

The Gabelli Asset Fund

Annual Report — December 31, 2018

(Y)our Portfolio Management Team



Mario J. Gabelli, CFA
Chief Investment Officer



Christopher J. Marangi
Co-Chief Investment Officer
BA, Williams College
MBA, Columbia
Business School



Kevin V. Dreyer
Co-Chief Investment Officer
BSE, University of
Pennsylvania
MBA, Columbia
Business School



Jeffrey J. Jonas, CFA
Portfolio Manager
BS, Boston College

To Our Shareholders,

For the year ended December 31, 2018, the net asset value (NAV) per class AAA Share of The Gabelli Asset Fund decreased 7.7% compared with a decrease of 4.4% for the Standard & Poor's (S&P) 500 Index. Other classes of shares are available. See page 3 for the performance information for all classes.

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

Performance Discussion (Unaudited)

The Fund's investment objective is to provide growth of capital. The Fund's secondary goal is to provide current income.

The Fund's investment strategy is to primarily invest in common and preferred stocks. The Fund focuses on companies which appear underpriced relative to their private market value (PMV). PMV is the value the Fund's investment adviser, Gabelli Funds, LLC, believes informed investors would be willing to pay for a company. Under normal market conditions, the Fund invests at least 80% of its assets in stocks that are listed on a recognized securities exchange or similar market. The portfolio managers will invest in companies that, in the public market, are selling at a significant discount to the portfolio managers' assessment of their PMV. The portfolio managers consider factors such as price, earnings expectations, earnings and price histories, balance sheet characteristics, and perceived management skills. The portfolio managers also consider changes in economic and political outlooks as well as individual corporate developments.

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.

January 2018 saw the stock market continue its nearly uninterrupted climb, but volatility finally returned with a sharp decline in February and continued choppiness in March, leading to major averages posting their first quarterly declines since 2015. Economic fundamentals continued to be largely positive – synchronous global growth, low unemployment, corporate profits boosted by tax reform and lower personal taxes for many Americans – but a new set of worries came to the fore for investors already uneasy about stretched valuations: trade wars, regulatory risks in the technology sector, and the U.S. Federal Reserve’s gradual liquidity reduction and rising interest rate policy.

During the second quarter of 2018, markets recouped first quarter losses to finish the first half of the year modestly higher. Economic indicators, including the lowest unemployment rate since 2000, remained favorable. The Federal Reserve’s program of interest rate normalization was back on track after two hikes earlier in the year. The market appeared to handle the strong trade rhetoric from the Trump administration.

Markets continued to charge ahead in the third quarter, with the S&P 500 again setting record highs in late September. Financial and economic data continued to support the rally: U.S. second quarter GDP growth registered 4.2%, the unemployment rate fell to a 49 year low at 3.7% in September, and corporate profits soared, with growth of over 16%.

During the fourth quarter of 2018, the stock market suffered a major pullback, with the S&P 500 Index down over 13% on a total return basis. That weak showing pushed the S&P 500 down for the full year after a very strong showing in 2017, leading to a negative impact on the Fund.

The top contributor to the Fund’s performance in 2018 was Twenty-First Century Fox (3.5% of net assets as of December 31, 2018), a diversified media company with operations in cable network television, television broadcasting, and filmed entertainment. The stock benefited from a bidding war between Disney and Comcast over its cable, international, and entertainment assets. Madison Square Garden Co. (MSG) (1.7%) also aided in the performance of the portfolio. The stock increased in the second quarter when it was announced that the company is exploring a spinoff to create a separate public company for its sports teams. Kikkoman Corp. (1.1%), a Japanese food manufacturer whose main products and services include soy sauce and food seasoning flavoring, saw growth in its soy sauce and domestic soy milk segments, which drove margin expansion and lifted profit growth.

One of our weaker performing stocks during the year was Dish Network (0.4%), which provides service to approximately 13.3 million pay TV subscribers. The company continues to be impacted by increased competition from over the top content video offerings. General Mills (0.7%) was also a detractor to performance. Higher transportation costs affected third quarter margins. Furthermore, in April, Blue Buffalo was acquired, bringing General Mills into the pet food business for the cost of nearly 25 times their adjusted EBITDA in 2017. Navistar International Corp. (0.5%) manufactures trucks, buses, and defense vehicles, as well as diesel engines and parts for the commercial trucking industry. With a surplus in trucks and a shortage of drivers, truck orders and Navistar stock price fell in 2018.

Thank you for your investment in The Gabelli Asset 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 (3/3/86) |
|---|---------|--------|---------|---------|--------------------------|
| Class AAA (GABAX) | (7.69)% | 4.09% | 11.62% | 7.89% | 11.33% |
| S&P 500 Index | (4.38) | 8.49 | 13.12 | 7.77 | 10.07(d) |
| Dow Jones Industrial Average | (3.50) | 9.65 | 13.11 | 8.17 | 11.13(d) |
| Nasdaq Composite Index | (2.80) | 11.05 | 16.85 | 9.56 | 9.85(d) |
| Class A (GATAX) | (7.69) | 4.09 | 11.62 | 7.89 | 11.33 |
| With sales charge (b) | (13.00) | 2.87 | 10.96 | 7.47 | 11.12 |
| Class C (GATCX) | (8.38) | 3.31 | 10.79 | 7.09 | 10.95 |
| With contingent deferred sales charge (c) | (9.30) | 3.31 | 10.79 | 7.09 | 10.95 |
| Class I (GABIX) | (7.46) | 4.35 | 11.90 | 8.09 | 11.42 |

In the current prospectuses dated April 30, 2018, the expense ratios for Class AAA, A, C, and I are 1.35%, 1.35%, 2.10%, and 1.10%, respectively. See page 15 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.

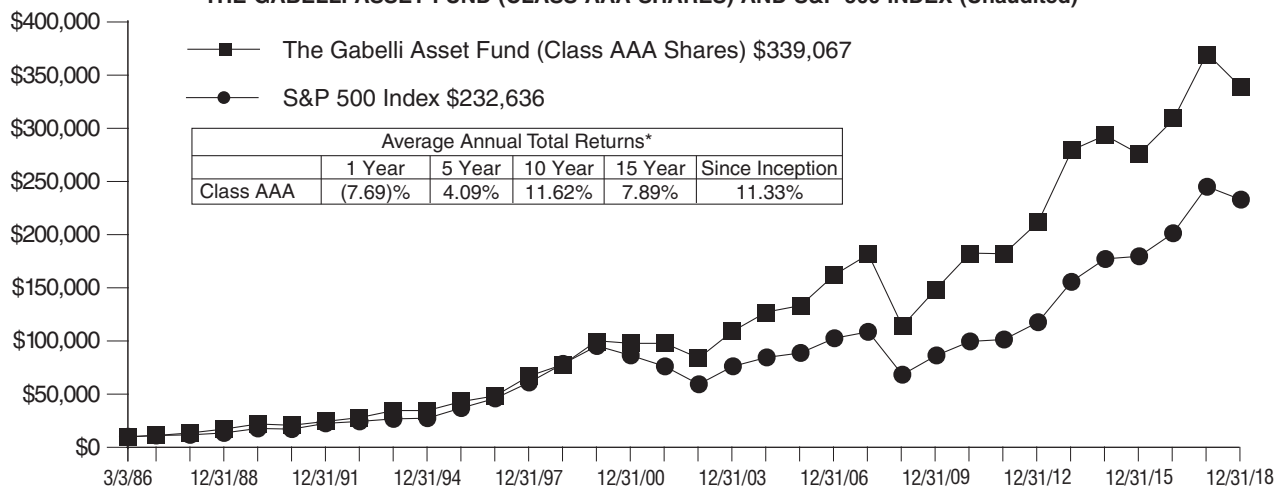
(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, 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, 1988. 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 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 Dow Jones Industrial Average and the Nasdaq Composite Index are unmanaged indicators of stock market performance. Dividends are considered reinvested, except for the Nasdaq Composite Index. You cannot invest directly in an index. 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, 2003 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.

(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.

(d) S&P 500 Index, Dow Jones Industrial Average, and Nasdaq Composite Index since inception performance results are as of February 28, 1986.

COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE GABELLI ASSET FUND (CLASS AAA SHARES) AND S&P 500 INDEX (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 Asset 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 fiscal year ended December 31, 2018.

| | Beginning Account Value 07/01/18 | Ending Account Value 12/31/18 | Annualized Expense Ratio | Expenses Paid During Period* |
|-------------------------------|--|-------------------------------------|--------------------------------|------------------------------------|
| The Gabelli Asset Fund | | | | |
| Actual Fund Return | | | | |
| Class AAA | \$1,000.00 | \$ 915.10 | 1.37% | \$ 6.61 |
| Class A | \$1,000.00 | \$ 914.90 | 1.37% | \$ 6.61 |
| Class C | \$1,000.00 | \$ 911.70 | 2.12% | \$10.22 |
| Class I | \$1,000.00 | \$ 916.20 | 1.12% | \$ 5.41 |
| 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 Asset Fund

| | | | |
|---|-------|---|---------------|
| Food and Beverage | 15.3% | Specialty Chemicals | 1.5% |
| Financial Services | 10.2% | Computer Software and Services | 1.2% |
| Equipment and Supplies | 7.7% | Publishing | 1.2% |
| Entertainment | 7.5% | Transportation | 0.9% |
| Diversified Industrial | 5.2% | Building and Construction | 0.9% |
| Health Care | 5.1% | Wireless Communications | 0.8% |
| Machinery | 4.2% | Automotive | 0.8% |
| Consumer Products | 4.0% | Aviation: Parts and Services | 0.7% |
| Cable and Satellite | 3.7% | Real Estate | 0.7% |
| Automotive: Parts and Accessories | 3.2% | Agriculture | 0.5% |
| Environmental Services | 3.1% | Communications Equipment | 0.3% |
| Electronics | 3.0% | Closed-End Funds | 0.3% |
| Energy and Utilities | 3.0% | Manufactured Housing and Recreational Vehicles | 0.2% |
| Business Services | 2.9% | Computer Hardware | 0.1% |
| Telecommunications | 2.5% | Airlines | 0.0%* |
| Broadcasting | 2.4% | Other Assets and Liabilities (Net) | <u>(1.7)%</u> |
| Metals and Mining | 2.0% | | <u>100.0%</u> |
| Retail | 1.9% | | |
| Consumer Services | 1.6% | | |
| Aerospace | 1.6% | | |
| Hotels and Gaming | 1.5% | | |

* Amount represents less than 0.05%.

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 Asset Fund

Schedule of Investments — December 31, 2018

| Shares | Cost | Market Value | Shares | Cost | Market Value |
|---|------|--------------|---------|------------|--|
| COMMON STOCKS — 101.4% | | | | | |
| Aerospace — 1.6% | | | | | |
| 490,000 | | | 40,000 | | |
| | | | | | Corus Entertainment Inc., New York, Cl. B |
| | | | | \$ 64,982 | \$ 140,000 |
| | | | 35,250 | | Liberty Broadband Corp., Cl. A† |
| | | | | 62,878 | 2,531,303 |
| 5,000 | | | 100,682 | | Liberty Broadband Corp., Cl. C† |
| 6,000 | | | | 1,001,380 | 7,252,124 |
| 1,296,100 | | | 33,000 | | Liberty Media Corp.- Liberty Formula One, Cl. A† |
| 67,440,600 | | | | 15,739 | 980,760 |
| | | | 61,000 | | Liberty Media Corp.- Liberty Formula One, Cl. C† |
| | | | | 31,266 | 1,872,700 |
| | | | 50,000 | | Liberty Media Corp.- Liberty SiriusXM, Cl. A† |
| | | | | 20,644 | 1,840,000 |
| | | | 190,000 | | Liberty Media Corp.- Liberty SiriusXM, Cl. C† |
| | | | | 278,972 | 7,026,200 |
| 220,000 | | | 330,000 | | MSG Networks Inc., Cl. A† |
| 2,200 | | | | 210,020 | 7,774,800 |
| 25,000 | | | 10,000 | | Naspers Ltd., Cl. N |
| | | | | 393,199 | 2,010,266 |
| | | | 95,000 | | Pandora Media Inc.† |
| | | | | 685,732 | 768,550 |
| | | | 300,000 | | Television Broadcasts Ltd. |
| | | | | 1,372,676 | 567,780 |
| 100,000 | | | 40,000 | | Tokyo Broadcasting System Holdings Inc. |
| | | | | 560,409 | 635,008 |
| | | | 117,000 | | Tribune Media Co., Cl. A |
| | | | | 4,384,360 | 5,309,460 |
| | | | | 12,407,502 | 51,649,598 |
| Agriculture — 0.5% | | | | | |
| 220,000 | | | | | |
| | | | | | Archer-Daniels-Midland Co. |
| | | | | 25,168 | 9,013,400 |
| 2,200 | | | | 103,400 | 103,400 |
| 25,000 | | | | 438,682 | 730,250 |
| | | | | 2,978,981 | 9,847,050 |
| Airlines — 0.0% | | | | | |
| 100,000 | | | | | |
| | | | | | American Airlines Group Inc., Escrow† |
| | | | | 1,464 | 145,000 |
| Automotive — 0.8% | | | | | |
| 5,000 | | | | | |
| | | | | 197,962 | 497,200 |
| 15,000 | | | | 474,750 | 501,750 |
| 393,000 | | | | 6,935,054 | 10,198,350 |
| 91,500 | | | | 468,321 | 5,228,310 |
| 3,000 | | | | 119,556 | 478,122 |
| | | | | 8,195,643 | 16,903,732 |
| Automotive: Parts and Accessories — 3.2% | | | | | |
| 138,000 | | | | | |
| | | | | 584,038 | 4,794,120 |
| 85,000 | | | | 163,152 | 866,274 |
| 355,000 | | | | 3,162,482 | 4,838,650 |
| 20,600 | | | | 58,904 | 254,204 |
| 407,000 | | | | 9,744,915 | 39,080,140 |
| 43,000 | | | | 275,372 | 464,830 |
| 34,400 | | | | 868,666 | 11,844,952 |
| 30,000 | | | | 246,597 | 1,452,900 |
| 35,000 | | | | | |
| | | | | 478,759 | 168,350 |
| 55,000 | | | | 1,274,087 | 1,506,450 |
| 39,500 | | | | 2,127,967 | 2,381,060 |
| | | | | 18,984,939 | 67,651,930 |
| Aviation: Parts and Services — 0.7% | | | | | |
| 1,700,000 | | | | | |
| | | | | 3,837,490 | 4,728,000 |
| 46,500 | | | | 142,407 | 4,748,580 |
| 110,500 | | | | 1,579,767 | 6,197,945 |
| | | | | 5,559,664 | 15,674,525 |
| Broadcasting — 2.4% | | | | | |
| 277,600 | | | | | |
| | | | | 2,982,599 | 12,172,760 |
| 18,000 | | | | 342,646 | 767,887 |
| Building and Construction — 0.9% | | | | | |
| | | | | | |
| | | | | 320,159 | 2,122,882 |
| | | | | 631,404 | 660,226 |
| | | | | | |
| | | | | 1,923,822 | 5,508,550 |
| | | | | 3,102,195 | 2,391,080 |
| | | | | | |
| | | | | 6,867,513 | 8,892,035 |
| | | | | 12,845,093 | 19,574,773 |
| Business Services — 2.9% | | | | | |
| | | | | | |
| | | | | 51,427 | 266,400 |
| | | | | | |
| | | | | 818,078 | 1,248,169 |
| | | | | 64,828 | 23,157 |
| | | | | 223,155 | 4,155,270 |
| | | | | 679,360 | 596,978 |
| | | | | | |
| | | | | 971,826 | 4,925,000 |
| | | | | | |
| | | | | 2,446,422 | 3,509,760 |
| | | | | 547,950 | 26,505,325 |
| | | | | | |
| | | | | 176,610 | 184,608 |
| | | | | 1,557 | 983 |
| | | | | | |
| | | | | 296,732 | 293,920 |
| | | | | 683,360 | 1,939,500 |
| | | | | | |
| | | | | 3,902,104 | 10,315,000 |

See accompanying notes to financial statements.

The Gabelli Asset Fund

Schedule of Investments (Continued) — December 31, 2018

| Shares | | Cost | Market Value | Shares | | Cost | Market Value |
|---------|--|-------------------|-------------------|---------|---|-------------------|--------------------|
| | COMMON STOCKS (Continued) | | | | | | |
| | Business Services (Continued) | | | 3,400 | Givaudan SA..... | \$ 1,182,809 | \$ 7,873,029 |
| 24,000 | Vectrus Inc.†..... | \$ 116,767 | \$ 517,920 | 30,000 | Harley-Davidson Inc..... | 75,562 | 1,023,600 |
| 61,000 | Visa Inc., Cl. A..... | 791,911 | 8,048,340 | 2,000 | Hermes International..... | 694,184 | 1,110,920 |
| | | <u>11,772,087</u> | <u>62,530,330</u> | 5,000 | National Presto Industries Inc..... | 143,767 | 584,600 |
| | Cable and Satellite — 3.7% | | | 42,000 | Reckitt Benckiser Group plc... | 1,288,438 | 3,218,951 |
| 129,000 | AMC Networks Inc., Cl. A†.... | 21,473 | 7,079,520 | 100,000 | Sally Beauty Holdings Inc.†... | 800,712 | 1,705,000 |
| 8,500 | Charter Communications Inc., Cl. A†..... | 868,934 | 2,422,245 | 10,000 | Svenska Cellulosa AB, Cl. A... | 35,640 | 80,673 |
| 395,000 | Comcast Corp., Cl. A..... | 3,615,040 | 13,449,750 | 42,000 | Svenska Cellulosa AB, Cl. B... | 117,839 | 325,652 |
| 318,200 | DISH Network Corp., Cl. A†... | 7,019,113 | 7,945,454 | 826,400 | Swedish Match AB..... | 8,505,279 | 32,550,814 |
| 88,000 | EchoStar Corp., Cl. A†..... | 2,520,887 | 3,231,360 | 4,000 | The Estee Lauder Companies Inc., Cl. A..... | 180,995 | 520,400 |
| 147,900 | Liberty Global plc, Cl. A†..... | 525,759 | 3,156,186 | 48,000 | The Procter & Gamble Co. | 1,486,088 | 4,412,160 |
| 387,000 | Liberty Global plc, Cl. C†..... | 3,828,849 | 7,987,680 | 30,000 | Unilever plc, ADR..... | 947,306 | 1,567,500 |
| 20,857 | Liberty Latin America Ltd., Cl. A†..... | 77,222 | 302,009 | 35,000 | Wolverine World Wide Inc..... | 162,769 | 1,116,150 |
| 40,000 | Liberty Latin America Ltd., Cl. C†..... | 214,510 | 582,800 | | | <u>23,574,033</u> | <u>84,701,788</u> |
| 575,000 | Rogers Communications Inc., New York, Cl. B..... | 2,819,182 | 29,474,500 | | Consumer Services — 1.6% | 50,325 | 398,550 |
| 238,000 | Shaw Communications Inc., New York, Cl. B..... | 393,482 | 4,305,420 | 5,000 | Allegion plc..... | 2,235,383 | 3,910,200 |
| | | <u>21,904,451</u> | <u>79,936,924</u> | 95,000 | GCI Liberty Inc., Cl. A†..... | 504,985 | 8,968,960 |
| | Communications Equipment — 0.3% | | | 49,000 | IAC/InterActiveCorp.†..... | 89,074 | 782,200 |
| 130,000 | Corning Inc..... | 491,859 | 3,927,300 | 20,000 | Liberty Expedia Holdings Inc., Cl. A†..... | 89,074 | 782,200 |
| 26,000 | Harris Corp..... | 2,064,982 | 3,500,900 | 11,550 | Marriott Vacations Worldwide Corp..... | 366,324 | 814,391 |
| | | <u>2,556,841</u> | <u>7,428,200</u> | 281,600 | Qurate Retail Inc.†..... | 1,057,796 | 5,496,832 |
| | Computer Hardware — 0.1% | | | 405,000 | Rollins Inc..... | 568,847 | 14,620,500 |
| 7,000 | Apple Inc..... | 661,508 | 1,104,180 | | | <u>4,872,734</u> | <u>34,991,633</u> |
| | Computer Software and Services — 1.2% | | | | Diversified Industrial — 5.2% | 5,901 | 57,475 |
| 5,000 | Alphabet Inc., Cl. C†..... | 2,544,024 | 5,178,050 | 500 | Acuity Brands Inc..... | 45,044 | 271,550 |
| 90,000 | eBay Inc.†..... | 1,736,408 | 2,526,300 | 5,000 | Anixter International Inc.†.... | 4,816,229 | 22,570,686 |
| 42,000 | Fidelity National Information Services Inc..... | 721,986 | 4,307,100 | 312,700 | Crane Co..... | 4,116,617 | 6,660,020 |
| 315,000 | Hewlett Packard Enterprise Co..... | 3,102,379 | 4,161,150 | 97,000 | Eaton Corp. plc..... | 941,010 | 841,400 |
| 70,000 | Internap Corp.†..... | 974,759 | 290,500 | 14,000 | EnPro Industries Inc..... | 3,098,343 | 5,046,960 |
| 5,000 | Microsoft Corp..... | 158,896 | 507,850 | 136,000 | Greif Inc., Cl. A..... | 6,706,188 | 33,030,000 |
| 7,992 | NetScout Systems Inc.†..... | 29,395 | 188,851 | 250,000 | Honeywell International Inc.... | 355,983 | 2,189,520 |
| 55,000 | Rockwell Automation Inc..... | 1,567,537 | 8,276,400 | 24,000 | Ingersoll-Rand plc..... | 1,507,788 | 10,619,400 |
| | | <u>10,835,384</u> | <u>25,436,201</u> | 220,000 | ITT Inc..... | 1,557,901 | 2,087,400 |
| | Consumer Products — 4.0% | | | 30,000 | Jardine Matheson Holdings Ltd..... | 1,557,901 | 2,087,400 |
| 30,000 | Brunswick Corp..... | 735,843 | 1,393,500 | 124,000 | Jardine Strategic Holdings Ltd..... | 2,937,194 | 4,552,040 |
| 11,000 | Christian Dior SE..... | 307,335 | 4,208,229 | 250,000 | Myers Industries Inc..... | 1,600,550 | 3,777,500 |
| 56,000 | Church & Dwight Co. Inc..... | 86,413 | 3,682,560 | 30,000 | nVent Electric plc..... | 331,439 | 673,800 |
| 200,000 | Edgewell Personal Care Co.†.. | 2,987,136 | 7,470,000 | 30,000 | Pentair plc..... | 707,966 | 1,133,400 |
| 230,000 | Energizer Holdings Inc..... | 3,005,072 | 10,384,500 | 12,000 | Sulzer AG..... | 1,120,675 | 952,895 |
| 10,000 | Essity AB, Cl. A..... | 134,075 | 245,968 | 185,000 | Textron Inc..... | 2,513,177 | 8,508,150 |
| 50,000 | Essity AB, Cl. B..... | 696,771 | 1,227,582 | 320,000 | Toray Industries Inc..... | 2,290,603 | 2,253,912 |
| | | | | 230,000 | Trinity Industries Inc..... | 922,000 | 4,735,700 |
| | | | | 4,000 | Waters Corp.†..... | 299,744 | 754,600 |
| | | | | | | <u>35,874,352</u> | <u>110,716,408</u> |

See accompanying notes to financial statements.

The Gabelli Asset Fund

Schedule of Investments (Continued) — December 31, 2018

| Shares | Cost | Market Value | Shares | Cost | Market Value |
|--------------------------------------|---|-------------------|--------|-------------------|--------------------|
| COMMON STOCKS (Continued) | | | | | |
| Electronics — 3.0% | | | | | |
| 78,000 | Cypress Semiconductor Corp., \$ | 662,074 | \$ | 992,160 | |
| 1,800 | Fortive Corp. | 7,618 | | 121,788 | |
| 8,000 | Kyocera Corp., ADR | 111,725 | | 398,680 | |
| 1,500 | Mettler-Toledo International Inc.† | 212,220 | | 848,370 | |
| 84,667 | Resideo Technologies Inc.† | 1,128,015 | | 1,739,907 | |
| 2,200 | Samsung Electronics Co. Ltd., GDR | 401,884 | | 1,907,400 | |
| 865,000 | Sony Corp., ADR | 17,059,664 | | 41,762,200 | |
| 37,000 | TE Connectivity Ltd. | 929,999 | | 2,798,310 | |
| 100,000 | Texas Instruments Inc. | 2,334,642 | | 9,450,000 | |
| 17,500 | Thermo Fisher Scientific Inc. | 2,151,647 | | 3,916,325 | |
| | | <u>24,999,488</u> | | <u>63,935,140</u> | |
| Energy and Utilities — 3.0% | | | | | |
| 10,000 | Anadarko Petroleum Corp. | 588,355 | | 438,400 | |
| 100,000 | BP plc, ADR | 2,411,469 | | 3,792,000 | |
| 97,000 | Chevron Corp. | 3,124,445 | | 10,552,630 | |
| 9,000 | ConocoPhillips | 162,773 | | 561,150 | |
| 113,000 | Devon Energy Corp. | 1,571,968 | | 2,547,020 | |
| 3,000 | Edison International | 51,000 | | 170,310 | |
| 199,000 | El Paso Electric Co. | 2,452,488 | | 9,975,870 | |
| 34,000 | Enbridge Inc. | 782,276 | | 1,056,720 | |
| 90,000 | EOG Resources Inc. | 206,089 | | 7,848,900 | |
| 27,000 | Exxon Mobil Corp. | 387,700 | | 1,841,130 | |
| 130,000 | GenOn Energy Inc., Escrow†(a) | 0 | | 0 | |
| 165,000 | Halliburton Co. | 5,377,156 | | 4,385,700 | |
| 65,000 | Kinder Morgan Inc. | 1,263,191 | | 999,700 | |
| 27,000 | KLX Energy Services Holdings Inc.† | 792,229 | | 633,150 | |
| 13,000 | Marathon Petroleum Corp. | 625,725 | | 767,130 | |
| 226,800 | National Fuel Gas Co. | 11,002,252 | | 11,607,624 | |
| 49,200 | Oceaneering International Inc.† | 1,265,550 | | 595,320 | |
| 5,000 | Phillips 66 | 189,129 | | 430,750 | |
| 47,727 | Southwest Gas Holdings Inc. | 823,951 | | 3,651,115 | |
| 95,000 | The AES Corp. | 263,150 | | 1,373,700 | |
| 10,000 | Wartsila OYJ Abp | 155,894 | | 159,202 | |
| | | <u>33,496,790</u> | | <u>63,387,521</u> | |
| Entertainment — 7.5% | | | | | |
| 195,500 | Discovery Inc., Cl. A† | 1,037,519 | | 4,836,670 | |
| 547,000 | Discovery Inc., Cl. C† | 2,933,730 | | 12,624,760 | |
| 630,000 | Grupo Televisa SAB, ADR | 5,919,555 | | 7,925,400 | |
| 45,000 | Liberty Media Corp.- Liberty Braves, Cl. A† | 747,445 | | 1,122,300 | |
| 138,071 | Liberty Media Corp.- Liberty Braves, Cl. C† | 2,054,328 | | 3,436,587 | |
| 16,000 | Lions Gate Entertainment Corp., Cl. B. | 417,600 | | 238,080 | |
| 2,380 | Modern Times Group MTG AB, Cl. B | | \$ | 83,313 | \$ 78,680 |
| 133,433 | The Madison Square Garden Co., Cl. A† | | | 723,396 | 35,720,014 |
| 1,560,000 | Twenty-First Century Fox Inc., Cl. A | | | 8,443,448 | 75,067,200 |
| 95,000 | Twenty-First Century Fox Inc., Cl. B | | | 2,940,709 | 4,539,100 |
| 416,500 | Viacom Inc., Cl. A | | | 11,918,098 | 11,582,865 |
| 39,000 | Viacom Inc., Cl. B | | | 1,093,681 | 1,002,300 |
| 50,000 | Vivendi SA | | | 1,170,712 | 1,219,079 |
| | | | | <u>39,483,534</u> | <u>159,393,035</u> |
| Environmental Services — 3.1% | | | | | |
| 545,000 | Republic Services Inc. | 5,909,741 | | 39,289,050 | |
| 20,000 | Stericycle Inc.† | 1,268,535 | | 733,800 | |
| 85,000 | Waste Connections Inc. | 2,968,029 | | 6,311,250 | |
| 220,000 | Waste Management Inc. | 3,355,929 | | 19,577,800 | |
| | | | | <u>13,502,234</u> | <u>65,911,900</u> |
| Equipment and Supplies — 7.7% | | | | | |
| 697,000 | AMETEK Inc. | 1,078,695 | | 47,186,900 | |
| 12,000 | Amphenol Corp., Cl. A | 23,162 | | 972,240 | |
| 12,000 | AZZ Inc. | 478,338 | | 484,320 | |
| 91,000 | CIRCOR International Inc.† | 853,326 | | 1,938,300 | |
| 110,000 | Crown Holdings Inc.† | 495,913 | | 4,572,700 | |
| 155,000 | CTS Corp. | 874,137 | | 4,012,950 | |
| 4,670 | Danaher Corp. | 31,340 | | 481,570 | |
| 513,900 | Donaldson Co. Inc. | 841,209 | | 22,298,121 | |
| 540,000 | Flowserve Corp. | 2,395,654 | | 20,530,800 | |
| 157,000 | Graco Inc. | 2,619,786 | | 6,570,450 | |
| 185,400 | IDEX Corp. | 679,342 | | 23,408,604 | |
| 50,000 | Interpump Group SpA | 196,504 | | 1,489,476 | |
| 16,000 | Lawson Products Inc.† | 267,152 | | 505,600 | |
| 130,000 | Mueller Industries Inc. | 3,471,364 | | 3,036,800 | |
| 170,000 | Sealed Air Corp. | 3,630,350 | | 5,922,800 | |
| 23,250 | The Manitowoc Co. Inc.† | 52,334 | | 343,403 | |
| 50,000 | The Timken Co. | 1,857,522 | | 1,866,000 | |
| 20,000 | The Toro Co. | 345,464 | | 1,117,600 | |
| 75,000 | The Weir Group plc | 315,592 | | 1,240,823 | |
| 22,500 | Valmont Industries Inc. | 180,803 | | 2,496,375 | |
| 217,000 | Watts Water Technologies Inc., Cl. A | 2,454,066 | | 14,003,010 | |
| | | | | <u>23,142,053</u> | <u>164,478,842</u> |
| Financial Services — 10.2% | | | | | |
| 12,800 | Allegheny Corp. | 2,000,678 | | 7,978,496 | |
| 54,000 | AllianceBernstein Holding LP | 397,863 | | 1,475,280 | |
| 258,000 | American Express Co. | 5,296,850 | | 24,592,560 | |
| 3,000 | Ameriprise Financial Inc. | 95,388 | | 313,110 | |
| 36,800 | Argo Group International Holdings Ltd. | 833,710 | | 2,474,800 | |
| 60,000 | Bank of America Corp. | 565,016 | | 1,478,400 | |

See accompanying notes to financial statements.

The Gabelli Asset Fund

Schedule of Investments (Continued) — December 31, 2018

| Shares | Cost | Market Value | Shares | Cost | Market Value |
|---------|--|--------------------------------------|-----------|--|---------------------------|
| | COMMON STOCKS (Continued) | | 350,000 | Conagra Brands Inc. | \$ 8,658,222 \$ 7,476,000 |
| | Financial Services (Continued) | | 29,000 | Constellation Brands Inc., Cl. A | 682,357 4,663,780 |
| 120 | Berkshire Hathaway Inc., Cl. A† | \$ 363,030 \$ 36,720,000 | 40,000 | Crimson Wine Group Ltd.† | 315,347 313,000 |
| 5,000 | BKF Capital Group Inc.† | 121,860 57,675 | 205,000 | Danone SA | 9,308,552 14,447,404 |
| 34,000 | Citigroup Inc. | 1,023,140 1,770,040 | 826,200 | Davide Campari-Milano SpA ... | 2,623,199 6,990,785 |
| 84,000 | GAM Holding AG. | 814,353 329,539 | 258,000 | Diageo plc, ADR | 9,162,000 36,584,400 |
| 100,000 | H&R Block Inc. | 1,437,043 2,537,000 | 80,000 | Farmer Brothers Co.† | 983,002 1,866,400 |
| 25,000 | Health Insurance Innovations Inc., Cl. A† | 772,212 668,250 | 315,000 | Flowers Foods Inc. | 637,434 5,818,050 |
| 46,000 | Interactive Brokers Group Inc., Cl. A | 749,277 2,513,900 | 40,000 | Fomento Economico Mexicano SAB de CV, ADR | 1,367,763 3,442,000 |
| 35,000 | Jefferies Financial Group Inc. ... | 324,217 607,600 | 380,000 | General Mills Inc. | 6,524,741 14,797,200 |
| 129,800 | JPMorgan Chase & Co. | 4,696,230 12,671,076 | 1,900,000 | Grupo Bimbo SAB de CV, Cl. A | 789,305 3,789,993 |
| 79,432 | Kinnevik AB, Cl. A | 1,560,480 1,891,035 | 10,000 | Heineken Holding NV | 407,450 844,991 |
| 60,000 | Kinnevik AB, Cl. B | 1,144,247 1,446,697 | 86,500 | Heineken NV | 3,933,214 7,651,096 |
| 169,000 | KKR & Co. Inc., Cl. A | 2,290,318 3,317,470 | 20,000 | Heineken NV, ADR | 481,150 879,400 |
| 163,000 | Legg Mason Inc. | 3,354,308 4,158,130 | 2,000 | Ingredion Inc. | 24,050 182,800 |
| 2,500 | LendingTree Inc.† | 19,820 548,925 | 160,000 | ITO EN Ltd. | 3,457,147 7,189,453 |
| 40,000 | Loews Corp. | 1,577,090 1,820,800 | 11,000 | John Bean Technologies Corp. | 172,494 789,910 |
| 39,000 | M&T Bank Corp. | 2,750,938 5,582,070 | 33,000 | Kellogg Co. | 889,687 1,881,330 |
| 98,000 | Marsh & McLennan Companies Inc. | 2,769,738 7,815,500 | 74,300 | Kerry Group plc, Cl. A | 971,930 7,299,837 |
| 89,000 | PayPal Holdings Inc.† | 2,842,191 7,484,010 | 50,000 | Keurig Dr Pepper Inc. | 0 1,282,000 |
| 20,000 | Popular Inc. | 332,004 944,400 | 414,000 | Kirkman Corp. | 4,690,385 22,323,252 |
| 144,000 | State Street Corp. | 4,365,944 9,082,080 | 120,000 | Lamb Weston Holdings Inc. | 2,541,814 8,827,200 |
| 19,000 | SunTrust Banks Inc. | 400,354 958,360 | 19,800 | LVMH Moët Hennessy Louis Vuitton SE | 701,482 5,857,491 |
| 32,000 | T. Rowe Price Group Inc. | 517,894 2,954,240 | 65,000 | Maple Leaf Foods Inc. | 1,156,872 1,301,238 |
| 630,000 | The Bank of New York Mellon Corp. | 17,680,829 29,654,100 | 25,000 | MEIJI Holdings Co. Ltd. | 551,956 2,043,702 |
| 78,000 | The Blackstone Group LP | 1,306,871 2,325,180 | 435,000 | Mondelēz International Inc., Cl. A | 10,128,118 17,413,050 |
| 13,500 | The Goldman Sachs Group Inc. | 1,573,808 2,255,175 | 48,000 | Morinaga Milk Industry Co. Ltd. | 886,651 1,348,844 |
| 75,000 | The Hartford Financial Services Group Inc. | 2,352,363 3,333,750 | 1,000 | National Beverage Corp. | 79,497 71,770 |
| 130,000 | The PNC Financial Services Group Inc. | 7,423,889 15,198,300 | 54,000 | Nestlé SA | 3,264,674 4,384,169 |
| 10,000 | Value Line Inc. | 137,382 260,100 | 135,000 | Nissin Foods Holdings Co. Ltd. | 4,566,582 8,498,700 |
| 10,000 | W. R. Berkley Corp. | 361,815 739,100 | 73,000 | PepsiCo Inc. | 2,411,597 8,065,040 |
| 136,500 | Waddell & Reed Financial Inc., Cl. A | 2,679,991 2,467,920 | 67,000 | Pernod Ricard SA | 5,953,420 11,000,470 |
| 370,000 | Wells Fargo & Co. | 10,770,196 17,049,600 | 126,000 | Post Holdings Inc.† | 2,999,420 11,230,380 |
| | | <u>87,703,337</u> <u>217,474,668</u> | 93,000 | Remy Cointreau SA | 5,655,846 10,543,602 |
| | | | 17,000 | Suntory Beverage & Food Ltd. . | 541,830 769,308 |
| | | | 33,000 | The Coca-Cola Co. | 723,494 1,562,550 |
| | | | 35,000 | The Hain Celestial Group Inc.† | 367,693 555,100 |
| 915,900 | Brown-Forman Corp., Cl. A ... | 4,171,807 43,431,978 | 22,000 | The J.M. Smucker Co. | 838,139 2,056,780 |
| 231,600 | Brown-Forman Corp., Cl. B ... | 1,047,087 11,019,528 | 24,000 | The Kraft Heinz Co. | 1,453,563 1,032,960 |
| 46,000 | Campbell Soup Co. | 1,336,867 1,517,540 | 340,000 | Tingyi (Cayman Islands) Holding Corp. | 796,553 454,173 |
| 800,000 | China Mengniu Dairy Co. Ltd. . | 1,191,136 2,492,817 | 135,000 | Tootsie Roll Industries Inc. | 1,172,900 4,509,000 |
| 35,000 | Chr. Hansen Holding A/S | 1,502,296 3,096,908 | 5,000 | Tyson Foods Inc., Cl. A | 39,954 267,000 |
| 25,000 | Coca-Cola European Partners plc | 489,113 1,146,250 | | | |
| 16,500 | Coca-Cola HBC AG | 231,193 515,678 | | | |

See accompanying notes to financial statements.

The Gabelli Asset Fund

Schedule of Investments (Continued) — December 31, 2018

| Shares | Cost | Market Value | Shares | Cost | Market Value | | |
|--------------------------------------|---|--------------|------------|---------------------------------------|--|--------------|--------------|
| COMMON STOCKS (Continued) | | | | | | | |
| Metals and Mining (Continued) | | | | | | | |
| 15,000 | Cleveland-Cliffs Inc.† | \$ 94,012 | \$ 115,350 | 25,000 | Walgreens Boots Alliance Inc. | \$ 1,322,106 | \$ 1,708,250 |
| 90,000 | Franco-Nevada Corp. | 3,113,147 | 6,315,300 | | | 14,114,346 | 40,446,451 |
| 140,000 | Freeport-McMoRan Inc. | 1,521,338 | 1,443,400 | Specialty Chemicals — 1.5% | | | |
| 45,000 | Kinross Gold Corp.† | 251,762 | 145,800 | 20,000 | Ashland Global Holdings Inc. | 747,123 | 1,419,200 |
| 24,000 | New Hope Corp. Ltd. | 32,183 | 57,644 | 52,000 | DowDuPont Inc. | 3,659,464 | 2,780,960 |
| 518,000 | Newmont Mining Corp. | 10,581,493 | 17,948,700 | 440,000 | Ferro Corp.† | 2,607,818 | 6,899,200 |
| 120,000 | Royal Gold Inc. | 5,183,543 | 10,278,000 | 115,500 | H.B. Fuller Co. | 2,954,619 | 4,928,385 |
| 70,009 | TimkenSteel Corp.† | 900,792 | 611,879 | 59,000 | International Flavors & Fragrances Inc. | 2,536,652 | 7,921,930 |
| 150,000 | Turquoise Hill Resources Ltd.† | 440,849 | 247,500 | 9,000 | Linde plc | 1,455,660 | 1,404,360 |
| 84,000 | Wheaton Precious Metals Corp. | 1,589,928 | 1,640,520 | 340,000 | OMNOVA Solutions Inc.† | 930,956 | 2,492,200 |
| | | 27,242,555 | 43,354,753 | 50,000 | Sensient Technologies Corp. | 819,513 | 2,792,500 |
| | | | | 38,000 | SGL Carbon SE† | 497,292 | 265,367 |
| | | | | 50,000 | Valvoline Inc. | 639,769 | 967,500 |
| | | | | | | 16,848,866 | 31,871,602 |
| Publishing — 1.2% | | | | | | | |
| 52,000 | Meredith Corp. | 1,083,832 | 2,700,880 | Telecommunications — 2.5% | | | |
| 128,000 | News Corp., Cl. A | 638,332 | 1,452,800 | 65,000 | CenturyLink Inc. | 951,991 | 984,750 |
| 104,000 | S&P Global Inc. | 802,364 | 17,673,760 | 151,000 | Cincinnati Bell Inc.† | 2,333,807 | 1,174,780 |
| 215,000 | The E.W. Scripps Co., Cl. A | 2,665,801 | 3,381,950 | 160,000 | Deutsche Telekom AG, ADR | 2,418,914 | 2,716,800 |
| 10,000 | The New York Times Co., Cl. A | 89,319 | 222,900 | 30,000 | Hellenic Telecommunications Organization SA | 435,110 | 327,226 |
| | | 5,279,648 | 25,432,290 | 25,000 | Hellenic Telecommunications Organization SA, ADR | 111,368 | 134,500 |
| | | | | 16,000 | Intelsat SA† | 362,450 | 342,240 |
| | | | | 87,607 | Loral Space & Communications Inc.† | 3,431,050 | 3,263,361 |
| Real Estate — 0.7% | | | | | | | |
| 16,500 | Brookfield Asset Management Inc., Cl. A | 291,551 | 632,775 | 6,000 | Orange SA, ADR | 63,335 | 97,140 |
| 104,000 | Griffin Industrial Realty Inc. | 1,510,666 | 3,317,600 | 400,000 | Sprint Corp.† | 2,181,132 | 2,328,000 |
| 10,000 | Host Hotels & Resorts Inc., REIT | 200,228 | 166,700 | 2,815,600 | Telecom Italia SpA† | 1,527,200 | 1,559,114 |
| 80,000 | Ryman Hospitality Properties Inc., REIT | 3,407,919 | 5,335,200 | 175,000 | Telecom Italia SpA, ADR† | 1,222,253 | 971,250 |
| 240,000 | The St. Joe Co.† | 1,849,359 | 3,160,800 | 39,981 | Telefonica Brasil SA, ADR | 373,700 | 476,973 |
| 100,000 | Weyerhaeuser Co., REIT | 2,070,571 | 2,186,000 | 245,000 | Telefonica SA, ADR | 2,812,942 | 2,072,700 |
| | | 9,330,294 | 14,799,075 | 950,510 | Telephone & Data Systems Inc. | 19,046,554 | 30,929,595 |
| | | | | 230,000 | Telesites SAB de CV† | 154,371 | 136,817 |
| Retail — 1.9% | | | | | | | |
| 40,000 | Aaron's Inc. | 65,312 | 1,682,000 | 145,000 | VEON Ltd., ADR | 603,407 | 339,300 |
| 104,000 | AutoNation Inc.† | 843,097 | 3,712,800 | 100,000 | Verizon Communications Inc. | 3,158,369 | 5,622,000 |
| 49,000 | Costco Wholesale Corp. | 2,449,516 | 9,981,790 | | | 41,187,953 | 53,476,546 |
| 130,000 | CVS Health Corp. | 4,166,986 | 8,517,600 | Transportation — 0.9% | | | |
| 200,000 | Lianhua Supermarket Holdings Ltd., Cl. H† | 87,948 | 30,649 | 272,000 | GATX Corp. | 6,865,313 | 19,260,320 |
| 110,000 | Macy's Inc. | 1,255,916 | 3,275,800 | 4,000 | Kansas City Southern | 7,317 | 381,800 |
| 20,000 | Murphy USA Inc.† | 816,948 | 1,532,800 | | | 6,872,630 | 19,642,120 |
| 15,100 | Penske Automotive Group Inc. | 584,946 | 608,832 | Wireless Communications — 0.8% | | | |
| 8,000 | Rush Enterprises Inc., Cl. B | 181,967 | 284,800 | 115,000 | America Movil SAB de CV, Cl. L, ADR | 351,470 | 1,638,750 |
| 43,000 | The Cheesecake Factory Inc. | 1,269,965 | 1,870,930 | 14,000 | Millicom International Cellular SA | 885,695 | 891,240 |
| 22,500 | The Home Depot Inc. | 697,364 | 3,865,950 | 54,000 | Millicom International Cellular SA, SDR | 3,139,295 | 3,421,096 |
| 122,700 | The Kroger Co. | 372,275 | 3,374,250 | | | | |

See accompanying notes to financial statements.

The Gabelli Asset Fund

Schedule of Investments (Continued) — December 31, 2018

| Shares | | Cost | Market Value |
|--|--|-----------------------|------------------------|
| COMMON STOCKS (Continued) | | | |
| Wireless Communications (Continued) | | | |
| 208,000 | NTT DoCoMo Inc..... | \$ 2,956,445 | \$ 4,692,122 |
| 20,000 | Tim Participacoes SA, ADR.... | 148,920 | 306,800 |
| 50,000 | T-Mobile US Inc.†..... | 1,496,458 | 3,180,500 |
| 56,000 | United States Cellular Corp.†.. | 2,357,731 | 2,910,320 |
| | | <u>11,336,014</u> | <u>17,040,828</u> |
| | TOTAL COMMON STOCKS | <u>756,241,574</u> | <u>2,163,520,507</u> |
| CLOSED-END FUNDS — 0.3% | | | |
| 84,000 | Altaba Inc.†..... | 1,201,084 | 4,866,960 |
| 11,417 | Royce Global Value Trust Inc. . | 99,328 | 101,383 |
| 87,450 | Royce Value Trust Inc. | 1,094,146 | 1,031,910 |
| | | <u>2,394,558</u> | <u>6,000,253</u> |
| | TOTAL CLOSED-END FUNDS .. | <u>2,394,558</u> | <u>6,000,253</u> |
| PREFERRED STOCKS — 0.0% | | | |
| Health Care — 0.0% | | | |
| 31,580 | The Phoenix Companies Inc., 7.450%, 01/15/32 | 674,937 | 497,385 |
| RIGHTS — 0.0% | | | |
| Health Care — 0.0% | | | |
| 20,000 | American Medical Alert Corp.† | 0 | 200 |
| WARRANTS — 0.0% | | | |
| Hotels and Gaming — 0.0% | | | |
| 195,000 | The Indian Hotels Co. Ltd., expire 05/15/19†(b) | 321,048 | 413,400 |
| TOTAL | | | |
| | INVESTMENTS — 101.7% . | <u>\$ 759,632,117</u> | <u>2,170,431,745</u> |
| | Other Assets and Liabilities (Net) — (1.7)% . | | <u>(35,871,789)</u> |
| | NET ASSETS — 100.0% | | <u>\$2,134,559,956</u> |

- (a) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
- (b) 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 \$413,400 or 0.02% of net assets.

† Non-income producing security.

ADR American Depositary Receipt

GDR Global Depositary Receipt

REIT Real Estate Investment Trust

SDR Swedish Depositary Receipt

See accompanying notes to financial statements.

The Gabelli Asset Fund

Statement of Assets and Liabilities December 31, 2018

| | |
|---|------------------------|
| Assets: | |
| Investments, at value (cost \$759,632,117) | \$2,170,431,745 |
| Receivable for investments sold | 7,821,223 |
| Receivable for Fund shares sold | 622,941 |
| Dividends and interest receivable | 2,957,660 |
| Prepaid expenses | 39,342 |
| Total Assets | <u>2,181,872,911</u> |
| Liabilities: | |
| Payable to custodian | 12,187,752 |
| Payable for investments purchased | 656,886 |
| Payable for Fund shares redeemed | 4,370,281 |
| Payable for investment advisory fees | 1,902,879 |
| Payable for distribution fees | 391,758 |
| Payable for accounting fees | 7,500 |
| Line of credit payable | 27,260,000 |
| Other accrued expenses | 535,899 |
| Total Liabilities | <u>47,312,955</u> |
| Net Assets | |
| (applicable to 43,295,763 shares outstanding) | <u>\$2,134,559,956</u> |
| Net Assets Consist of: | |
| Paid-in capital | \$ 730,273,026 |
| Total distributable earnings(a) | <u>1,404,286,930</u> |
| Net Assets | <u>\$2,134,559,956</u> |
| Shares of Beneficial Interest, each at \$0.01 par value; unlimited number of shares authorized: | |
| Class AAA: | |
| Net Asset Value, offering, and redemption price per share (\$1,566,040,132 ÷ 31,677,612 shares outstanding) | <u>\$49.44</u> |
| Class A: | |
| Net Asset Value and redemption price per share (\$29,477,163 ÷ 603,052 shares outstanding) | <u>\$48.88</u> |
| Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price) | <u>\$51.86</u> |
| Class C: | |
| Net Asset Value and offering price per share (\$40,548,987 ÷ 902,993 shares outstanding) | <u>\$44.91(b)</u> |
| Class I: | |
| Net Asset Value, offering, and redemption price per share (\$498,493,674 ÷ 10,112,106 shares outstanding) | <u>\$49.30</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 (net of foreign withholding taxes of \$1,044,554) | \$ 42,384,588 |
| Interest | 21,900 |
| Total Income | <u>42,406,488</u> |
| Expenses: | |
| Investment advisory fees | 25,305,347 |
| Distribution fees - Class AAA | 4,642,306 |
| Distribution fees - Class A | 85,767 |
| Distribution fees - Class C | 538,461 |
| Distribution fees - Class T | 2 |
| Shareholder services fees | 1,483,878 |
| Custodian fees | 304,478 |
| Shareholder communications expenses | 211,321 |
| Trustees' fees | 187,000 |
| Interest expense | 98,034 |
| Registration expenses | 94,380 |
| Legal and audit fees | 87,264 |
| Accounting fees | 45,000 |
| Miscellaneous expenses | 142,955 |
| Total Expenses | <u>33,226,193</u> |
| Less: | |
| Expenses paid indirectly by broker (See Note 6) | <u>(18,482)</u> |
| Net Expenses | <u>33,207,711</u> |
| Net Investment Income | <u>9,198,777</u> |
| Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency: | |
| Net realized gain on investments | 212,174,718 |
| Net realized loss on foreign currency transactions | <u>(86,044)</u> |
| Net realized gain on investments and foreign currency transactions | <u>212,088,674</u> |
| Net change in unrealized appreciation/depreciation: | |
| on investments | (398,138,398) |
| on foreign currency translations | <u>(6,129)</u> |
| Net change in unrealized appreciation/depreciation on investments and foreign currency translations | <u>(398,144,527)</u> |
| Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency | <u>(186,055,853)</u> |
| Net Decrease in Net Assets Resulting from Operations | <u>\$(176,857,076)</u> |

See accompanying notes to financial statements.

The Gabelli Asset 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..... | \$ 9,198,777 | \$ 4,893,261 |
| Net realized gain on investments and foreign currency transactions | 212,088,674 | 232,170,521 |
| Net change in unrealized appreciation/depreciation on investments and foreign currency translations..... | <u>(398,144,527)</u> | <u>248,708,317</u> |
| Net Increase/(Decrease) in Net Assets Resulting from Operations | <u>(176,857,076)</u> | <u>485,772,099</u> |
| Distributions to Shareholders: | | |
| Accumulated earnings | | |
| Class AAA..... | (144,412,932) | (159,614,188) |
| Class A | (2,562,379) | (3,229,484) |
| Class C | (3,977,895) | (5,476,594) |
| Class I | (47,573,628) | (50,444,425) |
| Class T*..... | <u>—</u> | <u>(89)</u> |
| Total Distributions to Shareholders(a) | <u>(198,526,834)</u> | <u>(218,764,780)(b)</u> |
| Shares of Beneficial Interest Transactions: | | |
| Class AAA..... | (133,265,773) | (195,754,410) |
| Class A | (5,437,841) | (22,503,465) |
| Class C | (15,546,195) | (15,644,906) |
| Class I | (1,035,992) | 41,907,833 |
| Class T*..... | <u>(1,176)</u> | <u>1,089</u> |
| Net Decrease in Net Assets from Shares of Beneficial Interest Transactions | <u>(155,286,977)</u> | <u>(191,993,859)</u> |
| Redemption Fees | <u>1,445</u> | <u>644</u> |
| Net Increase/(Decrease) in Net Assets | <u>(530,669,442)</u> | <u>75,014,104</u> |
| Net Assets: | | |
| Beginning of year | <u>2,665,229,398</u> | <u>2,590,215,294</u> |
| End of year | <u>\$2,134,559,956</u> | <u>\$2,665,229,398</u> |

(a) 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.

(b) For the year ended December 31, 2017, the distributions to shareholders from net investment income were \$2,821,975 (Class AAA), \$44,974 (Class A), \$2,373,743 (Class I) and \$3 (Class T*) and net realized gain were \$156,792,213 (Class AAA), \$3,184,510 (Class A), \$5,476,594 (Class C), \$48,070,682 (Class I) and \$86 (Class T*).

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

See accompanying notes to financial statements.

The Gabelli Asset Fund

Financial Highlights

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

| Year Ended December 31 | Income (Loss) from Investment Operations | | | | Distributions | | | Ratios to Average Net Assets/ Supplemental Data | | | | | | | |
|---------------------------|---|--|---------------------------------------|--|--|-----------------------------|---|--|--------------------------|---------------------------------------|------------------|---|---------------------------------------|-----------------------|-------------------------------|
| | Net Asset Value, Beginning of Year | Net Investment Income (Loss)(a) | Realized Gain on Investments | Unrealized Gain (Loss) on Investments | Total from Investment Operations | Net Investment Income | Net Realized Gain on Investments | Total Distributions | Redemption Fees (all) | Net Asset Value, End of Year | Total Return† | Net Assets End of Year (in 000's) | Net Investment Income (Loss) | Operating Expenses | Portfolio Turnover Rate |
| Class AAA | | | | | | | | | | | | | | | |
| 2018 | \$58.97 | \$ 0.19 | \$ (4.77) | \$ (4.58) | \$ (4.78) | \$ (0.17) | \$ (4.78) | \$ (4.95) | \$0.00 | \$49.44 | (7.7)% | \$1,566,040 | 0.32% | 1.35%(c) | 2% |
| 2017 | 53.33 | 0.09 | 10.67 | 10.76 | (5.03) | (0.09) | (5.03) | (5.12) | 0.00 | 58.97 | 20.2 | 1,973,845 | 0.15 | 1.35(c) | 2 |
| 2016 | 54.10 | 0.33 | 5.96 | 6.29 | (6.64) | (0.42) | (6.64) | (7.06) | 0.00 | 53.33 | 11.6 | 1,966,374 | 0.59 | 1.36(c) | 3 |
| 2015 | 65.39 | 0.20 | (3.93) | (3.73) | (7.35) | (0.21) | (7.35) | (7.56) | 0.00 | 54.10 | (5.9) | 2,160,274 | 0.31 | 1.35(c) | 3 |
| 2014 | 65.31 | 0.19 | 3.04 | 3.23 | (2.98) | (0.17) | (2.98) | (3.15) | 0.00 | 65.39 | 4.9 | 3,011,541 | 0.28 | 1.35 | 5 |
| Class A | | | | | | | | | | | | | | | |
| 2018 | \$58.36 | \$ 0.19 | \$ (4.72) | \$ (4.53) | \$ (4.78) | \$ (0.17) | \$ (4.78) | \$ (4.95) | \$0.00 | \$48.88 | (7.7)% | \$ 29,477 | 0.32% | 1.35%(c) | 2% |
| 2017 | 52.80 | 0.09 | 10.57 | 10.66 | (5.03) | (0.07) | (5.03) | (5.10) | 0.00 | 58.36 | 20.2 | 39,598 | 0.15 | 1.35(c) | 2 |
| 2016 | 53.62 | 0.33 | 5.90 | 6.23 | (6.64) | (0.41) | (6.64) | (7.05) | 0.00 | 52.80 | 11.6 | 56,913 | 0.59 | 1.36(c) | 3 |
| 2015 | 64.88 | 0.20 | (3.91) | (3.71) | (7.35) | (0.20) | (7.35) | (7.55) | 0.00 | 53.62 | (5.9) | 74,447 | 0.31 | 1.35(c) | 3 |
| 2014 | 64.82 | 0.19 | 3.02 | 3.21 | (2.98) | (0.17) | (2.98) | (3.15) | 0.00 | 64.88 | 4.9 | 110,428 | 0.28 | 1.35 | 5 |
| Class C | | | | | | | | | | | | | | | |
| 2018 | \$54.28 | \$(0.23) | \$ (4.36) | \$ (4.59) | \$ (4.78) | — | \$ (4.78) | \$ (4.78) | \$0.00 | \$44.91 | (8.4)% | \$ 40,549 | (0.43)% | 2.10%(c) | 2% |
| 2017 | 49.72 | (0.32) | 9.91 | 9.59 | (5.03) | — | (5.03) | (5.03) | 0.00 | 54.28 | 19.3 | 63,821 | (0.59) | 2.10(c) | 2 |
| 2016 | 50.87 | (0.08) | 5.57 | 5.49 | (6.64) | — | (6.64) | (6.64) | 0.00 | 49.72 | 10.8 | 72,850 | (0.16) | 2.11(c) | 3 |
| 2015 | 62.21 | (0.27) | (3.72) | (3.99) | (7.35) | — | (7.35) | (7.35) | 0.00 | 50.87 | (6.6) | 96,670 | (0.44) | 2.10(c) | 3 |
| 2014 | 62.58 | (0.30) | 2.91 | 2.61 | (2.98) | — | (2.98) | (2.98) | 0.00 | 62.21 | 4.1 | 125,548 | (0.47) | 2.10(c) | 5 |
| Class I | | | | | | | | | | | | | | | |
| 2018 | \$58.85 | \$ 0.34 | \$ (4.78) | \$ (4.44) | \$ (4.78) | \$(0.33) | \$ (4.78) | \$(5.11) | \$0.00 | \$49.30 | (7.5)% | \$ 498,494 | 0.57% | 1.10%(c) | 2% |
| 2017 | 53.22 | 0.23 | 10.68 | 10.91 | (5.03) | (0.25) | (5.03) | (5.28) | 0.00 | 58.85 | 20.5 | 587,964 | 0.40 | 1.10(c) | 2 |
| 2016 | 54.01 | 0.47 | 5.95 | 6.42 | (6.64) | (0.57) | (6.64) | (7.21) | 0.00 | 53.22 | 11.8 | 494,078 | 0.84 | 1.11(c) | 3 |
| 2015 | 65.33 | 0.37 | (3.94) | (3.57) | (7.35) | (0.40) | (7.35) | (7.75) | 0.00 | 54.01 | (5.6) | 480,480 | 0.57 | 1.10(c) | 3 |
| 2014 | 65.25 | 0.35 | 3.06 | 3.41 | (2.98) | (0.35) | (2.98) | (3.33) | 0.00 | 65.33 | 5.2 | 374,638 | 0.52 | 1.10 | 5 |

† 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 applicable sales charges. Total return for a period of less than one year is not annualized.

(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 Asset Fund

Notes to Financial Statements

1. Organization. The Gabelli Asset Fund was organized on November 25, 1985 as a Massachusetts business trust and commenced investment operations on March 3, 1986. 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 growth of capital. The Fund's secondary goal is to provide current income.

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 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).

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

The Gabelli Asset Fund

Notes to Financial Statements (Continued)

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 Asset 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: | | | | |
| Aerospace | \$ 34,156,098 | — | \$85,960 | \$ 34,242,058 |
| Airlines | — | \$ 145,000 | — | 145,000 |
| Energy and Utilities | 63,387,521 | — | 0 | 63,387,521 |
| Financial Services | 217,416,993 | 57,675 | — | 217,474,668 |
| Manufactured Housing and Recreational Vehicles | 4,544,732 | 400,000 | — | 4,944,732 |
| Other Industries (a) | 1,843,326,528 | — | — | 1,843,326,528 |
| Total Common Stocks | 2,162,831,872 | 602,675 | 85,960 | 2,163,520,507 |
| Closed End Funds (a) | 6,000,253 | — | — | 6,000,253 |
| Preferred Stocks (a) | — | 497,385 | — | 497,385 |
| Rights (a) | — | — | 200 | 200 |
| Warrants (a) | — | 413,400 | — | 413,400 |
| TOTAL INVESTMENTS IN SECURITIES – ASSETS | \$2,168,832,125 | \$1,513,460 | \$86,160 | \$2,170,431,745 |

(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 Asset 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 backtesting 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 10% 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.

Investments in other Investment Companies. The Fund may invest, from time to time, in shares of other investment companies (or entities that would be considered investment companies but are excluded from the definition pursuant to certain exceptions under the 1940 Act) (the Acquired Funds) in accordance with the 1940 Act and related rules. Shareholders in the Fund would bear the pro rata portion of the periodic expenses of

The Gabelli Asset Fund

Notes to Financial Statements (Continued)

the Acquired Funds in addition to the Fund's expenses. For the year ended December 31, 2018, the Fund's pro rata portion of the periodic expenses charged by the Acquired Funds was less than one basis point.

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 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 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 utilization of tax equalization and prior year long term capital gain reversal on real estate investment trusts. These reclassifications have no impact on the NAV of the Fund. For the fiscal year ended December 31, 2018, reclassifications were made to increase paid-in capital by \$17,228,240, 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) | \$ 9,562,188 | \$ 5,513,510 |
| Net long term capital gains | 206,021,065 | 232,578,711 |
| Total distributions paid | <u>\$215,583,253</u> | <u>\$238,092,221</u> |

* Total distributions paid differs from the Statement of Changes in Net Assets due to the utilization of equalization.

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

The Gabelli Asset Fund

Notes to Financial Statements (Continued)

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:

| | |
|--|------------------------|
| Undistributed long term capital gains | \$ 3,635,043 |
| Net unrealized appreciation on investments and foreign currency translations | 1,400,651,887 |
| Total | <u>\$1,404,286,930</u> |

At December 31, 2018, the differences between book basis and tax basis net unrealized appreciation were primarily due to mark-to-market adjustments on investments considered passive foreign investment companies and basis adjustments on investments in partnerships.

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 | \$769,776,648 | \$1,441,087,863 | \$(40,432,766) | \$1,400,655,097 |

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. Each Trustee is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended and the Chairman of the Audit Committee and the Lead Trustee each receives an annual fee of \$2,000. The Chairman of the Nominating Committee receives \$1,000 annually. 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.

The Gabelli Asset Fund

Notes to Financial Statements (Continued)

4. Distribution Plan. The Fund's Board has adopted a distribution plan (the Plan) for each class of shares, except 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 \$44,103,937 and \$399,432,157, respectively.

6. Transactions with Affiliates and Other Arrangements. During the year ended December 31, 2018, the Fund paid \$115,861 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser. Additionally, the Distributor retained a total of \$10,895 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 broker arrangement during this period was \$18,482.

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 on 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 was \$27,260,000 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 \$3,710,052 with a weighted average interest rate of 3.32%. The maximum amount borrowed at any time during the year ended December 31, 2018 was \$57,732,000.

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

The Gabelli Asset Fund

Notes to Financial Statements (Continued)

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..... | 376,365 | \$ 22,027,493 | 457,799 | \$ 26,337,153 |
| Shares issued upon reinvestment of distributions..... | 2,788,826 | 136,609,152 | 2,559,280 | 151,256,170 |
| Shares redeemed | (4,957,588) | (291,902,418) | (6,421,901) | (373,347,733) |
| Net decrease | <u>(1,792,397)</u> | <u>\$(133,265,773)</u> | <u>(3,404,822)</u> | <u>\$(195,754,410)</u> |
| Class A | | | | |
| Shares sold..... | 109,905 | \$ 6,039,598 | 61,828 | \$ 3,551,182 |
| Shares issued upon reinvestment of distributions..... | 48,229 | 2,335,787 | 50,505 | 2,954,019 |
| Shares redeemed | (233,549) | (13,813,226) | (511,739) | (29,008,666) |
| Net decrease | <u>(75,415)</u> | <u>\$ (5,437,841)</u> | <u>(399,406)</u> | <u>\$ (22,503,465)</u> |
| Class C | | | | |
| Shares sold..... | 82,728 | \$ 4,404,893 | 88,247 | \$ 4,743,068 |
| Shares issued upon reinvestment of distributions..... | 81,680 | 3,634,745 | 88,624 | 4,822,031 |
| Shares redeemed | (437,185) | (23,585,833) | (466,453) | (25,210,005) |
| Net decrease | <u>(272,777)</u> | <u>\$ (15,546,195)</u> | <u>(289,582)</u> | <u>\$ (15,644,906)</u> |
| Class I | | | | |
| Shares sold..... | 1,377,477 | \$ 81,871,346 | 2,005,140 | \$ 116,932,196 |
| Shares issued upon reinvestment of distributions..... | 894,832 | 43,703,607 | 782,917 | 46,176,445 |
| Shares redeemed | (2,151,276) | (126,610,945) | (2,080,694) | (121,200,808) |
| Net increase/(decrease)..... | <u>121,033</u> | <u>\$ (1,035,992)</u> | <u>707,363</u> | <u>\$ 41,907,833</u> |
| Class T* | | | | |
| Shares sold..... | — | — | 17 | \$ 1,000 |
| Shares issued upon reinvestment of distributions..... | — | — | 2 | 89 |
| Shares redeemed | (19) | \$ (1,176) | — | — |
| Net increase/(decrease)..... | <u>(19)</u> | <u>\$ (1,176)</u> | <u>19</u> | <u>\$ 1,089</u> |

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

9. 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.

10. Subsequent Events. Management has evaluated the impact on the Fund of all 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 Asset Fund

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and
Shareholders of The Gabelli Asset Fund:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Gabelli Asset Fund (the “Fund”) as of December 31, 2018, the related statement of operations for the year ended December 31, 2018, the statement of changes in net assets for each of the two years in the period ended December 31, 2018, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2018 (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 as of 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 ended December 31, 2018 and the financial highlights for each of the five years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

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 of these financial statements 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.

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 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. Our procedures included confirmation of securities owned as of December 31, 2018 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 28, 2019

We have served as the auditor of one or more investment companies in Gabelli/GAMCO Fund Complex since 1986.

The Gabelli Asset 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 Asset 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 and Chief Investment Officer Age: 76 | Since 1986 | 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) |
| John D. Gabelli Trustee Age: 74 | Since 1999 | 12 | Senior Vice President of G.research, LLC | — |
| INDEPENDENT TRUSTEES⁵: | | | | |
| Anthony J. Colavita Trustee Age: 83 | Since 1989 | 20 | President of the law firm of Anthony J. Colavita, P.C. | — |
| James P. Conn Trustee Age: 80 | Since 1992 | 26 | Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings Ltd. (1992-1998) | — |
| Kuni Nakamura⁶ Trustee Age: 50 | Since 2009 | 37 | President of Advanced Polymer, Inc. (chemical manufacturing company); President of KEN Enterprises, Inc. (real estate) | — |
| Anthony R. Pustorino Trustee Age: 93 | Since 1986 | 10 | Certified Public Accountant; Professor Emeritus, Pace University | Director of The LGL Group, Inc. (diversified manufacturing) (2004-2011) |
| Werner J. Roeder Trustee Age: 78 | Since 2001 | 23 | Retired physician; Former Vice President of Medical Affairs (Medical Director) of New York Presbyterian/Lawrence Hospital (1999-2014) | — |
| Anthonie C. van Ekris⁶ Trustee Age: 84 | 1986-1989 1992-present | 23 | Chairman and Chief Executive Officer of BALMAC International, Inc. (global import/export company) | — |
| Salvatore J. Zizza Trustee Age: 73 | 1986-1996 2000-present | 32 | President of Zizza & Associates Corp. (private holding company); Chairman of BAM (semiconductor and aerospace manufacturing); President of Bergen Cove Realty Inc.; Chairman of Metropolitan Paper Recycling Inc. (recycling) (2005-2014) | Director and Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor Diversified Inc. (pharmaceuticals) (2009-2018) |

The Gabelli Asset Fund

Additional Fund Information (Continued) (Unaudited)

| <u>Name, Position(s) Address¹ and Age</u> | <u>Term of Office and Length of Time Served²</u> | <u>Principal Occupation(s) During Past Five Years</u> |
|---|---|--|
| OFFICERS: | | |
| Bruce N. Alpert President Age: 67 | Since 1988 | 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 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 previous 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. Messrs. Mario J. Gabelli and John D. Gabelli, who are brothers, are each considered an "interested person" because of their 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. van Ekris is an independent director of Gabelli International Ltd., Gabelli Fund LDC, Gama Capital Opportunities Master Ltd., and GAMCO International SICAV, and Mr. Nakamura is a director of Gabelli Merger Plus+ Trust Plc, all of 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.

THE GABELLI ASSET FUND

2018 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the fiscal year ended December 31, 2018, the Fund paid to shareholders ordinary income distributions (comprised of net investment income and short term capital gains) totaling \$0.1875, \$0.1811, \$0.0152, and \$0.3465 per share for Class AAA, Class A, Class C, and Class I, respectively, and long term capital gains totaling \$206,021,065, or the maximum allowable. The distribution of long term capital gains has been designated as a capital gain dividend by the Fund's Board of Trustees. For the 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 0.05% of the ordinary income distribution as qualified interest income pursuant to the Tax Relief, Unemployment Reauthorization, and Job Creation Act of 2010. The Fund designates 100.00% of the ordinary income distribution as qualified 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 the fiscal year ended December 31, 2018 which was derived from U.S. Treasury securities was 0.04%. 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 Gabelli Asset Fund did not meet this strict requirement in 2018. The percentage of U.S. Government securities held as of December 31, 2018 was 0.00%. 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.

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.

This page was intentionally left blank.

This page was intentionally left blank.

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

Portfolio Management Team Biographies

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.

Christopher J. Marangi joined Gabelli in 2003 as a research analyst. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Marangi graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College and holds an MBA degree with honors from Columbia Business School.

Kevin V. Dreyer joined Gabelli in 2005 as a research analyst covering companies within the consumer sector. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA degree from Columbia Business School.

Jeffrey J. Jonas, CFA, joined Gabelli in 2003 as a research analyst focusing on companies across the healthcare industry. In 2006, he began serving as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Jonas was a Presidential Scholar at Boston College, where he received a BS in Finance and Management Information Systems.

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 ASSET 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.

James P. Conn
Former Chief Investment
Officer,
Financial Security Assurance
Holdings Ltd.

John D. Gabelli
Senior Vice President,
G.research, LLC

Kuni Nakamura
President,
Advanced Polymer, Inc.

Anthony R. Pustorino
Certified Public Accountant,
Professor Emeritus,
Pace University

Werner J. Roeder
Former Medical Director,
Lawrence Hospital

Anthonie C. van Ekris
Chairman,
BALMAC International, Inc.

Salvatore J. Zizza
Chairman,
Zizza & Associates Corp.

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



THE GABELLI ASSET FUND

Annual Report
December 31, 2018

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