The Gabelli Asset Fund

Shareholder Commentary – June 30, 2018

(Y)our Portfolio Management Team

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To Our Shareholders,

For the quarter ended June 30, 2018, the net asset value ("NAV") per Class AAA Share of The Gabelli Asset Fund increased 2.1% compared with an increase of 3.4% for the Standard & Poor's ("S&P") 500 Index. Other classes of shares are available. See page 2 for performance information for all classes.

Politics, the Economy and the Markets

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, remain favorable. The Federal Reserve's program of interest rate normalization is on track after two hikes this year. While the market appears to be taking the strong trade rhetoric from the Trump administration in stride, this global game of chicken could get out of control, with significant consequences for consumer prices and employment. The mere threat of a trade war may have already had a deleterious impact on planned investment. Attacks on free trade by a U.S. president aren't novel, but the current tone is more strident than in the past; coming from the country that authored the systems governing post-WWII commerce, these attacks could have negative, albeit indeterminable, consequences for the market's confidence in the free market.

Whether the presidential candidacy of Sen. Bernie Sanders, the June election of Andrés Manuel Lopez Obrador as president of Mexico, the rise of democratic socialist Jeremy Corbyn in the U.K., or the primary defeat of a powerful Democratic congressman by democratic socialist Alexandra Ocasio-Cortez in New York's 14th congressional district, examples abound of dissatisfaction with the current state of affairs. Such tensions have likely been fueled by changing technology, demographics, and globalization. Capitalism has survived far worse. In fact, one of its beauties has been the ability to subsume these trends and ultimately raise the living

Comparative Results

Average Annual Returns through June 30, 2018 (a)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (3/3/86)
Class AAA (GABAX)	2.08%	10.85%	9.25%	8.75%	9.68%	11.82%
S&P 500 Index	3.43	14.37	13.42	10.17	9.30	10.47(b)
Dow Jones Industrial Average	1.26	16.26	12.89	10.73	9.55	11.41(b)
Nasdaq Composite Index	6.61	23.71	18.61	13.96	12.01	10.42(b)
Class A (GATAX)	2.10	10.86	9.25	8.75	9.68	11.82
With sales charge (c)	(3.77)	4.48	7.97	8.11	9.25	11.61
Class C (GATCX)	1.89	10.02	8.43	7.94	8.90	11.45
With contingent deferred sales charge (d)	0.89	9.02	8.43	7.94	8.90	11.45
Class I (GABIX)	2.15	11.13	9.52	9.02	9.87	11.91
Class T (GATTX)	2.08	10.89	9.26	8.76	9.69	11.83
With sales charge (e)	(0.47)	8.12	8.71	8.48	9.50	11.59

In the current prospectuses dated April 30, 2018, the expense ratios for Class AAA, A, C, I, and T Shares are 1.35%, 1.35%, 2.10%, 1.10%, and 1.35%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares, Class C Shares, and Class T Shares is 5.75%, 1.00%, and 2.50%, 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. Performance returns for periods of less than one year are not annualized. 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, Class I Shares on January 11, 2008, and Class T Shares on July 5, 2017. The actual performance of the Class A Shares, Class C Shares, and Class T 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) S&P 500 Index, Dow Jones Industrial Average, and Nasdaq Composite Index since inception performance results are as of February 28, 1986.

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

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

(e) Performance results include the effect of the maximum 2.50% sales charge at the beginning of the period.

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. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, are available on our website at www.gabelli.com.

standards of broad swaths of the population. We continue to closely monitor trade volleys, the rate cycle and the U.S. mid-term elections, while maintaining a diversified portfolio of strong companies trading at attractive discounts to their Private Market Values.

The New "Nifty Fifty"?

Market returns so far this year have been dominated by the "FANG" – Facebook, Amazon, Netflix, and Google (now Alphabet). These four stocks accounted for 1.6 percentage points of the S&P 500's 2.6% first half return; adding tech giants Apple and Microsoft (resulting in a group known by several acronyms, but we'll use FANGMA) brings the total to 2.5 percentage points, or virtually the entire positive performance of the index. More broadly, the top ten contributors to the S&P's return, which includes the six members of the FANGMA, accounted for over 3.1 percentage points, or 116% of the S&P's return. 2015 played out similarly, with the FANGMA returning 2.3% vs the S&P 500's 1.4% (172% of the total) and the top ten returning 3.3% or 244% of the S&P's return.

Much has been written about this apparent level of return concentration – but is it truly unusual? The answer, it turns out, is that while 2015 and the first half of 2018 are outliers, the level of concentration in most other recent years has been run-of-the-mill. Since 1988, the best performing ten and twenty stocks have accounted for approximately 40% and 60% of the total returns of the index. For 2014, 2016, and 2017, the top ten stocks accounted for 28%, 29%, and 31% of returns. This should not be surprising considering that the concept of contribution to return has two components: price appreciation for the year and the average weight of the stock in the index for the year, the result of which is that large companies that are up a little can contribute far more to returns than small companies that are up a lot. What makes the last few years seem different is that the same companies (i.e. the FANGMA) dominate the top contributors list more than any other group of stocks has in the last thirty years. In the six years since CNBC personality Jim Cramer coined the moniker FANG, Facebook, Amazon, Alphabet, and Apple have appeared four times (notably, Amazon was among the largest detractors from the S&P in 2014) – Microsoft, the grizzled technology veteran left out of the FANG, appeared all six times.

Adding to the attention given the FANG is the dominance and growth of their respective platforms and the above average valuations that they garner. This has drawn some comparisons to the tech bubble of the late 1990s, but that comparison understates the cash generating power and genuine competitive advantages of the FANG. A more apt, though still imperfect, analogy may be to compare the 1990s tech bubble to the fads and extreme optimism of the mid-1960s "Go-Go stocks" which crashed in the 1970 bear market, only to give way to the "Nifty Fifty" list of stocks compiled by Morgan Guaranty Trust for institutional clients in the early 1970s. Like today's FANGMA, this list included industry leaders with strong balance sheets and above average growth rates and P/E ratios (an average of 42x vs the S&P 500's 19x in 1972) such as Disney, McDonald's, and Xerox – one-decision stocks that should be bought and held forever. These stocks indeed led the market and were among the last to crash in the 1973-1974 bear market (one, incidentally, precipitated by the fall of the post-war monetary system and a U.S. president), but later ended up declining far more spectacularly than the S&P 500. In 1998, Wharton professor Jeremy Siegel showed that these Nifty Fifty stocks underperformed the S&P 500 in the subsequent 25 years, though the extent of the underperformance is up for methodological debate. Some of these stocks remain leaders today, while many were subsumed by others or ceased to exist. In any case, their times had passed and they turned out to be vulnerable.

Humans make sense of the present and seek insight into the future by examining the past. Fact patterns and outcomes may differ, but the Nifty Fifty episode offers some lessons. First, there are no such things as “can’t miss” stocks. Habits evolve, technologies change, and companies mature. It’s a cycle as old as capitalism itself. Wal-Mart encroaches upon Sears and Amazon attacks Wal-Mart. Some companies manage to cheat death, but the Apple story, for example, could have been much different if not for the return of Steve Jobs, and these nuances can be difficult to predict. Which brings us to the second point: valuation (and by extension, stock picking) matters. A company may have a very bright future, but the stock won’t shine if it already discounts that growth. And, in our view, the higher the growth rate, the less predictable/the higher the variability around that growth rate tends to be. Thus, we would require a greater discount to our appraisal of value to make that investment in growth.

At the moment, (y)our Fund has only modest exposure to certain members of the FANGMA, not because we are skeptical of their businesses or because we are allergic to owning growth companies, but because in general they have either not met our valuation criteria or they are outside our areas of core competency. Valuations and outlooks change, however, and given the likely staying power of many of these enterprises, they may become more prominent in (y)our portfolio. In the meantime, we have owned many other regular top contributors to S&P returns (e.g. Comcast, Berkshire Hathaway), and are always on the lookout for the stocks that will outstrip the FANGMA.

Deals, Deals & More Deals

In the first half of 2018, global deal making hit a record $2.5 trillion (+61% year-on-year), including a record $1 trillion (+79%) of activity in the U.S. The underpinnings for industry consolidation remain strong: historically low interest rates, improving business confidence, and scarce organic growth opportunities. Countervailing these dynamics are the prospects for a more assertive Department of Justice and heightened trade tensions. During the quarter, however, the Department of Justice was dealt a setback when U.S. District Court Judge Richard Leon rejected the government’s challenge to the AT&T/Time Warner merger, allowing that deal to close and easing the way for other vertical mergers. Elongated merger approvals by the Chinese government and collateral damage from the aforementioned trade war, are likely the main uncertainties going forward.

In addition to the closing the Time Warner deal, (y)our portfolio benefited from several other announcements. After a multi-year courtship, T-Mobile (0.1% of net assets as of June 30, 2018) and Sprint (0.1%) finally came to terms and are attempting a highly synergistic consolidation of U.S. wireless competitors from four to three. Second, Vodafone agreed to acquire Liberty Global’s (0.6%) German and Eastern European assets for an attractive 11x+ EBITDA, leaving Liberty a little less global, but with enough cash to significantly shrink its market capitalization after closing next year. Finally, ConAgra (0.5%) agreed to acquire Pinnacle Foods, a company Conagra (0.5%) CEO Sean Connolly targeted in his prior role at Hillshire Brands; the combination would strengthen its already significant presence the growing frozen foods category.

The takeover battle for Twenty-First Century Fox (3.5%) has been a true summer blockbuster. In December 2017, the Walt Disney Company agreed to acquire the non-U.S. and entertainment assets of Fox for ~$28 in stock (Fox's remaining broadcast, cable news, and sports assets are likely worth another $12). Seeing a regulatory opening with the closing of the Time Warner deal, in early June Comcast (0.5%) bid $35 in cash. Disney subsequently countered with ~$38 in cash and stock, and followed with the announcement that its deal had already been blessed by the Department of Justice. As of this writing, Comcast could walk away, increase its bid for Fox, or focus on acquiring specific parts of Fox, such as its European Sky distribution and content platform. At stake is global scale enabling Comcast and/or Disney to take their place among the Internet giants to become direct-to-consumer entertainment destinations of tomorrow. It's likely that the entity that does not come away with Fox will look at other assets, ensuring that media will remain a focus for deal activity in the future.

Investment Scorecard

The Fund's long-standing largest position – Twenty-First Century Fox (3.5% of net assets as of June 30, 2018) (+35%) – also happened to be the largest contributor to returns in the second quarter. As discussed above, its non-U.S. and entertainment assets are the subject of a bidding war between Comcast (0.5%) and Disney. Discovery Communications (0.8%) (+31%) appreciated in part because it is increasingly viewed as an alternate takeover target for Comcast and because of increased synergies from its own acquisition of Scripps Networks. Madison Square Garden (1.7%) (+26%) added to gains for the year with the announcement that it would likely spin-off the Knicks and Rangers as a separate entity. Smokeless tobacco and cigar producer Swedish Match (1.7%)(+15%) delivered excellent financial results in the quarter with the company now nearing profitability for snus and nicotine pouches outside Scandinavia as its ZYN brand continues to gain traction (now available in 10,000 stores). Lastly, soy sauce, soy milk, and vegetable juice maker Kikkoman's (0.9%) shares rose 25% in the quarter, as the company delivered strong fiscal 2018 results (ending March 30) and laid out ambitious targets going forward.

After strong performances in 2017, several industrial companies including Xylem (1.1%) (-12%), Crane (1.0%) (-13%), Deere (1.2%) (-10%) and CNH Industrial (0.7%) (-14%) retreated on fears of a maturing economic cycle compounded by concerns about the impact of a trade war, including higher input costs. MGM Resorts (0.4%) (-17%), the owner of properties in Macau and Cotai, was also impacted by the unknowns of how the Chinese government might react to a trade dispute. Distilled spirits maker and owner of the Jack Daniel's brand Brown Forman (2.3%) (-8%) was also impacted by the imposition by the European Union of a 25% tariff on American Whiskey. While the company announced yet another quarter of strong growth in sales, adjusted operating income declined due to stepped up marketing investment following tax reform. Furthermore, the company's CEO, Paul Varga, announced his retirement (after 31 years with the company) and will be succeeded by COO Lawson Whiting.

Conclusion

We continue to believe we are well positioned for almost any economic backdrop by focusing on companies possessing pricing power, skilled management, and flexible balance sheets that trade at meaningful discounts to the Private Market Values. Our investment environment remains catalyst rich with financial engineering, and still low borrowing costs driving acquisition activity.

Let's Talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the share prices are listed first in United States dollars (USD) and second in the local currency, where applicable, and are presented as of June 30, 2018.

American Express (1.1 % of net assets as of June 30, 2018) (AXP – $98.00 – NYSE) – is the largest closed loop credit card company in the world. The company operates its eponymous premiere branded payment network and lends to its largely affluent customer base. American Express has 113 million cards in force and nearly $70 billion in loans, while its customers charged over $1.1 trillion of spending on their cards in 2017. The company's strong consumer brand has allowed American Express to enter the deposit gathering market as an alternate source of funding, while the company's affluent customers have picked up spending. Longer term, American Express should capitalize on its higher spending customer base and continue to expand into other payment related businesses, such as corporate purchasing, while also growing in emerging markets. Similarly, the company is looking at the growing success of social media as an opportunity to expand its product base and payment options.

AMETEK Inc. (2.0%) (AME – $72.16 – NYSE) is a diversified supplier of highly engineered equipment used in a broad array of industrial end markets. The company offers a diverse product portfolio including test and measurement, metrology, and precision motion control equipment in addition to specialty materials and aftermarket services. Thus far in 2018, AMETEK has spent $270 million acquiring two businesses (following $560 million spent on three acquisitions during full-year 2017). The company currently has over $550 million of cash on its balance sheet and over $800 million of availability on its revolver and expects to remain active on the acquisition front. While the stock traded down during Q2 as concerns have heightened around trade barriers and input cost inflation, AMETEK has demonstrated consistent pricing power and expects to more than offset cost inflation via price increases this year.

Bank of New York Mellon Corp. (1.4%) (BK – $53.93 – NYSE) is a global leader in providing financial services to institutions and individuals. The company operates in more than 100 markets worldwide and strives to be the global provider of choice for investment management and investment services. As of June 30, 2018, the firm had $33.6 trillion in assets under custody and $1.9 trillion in assets under management. Going forward, we expect BK to benefit from rising global incomes and the cross border movement of financial transactions. We believe BK is also well positioned to grow earnings in a rising interest rate environment, given its large customer cash deposits and significant loan book.

Brown-Forman Corp. (2.3%) (BFA/BFB – $48.86/$49.01 – NYSE) is a leading global distilled spirits producer. Spirits is an advantaged category that enjoys high margins, low capital requirements, strong free cash flow generation, and good pricing power. The company's global brands include Jack Daniel's Tennessee whiskey, Finlandia vodka, Woodford Reserve bourbon, and el Jimador and Herradura tequilas. Jack Daniel's is one of the world's most valuable spirits brands, enjoying strong growth both in the U.S. and internationally as consumers increasingly choose to drink American whiskies. The company has also successfully expanded the brand into the fast growing flavored whiskey category. While Brown-Forman does face some near term headwinds from negative foreign currency exposure, emerging market sales have returned to growth, and the company is positioned to grow revenues and profits substantially over the next several years, and has significant balance sheet flexibility. While the company is family controlled, we believe that if it ever became available for sale it would be highly coveted by other large global spirits players.

CNH Industrial NV (0.7%) (CNHI – $10.53/€9.10 – NYSE/Borsa Italiana) with headquarters in London, England, and Burr Ridge, Illinois, is a global capital equipment manufacturer that was demerged from parent Fiat in 2013. CNHI is unique in that it has leading positions in a variety of global machinery markets. It is best known for its agricultural equipment business, consisting of Case IH, New Holland Agriculture, and Steyr brands. The company's other businesses include Iveco, a leading global truck and bus manufacturer, as well as Case and New Holland construction machinery. Finally, FPT Industrial provides engines and transmissions for the company's captive businesses and also sells to other machinery manufacturers. CNHI is well positioned, not only for a cyclical recovery in its agricultural and equipment end markets, but also for significant cash flow generation in the years ahead.

Discovery Communications, Inc. (0.8%) (DISCK/DISCA – $25.50/$27.50 – NASDAQ) located in Silver Spring, Maryland, is a global nonfiction media and entertainment company that provides programming to pay-TV distributors through network brands such as the Discovery Channel, TLC, Animal Planet, HGTV, Food Network, and ID. Discovery has an enviable business model. About 50% of revenue is generated from long-term agreements with pay-TV distributors and the company is exposed to secular growth in the international pay-TV industry. Industry leading margins are especially attractive given the low capital intensity of the cable network business. We expect the acquisition of Scripps Networks to provide meaningful cost synergies as well as improved scale. We also believe Discovery could be an attractive acquisition target for a number of larger media companies given the acceleration in industry consolidation. DISCA trades at 7.5x 2019P EBITDA which compares favorably to recent transactions: TWX was purchased at 13x EBITDA; Disney is bidding 15.5x EBITDA for FOX's assets.

Honeywell International Inc. (1.5%) (HON – $144.05 – NYSE) operates as a diversified technology company with highly engineered products, including turbine propulsion engines, auxiliary power units, turbochargers, brake pads, environmental and combustion controls, sensors, security and life safety products, resins and chemicals, nuclear services, and process technology for the petrochemical and refining industries. One of the key drivers of HON's growth is acquisitions that increase the company's growth profile globally, creating both organic and inorganic opportunities. The company recently announced its plan to spin-off its Homes product portfolio and ADI Global Distribution businesses as well as its Transportation Systems business into two publicly-traded companies.

Madison Square Garden Co. (1.7%) (MSG – $310.19 – NYSE) is an integrated sports and entertainment company that owns the New York Knicks, the New York Rangers, the Radio City Christmas Spectacular, The Forum, and that iconic New York venue, Madison Square Garden. These evergreen content and venue assets benefit from sustainable barriers to entry and long term secular growth. MSG completed the separation of its associated regional sports networks in September 2015, leaving a reliable cash flow stream for MSG to reinvest and repurchase shares. In June 2018, the company disclosed that it was exploring the spin-off of its teams, which we think could further surface value, especially as MSG expands its venue portfolio.

Republic Services Inc. (1.5%) (RSG – $68.36 – NYSE) based in Phoenix, Arizona, became the second largest solid waste company in North America after its acquisition of Allied Waste Industries in December 2008. Republic provides nonhazardous solid waste collection services for commercial, industrial, municipal, and residential customers in thirty-nine states and Puerto Rico. Republic serves more than 2,800 municipalities and operates 195 landfills, 204 transfer stations, 343 collection operations, and 90 recycling facilities. Since the Allied merger, Republic has benefited from synergies driven by route density, beneficial use of acquired assets, and reduction in redundant corporate overhead. Republic is committed to its core solid waste business. While other providers have strayed into alternative waste resource technologies and strategies, we view Republic's plan to remain steadfast in the traditional solid waste business positively. We expect continued solid waste growth acquisitions, earnings improvement, and incremental route density and internalization growth in already established markets to generate real value in the near to medium term, highlighting the company's potential.

Sony Corp. (1.8%) (SNE – $51.26 – NYSE) is a diversified electronics and entertainment company based in Tokyo, Japan. The company manufactures image sensors, televisions, PlayStation game consoles, mobile phone handsets, and cameras. It also operates the Columbia film studio and Sony Music entertainment group. We expect growth opportunity in image sensor and game business and operational improvements in consumer electronics and entertainment to generate EBITDA growth through 2018. We also think the potential spinoff of the entertainment assets could be a catalyst.

Twenty-First Century Fox Inc. (3.5%) (FOXA/FOX – $49.69/$49.27 – NASDAQ) is a diversified media company with operations in cable network television, television broadcasting, and filmed entertainment. FOX is in the process of selling the company's cable, international, and entertainment assets to Disney for $72 billion or ~$38 per share. Following the transaction, FOXA will consist of Fox News and The Fox Broadcasting Company. The company's concentration in live news and sports programming will be a significant advantage as it negotiates with both traditional and entrant distributors. Pro forma for the Disney transaction, FOXA is trading at 7.2x EBITDA, which we view as attractive.

Xylem Inc. (1.1%) (XYL – $67.38 – NYSE) is a global leader in the design, manufacturing, and application of highly engineered technologies for the transportation, treatment, measurement, and testing of water. The company is expected to benefit from favorable long term fundamentals in the water industry, driven by scarcity, population growth, aging of the infrastructure, and the need to improve water quality. Further, with a large installed base of pumps and systems, the company is well positioned to increase aftermarket revenue, which currently represents roughly 40% of total revenues. XYL expects to generate mid-teens earnings per share growth through 2020 as it accelerates its capital deployment strategy globally. The company is currently building out its infrastructure analytics capabilities as it integrates companies it has acquired in the past several years such as Sensus, Hypack, and Pure Technologies.

July 27, 2018

Top Ten Holdings **(Percent of Net Assets)**
June 30, 2018

Twenty-Frist Century Fox Inc.	3.5%	Madison Square Garden Co.	1.7%
Brown-Forman Corp.	2.3%	Genuine Parts Co.	1.5%
AMETEK Inc.	2.0%	Honeywell International Inc.	1.5%
Sony Corp.	1.8%	Republic Services Inc.	1.5%
Swedish Match AB	1.7%	Diageo plc	1.5%

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Managers only through the end of the period stated in this Shareholder Commentary. The Portfolio Managers' views are subject to change at any time based on market and other conditions. The information in this Portfolio Managers' Shareholder Commentary represents the opinions of the individual Portfolio Managers and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Managers and may differ from those of other portfolio managers or of the Firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed.

Minimum Initial Investment – $1,000

The Fund's minimum initial investment for regular accounts is $1,000. There are no subsequent investment minimums. No initial minimum is required for those establishing an Automatic Investment Plan. Additionally, the Fund and other Gabelli/GAMCO Funds are available through the no-transaction fee programs at many major brokerage firms. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. See the prospectuses for more details.

www.gabelli.com

Please visit us on the Internet. Our homepage at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Mutual Funds, IRAs, 401(k)s, current and historical quarterly reports, closing prices, and other current news. We welcome your comments and questions via e-mail at info@gabelli.com.

The Fund's daily NAVs are available in the financial press and each evening after 7:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554). Please call us during the business day, between 8:00 AM – 7:00 PM (Eastern Time), for further information.

You may sign up for our e-mail alerts at www.gabelli.com and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance.

e-delivery

We are pleased to offer electronic delivery of Gabelli fund documents. Direct shareholders of our mutual funds can elect to receive their Annual and Semiannual Reports, Manager Commentaries, and Prospectus via e-delivery. For more information or to sign up for e-delivery, please visit our website at www.gabelli.com.

Multi-Class Shares

The Gabelli Asset Fund began offering additional classes of Fund shares on December 31, 2003. Class AAA Shares are no-load shares offered directly through selected broker/dealers. Class A, Class C, and Class T Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available directly through the Fund's distributor or brokers that have entered into selling agreements specifically with respect to Class I Shares. The Board of Trustees determined that expanding the types of Fund shares available through various distribution options will enhance the ability of the Fund to attract additional investors.

THE GABELLI ASSET FUND
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Portfolio Management Team Biographies

Mario J. Gabelli, CFA, 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 the Board of Directors 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 currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Marangi graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College and holds an MBA 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 currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA from Columbia Business School.

Jeffrey J. Jonas, CFA, joined Gabelli in 2003 as a research analyst. He focuses on companies in the cardiovascular, healthcare services, and pharmacy benefits management sectors, among others. He also serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Jonas was a Presidential Scholar at Boston College, where he received a BS in Finance and Management Information Systems.

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June 30, 2018