Gabelli Enterprise Mergers and Acquisitions Fund

Shareholder Commentary
April 30, 2010

To Our Shareholders,

The Gabelli Enterprise Mergers and Acquisitions Fund's (the "Fund") net asset value ("NAV") per Class A Share rose 6.26% in the three months ended April 30, 2010, while the S&P 500 Index increased 11.04%.

Comparative Results

Average Annual Returns through April 30, 2010 (a)

	Quarter	Calendar Year to Date	1 Year	3 Year	5 Year	Since Inception (2/28/01)
Gabelli Enterprise Mergers and Acquisitions Fund Class AAA	6.16%	3.95%	29.08%	(2.28)%	3.46%	3.97%
Class A	6.26	4.05	29.21	(2.25)	3.48	3.98
	0.15(b)	(1.93)(b)	21.78(b)	(4.16)(b)	2.26(b)	3.31(b)
Class B	6.08	3.79	28.53	(2.78)	2.91	3.41
	1.08(c)	(1.21)(c)	23.53(c)	(3.76)(c)	2.55(c)	3.41
Class C	6.09	3.79	28.47	(2.80)	2.90	3.40
	5.09(d)	2.79(d)	27.47(d)	(2.80)	2.90	3.40
Class Y	6.39	4.24	29.86	(1.80)	3.95	4.45
S&P 500 Index	11.04	7.05	38.82	(5.04)	2.63	1.42

In the current prospectus, the Fund's expense ratios are 1.54%, 1.74%, 2.29%, 2.29%, and 1.29% for the Class AAA, A, B, C, and Y Shares, respectively. Class Y Shares have no sales charge. The maximum sales charge for Class A, B, and C Shares is 5.75%, 5.00%, 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 and reinvestment of distributions and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Returns would have been lower if certain expenses of the Fund had not been waived or reimbursed from March 11, 2008. Visit www.gabelli.com for performance information as of the most recent month end.* ***Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.*** *The S&P 500 Index is an unmanaged indicator of stock market performance. Dividends are considered reinvested. You cannot invest directly in an index.*

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

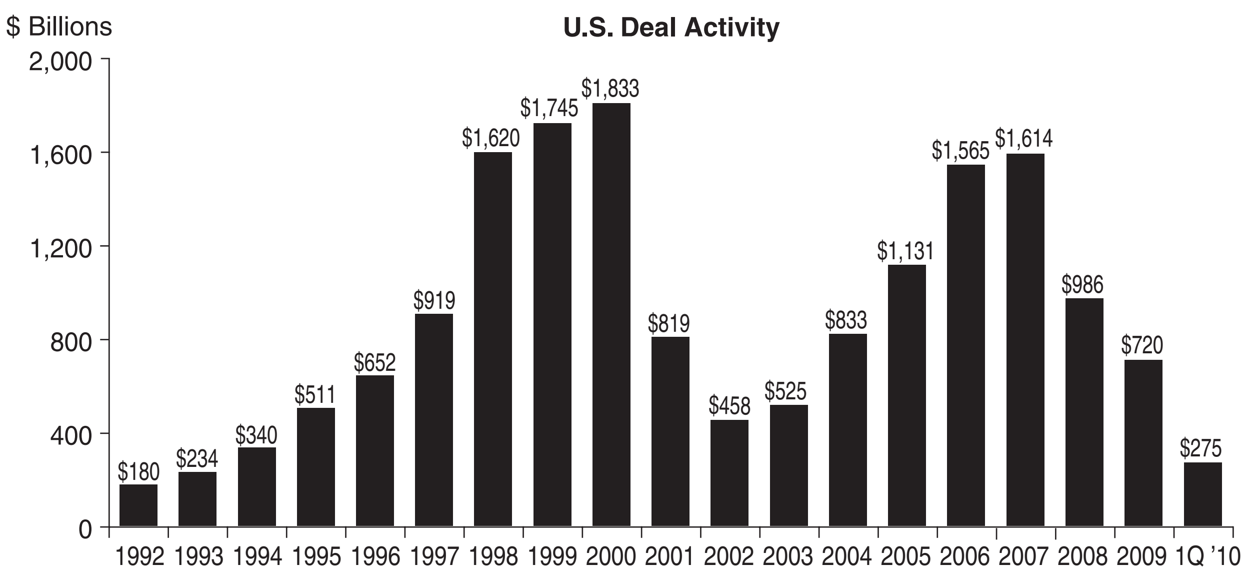
(c) *Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the quarter, year to date, one year, three year, and five year periods of 5%, 5%, 5%, 3%, and 2%, respectively, of the Fund's net asset value ("NAV") per share at the time of purchase or sale,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

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

COMMENTARY

In the first quarter of 2010, the merger and acquisitions ("M&A") market bucked the trend that plagued it in previous quarters and demonstrated a strong increase in overall deal volume. Following increased M&A activity in the fourth quarter of 2009, the beginning of the first quarter yet again saw cash rich companies taking advantage of target companies trading at depressed earnings multiples, supported by historically low interest rates, making the M&A market ripe for acquirers. As reported by Thomson Reuters in its "Mergers and Acquisitions Review," global announced M&A volume in the first quarter totaled $573.3 billion, up 20.5% compared with the first quarter of 2009.

Source: Thomson Reuters/Gabelli Research



Source: Thomson Reuters/Gabelli Research

Deal making proved it was back in vogue in the first quarter with the return of private equity firms to the M&A arena. Global M&A activity by private equity firms totaled $32.4 billion in the first quarter, an astounding 89% increase over the first quarter of 2009. Energy and power related deals led the rally, accounting for 20% of announced M&A activity, while telecommunications, consumer staples, retail, and technology continued to show growth.

M&A activity involving U.S. companies totaled $275.1 billion in the first quarter, almost a 60% increase from the same quarter a year earlier. This growth offset continued weakness in Europe, where deal activity totaled only $199.7 billion, the third consecutive year in which first quarter M&A declined since its peak in 2007.

In the upcoming quarters, we look for deal activity to continue to mirror the overall strength in the broad markets, as cash rich companies flex their muscles, making strategic acquisitions of targets with fundamentally sound operations and historically low multiples. Enhanced by the return of private equity firms to the market, and consortiums making bids on companies in many sectors, the Enterprise Mergers and Acquisitions Fund is positioned to take advantage of an increase in all types of strategic deals.

Positions Closed in the First Quarter 2010

The following are stock specifics on selected holdings of our Fund whose shares were tendered at a profit during the first quarter of 2010. Individual securities, profits, and annualized rates of return mentioned are not necessarily representative of the entire portfolio or of future returns.

Chattem Inc. manufactures and markets a broad portfolio of branded over the counter healthcare products, toiletries, and dietary supplements. On December 21, 2009, the company entered into an agreement to be acquired by Sanofi-Aventis for $93.50 per share, a 33.6% premium to where the stock had been trading. The deal, valued at $1.9 billion, was done by tender offer and closed on February 8, 2010. The annualized rate of return on our investment was 3.63%.

FGX International Holdings Ltd. designs and markets non-prescription reading glasses and sunglasses in North America. On December 16, 2009, the company announced that it had entered into an agreement with Essilor International to be acquired for $19.75 per share, a total value of roughly $575 million. The deal closed on March 15th and realized an annualized rate of return of 6.22%.

Selected Stock Holdings

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the percentage of net assets and their share prices stated in U.S. dollar equivalent terms are presented as of April 30, 2010.

Alcon, Inc. (1.3% of net assets as of April 30, 2010) (ACL - $155.86 - NYSE) is an eye care company that develops, manufactures, and markets pharmaceuticals, surgical equipment and devices, contact lens care, and other care products that treat conditions of the eye. The company received an unsolicited offer to be acquired by Swiss pharmaceutical company Novartis AG. Under terms of the transaction, Alcon shareholders would receive 2.8 shares of Novartis common stock, valuing the transaction at approximately $11 billion. In January, Novartis exercised its option to purchase Nestlé's remaining 156 million shares of Alcon common stock for $180.00 per share. Upon completion of Novartis' acquisition of Alcon shares, Novartis will own 77% of Alcon shares. The transaction would be subject to approval by the Alcon Board of Directors, the closing of the purchase and sale transaction related to the Novartis option exercise, and receipt of required regulatory approvals.

Bell Microproducts Inc. (0.8%) (BELM - $6.99 - Nasdaq) is a distributor of a wide range of high tech products, solutions, and services, including storage systems, servers, software, computer components, and peripherals. On March 29, 2010, the company announced that they had entered into an agreement with Avent, Inc. to be acquired for $7.00 per share, a 30% premium to where the stock had been previously trading. The deal, which is valued at roughly $250 million, is subject to shareholder and regulatory approvals and is anticipated to close in the second half of 2010.

CNX Gas Corp. (2.5%) (CXG - $38.27 - NYSE), owns and operates the gas assets of CONSOL Energy across the eastern United States. The company agreed to be acquired by majority shareholder CONSOL Energy Inc. Under terms of the agreement, CNX Gas shareholders will receive $38.25 cash per share, valuing CNX Gas at approximately $5.9 billion. CONSOL Energy currently owns approximately 83% of the 151 million shares of CNX Gas common stock outstanding. The transaction is subject to the tender of a majority of the minority interest's shares outstanding and is expected to close in the second quarter of 2010.

Millipore Corp. (5.0%) (MIL - $106.15 - NYSE) is a life science company provider of technologies, tools, and services for bioscience research and biopharmaceutical manufacturing. On March 1, 2010, the company entered into an agreement with Germany's Merck KGaA. Under terms of the agreement, Millipore shareholders will receive $107 per share, valuing the transaction at approximately $7.2 billion. The transaction is subject to Millipore shareholder approval and is expected to close in the second half of 2010.

SkillSoft plc (1.9%) (SKIL - $11.17 - Nasdaq) is an Irish company that produces electronic training programs for corporate and government users. On February 12, 2010, the company received a bid by a consortium to take the company private. The consortium, comprised of private equity firms Berkshire Partners, Advent International, and Bain Capital, announced it would purchase SkillSoft for $10.80 per share in cash, valuing the total deal at $1.1 billion. The deal was completed on May 26th.

Smith International, Inc. (<0.1%) (SII - $47.76 - NYSE) supplies products and services to the oil and gas exploration and production industry. On February 21, 2010, the company announced the agreement to be acquired by Schlumberger Ltd. Under terms of the agreement, Smith shareholders will receive 0.6966 shares of Schlumberger common stock in exchange for each share of Smith held, valuing the transaction at approximately $12.3 billion. The transaction is subject to Smith shareholder as well as regulatory approval and is expected to close in the second half of 2010.

Varian, Inc. (2.6%) (VARI - $51.80 - Nasdaq), provides scientific instruments and vacuum technologies for life science, environmental, energy and applied research, and other applications. The company agreed to be acquired by medical diagnostics company Agilent Technologies Inc. Under terms of the agreement, Varian shareholders will receive $52 cash per share, valuing the transaction at approximately $1.5 billion. The transaction received the necessary shareholder approval and regulatory approval and closed on May 14th.

Sincerely,

Mario J. Gabelli

Mario J. Gabelli, CFA
Portfolio Manager and
Chief Investment Officer – Value Portfolios

May 26, 2010

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Manager only through the end of the period stated in this Shareholder Commentary. The Portfolio Manager's views are subject to change at any time based on market and other conditions. The information in this Portfolio Manager's Shareholder Commentary represents the opinions of the individual Portfolio Manager and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Manager and may differ from those of other portfolio managers or of the Firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed.

www.gabelli.com

Please visit us on the Internet. Our homepage contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Mutual Funds, IRAs, 401(k)s, current and historical quarterly reports, closing prices, and other current news. We welcome your comments and questions via e-mail at info@gabelli.com.

You may sign up for our e-mail alerts at www.gabelli.com, and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performances.

The Fund's daily net asset value is available in the financial press and each evening after 6:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554). The Fund's Nasdaq symbol is EMAAX for Class A Shares. Please call us during the business day for further information.

e-delivery

We are pleased to offer electronic delivery of Gabelli Funds documents. Direct shareholders of our open-end mutual funds can now elect to receive their Annual, Semiannual, and Quarterly Fund Reports, Manager Commentaries, and Prospectuses via e-delivery. For more information or to sign up for e-delivery, please visit our website at www.gabelli.com.

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.

Gabelli/GAMCO Funds and Your Personal Privacy

Who are we?

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

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

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

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

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

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

What do we do to protect your personal information?

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

GABELLI FAMILY OF FUNDS

VALUE

Gabelli Asset Fund
Seeks to invest primarily in a diversified portfolio of common stocks selling at significant discounts to their private market value. The Fund's primary objective is growth of capital. *(Multiclass)*
Portfolio Manager: Mario J. Gabelli, CFA

Gabelli Blue Chip Value Fund
Seeks long term growth of capital through investment primarily in the common stocks of established companies which are temporarily out of favor. The fund's objective is to identify a catalyst or sequence of events that will return the company to a higher value. *(Multiclass)*
Portfolio Manager: Barbara Marcin, CFA

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

FOCUSED VALUE

Gabelli Value Fund
Seeks to invest in securities of companies believed to be undervalued. The Fund's primary objective is long-term capital appreciation. *(Multiclass)*
Portfolio Manager: Mario J. Gabelli, CFA

SMALL CAP VALUE

Gabelli Small Cap Fund
Seeks to invest primarily in common stock of smaller companies (market capitalizations at the time of investment of $2 billion or less) believed to have rapid revenue and earnings growth potential. The Fund's primary objective is capital appreciation. *(Multiclass)*
Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Westwood SmallCap Equity Fund
Seeks to invest primarily in smaller capitalization equity securities – market caps of $2.5 billion or less. The Fund's primary objective is long-term capital appreciation. *(Multiclass)*
Portfolio Manager: Nicholas F. Galluccio

Gabelli Woodland Small Cap Value Fund
Seeks to invest primarily in the common stocks of smaller companies (market capitalizations generally less than $3.0 billion) believed to be undervalued with shareholder oriented management teams that are employing strategies to grow the company's value. The Fund's primary objective is capital appreciation. *(Multiclass)* *Portfolio Manager: Elizabeth M. Lilly, CFA*

GROWTH

GAMCO Growth Fund
Seeks to invest primarily in large cap stocks believed to have favorable, yet undervalued, prospects for earnings growth. The Fund's primary objective is capital appreciation. *(Multiclass)*
Portfolio Manager: Howard F. Ward, CFA

GAMCO International Growth Fund
Seeks to invest in the equity securities of foreign issuers with long-term capital appreciation potential. The Fund offers investors global diversification. *(Multiclass)* *Portfolio Manager: Caesar Bryan*

AGGRESSIVE GROWTH

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

MICRO-CAP

GAMCO Westwood Mighty Mites℠ Fund
Seeks to invest in micro-cap companies that have market capitalizations of $300 million or less. The Fund's primary objective is long-term capital appreciation. *(Multiclass)* *Team Managed*

EQUITY INCOME

Gabelli Equity Income Fund
Seeks to invest primarily in equity securities with above average market yields. The Fund pays monthly dividends and seeks a high level of total return with an emphasis on income. *(Multiclass)*
Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Westwood Balanced Fund
Seeks to invest in a balanced and diversified portfolio of stocks and bonds. The Fund's primary objective is both capital appreciation and current income. *(Multiclass)*
Co-Portfolio Managers: Susan M. Byrne
Mark Freeman, CFA

GAMCO Westwood Income Fund
Seeks to provide a high level of current income as well as long-term capital appreciation by investing in income producing equity and fixed income securities. *(Multiclass)* *Portfolio Manager: Barbara Marcin, CFA*

SPECIALTY EQUITY

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

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

Gabelli SRI Green Fund
Seeks to invest in common and preferred stocks meeting guidelines for social responsibility (avoiding defense contractors and manufacturers of alcohol, abortifacients, gaming, and tobacco products) and sustainability (companies engaged in climate change, energy security and independence, natural resource shortages, organic living, and urbanization). The Fund's primary objective is capital appreciation. *(Multiclass)*
Co-Portfolio Managers: Christopher C. Desmarais
John M. Segrich, CFA

SECTOR

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

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

Gabelli Utilities Fund
Seeks to provide a high level of total return through a combination of capital appreciation and current income. *(Multiclass)* *Team Managed*

MERGER AND ARBITRAGE

Gabelli ABC Fund
Seeks to invest in securities with attractive opportunities for appreciation or investment income. The Fund's primary objective is total return in various market conditions without excessive risk of capital loss.
(No-load) *Portfolio Manager: Mario J. Gabelli, CFA*

Gabelli Enterprise Mergers and Acquisitions Fund
Seeks to invest in securities believed to be likely acquisition targets within 12–18 months or in arbitrage transactions of publicly announced mergers or other corporate reorganizations. The Fund's primary objective is capital appreciation. *(Multiclass)*
Portfolio Manager: Mario J. Gabelli, CFA

CONTRARIAN

GAMCO Mathers Fund
Seeks long-term capital appreciation in various market conditions without excessive risk of capital loss.
(No-load) *Portfolio Manager: Henry Van der Eb, CFA*

Comstock Capital Value Fund
Seeks capital appreciation and current income. The Fund may use either long or short positions to achieve its objective. *(Multiclass)*
Portfolio Manager: Martin Weiner, CFA

FIXED INCOME

GAMCO Westwood Intermediate Bond Fund
Seeks to invest in a diversified portfolio of bonds with various maturities. The Fund's primary objective is total return. *(Multiclass)*
Portfolio Manager: Mark Freeman, CFA

CASH MANAGEMENT-MONEY MARKET

Gabelli U.S. Treasury Money Market Fund
Seeks to invest exclusively in short-term U.S. Treasury securities. The Fund's primary objective is to provide high current income consistent with the preservation of principal and liquidity. *(No-load)*
Co-Portfolio Managers: Judith A. Raneri
Ronald S. Eaker

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

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

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

Gabelli Enterprise Mergers and Acquisitions Fund
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Gabelli Enterprise Mergers and Acquisitions Fund

SHAREHOLDER COMMENTARY
APRIL 30, 2010