Gabelli ESG Fund, Inc.

Shareholder Commentary
June 30, 2018

(Y)our Portfolio Management Team

Christopher C. Desmarais

Kevin V. Dreyer

Christopher J. Marangi

To Our Shareholders,

For the quarter ended June 30, 2018, the net asset value ("NAV") per Class AAA Share of the Gabelli ESG Fund decreased 1.7% compared with increases of 3.4% and 3.9% for the Standard & Poor's ("S&P") 500 Index and the Russell 3000 Index, respectively. Other classes of shares are available. See page 2 for performance information for all classes.

Environmental, Social, and Governance (ESG) Investing

Environmental, social and governance (ESG) refers to the three main areas of concern that have developed as central factors in measuring the sustainability and ethical impact of an investment in a business. Incorporating ESG factors into company research can help understand risks and opportunities that may otherwise have been overlooked, and improve the return profile of investment portfolios. ESG analysis differs from a traditional socially responsive investing (SRI) screen in that it does not apply a "negative screen", excluding companies that engage in specific unwanted activities (such as selling tobacco or weapons). Instead, it takes a holistic approach, evaluating a company's performance in a variety of areas, including carbon emissions, energy efficiency, water stress, human capital development, chemical safety, board independence, management pay practices, and business ethics.

Politics, the Economy and the Markets

During the second quarter of 2018, markets recouped first quarter losses to finish the first half of the year modestly higher. Economic indicators, including the lowest unemployment rate since 2000, remain favorable. The Federal Reserve's program of interest rate normalization is on track after two hikes this year. While the market appears to be taking the strong trade rhetoric from the Trump administration in stride, this global game of chicken could get out of control, with significant consequences for consumer prices and employment. The mere threat of a trade war may have already had a deleterious impact on planned investment. Attacks on free

Comparative Results

Average Annual Returns through June 30, 2018 (a)(b)

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (6/1/07)
Class AAA (SRIGX)	(1.69)%	(0.34)%	4.11%	7.05%	8.42%	5.69%
S&P 500 Index	3.43	14.37	11.93	13.42	10.17	7.56
Russell 3000 Index	3.89	14.78	11.58	13.29	10.23	7.63
Class A (SRIAX)	(1.70)	(0.41)	4.09	7.05	8.43	5.69
With sales charge (c)	(7.35)	(6.13)	2.05	5.79	7.79	5.12
Class C (SRICX)	(1.90)	(1.09)	3.31	6.24	7.61	4.90
With contingent deferred sales charge (d)	(2.88)	(2.08)	3.31	6.24	7.61	4.90
Class I (SRIDX)	(1.66)	(0.14)	4.34	7.32	8.68	5.95

In the current prospectuses dated July 28, 2018, the gross expense ratios for Class AAA, A, C, and I are 1.73%, 1.73%, 2.48%, and 1.48% respectively, and the net expense ratios for these share classes after contractual reimbursements by Gabelli Funds, LLC, (the "Adviser") are 1.25%, 1.25%, 2.00%, and 1.00% respectively. Class AAA and I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75%, and 1.00%, respectively.

(a) *Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Returns would have been lower had Gabelli Funds, LLC, the Adviser not reimbursed certain expenses of the Fund. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com.* The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Russell 3000 Index is an unmanaged indicator that measures the performance of the 3,000 largest U.S. traded stocks, in which the underlying companies are incorporated in the U.S. The MSCI AC World Index is an unmanaged market capitalization weighted index representing both developed and emerging markets. Dividends are considered reinvested. You cannot invest directly in an index.

(b) The Fund's fiscal year ends March 31.

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

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

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

trade by a U.S. president aren't novel, but the current tone is more strident than in the past; coming from the country that authored the systems governing post-WWII commerce, these attacks could have negative, albeit indeterminable, consequences for the market's confidence in the free market.

Whether the presidential candidacy of Sen. Bernie Sanders, the June election of Andrés Manuel Lopez Obrador as president of Mexico, the rise of democratic socialist Jeremy Corbyn in the U.K., or the primary defeat of a powerful Democratic congressman by democratic socialist Alexandra Ocasio-Cortez in New York's 14th congressional district, examples abound of dissatisfaction with the current state of affairs. Such tensions have likely been fueled by changing technology, demographics, and globalization. Capitalism has survived far worse. In fact, one of its beauties has been the ability to subsume these trends and ultimately raise the living standards of broad swaths of the population. We continue to closely monitor trade volleys, the rate cycle and the U.S. mid-term elections, while maintaining a diversified portfolio of strong companies trading at attractive discounts to their Private Market Values.

The New "Nifty Fifty"?

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

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

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

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

At the moment, (y)our Fund has no exposure to certain members of the FANGMA, not because we are skeptical of their businesses or because we are allergic to owning growth companies, but because in general they have either not met our valuation criteria or they are outside our areas of core competency. Valuations and outlooks change, however, and given the likely staying power of many of these enterprises, they may become more prominent in (y)our portfolio. In the meantime, we have owned many other regular top contributors to S&P returns (e.g. Comcast 2.0% of net assets as of June 30, 2018), and are always on the lookout for the stocks that will outstrip the FANGMA.

Deals, Deals & More Deals

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

(Y)our portfolio benefited from several announcements. Vodafone (1.3% of net assets as of June 30, 2018) agreed to acquire Liberty Global's (2.1%) German and Eastern European assets for an attractive 11x+ EBITDA, leaving Liberty a little less global, but with enough cash to significantly shrink its market capitalization after closing next year. In addition, ConAgra (4.6%) agreed to acquire Pinnacle Foods, a company Conagra CEO Sean Connolly targeted in his prior role at Hillshire Brands; the combination would strengthen its already significant presence the growing frozen foods category.

Investment Scorecard

Lamb Weston (3.2% of net assets as of June 30, 2018) (+18%) was the largest contributor to returns as the company reported yet another outstanding quarter, with net sales up 12% and adjusted EBITDA up 25% as it is benefiting from its capacity expansion amid continued favorable supply/demand dynamics for potatoes. Food company Post Holdings (1.9%) (+14%) also rose, as it posted strong results following the close of its acquisition of Bob Evans, and continues to make progress towards either selling or taking public its private label food business. Finally in food, Kraft Heinz (1.7%) (+8%) rose amid speculation that it was considering an acquisition of Campbell Soup and a general rebound in valuations in the sector. Macquarie Infrastructure (1.9%) (+17%) partially recovered from the steep fall precipitated in February by a cut in its dividend; during the third quarter we expect the company to report continued progress in repurposing its liquid storage tanks and finding partners for its power generation assets. Other contributors to return included Liberty Sirius (2.1%) (+11%) which tracks the strong subscriber results of Sirius XM and ServiceMaster (1.4%) (+17%) which nears the spin-off of its American Home Shield warranty business.

After strong performances in 2017, several industrial companies including Xylem (5.0%) (-12%), Tenneco (2.0%) (-19%) and CNH Industrial (1.6%) (-14%) retreated on fears of a maturing economic cycle compounded by concerns about the impact of a trade war, including higher input costs. As discussed above, Liberty Global (2.1%) (-13%) agreed to sell its German and Eastern European operations to Vodafone which became a “sell the news” event for the stock. Finally, Hewlett-Packard Enterprise (1.9%) (-16%), which completed two spin-offs in 2017, was pressured by stiff competition and waning structural growth in the computer server area.

Conclusion

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

July 27, 2018

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

Xylem Inc.	5.0%	PayPal Holdings Inc.	3.1%
Conagra Brands Inc.	4.6%	Sony Corp.	3.0%
Mondelez International Inc.	4.5%	Johnson Controls International	3.0%
Danone SA	4.1%	Watts Water Technologies Inc.	2.9%
Lamb Weston Holdings Inc.	3.2%	American Express Co.	2.5%

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

Minimum Initial Investment – $1,000

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

www.gabelli.com

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

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

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

e-delivery

We are pleased to offer electronic delivery of Gabelli fund documents. Direct shareholders of our mutual funds can elect to receive their Annual and Semiannual Reports, Manager Commentaries, and 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

Class AAA Shares are no-load shares offered directly through selected broker/dealers. Class A and Class C 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 Directors determined that expanding the types of Fund shares available through various distribution options would enhance the ability of the Fund to attract additional investors.

GABELLI ESG FUND, INC.
One Corporate Center
Rye, NY 10580-1422

Portfolio Management Team Biographies

Christopher C. Desmarais joined GAMCO Investors, Inc. in 1993. Currently he is a Managing Director of GAMCO Asset Management Company, a portfolio manager of Gabelli Funds, LLC, as well as the Director of Socially Responsive Investments. His responsibilities also include marketing and client service of GAMCO's Value, Growth, and International capabilities for institutional, endowment, and family office clients as well as direct oversight of all of the Firm's SRI equity products. He is a graduate of Fairfield University with a B.A. in Economics.

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

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

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

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GABELLI ESG FUND, INC.

Shareholder Commentary
June 30, 2018

Gabelli ESG Fund, Inc.
First Quarter Report — June 30, 2018

(Y)our Portfolio Management Team



Christopher C. Desmarais **Christopher J. Marangi** **Kevin V. Dreyer**

To Our Shareholders,

For the quarter ended June 30, 2018, the net asset value ("NAV") per Class AAA Share of the Gabelli ESG Fund decreased 1.7% compared with an increases of 3.4% and 3.9% for the Standard & Poor's ("S&P") 500 Index and the Russell 3000 Index, respectively. Other classes of shares are available. See page 2 for performance information for all classes of shares.

Enclosed is the schedule of investments, as of June 30, 2018.

Comparative Results

Average Annual Returns through June 30, 2018 (a)(b) (Unaudited)

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (6/01/07)
Class AAA (SRIGX)	(1.69)%	(0.34)%	4.11%	7.05%	8.42%	5.69%
S&P 500 Index	3.43	14.37	11.93	13.42	10.17	7.56
Russell 3000 Index	3.89	14.78	11.58	13.29	10.23	7.63
MSCI AC World Index	0.61	10.73	8.19	9.41	5.80	4.21
Class A (SRIAX)	(1.70)	(0.41)	4.09	7.05	8.43	5.69
With sales charge (c)	(7.35)	(6.13)	2.05	5.79	7.79	5.12
Class C (SRICX)	(1.90)	(1.09)	3.31	6.24	7.61	4.90
With contingent deferred sales charge (d)	(2.88)	(2.08)	3.31	6.24	7.61	4.90
Class I (SRIDX)	(1.66)	(0.14)	4.34	7.32	8.68	5.95
Class T (SRIWX)	(1.63)	(0.33)	4.11	7.06	8.43	5.69
With sales charge (e)	(4.09)	(2.83)	3.23	6.52	8.15	5.45

In the current prospectuses dated July 28, 2018, the gross expense ratios for Class AAA, A, C, and I are 1.75%, 1.75%, 2.50% and 1.50% respectively, and the net expense ratios for these share classes after contractual reimbursements by Gabelli Funds, LLC, (the Adviser) are 1.27%, 1.27%, 2.02% and 1.02% respectively. Class T Shares are no longer offered for sale in the current prospectus. The gross expense ratio for Class T Shares is 1.75% and the net expense ratio for Class T Shares after contractual reimbursements by the Adviser is 1.27%. Class AAA and I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75% and 1.00%, respectively.

(a) *Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Returns would have been lower had Gabelli Funds, LLC, the Adviser, not reimbursed certain expenses of the Fund. 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 Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class T Shares on July 28, 2017. The actual performance of the Class T Shares would have been lower due to the additional fees and expenses associated with the class of shares. 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 Russell 3000 Index is an unmanaged indicator that measures the performance of the 3,000 largest U.S. traded stocks, in which the underlying companies are incorporated in the U.S. The MSCI AC World Index is an unmanaged market capitalization weighted index representing both developed and emerging markets. Dividends are considered reinvested. You cannot invest directly in an index.

(b) The Fund's fiscal year ends March 31.

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

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

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

Gabelli ESG Fund, Inc.
Schedule of Investments — June 30, 2018 (Unaudited)

Shares		Market Value
	COMMON STOCKS — 98.1%	
	Automotive: Parts and Accessories — 5.4%	
14,000	Genuine Parts Co.	$ 1,285,060
2,000	O'Reilly Automotive Inc.†	547,140
25,000	Tenneco Inc.	1,099,000
		2,931,200
	Beverage — 6.8%	
30,000	Danone SA	2,202,590
10,000	PepsiCo Inc.	1,088,700
9,000	Suntory Beverage & Food Ltd.	384,501
		3,675,791
	Broadcasting — 4.7%	
12,000	Liberty Broadband Corp., Cl. C†	908,640
20,000	Liberty Media Corp.- Liberty Braves, Cl. C†	517,200
25,000	Liberty Media Corp.- Liberty SiriusXM, Cl. C†	1,134,000
		2,559,840
	Building and Construction — 5.5%	
6,000	Armstrong Flooring Inc.†	84,240
10,000	Fortune Brands Home & Security Inc.	536,900
13,000	Herc Holdings Inc.†	732,420
48,000	Johnson Controls International plc	1,605,600
		2,959,160
	Business Services — 3.3%	
24,500	Macquarie Infrastructure Corp.	1,033,900
13,000	ServiceMaster Global Holdings Inc.†	773,110
		1,807,010
	Cable and Satellite — 5.0%	
33,000	Comcast Corp., Cl. A	1,082,730
11,000	EchoStar Corp., Cl. A†	488,400
42,000	Liberty Global plc, Cl. C†	1,117,620
		2,688,750
	Computer Software and Services — 3.9%	
25,000	eBay Inc.†	906,500
70,000	Hewlett Packard Enterprise Co.	1,022,700
16,000	Internap Corp.†	166,720
		2,095,920
	Consumer Products — 7.1%	
25,000	Edgewell Personal Care Co.†	1,261,500
15,000	Energizer Holdings Inc.	944,400
32,000	Sony Corp., ADR	1,640,320
		3,846,220
	Energy and Utilities — 1.7%	
5,500	NextEra Energy Inc.	918,665
	Entertainment — 1.5%	
11,000	Viacom Inc., Cl. B	331,760
20,000	Vivendi SA	$ 490,477
		822,237
	Environmental Services — 2.1%	
15,000	Waste Connections Inc.	1,129,200
	Equipment and Supplies — 5.0%	
15,000	Flowserve Corp.	606,000
45,000	Mueller Water Products Inc., Cl. A	527,400
20,000	Watts Water Technologies Inc., Cl. A	1,568,000
		2,701,400
	Financial Services — 7.2%	
14,000	American Express Co.	1,372,000
8,000	Kinnevik AB, Cl. B	274,117
20,000	PayPal Holdings Inc.†	1,665,400
11,000	The Bank of New York Mellon Corp.	593,230
		3,904,747
	Food — 22.2%	
70,000	Conagra Brands Inc.	2,501,100
5,000	General Mills Inc.	221,300
5,000	Kellogg Co.	349,350
25,000	Lamb Weston Holdings Inc.	1,712,750
20,000	Maple Leaf Foods Inc.	505,686
60,000	Mondelēz International Inc., Cl. A	2,460,000
15,000	Nestlé SA	1,164,798
12,000	Post Holdings Inc.†	1,032,240
15,000	The Kraft Heinz Co.	942,300
20,000	Unilever plc, ADR	1,105,600
		11,995,124
	Health Care — 3.1%	
8,000	Henry Schein Inc.†	581,120
10,000	Patterson Cos., Inc.	226,700
10,000	Zoetis Inc.	851,900
		1,659,720
	Machinery — 6.6%	
80,000	CNH Industrial NV	842,400
40,000	Xylem Inc.	2,695,200
		3,537,600
	Retail — 2.0%	
25,000	United Natural Foods Inc.†	1,066,500
	Specialty Chemicals — 2.6%	
15,000	H.B. Fuller Co.	805,200
5,000	International Flavors & Fragrances Inc.	619,800
		1,425,000
	Telecommunications — 2.4%	
15,000	Loral Space & Communications Inc.†	564,000

See accompanying notes to schedule of investments.

Shares		Market Value
	COMMON STOCKS (Continued)	
	Telecommunications (Continued)	
29,000	Vodafone Group plc, ADR	$ 704,990
		1,268,990
	TOTAL COMMON STOCKS	52,993,074
	CLOSED-END FUNDS — 1.5%	
11,000	Altaba Inc.†	805,310

Principal Amount		Market Value
	U.S. GOVERNMENT OBLIGATIONS — 0.4%	
$ 205,000	U.S. Treasury Bills, 1.863%††, 09/20/18	$ 204,148
	TOTAL INVESTMENTS — 100.0% (Cost $40,348,268)	$54,002,532

† Non-income producing security.
†† Represents annualized yield at date of purchase.
ADR American Depositary Receipt

See accompanying notes to schedule of investments.

The Fund's schedule of investments is prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), which may require the use of management estimates and assumptions. 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 Directors (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 June 30, 2018 is as follows:

	Valuation Inputs		
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Total Market Value at 6/30/18
INVESTMENTS IN SECURITIES:			
ASSETS (Market Value):			
Common Stocks (a)	$52,993,074	—	$52,993,074
Closed-End Funds	805,310	—	805,310
U.S. Government Obligations	—	$204,148	204,148
TOTAL INVESTMENTS IN SECURITIES – ASSETS	$53,798,384	$204,148	$54,002,532

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

There were no Level 3 investments at June 30, 2018 or March 31, 2018.

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. When fair valuing a security, factors to consider 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. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

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

Investments in other Investment Companies. The Fund may invest, from time to time, in shares of other investment companies (or entities that would be considered investment companies but are excluded from the definition pursuant to certain exceptions under the 1940 Act) (the "Acquired Funds") in accordance with the

1940 Act and related rules. Shareholders in the Fund would bear the pro rata portion of the periodic expenses of the Acquired Funds in addition to the Fund's expenses. At June 30, 2018, the Fund's pro rata portion of the periodic expenses charged by the Acquired Funds was approximately 2 basis points.

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 June 30, 2018, the Fund held no 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.

GABELLI ESG FUND, INC.
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Portfolio Management Team Biographies

Christopher C. Desmarais joined GAMCO Investors, Inc. in 1993. Currently he is a Managing Director of GAMCO Asset Management, Inc., a portfolio manager of Gabelli Funds, LLC, as well as the Director of Socially Responsive Investments. He is a co-portfolio manager of the Fund, and his responsibilities also include marketing and client service of GAMCO's Value, Growth, and International capabilities for institutional, endowment, and family office clients as well as direct oversight of all of the Firm's ESG equity products. He is a graduate of Fairfield University with a BA in Economics.

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

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

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

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Net Asset Value per share available daily
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LEGAL COUNSEL

Paul Hastings LLP

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First Quarter Report
June 30, 2018