

The Gabelli Utilities Fund

Semiannual Report — June 30, 2017



Mario J. Gabelli, CFA

To Our Shareholders,

For the six months ended June 30, 2017, the net asset value (“NAV”) per Class AAA Share of The Gabelli Utilities Fund increased 5.3% compared with an increase of 8.8% for the Standard & Poor’s (“S&P”) 500 Utilities Index. See below for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of June 30, 2017.

Comparative Results

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

	Six Months	1 Year	5 Year	10 Year	15 Year	Since Inception (8/31/99)
Class AAA (GABUX)	5.29%	4.27%	8.67%	5.96%	8.18%	7.80%
S&P 500 Utilities Index	8.75	2.47	11.17	6.97	9.42	6.88
S&P 500 Index	9.34	17.90	14.63	7.18	8.34	5.47
Lipper Utility Fund Average	7.45	3.10	9.82	5.75	9.46	6.60
Class A (GAUAX)	5.36	4.35	8.68	5.98	8.21	7.82
With sales charge (b)	(0.70)	(1.65)	7.41	5.36	7.78	7.46
Class C (GAUCX)	4.98	3.63	7.88	5.19	7.42	7.15
With contingent deferred sales charge (c)	3.98	2.63	7.88	5.19	7.42	7.15
Class I (GAUIX)	5.44	4.56	8.95	6.20	8.34	7.94

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. See page 11 for the expense ratios for the six months ended June 30, 2017. 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 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 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 our website at 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

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from January 1, 2017 through June 30, 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 01/01/17	Ending Account Value 06/30/17	Annualized Expense Ratio	Expenses Paid During Period*
The Gabelli Utilities Fund				
Actual Fund Return				
Class AAA	\$1,000.00	\$1,052.90	1.37%	\$ 6.97
Class A	\$1,000.00	\$1,053.60	1.37%	\$ 6.98
Class C	\$1,000.00	\$1,049.80	2.12%	\$10.77
Class I	\$1,000.00	\$1,054.40	1.12%	\$ 5.71
Hypothetical 5% Return				
Class AAA	\$1,000.00	\$1,018.00	1.37%	\$ 6.85
Class A	\$1,000.00	\$1,018.00	1.37%	\$ 6.85
Class C	\$1,000.00	\$1,014.28	2.12%	\$10.59
Class I	\$1,000.00	\$1,019.24	1.12%	\$ 5.61

* 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 (181 days), then divided by 365.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of June 30, 2017:

The Gabelli Utilities Fund

Energy and Utilities	68.7%
Communications	20.1%
Other	7.5%
U.S. Government Obligations	3.5%
Other Assets and Liabilities (Net) . . .	<u>0.2%</u>
	<u>100.0%</u>

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 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 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.

The Gabelli Utilities Fund

Schedule of Investments — June 30, 2017 (Unaudited)

Shares	Cost	Market Value	Shares	Cost	Market Value
COMMON STOCKS — 96.1%					
ENERGY AND UTILITIES — 68.6%					
Alternative Energy — 0.4%					
370,000			51,125		Unitil Corp. \$ 1,483,755 \$ 2,469,849
			460,000		Vectren Corp. 12,745,207 26,882,400
			598,000		WEC Energy Group Inc. 16,165,053 36,705,240
			927,100		Westar Energy Inc. 22,651,018 49,154,842
36,000	\$ 2,068,158	\$ 3,894,587	310,000	6,350,159	Xcel Energy Inc. 14,222,800
64,261	878,553	1,331,640		489,481,239	936,246,122
					Electric Transmission and Distribution — 0.6%
	1,648,882	3,770,836	67,000	2,745,224	Consolidated Edison Inc. 5,414,940
6,739			360,000	4,191,840	Red Electrica Corp. SA 7,522,443
	196,537	396,804	3,400	38,231	Uniper SE 63,822
	4,792,130	9,393,867		6,975,295	13,001,205
Electric Integrated — 42.5%					
306,000	11,005,322	21,934,080	Global Utilities — 2.1%		
174,000	3,065,132	6,989,580	352	1,366	AES Tiete Energia Receipts ... 1,450
550,000	16,055,895	30,068,500	11,000	154,630	AES Tiete Energia SA 45,389
701,500			32,000	569,135	Chubu Electric Power Co. Inc. . 424,628
	28,486,140	48,733,205	35,000	870,130	E.ON SE 329,717
6,000	36,882	14,204	20,800	308,177	EDF SA 225,262
180,000	6,737,133	7,947,000	5,000		EDP - Energias de Portugal SA, ADR 163,775
290,000	7,089,367	12,313,400	200,000		Electric Power Development Co. Ltd. 4,939,764
486,000	12,479,229	32,790,420	10,000		Eletropaulo Metropolitana Eletricidade de Sao Paulo SA, Preference 38,275
30,000	477,529	405,900	185,000	4,545,769	Emera Inc. 6,877,583
60,000	402,675	2,775,000	35,000	916,226	Enagas SA 981,391
168,000	8,198,334	12,873,840	100,000	2,186,478	Endesa SA 2,303,721
4,000	151,595	423,160	250,000	1,290,270	Enel SpA 1,340,316
298,000	16,331,147	24,909,820	2,000	1,300	EuroSite Power Inc.† 305
640,000	23,800,047	50,041,600	550,000	1,195,166	Hera SpA 1,681,020
814,000	18,108,780	42,083,800	66,000		Hokkaido Electric Power Co. Inc. 502,298
1,400	96,612	107,478	40,000	1,054,241	Hokuriku Electric Power Co. ... 360,258
800,000	18,567,363	48,568,000	180,000	661,406	Huaneng Power International Inc., ADR 5,002,200
355,000	11,212,577	12,804,850	45,000	4,762,737	Iberdrola SA, ADR 1,427,625
380,000	11,038,618	11,080,800	283,273	1,344,640	Iberdrola SA, Aquis 2,243,109
78,960	2,450,129	2,775,444	405,000	2,215,577	Korea Electric Power Corp., ADR 7,277,850
111,040	3,472,604	3,902,840	110,000	5,392,840	Kyushu Electric Power Co. Inc. 1,333,985
910,000	20,065,026	26,644,800	32,000	1,563,462	Shikoku Electric Power Co. Inc. 376,688
915,000	21,821,324	29,627,700	2,000	578,871	Snam SpA 8,717
42,000	1,703,782	3,584,700	75,000	1,693,070	Statoil ASA 1,243,300
315,000	9,723,163	20,270,250	28,000	509,466	The Chugoku Electric Power Co. Inc. 308,442
650,000	42,135,352	91,084,500	305,000	4,106,512	The Kansai Electric Power Co. Inc. 4,195,021
260,000	2,319,251	6,593,600	55,000	208,402	The Tokyo Electric Power Co. Holdings Inc.† 226,406
434,000	11,726,586	26,482,680			
785,000	13,193,046	27,310,150			
755,000	18,366,682	29,898,000			
120,000	4,272,684	7,964,400			
320,000	13,092,833	27,251,200			
1,610,000	20,018,302	61,582,500			
572,000	17,657,112	22,113,520			
190,000					
	5,490,935	8,171,900			
355,000	13,552,207	23,788,550			
436,500	15,684,652	20,899,620			

See accompanying notes to financial statements.

The Gabelli Utilities Fund

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

Shares	Cost	Market Value	Shares	Cost	Market Value
COMMON STOCKS (Continued)					
ENERGY AND UTILITIES (Continued)			95,000	WGL Holdings Inc. \$ 3,813,901	\$ 7,925,850
Global Utilities (Continued)					63,118,709 132,555,096
170,000	Tohoku Electric Power Co. Inc.	\$ 2,793,879 \$ 2,350,300	Natural Resources — 1.6%		
		44,090,406 46,208,798	14,000	Alliance Holdings GP LP	171,871 331,800
Merchant Energy — 1.6%			51,500	Anadarko Petroleum Corp.	3,463,205 2,335,010
40,000	GenOn Energy Inc. - Old, Escrow†	0 0	168,000	BP plc, ADR	6,752,185 5,821,200
15,000	GenOn Energy Inc., Escrow† ..	0 0	7,058	California Resources Corp.† ...	83,965 60,346
120,000	NRG Energy Inc.	2,704,601 2,066,400	10,000	Callon Petroleum Co.†	124,400 106,100
2,964,500	The AES Corp.	31,828,310 32,935,595	545,000	Cameco Corp.	7,890,376 4,959,500
		34,532,911 35,001,995	8,000	Compania de Minas Buenaventura SAA, ADR.	87,836 92,000
Natural Gas Integrated — 9.4%			710,000	Mueller Industries Inc.	15,410,694 21,619,500
9,000	Apache Corp.	547,954 431,370	45,306	Tullow Oil plc†	237,344 88,927
25,000	Atlas Energy Group LLC†	58,278 2,154			34,221,876 35,414,383
75,000	Devon Energy Corp.	3,780,813 2,397,750	Services — 1.4%		
4,000	Dominion Energy Midstream Partners LP	118,373 115,400	8,000	Areva SA†	91,328 40,094
20,000	Energen Corp.†	239,277 987,400	20,000	Baker Hughes Inc.	906,975 1,090,200
610,000	Energy Transfer Equity LP.	714,115 10,955,600	570,720	Enbridge Inc.	12,562,139 22,720,363
145,000	Hess Corp.	8,581,606 6,361,150	18,000	Halliburton Co.	574,929 768,780
300,000	Kinder Morgan Inc.	6,840,332 5,748,000	34,000	MDU Resources Group Inc.	738,008 890,800
1,940,000	National Fuel Gas Co.	94,188,892 108,329,600	50,000	Patterson-UTI Energy Inc.	737,566 1,009,500
436,000	Northwest Natural Gas Co.	19,423,271 26,094,600	40,000	Rowan Companies plc, Cl. A† .	1,355,406 409,600
520,000	ONEOK Inc.	6,975,466 27,123,200	1,150,000	Weatherford International plc†	11,556,447 4,450,500
362,000	UGI Corp.	7,671,655 17,524,420			28,522,798 31,379,837
		149,140,032 206,070,644	Water — 2.2%		
Natural Gas Utilities — 6.0%			8,000	American States Water Co.	110,252 379,280
80,000	Atmos Energy Corp.	2,188,623 6,636,000	115,000	American Water Works Co. Inc.	2,627,509 8,964,250
94,000	CenterPoint Energy Inc.	1,812,563 2,573,720	534,000	Aqua America Inc.	9,328,087 17,782,200
44,000	Chesapeake Utilities Corp.	795,991 3,297,800	5,000	California Water Service Group	90,622 184,000
50,000	CONSOL Energy Inc.†	711,198 747,000	10,000	Connecticut Water Service Inc.	251,353 555,100
388,800	Corning Natural Gas Holding Corp.(a)	3,685,398 7,643,808	16,000	Consolidated Water Co. Ltd.	193,044 198,400
168,000	Delta Natural Gas Co. Inc.	2,564,807 5,118,960	20,000	Middlesex Water Co.	356,954 792,000
90,000	Gas Natural Inc.	973,052 1,161,000	276,700	Severn Trent plc	7,394,052 7,863,703
100,000	Gulf Coast Ultra Deep Royalty Trust†	8,000 6,500	159,000	SJW Group	3,675,865 7,819,620
5,000	Italgas SpA	21,959 25,253	87,000	The York Water Co.	1,205,281 3,031,950
91,666	National Grid plc	1,355,449 1,136,363	52,000	United Utilities Group plc, ADR	1,399,310 1,199,120
41,250	National Grid plc, ADR	2,734,743 2,591,325			26,632,329 48,769,623
14,000	New Jersey Resources Corp.	328,068 555,800	Diversified Industrial — 0.7%		
143,000	ONE Gas Inc.	1,132,190 9,982,830	30,000	AZZ Inc.	1,212,304 1,674,000
66,000	RGC Resources Inc.	701,712 1,869,780	160,000	General Electric Co.	3,938,762 4,321,600
140,000	South Jersey Industries Inc.	1,982,945 4,783,800	105,000	ITT Inc.	2,173,813 4,218,900
930,700	Southwest Gas Holdings Inc.	34,346,451 67,996,942	375,975	Mueller Water Products Inc., Cl. A	2,154,278 4,391,388
119,500	Spire Inc.	3,777,981 8,335,125			
3,700	Targa Resources Corp.	183,678 167,240			

See accompanying notes to financial statements.

The Gabelli Utilities Fund

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

Shares	Cost	Market Value	Shares	Cost	Market Value		
COMMON STOCKS (Continued)							
ENERGY AND UTILITIES (Continued)			134,470				
Diversified Industrial (Continued)							
20,200	Park-Ohio Holdings Corp. \$ 387,632	\$ 769,620	35,200	NextGenTel Holding ASA	\$ 257,885	93,178	
	<u>9,866,789</u>	<u>15,375,508</u>	290,000	Nippon Telegraph & Telephone Corp.	7,159,565	13,691,042	
Environmental Services — 0.1%			2,200	Orange Belgium SA	33,392	51,511	
22,000	Covanta Holding Corp.	364,975	290,400	Orascom Telecom Media and Technology Holding SAE, GDR	534,301	99,000	
80,000	Veolia Environnement SA	1,097,512	1,690,385	60,000	Pharol SGPS SA†	28,418	20,901
	<u>1,462,487</u>	<u>1,980,785</u>	220,000	Pharol SGPS SA, ADR	182,432	69,190	
TOTAL ENERGY AND UTILITIES			80,000	PLDT Inc., ADR	4,119,297	2,824,800	
	<u>892,837,001</u>	<u>1,511,397,863</u>	150,000	Proximus SA	4,775,028	5,247,619	
COMMUNICATIONS — 20.0%			2,000	PT Indosat Tbk	1,061	975	
Cable and Satellite — 5.8%			2,300,000	Singapore Telecommuni-cations Ltd.	5,695,042	6,498,638	
42,000	Charter Communications Inc., Cl. A†	4,216,493	14,147,700	665,000	Sprint Corp.†	3,853,566	5,459,650
25,000	Cogeco Communications Inc. .	684,204	1,527,028	121,000	Swisscom AG, ADR	4,440,719	5,868,500
70,000	Cogeco Inc.	1,589,491	3,643,584	9,000	Tele2 AB, Cl. B	146,814	94,223
40,000	Comcast Corp., Cl. A	402,189	1,556,800	170,000	Telecom Italia SpA, ADR†	2,206,728	1,589,500
425,000	DISH Network Corp., Cl. A†	12,639,629	26,673,000	235,000	Telefonica Brasil SA, ADR	4,137,121	3,170,150
308,000	EchoStar Corp., Cl. A†	10,215,374	18,695,600	53,000	Telefonica Deutschland Holding AG.	280,618	264,716
344,367	Liberty Global plc, Cl. A†	5,402,838	11,061,055	525,000	Telefonica SA, ADR	8,961,856	5,454,750
600,001	Liberty Global plc, Cl. C†	10,353,810	18,708,029	1,000,000	Telekom Austria AG	7,767,364	7,858,008
80,000	Liberty Global plc LiLAC, Cl. A†	1,566,814	1,741,600	340,000	Telenet Group Holding NV†	15,333,232	21,416,497
150,000	Liberty Global plc LiLAC, Cl. C†	3,323,789	3,211,500	546,000	Telephone & Data Systems Inc.	14,762,101	15,151,500
90,000	Rogers Communications Inc., Cl. B	2,426,676	4,248,900	60,000	Telesites SAB de CV†	45,551	44,102
12,000	Shaw Communications Inc., Cl. B	148,195	261,480	568,544	VEON Ltd., ADR	2,690,769	2,223,007
1,650,000	Sky plc	18,135,231	21,361,588	730,000	Verizon Communications Inc. .	23,525,426	32,601,800
50,000	Tokyo Broadcasting System Holdings Inc.	683,652	883,307	625,000	Windstream Holdings Inc.	3,421,652	2,425,000
	<u>71,788,385</u>	<u>127,721,171</u>	Wireless Communications — 3.5%				
Computer Services Software and Systems — 0.1%			65,000	America Movil SAB de CV, Cl. L, ADR	1,049,728	1,034,800	
301,905	Internap Corp.†	1,678,633	1,107,991	27,000	ATN International Inc.	883,543	1,847,880
Telecommunications — 10.6%			69,000	China Mobile Ltd., ADR	2,765,327	3,663,210	
35,000	AT&T Inc.	1,197,700	1,320,550	53,000	China Unicom Hong Kong Ltd., ADR†	665,499	792,880
560,000	BCE Inc.	15,759,354	25,222,400	200	Hutchison Telecommuni-cations Hong Kong Holdings Ltd.	19	70
300,000	CenturyLink Inc.	9,480,023	7,164,000	85,000	Millicom International Cellular SA	6,167,258	5,057,500
790,000	Cincinnati Bell Inc.†	13,106,597	15,444,500	244,000	Millicom International Cellular SA, SDR	17,355,932	14,411,718
35,000	Deutsche Telekom AG	428,748	628,412	6,500	Mobile TeleSystems PJSC, ADR	86,498	54,470
515,000	Deutsche Telekom AG, ADR	6,311,945	9,277,725	465,000	NTT DoCoMo Inc.	7,286,947	10,964,036
1,750,000	Global Telecom Holding SAE†	1,357,829	670,254	135,000	SK Telecom Co. Ltd., ADR	2,383,798	3,465,450
36,000	Harris Corp.	2,797,749	3,926,880				
1,440,000	Koninklijke KPN NV	4,192,069	4,606,803				
18,000	Koninklijke KPN NV, ADR	80,480	58,320				
466,000	Level 3 Communications Inc.†	14,697,213	27,633,800				

See accompanying notes to financial statements.

The Gabelli Utilities Fund

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

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS (Continued)						
	COMMUNICATIONS (Continued)			615,000	Sony Corp., ADR.....	\$ 11,107,292	\$ 23,486,850
	Wireless Communications (Continued)					12,226,182	26,491,850
400	SmarTone Telecommuni- cations Holdings Ltd.....	\$ 207	\$ 524		Entertainment — 0.7%		
35,000	Tim Participacoes SA, ADR....	684,957	518,000	610,000	Grupo Televisa SAB, ADR.....	15,084,887	14,865,700
405,000	Turkcell Iletisim Hizmetleri A/S, ADR.....	5,670,349	3,321,000	168,000	Financial Services — 0.4%	3,583,754	5,944,520
385,000	United States Cellular Corp.†..	16,985,885	14,753,200	80,000	Kinnevik AB, Cl. A.....	2,519,622	2,448,989
600,000	Vodafone Group plc, ADR.....	22,651,401	17,238,000		Kinnevik AB, Cl. B.....	6,103,376	8,393,509
		84,637,348	77,122,738		Health Care — 0.0%		
	TOTAL COMMUNICATIONS ...	347,425,104	439,711,031	12,000	Tsumura & Co.	261,956	486,508
	OTHER — 7.5%				Machinery — 1.5%		
	Aerospace — 1.2%			92,500	Astec Industries Inc.	3,264,589	5,134,675
2,200,000	Rolls-Royce Holdings plc.....	18,658,982	25,530,751	1,000	Flowserve Corp.	38,156	46,430
156,200,000	Rolls-Royce Holdings plc, Cl. C†.....	200,733	203,444	83,000	The Gorman-Rupp Co.	1,924,996	2,114,010
		18,859,715	25,734,195	465,000	Xylem Inc.....	12,816,021	25,774,950
	Automotive: Parts and Accessories — 0.0%					18,043,762	33,070,065
21,965	Adient plc.....	1,032,355	1,436,072		Metals and Mining — 0.4%		
	Aviation: Parts and Services — 0.0%			235,000	Freeport-McMoRan Inc.†....	3,505,049	2,822,350
11,087	Curtiss-Wright Corp.....	395,210	1,017,565	51,000	Haynes International Inc.....	2,451,657	1,851,810
	Building and Construction — 0.5%			38,000	Materion Corp.	891,753	1,421,200
12,000	Acciona SA.....	1,140,701	1,056,171	17,000	Vulcan Materials Co.	797,880	2,153,560
219,650	Johnson Controls International plc.....	6,233,102	9,524,024			7,646,339	8,248,920
		7,373,803	10,580,195		Transportation — 0.9%		
	Business Services — 0.5%			311,000	GATX Corp.....	8,998,435	19,987,970
1,420,000	Clear Channel Outdoor Holdings Inc., Cl. A.....	6,419,595	6,887,000		TOTAL OTHER	107,314,986	164,980,953
40,000	Macquarie Infrastructure Corp.	864,577	3,136,000		TOTAL COMMON STOCKS	1,347,577,091	2,116,089,847
17,500	Vectrus Inc.†.....	316,783	565,600		CONVERTIBLE PREFERRED STOCKS — 0.1%		
		7,600,955	10,588,600		COMMUNICATIONS — 0.1%		
	Consumer Products — 0.0%			21,000	Telecommunications — 0.1%		
10,000	Essity AB, Cl. A†.....	130,732	273,956		Cincinnati Bell Inc., 6.750%, Ser. B.....	695,010	1,050,210
	Diversified Industrial — 0.2%				ENERGY AND UTILITIES — 0.0%		
1,000	Alstom SA†.....	31,457	34,961		Natural Gas Utilities — 0.0%		
30,000	Bouygues SA.....	938,107	1,265,048	54,000	Corning Natural Gas Holding Corp., 4.800%, Ser. B.....	1,120,500	1,044,463
4,000	Donaldson Co. Inc.	133,040	182,160		TOTAL CONVERTIBLE PREFERRED STOCKS	1,815,510	2,094,673
13,000	Raven Industries Inc.	293,478	432,900		WARRANTS — 0.0%		
10,000	Svenska Cellulosa AB, Cl. A ...	34,751	86,650		COMMUNICATIONS — 0.0%		
111,780	Twin Disc Inc.†.....	2,126,446	1,804,129		Telecommunications — 0.0%		
		3,557,279	3,805,848	80,000	Bharti Airtel Ltd., expire 11/30/20†(b).....	438,064	400,000
	Electronics — 1.2%						
100,000	Corning Inc.....	1,118,890	3,005,000				

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Statement of Assets and Liabilities June 30, 2017 (Unaudited)

Assets:	
Investments, at value (cost \$1,428,427,634)	\$2,197,241,976
Foreign currency, at value (cost \$18,015)	17,970
Cash	1,348
Receivable for Fund shares sold	6,448,756
Receivable for investments sold	1,818,468
Dividends receivable	5,576,664
Prepaid expenses	103,470
Total Assets	<u>2,211,208,652</u>
Liabilities:	
Distributions payable	4,030
Payable for Fund shares redeemed	3,145,998
Payable for investments purchased	2,435,095
Payable for investment advisory fees	1,838,537
Payable for distribution fees	906,347
Payable for accounting fees	11,250
Other accrued expenses	458,550
Total Liabilities	<u>8,799,807</u>
Net Assets (applicable to 265,256,829 shares outstanding)	<u>\$2,202,408,845</u>
Net Assets Consist of:	
Paid-in capital	\$1,434,976,256
Accumulated net investment income	6,398,596
Distributions in excess of net realized gains on investments and foreign currency transactions	(7,786,182)
Net unrealized appreciation on investments	768,814,342
Net unrealized appreciation on foreign currency translations	5,833
Net Assets	<u>\$2,202,408,845</u>
Shares of Beneficial Interest, each at \$0.001 par value; unlimited number of shares authorized:	
Class AAA:	
Net Asset Value, offering, and redemption price per share (\$364,042,896 ÷ 39,002,153 shares outstanding)	<u>\$ 9.33</u>
Class A:	
Net Asset Value and redemption price per share (\$807,512,629 ÷ 85,222,458 shares outstanding)	<u>\$ 9.48</u>
Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price)	<u>\$ 10.06</u>
Class C:	
Net Asset Value and offering price per share (\$790,966,515 ÷ 116,380,867 shares outstanding)	<u>\$ 6.80(a)</u>
Class I:	
Net Asset Value, offering, and redemption price per share (\$239,886,805 ÷ 24,651,351 shares outstanding)	<u>\$ 9.73</u>

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

Statement of Operations For the Six Months Ended June 30, 2017 (Unaudited)

Investment Income:	
Dividends - Unaffiliated (net of foreign withholding taxes of \$862,778)	\$ 38,012,152
Dividends - Affiliated	104,328
Interest	256,739
Total Income	<u>38,373,219</u>
Expenses:	
Investment advisory fees	10,789,738
Distribution fees - Class AAA	453,044
Distribution fees - Class A	1,003,285
Distribution fees - Class C	3,927,633
Shareholder services fees	807,470
Shareholder communications expenses	152,885
Custodian fees	117,638
Trustees' fees	67,937
Registration expenses	54,016
Legal and audit fees	49,845
Accounting fees	22,500
Interest expense	170
Miscellaneous expenses	66,574
Total Expenses	<u>17,512,735</u>
Less:	
Expenses paid indirectly by broker (See Note 6)	(7,851)
Net Expenses	<u>17,504,884</u>
Net Investment Income	<u>20,868,335</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:	
Net realized gain on investments	5,745,569
Net realized loss on foreign currency transactions	(28,795)
Net realized gain on investments and foreign currency transactions	<u>5,716,774</u>
Net change in unrealized appreciation: on investments	82,694,860
on foreign currency translations	30,689
Net change in unrealized appreciation on investments and foreign currency translations	<u>82,725,549</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency	
	<u>88,442,323</u>
Net Increase in Net Assets Resulting from Operations	<u>\$109,310,658</u>

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Statement of Changes in Net Assets

	Six Months Ended	Year Ended
	June 30, 2017	December 31, 2016
	(Unaudited)	
Operations:		
Net investment income	\$ 20,868,335	\$ 29,079,713
Net realized gain on investments and foreign currency transactions	5,716,774	33,246,905
Net change in unrealized appreciation on investments and foreign currency translations	<u>82,725,549</u>	<u>252,754,372</u>
Net Increase in Net Assets Resulting from Operations	<u>109,310,658</u>	<u>315,080,990</u>
Distributions to Shareholders:		
Net investment income		
Class AAA	(2,125,767)*	(5,471,301)
Class A	(4,649,369)*	(11,112,907)
Class C	(6,275,536)*	(9,783,665)
Class I	(1,191,089)*	(2,542,331)
	<u>(14,241,761)</u>	<u>(28,910,204)</u>
Net realized gain		
Class AAA	—	(5,335,408)
Class A	—	(10,854,504)
Class C	—	(14,643,900)
Class I	—	(2,115,401)
	<u>—</u>	<u>(32,949,213)</u>
Return of capital		
Class AAA	(14,107,370)*	(24,739,141)
Class A	(30,854,905)*	(50,581,784)
Class C	(41,646,737)*	(73,313,008)
Class I	(7,904,504)*	(9,476,054)
	<u>(94,513,516)</u>	<u>(158,109,987)</u>
Total Distributions to Shareholders	<u>(108,755,277)</u>	<u>(219,969,404)</u>
Shares of Beneficial Interest Transactions:		
Class AAA	(3,156,011)	(30,345,592)
Class A	(7,720,398)	49,728,141
Class C	24,031,185	23,406,890
Class I	79,009,933	9,333,224
Net Increase in Net Assets from Shares of Beneficial Interest Transactions	<u>92,164,709</u>	<u>52,122,663</u>
Redemption Fees	<u>1,445</u>	<u>7,011</u>
Net Increase in Net Assets	<u>92,721,535</u>	<u>147,241,260</u>
Net Assets:		
Beginning of year	<u>2,109,687,310</u>	<u>1,962,446,050</u>
End of period (including undistributed net investment income of \$6,398,596 and \$0, respectively)	<u>\$2,202,408,845</u>	<u>\$2,109,687,310</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 Utilities Fund

Financial Highlights

Selected data for a share of beneficial interest outstanding throughout each period:

Year Ended December 31	Income (Loss) from Investment Operations			Distributions			Ratios to Average Net Assets/ Supplemental Data								
	Net Asset Value Beginning of Year	Net Investment Income(a)	Net Realized Gain (Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gain on Investments	Return of Capital	Total Distributions	Redemption Fees(d)(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
Class AAA															
2017(c)	\$ 9.26	\$ 0.10	\$ 0.39	\$ 0.49	\$(0.06)*	—	\$(0.36)*	\$(0.42)	\$ 0.00	\$ 9.33	5.3%	\$ 364,043	2.18%(d)	1.37%(d)(e)	1%
2016	8.70	0.15	1.28	1.43	(0.14)	\$(0.13)	(0.60)	(0.87)	0.00	9.26	17.0	364,411	1.65	1.38(e)	4
2015††	10.50	0.11	(1.07)	(0.96)	(0.09)	(0.70)	(0.05)	(0.84)	0.00	8.70	(8.3)	371,419	1.42	1.39(e)	8
2014††	11.24	0.18	0.76	0.94	(0.14)	(0.10)	(1.44)	(1.68)	0.00	10.50	8.9	820,328	1.64	1.36	9
2013††	10.86	0.18	1.88	2.06	(0.14)	(0.20)	(1.34)	(1.68)	0.00	11.24	20.2	738,742	1.60	1.37	11
2012††	12.06	0.16	0.32	0.48	(0.10)	(0.20)	(1.38)	(1.68)	0.00	10.86	4.3	590,457	1.36	1.39	15
Class A															
2017(c)	\$ 9.40	\$ 0.10	\$ 0.40	\$ 0.50	\$(0.06)*	—	\$(0.36)*	\$(0.42)	\$ 0.00	\$ 9.48	5.4%	\$ 807,513	2.17%(d)	1.37%(d)(e)	1%
2016	8.82	0.15	1.30	1.45	(0.13)	\$(0.13)	(0.61)	(0.87)	0.00	9.40	17.0	808,349	1.64	1.38(e)	4
2015††	10.64	0.12	(1.10)	(0.98)	(0.09)	(0.70)	(0.05)	(0.84)	0.00	8.82	(8.3)	713,208	1.45	1.39(e)	8
2014††	11.36	0.18	0.78	0.96	(0.14)	(0.10)	(1.44)	(1.68)	0.00	10.64	9.0	1,231,349	1.64	1.36	9
2013††	10.96	0.18	1.90	2.08	(0.14)	(0.20)	(1.34)	(1.68)	0.00	11.36	20.2	1,109,532	1.60	1.37	11
2012††	12.16	0.16	0.32	0.48	(0.10)	(0.20)	(1.38)	(1.68)	0.00	10.96	4.3	931,577	1.37	1.39	15
Class C															
2017(c)	\$ 6.88	\$ 0.05	\$ 0.29	\$ 0.34	\$(0.06)*	—	\$(0.36)*	\$(0.42)	\$ 0.00	\$ 6.80	5.0%	\$ 790,967	1.43%(d)	2.12%(d)(e)	1%
2016	6.71	0.06	0.98	1.04	(0.09)	\$(0.13)	(0.65)	(0.87)	0.00	6.88	16.2	776,780	0.89	2.13(e)	4
2015††	8.40	0.05	(0.90)	(0.85)	(0.09)	(0.70)	(0.05)	(0.84)	0.00	6.71	(9.1)	736,494	0.73	2.14(e)	8
2014††	9.38	0.08	0.62	0.70	(0.14)	(0.10)	(1.44)	(1.68)	0.00	8.40	8.1	1,111,695	0.89	2.11	9
2013††	9.36	0.08	1.62	1.70	(0.14)	(0.20)	(1.34)	(1.68)	0.00	9.38	19.5	1,037,073	0.85	2.12	11
2012††	10.70	0.06	0.28	0.34	(0.10)	(0.20)	(1.38)	(1.68)	0.00	9.36	3.5	880,503	0.62	2.14	15
Class I															
2017(c)	\$ 9.63	\$ 0.12	\$ 0.40	\$ 0.52	\$(0.06)*	—	\$(0.36)*	\$(0.42)	\$ 0.00	\$ 9.73	5.4%	\$ 239,887	2.50%(d)	1.12%(d)(e)	1%
2016	8.99	0.18	1.33	1.51	(0.16)	\$(0.13)	(0.58)	(0.87)	0.00	9.63	17.4	160,147	1.89	1.13(e)	4
2015††	10.80	0.14	(1.11)	(0.97)	(0.09)	(0.70)	(0.05)	(0.84)	0.00	8.99	(8.1)	141,325	1.70	1.14(e)	8
2014††	11.48	0.20	0.80	1.00	(0.14)	(0.10)	(1.44)	(1.68)	0.00	10.80	9.3	255,651	1.86	1.11	9
2013††	11.04	0.22	1.90	2.12	(0.14)	(0.20)	(1.34)	(1.68)	0.00	11.48	20.4	179,913	1.85	1.12	11
2012††	12.20	0.20	0.32	0.52	(0.10)	(0.20)	(1.38)	(1.68)	0.00	11.04	4.6	161,415	1.68	1.14	15

† 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.

†† All per share amounts and net asset values have been adjusted as a result of the 1 for 2 reverse stock split on March 6, 2015 (See Note 8).

(a) Based on year to date book income. Amounts are subject to change and recharacterization at year end.

(b) Per share amounts have been calculated using the average shares outstanding method.

(c) Amount represents less than \$0.005 per share.

(d) Annualized.

(e) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the six months ended June 30, 2017 and the years ended December 31, 2016 and 2015, there was no impact on the expense ratios.

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Notes to Financial Statements (Unaudited)

1. Organization. The Gabelli Utilities Fund was organized on May 18, 1999 as a Delaware statutory trust. The Fund is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund commenced operations on August 31, 1999. The Fund’s primary objective is to provide a high level of total return through a combination of capital appreciation and current income.

The Fund invests a high percentage of its assets in the utilities sector. As a result, the Fund may be more susceptible to economic, political, and regulatory developments, positive or negative, and may experience increased volatility to the Fund’s NAV and a magnified effect in its total return.

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 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, unless the Board determines such amount does not reflect the securities’ fair value, in which case these securities will be fair valued as determined by the Board. Certain securities are valued principally using dealer quotations.

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:

The Gabelli Utilities Fund

Notes to Financial Statements (Unaudited) (Continued)

- 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 June 30, 2017 is as follows:

	Valuation Inputs			Total Market Value at 6/30/17
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
ENERGY AND UTILITIES				
Global Utilities	\$ 46,207,348	\$ 1,450	—	\$ 46,208,798
Merchant Energy	35,001,995	—	\$ 0	35,001,995
Natural Gas Utilities	124,911,288	7,643,808	—	132,555,096
Other Industries (a)	1,297,631,974	—	—	1,297,631,974
COMMUNICATIONS				
Telecommunications	233,759,131	—	—	233,759,131
Other Industries (a)	205,951,900	—	—	205,951,900
OTHER				
Aerospace	25,530,751	—	203,444	25,734,195
Other Industries (a)	139,246,758	—	—	139,246,758
Total Common Stocks	2,108,241,145	7,645,258	203,444	2,116,089,847
Convertible Preferred Stocks (a)	1,050,210	1,044,463	—	2,094,673
Warrants (a)	—	400,000	—	400,000
Corporate Bonds(a)	—	2,111,500	—	2,111,500
U.S. Government Obligations	—	76,545,956	—	76,545,956
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$2,109,291,355	\$87,747,177	\$203,444	\$2,197,241,976

(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 June 30, 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

The Gabelli Utilities Fund

Notes to Financial Statements (Unaudited) (Continued)

transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

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

The 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 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 that, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

The Fund's derivative contracts held at June 30, 2017, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments together with the related counterparty.

Swap Agreements. The Fund may enter into equity contract for difference swap transactions for the purpose of increasing the income of the Fund. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an equity contract for difference swap, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short term interest rates and the returns on the Fund's portfolio securities at the time an equity contract for difference swap transaction reaches its scheduled termination date, there is

The Gabelli Utilities Fund

Notes to Financial Statements (Unaudited) (Continued)

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 of Operations. A realized gain or loss is recorded upon receipt or payment of a periodic payment or termination of swap agreements. During the six months ended June 30, 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 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 does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. At June 30, 2017, the Fund did not hold restricted securities.

The Gabelli Utilities Fund

Notes to Financial Statements (Unaudited) (Continued)

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 made in excess of current earnings and profits on a tax basis are treated as a non-taxable return of capital. 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 December 31, 2016 was as follows:

Distributions paid from:	
Ordinary income	\$ 33,987,237
Long term capital gains	27,872,180
Return of capital	158,109,987
Total distributions paid	<u>\$219,969,404</u>

Since January 2000, the Fund has had 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 year. Pursuant to this policy, distributions during the year may be 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, and may cause such gains to be treated as ordinary income. Distributions sourced from paid-in capital should not be considered as dividend yield or the total return from an investment

The Gabelli Utilities Fund

Notes to Financial Statements (Unaudited) (Continued)

in the Fund. The Board continues to evaluate the 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 Fund is permitted to carry capital losses forward for an unlimited period. Capital losses that are carried forward will retain their character as either short term or long term capital losses.

The following summarizes the tax cost of investments and the related net unrealized appreciation at June 30, 2017:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$1,435,295,535	\$820,375,936	\$(58,429,495)	\$761,946,441

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 June 30, 2017, the Fund did not incur any income tax, interest, or penalties. As of June 30, 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 Trustees of the Fund who are affiliated persons of the Adviser.

The Fund pays each Trustee 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 \$500 per meeting attended and the Chairman of the Audit Committee and the Lead Trustee each receive an annual fee of \$2,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

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

The Gabelli Utilities Fund

Notes to Financial Statements (Unaudited) (Continued)

Class C Share Plans, payments are authorized to G.distributors, LLC (the “Distributor”), an affiliate of the Adviser, 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 June 30, 2017, other than short term securities and U.S. Government obligations, aggregated \$23,298,135 and \$52,852,674, respectively.

6. Transactions with Affiliates and Other Arrangements. During the six months ended June 30, 2017, the Fund paid \$28,453 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser. Additionally the Distributor retained a total of \$633,271 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

During the six months ended June 30, 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 \$7,851.

The cost of calculating the Fund’s NAV per share is a Fund expense pursuant to the Advisory Agreement. During the six months ended June 30, 2017, the Fund paid or accrued \$22,500 to the Adviser in connection with the cost of computing the Fund’s NAV.

7. Line of Credit. The Fund participates in an unsecured line of credit, which expires 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. During the six months ended June 30, 2017, there were no borrowings outstanding under the line of credit.

8. Shares of Beneficial Interest. The Fund offers four classes of shares – Class AAA Shares, Class A Shares, Class C Shares, and Class I Shares. Class AAA Shares 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%. 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 June 30, 2017 and the year ended December 31, 2016, if any, can be found in the Statement of Changes in Net Assets under Redemption Fees.

As approved by the Board of Directors, the Fund effected a 1 for 2 reverse stock split on March 6, 2015. The net asset value of each share class increased proportionately at that time.

The Gabelli Utilities Fund

Notes to Financial Statements (Unaudited) (Continued)

Transactions in shares of beneficial interest were as follows:

	Six Months Ended June 30, 2017 (Unaudited)		Year Ended December 31, 2016	
	Shares	Amount	Shares	Amount
Class AAA				
Shares sold	2,617,281	\$ 24,673,364	4,639,468	\$ 43,018,104
Shares issued upon reinvestment of distributions	1,539,227	14,523,383	3,454,038	31,946,668
Shares redeemed	(4,489,024)	(42,352,758)	(11,440,214)	(105,310,364)
Net decrease	<u>(332,516)</u>	<u>\$ (3,156,011)</u>	<u>(3,346,708)</u>	<u>\$ (30,345,592)</u>
Class A				
Shares sold	10,091,140	\$ 96,643,882	16,726,963	\$ 158,562,726
Shares issued upon reinvestment of distributions	3,047,100	29,177,593	6,431,994	60,335,587
Shares redeemed	(13,924,598)	(133,541,873)	(18,041,906)	(169,170,172)
Net increase/(decrease)	<u>(786,358)</u>	<u>\$ (7,720,398)</u>	<u>5,117,051</u>	<u>\$ 49,728,141</u>
Class C				
Shares sold	10,049,188	\$ 69,766,590	14,746,021	\$ 103,855,094
Shares issued upon reinvestment of distributions	5,771,028	39,988,971	11,607,259	81,152,204
Shares redeemed	(12,346,857)	(85,724,376)	(23,171,261)	(161,600,408)
Net increase	<u>3,473,359</u>	<u>\$ 24,031,185</u>	<u>3,182,019</u>	<u>\$ 23,406,890</u>
Class I				
Shares sold	10,179,133	\$ 100,240,884	5,401,511	\$ 52,129,624
Shares issued upon reinvestment of distributions	670,368	6,589,298	1,186,059	11,379,762
Shares redeemed	(2,829,027)	(27,820,249)	(5,672,219)	(54,176,162)
Net increase	<u>8,020,474</u>	<u>\$ 79,009,933</u>	<u>915,351</u>	<u>\$ 9,333,224</u>

9. Transactions in Securities of Affiliated Issuers. The 1940 Act defines affiliated issuers as those in which the Fund's holdings of an issuer represent 5% or more of the outstanding voting securities of the issuer. A summary of the Fund's transactions in the securities of these issuers during the six months ended June 30, 2017 is set forth below:

	Beginning Shares	Shares Purchased	Ending Shares	Dividend Income	Realized Gain	Value at June 30, 2017	Percent Owned of Shares Outstanding
Corning Natural Gas Holding Co.	324,000	64,800	388,800	\$104,328	—	\$7,643,808	13.02%

10. 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.

11. Subsequent Events. On July 5, 2017, the Fund began to offer for sale Class T Shares.

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

The Gabelli Utilities Fund

Board Consideration and Re-Approval of Investment Advisory Agreements (Unaudited)

At its meeting on February 23, 2017, the Board of Trustees (“Board”) of the Fund approved the continuation of the investment advisory agreement with the Adviser for the Fund on the basis of the recommendation by the trustees who are not “interested persons” of the Fund (the “Independent Board Members”). 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 supervisory, 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 longer term performance of the Fund against a peer group of utilities funds customized by the Adviser and against the customized peer group selected by Broadridge. The Independent Board Members noted that the Fund’s performance was in the first quartile of its peer group for the one year period and the third quartile for the three and five year periods for the Adviser-customized peer group, and within the second quartile for the one year period and third quartile for the three and five year periods for the customized peer group selected by Broadridge.

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 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 amount of soft dollar 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 advisory fee schedule for the Fund does not take into account any potential economies of scale that may develop or any historical losses or diminished profitability of the Fund to the Adviser.

Service and Cost Comparisons. The Independent Board Members compared the expense ratios of the investment advisory fee, other expenses, and total expenses of the Fund with similar expense ratios of the peer group of utilities funds and the customized Lipper group and noted that the advisory fee includes substantially all administrative services for the Fund as well as the investment advisory services of the Adviser. The Independent Board Members noted that the Fund’s expense ratios were above average and the Fund’s size was average within these groups. The Independent Board Members were presented with, but did not consider material to their decision, various information comparing the advisory fee with the fee for other types of accounts managed by affiliates of 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 profitability to the Adviser of managing the Fund were reasonable 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

The Gabelli Utilities Fund

Board Consideration and Re-Approval of Investment Advisory Agreements (Unaudited) (Continued)

decision. On the basis of the foregoing and without assigning particular weight to any single conclusion, the Independent Board Members determined to recommend continuation of the investment advisory 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 Members 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.

Gabelli/GAMCO Funds and Your Personal Privacy

Who are we?

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

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

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

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

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

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

What do we do to protect your personal information?

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

THE GABELLI UTILITIES FUND
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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.

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GABELLI
FUNDS

THE GABELLI UTILITIES FUND

*Semiannual Report
June 30, 2017*

