

GABELLI SEEKS TO EXCLUDE ABC FUND SHARES HELD AT INTERMEDIARIES

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For information contact:
Bruce N. Alpert
Ph:(914) 921-5105

Gabelli Funds, LLC (Adviser) will request approval from the Board of Directors and shareholders of The Gabelli ABC Fund (Fund) to require that shares in accounts held at the Fund's transfer agent, State Street Bank & Trust Company, be directly registered to the beneficial owners of those shares, rather than through intermediaries.

If approved, this action would permit the elimination of shares held through certain brokers and financial consultants in omnibus and individual accounts where the beneficial owner is not disclosed.

These intermediaries typically require service fees to be paid on assets their clients hold in the Fund's shares. For reasons specific to this Fund, the Adviser believes neither the Fund nor the Adviser should be responsible for the costs associated with maintaining these accounts held at these intermediaries. The Fund eliminated its 25 basis point 12b-1 distribution fee in January 2003.

Due to a low level of merger and acquisition activity during 2000-2002, the Adviser waived 50 basis points of its management fee and the Fund was closed to new investors on October 1, 2002. The Fund reopened on March 1, 2004, in anticipation of increasing merger and acquisition activity. The Adviser continues to waive 50 basis points of its management fee.

Currently, the Fund is open only to purchases made through accounts held directly with the Fund's transfer agent and no new investments through intermediaries are being accepted. While accounts held through intermediaries remain in the Fund, this action would allow the elimination of these intermediary accounts from the Fund either by conversion to directly registered accounts or by redemption.

The Fund began investment operations on May 14, 1993 and focuses its investment strategy to achieve total returns without excessive risk of capital. The Fund has achieved a positive total return in every calendar year since its inception over ten years ago. Through June 30, 2004, the average annual total returns for the one, five and ten year periods were 3.65%, 4.77% and 7.64%, respectively.

Past performance does not guarantee future results. Total returns and average annual returns are historical and reflect changes in share price, reinvested dividends and capital gains and are net of expenses. Investment results and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Results for 2002 through 2004 would have been lower if fees had not been waived. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information for the most recent month end. Investors should consider the investment objectives, risks and charges and expenses of the Fund before investing. The prospectus contains more complete information about this and other matters and should be read carefully before investing. Call Gabelli & Company for a prospectus at 1-800-GABELLI (422-3554).

Gabelli Funds, LLC is a wholly owned subsidiary of Gabelli Asset Management Inc., a publicly traded asset management company (GBL: NYSE), which, through its subsidiaries, manages approximately \$28 billion in assets of mutual funds and closed-end funds, partnerships and offshore funds and private advisory accounts.