



Ronald S. Eaker
With GAMCO Since 1987

The Gabelli U.S. Treasury Money Market Fund

Shareholder Commentary
September 30, 2009



Judith A. Raneri
With GAMCO Since 1989

To Our Shareholders,

Thank you for your investment in The Gabelli U.S. Treasury Money Market Fund.

At Gabelli Funds, we believe direct communications with our shareholders about your investment in the Fund is vital. Our shareholder commentaries, financial holdings, and research reports are part of this effort. The more informed you are about your investments, the better able you are to make sound investment decisions.

This becomes even more critical given the recent volatility in the global financial markets. We greatly appreciate your trust and confidence in Gabelli Funds and The Gabelli U.S. Treasury Money Market Fund, particularly during these extraordinary times. We will continue to work diligently on your behalf. Thank you again for your investment.

Investment Results

For the year ended September 30, 2009, the Fund's total return was 0.51%. The Lipper U.S. Treasury Money Market Average had a total return of 0.07% over the same period. The Lipper Average reflects the average performance of mutual funds classified in this particular category. The Fund's seven day annualized yield and thirty day annualized yield on September 30, 2009 were 0.15% and 0.15%, respectively. The yield and total return were enhanced by the Adviser's voluntary limitation of the Fund's expenses at 8 basis points (0.08%) since December 1, 2005. This limitation will be in effect through at least January 31, 2011.

For the five year period ended September 30, 2009, the Fund's total return averaged 2.95% versus an average annual total return of 2.31% for the Lipper U.S. Treasury Money Market Average. For the ten year period ended September 30, 2009, the Fund's total return averaged 2.84% versus an average annual total return of 2.36% for the Lipper U.S. Treasury Money Market Average. Since inception on October 1, 1992 through September 30, 2009, the Fund had an average annual total return of 3.51%. Prior to December 1, 2005, the Adviser voluntarily limited expenses of the Fund's expenses to 30 basis points (0.30%). As of September 30, 2009, direct shareholders totaled 4,405 and net assets were approximately \$1,618 million. The Fund maintained a stable net asset value of \$1.00 per share throughout the period.

Commentary

Since the recession officially began in December 2007, the U.S. economy has finally begun to show signs of recovery and retrace its steps toward growth. While still far from a complete recovery, there are now grounds for encouragement as third quarter improvement in real economic activity, combined with unprecedented monetary and fiscal policy interventions, are serving to stabilize financial markets, the housing sector and consumer confidence. When combined, all point to positive growth by the fourth quarter of 2009.

The economy's transition from recession to recovery is being led by real improvements in economic activity, mainly through resurgence in the housing sector. The latest slew of positive housing reports, consisting of increases in new and existing home sales in addition to encouraging news on home prices, all support the concept that the housing market is stabilizing. Additionally, consumer spending, which accounts for two-thirds of U.S. economic activity, jumped by the most in nearly eight years in August, due partly to the government's Cash for Clunkers program. Consumer sentiment rose in late September to the highest level since January 2008, industrial production and capacity utilization rose in September for a third consecutive month, retail sales rose, and Leading Economic Indicators (LEI) increased for the fifth straight month. Additionally, second quarter GDP report declined much less than expected setting the stage for growth in the third quarter.

Although financial conditions have improved in recent months, labor market conditions remain dismal, as payrolls have declined for twenty-one consecutive months during which more than 7.2 million jobs have been lost. The September employment report highlighted the risks, as the unemployment rate jumped to 9.8%, with nearly every segment of the economy continuing to lose jobs. The discouraging data reinforces the market's concern that unemployment can undermine the recovery as resurgence in housing recovery and consumer spending cannot be maintained without job growth and income growth. Nonetheless, the data reflected a somewhat encouraging sign that the pace of layoffs has slowed over the last few months and average hourly earnings has risen, providing households with some spending power. Together, the steady improvements even though minor support the notion that the labor market is firmly moving in the right direction.

Additionally, various financial conditions are currently supporting the economy to overcome labor market weakness. Banking and financial market functions have improved. The cost of borrowing between banks returned to pre-crisis levels as the Treasury's cash injections and interest rate cuts have stimulated credit markets. Fixed rate mortgage rates have declined and reached three month lows. Additionally, the majority of the effects of the \$787 billion economic stimulus package will provide considerable lift to the economy to be felt later this year and well into 2010.

After a deep recession, recent data have continued to suggest that the pace of economic decline has slowed and that the recession is nearing an end. However, while a continued uptrend in economic data in the near term is expected, a sustainable recovery is still tentative. Evaluating the balance between the downside risks and the long-term effects of the public stimulus and the resurgence in economic activity will dictate the outcome. In general, even if the economy continues to gain strength, the path back to sustained prosperity will likely be rough and segments of weakness may persist for months.

Minimum Investment – \$10,000

The Fund's minimum initial investment is \$10,000. However, shareholders of any of the Gabelli Funds may invest in the Fund with an initial investment of \$3,000. IRAs, retirement accounts, and custodial accounts for minors require an initial investment of only \$1,000. The Fund provides check writing and exchange privileges and continues to offer these services at no charge to shareholders. Currently, the Fund's expenses are capped at 0.08% of average net assets, making it one of the most attractive U.S. Treasury-only money market funds. With dividends that are exempt from state and local income taxes in all states, the Fund is an excellent vehicle in which to store idle cash.

www.gabelli.com

Please visit us on the Internet. Our homepage at www.gabelli.com 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 performance.

Class A and C Shares

Class A and Class C Shares are available for investors holding Gabelli/GAMCO mutual funds through broker dealers who wish to exchange these holdings and remain in the Gabelli/GAMCO fund family.

Daily Dividends

The Fund declares daily dividends which are reinvested monthly unless a cash distribution is requested. The Fund invests exclusively in U.S. Treasury securities and therefore 100% of the Fund's income dividends are exempt from state and local income taxes in all states. Please consult your tax adviser for the applicability to your specific situation.

We thank you for your loyalty and, as always, pledge our best efforts on your behalf as we seek to provide you with competitive returns. Please call us at 800-GABELLI (800-422-3554) during the business day for further information.

Sincerely,



Judith A. Raneri
Vice President and Co-Portfolio Manager

November 20, 2009



Ronald S. Eaker
Vice President and Co-Portfolio Manager

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.

Past performance is no guarantee of future results. Total returns and average annual returns reflect changes in investment income and are net of expenses. Investment returns and yields will fluctuate. **An investment in The Gabelli U.S. Treasury Money Market Fund is neither insured nor guaranteed by the U.S. Government or the Federal Deposit Insurance Corporation. Although the Fund seeks to preserve the value of an investment at \$1.00 per share, there can be no assurance that the Fund will maintain a stable \$1.00 per share net asset value, so it is possible to lose money by investing in the Fund.** 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. **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.** If the Fund's expenses had not been limited to 0.08%, the Fund's seven day annualized yield and 30 day annualized yield would have been lower.

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. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com/funds.

**The Gabelli U.S. Treasury
Money Market Fund**

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The Gabelli U.S. Treasury Money Market Fund

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

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**SHAREHOLDER COMMENTARY
SEPTEMBER 30, 2009**