To Our Shareholders,

For the quarter ended September 30, 2018, the net asset value (“NAV”) per Class AAA Share of The Gabelli ABC Fund increased 1.0% compared with an increase of 2.6% for the Standard & Poor’s (“S&P”) Long-Only Merger Arbitrage Index. The performance of the ICE Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index for the quarter was 0.5%. Another class of shares is available. See page 2 for performance information for both classes of shares.

So far, 2018 has been a historically strong year for mergers and acquisitions (M&A) activity. Through the first nine months of the year, global deal volume totaled $3.3 trillion, which represented a 37% increase over the same period in 2017\(^1\). Mega deals, or deals whose announced value is greater than $5 billion, accounted for 43% of the volume. This phenomenon helped offset the 9% year over year decline in the number of deals announced during the period. Although total volumes for the year have been strong, there has been a substantial slowdown in deal making activity as of late. Third quarter volumes declined 32% sequentially from second quarter levels, due in part to global trade tensions.

\(^1\)Thomson Reuters Mergers & Acquisitions Review – First Nine Months 2018

“Give a man a fish and you feed him for a day. Teach him how to arbitrage and you feed him forever.”

– Warren Buffett
### Average Annual Returns through September 30, 2018 (a) (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Quarter</th>
<th>1 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>15 Year</th>
<th>Since Inception (5/14/93)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AAA Shares (GABCX)</strong></td>
<td>0.96%</td>
<td>1.97%</td>
<td>2.25%</td>
<td>3.11%</td>
<td>3.81%</td>
<td>5.54%</td>
</tr>
<tr>
<td><strong>Advisor Shares (GADVX)</strong></td>
<td>0.97%</td>
<td>1.80%</td>
<td>2.01%</td>
<td>2.86%</td>
<td>3.61%</td>
<td>5.43%</td>
</tr>
<tr>
<td><strong>S&amp;P Long-Only Merger Arbitrage Index</strong></td>
<td>2.61%</td>
<td>5.53%</td>
<td>3.77%</td>
<td>4.32%</td>
<td>3.91%</td>
<td>3.91%</td>
</tr>
<tr>
<td><strong>Lipper U.S. Treasury Money Market Fund Average</strong></td>
<td>0.41%</td>
<td>1.16%</td>
<td>0.30%</td>
<td>0.16%</td>
<td>0.97%</td>
<td>2.13%</td>
</tr>
<tr>
<td><strong>ICE Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index</strong></td>
<td>0.49%</td>
<td>1.59%</td>
<td>0.52%</td>
<td>0.34%</td>
<td>1.30%</td>
<td>2.58%</td>
</tr>
<tr>
<td><strong>S&amp;P 500 Index</strong></td>
<td>7.71%</td>
<td>17.91%</td>
<td>13.95%</td>
<td>11.97%</td>
<td>9.65%</td>
<td>9.88%</td>
</tr>
</tbody>
</table>

In the current prospectuses dated April 30, 2018, the expense ratios for the Class AAA and the Advisor Class Shares, are 0.57% and 0.82% respectively. The Fund does not have a sales charge.

(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, 2007. 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 Long-Only Merger Arbitrage Index is comprised of a maximum of 40 large and liquid stocks that are active targets in pending merger deals. The Lipper U.S. Treasury Money Market Fund Average reflects the average performance of mutual funds classified in this particular category. The ICE Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into the outstanding Treasury Bill that matures closest to, but not beyond three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the rebalancing (month end) date. 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. Dividends are considered reinvested except for the Bank of America Merrill Lynch 3 Month U.S. Treasury Bill 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 the Advisor Class Shares on May 1, 2007. The actual performance of the Advisor Class Shares would have been lower due to the additional expenses associated with this class of shares.

(b) S&P Long-Only Merger Arbitrage Index inception date as of January 31, 2008.

(c) Lipper U.S. Treasury Money Market Fund Average and the S&P 500 Index since inception performance returns are as of April 30, 1993.
U.S. Deal Activity

Global Deal Activity

Source: Thomson Reuters/Gabelli Research
Along with mega deals, cross-border deal activity has been a major driver of 2018 volume. Cross-border M&A increased 56% year over year to $1.3 trillion in the first nine months of the year, the highest level since 2007. Deal making in the U.S. and Europe also contributed to the strong deal volume seen in 2018. U.S. M&A increased 50% year over year to $1.3 trillion and European M&A increased 64% year over year to $941.2 billion.

The Energy & Power sector continued its strong start to the year and helped push deal volumes to record levels. Volumes in the sector totaled $548.1 billion through the first nine months of the year, up 56% from last year. Deals in the Healthcare and Technology sectors also made meaningful contributions to 2018 numbers as each sector accounted for 11% of announced volume. Industrials rounded out the group of top sector contributors, accounting for 10% of the deal activity announced this year.

As the Federal Reserve continues to raise rates, it is important to recall that historically there has been a positive correlation between interest rates and arbitrage spreads. This is due to the fact that the spread is driven by the risks inherent to a particular deal as well as the risk-free rate. Typically, as the risk-free rate rises, so do annualized spreads. Corporations have had high cash balances and an appetite to grow inorganically since quantitative easing took effect in 2008. Tax reform further propels deal making. Management teams will deploy the additional excess capital in shareholder friendly ways and we anticipate that this will continue to drive M&A into the future.

**Done Deals**

*Abaxis, Inc. (ABAX)* is a Union City, California based medical company that provides point of care products to the veterinary industry. On May 16, 2018, ABAX agreed to be acquired by Zoetis Inc. for $83 per share in cash representing a $2 billion valuation. The deal was subject to shareholder and regulatory approvals and closed on August 1, 2018. The Fund earned a 4.98% annualized return.

*Cotiviti Holdings, Inc. (COTV)* is an Atlanta, Georgia based payments and spend management company focused on serving the healthcare sector. On June 19, 2018 COTV agreed to be acquired by Verscend Technologies, Inc. for $44.75 per share in cash representing a total enterprise value of $4.9 billion. The deal was subject to regulatory and shareholder approvals and closed on August 27, 2018. The Fund earned a 5.18% annualized return.

*Foundation Medicine, Inc. (FMI)* is a Cambridge, Massachusetts based molecular information and genomic profiling company. On June 19, 2018 FMI agreed to be acquired by Roche Holding AG for $137 per share in cash representing a $2.4 billion value. The deal was subject to regulatory approvals, required a majority of FMI shares excluding those already held by Roche to be tendered and closed on July 31, 2018. The Fund earned a 3.08% annualized return.

*Jamba, Inc. (JMBA)* is a Frisco, Texas based restaurant chain that sells healthful products including juices, smoothies, and bowls through its roughly 800 owned and franchised Jamba Juice Stores. On August 2, 2018, JMBA agreed to be acquired by Focus Brands Inc. for $13 per share in cash representing a transaction value of $200 million. The deal was subject to regulatory approvals, required a majority of JMBA shareholders to tender their shares, and closed on September 13, 2018. The Fund earned a 4.80% annualized return.
Juniper Pharmaceuticals, Inc. (JNP) is a Boston, Massachusetts based healthcare company focused on women’s health. On July 3, 2018 JNP agreed to be acquired by Catalent, Inc. for $11.50 per share in cash representing a total equity value of $139.6 million. The deal was subject to regulatory approvals, required a majority of JNP shareholders to tender their shares and closed on August 14, 2018. The Fund earned a 3.44% annualized return.

XL Group, Ltd. (XL) is a Hamilton, Bermuda based insurance and reinsurance company. On March 5, 2018, XL agreed to be acquired by The AXA Group for $57.60 per share in cash representing a total consideration of $15.3 billion to expand AXA’s U.S. presence. The deal was subject to shareholder and regulatory approvals and closed on September 12, 2018. The Fund earned an 11.05% annualized return.

**Deals in the Pipeline**

**CA, Inc. (3.2% of net assets as of September 30, 2018) (CA – $44.15 – NASDAQ)** is a New York, New York based software company. On July 11, 2018 CA agreed to be acquired by Broadcom Inc. for $44.50 per share in cash representing an $18.4 billion total enterprise value. The deal is subject to shareholder and regulatory approvals and is expected to close in the fourth quarter of 2018.

**Dun & Bradstreet, Inc. (1.6%) (DNB – $142.51 – NYSE)** is a Short Hills, New Jersey based data analytics company. On August 8, 2018 DNB agreed to be acquired by a consortium led by CC Capital, Thomas H. Lee Partners and Cannae Holdings for $145 per share in cash representing a $6.9 billion total enterprise value. The deal is subject to shareholder and regulatory approvals and is expected to close in the first quarter of 2019.

**K2M Group Holdings Inc. (0.4%) (KTWO – $27.37 – NASDAQ)** is a Leesburg, Virginia based medical device company primarily focused on spinal treatments. On August 30, 2018 KTWO agreed to be acquired by Stryker Corporation for $27.50 per share in cash representing a $1.4 billion equity value. The deal is subject to shareholder and regulatory approvals and is expected to close late in the fourth quarter of 2018.

**KLX, Inc. (0.7%) (KLXI – $62.78 – NASDAQ)** is a Wellington, Florida based aerospace and defense servicer and parts distributor. On May 1, 2018 KLXI agreed to be acquired by Boeing for $63 per share in cash representing a $4.25 billion total enterprise value. KLXI also distributed shares of KLX Energy Services (0.1%) prior to the deal’s closure. The merger is subject to shareholder and regulatory approvals and is expected to close in October 2018.

**Pinnacle Foods Inc. (0.3%) (PF – $64.81 – NYSE)** is a Parsippany, New Jersey based packaged foods company. On June 27, 2018 PF agreed to be acquired by Conagra Brands, Inc. (CAG) for $43.11 per share in cash plus 0.6494 CAG stock representing a $10.9 billion transaction value. The deal is subject to shareholder and regulatory approvals and is expected to close at the end of 2018.

**Shire PLC (0.1%) (SHPG – $181.27 – NASDAQ)** is a Dublin, Ireland based biotech company focused on hematology, immunology, and oncology. On May 8, 2018 SHPG agreed to be acquired by Takeda Pharmaceutical Company Limited for $30.33 per share in cash plus 0.839 new Takeda shares per ordinary share representing a £46 billion valuation. The deal is subject to shareholder and regulatory approvals and is expected to close in first half of 2019.
Sky PLC (1.5%) (SKY – $22.54/£17.29 – NYSE/London Stock Exchange) is a London, U.K. based media company that primarily operates sports, news, and entertainment assets across Europe. On December 9, 2016 Twenty-First Century Fox made an offer of £10.75 per share in cash to acquire the remaining interest of Sky PLC it did not already own. On April 25, 2018 Comcast made a competing bid to acquire Sky for £12.50 per share in cash. In response, on July 11, 2018, Twenty-First Century Fox increased its offer to £14.00 per share in cash. Comcast countered the most recent Fox offer on July 11, 2018, increasing its bid to buy Sky to £14.75 per share in cash. On September 22, 2018, Sky held a formal three round auction in which Comcast outbid Twenty-First Century Fox offering £17.28 per share in cash. Comcast’s winning offer values Sky at £29.7 billion. The deal requires a majority of Sky shareholders to tender their shares and is expected to close in October 2018.

SodaStream International Ltd. (1.9%) (SODA – $143.08 – NASDAQ) is an Airport City, Israel based home beverage company. On August 20, 2018 SODA agreed to be acquired by PepsiCo, Inc. for $144 per share in cash representing a $3.2 billion transaction value. The deal is subject to shareholder and regulatory approvals and is expected to close by January 2019.

Syntel, Inc. (0.9%) (SYNT – $10.98 – NASDAQ) is a Troy, Michigan based information technology company providing infrastructure management services and software applications to many different industries including financial services, life sciences, retail and healthcare. On July 22, 2018, SYNT agreed to be acquired by Atos S.E. for $41 per share in cash representing a total enterprise value of $3.57 billion. The deal is subject to shareholder and regulatory approvals and is expected to close during the second half of 2018.

The Navigators Group, Inc. (0.1%) (NAVG – $69.10 – NASDAQ) is a Stamford, Connecticut based property and casualty insurer. On August 22, 2018 NAVG agreed to be acquired by The Hartford for $70 per share in cash representing a $2.1 billion transaction value. The deal is subject to shareholder and regulatory approvals and is expected to close in the first half of 2019.

USG Corp. (1.6%) (USG – $43.31 – NYSE) is a Chicago, Illinois based construction manufacturer. On June 11, 2018 USG agreed to be acquired by Gebr. Knauf KG for $44 per share in cash representing a $7.0 billion transaction value. The $44 per share price is comprised of $43.50 cash and a $0.50 dividend. The deal is subject to shareholder and regulatory approvals and is expected to close in early 2019.

Xerium Technologies, Inc. (0.2%) (XRM – $13.46 – NYSE) is a Youngsville, North Carolina based industrials company providing machine clothing and roll covers to its customers. On June 24, 2018 XRM agreed to be acquired by Andritz AG for $13.50 per share in cash. The deal is subject to shareholder and regulatory approvals and is expected to close during the second half of 2018.

October 26, 2018
Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Manager only through the end of the period stated in this Shareholder Commentary. The Portfolio Manager’s views are subject to change at any time based on market and other conditions. The information in this Portfolio Manager’s Shareholder Commentary represents the opinions of the Portfolio Manager 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 Manager 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.

Merger Arbitrage Risk. The principal risk associated with the Fund’s investment strategy is that certain of the proposed reorganizations in which the Fund invests may involve a longer time frame than originally contemplated or be renegotiated or terminated, in which case losses may be realized. The Fund invests all or a portion of its assets to seek short term capital appreciation. This can be expected to increase the portfolio turnover rate and cause increased brokerage commission costs.

FOR THE BENEFICIAL OWNERS

The Gabelli ABC Fund remains open to new investors with the following characteristics:

Direct Ownership – Class AAA (GABCX)
- Purchases may be made through G.distributors, LLC or directly through the Fund’s Transfer Agent or through brokers that have entered into selling agreements specifically with respect to Class AAA Shares; and
  - The minimum initial investment is $10,000; and
  - The Fund may involuntarily redeem shares through brokers or financial consultants in omnibus and individual accounts where the beneficial owner is not disclosed.

Ownership Through Intermediaries – Advisor Class (GADVX)
- The Advisor Share Class is available through brokers or financial intermediaries that have entered into selling agreements with G.distributors, LLC, specifically with respect to this share class; and
- The minimum initial investment is $10,000.

---

<table>
<thead>
<tr>
<th>Top Ten Holdings (Percent of Net Assets)</th>
<th>September 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lennar Corp.</td>
<td>3.5%</td>
</tr>
<tr>
<td>CA Inc.</td>
<td>3.2%</td>
</tr>
<tr>
<td>SodaStream International Ltd.</td>
<td>1.9%</td>
</tr>
<tr>
<td>Gramercy Property Trust</td>
<td>1.8%</td>
</tr>
<tr>
<td>Parmalat S.p.A.</td>
<td>1.7%</td>
</tr>
<tr>
<td>Dun &amp; Bradstreet Corp.</td>
<td>1.6%</td>
</tr>
<tr>
<td>USG Corp.</td>
<td>1.6%</td>
</tr>
<tr>
<td>Sky Plc</td>
<td>1.5%</td>
</tr>
<tr>
<td>Kapstone Paper and Packaging</td>
<td>1.1%</td>
</tr>
<tr>
<td>Twenty-First Century Fox</td>
<td>1.1%</td>
</tr>
</tbody>
</table>
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 Prospectuses via e-delivery. For more information or to sign up for e-delivery, please visit our website at www.gabelli.com.
We have separated the portfolio manager’s 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 manager’s commentary is unrestricted. Both the commentary and the financial statements, including the portfolio of investments, are available on our website at www.gabelli.com.

---

**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 and GAMCO Asset Management Inc., which are affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly held company that has subsidiaries 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.
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 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.

Ryan N. Kahn, CFA, is an analyst dedicated to the Gabelli merger arbitrage portfolios, specific to our U.S. open and closed end funds. He joined the team in 2013 after working as a generalist in the research department. Mr. Kahn earned a Bachelor of Science in Business Management from Babson College.

Gian Maria Magrini, CFA, is an analyst dedicated to the Gabelli merger arbitrage portfolios specific to our U.S. open and closed end funds. He joined the team in 2013 after serving various roles in the firm’s operations and research departments. Mr. Magrini earned a Bachelor of Science in Finance from Fordham University.

Regina M. Pitaro is a Managing Director and Head of Institutional Marketing at GAMCO Investors, Inc. Ms. Pitaro joined the firm in 1984 and coordinates the organization’s focus with consultants and plan sponsors. She also serves as a Managing Director and Director of GAMCO Asset Management, Inc. Ms. Pitaro holds an MBA in Finance from the Columbia University Graduate School of Business, a Master’s degree in Anthropology from Loyola University of Chicago, and a bachelor’s degree from Fordham University.

Geoffrey P. Astle is involved in the analytics and foreign and domestic trading for the Gabelli merger arbitrage portfolios, specific to our U.S. open and closed end funds. He has been associated in this capacity since 2007. Mr. Astle earned a Bachelor of Science in both Finance and Marketing from Fairfield University.
THE GABELLI ABC FUND
One Corporate Center
Rye, NY 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 DIRECTORS
Mario J. Gabelli, CFA
Chairman and
Chief Executive Officer,
GAMCO Investors, Inc.
Executive Chairman,
Associated Capital Group Inc.
Anthony J. Colavita
President,
Anthony J. Colavita, P.C.
Vincent D. Enright
Former Senior Vice President
and Chief Financial Officer,
KeySpan Corp.
Mary E. Hauck
Former Senior Portfolio
Manager,
Gabelli-O’Connor Fixed Income
Mutual Fund Management Co.
Kuni Nakamura
President,
Advanced Polymer, Inc.
Werner J. Roeder
Former Medical Director,
Lawrence Hospital

OFFICERS
Bruce N. Alpert
President
John C. Ball
Treasurer
Agnes Mullady
Vice President
Andrea R. Mango
Secretary
Richard J. Walz
Chief Compliance Officer

DISTRIBUTOR
G.distributors, LLC

CUSTODIAN
State Street Bank and Trust Company

TRANSFER AGENT AND
DIVIDEND DISBURSING AGENT
DST Asset Manager Solutions, Inc.

LEGAL COUNSEL
Skadden, Arps, Slate, Meagher & Flom LLP

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

Shareholder Commentary
September 30, 2018

GAB408Q318SC