GAMCO Mathers Fund

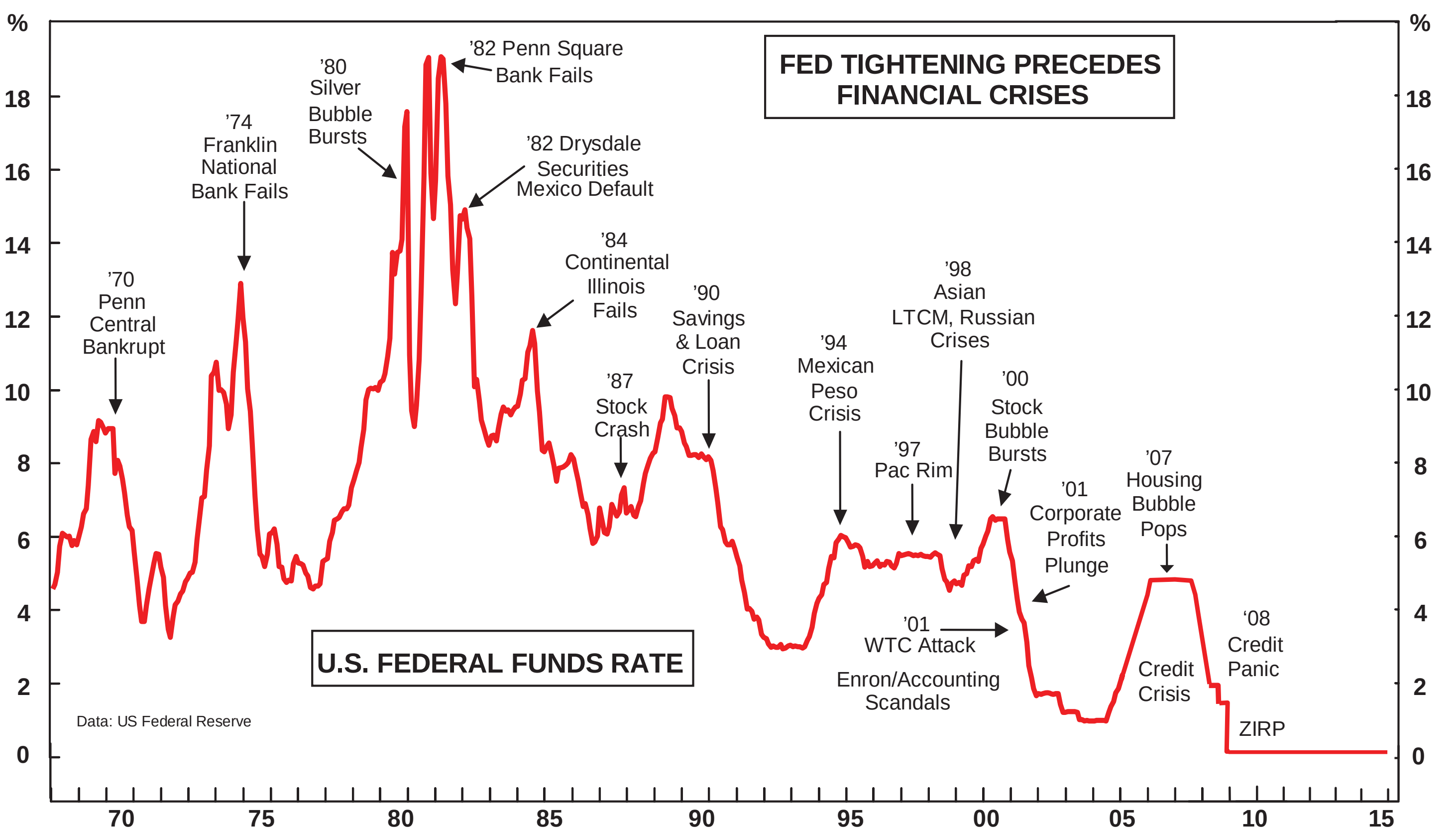
Shareholder Commentary
September 30, 2014

To Our Shareholders,

Henry G. Van der Eb, CFA

On October 29th the Fed initiated an exit strategy to deflate its high-risk balance sheet by stopping the controversial monthly purchases (QE) of U.S. Treasury and mortgage backed securities. The next phase of transitioning from an extreme unconventional back to a conventional monetary policy will be the end of the Fed's zero percent interest rate policy (ZIRP) that will very likely result in higher rates that will reflect credit risk. As shown in the chart below, since the federal funds policy rate peaked in 1982, it has taken progressively lower levels of rising short-term rates to trigger a financial crisis. This time, a small rise in interest rates will reveal the extent of the stock market and economic mirage painted by trillions of dollars of excess central bank liquidity and may start a deflationary trend when debt-fueled spending vanishes.

The decade ending December 31, 2009 was unique in two respects. According to Standard & Poor's data starting in 1927, the 2000s was the first negative total return decade as the S&P 500 Index lost 9.11% over this period. The second is that two major bear markets occurred, each hammering the S&P 500 with 50% declines, one lasting from March 2000 to October 2002, and the other from October 2007 to March 2009. A major new bear market looms that could potentially take the S&P 500 down at least fifty percent.



Investment Performance and Portfolio Highlights

The GAMCO Mathers Fund total return for the nine months ended September 30, 2014 was (3.69)% versus 8.34% for the S&P 500 Index. At quarter end, the gross equity exposure was 68.55% (longs plus shorts), comprised of 0.91% long and 67.64% in short positions, with a 66.73% net short exposure (longs minus shorts). The remainder of the portfolio, as has been the case for an extended time period, was invested in short-term U.S. Treasury bills and U.S. Treasury collateralized repurchase agreements. The short stock portfolio segment had a negative return for the nine months as did the long stock, while the fixed income portfolio segment had a positive return. There were no merger arbitrage portfolio positions during this period. Near zero percent yields on short-term U.S. Treasury bills during the nine months, due to the Fed's zero percent interest rate policy, disadvantaged the overall performance of the Fund.

The Fund completed 49 years of operation during 2014 and since inception through September 30, 2014 its average annual total return was 7.06% versus 9.89% for its benchmark S&P 500 Index. During the 2008-09 credit crisis, the Fund's risk averse position preserved capital and outperformed the S&P 500 for the two, three, five, and ten year periods ended December 31, 2009. The Fund had positive returns for the one, two, three, five, and ten year periods ended December 31, 2008 versus the S&P 500, which had negative returns for each of those periods. Due to its high cash position, the Fund took substantially less risk and earned higher returns during those periods than a fully invested S&P 500 index fund.

The Fund's gross and net equity exposures may vary significantly from day to day in an effort to control portfolio volatility under changing market conditions. Accordingly, the quarter-end figures may not be indicative of the range of gross and net equity exposures that precede or follow each reporting period.

A portion of the Fund's long common stock segment may be invested in takeover target companies subject to all cash tender or merger offers from an acquiring entity. Deal arbitrage stocks typically earn relatively attractive annualized returns, but are held for short time periods. The risk of this investment practice is if the announced merger or acquisition is not completed, it is renegotiated at a less attractive price, or it doesn't close on the expected date, the price of the security may fall.

Since the SEC's portfolio turnover formula excludes fixed income securities with maturities of less than one year and short sale activity from its denominator, the Fund's turnover rate may appear very high, which can be misleading. This has been the case in some prior years when the Fund's U.S. Treasury bill position was a very high proportion of assets and had a maturity of less than one year, while the average month end dollar value of long stock positions (the denominator) was negligible and long positions were held for short time periods. This may occur in 2014 and beyond as cash positions are used to control risk.

The GAMCO Mathers Fund performance for the 1-year, 5-year and 10-year periods ended September 30, 2014, was (8.98)%, (6.78)%, and (2.81)%, respectively. The expense ratio reported in the April 30, 2014 prospectus was 3.80% and includes dividend and interest expenses on securities sold short of 1.01%. Average annual returns reflect changes in share price and reinvestment of dividends and are net of expenses. ***Returns represent past performance and do not guarantee future results.*** *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. Current performance may be lower or higher than the performance data presented. The Standard & Poor's 500 Index is an unmanaged indicator of stock market performance. Please visit www.gabelli.com to obtain performance information as of the most recent month end. Short selling of securities poses special risks and may not be suitable for certain investors. Short selling is the sale of a borrowed security and losses are realized if the price of a security increases between the date the security is sold and the date the Fund replaces it.*

Kuroda and the BOJ Go for Broke on Divisive 5 to 4 QQE Vote

Bank of Japan Governor Kuroda surprised global financial markets on October 31st with his grand finale new Quantitative and Qualitative Easing monetary and inflation stimulus programs announcement.

On November 4th William Pesek wrote the following excerpts in a Bloomberg article titled *Japan Creates* the *World's Biggest Bond Bubble: But what happens when a central bank buys up an entire bond market?....To reach a 2 percent inflation goal that's both arbitrary and meaningless, the BOJ is destroying Japan's standing as a market economy…. In announcing that it will boost purchases of government bonds to a record annual pace of $709 billion, the central bank has just added further fuel to the most obvious bond bubble in modern history -- and helped create a fresh one on stocks. Once the laws of finance, and gravity, reassert themselves, Japan's debt market could crash in ways that make the 2008 collapse of Lehman Brothers look like a warm-up… Considered in relation to gross domestic product, Kuroda's purchases make the U.S. Federal Reserve's quantitative-easing program look quaint.*

The following excerpt is from Paul Singer's Elliot Management October 28th third quarter report: *A good deal of the economic and jobs growth post-crises is false growth, with little chance of being sustainable and self-reinforcing. It is based on fake money conjured by the Fed to buy assets at fake prices. What happens when interest rates are normalized and QE stops (and reverses) globally is a question that nobody wants to contemplate. The financial system is fragile, still ultra-leveraged and reliant upon a continuation of super low interest rates. Thus the appearance of stability and low volatility is also illusory.*

Henry Van der Eb

November 9, 2014 President and Portfolio Manager

Tax Loss Carryforwards Offset Capital Gains

The Fund's tax loss carryforwards from prior years are expected to at least partially offset any net realized portfolio capital gains in the future until the current carryforwards are either used up or expire. Tax losses incurred in fiscal years beginning 2011 have no expiration, but must be utilized first.

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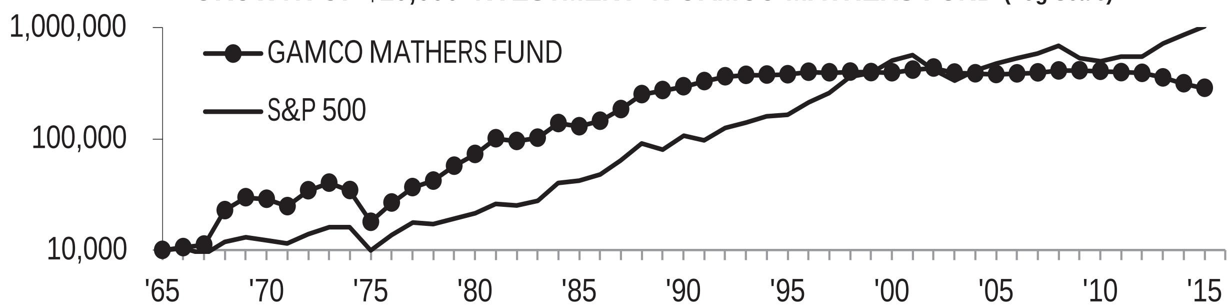
Please visit us on the Internet. The Gabelli home page at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Mutual Funds, IRAs, 401(k)s, quarterly reports, closing prices and other current news. You can e-mail us at info@gabelli.com.

Minimum Initial Investment

The Fund's minimum initial investment is $1,000 for regular and $250 for all retirement accounts, with no subsequent investment minimums. No initial minimum is required for accounts starting an Automatic Investment Plan. The Fund and other Gabelli/GAMCO Mutual Funds are available through no-transaction fee programs at many major brokerage firms. The Fund imposes a 2% redemption fee on shares sold within 7 days of a purchase. See the Fund's prospectus for more details.

GROWTH OF $10,000 INVESTMENT IN GAMCO MATHERS FUND **(Log Scale)**



Percent Average Annual Total Returns through September 30, 2014*

	1 YR	5 YRS	10 YRS	30 YRS	49 YRS †
GAMCO MATHERS	(8.98)	(6.78)	(2.81)	2.69	7.06
Standard & Poor's 500	19.73	15.70	8.11	11.23	9.89

The expense ratio is 3.80% (please see note on page 2) † From start of investment operations on August 19, 1965

** Average annual total returns reflect changes in share price and reinvestment of dividends and are net of expenses. Returns represent past performance and do not guarantee future results. 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. Current performance may be lower or higher than the performance data presented. Please visit www.gabelli.com to obtain performance information as of the most recent month end. The Standard & Poor's 500 Index is an unmanaged indicator of stock market performance.* ***Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus and summary prospectus contain more information about this and other matters and should be read carefully before investing.*** *To obtain a copy of the prospectus or summary prospectus, call 800-GABELLI (800-422-3554) or visit www.gabelli.com. Distributed by G.distributors, LLC.*

NOTE: The opinions expressed in this report reflect those of the Portfolio Manager only through the date of the shareholder letter and are subject to change at any time based on market and other conditions.

GAMCO Mathers Fund

Third Quarter Report — September 30, 2014

Henry G. Van der Eb, CFA
Portfolio Manager

To Our Shareholders,

The Sarbanes-Oxley Act's corporate governance regulations require a Fund's principal executive and financial officers to certify the entire contents of the quarterly, semiannual, and annual shareholder reports in a filing with the Securities and Exchange Commission (the "SEC"). This certification covers the portfolio manager's commentary and subjective opinions if they are attached to or a part of the financial statements.

Rather than ask our portfolio managers to eliminate their opinions and/or restrict their commentary to historical facts only, we separated their commentary from the financial statements and investment portfolio and sent it to you separately to ensure that its content is complete and unrestricted. Both the commentary and the financial statements, including the portfolio of investments, are also available on our website at www.gabelli.com.

We trust that you understand that our approach is an unintended consequence of the ever increasing regulatory requirements affecting public companies. We hope the specific certification requirements of these regulations will be modified as they relate to mutual funds, since investment companies have different corporate structures and objectives from other public companies.

Sincerely yours,

Bruce N. Alpert

Bruce N. Alpert
Executive Vice President

GAMCO Mathers Fund
Schedule of Investments — September 30, 2014 (Unaudited)

Shares		Market Value
	COMMON STOCKS — 0.9%	
	Exchange Traded Funds — 0.9%	
6,000	Market Vectors Gold Miners ETF	$ 128,100

Principal Amount		
	SHORT TERM OBLIGATIONS — 99.1%	
	U.S. Treasury Bills — 99.1%	
$14,490,000	U.S. Treasury Bills 0.000% to 0.005%†, 10/09/14 to 10/16/14(a)	14,489,985
	TOTAL INVESTMENTS — 100.0% (Cost $14,639,984)	$14,618,085
	Aggregate tax cost	$14,639,987
	Gross unrealized appreciation	$ —
	Gross unrealized depreciation	(21,902)
	Net unrealized appreciation/depreciation	$ (21,902)

Shares		Market Value
	SECURITIES SOLD SHORT — (65.3)%	
	Automotive — (0.7)%	
3,000	General Motors Co.	$ 95,820
	Beverages — (3.6)%	
2,000	PepsiCo Inc.	186,180
8,000	The Coca-Cola Co.	341,280
		527,460
	Business Services — (2.9)%	
8,000	HD Supply Holdings Inc.	218,080
3,000	Morningstar Inc.	203,700
		421,780
	Consumer Products — (1.6)%	
4,000	Harley-Davidson Inc.	232,800
	Entertainment — (1.1)%	
4,000	Carnival Corp.	160,680
	Exchange Traded Funds — (44.1)%	
5,000	Consumer Discretionary Select Sector SPDR Fund	$ 333,450
20,000	Financial Select Sector SPDR Fund	463,400
7,000	iShares Micro-Cap ETF	486,570
9,000	iShares MSCI Emerging Markets ETF	374,040
40,000	iShares MSCI Japan ETF	470,800
4,000	iShares Russell 2000 ETF	437,400
5,000	Powershares QQQ Trust Series 1	493,950
3,000	SPDR Dow Jones Industrial Average ETF Trust	510,210
2,500	SPDR S&P 500 ETF Trust	492,550
2,000	SPDR S&P MidCap 400 ETF Trust	498,640
5,000	Utilities Select Sector SPDR Fund	210,450
10,000	Vanguard FTSE All-World ex-US ETF	492,400
9,000	Vanguard FTSE Europe ETF	496,980
5,000	Vanguard Total Stock Market ETF	506,200
8,000	WisdomTree India Earnings Fund	175,280
		6,442,320
	Machinery — (1.3)%	
2,000	Caterpillar Inc.	198,060
	Retail — (10.0)%	
4,000	McDonald's Corp.	379,240
3,000	Starbucks Corp.	226,380
5,000	The Home Depot Inc.	458,700
1,000	Tiffany & Co.	96,310
4,000	Wal-Mart Stores Inc.	305,880
		1,466,510
	TOTAL SECURITIES SOLD SHORT (Proceeds received $9,477,763)(b)	$ 9,545,430
	Aggregate proceeds	$ (9,477,763)
	Gross unrealized appreciation	$ 208,601
	Gross unrealized depreciation	(276,268)
	Net unrealized appreciation/depreciation	$ (67,667)

(a) At September 30, 2014, $10,500,000 of the principal amount was pledged as collateral for securities sold short.
(b) At September 30, 2014, these proceeds are being held at Pershing LLC.
† Represents annualized yield at date of purchase.

See accompanying notes to schedule of investments.

The Fund's schedule of investments is prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), which may require the use of management estimates and assumptions. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its schedule of investments.

Security Valuation. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Trustees (the "Board") so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by GAMCO Asset Management, Inc. (the "Adviser").

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than sixty days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. U.S. government obligations with maturities greater than sixty days are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. Certain securities are valued principally using dealer quotations.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value American Depositary Receipt securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

- Level 1 — quoted prices in active markets for identical securities;
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 — significant unobservable inputs (including the Board's determinations as to the fair value of investments).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of September 30, 2014 is as follows:

	Valuation Inputs		
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Total Market Value at 9/30/14
INVESTMENTS IN SECURITIES:			
ASSETS (Market Value):			
Common Stocks:			
Exchange Traded Funds	$ 128,100	—	$ 128,100
Short Term Obligations:			
U.S. Treasury Bills	—	$14,489,985	14,489,985
TOTAL INVESTMENTS IN SECURITIES – ASSETS	$ 128,100	$14,489,985	$14,618,085
LIABILITIES (Market Value):			
Securities Sold Short(a)	$(9,545,430)	—	$ (9,545,430)
TOTAL INVESTMENTS IN SECURITIES – LIABILITIES	$(9,545,430)	—	$ (9,545,430)

(a) Please refer to the Schedule of Investments for the industry classifications of these portfolio holdings.

The Fund did not have transfers between Level 1 and Level 2 during the period ended September 30, 2014. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

There were no Level 3 investments held at September 30, 2014 or December 31, 2013.

Additional Information to Evaluate Qualitative Information.

General. The Fund uses recognized industry pricing services – approved by the Board and unaffiliated with the Adviser – to value most of its securities, and uses broker quotes provided by market makers of securities not valued by these and other recognized pricing sources. Several different pricing feeds are received to value domestic equity securities, international equity securities, preferred equity securities, and fixed income securities. The data within these feeds is ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

Fair Valuation. Fair valued securities may be common and preferred equities, warrants, options, rights, and fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. Among the factors to be considered to fair value a security are recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

The Adviser reports quarterly to the Board the results of the application of fair valuation policies and procedures. These include back testing the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

Repurchase Agreements. The Fund may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Board, with member banks of the Federal Reserve System, or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. It is the policy of the Fund to receive and maintain securities as collateral whose market value is not less than their repurchase price. The Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited. At September 30, 2014, the Fund held no investments in repurchase agreements.

Securities Sold Short. The Fund may enter into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis. The broker retains collateral for the value of the open positions, which is adjusted periodically as the value of the position fluctuates. Securities sold short and details of collateral at September 30, 2014 are reflected within the Schedule of Investments.

Tax Information. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

At December 31, 2013, the Fund had net capital loss carryforwards for federal income tax purposes which are available to reduce future required distributions of net capital gains to shareholders. Under the Regulated Investment Company Modernization Act of 2010, the Fund is permitted to carry forward for an unlimited period capital losses incurred in years beginning after December 22, 2010. In addition, these losses must be utilized prior to the losses incurred in pre-enactment taxable years. As a result of the rule, pre-enactment capital loss carryforwards may have an increased likelihood of expiring unused. Additionally, post enactment capital losses that are carried forward will retain their character as either short term or long term capital losses rather than being considered all short term as under previous law.

Capital loss carryforward available through 2014	$1,096,894
Capital loss carryforward available through 2018	151,917
Short term capital loss carryforward with no expiration	1,864,318
Total capital loss carryforwards	$3,113,129

GAMCO MATHERS FUND
One Corporate Center
Rye, NY 10580-1422

Portfolio Manager Biography

Henry G. Van der Eb, CFA, joined Gabelli Funds, LLC in 1999 as President and Portfolio Manager of the GAMCO Mathers Fund which he has managed for over twenty years. He is also a Senior Vice President of GAMCO Investors, Inc. Prior to joining Gabelli, he was the owner and President of Mathers & Company, a Chicago based investment advisory firm, and Chairman of the Mathers Fund. He served as President of the Investment Analysts Society of Chicago from 1979 - 1980. Mr. Van der Eb received an M.B.A. with honors from Northwestern University Graduate School of Management and a B.A. from Vanderbilt University.

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September 30, 2014