

GABELLI
FUNDS

One Corporate Center
Rye, NY 10580-1422
t 914.921.5417
t 914.921.5413
GABELLI.COM

8/6/14

Dear Valued GUSTO Shareholder,

The Securities and Exchange (“SEC”) has approved reforms in regard to money market mutual funds.

(Y)our Gabelli U.S. Treasury Money Market Fund, of which you are a shareholder, as well as all government money market funds, are not impacted. Institutional prime and institutional municipal money-market funds are.

Enclosed is a primer on the rules as we understand they will be implemented.

Regards,

Judith A. Raneri
Portfolio Manager

Regards,

Ronald S. Eaker
Portfolio Manager



Money Market Reform

New Regulations:

The most recent SEC reforms build on the initial rules set forth in 2010, which implemented a series of investment parameters related to maturity, liquidity and credit quality as well as enhanced guidelines surrounding risk supervision and transparency to investors. Such rules affected the entire range of money market mutual funds. The most recent regulations however, specifically target Institutional Prime and Institutional Municipal Money-Market Funds. It is within this asset class that credit exposure can have a pertinent impact on a fund's \$1.00 Net Asset Value ("NAV"), thereby creating varied levels of investment risk. The Securities and Exchanges Commission ("SEC") feels it is within these fund types that the probability of systemic risk runs high.

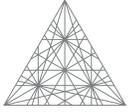
The key features of the second segment of the SEC's Money Market reforms include:

- **Floating NAV: Prime institutional money market funds** (those that invest in riskier commercial paper or municipal obligations) will no longer be able to keep their NAV at \$1 per share. Prices will now fluctuate with the current market value of their portfolio holdings.
- **Redemption Fees/Gates:** The boards of all money market funds (except government-ONLY funds) may impose liquidity fees and may use redemption gates if liquid assets fall below certain levels.

The combination of these reforms will aid in reducing investment and systemic risk and, at the same time, provide significant new measures that will help protect the financial system during times of market instability. Once these regulations are in place however, institutional investors specifically, will be forced to determine whether a floating NAV is appropriate for their strategies and objectives. It is then we may see a substantial shift in assets out of Prime Institutional Money Market Funds into Government-ONLY funds.

How will GUSTO be impacted?

The new SEC reforms do NOT impact your Gabelli US Treasury MMF fundamentally or operationally. This U.S. Treasury Only asset class does not pose the primary threat the new regulations are intended to mitigate. Since the Fund's inception in 1992 we have continuously invested in 100% US Treasury obligations, making the Fund 100% liquid. We operate our Fund with a consistent focus on recognizing that shareholders value liquidity and stability of principal



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In their money market investments. The Fund's investment philosophy focuses on a number of key factors that include maintaining a low expense ratio, preserving liquidity through conservative fund management and protecting against disruptive withdrawal activity.

Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus, which contains more complete information about these and other matters, should be read carefully before investing. To obtain a prospectus, please call 800-GABELLI or visit www.gabelli.com.

Investment in the Fund is neither guaranteed nor insured by the Federal Deposit Insurance Corporation or any government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

Not FDIC Insured. Not Bank Guaranteed. May Lose Value.

The Gabelli Mutual Funds are distributed by G.Distributors, LLC., a registered broker-dealer and member of FINRA.

For a prospectus, current performance and additional information, visit our website at: www.gabelli.com or call 800-GABELLI.