

The Gabelli Utilities Fund

Annual Report — December 31, 2018



Mario J. Gabelli, CFA
Chief Investment Officer



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To Our Shareholders,

For the year ended December 31, 2018, the net asset value (NAV) per Class AAA Share of The Gabelli Utilities Fund decreased 2.1% compared with an increase of 4.1% for the Standard & Poor's (S&P) 500 Utilities Index (SPU). Other classes of shares are available. See page 3 for performance information for all classes of shares.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2018.

Performance Discussion (Unaudited)

The Gabelli Utilities Fund seeks to provide a high level of total return through a combination of capital appreciation and current income.

Under normal circumstances, the Fund invests at least 80% of its net assets in securities of domestic or foreign companies that are involved to a substantial extent in providing products, services, or equipment for the generation or distribution of electricity, gas, and water and the provision of infrastructure operations or telecommunications services, such as telephone, telegraph, satellite, cable, microwave, radiotelephone, mobile communication and cellular, paging, electronic mail, videotext, voice communications, data communications and internet and that derive at least 50% of their revenue or earnings from, or devote at least 50% of their assets to, utilities that the Fund's investment adviser, Gabelli Funds, LLC, believes have the potential to achieve either capital appreciation or current income.

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's annual and semiannual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website (www.gabelli.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report. If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. To elect to receive all future reports in paper, free of charge, please contact your financial intermediary, or, if you invest directly with the Fund, you may call 800-422-3554 or send an email request to info@gabelli.com.

The Adviser will emphasize quality in selecting utility investments, and looks for companies that have proven dividend records and sound financial structures. In 2018, the S&P 500 Utilities Index (SPU) returned 4.1% (including dividends) compared to a (4.4)% total return from the S&P 500. The Class AAA shares of The Gabelli Utilities Fund returned (2.15)% with the comparative performance reflecting a diversified holding list that included 76.3% Energy and Utilities, 16.5% Communications and 6.8% Other. Since the September 20, 2018 S&P 500 market peak, the utility index outperformed by over 15% as the SPU returned 1.1% through year-end compared to the 14.0% loss for the S&P 500. Utility stocks continued to benefit from strong fundamentals, including 5%-6% earnings growth and merger activity, but we attribute the more recent outperformance to defensive appeal and the fourth quarter decline in long-term interest rates. Since late September 2018, investors have grown increasingly worried that the long US economic expansion could slow as a result of Fed rate hikes, a global trade war and other geopolitical issues.

On December 19, 2018, the Fed raised the Federal Funds rate 0.25% to 2.50%, marking the ninth rate increase in three years (four times in 2018 and three times in 2017). The 250-basis points of tightening resulted in a flattened yield curve, including a significant 111-basis point increase in the 2-year U.S. Treasury yield to 2.48% (from 1.37%), a more modest 38-basis increase in the 10-year yield to 2.69% (from 2.31%), and a muted 13-basis point increase in the 30-year U.S. Treasury yield to 3.02% (from 2.89%). The Fed now considered its monetary policy to be “neutral” and stated that risks to its economic outlook were balanced.

Selected holdings that contributed positively to performance in 2018 were NRG Energy Inc. (0.2% of net assets as of December 31, 2018), an electric company headquartered in Princeton, New Jersey, serving nearly 3 million residential and commercial customers; AES Corp. (2.3%) a global power company that provides sustainable energy to 15 countries, and First Energy Corp. (0.7%), headquartered in Akron, Ohio. FirstEnergy includes one of the nation’s largest investor-owned electric systems, more than 24,000 miles of transmission lines that connect the Midwest and Mid-Atlantic regions, and a generating fleet with a total capacity of more than 5,000 megawatts. All three companies have been targeted by activist investors.

Selected holding that contributed negatively to performance in 2018 were Edison International (1.8%) and PG&E Corp. (0.2%), both of which declined significantly on potential liabilities associated with 2017 and 2018 California wildfires and Ormat Technologies (0.2%), whose decline was related to an active Hawaii volcano covering its geothermal plant on the big island.

Thank you for your investment in The Gabelli Utilities Fund.

We appreciate your confidence and trust.

Comparative Results

Average Annual Returns through December 31, 2018 (a) (Unaudited)

	1 Year	5 Year	10 Year	15 Year	Since Inception (8/31/99)
Class AAA (GABUX)	(2.15)%	4.50%	8.21%	7.39%	7.24%
S&P 500 Utilities Index	4.11	10.74	10.46	9.73	6.71
S&P 500 Index	(4.38)	8.49	13.12	7.77	5.38
Lipper Utility Fund Average	2.38	6.69	10.08	9.18	6.40
Class A (GAUAX)	(2.00)	4.50	8.22	7.39	7.25
With sales charge (b)	(7.64)	3.27	7.58	6.97	6.93
Class C (GAUCX)	(2.74)	3.71	7.41	6.60	6.59
With contingent deferred sales charge (c)	(3.71)	3.71	7.41	6.60	6.59
Class I (GAUIX)	(1.84)	4.77	8.48	7.58	7.38

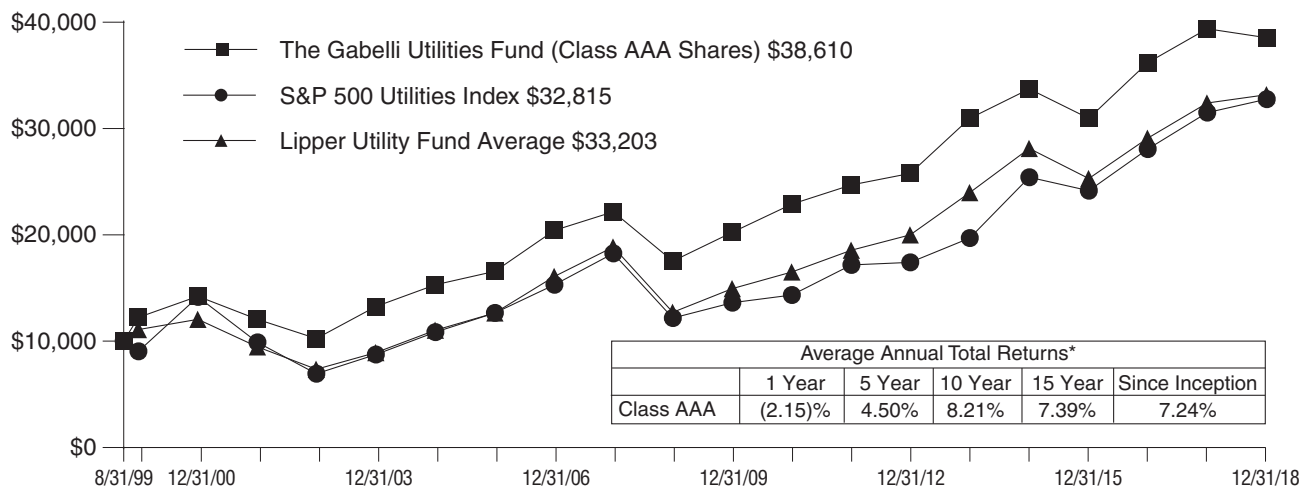
In the current prospectuses dated April 30, 2018, the gross expense ratios for Class AAA, A, C and I Shares are 1.37%, 1.37%, 2.12% and 1.12% respectively. See page 13 for the expense ratios for the year ended December 31, 2018. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75% and 1.00%, respectively.

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, 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. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Returns would have been lower had Gabelli Funds, LLC, the Adviser, not reimbursed certain expenses of the Fund for periods prior to December 31, 2002. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com. The value of utility stocks generally changes as long term interest rates change. Funds investing in a single sector, such as utilities, may be subject to more volatility than funds that invest more broadly. The utilities industry can be significantly affected by government regulation, financing difficulties, supply or demand of services or fuel, and natural resources conservation. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2002, and Class I Shares on January 11, 2008. The actual performance of the Class A Shares, and Class C Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The S&P 500 Utilities Index is an unmanaged market capitalization weighted index of large capitalization stocks that may include facilities generation and transmission or distribution of electricity, gas, or water. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Lipper Utility Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index.

(b) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.

(c) Assuming payment of the 1% maximum contingent deferred sales charge imposed on redemptions made within one year of purchase.

COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE GABELLI UTILITIES FUND (CLASS AAA SHARES), S&P 500 UTILITIES INDEX, AND LIPPER UTILITY FUND AVERAGE (Unaudited)



* Past performance is not predictive of future results. The performance tables and graph do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

The Gabelli Utilities Fund

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from July 1, 2018 through December 31, 2018

Expense Table

We believe it is important for you to understand the impact of fees and expenses regarding your investment. All mutual funds have operating expenses. As a shareholder of a fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund's gross income, directly reduce the investment return of a fund. When a fund's expenses are expressed as a percentage of its average net assets, this figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The Expense Table below illustrates your Fund's costs in two ways:

Actual Fund Return: This section provides information about actual account values and actual expenses. You may use this section to help you to estimate the actual expenses that you paid over the period after any fee waivers and expense reimbursements. The "Ending Account Value" shown is derived from the Fund's **actual** return during the past six months, and the "Expenses Paid During Period" shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Fund. You may use this information, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your Fund under the heading "Expenses Paid During Period" to estimate the expenses you paid during this period.

Hypothetical 5% Return: This section provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense

ratio. It assumes a hypothetical annualized return of 5% before expenses during the period shown. In this case – because the hypothetical return used is **not** the Fund's actual return – the results do not apply to your investment and you cannot use the hypothetical account value and expense to estimate the actual ending account balance or expenses you paid for the period. This example is useful in making comparisons of the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which are described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. The "Annualized Expense Ratio" represents the actual expenses for the last six months and may be different from the expense ratio in the Financial Highlights which is for the year ended December 31, 2018.

	Beginning Account Value 07/01/18	Ending Account Value 12/31/18	Annualized Expense Ratio	Expenses Paid During Period*
<i>The Gabelli Utilities Fund</i>				
Actual Fund Return				
Class AAA	\$1,000.00	\$ 985.00	1.37%	\$ 6.85
Class A	\$1,000.00	\$ 986.40	1.37%	\$ 6.86
Class C	\$1,000.00	\$ 983.30	2.12%	\$10.60
Class I	\$1,000.00	\$ 986.80	1.12%	\$ 5.61
Hypothetical 5% Return				
Class AAA	\$1,000.00	\$1,018.30	1.37%	\$ 6.97
Class A	\$1,000.00	\$1,018.30	1.37%	\$ 6.97
Class C	\$1,000.00	\$1,014.52	2.12%	\$10.76
Class I	\$1,000.00	\$1,019.56	1.12%	\$ 5.70

* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (184 days), then divided by 365.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of December 31, 2018:

The Gabelli Utilities Fund

Energy and Utilities	76.3%
Communications	16.5%
Other	6.8%
U.S. Government Obligations	0.3%
Other Assets and Liabilities (Net) . . .	<u>0.1%</u>
	<u>100.0%</u>

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the SEC) for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at www.gabelli.com or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at www.sec.gov and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at www.sec.gov.

The Gabelli Utilities Fund

Schedule of Investments — December 31, 2018

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS — 99.4%						
	ENERGY AND UTILITIES — 76.1%			310,000	Xcel Energy Inc.....	\$ 6,350,159	\$ 15,273,700
	Alternative Energy — 0.5%					459,275,323	930,021,728
370,000	Algonquin Power & Utilities Corp.....	\$ 2,068,158	\$ 3,721,140	67,000	Electric Transmission and Distribution — 0.7%		
36,000	NextEra Energy Partners LP ..	778,203	1,549,800	360,000	Consolidated Edison Inc.	2,745,224	5,122,820
70,000	Ormat Technologies Inc., New York.....	1,795,788	3,661,000	3,400	Red Elctrica Corp. SA	4,191,840	8,041,110
		4,642,149	8,931,940		Uniper SE.....	38,231	88,040
						6,975,295	13,251,970
	Electric Integrated — 47.9%				Global Utilities — 2.3%		
302,000	ALLETE Inc.....	10,846,319	23,018,440	10,000	AES Tiete Energia SA.....	135,191	25,853
174,000	Alliant Energy Corp.....	3,065,132	7,351,500	40,000	Chubu Electric Power Co. Inc.	671,887	570,229
550,000	Ameren Corp.....	16,055,895	35,876,500	20,000	E.ON SE	294,970	197,688
690,000	American Electric Power Co. Inc.....	27,812,792	51,570,600	20,800	EDF SA	308,177	328,876
6,000	Atlantic Power Corp.†	36,882	13,009	5,000	EDP - Energias de Portugal SA, ADR.....	134,159	174,250
178,000	Avangrid Inc.....	6,659,633	8,916,020	200,000	Electric Power Development Co. Ltd.	4,991,198	4,755,258
232,000	Avista Corp.....	5,280,416	9,855,360	185,000	Emera Inc.....	4,545,769	5,923,198
455,000	Black Hills Corp.....	11,566,185	28,564,900	35,000	Enagas SA	916,226	946,791
60,000	CMS Energy Corp.....	402,675	2,979,000	100,000	Endesa SA	2,186,478	2,306,397
165,000	Dominion Energy Inc.	7,995,789	11,790,900	270,000	Enel SpA	1,409,853	1,560,375
4,000	DTE Energy Co.	151,595	441,200	75,000	Equinor ASA	1,693,070	1,593,853
290,000	Duke Energy Corp.....	15,755,275	25,027,000	4,000	EuroSite Power Inc.†.....	1,670	470
610,000	Edison International.....	21,987,963	34,629,700	560,000	Hera SpA	1,228,234	1,707,994
809,000	El Paso Electric Co.....	17,922,280	40,555,170	60,000	Hokkaido Electric Power Co. Inc.	876,784	416,039
1,400	Entergy Corp.....	96,612	120,498	40,000	Hokuriku Electric Power Co.† ..	581,731	349,984
1,179,000	Eversource Energy	18,436,099	51,706,800	180,000	Huaneng Power International Inc., ADR.....	4,762,737	4,501,800
795,000	Exelon Corp.....	10,862,157	15,559,500	45,000	Iberdrola SA, ADR.....	1,334,793	1,443,825
345,000	FirstEnergy Corp.....	11,038,618	14,269,000	304,034	Iberdrola SA, Aquis	2,375,857	2,444,701
380,000	Fortis Inc., Toronto	5,922,733	6,333,797	405,000	Korea Electric Power Corp., ADR.....	5,392,840	5,973,750
914,000	Hawaiian Electric Industries Inc.....	21,795,274	33,470,680	110,000	Kyushu Electric Power Co. Inc.	1,563,462	1,313,717
42,000	IDACORP Inc.....	1,703,782	3,908,520	32,000	Shikoku Electric Power Co. Inc.	578,871	387,720
305,500	MGE Energy Inc.....	9,282,316	18,317,780	2,000	Snam SpA	8,967	8,751
601,800	NextEra Energy Inc.	37,134,236	104,604,876	24,000	The Chugoku Electric Power Co. Inc.	430,478	312,686
260,000	NiSource Inc.....	2,319,251	6,591,000	305,000	The Kansai Electric Power Co. Inc.	4,106,512	4,591,488
430,000	NorthWestern Corp.....	11,608,426	25,559,200	55,000	The Tokyo Electric Power Co. Holdings Inc.†.....	208,402	327,677
785,000	OGE Energy Corp.....	13,193,046	30,764,150	140,000	Tohoku Electric Power Co. Inc.	2,225,623	1,852,105
700,000	Otter Tail Corp.....	16,734,712	34,748,000			42,963,939	44,015,475
140,000	PG&E Corp.†	5,267,232	3,325,000				
320,000	Pinnacle West Capital Corp. ..	13,092,833	27,264,000				
1,610,000	PNM Resources Inc.	20,018,302	66,154,900				
572,000	PPL Corp.....	17,657,112	16,204,760				
190,000	Public Service Enterprise Group Inc.....	5,490,935	9,889,500				
439,100	SCANA Corp.....	17,122,065	20,980,198				
430,000	The Southern Co.	15,474,375	18,885,600				
51,125	Unitil Corp.	1,483,755	2,588,970				
203,278	Vectren Corp.....	5,459,268	14,631,950				
597,000	WEC Energy Group Inc.	16,121,112	41,348,220	40,000	Merchant Energy — 2.5%		
					GenOn Energy Inc. - Old, Escrow†(a).....	0	0

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Schedule of Investments (Continued) — December 31, 2018

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS (Continued)						
	ENERGY AND UTILITIES (Continued)			50,000	CNX Resources Corp.†	\$ 597,406	\$ 571,000
	Merchant Energy (Continued)			8,000	Compania de Minas		
15,000	GenOn Energy Inc.,			12,884	Buenaventura SAA, ADR	87,836	129,760
	Escrow†(a)	\$ 0	\$ 0	710,000	Diamondback Energy Inc.	239,277	1,194,347
120,000	NRG Energy Inc.	2,704,601	4,752,000	45,000	Mueller Industries Inc.	15,410,694	16,585,600
3,090,000	The AES Corp.	31,910,668	44,681,400		Tullow Oil plc†	207,380	102,726
		<u>34,615,269</u>	<u>49,433,400</u>			<u>31,711,514</u>	<u>32,957,441</u>
	Natural Gas Integrated — 8.5%				Services — 1.0%		
7,000	Apache Corp.	291,401	183,750	570,000	Enbridge Inc.	12,541,788	17,715,600
25,000	Atlas Energy Group LLC†	58,278	180	20,000	Halliburton Co.	660,081	531,600
45,000	Devon Energy Corp.	1,689,712	1,014,300	34,000	MDU Resources Group Inc.	738,008	810,560
6,000	Dominion Energy Midstream			50,000	Patterson-UTI Energy Inc.	737,566	517,500
	Partners LP	87,595	108,240	20,000	Rowan Companies plc, Cl. A†	251,815	167,800
630,000	Energy Transfer LP	466,672	8,322,300			<u>14,929,258</u>	<u>19,743,060</u>
145,000	Hess Corp.	8,404,995	5,872,500		Water — 2.8%		
300,000	Kinder Morgan Inc.	6,840,332	4,614,000	8,000	American States Water Co.	110,252	536,320
1,896,800	National Fuel Gas Co.	91,261,590	97,078,224	113,000	American Water Works Co.		
518,000	ONEOK Inc.	5,450,735	27,946,100		Inc.	2,537,594	10,257,010
362,000	UGI Corp.	7,671,655	19,312,700	526,000	Aqua America Inc.	9,085,339	17,983,940
		<u>122,222,965</u>	<u>164,452,294</u>	5,000	California Water Service		
					Group	90,622	238,300
	Natural Gas Utilities — 7.6%			10,000	Connecticut Water Service		
80,000	Atmos Energy Corp.	2,188,623	7,417,600		Inc.	251,353	668,700
94,000	CenterPoint Energy Inc.	1,812,563	2,653,620	16,000	Consolidated Water Co. Ltd.	193,044	186,560
43,500	Chesapeake Utilities Corp.	786,141	3,536,550	20,000	Middlesex Water Co.	356,954	1,067,000
6,000	CONSOL Energy Inc.†	105,110	190,260	540,000	Severn Trent plc.	13,844,071	12,495,794
388,800	Corning Natural Gas Holding			143,700	SJW Group	3,305,025	7,992,594
	Corp.(b)	3,685,398	7,241,400	87,000	The York Water Co.	1,205,281	2,789,220
100,000	Gulf Coast Ultra Deep Royalty			50,000	United Utilities Group plc,		
	Trust	8,000	2,850		ADR	1,339,663	934,250
5,000	Italgas SpA	21,959	28,621			<u>32,319,198</u>	<u>55,149,688</u>
110,000	National Grid plc	1,583,477	1,071,454		Diversified Industrial — 0.5%		
35,000	National Grid plc, ADR	2,142,872	1,679,300	30,000	AZZ Inc.	1,212,304	1,210,800
14,000	New Jersey Resources Corp.	328,068	639,380	100,000	ITT Inc.	2,056,300	4,827,000
433,000	Northwest Natural Holding			375,975	Mueller Water Products Inc.,		
	Co.	19,281,898	26,179,180		Cl. A	2,154,278	3,421,374
143,000	ONE Gas Inc.	1,132,190	11,382,800	20,000	Park-Ohio Holdings Corp.	381,858	613,800
66,000	RGC Resources Inc.	701,712	1,977,360			<u>5,804,740</u>	<u>10,072,974</u>
140,000	South Jersey Industries Inc.	1,982,945	3,892,000		Environmental Services — 0.1%		
915,000	Southwest Gas Holdings Inc.	33,474,539	69,997,500	30,000	Covanta Holding Corp.	461,959	402,600
119,000	Spire Inc.	3,761,157	8,815,520	12,000	Evoqua Water Technologies		
		<u>72,996,652</u>	<u>146,705,395</u>		Corp.†	117,165	115,200
				80,000	Veolia Environnement SA	1,097,512	1,645,757
						<u>1,676,636</u>	<u>2,163,557</u>
	Natural Resources — 1.7%				TOTAL ENERGY AND UTILITIES	<u>830,132,938</u>	<u>1,476,898,922</u>
15,000	Alliance Resource Partners						
	LP	73,274	260,100				
75,000	Anadarko Petroleum Corp.	4,047,779	3,288,000				
168,000	BP plc, ADR	6,752,185	6,370,560				
14,058	California Resources Corp.†	143,825	239,548				
20,000	Callon Petroleum Co.†	234,385	129,800				
360,000	Cameco Corp.	3,917,473	4,086,000				

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Schedule of Investments (Continued) — December 31, 2018

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS (Continued)						
	OTHER (Continued)			410,000	Xylem Inc.	\$ 11,003,066	\$ 27,355,200
	Aerospace (Continued)					18,068,186	34,454,260
73,600,000	Rolls-Royce Holdings plc, Cl. C†(a)	\$ 94,837	\$ 93,811	80,000	Metals and Mining — 0.2%	978,589	824,800
		11,911,317	16,491,537	30,000	Freeport-McMoRan Inc.	1,338,057	792,000
				17,000	Haynes International Inc.	797,880	1,679,600
	Building and Construction — 0.3%				Vulcan Materials Co.	3,114,526	3,296,400
12,000	Acciona SA	1,140,701	1,016,052		Transportation — 1.1%		
170,000	Johnson Controls International plc	4,577,647	5,040,500	311,000	GATX Corp.	8,998,435	22,021,910
		5,718,348	6,056,552		TOTAL OTHER	86,203,419	131,280,683
	Business Services — 0.6%				TOTAL COMMON STOCKS	1,209,028,202	1,928,997,171
1,420,000	Clear Channel Outdoor Holdings Inc., Cl. A	4,489,833	7,369,800		CONVERTIBLE PREFERRED STOCKS — 0.1%		
90,000	Macquarie Infrastructure Corp.	2,660,159	3,290,400		ENERGY AND UTILITIES — 0.1%		
17,500	Vectrus Inc.†	316,783	377,650	54,000	Natural Gas Utilities — 0.1%		
		7,466,775	11,037,850		Corning Natural Gas Holding Corp., 4.800%, Ser. B (b)	1,120,500	1,185,300
	Consumer Products — 0.0%				COMMUNICATIONS — 0.0%		
10,000	Essity AB, Cl. A	130,732	245,968		Telecommunications — 0.0%		
	Diversified Industrial — 0.2%			20,150	Cincinnati Bell Inc., 6.750%, Ser. B	653,760	570,850
1,000	Alstom SA	31,457	40,411		TOTAL CONVERTIBLE PREFERRED STOCKS	1,774,260	1,756,150
40,000	Bouygues SA	1,406,190	1,436,313		WARRANTS — 0.0%		
4,000	Donaldson Co. Inc.	133,040	173,560		COMMUNICATIONS — 0.0%		
10,000	Raven Industries Inc.	219,638	361,900		Telecommunications — 0.0%		
10,000	Svenska Cellulosa AB, Cl. A ...	34,751	80,673	80,000	Bharti Airtel Ltd., expire 11/30/20†(c)	438,064	358,400
110,405	Twin Disc Inc.†	2,065,377	1,628,474		Principal Amount		
		3,890,453	3,721,331		CORPORATE BONDS — 0.1%		
	Electronics — 1.1%				Energy and Utilities — 0.1%		
55,000	Corning Inc.	613,977	1,661,550	\$ 1,500,000	Mueller Industries Inc., 6.000%, 03/01/27	1,500,000	1,402,500
400,000	Sony Corp., ADR	6,708,576	19,312,000				
		7,322,553	20,973,550				
	Entertainment — 0.4%						
620,300	Grupo Televisa SAB, ADR	14,980,875	7,803,374				
	Financial Services — 0.2%						
168,000	Kinnevik AB, Cl. A	3,583,754	3,999,571				
35,000	Kinnevik AB, Cl. B	755,509	843,906				
		4,339,263	4,843,477				
	Health Care — 0.0%						
12,000	Tsumura & Co.	261,956	334,474				
	Machinery — 1.8%						
105,000	Astec Industries Inc.	3,797,420	3,169,950				
36,000	Flowsolve Corp.	1,452,634	1,368,720				
79,000	The Gorman-Rupp Co.	1,815,066	2,560,390				

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Schedule of Investments (Continued) — December 31, 2018

<u>Principal Amount</u>	<u>Cost</u>	<u>Market Value</u>
	U.S. GOVERNMENT OBLIGATIONS — 0.3%	
\$ 5,793,000		
U.S. Treasury Bills, 2.151% to 2.378%††, 01/08/19 to 03/21/19	\$ 5,772,047	\$ 5,772,192
TOTAL		
INVESTMENTS — 99.9% ...	<u>\$ 1,218,512,573</u>	1,938,286,413
Other Assets and Liabilities (Net) — 0.1% .		<u>1,507,500</u>
NET ASSETS — 100.0%		<u>\$ 1,939,793,913</u>

(a) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.

(b) Security considered an affiliated holding because the Fund owns at least 5% of its outstanding shares.

(c) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2018, the market value of the Rule 144A security amounted to \$358,400 or 0.02% of net assets.

† Non-income producing security.

†† Represents annualized yields at dates of purchase.

ADR American Depositary Receipt

GDR Global Depositary Receipt

SDR Swedish Depositary Receipt

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Statement of Assets and Liabilities December 31, 2018

Assets:	
Investments, at value (cost \$1,213,706,675)	\$1,929,859,713
Investments in affiliates, at value (cost \$4,805,898)	8,426,700
Cash	4,780
Receivable for Fund shares sold	3,146,041
Receivable for investments sold	2,424,389
Dividends receivable	3,682,752
Prepaid expenses	55,240
Total Assets	<u>1,947,599,615</u>
Liabilities:	
Payable for Fund shares redeemed	4,733,758
Payable for investment advisory fees	1,716,943
Payable for distribution fees	793,452
Payable for accounting fees	7,500
Other accrued expenses	554,049
Total Liabilities	<u>7,805,702</u>
Net Assets (applicable to 270,226,901 shares outstanding)	<u>\$1,939,793,913</u>
Net Assets Consist of:	
Paid-in capital	\$1,234,004,730
Total distributable earnings(a)	705,789,183
Net Assets	<u>\$1,939,793,913</u>

Shares of Beneficial Interest, each at \$0.001 par value; unlimited number of shares authorized:

Class AAA:	
Net Asset Value, offering, and redemption price per share (\$288,331,563 ÷ 35,144,777 shares outstanding)	<u>\$8.20</u>
Class A:	
Net Asset Value and redemption price per share (\$723,943,160 ÷ 86,730,336 shares outstanding)	<u>\$8.35</u>
Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price)	<u>\$8.86</u>
Class C:	
Net Asset Value and offering price per share (\$641,273,234 ÷ 115,225,054 shares outstanding)	<u>\$5.57(b)</u>
Class I:	
Net Asset Value, offering, and redemption price per share (\$286,245,956 ÷ 33,126,734 shares outstanding)	<u>\$8.64</u>

- (a) Effective December 31, 2018, the Fund has adopted disclosure requirements conforming to SEC Rule 6-04.17 of Regulation S-X and discloses total distributable earnings. See Note 2 for further details.
- (b) Redemption price varies based on the length of time held.

Statement of Operations For the Year Ended December 31, 2018

Investment Income:	
Dividends - Unaffiliated (net of foreign withholding taxes of \$1,708,272)	\$ 60,443,083
Dividends - Affiliated	271,728
Interest	427,954
Total Income	<u>61,142,765</u>
Expenses:	
Investment advisory fees	20,717,054
Distribution fees - Class AAA	794,881
Distribution fees - Class A	1,946,507
Distribution fees - Class C	7,026,775
Distribution fees - Class T	2
Shareholder services fees	1,566,069
Shareholder communications expenses	294,824
Custodian fees	199,819
Trustees' fees	137,000
Registration expenses	133,561
Legal and audit fees	73,632
Accounting fees	45,000
Interest expense	1,878
Miscellaneous expenses	138,544
Total Expenses	<u>33,075,546</u>
Less:	
Expenses paid indirectly by broker (See Note 6)	<u>(16,200)</u>
Net Expenses	<u>33,059,346</u>
Net Investment Income	<u>28,083,419</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:	
Net realized gain on investments	19,586,951
Net realized loss on foreign currency transactions	(72,751)
Net realized gain on investments and foreign currency transactions	<u>19,514,200</u>
Net change in unrealized appreciation: on investments	(98,210,066)
on foreign currency translations	(7,162)
Net change in unrealized appreciation on investments and foreign currency translations	<u>(98,217,228)</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency	<u>(78,703,028)</u>
Net Decrease in Net Assets Resulting from Operations	<u>\$(50,619,609)</u>

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Statement of Changes in Net Assets

	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>
Operations:		
Net investment income.....	\$ 28,083,419	\$ 29,543,030
Net realized gain on investments and foreign currency transactions	19,514,200	18,892,606
Net change in unrealized appreciation on investments and foreign currency translations	<u>(98,217,228)</u>	<u>131,897,182</u>
Net Increase/(Decrease) in Net Assets Resulting from Operations	<u>(50,619,609)</u>	<u>180,332,818</u>
Distributions to Shareholders:		
Accumulated earnings		
Class AAA.....	(6,755,550)	(7,859,674)
Class A	(16,280,922)	(17,638,863)
Class C	(16,957,636)	(18,297,013)
Class I	(6,234,475)	(5,731,590)
Class T*.....	<u>(24)</u>	<u>(25)</u>
	<u>(46,228,607)</u>	<u>(49,527,165)(a)</u>
Return of capital		
Class AAA.....	(23,627,272)	(24,415,223)
Class A	(57,065,535)	(54,425,845)
Class C	(79,553,249)	(78,809,061)
Class I	(18,852,903)	(14,720,187)
Class T*.....	<u>(40)</u>	<u>(21)</u>
	<u>(179,098,999)</u>	<u>(172,370,337)</u>
Total Distributions to Shareholders(b)	<u>(225,327,606)</u>	<u>(221,897,502)</u>
Shares of Beneficial Interest Transactions:		
Class AAA.....	(25,286,206)	(12,582,880)
Class A	(23,311,349)	32,227,780
Class C	(17,731,840)	35,021,113
Class I	44,924,261	114,337,169
Class T*.....	<u>(998)</u>	<u>1,046</u>
Net Increase/(Decrease) in Net Assets from Shares of Beneficial Interest Transactions	<u>(21,406,132)</u>	<u>169,004,228</u>
Redemption Fees	<u>7,283</u>	<u>13,123</u>
Net Increase/(Decrease) in Net Assets	<u>(297,346,064)</u>	<u>127,452,667</u>
Net Assets:		
Beginning of year	<u>2,237,139,977</u>	<u>2,109,687,310</u>
End of year	<u>\$1,939,793,913</u>	<u>\$2,237,139,977</u>

(a) For the year ended December 31, 2017, the distributions to shareholders from net investment income were \$5,020,519 (Class AAA), \$11,262,972 (Class A), \$9,795,159 (Class C), \$3,875,959 (Class I), and \$17 (Class T*) and net realized gain were \$2,839,155 (Class AAA), \$6,375,891 (Class A), \$8,501,854 (Class C), \$1,855,631 (Class I), and \$8 (Class T*).

(b) Effective December 31, 2018, the Fund has adopted disclosure requirements conforming to SEC Rule 6-04.17 of Regulation S-X. See Note 2 for further details.

* Class T Shares were liquidated on September 21, 2018.

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Financial Highlights

Selected data for a share of beneficial interest outstanding throughout each year:

Year Ended December 31	Income (Loss)				Distributions			Ratios to Average Net Assets/ Supplemental Data							
	Net Asset Value Beginning of Year	Net Investment Income(a)	Net Realized Gain (Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gain on Investments	Return of Capital	Total Distributions	Redemption Fees (a)(b)	Net Asset Value End of Year	Total Return†	Net Assets End of Year (in 000's)	Net Investment Income	Operating Expenses	Portfolio Turnover Rate
Class AAA															
2018	\$ 9.23	\$0.14	\$(0.33)	\$(0.19)	\$(0.12)	\$(0.07)	\$(0.65)	\$(0.84)	\$0.00	\$ 8.20	(2.2)%	\$ 288,332	1.57%	1.37%(c)	1%
2017	9.26	0.15	0.66	0.81	(0.13)	(0.07)	(0.64)	(0.84)	0.00	9.23	8.9	350,709	1.58	1.37(c)	2
2016	8.70	0.15	1.28	1.43	(0.14)	(0.13)	(0.60)	(0.87)	0.00	9.26	17.0	364,411	1.65	1.38(c)	4
2015††	10.50	0.11	(1.07)	(0.96)	(0.09)	(0.70)	(0.05)	(0.84)	0.00	8.70	(8.3)	371,419	1.42	1.39(c)	8
2014††	11.24	0.18	0.76	0.94	(0.14)	(0.10)	(1.44)	(1.68)	0.00	10.50	8.9	820,328	1.64	1.36	9
Class A															
2018	\$ 9.37	\$0.15	\$(0.33)	\$(0.18)	\$(0.12)	\$(0.07)	\$(0.65)	\$(0.84)	\$0.00	\$ 8.35	(2.0)%	\$ 723,943	1.58%	1.37%(c)	1%
2017	9.40	0.15	0.66	0.81	(0.13)	(0.07)	(0.64)	(0.84)	0.00	9.37	8.8	837,684	1.57	1.37(c)	2
2016	8.82	0.15	1.30	1.45	(0.13)	(0.13)	(0.61)	(0.87)	0.00	9.40	17.0	808,349	1.64	1.38(c)	4
2015††	10.64	0.12	(1.10)	(0.98)	(0.09)	(0.70)	(0.05)	(0.84)	0.00	8.82	(8.3)	713,208	1.45	1.39(c)	8
2014††	11.36	0.18	0.78	0.96	(0.14)	(0.10)	(1.44)	(1.68)	0.00	10.64	9.0	1,231,349	1.64	1.36	9
Class C															
2018	\$ 6.58	\$0.05	\$(0.22)	\$(0.17)	\$(0.08)	\$(0.07)	\$(0.69)	\$(0.84)	\$0.00	\$ 5.57	(2.7)%	\$ 641,273	0.82%	2.12%(c)	1%
2017	6.88	0.06	0.48	0.54	(0.09)	(0.07)	(0.68)	(0.84)	0.00	6.58	8.0	776,370	0.83	2.12(c)	2
2016	6.71	0.06	0.98	1.04	(0.09)	(0.13)	(0.65)	(0.87)	0.00	6.88	16.2	776,780	0.89	2.13(c)	4
2015††	8.40	0.05	(0.90)	(0.85)	(0.09)	(0.70)	(0.05)	(0.84)	0.00	6.71	(9.1)	736,494	0.73	2.14(c)	8
2014††	9.38	0.08	0.62	0.70	(0.14)	(0.10)	(1.44)	(1.68)	0.00	8.40	8.1	1,111,695	0.89	2.11	9
Class I															
2018	\$ 9.65	\$0.18	\$(0.35)	\$(0.17)	\$(0.14)	\$(0.07)	\$(0.63)	\$(0.84)	\$0.00	\$ 8.64	(1.8)%	\$ 286,246	1.84%	1.12%(c)	1%
2017	9.63	0.18	0.68	0.86	(0.15)	(0.07)	(0.62)	(0.84)	0.00	9.65	9.1	272,376	1.81	1.12(c)	2
2016	8.99	0.18	1.33	1.51	(0.16)	(0.13)	(0.58)	(0.87)	0.00	9.63	17.4	160,147	1.89	1.13(c)	4
2015††	10.80	0.14	(1.11)	(0.97)	(0.09)	(0.70)	(0.05)	(0.84)	0.00	8.99	(8.1)	141,325	1.70	1.14(c)	8
2014††	11.48	0.20	0.80	1.00	(0.14)	(0.10)	(1.44)	(1.68)	0.00	10.80	9.3	255,651	1.86	1.11	9

† Total return represents aggregate total return of a hypothetical \$1,000 investment at the beginning of the year and sold at the end of the year including reinvestment of distributions and does not reflect the applicable sales charges.

†† All per share amounts and net asset values have been adjusted as a result of the 1 for 2 reverse stock split on March 6, 2015.

(a) Per share amounts have been calculated using the average shares outstanding method.

(b) Amount represents less than \$0.005 per share.

(c) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the years ended December 31, 2018, 2017, 2016, and 2015, there was no impact on the expense ratios.

See accompanying notes to financial statements.

The Gabelli Utilities Fund

Notes to Financial Statements

1. Organization. The Gabelli Utilities Fund was organized on May 18, 1999 as a Delaware statutory trust and commenced operations on August 31, 1999. The Fund is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund's primary objective is to provide a high level of total return through a combination of capital appreciation and current income.

The Fund invests a high percentage of its assets in the utilities sector. As a result, the Fund may be more susceptible to economic, political, and regulatory developments, positive or negative, and may experience increased volatility to the Fund's NAV and a magnified effect in its total return.

2. Significant Accounting Policies. As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (GAAP) that may require the use of management estimates and assumptions in the preparation of its financial statements. 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 financial statements.

New Accounting Pronouncements. The SEC recently adopted changes to Regulation S-X to simplify the reporting of information by registered investment companies in financial statements. The amendments require presentation of the total, rather than the components, of distributable earnings on the Statement of Assets and Liabilities and also require presentation of the total, rather than the components, of distributions to shareholders, except for tax return of capital distributions, if any, on the Statement of Changes in Net Assets. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statement of Changes in Net Assets. These Regulation S-X amendments are reflected in the Fund's financial statements for the fiscal year ended December 31, 2018. As a result of adopting these amendments, the distributions to shareholders in the December 31, 2017 Statement of Changes in Net Assets presented herein have been reclassified to conform to the current year presentation.

To improve the effectiveness of fair value disclosure requirements, the Financial Accounting Standards Board recently issued Accounting Standard Update (ASU) 2018-13, Fair Value Measurement Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13), which adds, removes, and modifies certain aspects relating to fair value disclosure. ASU 2018-13 is effective for interim and annual reporting periods beginning after December 15, 2019; early adoption of the additions relating to ASU 2018-13 is not required, even if early adoption is elected for the removals under ASU 2018-13. Management has early adopted the removals set forth in ASU 2018-13 in these financial statements and has not early adopted the additions set forth in ASU 2018-13.

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 Gabelli Funds, LLC (the Adviser).

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

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 obligations 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, 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. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

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).

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

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 December 31, 2018 is as follows:

	Valuation Inputs			Total Market Value at 12/31/18
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
ENERGY AND UTILITIES				
Global Utilities	\$ 44,015,005	\$ 470	—	\$ 44,015,475
Merchant Energy	49,433,400	—	\$ 0	49,433,400
Natural Gas Utilities	139,463,995	7,241,400	—	146,705,395
Other Industries (a)	1,236,744,652	—	—	1,236,744,652
COMMUNICATIONS (a)	320,817,566	—	—	320,817,566
OTHER				
Aerospace	16,397,726	—	93,811	16,491,537
Other Industries (a)	114,789,146	—	—	114,789,146
Total Common Stocks	1,921,661,490	7,241,870	93,811	1,928,997,171
Convertible Preferred Stocks (a)	570,850	1,185,300	—	1,756,150
Warrants (a)	—	358,400	—	358,400
Corporate Bonds(a)	—	1,402,500	—	1,402,500
U.S. Government Obligations	—	5,772,192	—	5,772,192
TOTAL INVESTMENTS IN SECURITIES –				
ASSETS	\$1,922,232,340	\$15,960,262	\$93,811	\$1,938,286,413

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

During the year ended December 31, 2018, the Fund did not have transfers into or out of Level 3.

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 are 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 or preferred equities, warrants, options, rights, or 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. A significant change in the unobservable inputs could result in a lower or higher value in Level

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

3 securities. 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 may include back testing the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

Foreign Currency Translations. The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

Foreign Securities. The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.

Foreign Taxes. The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

Restricted Securities. The Fund may invest up to 15% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. For the restricted securities the Fund held at December 31, 2018, refer to the Schedule of Investments.

Securities Transactions and Investment Income. Securities transactions are accounted for on the trade date with realized gain/(loss) on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on an accrual basis. Premiums and discounts

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

Determination of Net Asset Value and Calculation of Expenses. Certain administrative expenses are common to, and allocated among, various affiliated funds. Such allocations are made on the basis of each fund's average net assets or other criteria directly affecting the expenses as determined by the Adviser pursuant to procedures established by the Board.

In calculating the NAV per share of each class, investment income, realized and unrealized gains and losses, redemption fees, and expenses other than class specific expenses are allocated daily to each class of shares based upon the proportion of net assets of each class at the beginning of each day. Distribution expenses are borne solely by the class incurring the expense.

Distributions to Shareholders. Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions made in excess of current earnings and profits on a tax basis are treated as a non-taxable return of capital. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to foreign currency gains and losses. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2018, reclassifications were made to increase paid-in capital by \$218,798, with an offsetting adjustment to total distributable earnings.

The tax character of distributions paid during the years ended December 31, 2018 and 2017 was as follows:

	<u>Year Ended</u> <u>December 31, 2018</u>	<u>Year Ended</u> <u>December 31, 2017</u>
Distributions paid from:		
Ordinary income (inclusive of short term capital gains)	\$ 27,556,277	\$ 30,251,265
Long term capital gains	18,672,330	19,275,900
Return of capital	179,098,999	172,370,337
Total distributions paid	<u>\$225,327,606</u>	<u>\$221,897,502</u>

Since January 2000, the Fund has had a fixed distribution policy. Under the policy, the Fund declares and pays monthly distributions from net investment income, capital gains, and paid-in capital. The actual source of the distribution is determined after the end of the year. Pursuant to this policy, distributions during the year may be made in excess of required distributions. To the extent such distributions are made from current earnings and profits, they are considered ordinary income or long term capital gains. The Fund's current distribution policy may restrict the Fund's ability to pass through to shareholders all of its net realized long term capital gains as a Capital Gain Dividend, and may cause such gains to be treated as ordinary income. Distributions sourced from paid-in capital should not be considered as dividend yield or the total return from an investment

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

in the Fund. The Board continues to evaluate the distribution policy in light of ongoing economic and market conditions and may change the amount of the monthly distributions in the future.

Provision for Income Taxes. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

As of December 31, 2018, the components of accumulated earnings/losses on a tax basis were as follows:

Net unrealized appreciation on investments and foreign currency translations	\$705,789,183
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At December 31, 2018, the temporary differences between book basis and tax basis net unrealized appreciation on investments were primarily due to deferral of losses from wash sales for tax purposes, tax basis adjustments on investments in partnerships, and mark-to-market adjustments on investments in passive foreign investment companies.

The Fund is permitted to carry capital losses forward for an unlimited period. Capital losses that are carried forward will retain their character as either short term or long term capital losses.

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2018:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$1,232,497,969	\$800,946,028	\$(95,157,584)	\$705,788,444

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. For the year ended December 31, 2018, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2018, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. The Fund's federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

3. Investment Advisory Agreement and Other Transactions. The Fund has entered into an investment advisory agreement (the Advisory Agreement) with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, at the annual rate of 1.00% of the value of its average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio, oversees the administration of all aspects of the Fund's business and affairs, and pays the compensation of all Officers and Trustees of the Fund who are affiliated persons of the Adviser.

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$18,000 plus \$2,000 for each Board meeting attended and they are reimbursed for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended and the Chairman of

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

the Audit Committee and the Lead Trustee each receives an annual fee of \$2,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

4. Distribution Plan. The Fund's Board has adopted a distribution plan (the Plan) for each class of shares, except for Class I Shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Class AAA, Class A, and Class C Share Plans, payments are authorized to G.distributors, LLC (the Distributor), an affiliate of the Adviser, at annual rates of 0.25%, 0.25%, and 1.00%, respectively, of the average daily net assets of those classes, the annual limitations under each Plan. Such payments are accrued daily and paid monthly.

5. Portfolio Securities. Purchases and sales of securities during the year ended December 31, 2018, other than short term securities and U.S. Government obligations, aggregated \$20,294,911 and \$145,338,282, respectively.

6. Transactions with Affiliates and Other Arrangements. During the year ended December 31, 2018, the Fund paid \$78,809 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser. Additionally the Distributor retained a total of \$765,939 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

During the year ended December 31, 2018, the Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. The amount of such expenses paid through this directed brokerage arrangement during this period was \$16,200.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. During the year ended December 31, 2018, the Fund accrued \$45,000 in accounting fees in the Statement of Operations.

7. Line of Credit. The Fund participates in an unsecured line of credit, which expires March 6, 2019 and may be renewed annually, of up to \$75,000,000 under which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bear interest at a floating rate equal to the higher of the overnight Federal Funds rate plus 125 basis points or the 30 day ICE LIBOR plus 125 basis points in effect on that day. This amount, if any, would be included in "Interest expense" in the Statement of Operations. At December 31, 2018, there were no borrowings outstanding under the line of credit.

The average daily amount of borrowings outstanding under the line of credit during the year ended December 31, 2018 was \$54,479 with a weighted average interest rate of 3.56%. The maximum amount borrowed at any time during the year ended December 31, 2018 was \$2,213,000.

8. Shares of Beneficial Interest. The Fund offers four classes of shares – Class AAA Shares, Class A Shares, Class C Shares, and Class I Shares. Class AAA Shares and Class I Shares are offered without a sales charge. Class A Shares are subject to a maximum front-end sales charge of 5.75%. Class C Shares are subject to a 1.00% contingent deferred sales charge for one year after purchase.

The Fund imposes a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before the seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund as an increase in paid-in capital.

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

The redemption fees retained by the Fund during the fiscal year ended December 31, 2018 and 2017, if any, can be found in the Statement of Changes in Net Assets under Redemption Fees.

Transactions in shares of beneficial interest were as follows:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Class AAA				
Shares sold	3,801,256	\$ 33,157,567	4,891,720	\$ 46,210,450
Shares issued upon reinvestment of distributions	3,172,706	27,486,843	3,072,628	28,996,855
Shares redeemed	<u>(9,836,553)</u>	<u>(85,930,616)</u>	<u>(9,291,649)</u>	<u>(87,790,185)</u>
Net decrease	<u>(2,862,591)</u>	<u>\$ (25,286,206)</u>	<u>(1,327,301)</u>	<u>\$ (12,582,880)</u>
Class A				
Shares sold	13,320,054	\$ 118,449,248	20,115,610	\$ 193,210,651
Shares issued upon reinvestment of distributions	7,711,647	67,914,501	6,308,397	60,419,407
Shares redeemed	<u>(23,669,562)</u>	<u>(209,675,098)</u>	<u>(23,064,626)</u>	<u>(221,402,278)</u>
Net increase/(decrease)	<u>(2,637,861)</u>	<u>\$ (23,311,349)</u>	<u>3,359,381</u>	<u>\$ 32,227,780</u>
Class C				
Shares sold	12,159,353	\$ 74,261,242	17,834,104	\$ 122,991,759
Shares issued upon reinvestment of distributions	13,749,740	82,677,565	11,946,577	81,896,943
Shares redeemed	<u>(28,692,250)</u>	<u>(174,670,647)</u>	<u>(24,679,977)</u>	<u>(169,867,589)</u>
Net increase/(decrease)	<u>(2,783,157)</u>	<u>\$ (17,731,840)</u>	<u>5,100,704</u>	<u>\$ 35,021,113</u>
Class I				
Shares sold	11,979,095	\$ 109,870,234	15,609,938	\$ 153,940,468
Shares issued upon reinvestment of distributions	2,044,176	18,562,377	1,495,658	14,720,067
Shares redeemed	<u>(9,121,463)</u>	<u>(83,508,350)</u>	<u>(5,511,547)</u>	<u>(54,323,366)</u>
Net increase	<u>4,901,808</u>	<u>\$ 44,924,261</u>	<u>11,594,049</u>	<u>\$ 114,337,169</u>
Class T*				
Shares sold	—	—	107	\$ 1,000
Shares issued upon reinvestment of distributions	5	\$ 40	5	46
Shares redeemed	<u>(117)</u>	<u>(1,038)</u>	<u>—</u>	<u>—</u>
Net increase/(decrease)	<u>(112)</u>	<u>\$ (998)</u>	<u>112</u>	<u>\$ 1,046</u>

* Class T Shares were liquidated on September 21, 2018.

The Gabelli Utilities Fund

Notes to Financial Statements (Continued)

9. Transactions in Securities of Affiliated Issuers. The 1940 Act defines affiliated issuers as those in which the Fund's holdings of an issuer represent 5% or more of the outstanding voting securities of the issuer. A summary of the Fund's transactions in the securities of these issuers during the year ended December 31, 2018 is set forth below:

	Beginning Shares	Stock Dividend	Ending Shares	Dividend Income	Realized Gain	Value at December 31, 2018	Change in Unrealized Appreciation	Percent Owned of Shares Outstanding
Corning Natural Gas Holding Corp.	388,800	—	388,800	\$217,728	—	\$7,241,400	\$(340,200)	12.87%
Corning Natural Gas Holding Corp., 4.800%, Ser. B	54,000	—	54,000	54,000	—	1,185,300	105,300	22.11%
Total				<u>\$271,728</u>	<u>—</u>	<u>\$8,426,700</u>	<u>\$(234,900)</u>	

10. Indemnifications. The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

11. Subsequent Events. Management has evaluated the impact on the Fund of all other subsequent events occurring through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

The Gabelli Utilities Fund

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of
The Gabelli Utilities Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of The Gabelli Utilities Fund (the "Fund"), including the schedule of investments, as of December 31, 2018, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund at December 31, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of the Fund's internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2018, by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten blue font.

We have served as the auditor of one or more Gabelli/GAMCO Funds investment companies since 1992.

Philadelphia, Pennsylvania
February 28, 2019

The Gabelli Utilities Fund

Additional Fund Information (Unaudited)

The business and affairs of the Fund are managed under the direction of the Fund's Board of Trustees. Information pertaining to the Trustees and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Trustees and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Utilities Fund at One Corporate Center, Rye, NY 10580-1422.

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Number of Funds in Fund Complex Overseen by Trustee</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Trustee³</u>
INTERESTED TRUSTEES⁴:				
Mario J. Gabelli, CFA Trustee Age: 76	Since 1999	35	Chairman, Chief Executive Officer, and Chief Investment Officer— Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer— Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/ Trustee or Chief Investment Officer of other registered investment companies within the Gabelli/GAMCO Fund Complex; Chief Executive Officer of GGCP, Inc.; Executive Chairman of Associated Capital Group, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications)
INDEPENDENT TRUSTEES⁵:				
Anthony J. Colavita Trustee Age: 83	Since 1999	20	President of the law firm of Anthony J. Colavita, P.C.	—
Vincent D. Enright Trustee Age: 75	Since 1999	17	Former Senior Vice President and Chief Financial Officer of KeySpan Corp. (public utility) (1994-1998)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics) (2008-2014); Director of The LGL Group, Inc. (diversified manufacturing) (2011-2014)
Mary E. Hauck Trustee Age: 76	Since 2000	11	Retired Senior Manager of the Gabelli-O'Connor Fixed Income Mutual Funds Management Company	—
Kuni Nakamura⁶ Trustee Age: 50	Since 2009	37	President of Advanced Polymer, Inc. (chemical manufacturing company); President of KEN Enterprises, Inc. (real estate)	—
Werner J. Roeder Trustee Age: 78	Since 1999	23	Retired physician; Former Vice President of Medical Affairs (Medical Director) of New York Presbyterian/Lawrence Hospital (1999-2014)	—

The Gabelli Utilities Fund

Additional Fund Information (Continued) (Unaudited)

Name, Position(s) Address¹ and Age	Term of Office and Length of Time Served²	Principal Occupation(s) During Past Five Years
OFFICERS:		
Bruce N. Alpert President Age: 67	Since 1999	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of registered investment companies within the Gabelli/GAMCO Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008
John C. Ball Treasurer Age: 42	Since 2017	Treasurer of funds within the Gabelli/GAMCO Fund Complex since 2017; Vice President and Assistant Treasurer of AMG Funds, 2014-2017; Vice President of State Street Corporation, 2007-2014
Agnes Mullady Vice President Age: 60	Since 2006	Officer of registered investment companies within the Gabelli/GAMCO Fund Complex since 2006; President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2015; Chief Executive Officer of G.distributors, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Executive Vice President of Associated Capital Group, Inc. since 2016
Andrea R. Mango Secretary Age: 46	Since 2013	Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of closed-end funds within the Gabelli/GAMCO Fund Complex since 2014; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company, 2011-2013
Richard J. Walz Chief Compliance Officer Age: 59	Since 2013	Chief Compliance Officer of registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013

¹ Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.

² Each Trustee will hold office for an indefinite term until the earliest of (i) the next meeting of shareholders, if any, called for the purpose of considering the election or re-election of such Trustee and until the election and qualification of his or her successor, if any, elected at such meeting, or (ii) the date a Trustee resigns or retires, or a Trustee is removed by the Board of Trustees or shareholders, in accordance with the Fund's By-Laws and Agreement and Declaration of Trust. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified. For Officers, includes time served in other officer positions with the Fund.

³ This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended, i.e., public companies, or other investment companies registered under the 1940 Act.

⁴ "Interested person" of the Fund as defined in the 1940 Act. Mr. Gabelli is considered an "interested person" because of his affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser.

⁵ Trustees who are not interested persons are considered "Independent" Trustees.

⁶ Mr. Nakamura is a director of Gabelli Merger Plus+ Trust Plc, which may be deemed to be controlled by Mario J. Gabelli and/or affiliates and, in that event, would be deemed to be under common control with the Fund's Adviser.

Gabelli/GAMCO Funds and Your Personal Privacy

Who are we?

The Gabelli/GAMCO Funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which is affiliated with GAMCO Investors, Inc., a publicly held company with subsidiaries and affiliates that provide investment advisory services for a variety of clients.

What kind of non-public information do we collect about you if you become a fund shareholder?

If you apply to open an account directly with us, you will be giving us some non-public information about yourself. The non-public information we collect about you is:

- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us, any transactions with our affiliates, and transactions with the entities we hire to provide services to you.* This would include information about the shares that you buy or redeem. If we hire someone else to provide services — like a transfer agent — we will also have information about the transactions that you conduct through them.

What information do we disclose and to whom do we disclose it?

We do not disclose any non-public personal information about our customers or former customers to anyone other than our affiliates, our service providers who need to know such information, and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its website, www.sec.gov.

What do we do to protect your personal information?

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

THE GABELLI UTILITIES FUND
One Corporate Center
Rye, NY 10580-1422

Portfolio Manager Biography

Mario J. Gabelli, CFA, is Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer - Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School and Honorary Doctorates from Fordham University and Roger Williams University.

Timothy M. Winter, CFA, joined Gabelli in 2009 and covers the utility industry. He has over 25 years of experience as an equity research analyst covering the industry. Currently, he continues to specialize in the utility industry and also serves as a portfolio manager of Gabelli Funds, LLC. Mr. Winter received his BA in Economics in 1991 from Rollins College and MBA in Finance from Notre Dame in 1992.

2018 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the fiscal year ended December 31, 2018, the Fund paid to shareholders ordinary income distributions totaling \$0.11035, \$0.10861, \$0.10124, \$0.12860, and \$0.14419 per share for Class AAA, Class A, Class C, Class I, and Class T Shares, respectively, and long term capital gains totaling \$18,672,330 or the maximum allowable. The distributions of long term capital gains have been designated as a capital gain dividend by the Fund's Board of Trustees. For the fiscal year ended December 31, 2018, 100% of the ordinary income distribution qualifies for the dividends received deduction available to corporations. The Fund designates 100% of the ordinary income distribution as qualified dividend income pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund designates 0.70% of the ordinary income distribution as qualified interest income pursuant to the Tax Relief, Unemployment Recharacterization, and Job Creation Act of 2010. None of the ordinary income distribution qualified as short term gain pursuant to the American Jobs Creation Act of 2004.

U.S. Government Income

The percentage of the ordinary income distribution paid by the Fund during 2018 which was derived from U.S. Treasury securities was 0.54%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The Fund did not meet this strict requirement in 2018. The percentage of U.S. Government securities held as of December 31, 2018 was 0.30%. Due to the diversity in state and local tax law, it is recommended that you consult your personal tax adviser as to the applicability of the information provided to your specific situation.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

We have separated the portfolio managers' commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio managers' commentary is unrestricted. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

THE GABELLI UTILITIES FUND

One Corporate Center
Rye, New York 10580-1422

t 800-GABELLI (800-422-3554)

f 914-921-5118

e info@gabelli.com

GABELLI.COM

Net Asset Value per share available daily
by calling 800-GABELLI after 7:00 P.M.

BOARD OF TRUSTEES

Mario J. Gabelli, CFA
Chairman and Chief
Executive Officer,
GAMCO Investors, Inc.
Executive Chairman,
Associated Capital Group, Inc.

Anthony J. Colavita
President,
Anthony J. Colavita, P.C.

Vincent D. Enright
Former Senior Vice President and
Chief Financial Officer,
KeySpan Corp.

Mary E. Hauck
Former Senior
Portfolio Manager,
Gabelli-O'Connor Fixed
Income Mutual Fund
Management Co.

Kuni Nakamura
President,
Advanced Polymer, Inc.

Werner J. Roeder
Former Medical Director,
Lawrence Hospital

OFFICERS

Bruce N. Alpert
President

John C. Ball
Treasurer

Agnes Mullady
Vice President

Andrea R. Mango
Secretary

Richard J. Walz
Chief Compliance Officer

DISTRIBUTOR

G.distributors, LLC

CUSTODIAN

State Street Bank and Trust
Company

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT

DST Asset Manager
Solutions, Inc.

LEGAL COUNSEL

Skadden, Arps, Slate, Meagher &
Flom LLP

This report is submitted for the general information of the shareholders
of The Gabelli Utilities Fund. It is not authorized for distribution to prospective
investors unless preceded or accompanied by an effective prospectus.

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GABELLI
FUNDS

THE GABELLI UTILITIES FUND

Annual Report
December 31, 2018

