

Gabelli Funds, LLC and Ned Davis Research, Inc. announce the Ned Davis Research Asset Allocation Fund

FOR IMMEDIATE RELEASE
Rye, NY
March 26, 2003

Contact:
Henry G. Van der Eb
Gabelli Funds
(847) 295-7400
Nancy Grab
Ned Davis Research
(941) 484-6107

Gabelli Funds, LLC (Adviser) and Ned Davis Research, Inc. (Sub-Adviser) are pleased to announce the filing with the SEC of the Ned Davis Research Asset Allocation Fund, the initial series under the Ned Davis Research Funds.

The Ned Davis Research Allocation Fund is a diversified, registered investment company, whose proprietary quantitative asset allocation, stock selection and bond duration methodologies seek to beat a weighted composite benchmark consisting of 60% in the S&P 500 Index and 40% in the Lehman Long Term U.S. Government Bond Index, while controlling overall portfolio risk. The Fund's primary investment objective is long term capital appreciation, and secondarily, current income.

The Fund will follow a flexible asset allocation strategy by investing in different asset class mixes of stocks, bonds, and cash. Ned Davis Research, Inc. (NDR) bases its asset allocation decisions on complex mathematical models and generally reassesses allocation determinations weekly. The NDR portfolio management team will make all investment decisions for the Fund.

Ned Davis Research, Inc. is an independent institutional investment research and advisory firm established in 1980. The firm has one of the most comprehensive independent research product offerings and financial databases available, providing institutions with essential and timely information on changing financial markets. NDR has research clients in over 32 countries, and one of the largest institutional followings in the securities industry. NDR's methodology is best described as an objective, disciplined approach to investing that focuses on risk management by staying in harmony with the primary trend of the market while limiting downside exposure.

Mario J. Gabelli, Chairman and CEO of Gabelli Asset Management Inc., said, "We are delighted to offer the Ned Davis Research Asset Allocation Fund which provides exclusive access to the expertise of Ned Davis Research, the premier, internationally recognized asset allocation expert. This new fund offers investors one stop asset diversification plus quantitative controls on overall portfolio risk, both highly desirable features in today's volatile market environment."

Ned Davis, Chairman and CEO of Ned Davis Research, Inc., said, "All of us at NDR are very pleased and excited to team up with Mario and the Gabelli organization to make the Ned Davis Research Asset Allocation Fund available to investors."

Ned Davis Research Asset Allocation Fund

The Fund's stock portion will invest in equities identified by NDR's proprietary NDR Focus Ranks quantitative model, a composite industry and stock ranking system for multi-cap stocks, utilizing both technical and fundamental input. The Fund will generally purchase stocks of issuers included in NDR's Stock Research Universe, which includes all common stocks comprising the Standard & Poor's 500 Composite and 400 Midcap Indices, the Russell 1000 Index, selected stocks from the Russell 2000 Index, and selected ADRs and foreign equities. Additionally, the Fund may sell short equity securities within prescribed limits.

The Fund will seek to buy those stocks, identified by the NDR Focus Ranks system, where relative price performance trends for sectors and industries are strongest and where there are significant relative earnings growth rates. Using advanced risk management techniques, the Fund will overweight attractive industries and stocks. Stocks are sold when their ranking is no longer attractive. Under normal circumstances, the model will usually recommend stock allocations of 40% to 85% of the Fund's portfolio, with the remainder allocated to the fixed income portion. However, 0% to 100% of the Fund's assets may be allocated to either stock or fixed income securities.

The fixed income portion invests principally in long-term (10-30 year maturities) U.S. Treasury bonds, U.S. Government agency and U.S. Government Sponsored Enterprise, and GNMA mortgage-backed securities. Under normal circumstances, cash is not expected to exceed 10% of the Fund's portfolio.

The Fund may use hedging techniques utilizing financial futures contracts and options on these contracts, and exchange-traded index-based funds to adjust the Fund's exposure to different asset classes and control overall portfolio risk.

Adviser

Gabelli Funds, LLC, the investment adviser to the Fund, is a subsidiary of Gabelli Asset Management Inc., a publicly traded company on the NYSE (NYSE: GBL) which manages, through its subsidiaries, more than \$21 billion in assets of mutual funds, closed end funds, partnerships and private advisory accounts.

Availability

A registration statement relating to this Fund has been filed with the Securities and Exchange Commission, but has not yet become effective. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted. An offer may only be made by prospectus, which includes more complete information about the Fund, including risks, fees and expenses.

The Fund will offer multiple classes of shares through Gabelli & Company, Inc. and through financial consultants and advisers. Shares will be available for a minimum initial investment of \$1,000. The use of derivatives pose special risks and may not be suitable for certain investors because they may respond more to changes in economic conditions than other investments. Gabelli & Company, Inc., will be the Distributor of the Fund, and can be contacted at 1-800-GABELLI (422-3554) or at www.gabelli.com.