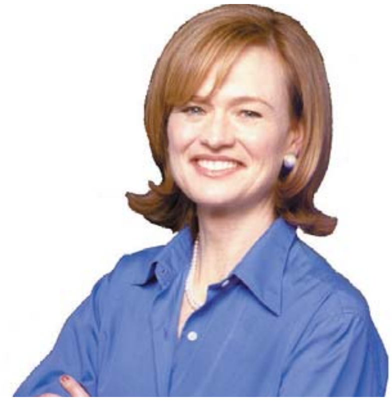
The Gabelli Woodland Small Cap Value Fund

Shareholder Commentary
September 30, 2011



Elizabeth M. Lilly, CFA

To Our Shareholders,

For the quarter ended September 30, 2011, the net asset value ("NAV") per Class AAA Share of The Gabelli Woodland Small Cap Value Fund (the "Fund") declined 24.5% compared with a decrease of 21.9% for the Russell 2000 Index. See page 2 for additional performance information.

In the short span of only three months, it seems like everything has changed yet, in reality, very little has changed. How can you explain the dramatic decline in the various markets over the last several months? We believe that the swing is more psychological than any shift in the fundamentals. All the various concerns of the market existed six to nine months ago. Apparently investors are now paying attention and seem to be worried. The behavior by the markets feels more like fear and panic than based on rational thoughtful analysis. This helps explain the dramatic and volatile daily swings. It is our belief that the crux of the fear within the U.S. equity market is a complete lack of faith in our fiscal and monetary policymakers that manifested itself in the August debt ceiling debacle. The infamous weekend battle in August 2011 among President Obama and the Senate and House of Representatives struck fear in the minds of citizens. The awareness that the concerted effort of all our politicians in Washington and the Commander in Chief could not set aside their partisan politics showed everyone how truly serious and pervasive the United States' problems are. The severe market correction that we have experienced is symptomatic of a much greater problem. The antics in Washington, DC were an embarrassment for the United States. People want to have faith in their system and that it functions smoothly. This is not the reality we are experiencing.

Over the last several weeks as the U.S. equity markets have experienced serious declines, many of the financial news channels (CNBC/Bloomberg/Fox Business News) want to blame "other" countries for our problems. The European Union and its "Fear of Contagion" and China's slowing growth rate are the two crises mentioned most frequently. The truth of the matter is that the real problem is a lack of leadership in Washington, DC. The U.S. stock market is in the backseat of a car being driven by erratic politicians. They are more interested in arguing among themselves about what direction to take, rather than looking through the windshield and paying attention to the road. Investors are fearful that unemployment will not come down, the

Comparative Results

Average Annual Returns through September 30, 2011 (a)(b) (Unaudited)

	Quarter	1 Year	3 Year	5 Year	Since Inception (12/31/02)
Class AAA (GWSVX)	(24.52)%	(8.18)%	(1.92)%	(0.23)%	4.94%
Russell 2000 Index	(21.87)	(3.53)	(0.37)	(1.02)	7.49
Class A (GWSAX)	(24.57)	(8.12)	(1.91)	(0.18)	4.98
With sales charge (c)	(28.90)	(13.40)	(3.87)	(1.39)	4.25
Class C (GWSCX)	(24.70)	(8.88)	(2.62)	(0.95)	4.22
With contingent deferred sales charge (d)	(25.46)	(9.79)	(2.62)	(0.95)	4.22
Class I (GWSIX)	(24.47)	(7.91)	(1.64)	(0.04)	5.05

In the current prospectus dated January 28, 2011, the gross expense ratios for Class AAA, A, C, and I Shares are 3.09%, 3.09%, 3.84%, and 2.84%, respectively. The net expense ratios after contractual reimbursements by Gabelli Funds, LLC (the "Adviser") in place through January 31, 2011 are 2.01%, 2.01%, 2.76%, and 1.76%, respectively. The maximum sales charge for Class A and C Shares is 5.75% and 1.00%, respectively. Class AAA and Class I Shares do not have a sales charge.

(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. Performance returns for periods of less than one year are not annualized. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. 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 information about these and other matters and should be read carefully before investing.*** *The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class I Shares on January 11, 2008. The actual performance of Class I Shares would have been higher due to lower expenses associated with this class of shares. Investing in small capitalization securities involves special challenges because these securities may trade less frequently and experience more abrupt price movements than large capitalization securities. The Russell 2000 Index is an unmanaged indicator which measures the performance of the small-cap segment of the U.S. equity market. Dividends are considered reinvested. You cannot directly invest in an index.*

(b) *The Fund's fiscal year ends September 30.*

(c) *Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.*

(d) *Assuming payment of the 1% maximum contingent deferred sales charge is imposed on redemptions made within one year of purchase.*

budget deficit will not be effectively addressed, and that the Federal Reserve does not know what it is doing. As James Grant of Grant's Interest Rate Observer stated, "The Federal Reserve is presently run by policymakers that seem to have no first or fixed principles. Current monetary arrangements are defective and are robbing us of the dynamism this county has been known for . . . Somehow, with QE everything, with a zero percent funds rate, with monetary mastery from the people in Washington, I think the current system is leeching dynamism from this economy and from society, and I think we'll find something better."

U.S. corporations are flush with cash and report the best balance sheets they have had in years. But they are sitting on the sidelines and not hiring or spending money on capital equipment. All decisions to invest, whether it is in factories or people or securities, require confidence that there will be a predictably stable environment. That does not exist today. It may not change significantly until the U.S. has a change in leadership in Washington, DC in eighteen months.

Clearly, the issues staring at us today are the same ones that were facing us over the last year: QE II has ended; unemployment remains at very high levels; European sovereign debt, and China's slowing growth rate.

One notable new data point that came out in the quarter which we believe is significant is the 15% poverty rate in America. It is a frightening statistic that is very telling about consumer behavior and the gulf between the have and have nots in our country. This has serious implications for our economy over the coming decade. As former Secretary of Labor Robert Reich wrote in The New York Times on September 4, 2011, the gulf between wage earners in the U.S. is very worrisome. The nation's top 10% of U.S. workers receive about 50% of the nation's income with half of that going to the top 1%. The last time the U.S. experienced a wage gap so extreme was just before the 1929 crash and the Great Depression. If you look back over the last 100 years, an interesting pattern emerges. During periods when the very rich took home a smaller proportion of total income (as in the Great Prosperity between 1947 and 1977), the nation grew faster and median wages surged. In periods when the very rich took home a larger proportion, between 1918-1933, and 1981 to the present day, growth slowed, median wages stagnated, and the U.S. suffered significant downturns.

One of our biggest ongoing concerns continues to be the persistently high unemployment rate. Although the government claims it is a little over 9%, it is our belief that the real unemployment level is closer to 18% - 19%. The manufacturing and middle management jobs that have been eliminated over the past ten years are not coming back. It will take a long time for those individuals to find a job. It is fascinating to note that in a speech in late September, Federal Reserve Chairman Ben Bernanke finally admitted the Fed was seriously concerned about unemployment.

So Quantitative Easing II ended in July 2011, and recently the Fed Reserve announced "Operation Twist" as their next stimulus program. The goal of the program is to keep long term interest rates low so as to encourage borrowing by businesses and to stimulate capital spending. Unfortunately, when there is so much fear and concern on the part of businesses about the economy, every last dime is dear to them. The public to private sector handoff from the Federal Reserve to private enterprise did not happen as a result of QEI and QEII, and it is highly unlikely that "Operation Twist" will be even more effective.

The biggest worry today in the market is the European debt issue and the fear how a bank or country default will impact the U.S. The euro zone has been a source of global instability for months and getting all seventeen euro zone countries to agree upon an effective solution to their crisis is going to be a very long and arduous process. Ironically, the very same issues facing the U.S. (budget deficits and over-leverage) are the same ones plaguing the euro zone. For many years, courtesy of the membership in the European Union, the nations with weak economies and little fiscal discipline were able to borrow sums disproportionate to their income. Greece, Italy, Portugal, and others operated with consistent deficits to support very generous state programs which provided retirement at age 50 and a thirteenth month of pay each year. The stronger countries such as France and Germany were fiscally prudent and did not over borrow and over spend. However, they took their capital and lent it to their irresponsible EU partners. Hence, the issue that is plaguing them is questionable receivables: their banks and other providers of capital are owed large sums lent to the governments and institutions of these weaker EU partners.

So with our small cap portfolio down over 30% since its high in the beginning of the year, where does this leave us? There are several data points that keep us encouraged: over $9 billion has been pulled out of small cap funds in the last twenty weeks, so clearly those liquidations contributed to the decline. Generally speaking, smaller cap companies have only about 22% revenue coming from international markets so they are less exposed to the chaos in the EU. We continue to believe that the U.S. is in the midst of Fifth Wave of a Merger and Acquisition cycle that should last for several more years. Cash rich large cap companies are looking to grow, and we expect this to benefit the smaller cap targets. It is clear that the days of extreme volatility will be with us for a while. As noted PIMCO CEO Mohamed El-Erian wrote, "The volatility will be with us for a while given the emotional underpinnings of the average investor. As long as the policy makers globally and the U.S can't get proper policies in place, we are in for a very challenging period. The longer it drags out the more vulnerable the global economies become. It is no mystery why investors are waiting on the sidelines to let the circus play out."

Let's Talk Stocks

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. dollars or U.S. dollar equivalent terms are presented as of September 30, 2011.

Among the best performing stocks this quarter were S1 Corporation and Church and Dwight.

S1 Corporation (1.0% of net assets as of September 30, 2011) (SONE - $9.17 - Nasdaq) was a bright spot in the quarter as it increased over 21%. S1 is a leading provider of payments and financial services software solutions to banks and other financial institutions. Two years ago we became shareholders in S1 because we believed that the company had strong relationships with its customer base and a superior product portfolio that would drive revenue growth forward. In combination with the restructuring implemented by CEO Johann Dreyer, we believed operating income and cash flow would grow dramatically. On June 27, 2011, S1 announced that it was merging with Fundtech to create a global player in the enterprise payments software industry. On July 26, 2011, ACI Worldwide stepped forward with a proposal to acquire S1 in a cash and stock transaction for $9.50 per share. Then on September 16, 2011, Fundtech bowed out of its stock merger agreement and announced its intention to be acquired by GTCR, a private equity firm with a strong presence in payments processing. We believed it was simply a matter of price that a transaction would be done with ACI Worldwide and indeed, on October 3, 2011 ACI and S1 announced that they had agreed to $9.55 per share cash and stock offer for S1.

During the quarter, Church and Dwight (1.2%) (CHD - $44.20 - NYSE) increased over 7%. Church and Dwight is a consumer products company that offers a broad range of household and personal care products, many of which are leading in their categories. From Arm & Hammer to Trojan condoms to First Response, Church and Dwight has amassed a strong portfolio of well known consumer brand names. When Jim Craigie became CEO in July 2004, it was clear that Church and Dwight was headed in a new direction to become more financially focused on margins and returns. At that time, Church and Dwight had significantly lower margins than its peer group, and Craigie and his management team undertook a profitability improvement plan which drove gross margins from 30% in 2004 to over 44% in 2010. This laser like focus on expanding the gross and operating margins combined with Church and Dwight's brands has led to a very successful investment. During the quarter, as fear gripped the markets and investors fled to safe consumer staple stocks, Church and Dwight benefited given its strong consumer brand names. Although the investment has appreciated significantly, we continue to believe in CEO Jim Craigie and think that at some point in time Church and Dwight will be acquired by a larger consumer products company looking to expand its product portfolio.

The portfolio was not without its disappointments and two we would like to highlight are ValueVision Media and Insituform Technologies.

ValueVision (0.6%) (VVTV - $2.36 - Nasdaq) declined 67% in the quarter. ValueVision is an interactive retailer that sells its merchandise via a television channel, ShopNBC, the internet, and mobile devices. The company sells a wide assortment of merchandise within its categories of Jewelry & Watches, Home & Electronics, Health & Beauty, and Fashion & Accessories. We have watched ValueVision struggle for many years under many different leaders and only recently became shareholders after meeting the new management team. CEO Keith Stewart and President Bob Ayd joined ValueVision after spending many years at QVC where they helped engineer a significant improvement in profitability and revenue growth. The company has laid out a clear plan to double revenues from $560 million today to over $1.1 billion and expand EBITDA margins from 1% today to 10% by 2015. CEO Stewart personally owns over two million shares of stock and Comcast owns 13% of the company. The stock declined precipitously in the quarter as concerns grew over consumer spending and the impact on ValueVision's business. We believe the management team has the correct strategy in place to be successful.

Insituform Technologies (0.7%) (INSU - $11.58 - Nasdaq) declined 44% in the quarter. Insituform is the global leader in sewer, energy, and mining pipeline rehabilitation. The company has a unique process that allows repair work to be performed within the existing pipe rather than digging up the road or ground for new pipe, essentially doing "arthroscopic pipe surgery." They sell their products and services primarily to municipal water authorities for water and sewer rehabilitation and to private companies in the mining and energy sector. During the quarter, Insituform's stock declined as the company reduced its revenue and profit outlook due to reduced federal spending and lower capital investment by municipalities. We believe that over the long term the market opportunity for Insituform is tremendous. The nation's water and sewer systems are in desperate need of repair, and it is estimated by the EPA that the U.S. needs to invest close to $33 billion over the next twenty years to get it modernized.

The portfolio continues to be constructed with a fundamental bottom up investment approach. Therefore, we do not have a Fund that will mirror the performance of the Russell 2000. What we do own is a collection of good businesses generating free cash flow, which we believe are operated by capable, honest, and talented management teams.

It goes without saying that we continue to appreciate your loyalty and support and look forward to communicating with you next quarter.

Sincerely,

Elizabeth M. Lilly

Elizabeth M. Lilly, CFA
Portfolio Manager

October 17, 2011

Top Ten Holdings **(Percent of Net Assets)**
September 30, 2011

J.M. Smucker Co. 1.4%	Rimage Corp. 1.4%
A. Schulman Inc. 1.4%	Snyder's-Lance Inc. 1.3%
Arctic Cat Inc. 1.4%	Macquarie Infrastructure Co., LLC 1.3%
Rochester Medical Corp. 1.4%	Albany International Corp. 1.3%
Regis Corp. 1.4%	Raven Industries Inc. 1.3%

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.

Minimum Initial Investment – $1,000

The Fund's minimum initial investment for regular accounts is $1,000. There are no subsequent investment minimums. No initial minimum is required for those establishing an Automatic Investment Plan. Additionally, the Fund and other Gabelli/GAMCO Funds are available through the no-transaction fee programs at many major brokerage firms. The Fund imposes a 2% redemption fee on shares sold in seven calendar days or less of a purchase. See the prospectus for more details.

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.

The Fund's daily NAV is available in the financial press and each evening after 7:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554). The Fund's Nasdaq symbol is GWSVX for Class AAA Shares. Please call us during the business day, between 8:00 AM – 7:00 PM (Eastern Time), for further information.

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.

e-delivery

We are pleased to offer electronic delivery of Gabelli fund documents. Direct shareholders of our mutual funds can 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.

Multi-Class Shares

The Gabelli Woodland Small Cap Value Fund Class AAA Shares are no-load shares offered directly through selected broker/dealers. Class A and Class C Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available solely to certain institutions, directly through the Fund's distributor or brokers that have entered into selling agreements specifically with respect to Class I Shares. The minimum initial investment amount for Class I Shares is $500,000. The Board of Directors determined that expanding the types of Fund shares available through various distribution options will enhance the ability of the Fund to attract additional investors.

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, are available on our website at www.gabelli.com.

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State Street Bank and Trust Company

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The Gabelli Woodland Small Cap Value Fund

SHAREHOLDER COMMENTARY
SEPTEMBER 30, 2011