The Gabelli Utilities Fund

Shareholder Commentary
March 31, 2018

To Our Shareholders,

For the quarter ended March 31, 2018, the net asset value ("NAV") per Class AAA Share of The Gabelli Utilities Fund decreased 4.4% compared with a decrease of 3.3% for the Standard & Poor's ("S&P") 500 Utilities Index (SPU). Other classes of shares are available. See page 2 for performance information for all classes.

Utilities in Face of Fear and Volatility

In the first quarter of 2018, the S&P 500 Utilities Index (SPU) declined 4.1% (excluding dividends) compared to a 1.2% (excludes dividends) decline by the S&P 500. The SPU has corrected -11% from its all-time high (287.8) reached on November 14, 2017, while the S&P 500 has corrected 8% since reaching an all-time high on January 25, 2018. We attribute the healthy corrections (in the general market and utility stocks) to strong prior performance, relatively full valuations and concerns over the potential for a higher treasury yield curve. In addition, ongoing geopolitical risk has been amplified by recent "trade war" talk.

On March 21, 2018, the Federal Reserve raised the Federal Funds rate 0.25% to 1.50%-1.75%, marking the sixth rate increase in two-and-a-half years (three times in 2017). The 10 and 30-year U.S. Treasury bonds currently yield 2.8% and 3.0% compared to year-end levels of 2.41% and 2.74%, (2.45% and 3.10% at year-end 2016), respectively. Since the initial December 14, 2015 rate hike, the S&P Utilities Index returned 30.2%, the S&P 500 returned 33.9% and the long end of the yield curve flattened. We continue to emphasize that, while utility stocks are sensitive to interest rates, they are by no means bond proxies. Earnings and dividend growth rates primarily determine long term total returns and mitigate the negative impact of higher interest rates. As such, we consider the correction to be a buying opportunity for utility stocks.

Outlook: Infrastructure Investment Drives Earnings and Dividend Growth

The fundamentals of the utility sector are as strong as ever, including focused strategies, opportunities for infrastructure investment, improved regulatory principles, low natural gas prices, healthy balance sheets and investment grade credit ratings. Electric utility stocks offer a median current return of 3.4% and 5%-6% annual earnings and dividend growth, which is higher than forecast inflation of ~2% and historical 3%-4% growth rates. Further, utilities have no direct exposure to a global trade war, and could experience several near-term positive catalysts, including the potential for more constructive FERC-returns on equity (ROE), enhanced gas storage and pipeline acquisition opportunities, and ongoing improvement in renewable economics. Finally, the electric utility sector stands to benefit over the long term from a growing demand for electric vehicles.

Comparative Results

Average Annual Returns through March 31, 2018 (a)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (8/31/99)
Class AAA (GABUX)	(4.35)%	(0.36)%	5.93%	6.48%	9.40%	7.41%
S&P 500 Utilities Index	(3.30)	1.89	9.16	7.07	11.14	6.57
S&P 500 Index	(0.76)	13.99	13.31	9.49	10.10	5.82
Lipper Utility Fund Average	(2.57)	2.64	7.13	6.46	10.56	6.39
Class A (GAUAX)	(4.29)	(0.36)	5.94	6.48	9.40	7.42
With sales charge (b)	(9.79)	(6.09)	4.69	5.85	8.97	7.08
Class C (GAUCX)	(4.59)	(1.12)	4.84	5.68	8.57	6.75
With contingent deferred sales charge (c)	(5.54)	(2.11)	4.84	5.68	8.57	6.75
Class I (GAUIX)	(4.26)	(0.14)	6.19	6.74	9.58	7.55
Class T (GAUTX)	(4.36)	(0.48)	5.90	6.47	9.39	7.40
With sales charge (d)	(6.75)	(2.96)	5.37	6.20	9.21	7.40

In the current prospectuses dated April 30, 2018, the gross expense ratios for Class AAA, A, C, I, and T Shares are 1.37%, 1.37%, 2.12%, 1.12%, and 1.38%, 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, 2002. 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 value of utility stocks generally changes as long term interest rates change. Funds investing in a single sector, such as utilities, may be subject to more volatility than funds that invest more broadly. The utilities industry can be significantly affected by government regulation, financing difficulties, supply or demand of services or fuel, and natural resources conservation.* The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2002, 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. The S&P 500 Utilities Index is an unmanaged market capitalization weighted index of large capitalization stocks that may include facilities generation and transmission or distribution of electricity, gas, or water. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Lipper Utility Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index.

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

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

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

Monthly Distributions – $0.07 per share

The Gabelli Utilities Fund has a $0.07 per share monthly distribution policy in place. For more specific dividend and tax information, please visit our website at www.gabelli.com or call 800-GABELLI (800-422-3554). **Shareholders should be aware that a portion of the distribution may represent a non-taxable return of capital.** Such distributions will reduce the cost basis of your shares if you hold them in a taxable account. The distributions should not be confused with the yield or total return of the Fund.

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, will be available on our website at www.gabelli.com.

Merger and Acquisition Activity Update

In the first quarter of 2018, two deals were announced, including Dominion Energy's (0.9% of net assets as of March 31, 2018) January 3, 2018 agreement to buy SCANA Corp (1.4%) (SCG) and SJW Corp's (0.6%) March 15, 2018 agreement to buy Connecticut Water Service (less than 0.1%). Several other deals closed including Vistra Energy's acquisition of Dynegy, Sempra Energy acquisition of ONCOR Electric Delivery and Energy Capital Partners acquisition of Calpine. Recent consolidation activity is outlined below:

Date	Buyer	Target Entity	Enterprise Value	Premium*
2/15/2018	SJW Corp (0.6%**)	Connecticut Water Svc (0.1%**)	$750 million	18%
1/3/2018	Dominion Energy (0.9%**)	SCANA (1.4%**)	$14.6 billion	31%
7/19/2017	Hydro One	Avista (1.2%**)	$5.3 billion	24%
1/26/17	AltaGas	WGL Resources (0.5%**)	$6.4 billion	12%

Deals Closed in 2016/2017/2018

Date	Buyer	Target Entity	Enterprise Value	Premium*
4/9/2018	Dynegy	Vistra Energy	$11.1 billion	12%
3/9/2018	Sempra Energy	Oncor	$18.8 billion	NA
3/8/2018	Energy Capital	Calpine	$5.6 billion	23%
9/20/2017	Steel River	DeltaGas	$258 million	17%
8/4/2017	First Reserve	Gas Natural	$196 million	39%
1/2/2017	Algonquin PU (0.3%**)	Empire District Electric	$2.4 billion	21%
10/14/16	Fortis (0.5%**)	ITC Holdings	$11.3 billion	14%
10/3/16	Duke Energy (1.8%**)	Piedmont Natural Gas	$6.7 billion	42%
9/16/16	Dominion Res. (0.9%**)	Questar Corp.	$6.0 billion	22%
9/12/16	Spire (0.7%**)	Energy South	$344 million	Private
7/1/16	Emera (0.5%**)	TECO Energy	$10.4 billion	31%
7/1/16	Southern Co. (1.5%**)	AGL Resources	$12 billion	38%
3/30/16	Macquarie (0.3%**)	CLECO	$4.7 billion	15%
3/23/16	Exelon (1.1%**)	Pepco Hldgs.	$11.9 billion	20%
2/12/16	Black Hills (2.0%**)	Source Gas	$1.89 billion	Private

*Represents the premium to the closing share price on the last trading day prior to the announcement of the deal.

** of net assets as of March 31, 2018.

For several decades, utility companies have acquired other utilities and utility assets for the sake of gaining economies of scale and efficiency. Since 1995, the electric utility sector has experienced over 140 acquisition announcements and over 100 completed deals. The electric and gas utility sector remains fragmented, with over 50 electric utilities and 20 gas utilities. The long term consolidation trend has benefited shareholders, as some premiums have been significant. We attribute the recent acceleration of activity to the low interest rate environment, desire for scale in the face of ongoing infrastructure investment, and the emergence of the Canadian utilities.

Our portfolios include small-to-mid-cap utilities with earnings and dividend growth potential that could attract premiums. More significant takeover premiums are normally associated with fundamentally sound, reasonably priced, mid-cap and small-cap utilities. Attractive takeover characteristics include constructive regulatory environments, healthy service areas, transmission growth potential, low carbon footprints, strategic geographies, or a particularly stressful situation. Given the significant long term demand for natural gas, we consider most gas distribution utilities, particularly those with pending pipeline development projects, to be highly coveted.

FERC MLP Ruling Could Result in Storage and Pipeline Asset Sales

On March 15, 2018, FERC issued an order disallowing income tax allowance cost recovery for pipeline MLPs. A significant portion of U.S. oil and gas midstream assets (including storage and pipelines) operate under an MLP. The order led to significant declines for MLPs with exposure and raises the question as to the most economic ownership structure. Utilities are largely insulated from the decision and could benefit from potential assets sales (pipeline and storage) and a flow of funds from MLPs to dividend paying utility stocks.

Earnings and Dividend Growth Driven By Infrastructure Investment

The successful formula driving the strong earnings outlook remains: Investment Opportunities + Constructive Regulation = Earnings Growth. In 2017, electric utilities grew earnings by 3.8% despite mild weather (EIA: 9% decline in cooling degree days), which compares to 6.1% growth in 2016. Consensus estimates call for 5.4% EPS growth in 2018 followed by 5.5% in 2019, which is higher than historical growth of 3%-4%. We expect regulated electric, gas and water utilities to grow 2017-2020 EPS and dividends at the high end of the recent 4%-6% CAGR driven by ongoing infrastructure investment.

Edison Electric Institute (EEI) member utilities expects that sector capital investment totaled $123 billion in 2017, which would mark the fifth consecutive year of record investment. EEI forecasts investment of $114 billion in 2018 and $109 billion in 2019, but we expect higher levels given that individual company forecasts only reflect visible projects.

Tax Reform Benefit Both Utilities and Customers

After digesting recent U.S. tax reform, most utilities view the change as a modest positive. The lower corporate tax rate of 21%, down from 35%, will be passed on to customers through lower rates, which creates “headroom” for future rate increases to recognize investment and grow earnings. Most utilities plan to request rate recognition of return-earning investments to offset the tax-related rate reduction. In other words, request rate increases for other investments to offset the rate decrease for tax reform, which results in a rate freeze but stronger earnings. According to a March 30, 2018 Regulatory Research Associates (RRA) article, the spring of 2018 represents one of the more active rate case filing seasons in some time.

The tax reform includes a “carve out” for regulated utilities to continue to deduct interest expense as well as state and local taxes and to expense 100% of capital investments, like other sectors. Lower accelerated deprecation leads to stronger rate base growth, but modestly weaker cash flows. For the few utilities with non-regulated businesses (Hawaiian Electric (2.5%), Otter-Tail Power (2.5%), Southwest Gas (4.9%)), the lower tax rate is a direct shareholder benefit.

The Great Power Generation Transformation; Renewable Flood

The North American and global power sector is undergoing an accelerated “greening”, including the rapid development of wind (including offshore wind) and solar generation and the retirement of older coal and nuclear units. In 2017, 36% (33% in 2016) of U.S. generation came from zero carbon emitting nuclear (20%), hydro (7%), and renewables (9%), 32% from low emitting natural gas, and 31% was derived from coal. In 1986, 58% of generation was from coal. In 2016, carbon dioxide was 25% below 2005 levels, sulfur dioxide down 91% and nitric oxide down 82%. There hasn’t been a coal plant built in more than five years, and, absent technological breakthroughs, there may never be another built. The nation’s nuclear plants continue to age, and the low cost of natural gas and renewables challenge the ongoing economics of upgrades.

Over 2018-2021, we expect 75 GWs (60 GWs over 2017-2020) of wind and 21 GWs of solar to be added to the roughly 1,200 GWs of current generating capacity. Cleaner generation is driven by the economics and efficiency of new gas plants and low gas prices, increasing state renewable portfolio standards, federal tax credits, public demands, and technology improvement. Cost declines have made large scale wind and solar farms competitive with new combined cycle gas plants. In addition, several New England states have put out RFPs for large scale offshore wind projects.

Currently 29 states have renewable portfolio standards (RPS), including California (80%) and Hawaii requiring (100%) by 2045. Many utilities and developers are rushing to meet safe harbor provisions of the late 2015 tax credit extensions, which allows the wind production tax credit (PTC) to continue but phase-out through 2020 (2016-100%, 2017-80%, 2018-60%, 2019-40%). Importantly, the safe harbor feature allows a project started in 2016/2017/2018/2019 and finished in 2020/2021/2022/2023 to qualify for 100%/80%/60%/40% PTC. The 30% solar investment tax credit extends through 2019, and will decline to 26% in 2020, 22% in 2021, and then permanently to 10% for commercial and 0% for residential.

Finally, the large commercial and industrial customer base is increasingly seeking to advertise progressive sustainable strategies, including owned or contracted renewable generation. The RE 100 is a collaborative, global initiative uniting more than 100 influential businesses (Apple, ABInBEv, Bank of America, Bloomberg, etc.) committed to 100% renewable electricity.

Battery Storage to ‘Disrupt’ the Power Sector

We believe large scale battery storage has the potential to revolutionize the power sector, driven by the proliferation of intermittent renewable generation and declining costs of both technologies. Storage’s unique beneficial qualities include the ability to absorb excess renewable energy and discharge that same energy when renewable resources are less available. Storage can provide peaking power, frequency and voltage support as well as seasonal load shifting capabilities. The pace of development and deployment is accelerating and lithium ion battery prices have declined significantly over the last several years.

Grid Modernization and Electrification

Electric demand growth has been relatively flat for several years due primarily to conservation and efficiency efforts. However, an increased push for electric vehicles (EVs) could create new demand for electricity, which would lead to strong sales growth as well as require a modernized electric grid. California is on pace to have a total of 2.8-4.2 million light-duty, zero-emission vehicles on the road by 2030 (California Energy Commission’s December 2017 forecast) compared to ~350,000 in use in 2017. Bloomberg Energy Finance forecasts that half of all new vehicles will be electric by 2040. Utilities and customers would experience significant benefits (savings and higher revenues) from large-scale off-peak charging.

Electric and gas distributions systems have aged, and require replacement even before the modernization required for renewable development, reliability concerns, power storage and electric vehicles. Electric, gas and water distribution investment is favored by investors given that most states allow automatic rate adjustments to encourage investment. Distribution investment represents a great source of earnings growth for years to come.

Regulatory Support Translates into EPS Growth

Public and political support of investment, combined with the low cost of natural gas, have allowed for an increasingly constructive regulatory environment. State PUCs’ regulatory principles have evolved to include numerous adjustments and mechanisms to address infrastructure investment, as well as rate design changes to address efficiency and distributed generation. Many state PUCs allow frequent (quarterly, semi-annual, or annual) rate adjustments for environmental, transmission, renewable, and other items, as well as “pass-through” for fuel, healthcare, and pension expenses. Given flattish demand growth and in order to encourage distributed generation and efficiency, many regulators have “decoupled,” or separated revenues from sales. The improved regulatory treatment results in a greater opportunity to earn the ROEs allowed, and results in “stair-step” earnings growth. We expect this level of investment to lead to the high end of 4%-6% annual earnings growth, which is in line with most utility management target growth rates.

Allowed Returns Lower but Favorable Relative to Interest Rates and Cost-of-Capital

Driven by declines in long term interest rate, allowed-ROEs have gradually declined over the past two decades to below 10.0%. In 2017, the average authorized allowed ROE was 9.6%, which is the lowest in 30 years, compared to 9.75% in 2016. Despite the declining ROE, the decreases in utility costs-of-capital have been even greater. The spread between the allowed-ROE and the 10 year U.S. Treasury yield has ranged between 700-850 basis points over the past few years, which is much better than the 400-600 basis points spread experienced in the 1990s.

New FERC Commissioners and Pending FERC Issues FERC

Following an extended period of vacancies at the five member FERC in 2017, we expect the newly appointed FERC commissioners to be more constructive in approving interstate gas and electric transmission development as well as addressing electric transmission ROE complaints. FERC's favorable, incentive oriented regulation make transmission investment one of the more compelling uses of capital for electric utilities. However, complaints for lower ROE have dampened enthusiasm for over the last few years. We consider it likely that the new FERC commissioners will award constructive ROE's as well as implement policy to end the pancaking of complaints, which would be favorable for future utility earnings growth.

Interest Rates, The Federal Reserve and Utility Stocks

Over the past two decades, a declining interest rate environment has aided utility multiple expansion. Electric utilities currently trade at 17.5x 2018 earnings estimates, which is more reasonable than the 21x multiple the group had reached in November 2017. Our fundamental enthusiasm is tempered by macro-concerns, specifically that lower corporate taxes could accelerate economic growth and lead to higher long-term interest rates, which would negatively impact valuation multiples. We take some comfort in the Federal Reserve's ongoing and vigilant fight to balance growth and inflation as well as the low global interest rate environment. The Federal Reserve remains in a tightening mode, which puts downward pressure on the longer end of the yield curve (flattens the curve). Factors that mitigate the negative impact of higher interest rates on utility share prices include:

- **Annual dividend hikes:** Utilities target annual dividend increases, which serve to mitigate the negative impact of higher rates. In 2017, electric utilities increased the annual dividend by a median of 5.9%.
- **ROE is set based on interest rates:** A utility's cost-of-capital, including equity returns (ROEs), is set by state PUCs and increases (decreases) as interest rates rise (fall).
- **Annual riders minimize inflation risk:** State PUCs and FERC regulatory principles have improved to include more frequent rate adjustments, which mitigate inflation risk.
- **Utility stocks pay higher dividends than other sectors:** The present value of a higher near term dividend stream is less impacted by changes in interest rates than a lower near term dividend stream.

The current 3.4% utility dividend return is more than 158% of the 2.8% yield on the 10 year U.S. Treasury bond, which is right at the twenty year median level. Utility dividend yield and ten year U.S. Treasury bond yield are highly correlated, and will likely remain so in the future, but utility stock prices, unlike Treasury bond prices, are likely to rise should earnings and dividends grow over time.

We remain enthused about the outlook for utility stocks. The fundamentals of the utility sector are as strong as ever, including focused strategies, opportunities for infrastructure investment, improved regulatory principles, low natural gas prices, healthy balance sheets and investment grade credit ratings. Electric utility stocks offer a median current return of 3.4% and 5%-6% annual earnings and dividend growth, which is higher than forecast inflation of ~2% and historical 3%-4% growth rates. We believe the recent correction provides a healthy buying opportunity.

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 percentages of net assets and their share prices are stated as of March 31, 2018.

American Electric Power Co. Inc. (3.8% of net assets as of March 31, 2018) (AEP – $68.59 – NYSE) is one of the nation's largest electric utilities. It serves more than 5.4 million retail customers in 11 states (Ohio and Texas are the largest), owns approximately 26 GW of generating capacity, 40,000 miles of transmission lines (the nation's largest), and 223,000 miles of distribution lines. Following recent non-regulated power plant sales, AEP is focused on the regulated utility business with plans to invest $17.7 billion over the 2018-2020 time period in regulated assets, including 74% to retransmission and distribution. Management expects 5%-7% annual earnings growth, driven by capital investment and rate recovery, and sustainable cost controls. AEP Transco, a transmission development subsidiary, expects to grow earnings to $0.86-$0.99 per share by 2020 from $0.62 per AEP share in 2016, driven by an $8.4 billion transmission capital investment plan for 2018-2020. AEP currently pays an annual dividend of $2.48 per share representing a payout ratio of roughly 64% (using $3.85 per share, the midpoint of the 2018 earning guidance of $3.75-$3.95 per share), right at the targeted payout ratio of 60%-70%.

Edison International (3.1%) (EIX – $63.66 – NYSE) (Rosemead, California) EIX primary subsidiary Southern California Edison (SCE) is a regulated electric utility serving 5 million customers in Southern California. The utility is focused on growing its rate base by investing in infrastructure to meet the state's objectives regarding low-carbon, grid modernization, energy storage, and grid electrification. The California Public Utility Commission (CPUC) employs constructive regulatory mechanisms including forward-looking three-year rate plans, decoupled revenues, balancing accounts for sales, fuel and purchased power, energy efficiency and pension. SCE's 2018-2020 GRC request is pending, waiting decision, but the cost of capital proceeding resulted in a 10.3% allowed ROE (48% equity ratio) for 2018-2019. The 2018-2020 capital investment program totals $13.7 billion and would result in 9.7% CAGR of rate base. EIX shares are depressed given uncertainty associated with potential liabilities from December 2017 wildfires, which caused considerable property damage. Under the state's unique inverse condemnation clause, SCE could be held liable even if SCE was not found negligible or imprudent. The state's utilities are challenging the clause and over the long term, we expect the state to employ a more rational approach.

El Paso Electric Co. (3.3%) (EE – $51.00 – NYSE) is a vertically integrated electric utility serving ~411,000 customers in and around El Paso, Texas and Las Cruces, New Mexico. Roughly 70% of capacity is natural gas and 30% nuclear. We consider El Paso Electric to be a well-managed, low risk, traditional utility investment, with solid earnings growth potential. We expect above average annual customer and sales growth, driven by military base expansion, increased cross border trade, customer additions, as well as an increased use of refrigerated air conditioning. Only 35% of El Paso residences have refrigerated air conditioning, but 99% of new residences install central air conditioning. Shares offer a 2.7% current return on the $1.34 per share annual dividend which we consider secure and growing.

Eversource Energy (3.7%) (ES – $58.92 – NYSE) is New England's largest electric and gas distribution utility and delivery system. ES is the product of a 2012 merger between Northeast Utilities, headquartered in Hartford, Connecticut, and NSTAR, headquartered in Boston, Massachusetts, creating a premier New England distribution utility. ES serves 3.6 million customers in Connecticut, New Hampshire, and Massachusetts. The company targets 5%–7% long term earnings growth driven by transmission investment, cost cutting opportunities, and oil-to-gas heat conversions in the Northeast. In late 2017, ES completed the acquisition of Aquarion Water Company in Connecticut, Massachusetts and New Hampshire for $1.6 billion. The company expects further transmission development as aging nuclear and coal facilities are replaced with renewables, including offshore wind generation. An ES/Orsted joint venture, Bay State Wind (BSW), has proposed a large scale offshore wind project (+/- 2,000 MW's) on 300 square miles south of Martha's Vineyard, Massachusetts. BSW submitted a 400 and 800-MW project into the Massachusetts 1,600 MW RFP (selection 4/23/2018) and will likely submit bids into pending Connecticut and Rhode Island RFPs.

National Fuel Gas Co. (7.8%) (NFG – $51.54 – NYSE) is a diversified natural gas company. NFG owns a regulated gas utility serving the region around Buffalo, New York, gas pipelines that move gas between the Midwest and Canada and from the Marcellus to the Northeast, gathering and processing systems, and an oil and gas exploration and production business. NFG's regulated utility and pipeline businesses, as well as its California oil production business, provide stable earnings and cash flows to support the dividend, while the natural gas production business offers significant upside potential. Natural gas prices have been depressed over the past few years, but NFG's net ownership of 785,000 acres in the Marcellus Shale, holds enormous natural gas reserve potential and the company has proven to be among the lower cost producers. We continue to expect above average long term earnings and cash flow growth from improving gas prices, growing gas production and strategically located pipeline expansion. The company has increased its dividend for 46 consecutive years.

PNM Resources (4.8%) (PNM – $38.25 – NYSE) (Albuquerque, New Mexico) is the holding company for regulated electric utilities Public Service Company of New Mexico (PSNM) and Texas-New Mexico Power Company (TNMP). PSNM serves 520,000 customers in and around Albuquerque, Rio Rancho and Santa Fe and owns 2,800 MWs (15% nuclear) of generation. TNMP is a distribution/transmission company and serves 247,000 customers in three non-contiguous areas of Texas. After considerable deliberation, PSNM finally received an order in its 2018 forward looking test year rate case. The order calls for a $58 million annual rate increase implemented in two phases ($29 million revenue increase in 2018 and an additional $29 million in 2019 based on a 9.575% allowed ROE. Higher rates are necessary to recognize its environmental plan, the addition of Palo Verde 3 at $1,118/kW ($150 million) into rate base, other investments, and declining sales. PNM targets earnings growth of 6% and provides 2018 and 2019 earnings guidance of $1.82-$1.92 per share and $2.04-$2.16 per share, respectively.

Southwest Gas Corp. (4.9%) (SWX – $67.63 – NYSE) is a natural gas distribution utility serving 1.9 million customers in geographically diverse portions of Arizona (~1.0 million, or 53%), Nevada (~700,000, or 37%), and California (~185,000, or 10%). SWX serves one of the faster growing service areas with above-average long term customer growth potential. SWX also owns Centuri Construction Group, a full service underground piping contractor that provides trenching and installation, replacement, and maintenance services for energy distribution systems. The pipeline construction business is growing strongly, given the industry's focus on safety related pipeline replacement programs. We consider SWX to be a high quality gas utility with a focused, low risk strategy and solid earnings outlook, driven by recent and future rate increases, expanded infrastructure tracking mechanisms, customer growth, and cost controls.

Vectren Corp. (2.2%) (VVC – $63.92 – NYSE) Based in Evansville, Indiana, VVC is the holding company for Indiana Gas (590,000 gas customers), Southern Indiana Gas & Electric (144,000 electric; 111,000 gas customers around Evansville), and Vectren Delivery of Ohio (316,000 gas customers) near Dayton, Ohio. The electric utility owns 1,300 MWs of generation, including 1,000 MWs of coal. The Non-Utility group includes Infrastructure Services (called VISCO and includes Miller Pipeline and Minnesota Limited) which performs pipeline replacement and maintenance for utilities and pipelines, and Energy Services (VESCO). VVC's 2018 earnings guidance is $2.80-$2.90 per share, including $2.20-$2.25 per share for the utility and $0.60-$0.65 per share for the non-utility. The company targets 6%-8% consolidated growth, including 5%-7% utility growth. Growth is driven by gas utility infrastructure investment and electric modernization as well as VISCO distribution pipe replacement.

WEC Energy Group Inc. (2.9%) (WEC – $62.70 – NYSE) is based in Milwaukee, Wisconsin. Following Wisconsin Energy Company's mid-2015 acquisition of Integrys Energy Group, the combined company's assets include Wisconsin Electric, the state's largest electric utility, with over 1.1 million electric customers and 1.1 million gas customers in southeastern, east central, and northern Wisconsin, and 400,000 electric customers and 1.7 million gas customers in Illinois, Michigan, Minnesota, and Wisconsin. Management forecasts the combined company growth rate at 5%-7% over the long term. Additionally, WEC has a 60% ownership stake in the American Transmission Corp., which provides another investment opportunity as well as financial engineering optionality.

Westar Energy, Inc. (3.8%) (WR – $52.59 – NYSE) (Topeka, Kansas) is an electric utility serving 700,000 customers in central and northeastern Kansas, including the cities of Topeka, Lawrence, Manhattan, and Hutchinson; and south-central and southeastern Kansas, including the city of Wichita. WR's 6,800 MW generation portfolio includes coal (75% of output), nuclear (13%), natural gas (10%) and wind. On May 31, 2016, WR announced a definitive agreement to be acquired by GXP for an enterprise value of $12.2 billion, or $60 per share. On July 10, 2017, WR and GXP amended the merger agreement where the two companies would combine via a merger of equals (MOE). WR shareholders would receive one share of the new company and GXP shareholders would receive 0.5891 shares. We expect this transaction to be approved, accretive in the first year, produce a higher growth rate, stronger credit profile and result in a higher dividend of $1.84 per share (from $1.60 per share) to WR holders. The companies expect the transaction to close in June of 2018 and be accretive (to respective stand-alone earnings) in the first year after closing and then generate 6%-8% annual earnings growth from 2016-2021, which is higher than the previous transaction projection of 5%-7% and stand-alone 4%-6% projections. GXP expects to have $1.25 billion in cash on its balance sheet which the combined company plans to use to buy back 30 million shares per year over the following two years. We consider the $60 per share price to be fair-to-full value and represents healthy multiples, including 2016 and 2017 P/Es of 24.0x and 23.1x, 2016 and 2017 EV/EBITDA of 11.1x and 10.6x, and price to book of 230% ($23.60 per share). We believe the combination makes great strategic sense since the two companies have contiguous service areas, own and operate the Wolf Creek Nuclear Generating Station, the La Cygne and Jeffrey power plants, and together would own one of the largest portfolios of wind generation in the country. We expect significant synergies and economies of scale.

April 25, 2018

Top Ten Holdings **(Percent of Net Assets)**
March 31, 2018

Nextera Energy Inc.	7.9%	Westar Energy Inc.	3.8%
National Fuel Gas Co.	7.8%	Eversource Energy	3.7%
Southwest Gas Holdings Inc.	4.9%	El Paso Electric Co.	3.3%
PNM Resources Inc.	4.8%	Edison International	3.1%
American Electric Power Co.	3.8%	WEC Energy Group Inc.	2.9%

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 individual 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.

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 Prospectuses 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 Utilities Fund began offering additional classes of Fund shares on December 31, 2002. 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.

This page was intentionally left blank.

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.

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

Portfolio Manager Biography

Mario J. Gabelli, CFA, is Chairman, Chief Executive Officer, and Chief Investment Officer – Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of 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.

THE GABELLI UTILITIES 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.

GAB470Q118SC

GABELLI
FUNDS

THE GABELLI UTILITIES FUND

Shareholder Commentary
March 31, 2018

The Gabelli Utilities Fund
First Quarter Report — March 31, 2018

To Our Shareholders,

For the quarter ended March 31, 2018, the net asset value ("NAV") per Class AAA Share of The Gabelli Utilities Fund decreased 4.4% compared with a decrease of 3.3% for the Standard & Poor's ("S&P") 500 Utilities Index (SPU). Other classes of shares are available. See below for performance information for all classes of shares.

Enclosed is the schedule of investments as of March 31, 2018.

Comparative Results

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

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (8/31/99)
Class AAA (GABUX)	(4.35)%	(0.36)%	5.93%	6.48%	9.40%	7.41%
S&P 500 Utilities Index	(3.30)	1.89	9.16	7.07	11.14	6.57
S&P 500 Index	(0.76)	13.99	13.31	9.49	10.10	5.82
Lipper Utility Fund Average	(2.57)	2.64	7.13	6.46	10.56	6.39
Class A (GAUAX)	(4.29)	(0.36)	5.94	6.48	9.40	7.42
With sales charge (b)	(9.79)	(6.09)	4.69	5.85	8.97	7.08
Class C (GAUCX)	(4.59)	(1.12)	4.84	5.68	8.57	6.75
With contingent deferred sales charge (c)	(5.54)	(2.11)	4.84	5.68	8.57	6.75
Class I (GAUIX)	(4.26)	(0.14)	6.19	6.74	9.58	7.55
Class T (GAUTX)	(4.36)	(0.48)	5.90	6.47	9.39	7.40
With sales charge (d)	(6.75)	(2.96)	5.37	6.20	9.21	7.40

In the current prospectuses dated April 30, 2018, as amended, the expense ratios for Class AAA, A, C, I, and T Shares are 1.37%, 1.37%, 2.12%, 1.12%, and 1.38%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A, Class C, 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, 2002. 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 value of utility stocks generally changes as long term interest rates change. Funds investing in a single sector, such as utilities, may be subject to more volatility than funds that invest more broadly. The utilities industry can be significantly affected by government regulation, financing difficulties, supply or demand of services or fuel, and natural resources conservation. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2002, 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. The S&P 500 Utilities Index is an unmanaged market capitalization weighted index of large capitalization stocks that may include facilities generation and transmission or distribution of electricity, gas, or water. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Lipper Utility Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index.

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

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

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

The Gabelli Utilities Fund
Schedule of Investments — March 31, 2018 (Unaudited)

Shares		Market Value
	COMMON STOCKS — 98.5%	
	ENERGY AND UTILITIES — 70.9%	
	Alternative Energy — 0.4%	
370,000	Algonquin Power & Utilities Corp.	$ 3,667,404
36,000	NextEra Energy Partners LP	1,439,640
63,261	Ormat Technologies Inc., New York	3,566,655
6,739	Ormat Technologies Inc., Tel Aviv	385,020
		9,058,719
	Electric Integrated — 44.5%	
304,000	ALLETE Inc.	21,964,000
174,000	Alliant Energy Corp.	7,109,640
550,000	Ameren Corp.	31,146,500
700,000	American Electric Power Co. Inc.	48,013,000
6,000	Atlantic Power Corp.†	12,621
180,000	Avangrid Inc.	9,201,600
290,000	Avista Corp.	14,862,500
474,000	Black Hills Corp.	25,738,200
60,000	CMS Energy Corp.	2,717,400
165,000	Dominion Energy Inc.	11,125,950
4,000	DTE Energy Co.	417,600
297,000	Duke Energy Corp.	23,008,590
624,000	Edison International	39,723,840
814,000	El Paso Electric Co.	41,514,000
1,400	Entergy Corp.	110,292
799,500	Eversource Energy	47,106,540
355,000	Exelon Corp.	13,848,550
380,000	FirstEnergy Corp.	12,923,800
78,960	Fortis Inc.	2,666,479
111,040	Fortis Inc., Toronto	3,748,306
900,000	Great Plains Energy Inc.	28,611,000
915,000	Hawaiian Electric Industries Inc.	31,457,700
42,000	IDACORP Inc.	3,707,340
311,000	MGE Energy Inc.	17,447,100
621,000	NextEra Energy Inc.	101,427,930
260,000	NiSource Inc.	6,216,600
434,000	NorthWestern Corp.	23,349,200
785,000	OGE Energy Corp.	25,724,450
740,000	Otter Tail Corp.	32,079,000
138,000	PG&E Corp.	6,062,340
320,000	Pinnacle West Capital Corp.	25,536,000
1,610,000	PNM Resources Inc.	61,582,500
572,000	PPL Corp.	16,181,880
190,000	Public Service Enterprise Group Inc.	9,545,600
466,000	SCANA Corp.	17,498,300
430,000	The Southern Co.	19,203,800
51,125	Unitil Corp.	2,372,711
440,000	Vectren Corp.	28,124,800
597,000	WEC Energy Group Inc.	37,431,900
912,000	Westar Energy Inc.	47,962,080
310,000	Xcel Energy Inc.	$ 14,098,800
		912,580,439
	Electric Transmission and Distribution — 0.6%	
67,000	Consolidated Edison Inc.	5,221,980
360,000	Red Electrica Corp. SA	7,410,761
3,400	Uniper SE	103,542
		12,736,283
	Global Utilities — 2.2%	
11,352	AES Tiete Energia SA	41,812
40,000	Chubu Electric Power Co. Inc.	570,274
28,000	E.ON SE	310,763
20,800	EDF SA	300,978
5,000	EDP - Energias de Portugal SA, ADR	189,550
200,000	Electric Power Development Co. Ltd.	5,112,542
10,000	Eletropaulo Metropolitana Eletricidade de Sao Paulo SA	54,249
185,000	Emera Inc.	5,852,913
35,000	Enagas SA	957,353
100,000	Endesa SA	2,200,662
265,000	Enel SpA	1,620,566
4,000	EuroSite Power Inc.†	680
550,000	Hera SpA	2,012,649
66,000	Hokkaido Electric Power Co. Inc.	435,431
40,000	Hokuriku Electric Power Co.†	347,352
180,000	Huaneng Power International Inc., ADR	4,833,000
45,000	Iberdrola SA, ADR	1,327,050
295,589	Iberdrola SA, Aquis	2,172,063
405,000	Korea Electric Power Corp.,, ADR†	6,232,950
110,000	Kyushu Electric Power Co. Inc.	1,319,111
32,000	Shikoku Electric Power Co. Inc.	381,636
2,000	Snam SpA	9,186
75,000	Statoil ASA	1,766,693
28,000	The Chugoku Electric Power Co. Inc.	339,984
305,000	The Kansai Electric Power Co. Inc.	3,952,775
55,000	The Tokyo Electric Power Co. Holdings Inc.†	213,477
170,000	Tohoku Electric Power Co. Inc.	2,292,655
		44,848,354
	Merchant Energy — 1.9%	
40,000	GenOn Energy Inc. - Old, Escrow†(a)	0
15,000	GenOn Energy Inc., Escrow†(a)	0
120,000	NRG Energy Inc.	3,663,600
3,090,000	The AES Corp.	35,133,300
		38,796,900
	Natural Gas Integrated — 9.5%	
14,500	Apache Corp.	557,960
25,000	Atlas Energy Group LLC†	1,025
65,000	Devon Energy Corp.	2,066,350
6,000	Dominion Energy Midstream Partners LP	92,100
20,000	Energen Corp.†	1,257,200

See accompanying notes to schedule of investments.

Shares		Market Value
	COMMON STOCKS (Continued)	
	ENERGY AND UTILITIES (Continued)	
	Natural Gas Integrated (Continued)	
610,000	Energy Transfer Equity LP	$ 8,668,100
150,000	Hess Corp.	7,593,000
300,000	Kinder Morgan Inc.	4,518,000
1,926,000	National Fuel Gas Co.	99,092,700
436,000	Northwest Natural Gas Co.	25,135,400
520,000	ONEOK Inc.	29,598,400
362,000	UGI Corp.	16,080,040
		194,660,275
	Natural Gas Utilities — 5.7%	
80,000	Atmos Energy Corp.	6,739,200
94,000	CenterPoint Energy Inc.	2,575,600
43,500	Chesapeake Utilities Corp.	3,060,225
6,250	CONSOL Energy Inc.†	181,063
388,800	Corning Natural Gas Holding Corp.(b)	6,840,936
100,000	Gulf Coast Ultra Deep Royalty Trust	6,400
5,000	Italgas SpA	29,875
110,000	National Grid plc	1,238,032
44,500	National Grid plc, ADR	2,511,135
14,000	New Jersey Resources Corp.	561,400
143,000	ONE Gas Inc.	9,440,860
66,000	RGC Resources Inc.	1,676,400
140,000	South Jersey Industries Inc.	3,942,400
926,000	Southwest Gas Holdings Inc.	62,625,380
119,500	Spire Inc.	8,639,850
75,000	WGL Holdings Inc.	6,273,750
		116,342,506
	Natural Resources — 1.8%	
14,000	Alliance Holdings GP LP	350,140
75,300	Anadarko Petroleum Corp.	4,548,873
168,000	BP plc, ADR	6,810,720
14,058	California Resources Corp.†	241,095
10,000	Callon Petroleum Co.†	132,400
500,000	Cameco Corp.	4,545,000
50,000	CNX Resources Corp.†	771,500
8,000	Compania de Minas Buenaventura SAA, ADR	121,840
710,000	Mueller Industries Inc.	18,573,600
50,006	Tullow Oil plc†	137,510
80,000	Ultra Petroleum Corp.†	333,600
		36,566,278
	Services — 1.2%	
22,000	Baker Hughes, a GE Company	610,940
570,000	Enbridge Inc.	17,937,900
20,000	Halliburton Co.	938,800
34,000	MDU Resources Group Inc.	957,440
50,000	Patterson-UTI Energy Inc.	875,500
20,000	Rowan Companies plc, Cl. A†	230,800
1,000,000	Weatherford International plc†	$ 2,290,000
		23,841,380
	Water — 2.4%	
8,000	American States Water Co.	424,480
115,000	American Water Works Co. Inc.	9,444,950
528,000	Aqua America Inc.	17,983,680
5,000	California Water Service Group	186,250
10,000	Connecticut Water Service Inc.	605,300
16,000	Consolidated Water Co. Ltd.	232,800
20,000	Middlesex Water Co.	734,000
276,700	Severn Trent plc	7,158,578
145,000	SJW Group	7,642,950
87,000	The York Water Co.	2,697,000
52,000	United Utilities Group plc, ADR	1,055,860
		48,165,848
	Diversified Industrial — 0.6%	
30,000	AZZ Inc.	1,311,000
62,000	General Electric Co.	835,760
100,000	ITT Inc.	4,898,000
375,975	Mueller Water Products Inc., Cl. A	4,086,848
20,000	Park-Ohio Holdings Corp.	777,000
		11,908,608
	Environmental Services — 0.1%	
26,000	Covanta Holding Corp.	377,000
80,000	Veolia Environnement SA	1,894,403
		2,271,403
	TOTAL ENERGY AND UTILITIES	1,451,776,993
	COMMUNICATIONS — 19.4%	
	Cable and Satellite — 5.3%	
41,400	Charter Communications Inc., Cl. A†	12,884,508
25,000	Cogeco Communications Inc.	1,368,805
70,000	Cogeco Inc.	3,721,271
40,000	Comcast Corp., Cl. A	1,366,800
430,000	DISH Network Corp., Cl. A†	16,292,700
308,000	EchoStar Corp., Cl. A†	16,253,160
344,366	Liberty Global plc, Cl. A†	10,782,099
600,000	Liberty Global plc, Cl. C†	18,258,000
80,000	Liberty Latin America Ltd., Cl. A†	1,556,000
150,000	Liberty Latin America Ltd., Cl. C†	2,863,500
90,000	Rogers Communications Inc., Cl. B	4,021,200
12,000	Shaw Communications Inc., Cl. B	231,120
1,000,000	Sky plc	18,203,883
50,000	Tokyo Broadcasting System Holdings Inc.	1,049,763
		108,852,809
	Computer Services Software and Systems — 0.1%	
100,500	Internap Corp.†	1,105,500

See accompanying notes to schedule of investments.

Shares		Market Value
	COMMON STOCKS (Continued)	
	COMMUNICATIONS (Continued)	
	Telecommunications — 10.1%	
35,000	AT&T Inc.	$ 1,247,750
560,000	BCE Inc.	24,102,400
890,042	CenturyLink Inc.	14,623,390
790,000	Cincinnati Bell Inc.†	10,941,500
35,000	Deutsche Telekom AG	570,622
515,000	Deutsche Telekom AG, ADR	8,440,850
1,750,000	Global Telecom Holding SAE, GDR†	652,155
28,000	Harris Corp.	4,515,840
1,440,000	Koninklijke KPN NV	4,317,998
18,000	Koninklijke KPN NV, ADR	53,730
135,000	Loral Space & Communications Inc.†	5,622,750
35,200	NextGenTel Holding ASA†	79,931
290,000	Nippon Telegraph & Telephone Corp.	13,360,086
2,200	Orange Belgium SA	44,990
330,000	Orascom Telecom Media and Technology Holding SAE, GDR	66,000
60,000	Pharol SGPS SA†	16,833
220,000	Pharol SGPS SA, ADR†	52,932
68,000	PLDT Inc., ADR	1,929,160
150,000	Proximus SA	4,656,643
2,000	PT Indosat Tbk	690
2,300,000	Singapore Telecommunications Ltd.	5,911,604
900,000	Sprint Corp.†	4,392,000
121,000	Swisscom AG, ADR	5,993,735
10,000	Tele2 AB, Cl. B	119,943
170,000	Telecom Italia SpA, ADR†	1,626,900
235,000	Telefonica Brasil SA, ADR	3,609,600
53,000	Telefonica Deutschland Holding AG	248,856
525,000	Telefonica SA, ADR	5,181,750
1,000,000	Telekom Austria AG	9,523,692
340,000	Telenet Group Holding NV†	22,695,673
546,000	Telephone & Data Systems Inc.	15,304,380
60,000	Telesites SAB de CV†	47,096
700,000	VEON Ltd., ADR	1,848,000
715,000	Verizon Communications Inc.	34,191,300
580,000	Windstream Holdings Inc.	817,800
		206,808,579
	Wireless Communications — 3.9%	
65,000	America Movil SAB de CV, Cl. L, ADR	1,240,850
27,000	ATN International Inc.	1,609,740
69,000	China Mobile Ltd., ADR	3,156,750
53,000	China Unicom Hong Kong Ltd., ADR†	679,990
200	Hutchison Telecommunications Hong Kong Holdings Ltd.	70
86,000	Millicom International Cellular SA	5,951,200
252,000	Millicom International Cellular SA, SDR	17,187,717
6,500	Mobile TeleSystems PJSC, ADR	74,035
465,000	NTT DoCoMo Inc.	11,753,372
135,000	SK Telecom Co. Ltd., ADR	3,262,950
400	SmarTone Telecommunications Holdings Ltd.	$ 426
35,000	Tim Participacoes SA, ADR	758,450
400,000	Turkcell Iletisim Hizmetleri A/S, ADR	3,824,000
367,000	United States Cellular Corp.†	14,749,730
600,000	Vodafone Group plc, ADR	16,692,000
		80,941,280
	TOTAL COMMUNICATIONS	397,708,168
	OTHER — 8.2%	
	Aerospace — 1.2%	
2,000,000	Rolls-Royce Holdings plc	24,457,040
	Building and Construction — 0.3%	
12,000	Acciona SA	911,321
170,000	Johnson Controls International plc	5,990,800
		6,902,121
	Business Services — 0.5%	
1,420,000	Clear Channel Outdoor Holdings Inc., Cl. A	6,958,000
90,000	Macquarie Infrastructure Corp.	3,323,700
17,500	Vectrus Inc.†	651,700
		10,933,400
	Consumer Products — 0.0%	
10,000	Essity AB, Cl. A†	277,851
	Diversified Industrial — 0.3%	
1,000	Alstom SA	45,047
40,000	Bouygues SA	2,003,667
4,000	Donaldson Co. Inc.	180,200
10,000	Raven Industries Inc.	350,500
10,000	Svenska Cellulosa AB, Cl. A	105,991
105,600	Twin Disc Inc.†	2,295,744
		4,981,149
	Electronics — 1.5%	
90,000	Corning Inc.	2,509,200
585,000	Sony Corp., ADR	28,278,900
		30,788,100
	Entertainment — 0.5%	
633,332	Grupo Televisa SAB, ADR	10,107,979
	Financial Services — 0.4%	
168,000	Kinnevik AB, Cl. A	6,116,554
80,000	Kinnevik AB, Cl. B	2,878,153
		8,994,707
	Health Care — 0.0%	
12,000	Tsumura & Co.	414,454
	Machinery — 2.0%	
92,500	Astec Industries Inc.	5,104,150
36,000	Flowserve Corp.	1,559,880

See accompanying notes to schedule of investments.

Shares		Market Value
	COMMON STOCKS (Continued)	
	OTHER (Continued)	
	Machinery (Continued)	
79,000	The Gorman-Rupp Co.	$ 2,310,750
420,000	Xylem Inc.	32,306,400
		41,281,180
	Metals and Mining — 0.4%	
215,000	Freeport-McMoRan Inc.†	3,777,550
48,000	Haynes International Inc.	1,781,280
17,000	Vulcan Materials Co.	1,940,890
		7,499,720
	Transportation — 1.1%	
311,000	GATX Corp.	21,300,390
	TOTAL OTHER	167,938,091
	TOTAL COMMON STOCKS	2,017,423,252
	CONVERTIBLE PREFERRED STOCKS — 0.1%	
	ENERGY AND UTILITIES — 0.1%	
	Natural Gas Utilities — 0.1%	
54,000	Corning Natural Gas Holding Corp., 4.800%, Ser. B (b)	1,182,060
	COMMUNICATIONS — 0.0%	
	Telecommunications — 0.0%	
21,000	Cincinnati Bell Inc., 6.750%, Ser. B	1,027,320
	TOTAL CONVERTIBLE PREFERRED STOCKS	2,209,380
	WARRANTS — 0.0%	
	COMMUNICATIONS — 0.0%	
	Telecommunications — 0.0%	
80,000	Bharti Airtel Ltd., expire 11/30/20†(c)	489,600

Principal Amount		Market Value
	CORPORATE BONDS — 0.1%	
	Energy and Utilities — 0.1%	
$ 1,500,000	Mueller Industries Inc., 6.000%, 03/01/27	$ 1,505,625
	U.S. GOVERNMENT OBLIGATIONS — 1.3%	
26,890,000	U.S. Treasury Bills, 1.425% to 1.743%††, 05/17/18 to 08/02/18	26,796,420
	TOTAL INVESTMENTS — 100.0% (Cost $1,342,079,436)	$2,048,424,277

(a) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
(b) Security considered an affiliated holding because the Fund owns at least 5% of its outstanding shares.
(c) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At March 31, 2018, the market value of the Rule 144A security amounted to $489,600 or 0.02% of total investments.
† Non-income producing security.
†† Represents annualized yield at date of purchase.

ADR American Depositary Receipt
GDR Global Depositary Receipt
SDR Swedish Depositary Receipt

See accompanying notes to schedule of investments.

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 schedule of investments. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its schedule of investments.

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

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 March 31, 2018 is as follows:

	Valuation Inputs			
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Total Market Value at 3/31/18
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
ENERGY AND UTILITIES				
Merchant Energy	$ 38,796,900	—	$ 0	$ 38,796,900
Natural Gas Utilities	109,501,570	$ 6,840,936	—	116,342,506
Other Industries (a)	1,296,637,587	—	—	1,296,637,587
COMMUNICATIONS (a)	397,708,168	—	—	397,708,168
OTHER	167,938,091	—	—	167,938,091
Total Common Stocks	2,010,582,316	6,840,936	0	2,017,423,252
Convertible Preferred Stocks (a)	1,027,320	1,182,060	—	2,209,380
Warrants (a)		489,600	—	489,600
Corporate Bonds(a)	—	1,505,625	—	1,505,625
U.S. Government Obligations	—	26,796,420	—	26,796,420
TOTAL INVESTMENTS IN SECURITIES – ASSETS	$2,011,609,636	$36,814,641	$ 0	$2,048,424,277

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

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 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

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

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

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

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

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

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

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

Portfolio Manager Biography

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

Monthly Distributions - $0.07 per share
The Gabelli Utilities Fund has a $0.07 per share monthly distribution policy. For more specific dividend and tax information, please visit our website at www.gabelli.com or call 800-GABELLI (800-422-3554). **Shareholders should be aware that a portion of the distribution may represent a non-taxable return of capital.** Distributions of capital reduce the cost basis of your shares if you hold them in a taxable account. The distributions should not be confused with the yield or total return of the Fund.

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, will be available on our website at www.gabelli.com.

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

t 800-GABELLI (800-422-3554)
f 914-921-5118
e info@gabelli.com
GABELLI.COM

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

GAB470Q118QR

GABELLI
FUNDS

THE GABELLI UTILITIES FUND

First Quarter Report
March 31, 2018