

GABELLI ASSET MANAGEMENT INC ANNOUNCES GABELLI UTILITIES FUND TO BE TEAM MANAGED

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The Gabelli Utilities Fund, our open-end no-load fund, which has approximately \$10 million under management and commenced operations on August 31, 1999, will become team managed.

The fund will maintain the historical strategy of investing in the ongoing dynamics of the utility industry.

When we launched the fund we envisioned a consolidation among the water companies, natural gas distributors, segmentation of the electric companies into generation, long distance transmission and local distribution, as well as consolidation among the participants in this area.

While the California histrionics and the Enron debacle virtually froze the consolidation trends, we believe they will re-emerge with both American and global participants driving the process.

There are nearly 80 publicly traded investor-owned electric utilities in the U.S., and this is at least 50 more than we need from the standpoint of economic efficiency. Stand-alone natural gas distribution companies make no economic sense either; the combination electric and gas utility model is clearly better. The balkanized structure of the industry is inherently inefficient, and competitive forces are now putting pressure on the marginal players. The big companies feel the need to get bigger to achieve scale economies, and the small companies are selling out as the cost of staying in the game rises. It is only because of a complex and lengthy merger review and approval process that the industry remains as fragmented as it is. Our investments in regulated utility companies have primarily, though not exclusively, focused on fundamentally sound, reasonably priced mid-cap and small-cap utilities that are likely acquisition targets for large utilities seeking to bulk up.

In our view, the major investment theme for electric, gas and telephone utilities can be summed up in two words: size matters. Electric generators with a large and geographically diverse portfolio of generating plants can trade around their structural long positions to enhance returns while avoiding the risk of asset concentration in a single market that experiences a hiccup, as all markets do from time to time. Electric, gas and telephone distribution companies can spread their substantial fixed costs over a larger base of customers, and see the cost per customer decline, enhancing earnings while reducing prices.

On another note, Mario J. Gabelli, Chairman and Chief Investment Officer of Gabelli Asset Management announced, "Tim O'Brien, who is the current portfolio manager of the Gabelli Utilities Fund, will become manager of the Evergreen Utility and Telecommunications Fund, which is managed by a unit of Wachovia Corp". Mr. Gabelli notes also that Tim O'Brien lives in Massachusetts.

The Utility Trust, our closed end fund which was launched on July 9, 1999, has \$84 million in assets, will continue to be under the aegis of a team which includes Mario J. Gabelli and will focus on the same strategy that the fund has employed since its inception.

The performance of the Lipper Utility Fund Average benchmark and the two Gabelli Funds is as follows:

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002 Q1</u>	<u>Avg Annual Since Inception Thru 3/31/02</u>
Open End: Gabelli Utilities Fund (c)	22.3 % (a)	16.4 %	-15.4 %	4.0 %	9.1 % (a)
Closed End: Gabelli Utility Trust	3.6 % (b)	22.0 %	-3.2 %	3.8 %	9.5 % (b)
Lipper Utility Fund Avg.	10.4 % (a)	7.9 %	-21.2 %	-1.8 %	-3.1 % (a)
	7.5 % (b)				-4.0 % (b)

(a) From 8/31/1999 (inception).

(b) From 7/9/1999 (inception).

(c) For the twelve month period ending 3/31/02 the Gabelli Utilities Fund's average annual return was -7.29%. Past performance is no guarantee of future results. Average annual returns reflect changes in share price and reinvestment of dividends 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. The Lipper Utility Fund average reflects the average performance of all open-end funds in this category. The Gabelli Utilities Fund is distributed by Gabelli & Company, Inc. To obtain a prospectus, call 1 800 GABELLI. The prospectus contains more complete information including fees and expenses. Please read the prospectus carefully before you invest or send money.