

# The Gabelli Utilities Fund

## First Quarter Report — March 31, 2017



Mario J. Gabelli, CFA

### To Our Shareholders,

For the quarter ended March 31, 2017, the net asset value (“NAV”) per Class AAA Share of The Gabelli Utilities Fund increased 4.6% compared with an increase of 6.4% for the Standard & Poor’s (“S&P”) 500 Utilities Index. See below for additional performance information.

Enclosed is the schedule of investments as of March 31, 2017.

### Comparative Results

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

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (8/31/99)
<b>Class AAA (GABUX)</b> . . . . .	4.57%	9.91%	8.68%	5.89%	7.59%	7.87%
S&P 500 Utilities Index . . . . .	6.39	7.06	12.10	6.69	7.92	6.84
S&P 500 Index . . . . .	6.07	17.17	13.30	7.51	7.09	5.37
Lipper Utility Fund Average . . . . .	5.80	8.85	10.32	5.97	8.34	6.60
<b>Class A (GAUAX)</b> . . . . .	4.50	9.88	8.71	5.89	7.61	7.88
With sales charge (b) . . . . .	(1.51)	3.56	7.43	5.27	7.19	7.52
<b>Class C (GAUCX)</b> . . . . .	4.25	9.04	7.87	5.09	6.83	7.22
With contingent deferred sales charge (c) . . . . .	3.25	8.04	7.87	5.09	6.83	7.22
<b>Class I (GAUIX)</b> . . . . .	4.60	10.20	8.97	6.12	7.75	8.00

In the current prospectuses dated April 28, 2017, the expense ratios for Class AAA, A, C, and I Shares are 1.38%, 1.38%, 2.13%, and 1.13%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class 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. Returns would have been lower had Gabelli Funds, LLC, the Adviser, not reimbursed certain expenses of the Fund for periods prior to December 31, 2002. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after 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 our website at [www.gabelli.com](http://www.gabelli.com). The value of utility stocks generally changes as long term interest rates change. Funds investing in a single sector, such as utilities, may be subject to more volatility than funds that invest more broadly. The utilities industry can be significantly affected by government regulation, financing difficulties, supply or demand of services or fuel, and natural resources conservation. 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, 2002 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 Utilities Index is an unmanaged market capitalization weighted index of large capitalization stocks that may include facilities generation and transmission or distribution of electricity, gas, or water. 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 Lipper Utility Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index.
- (b) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.
- (c) Assuming payment of the 1% maximum contingent deferred sales charge imposed on redemptions made within one year of purchase.

# The Gabelli Utilities Fund

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

Shares	Market Value	Shares	Market Value
<b>COMMON STOCKS — 97.0%</b>			
<b>ENERGY AND UTILITIES — 70.0%</b>			
<b>Alternative Energy — 0.4%</b>			
370,000	Algonquin Power & Utilities Corp. .... \$ 3,533,481	310,000	Xcel Energy Inc. .... \$ 13,779,500
36,000	NextEra Energy Partners LP ..... 1,192,680		<u>927,355,358</u>
64,261	Ormat Technologies Inc., New York ..... 3,668,018	67,000	<b>Electric Transmission and Distribution — 0.6%</b>
6,739	Ormat Technologies Inc., Tel Aviv ..... <u>382,481</u>	360,000	Consolidated Edison Inc. .... 5,203,220
	<u>8,776,660</u>	560,000	Red Electrica Corp. SA ..... 6,912,885
		3,400	Uniper SE† ..... <u>57,236</u>
			<u>12,173,341</u>
<b>Electric Integrated — 42.5%</b>			
306,000	ALLETE Inc. .... 20,719,260	352	<b>Global Utilities — 2.2%</b>
174,000	Alliant Energy Corp. .... 6,892,140	11,000	AES Tiete Energia Receipts ..... 1,540
550,000	Ameren Corp. .... 30,024,500	32,000	AES Tiete Energia SA ..... 48,103
705,000	American Electric Power Co. Inc. .... 47,326,650	35,000	Chubu Electric Power Co. Inc. .... 428,564
6,000	Atlantic Power Corp.† ..... 15,836	20,800	E.ON SE ..... 278,206
180,000	Avangrid Inc. .... 7,693,200	5,000	EDF SA ..... 175,120
290,000	Avista Corp. .... 11,324,500	200,000	EDP - Energias de Portugal SA, ADR ..... 170,250
488,000	Black Hills Corp. .... 32,437,360	10,000	Electric Power Development Co. Ltd. .... 4,679,781
16,000	Calpine Corp.† ..... 176,800		Eletropaulo Metropolitana Eletricidade de Sao Paulo SA, Preference ..... 44,368
60,000	CMS Energy Corp. .... 2,684,400	185,000	Emera Inc. .... 6,535,549
168,000	Dominion Resources Inc. .... 13,031,760	35,000	Enagas SA ..... 909,183
4,000	DTE Energy Co. .... 408,440	100,000	Endesa SA ..... 2,350,167
298,000	Duke Energy Corp. .... 24,438,980	250,000	Enel SpA ..... 1,177,217
648,000	Edison International. .... 51,587,280	2,000	EuroSite Power Inc.† ..... 600
814,000	El Paso Electric Co. .... 41,107,000	550,000	Hera SpA ..... 1,530,223
1,400	Entergy Corp. .... 106,344	66,000	Hokkaido Electric Power Co. Inc. .... 499,165
830,000	Eversource Energy ..... 48,787,400	40,000	Hokuriku Electric Power Co. .... 388,036
360,000	Exelon Corp. .... 12,952,800	180,000	Huaneng Power International Inc., ADR ..... 4,793,400
375,000	FirstEnergy Corp. .... 11,932,500	45,000	Iberdrola SA, ADR ..... 1,287,000
78,960	Fortis Inc. .... 2,618,314	283,273	Iberdrola SA, Aquis ..... 2,026,228
115,000	Fortis Inc., Toronto. .... 3,810,994	405,000	Korea Electric Power Corp., ADR† ..... 8,395,650
910,000	Great Plains Energy Inc. .... 26,590,200	110,000	Kyushu Electric Power Co. Inc. .... 1,171,831
915,000	Hawaiian Electric Industries Inc. .... 30,478,650	45,000	National Grid plc, ADR ..... 2,856,600
42,000	IDACORP Inc. .... 3,484,320	32,000	Shikoku Electric Power Co. Inc. .... 351,531
317,500	MGE Energy Inc. .... 20,637,500	2,000	Snam SpA ..... 8,650
677,000	NextEra Energy Inc. .... 86,906,490	75,000	Statoil ASA ..... 1,281,417
260,000	NiSource Inc. .... 6,185,400	28,000	The Chugoku Electric Power Co. Inc. .... 309,854
434,000	NorthWestern Corp. .... 25,475,800	305,000	The Kansai Electric Power Co. Inc. .... 3,745,037
785,000	OGE Energy Corp. .... 27,459,300	55,000	The Tokyo Electric Power Co. Inc.† ..... 215,396
755,398	Otter Tail Corp. .... 28,629,584	170,000	Tohoku Electric Power Co. Inc. .... <u>2,302,704</u>
120,000	PG&E Corp. .... 7,963,200		<u>47,961,370</u>
320,000	Pinnacle West Capital Corp. .... 26,681,600		<b>Merchant Energy — 1.6%</b>
1,610,000	PNM Resources Inc. .... 59,570,000	40,000	GenOn Energy Inc. - Old, Escrow† ..... 0
572,000	PPL Corp. .... 21,387,080	15,000	GenOn Energy Inc., Escrow† ..... 0
190,000	Public Service Enterprise Group Inc. .... 8,426,500	120,000	NRG Energy Inc. .... 2,244,000
360,000	SCANA Corp. .... 23,526,000	2,964,500	The AES Corp. .... <u>33,143,110</u>
485,000	The Southern Co. .... 24,143,300		<u>35,387,110</u>
51,125	Unitil Corp. .... 2,302,159		<b>Natural Gas Integrated — 10.1%</b>
460,000	Vectren Corp. .... 26,960,600	9,000	Apache Corp. .... 462,510
600,000	WEC Energy Group Inc. .... 36,378,000	25,000	Atlas Energy Group LLC† ..... 6,250
927,100	Westar Energy Inc. .... 50,313,717	75,000	Devon Energy Corp. .... 3,129,000

See accompanying notes to schedule of investments.



# The Gabelli Utilities Fund

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

Shares		Market Value	Shares		Market Value
	<b>COMMON STOCKS (Continued)</b>				
	<b>COMMUNICATIONS (Continued)</b>				
	<b>Telecommunications — 10.6%</b>				
35,000	AT&T Inc. ....	\$ 1,454,250	465,000	NTT DoCoMo Inc. ....	\$ 10,828,281
560,000	BCE Inc. ....	24,791,200	135,000	SK Telecom Co. Ltd., ADR .....	3,399,300
300,000	CenturyLink Inc. ....	7,071,000	400	SmarTone Telecommunications Holdings Ltd. ....	516
800,000	Cincinnati Bell Inc.† .....	14,160,000	35,000	Tim Participacoes SA, ADR .....	559,300
35,000	Deutsche Telekom AG .....	613,279	405,000	Turkcell Iletisim Hizmetleri A/S, ADR† .....	3,353,400
515,000	Deutsche Telekom AG, ADR .....	9,038,250	361,000	United States Cellular Corp.† .....	13,476,130
350,000	Global Telecom Holding SAE, GDR† .....	653,783	550,000	Vodafone Group plc, ADR .....	14,536,500
40,000	Harris Corp. ....	4,450,800			<u>71,484,912</u>
1,440,000	Koninklijke KPN NV .....	4,336,683		<b>TOTAL COMMUNICATIONS</b> .....	<u>431,003,096</u>
18,000	Koninklijke KPN NV, ADR .....	54,810		<b>OTHER — 7.2%</b>	
466,000	Level 3 Communications Inc.† .....	26,664,520	2,200,000	<b>Aerospace — 0.9%</b>	
130,000	Loral Space & Communications Inc.† .....	5,122,000		Rolls-Royce Holdings plc .....	<u>20,783,061</u>
35,200	NextGenTel Holding ASA .....	101,670		<b>Automotive: Parts and Accessories — 0.1%</b>	
290,000	Nippon Telegraph & Telephone Corp. ....	12,378,335	21,965	Adient plc .....	<u>1,596,197</u>
2,200	Orange Belgium SA† .....	47,033		<b>Aviation: Parts and Services — 0.0%</b>	
330,000	Orascom Telecom Media and Technology Holding SAE, GDR† .....	69,300	10,000	Curtiss-Wright Corp. ....	<u>912,600</u>
60,000	Pharol SGPS SA .....	24,067		<b>Building and Construction — 0.5%</b>	
220,000	Pharol SGPS SA, ADR .....	79,834	12,000	Acciona SA .....	961,787
77,000	PLDT Inc., ADR .....	2,476,320	219,650	Johnson Controls International plc .....	<u>9,251,658</u>
150,000	Proximus SA .....	4,707,003			<u>10,213,445</u>
2,000	PT Indosat Tbk† .....	1,051		<b>Business Services — 0.6%</b>	
2,000	Shenandoah Telecommunications Co. ....	56,100	1,420,000	Clear Channel Outdoor Holdings Inc., Cl. A .....	8,591,000
2,300,000	Singapore Telecommunications Ltd. ....	6,445,294	40,000	Macquarie Infrastructure Corp. ....	3,223,200
665,000	Sprint Corp.† .....	5,772,200	17,500	Vectrus Inc.† .....	<u>391,125</u>
121,000	Swisscom AG, ADR .....	5,608,350			<u>12,205,325</u>
9,000	Tele2 AB, Cl. B .....	85,926		<b>Diversified Industrial — 0.2%</b>	
170,000	Telecom Italia SpA, ADR† .....	1,531,700	1,000	Alstom SA† .....	29,886
235,000	Telefonica Brasil SA, ADR .....	3,489,750	30,000	Bouygues SA .....	1,221,116
53,000	Telefonica Deutschland Holding AG .....	262,914	4,000	Donaldson Co. Inc. ....	182,080
525,000	Telefonica SA, ADR .....	5,874,750	13,000	Raven Industries Inc. ....	377,650
1,000,000	Telekom Austria AG .....	6,814,739	10,000	Svenska Cellulosa AB, Cl. A .....	329,217
340,000	Telenet Group Holding NV† .....	20,221,255	107,000	Twin Disc Inc.† .....	<u>2,200,990</u>
533,000	Telephone & Data Systems Inc. ....	14,129,830			<u>4,340,939</u>
60,000	Telesites SAB de CV† .....	38,938		<b>Electronics — 1.1%</b>	
550,182	VEON Ltd., ADR .....	2,244,743	100,000	Corning Inc. ....	2,700,000
730,000	Verizon Communications Inc. ....	35,587,500	615,000	Sony Corp., ADR .....	<u>20,743,950</u>
695,000	Windstream Holdings Inc. ....	<u>3,787,750</u>			<u>23,443,950</u>
		<u>230,246,927</u>		<b>Entertainment — 0.7%</b>	
	<b>Wireless Communications — 3.3%</b>			Grupo Televisa SAB, ADR .....	<u>15,823,400</u>
65,000	America Movil SAB de CV, Cl. L, ADR .....	921,050		<b>Financial Services — 0.3%</b>	
27,000	ATN International Inc. ....	1,901,340	610,000	Kinnevik AB, Cl. A .....	5,009,637
69,000	China Mobile Ltd., ADR .....	3,810,870	80,000	Kinnevik AB, Cl. B .....	<u>2,133,774</u>
53,000	China Unicom Hong Kong Ltd., ADR .....	713,910			<u>7,143,411</u>
200	Hutchison Telecommunications Hong Kong Holdings Ltd. ....	59			
81,000	Millicom International Cellular SA .....	4,528,710			
240,000	Millicom International Cellular SA, SDR .....	13,383,851			
6,500	Mobile TeleSystems PJSC, ADR .....	71,695			

See accompanying notes to schedule of investments.

**The Gabelli Utilities Fund**  
**Schedule of Investments (Continued) — March 31, 2017 (Unaudited)**

<u>Shares</u>		<u>Market Value</u>	<u>Principal Amount</u>	<u>Market Value</u>
	<b>COMMON STOCKS (Continued)</b>			
	<b>OTHER (Continued)</b>			
	<b>Health Care — 0.0%</b>			
12,000	Tsumura & Co. ....	\$ 376,179	\$ 3,550,000	\$ 3,541,125
	<b>Machinery — 1.5%</b>		60,061,000	
92,500	Astec Industries Inc. ....	5,688,287		
1,000	Flowsolve Corp. ....	48,420		
83,000	The Gorman-Rupp Co. ....	2,606,200		
480,000	Xylem Inc. ....	<u>24,105,600</u>		
		<u>32,448,507</u>		
	<b>Metals and Mining — 0.4%</b>			
200,000	Freeport-McMoRan Inc.† ....	2,672,000		\$1,424,934,357
51,000	Haynes International Inc. ....	1,944,120		
38,000	Materion Corp. ....	1,274,900		\$ 812,510,431
17,000	Vulcan Materials Co. ....	<u>2,048,160</u>		(57,472,004)
		<u>7,939,180</u>		<u>\$ 755,038,427</u>
	<b>Transportation — 0.9%</b>			
311,000	GATX Corp. ....	<u>18,958,560</u>	(a)	Security considered an affiliated holding because the Fund owns at least 5% of its outstanding shares.
	<b>TOTAL OTHER</b> .....	<u>156,184,754</u>	(b)	Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At March 31, 2017, the market value of the Rule 144A security amounted to \$432,000 or 0.02% of total investments.
	<b>TOTAL COMMON STOCKS</b> .....	<u>2,113,949,650</u>	†	Non-income producing security.
	<b>CONVERTIBLE PREFERRED STOCKS — 0.1%</b>		††	Represents annualized yield at date of purchase.
	<b>ENERGY AND UTILITIES — 0.1%</b>		ADR	American Depositary Receipt
	<b>Natural Gas Utilities — 0.1%</b>		GDR	Global Depositary Receipt
54,000	Corning Natural Gas Holding Corp., 4.800%, Ser. B .....	<u>1,079,571</u>	PJSC	Public Joint Stock Company
	<b>COMMUNICATIONS — 0.0%</b>		SDR	Swedish Depositary Receipt
	<b>Telecommunications — 0.0%</b>			
21,000	Cincinnati Bell Inc., 6.750%, Ser. B .....	<u>1,039,920</u>		
	<b>TOTAL CONVERTIBLE PREFERRED STOCKS</b> .....	<u>2,119,491</u>		
	<b>WARRANTS — 0.0%</b>			
	<b>COMMUNICATIONS — 0.0%</b>			
	<b>Telecommunications — 0.0%</b>			
80,000	Bharti Airtel Ltd., expire 11/30/20†(b) .....	<u>432,000</u>		
	<b>ENERGY AND UTILITIES — 0.0%</b>			
	<b>Natural Gas Integrated — 0.0%</b>			
1,050,000	Kinder Morgan Inc., expire 05/25/17† .....	<u>2,520</u>		
	<b>TOTAL WARRANTS</b> .....	<u>434,520</u>		

See accompanying notes to schedule of investments.

## The Gabelli Utilities 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 Trustees (the “Board”) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the “Adviser”).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt 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 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).



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### 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 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 Significant Unobservable Inputs	
<b>INVESTMENTS IN SECURITIES:</b>				
<b>ASSETS (Market Value):</b>				
Common Stocks:				
ENERGY AND UTILITIES				
Global Utilities	\$ 47,959,830	\$ 1,540	—	\$ 47,961,370
Merchant Energy	35,387,110	—	\$ 0	35,387,110
Natural Gas Utilities	130,672,304	6,642,000	—	137,314,304
Other Industries (a)	1,306,099,016	—	—	1,306,099,016
COMMUNICATIONS				
Telecommunications	229,593,144	653,783	—	230,246,927
Other Industries (a)	200,756,169	—	—	200,756,169
OTHER	156,184,754	—	—	156,184,754
Total Common Stocks	2,106,652,327	7,297,323	0	2,113,949,650
Convertible Preferred Stocks (a)	1,039,920	1,079,571	—	2,119,491
Warrants (a)	2,520	432,000	—	434,520
Corporate Bonds(a)	—	3,541,125	—	3,541,125
U.S. Government Obligations	—	59,927,998	—	59,927,998
<b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b>	<b>\$2,107,694,767</b>	<b>\$72,278,017</b>	<b>\$ 0</b>	<b>\$2,179,972,784</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

## The Gabelli Utilities Fund

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

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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 back testing 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 or hedging against changes in the value of its portfolio securities and in the value of the 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. At March 31, 2017, the Fund held no investments in equity contract for difference swap agreements.

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



## The Gabelli Utilities Fund

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

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

**Foreign Securities.** The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.

**Foreign Taxes.** The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

**Restricted 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 March 31, 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.

#### Monthly Distributions - \$0.07 per share

The Gabelli Utilities Fund has a \$0.07 per share monthly distribution policy. For more specific dividend and tax information, please visit our website at [www.gabelli.com](http://www.gabelli.com) or call 800-GABELLI (800-422-3554). **Shareholders should be aware that a portion of the distribution may represent a non-taxable return of capital.** Distributions of capital reduce the cost basis of your shares if you hold them in a taxable account. The distributions should not be confused with the yield or total return of the Fund.

**THE GABELLI UTILITIES 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).

## THE GABELLI UTILITIES 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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This report is submitted for the general information of the shareholders of The Gabelli Utilities 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 UTILITIES FUND

*First Quarter Report  
March 31, 2017*

