shares. Class AAA and Class I Shares are offered without a sales charge. Class A Shares are subject to a maximum front-end sales charge of 5.75%, and Class C Shares are subject to a 1.00% contingent deferred sales charge for one year after purchase.

The Fund imposes a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before the seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund as an increase in paid-in capital. The redemption fees retained by the Fund during the six months ended March 31, 2017 and the year ended September 30, 2016, if any, can be found in the Statement of Changes in Net Assets under Redemption Fees.

## The Gabelli Equity Income Fund

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

Transactions in shares of capital stock were as follows:

	Six Months Ended March 31, 2017 (Unaudited)		Year Ended September 30, 2016	
	Shares	Amount	Shares	Amount
<b>Class AAA</b>				
Shares sold.....	525,162	\$ 12,893,884	1,436,608	\$ 37,106,495
Shares issued upon reinvestment of distributions.....	1,046,912	25,513,491	4,791,800	117,986,705
Shares redeemed .....	(6,189,179)	(151,161,232)	(10,900,808)	(282,420,465)
Net decrease .....	<u>(4,617,105)</u>	<u>\$(112,753,857)</u>	<u>(4,672,400)</u>	<u>\$(127,327,265)</u>
<b>Class A</b>				
Shares sold.....	585,984	\$ 14,205,479	1,339,365	\$ 34,432,584
Shares issued upon reinvestment of distributions.....	190,155	4,613,454	883,107	21,644,670
Shares redeemed .....	(2,286,245)	(56,211,352)	(2,859,662)	(73,606,472)
Net decrease .....	<u>(1,510,106)</u>	<u>\$( 37,392,419)</u>	<u>(637,190)</u>	<u>\$ (17,529,218)</u>
<b>Class C</b>				
Shares sold.....	1,029,149	\$ 21,782,739	2,876,079	\$ 66,322,080
Shares issued upon reinvestment of distributions.....	470,392	9,951,632	2,069,324	44,696,486
Shares redeemed .....	(2,945,087)	(62,396,751)	(5,019,513)	(115,807,066)
Net decrease .....	<u>(1,445,546)</u>	<u>\$ (30,662,380)</u>	<u>(74,110)</u>	<u>\$ (4,788,500)</u>
<b>Class I</b>				
Shares sold.....	2,570,885	\$ 65,514,870	2,668,289	\$ 70,894,899
Shares issued upon reinvestment of distributions.....	558,754	14,060,305	2,591,553	65,764,539
Shares redeemed .....	(4,121,599)	(103,758,987)	(11,564,857)	(307,044,086)
Net decrease .....	<u>(991,960)</u>	<u>\$ (24,183,812)</u>	<u>(6,305,015)</u>	<u>\$(170,384,648)</u>

**9. Indemnifications.** The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

**10. Subsequent Events.** Management has evaluated the impact on the Fund of all subsequent events occurring through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

## The Gabelli Equity Income Fund

### Board Consideration and Re-Approval of Advisory Agreement (Unaudited)

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During the six months ended March 31, 2017, the Board of Directors of the Corporation approved the continuation of the investment advisory agreement with the Adviser for the Fund on the basis of the recommendation by the directors (the “Independent Board Members”) who are not “interested persons” of the Fund. The following paragraphs summarize the material information and factors considered by the Independent Board Members as well as their conclusions relative to such factors.

**Nature, Extent, and Quality of Services.** The Independent Board Members considered information regarding the portfolio manager, the depth of the analyst pool available to the Adviser and the portfolio manager, the scope of administrative, shareholder, and other services supervised or provided by the Adviser, and the absence of significant service problems reported to the Board. The Independent Board Members noted the experience, length of service, and reputation of the portfolio manager.

**Investment Performance.** The Independent Board Members reviewed the short, medium, and long term performance of the Fund against a peer group of equity income funds. The Independent Board Members noted that the Fund’s performance was in the third quartile of the funds in its category for the one year and three year periods, and the second quartile for the five year period.

**Profitability.** The Independent Board Members reviewed summary data regarding the profitability of the Fund to the Adviser both with an administrative overhead charge and without such a charge. The Independent Board Members also noted that a substantial portion of the Fund’s portfolio transactions were executed by an affiliated broker, that another affiliated broker received distribution fees and minor amounts of sales commissions, and that the Adviser received a moderate level of soft dollar research benefits through the Fund’s portfolio brokerage.

**Economies of Scale.** The Independent Board Members discussed the major elements of the Adviser’s cost structure and the relationship of those elements to potential economies of scale.

**Sharing of Economies of Scale.** The Independent Board Members noted that the investment management fee schedule for the Fund does not take into account any potential economies of scale that may develop.

**Service and Cost Comparisons.** The Independent Board Members compared the expense ratios of the investment management fee, other expenses, and total expenses of the Fund with similar expense ratios of the peer group of equity income funds and noted that the Adviser’s management fee includes substantially all administrative services for the Fund as well as investment advisory services. The Independent Board Members noted that the Fund’s expense ratios were above average within this group. The Independent Board Members also noted that the Fund’s size was above average within this group. The Independent Board Members also noted that the management fee structure was the same as that in effect for most of the Gabelli funds. The Independent Board Members did not compare the management fee with the fees for other types of accounts managed by the Adviser.

**Conclusions.** The Independent Board Members concluded that the Fund enjoyed highly experienced portfolio management services, good ancillary services, and a reasonable performance record. The Independent Board Members also concluded that the Fund’s expense ratios and the profitability to the Adviser of managing the Fund were reasonable, particularly in light of the Fund’s performance, and that economies of scale were not a significant factor in their thinking at this time. The Independent Board Members did not view the potential profitability of ancillary services as material to their decision. On the basis of the foregoing and without assigning



## **The Gabelli Equity Income Fund**

### **Board Consideration and Re-Approval of Advisory Agreement (Unaudited) (Continued)**

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particular weight to any single conclusion, the Independent Board Members determined to recommend continuation of the investment management agreement to the full Board.

Based on a consideration of all these factors in their totality, the Board Members, including all of the Independent Board Members, determined that the Fund's advisory fee was fair and reasonable with respect to the quality of services provided and in light of the other factors described above that the Board deemed relevant. Accordingly, the Board Members determined to approve the continuation of the Fund's Advisory Agreement. The Board Members based their decision on evaluations of all these factors as a whole and did not consider any one factor as all important or controlling.

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**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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THE GABELLI EQUITY INCOME FUND  
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Net Asset Value per share available daily  
by calling 800-GABELLI after 7:00 P.M.

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#### LEGAL COUNSEL

Skadden, Arps, Slate, Meagher &  
Flom LLP

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# THE GABELLI EQUITY INCOME FUND

*Semiannual Report  
March 31, 2017*

