

The Gabelli Asset Fund

Shareholder Commentary – September 30, 2018

(Y)our Portfolio Management Team



Mario J. Gabelli, CFA
Chief Investment Officer



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



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



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

To Our Shareholders,

For the quarter ended September 30, 2018, the net asset value (“NAV”) per Class AAA Share of The Gabelli Asset Fund increased 5.1% compared with an increase of 7.7% for the Standard & Poor’s (“S&P”) 500 Index. Other classes of shares are available. See page 2 for performance information for all classes.

Third Quarter Commentary

Markets continued to charge ahead in the third quarter, with the S&P 500 again setting record highs in late September. Financial and economic data continue to support the rally: U.S. second quarter GDP growth registered a blistering 4.2%, the unemployment rate fell to a 49-year low at 3.7% in September, and corporate profits soared, with growth of over 16%. This good news was enough to overlook continued trade tensions, Federal Reserve-driven rising interest rates, and uncertainty around the midterm congressional elections.

This being said, there are always uncertainties and potential pitfalls to both markets and the economy. We focus on what we call the “Four Ts”:

- **Tariffs.** Just after quarter end, the Trump Administration announced it had successfully negotiated the USMCA to replace NAFTA. Once ratified, the new agreement would (presumably) lead to an end of trade tensions in North America. Does this mean that the Trump administration will also, after much fiery rhetoric, try to find common ground on trade with the E.U. and China? Time will tell, but it currently appears that any actual economic damage may be short lived.

Comparative Results

Average Annual Returns through September 30, 2018 (a)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (3/3/86)
Class AAA (GABAX)	5.11%	11.73%	8.92%	10.44%	9.87%	11.90%
S&P 500 Index	7.71	17.91	13.95	11.97	9.65	10.64(b)
Dow Jones Industrial Average	9.60	20.71	14.51	12.17	9.95	11.63(b)
Nasdaq Composite Index	7.41	25.16	17.34	15.12	11.11	10.17(b)
Class A (GATAX)	5.10	11.73	8.92	10.44	9.87	11.90
With sales charge (c)	(0.95)	5.30	7.64	9.78	9.44	11.69
Class C (GATCX)	4.91	10.90	8.10	9.62	9.07	11.52
With contingent deferred sales charge (d)	3.91	9.90	8.10	9.62	9.07	11.52
Class I (GABIX)	5.16	12.00	9.19	10.71	10.07	11.99

In the current prospectuses dated April 30, 2018, the expense ratios for Class AAA, A, C, and I Shares are 1.35%, 1.35%, 2.10%, and 1.10%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75% and 1.00%, respectively.

- (a) *Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Returns would have been lower had Gabelli Funds, LLC (the "Adviser") not reimbursed certain expenses of the Fund for periods prior to December 31, 1988. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Dow Jones Industrial Average and the Nasdaq Composite Index are unmanaged indicators of stock market performance. Dividends are considered reinvested, except for the Nasdaq Composite Index. You cannot invest directly in an index. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2003, and Class I Shares on January 11, 2008. The actual performance of the Class A Shares, and Class C Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares.*
- (b) S&P 500 Index, Dow Jones Industrial Average, and Nasdaq Composite Index since inception performance results are as of February 28, 1986.
- (c) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.
- (d) Assuming payment of the 1% maximum contingent deferred sales charge imposed on redemptions made within one year of purchase.

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.

- **Ten Year.** The 10-Year Treasury note yielded less than 2.5% at the start of 2018. As of this writing, it yields over 3.2%, as higher interest rates are finally becoming a reality. Are current equity multiples sustainable as interest rates continue to rise?
- **Taxes.** The U.S. moved to a territorial tax system from a global system for corporations, which when coupled with a 21% corporate tax rate provides a magnet for businesses to locate here. Another plus is the 100% expensing of capital expenditures for both new and used equipment, which drives increased business spending. Clarity on taxes should also allow for more deal making.
- **Technology.** Winners and losers are being created in a multitude of industries as technology is used to disrupt old business models. Long standing businesses are also employing technology to deepen their economic “moats”, particularly locally-focused service oriented businesses. In the stock market, large cap tech has again been leading growth this year (as for much of the last decade), though tech stock prices started to reflect worries about continued growth after quarter end.

Deals, Deals & More Deals

Worldwide mergers and acquisitions (M&A) activity totaled \$3.3 trillion during the first nine months of 2018, an increase of 37% compared to the first nine months of 2017 and the strongest first nine months for global M&A on record. The third quarter, however, registered a 32% decline in transaction value compared to the second quarter of the year. Overall, 34,543 deals were announced worldwide during the first nine months of 2018, down 9% from a year ago, indicating that mega deals are continuing to drive transaction value. We continue to anticipate more small and mid-cap companies participating in the current M&A boom as time goes on, especially as potential targets continue to be created via financial engineering.

Investment Scorecard

Top contributors to performance during the quarter included Sony (2.0% of net assets as of September 30, 2018) (+18%), which reported strong top and bottom line results in its fiscal first quarter driven by its Game & Network Service and Music divisions; Flowserve (1.1%) (+36%), which stands to benefit from sales of pumps and valves into oil & gas, petrochemical, and chemical projects around the world that are now moving forward with the rebound of oil prices; Donaldson (1.2%) (+30%), which reported outstanding results for the company’s fiscal fourth quarter, as strong demand for machinery and industrial filtration equipment helped drive revenues up 10%, while solid execution at the company level helped avoid margin contraction from input costs and strategic investments; Crane (1.2%) (+23%), which reported strong second quarter results, with solid demand across the company’s Aerospace & Electronics, Crane Payment Innovations, Crane Currency and Fluid Handling businesses; and Honeywell (1.7%) (+16%), which continues to benefit from increased aerospace and defense spending, and completed the spin-off of Garrett Motion, its transportation business, after the end of the quarter.

Detractors from performance included Twenty-First Century Fox (3.3%) (-6%) which declined slightly from its highs amid bidding war speculation between Disney and Comcast (0.5%); gold miners Newmont Mining (0.6%) (-20%) and Royal Gold (0.4%) (-17%) which both declined along with the price of gold; Visteon (0.2%) (-28%),

which declined as broader concerns over global automotive production weighed heavily on the supplier base, and impacts from import tariffs are negatively affecting automotive demand in China; and Bank of New York Mellon (1.3%) (-5%), whose shares were impacted by a flattening yield curve and disappointing results from a more stringent CCAR test.

Let's Talk Stocks

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

AMETEK (2.1% of net assets as of September 30, 2018) (AME – \$79.12 – NYSE) is a diversified supplier of highly engineered equipment used in a broad array of industrial end markets. The company offers a diverse product portfolio including test and measurement, metrology, and precision motion control equipment in addition to specialty materials and aftermarket services. Through July 2018, AMETEK has spent \$370 million acquiring three businesses (following \$560 million spent on three acquisitions during full-year 2017). As of June 30, 2018, the company had \$560 million of cash on its balance sheet and over \$700 million of availability on its revolver and management expects to remain active on the acquisition front. Organic sales growth has also been strong, up 8% year-over-year during the first half of 2018 and AMETEK finished Q2 2018 with a record backlog of \$1.6 billion.

Brown-Forman Corp. (2.3%) (BFA/BFB – \$50.80/\$50.55 – NYSE) is a leading global distilled spirits producer. Spirits is an advantaged category that enjoys high margins, low capital requirements, strong free cash flow generation, and good pricing power. The company's global brands include Jack Daniel's Tennessee whiskey, Finlandia vodka, Woodford Reserve bourbon, and el Jimador and Herradura tequilas. Jack Daniel's is one of the world's most valuable spirits brands, enjoying strong growth both in the U.S. and internationally as consumers increasingly choose to drink American whiskeys. The company has also successfully expanded the brand into the fast growing flavored whiskey category. While Brown-Forman does face some near term headwinds from ongoing trade disputes, emerging market sales have returned to growth, and the company is positioned to grow revenues and profits substantially over the next several years, and has significant balance sheet flexibility. While the company is family controlled, we believe that if it ever became available for sale it would be highly coveted by other large global spirits players.

Clear Channel Outdoor Holdings (0.1%) (CCO – \$5.95 – NYSE) located in San Antonio, Texas, is an outdoor advertising company with billboards, street furniture, transit, and digital displays in global markets. Outdoor advertising represents 4%-6% of total advertising, reaches consumers outside of the home where the propensity to spend is greater, and it cannot be skipped or blocked. iHeart Communication controls CCO with ~87% of the economic and 99% of the vote. iHeart is currently negotiating a bankruptcy exit with its creditors, which include CCO. CCO has businesses in both the U.S. and international markets that could be attractive to

a global outdoor operator. We expect that the exit of iHeart from bankruptcy and distribution of iHeart's stake in CCO to creditors could be a catalyst for shares.

CNH Industrial NV (0.8%) (CNHI – \$12.01/€10.35 – NYSE/Borsa Italiana), with headquarters in London, England, and Burr Ridge, Illinois, is a global capital equipment manufacturer that was demerged from parent Fiat in 2013. CNHI is unique in that it has leading positions in a variety of global machinery markets. It is best known for its agricultural equipment business, consisting of Case IH, New Holland Agriculture, and Steyr brands. The company's other businesses include Iveco, a leading global truck and bus manufacturer, as well as Case and New Holland construction machinery. Finally, FPT Industrial provides engines and transmissions for the company's captive businesses and also sells to other machinery manufacturers. CNHI is well positioned, not only for a cyclical recovery in its agricultural and equipment end markets, but also for significant cash flow generation in the years ahead. We believe CNHI can surface value through financial engineering, with Iveco being a particularly attractive asset for other global machinery manufacturers.

Discovery Communications (0.8%) (DISCA – \$32.00, DISCK – \$29.58 – NASDAQ) located in Silver Spring, Maryland, is a global nonfiction media & entertainment company that provides programming to pay-TV distributors through network brands such as the Discovery Channel, TLC, Animal Planet, HGTV, Food Network, and ID. On September 12, 2018, Discovery reached a vMVPD distribution agreement with Hulu and announced a contract renewal with Dish Network which includes carriage on Dish's Sling TV. In addition to providing ~2.5 million additional subscribers, the agreements highlight the value of Discovery's content. The news should reduce investor concerns that Discovery is losing relevance in U.S. markets. Separately, management believes 1) Scripps synergies, estimated at \$600 million, are tracking ahead of expectations, 2) affiliate fees should see a significant step-up in 2019, and 3) the company will be at or below 4.0x debt to EBITDA by year-end. Discovery has an enviable business model. About 50% of revenue is generated from long-term agreements with pay-TV distributors and the company is exposed to secular growth in the international pay-TV industry. Industry leading margins are especially attractive given the low capital intensity of the cable network business. We expect the acquisition of Scripps Networks to provide meaningful cost synergies as well as improved scale. We also believe Discovery could be an attractive acquisition target for a number of larger media companies given the acceleration in industry consolidation. DISCA trades at 9.0x 2019P EBITDA, which compares favorably to recent transactions: Time Warner was purchased at 13x EBITDA; Disney is paying 15.5x EBITDA for FOX's assets.

Flowers Foods Inc. (0.2%) (FLO – \$18.66 – NYSE) is the second-leading manufacturer and marketer in the fresh bread category. Fresh bakery is one of the largest retail categories generating \$24 billion in retail sales. The bread category has undergone considerable consolidation over the last decade as the three largest manufacturers' branded products represent approximately 51% of the market. Flowers continues to shift its portfolio to faster-growing segments of the baking industry, including premium, specialty, in-store bakery and organics. In 2015, the company acquired Dave's Killer Bread, which is the leading organic bread brand in the U.S. with nearly 60% market share growing strong double-digits. In conjunction with growing sales, the company is implementing its multiyear cost savings initiatives associated with Project Centennial, which is expected to contribute to EBITDA margin improvement of 250 basis points through 2021.

Flowserve (1.1%) (FLS – \$54.69 – NYSE) is a leading manufacturer of pumps, valves, and seals for the oil and gas, chemical, power generation, water treatment, and general industrial markets. Flowserve is benefiting from increasing project activity across its core oil and gas, petrochemical, and chemical end markets in the U.S., Middle East, and Asia. As one of the largest providers of pumps and valves into these end markets, Flowserve stands to benefit from the release of budgetary dollars on these long-cycle capital projects. The company's operating performance is also beginning to show early signs of improvement under the leadership of CEO Scott Rowe, who took the helm in April 2017.

Madison Square Garden Co. (1.6%) (MSG – \$315.32 – NYSE) is an integrated sports and entertainment company that owns the New York Knicks, the New York Rangers, the Radio City Christmas Spectacular, The Forum, and that iconic New York venue, Madison Square Garden. These evergreen content and venue assets benefit from sustainable barriers to entry and long term secular growth. MSG completed the separation of its associated regional sports networks in September 2015, leaving a reliable cash flow stream for MSG to reinvest and repurchase shares. In June 2018, the company disclosed that it was exploring the spin-off of its teams, which we think could further surface value, especially as MSG expands its venue portfolio

MGM Resorts International (0.4%) (MGM – \$27.91 – NYSE) is the Las Vegas-based owner and operator of 17 casino resorts, 73% of an associated REIT MGM Growth Properties (MGP), 56% of MGM China (2282-HK) and 50% of CityCenter Las Vegas. Following a weak 2018, MGM will have easy performance comparisons immediately following the openings of capital projects in Las Vegas and Massachusetts, and as VIP operations ramp at its second Macau casino, MGM Cotai. We continue to believe that an inflection in free cash flow generation, which we expect to begin in the fourth quarter of 2018, is the key to closing a large gap between the current stock price and our Private Market Value estimate, which is based on a sum of the parts valuation of its assets.

Sony (2.0%) (SNE – \$60.65 – NYSE) is a diversified electronics and entertainment company based in Tokyo, Japan. The company manufactures image sensors, televisions, PlayStation game consoles, mobile phone handsets, and cameras. It also operates the Columbia film studio and Sony Music entertainment group. We expect growth opportunity in image sensor and game businesses and operational improvements in consumer electronics and entertainment to generate EBITDA growth through 2018. We also think the potential spinoff of the entertainment assets could be a catalyst.

Twenty-First Century Fox Inc. (3.3%) (FOXA – \$46.33, FOX – \$45.82 – NASDAQ) is a diversified media company with operations in cable network television, television broadcasting, and filmed entertainment. FOX is in the process of selling the company's cable, international, and entertainment assets to Disney for \$72 billion or ~\$38 per share. Following the transaction, FOXA will consist of Fox News and The Fox Broadcasting Company. The company's concentration in live news and sports programming will be a significant advantage as it negotiates with both traditional and entrant distributors. Pro forma for the Disney transaction, FOXA is trading at 7.2x EBITDA, which we view as attractive.

Viacom (0.7%) (VIA – \$36.55, VIAB – \$33.76 – NASDAQ) is a pure-play content company that owns a global stable of cable networks, including MTV, Nickelodeon, Comedy Central, VH1, BET, and the Paramount movie studio. Viacom’s cable networks generate revenue from advertising sales, fixed monthly subscriber fees, and ancillary revenue from toy licensing, etc. We believe a low valuation and M&A potential outweigh the secular risks of cord-cutting.

Xylem (1.2%) (XYL – \$79.87 – NYSE) is a global leader in the design, manufacturing, and application of highly engineered technologies for the transportation, treatment, measurement, and testing of water. The company is expected to benefit from favorable long term fundamentals in the water industry, driven by scarcity, population growth, aging of the infrastructure, and the need to improve water quality. Further, with a large installed base of pumps and systems, the company is well positioned to increase aftermarket revenue, which currently represents roughly 40% of total revenues. XYL expects to generate mid-teens earnings per share growth through 2020 as it accelerates its capital deployment strategy globally. The company is currently building out its infrastructure analytics capabilities as it integrates companies it has acquired in the past several years such as Sensus, Hypack, and Pure Technologies.

Conclusion

As always, we conduct bottom-up research on companies and industries through our proprietary methodology which we call “GAPIC”: Gather, Array, Project, Interpret, and Communicate. As active stock pickers, this is the kind of environment for us to prove our mettle. We continue to seek high-quality companies trading at a discount to Private Market Value – the price an informed industrialist would pay to own an entire business – and look for catalysts to surface value, such as industry consolidation, financial engineering, new management, regulatory changes, or a change in cash flow allocation.

October 26, 2018

Top Ten Holdings (Percent of Net Assets)			
<u>September 30, 2018</u>			
Twenty-First Century Fox Inc.	3.2%	Swedish Match AB	1.6%
Brown-Forman Corp.	2.3%	Madison Square Garden Co.	1.6%
Ametek Inc.	2.1%	Genuine Parts Co.	1.6%
Sony Corp.	2.0%	Republic Services Inc.	1.5%
Honeywell International Inc.	1.7%	Berkshire Hathaway Inc.	1.5%

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

Minimum Initial Investment – \$1,000

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

www.gabelli.com

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

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

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

e-delivery

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

Multi-Class Shares

The Gabelli Asset Fund began offering additional classes of Fund shares on December 31, 2003. Class AAA Shares are no-load shares offered directly through selected broker/dealers. Class A 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 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.

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 and affiliates that provide investment advisory services for a variety of clients.

What kind of non-public information do we collect about you if you become a fund shareholder?

If you apply to open an account directly with us, you will be giving us some non-public information about yourself. The non-public information we collect about you is:

- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us, any transactions with our affiliates, and transactions with the entities we hire to provide services to you.* This would include information about the shares that you buy or redeem. If we hire someone else to provide services—like a transfer agent—we will also have information about the transactions that you conduct through them.

What information do we disclose and to whom do we disclose it?

We do not disclose any non-public personal information about our customers or former customers to anyone other than our affiliates, our service providers who need to know such information, and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its website, www.sec.gov.

What do we do to protect your personal information?

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

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

Portfolio Management Team Biographies

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

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

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

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

THE GABELLI ASSET FUND

One Corporate Center
Rye, NY 10580-1422

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

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

BOARD OF TRUSTEES

Mario J. Gabelli, CFA
Chairman and
Chief Executive Officer,
GAMCO Investors, Inc.
Executive Chairman,
Associated Capital Group Inc.

Anthony J. Colavita
President,
Anthony J. Colavita, P.C.
James P. Conn
Former Chief Investment
Officer,
Financial Security Assurance
Holdings Ltd.

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

Kuni Nakamura
President,
Advanced Polymer, Inc.

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

Werner J. Roeder
Former Medical Director,
Lawrence Hospital

Anthonie C. van Ekris
Chairman,
BALMAC International, Inc.
Salvatore J. Zizza
Chairman,
Zizza & Associates Corp.

OFFICERS

Bruce N. Alpert
President

John C. Ball
Treasurer

Agnes Mullady
Vice President

Andrea R. Mango
Secretary

Richard J. Walz
Chief Compliance Officer

DISTRIBUTOR

G.distributors, LLC

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT

DST Asset Manager Solutions, Inc.

CUSTODIAN

State Street Bank and Trust Company

LEGAL COUNSEL

Skadden, Arps, Slate, Meagher &
Flom LLP

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



GABELLI
FUNDS

THE GABELLI ASSET FUND

Shareholder Commentary
September 30, 2018

The Gabelli Asset Fund

Third Quarter Report — September 30, 2018

(Y)our Portfolio Management Team



Mario J. Gabelli, CFA
Chief Investment Officer



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



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



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

To Our Shareholders,

For the quarter ended September 30, 2018, the net asset value (NAV) per class AAA Share of The Gabelli Asset Fund increased 5.1% compared with an increase of 7.7% for the Standard & Poor's (S&P) 500 Index. Other classes of shares are available. See page 2 for the performance information for all classes.

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

Comparative Results

Average Annual Returns through September 30, 2018 (a) (Unaudited)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (3/3/86)
Class AAA (GABAX)	5.11%	11.73%	8.92%	10.44%	9.87%	11.90%
S&P 500 Index	7.71	17.91	13.95	11.97	9.65	10.64(d)
Dow Jones Industrial Average	9.60	20.71	14.51	12.17	9.95	11.63(d)
Nasdaq Composite Index	7.41	25.16	17.34	15.12	11.11	10.17(d)
Class A (GATAX)	5.10	11.73	8.92	10.44	9.87	11.90
With sales charge (b)	(0.95)	5.30	7.64	9.78	9.44	11.69
Class C (GATCX)	4.91	10.90	8.10	9.62	9.07	11.52
With contingent deferred sales charge (c)	3.91	9.90	8.10	9.62	9.07	11.52
Class I (GABIX)	5.16	12.00	9.19	10.71	10.07	11.99

In the current prospectuses dated April 30, 2018, the expense ratios for Class AAA, A, C, and I are 1.35%, 1.35%, 2.10%, and 1.10%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75%, 1.00%, respectively.

- (a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Returns would have been lower had Gabelli Funds, LLC (the Adviser) not reimbursed certain expenses of the Fund for periods prior to December 31, 1988. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Dow Jones Industrial Average and the Nasdaq Composite Index are unmanaged indicators of stock market performance. Dividends are considered reinvested, except for the Nasdaq Composite Index. You cannot invest directly in an index. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2003, and Class I Shares on January 11, 2008. The actual performance of the Class A Shares, and Class C Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares.
- (b) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.
- (c) Assuming payment of the 1% maximum contingent deferred sales charge imposed on redemptions made within one year of purchase.
- (d) S&P 500 Index, Dow Jones Industrial Average, and Nasdaq Composite Index since inception performance results are as of February 28, 1986.

The Gabelli Asset Fund

Schedule of Investments — September 30, 2018 (Unaudited)

Shares		Market Value	Shares		Market Value
	COMMON STOCKS — 99.6%				
	Aerospace — 1.5%				
490,000	Aerojet Rocketdyne Holdings Inc.†	\$ 16,655,100	65,000	Liberty Media Corp.- Liberty Formula One, Cl. C†	\$ 2,417,350
5,000	Lockheed Martin Corp.	1,729,800	50,000	Liberty Media Corp.- Liberty SiriusXM, Cl. A†	2,172,000
6,000	Northrop Grumman Corp.	1,904,220	185,000	Liberty Media Corp.- Liberty SiriusXM, Cl. C†	8,038,250
1,466,100	Rolls-Royce Holdings plc	18,868,475	330,000	MSG Networks Inc., Cl. A†	8,514,000
1,250	The Boeing Co.	464,875	10,000	Naspers Ltd., Cl. N	2,157,970
		<u>39,622,470</u>	125,000	Pandora Media Inc.†	1,188,750
	Agriculture — 0.5%		335,000	Television Broadcasts Ltd.	952,148
220,000	Archer-Daniels-Midland Co.	11,059,400	40,000	Tokyo Broadcasting System Holdings Inc.	832,248
2,200	Nutrien Ltd.	126,940	84,000	Tribune Media Co., Cl. A	<u>3,228,120</u>
25,000	The Mosaic Co.	812,000			<u>59,308,221</u>
		<u>11,998,340</u>			
	Airlines — 0.0%			Building and Construction — 1.0%	
100,000	American Airlines Group Inc., Escrow†	147,500	12,000	Armstrong Flooring Inc.†	217,200
	Automotive — 0.9%		37,000	Assa Abloy AB, Cl. B	743,755
5,000	Ferrari NV	684,550	145,000	Fortune Brands Home & Security Inc.	7,592,200
25,000	General Motors Co.	841,750	95,000	Herc Holdings Inc.†	4,864,000
393,000	Navistar International Corp.†	15,130,500	375,000	Johnson Controls International plc	<u>13,125,000</u>
91,500	PACCAR Inc.	6,239,385			<u>26,542,155</u>
3,000	Volkswagen AG	522,820		Business Services — 3.0%	
		<u>23,419,005</u>	10,000	Blucora Inc.†	402,500
	Automotive: Parts and Accessories — 3.0%		225,000	Clear Channel Outdoor Holdings Inc., Cl. A	1,338,750
138,000	BorgWarner Inc.	5,903,640	15,000	Diebold Nixdorf Inc.	67,500
85,000	Brembo SpA	1,113,214	29,000	Ecolab Inc.	4,546,620
370,000	Dana Inc.	6,907,900	56,532	Fly Leasing Ltd., ADR†	797,101
412,000	Genuine Parts Co.	40,952,800	100,000	Live Nation Entertainment Inc.†	5,447,000
43,000	Modine Manufacturing Co.†	640,700	153,900	Macquarie Infrastructure Corp.	7,099,407
38,500	O'Reilly Automotive Inc.†	13,371,820	144,000	Mastercard Inc., Cl. A	32,055,840
30,000	Standard Motor Products Inc.	1,476,600	2,400	MSC Industrial Direct Co. Inc., Cl. A	211,464
43,000	Superior Industries International Inc.	733,150	3,458	Novus Holdings Ltd.	1,015
65,000	Tenneco Inc., Cl. A	2,739,100	30,000	The Brink's Co.	2,092,500
45,000	Visteon Corp.†	4,180,500	556,000	The Interpublic Group of Companies Inc.	12,715,720
		<u>78,019,424</u>	24,000	Vectrus Inc.†	748,560
	Aviation: Parts and Services — 0.8%		61,000	Visa Inc., Cl. A	<u>9,155,490</u>
1,700,000	BBA Aviation plc	6,660,671			<u>76,679,467</u>
46,500	Curtiss-Wright Corp.	6,390,030		Cable and Satellite — 3.6%	
110,500	Kaman Corp.	7,379,190	129,000	AMC Networks Inc., Cl. A†	8,557,860
20,000	KLX Inc.†	1,255,600	10,000	Charter Communications Inc., Cl. A†	3,258,800
		<u>21,685,491</u>	376,000	Comcast Corp., Cl. A	13,314,160
	Broadcasting — 2.3%		327,200	DISH Network Corp., Cl. A†	11,700,672
279,600	CBS Corp., Cl. A, Voting	16,230,780	84,000	EchoStar Corp., Cl. A†	3,895,080
18,000	Cogeco Inc.	811,892	147,900	Liberty Global plc, Cl. A†	4,278,747
26,666	Corus Entertainment Inc., New York, Cl. B	87,192	397,000	Liberty Global plc, Cl. C†	11,179,520
13,334	Corus Entertainment Inc., Toronto, Cl. B	43,254	20,857	Liberty Latin America Ltd., Cl. A†	434,660
35,250	Liberty Broadband Corp., Cl. A†	2,972,634	46,740	Liberty Latin America Ltd., Cl. C†	964,246
100,682	Liberty Broadband Corp., Cl. C†	8,487,493	536,000	Rogers Communications Inc., New York, Cl. B	27,555,760
33,000	Liberty Media Corp.- Liberty Formula One, Cl. A†	1,174,140	50,000	Rogers Communications Inc., Toronto, Cl. B	2,571,517
			118,000	Shaw Communications Inc., New York, Cl. B	2,299,820

See accompanying notes to schedule of investments.

The Gabelli Asset Fund

Schedule of Investments (Continued) — September 30, 2018 (Unaudited)

Shares		Market Value	Shares		Market Value
	COMMON STOCKS (Continued)				
	Energy and Utilities (Continued)				
27,000	KLX Energy Services Holdings Inc.†	\$ 864,270	170,000	Sealed Air Corp.	\$ 6,825,500
13,000	Marathon Petroleum Corp.	1,039,610	23,250	The Manitowoc Co. Inc.†	557,768
239,000	National Fuel Gas Co.	13,398,340	50,000	The Timken Co.	2,492,500
56,400	Oceaneering International Inc.†	1,556,640	20,000	The Toro Co.	1,199,400
5,000	Phillips 66	563,600	75,000	The Weir Group plc	1,723,430
53,000	Southwest Gas Holdings Inc.	4,188,590	22,500	Valmont Industries Inc.	3,116,250
95,000	The AES Corp.	1,330,000	218,000	Watts Water Technologies Inc., Cl. A	18,094,000
24,000	Wartsila OYJ Abp.	467,856			<u>209,156,507</u>
260,000	Weatherford International plc†	704,600			
		<u>80,940,626</u>			
	Entertainment — 7.2%			Financial Services — 9.8%	
195,500	Discovery Inc., Cl. A†	6,256,000	12,800	Alleghany Corp.	8,352,384
545,000	Discovery Inc., Cl. C†	16,121,100	58,000	AllianceBernstein Holding LP	1,766,100
670,000	Grupo Televisa SAB, ADR	11,885,800	270,000	American Express Co.	28,752,300
45,000	Liberty Media Corp.-		3,000	Ameriprise Financial Inc.	442,980
	Liberty Braves, Cl. A†	1,227,600	36,800	Argo Group International Holdings Ltd.	2,320,240
136,071	Liberty Media Corp.-		60,000	Bank of America Corp.	1,767,600
	Liberty Braves, Cl. C†	3,707,935	120	Berkshire Hathaway Inc., Cl. A†	38,400,006
20,000	Lions Gate Entertainment Corp., Cl. B	466,000	5,000	BKF Capital Group Inc.†	58,750
5,714	Modern Times Group MTG AB, Cl. B	209,596	60,000	Citigroup Inc.	4,304,400
133,433	The Madison Square Garden Co, Cl. A†	42,074,094	85,000	GAM Holding AG	603,678
1,718,000	Twenty-First Century Fox Inc., Cl. A	79,594,940	135,000	H&R Block Inc.	3,476,250
90,000	Twenty-First Century Fox Inc., Cl. B	4,123,800	46,000	Interactive Brokers Group Inc., Cl. A	2,544,260
416,500	Viacom Inc., Cl. A	15,223,075	35,000	Jefferies Financial Group Inc.	768,600
67,000	Viacom Inc., Cl. B	2,261,920	140,300	JPMorgan Chase & Co.	15,831,452
50,000	Vivendi SA	1,287,023	84,500	Kinnevik AB, Cl. A	2,600,395
		<u>184,438,883</u>	60,000	Kinnevik AB, Cl. B	1,816,729
			169,000	KKR & Co. Inc., Cl. A	4,608,630
			167,000	Legg Mason Inc.	5,215,410
			2,500	LendingTree Inc.†	575,250
			40,000	Loews Corp.	2,009,200
			39,000	M&T Bank Corp.	6,417,060
545,000	Republic Services Inc.	39,599,700	98,000	Marsh & McLennan Companies Inc.	8,106,560
30,000	Stericycle Inc.†	1,760,400	89,000	PayPal Holdings Inc.†	7,817,760
88,000	Waste Connections Inc.	7,019,760	20,000	Popular Inc.	1,025,000
265,000	Waste Management Inc.	23,945,400	136,000	State Street Corp.	11,394,080
		<u>72,325,260</u>	20,000	SunTrust Banks Inc.	1,335,800
			32,000	T. Rowe Price Group Inc.	3,493,760
			645,000	The Bank of New York Mellon Corp.	32,888,550
699,000	AMETEK Inc.	55,304,880	72,000	The Blackstone Group LP	2,741,760
12,000	Amphenol Corp., Cl. A	1,128,240	13,500	The Goldman Sachs Group Inc.	3,027,240
12,000	AZZ Inc.	606,000	83,000	The Hartford Financial Services Group Inc.	4,146,680
91,000	CIRCOR International Inc.	4,322,500	130,000	The PNC Financial Services Group Inc.	17,704,700
110,000	Crown Holdings Inc.†	5,280,000	10,000	Value Line Inc.	249,000
155,000	CTS Corp.	5,316,500	10,000	W. R. Berkley Corp.	799,300
4,670	Danaher Corp.	507,442	136,500	Waddell & Reed Financial Inc., Cl. A	2,891,070
525,900	Donaldson Co. Inc.	30,638,934	420,000	Wells Fargo & Co.	22,075,200
540,000	Flowserve Corp.	29,532,600			<u>252,328,134</u>
157,000	Graco Inc.	7,275,380			
194,400	IDEX Corp.	29,288,304			
50,000	Interpump Group SpA	1,637,079	915,900	Food and Beverage — 13.9%	
16,000	Lawson Products Inc.†	542,400	231,600	Brown-Forman Corp., Cl. A	46,527,720
130,000	Mueller Industries Inc.	3,767,400	46,000	Brown-Forman Corp., Cl. B	11,707,380
			800,000	Campbell Soup Co.	1,684,980
				China Mengniu Dairy Co. Ltd.	2,662,119

See accompanying notes to schedule of investments.

The Gabelli Asset Fund
Schedule of Investments (Continued) — September 30, 2018 (Unaudited)

Shares		Market Value	Shares		Market Value
	COMMON STOCKS (Continued)			Health Care — 5.0%	
	Food and Beverage (Continued)			Abbott Laboratories	\$ 1,100,400
35,000	Chr. Hansen Holding A/S	\$ 3,552,912	15,000	Akorn Inc.†	519,200
25,000	Coca-Cola European Partners plc	1,136,750	40,000	Alexion Pharmaceuticals Inc.†	1,042,575
16,500	Coca-Cola HBC AG	561,957	7,500	Allergan plc	4,285,800
345,000	Conagra Brands Inc.	11,719,650	22,500	AmerisourceBergen Corp.	4,334,340
30,000	Constellation Brands Inc., Cl. A	6,468,600	47,000	Amgen Inc.	6,322,345
40,000	Crimson Wine Group Ltd.†	358,000	30,500	AngioDynamics Inc.†	326,100
205,000	Danone SA	15,875,605	15,000	Argenx SE, ADR†	455,040
826,200	Davide Campari-Milano SpA	7,036,163	6,000	athenahealth Inc.†	1,469,600
258,000	Diageo plc, ADR	36,550,860	11,000	Bausch Health Cos. Inc.†	513,400
80,000	Farmer Brothers Co.†	2,112,000	20,000	Baxter International Inc.	2,852,330
310,000	Flowers Foods Inc.	5,784,600	37,000	Becton, Dickinson and Co.	1,957,500
40,000	Fomento Economico Mexicano SAB de CV, ADR	3,958,800	7,500	Biogen Inc.†	3,674,424
380,000	General Mills Inc.	16,309,600	10,400	Bio-Rad Laboratories Inc., Cl. A†	1,314,558
1,900,000	Grupo Bimbo SAB de CV, Cl. A	4,042,856	4,200	BioScrip Inc.†	1,240,000
10,000	Heineken Holding NV	905,618	400,000	Boston Scientific Corp.†	1,386,000
86,500	Heineken NV	8,110,787	36,000	Bristol-Myers Squibb Co.	8,008,320
20,000	Heineken NV, ADR	937,400	129,000	Cardiovascular Systems Inc.†	1,957,000
2,000	Ingredion Inc.	209,920	50,000	Chemed Corp.	7,326,372
160,000	ITO EN Ltd.	7,097,342	22,925	Cigna Corp.	1,457,750
11,000	John Bean Technologies Corp.	1,312,300	7,000	CONMED Corp.	1,307,130
38,000	Kellogg Co.	2,660,760	16,500	DaVita Inc.†	1,790,750
74,300	Kerry Group plc, Cl. A	8,199,579	25,000	Eli Lilly & Co.	2,468,130
60,000	Keurig Dr Pepper Inc.	1,390,200	23,000	Envision Healthcare Corp.†	4,057,850
418,000	Kikkoman Corp.	24,869,565	45,000	Evolent Health Inc., Cl. A†	2,982,000
125,000	Lamb Weston Holdings Inc.	8,325,000	105,000	Express Scripts Holding Co.†	1,900,200
19,800	LVMH Moët Hennessy Louis Vuitton SE	7,002,380	20,000	Gerresheimer AG	1,689,326
73,000	Maple Leaf Foods Inc.	1,755,414	20,000	HCA Healthcare Inc.	1,739,000
25,000	MEIJI Holdings Co. Ltd.	1,678,842	12,500	Henry Schein Inc.†	5,441,920
435,000	Mondelēz International Inc., Cl. A	18,687,600	64,000	Indivior plc†	96,009
48,000	Morinaga Milk Industry Co. Ltd.	1,303,292	40,000	Integer Holdings Corp.†	829,500
400	National Beverage Corp.†	46,648	10,000	Johnson & Johnson	9,257,390
57,000	Nestlé SA	4,752,130	67,000	Kindred Healthcare Inc.†(a)	450,000
140,000	Nissin Foods Holdings Co. Ltd.	9,623,306	50,000	Laboratory Corp. of America Holdings†	1,910,480
220,000	Parmalat SpA	725,423	11,000	McKesson Corp.	1,326,500
76,000	PepsiCo Inc.	8,496,800	10,000	Medtronic plc	2,459,250
67,000	Pernod Ricard SA	10,991,768	25,000	Merck & Co. Inc.	8,654,680
129,000	Post Holdings Inc.†	12,647,160	30,000	Mylan NV†	1,098,000
93,000	Remy Cointreau SA	12,115,083	25,000	Nevro Corp.†	1,425,000
17,000	Suntory Beverage & Food Ltd.	719,680	27,322	Orthofix Medical Inc.†	1,579,485
50,000	The Coca-Cola Co.	2,309,500	60,000	Osiris Therapeutics Inc.†	666,000
35,000	The Hain Celestial Group Inc.†	949,200	60,000	Patterson Cos. Inc.	1,271,400
22,000	The J.M. Smucker Co.	2,257,420	52,000	Quidel Corp.†	2,541,630
26,000	The Kraft Heinz Co.	1,432,860	39,000	Regeneron Pharmaceuticals Inc.†	161,616
400,000	Tingyi (Cayman Islands) Holding Corp.	734,765	400	Roche Holding AG, ADR	1,960,400
147,000	Tootsie Roll Industries Inc.	4,299,750	65,000	Shire plc, ADR	2,356,510
5,000	Tyson Foods Inc., Cl. A	297,650	13,000	Stryker Corp.	2,576,360
55,660	United Natural Foods Inc.†	1,667,017	14,500	The Cooper Companies Inc.	1,108,600
150,300	Yakult Honsha Co. Ltd.	12,315,552	4,000	UnitedHealth Group Inc.	2,128,320
		<u>358,878,263</u>	8,000	William Demant Holding A/S†	4,585,281
			122,000	Wright Medical Group NV†	1,247,860
			43,000		

See accompanying notes to schedule of investments.

The Gabelli Asset Fund

Schedule of Investments (Continued) — September 30, 2018 (Unaudited)

Shares		Market Value	Shares		Market Value
	COMMON STOCKS (Continued)			Publishing — 1.2%	
	Health Care (Continued)				
41,000	Zimmer Biomet Holdings Inc.	\$ 5,390,270	52,000	Meredith Corp.	\$ 2,654,600
7,000	Zoetis Inc.	640,920	128,000	News Corp., Cl. A	1,688,320
		<u>128,640,821</u>	25,000	News Corp., Cl. B	340,000
			114,500	S&P Global Inc.	22,372,155
			215,000	The E.W. Scripps Co., Cl. A	3,547,500
			10,000	The New York Times Co., Cl. A	<u>231,500</u>
					<u>30,834,075</u>
	Hotels and Gaming — 1.3%			Real Estate — 0.8%	
14,000	Accor SA	718,782		Brookfield Asset Management Inc., Cl. A	734,745
56,000	Belmond Ltd., Cl. A†	1,022,000	16,500	Griffin Industrial Realty Inc.	4,056,000
3,500	Churchill Downs Inc.	971,950	104,000	Host Hotels & Resorts Inc., REIT	211,000
350,000	Genting Singapore Ltd.	271,387	10,000	Ryman Hospitality Properties Inc., REIT	6,893,600
32,000	Hyatt Hotels Corp., Cl. A	2,546,880	80,000	The St. Joe Co.†	4,032,200
45,000	Las Vegas Sands Corp.	2,669,850	240,000	Weyerhaeuser Co., REIT	<u>3,227,000</u>
4,650,000	Mandarin Oriental International Ltd.	9,532,500	100,000		<u>19,154,345</u>
390,000	MGM Resorts International	10,884,900			
2,000,000	The Hongkong & Shanghai Hotels Ltd.	2,800,079			
39,000	Universal Entertainment Corp.†	1,189,359			
6,000	Wyndham Destinations Inc.	260,160			
7,000	Wyndham Hotels & Resorts Inc.	388,990			
10,000	Wynn Resorts Ltd.	<u>1,270,600</u>			
		<u>34,527,437</u>			
	Machinery — 4.0%			Retail — 2.0%	
120,000	Caterpillar Inc.	18,298,800	40,000	Aaron's Inc.	2,178,400
1,405,000	CNH Industrial NV	16,874,050	124,000	AutoNation Inc.†	5,152,200
218,600	CNH Industrial NV, Borsa Italiana	2,626,885	52,000	Costco Wholesale Corp.	12,213,760
211,000	Deere & Co.	31,719,630	145,000	CVS Health Corp.	11,414,400
50,000	Mueller Water Products Inc., Cl. A	575,500	300,000	Lianhua Supermarket Holdings Ltd., Cl. H†	72,046
93,000	Welbilt Inc.†	1,941,840	112,000	Macy's Inc.	3,889,760
395,000	Xylem Inc.	<u>31,548,650</u>	20,000	Murphy USA Inc.†	1,709,200
		<u>103,585,355</u>	15,100	Penske Automotive Group Inc.	715,589
			8,000	Rush Enterprises Inc., Cl. B	319,120
			43,000	The Cheesecake Factory Inc.	2,302,220
			24,200	The Home Depot Inc.	5,013,030
			123,000	The Kroger Co.	3,580,530
			25,000	Walgreens Boots Alliance Inc.	<u>1,822,500</u>
					<u>50,382,755</u>
	Manufactured Housing and Recreational Vehicles — 0.4%			Specialty Chemicals — 1.6%	
31,500	Cavco Industries Inc.†	7,969,500	20,000	Ashland Global Holdings Inc.	1,677,200
20,000	Nobility Homes Inc.	472,500	50,000	DowDuPont Inc.	3,215,500
29,800	Skyline Champion Corp.	<u>851,386</u>	440,000	Ferro Corp.†	10,216,800
		<u>9,293,386</u>	128,000	H.B. Fuller Co.	6,613,760
			65,000	International Flavors & Fragrances Inc.	9,042,800
			340,000	OMNOVA Solutions Inc.†	3,349,000
			9,000	Praxair Inc.	1,446,570
			50,000	Sensient Technologies Corp.	3,825,500
			45,000	SGL Carbon SE†	492,430
			46,000	Valvoline Inc.	<u>989,460</u>
					<u>40,869,020</u>
	Metals and Mining — 1.6%			Telecommunications — 2.1%	
56,000	Agnico Eagle Mines Ltd.	1,915,200	70,000	CenturyLink Inc.	1,484,000
234,000	Barrick Gold Corp.	2,592,720	180,000	Cincinnati Bell Inc.†	2,871,000
15,000	Cleveland-Cliffs Inc.†	189,900	160,000	Deutsche Telekom AG, ADR	2,564,000
90,000	Franco-Nevada Corp.	5,629,500	30,000	Hellenic Telecommunications Organization SA	368,169
156,000	Freeport-McMoRan Inc.	2,171,520	25,000	Hellenic Telecommunications Organization SA, ADR	152,250
50,000	Kinross Gold Corp.†	135,000			
24,000	New Hope Corp. Ltd.	68,526			
522,000	Newmont Mining Corp.	15,764,400			
123,000	Royal Gold Inc.	9,478,380			
70,009	TimkenSteel Corp.†	1,041,034			
180,000	Turquoise Hill Resources Ltd.†	381,600			
84,000	Wheaton Precious Metals Corp.	<u>1,470,000</u>			
		<u>40,837,780</u>			

See accompanying notes to schedule of investments.

The Gabelli Asset Fund
Schedule of Investments (Continued) — September 30, 2018 (Unaudited)

<u>Shares</u>	<u>Market Value</u>	<u>Shares</u>	<u>Market Value</u>
COMMON STOCKS (Continued)		CLOSED-END FUNDS — 0.3%	
Telecommunications (Continued)		94,000	Altaba Inc.† \$ 6,403,280
85,607	Loral Space & Communications Inc.† \$ 3,886,558	11,417	Royce Global Value Trust Inc. 119,993
6,000	Orange SA, ADR 95,340	87,450	Royce Value Trust Inc. 1,429,808
400,000	Sprint Corp.† 2,616,000		TOTAL CLOSED-END FUNDS <u>7,953,081</u>
2,815,600	Telecom Italia SpA† 1,709,713		PREFERRED STOCKS — 0.0%
175,000	Telecom Italia SpA, ADR† 1,050,000		Health Care — 0.0%
39,981	Telefonica Brasil SA, ADR 389,015	31,580	The Phoenix Companies Inc., 7.450%, 01/15/32 <u>593,136</u>
245,000	Telefonica SA, ADR 1,925,700		RIGHTS — 0.0%
970,510	Telephone & Data Systems Inc. 29,532,619		Health Care — 0.0%
230,000	Telesites SAB de CV† 179,684	20,000	American Medical Alert Corp.†(a) <u>200</u>
145,000	VEON Ltd., ADR 420,500		WARRANTS — 0.0%
100,000	Verizon Communications Inc. <u>5,339,000</u>		Hotels and Gaming — 0.0%
	<u>54,583,548</u>	200,000	The Indian Hotels Co. Ltd., expire 05/15/19†(b) <u>378,000</u>
	Transportation — 0.9%		U.S. GOVERNMENT OBLIGATIONS — 0.1%
272,000	GATX Corp. 23,552,480		U.S. Treasury Bills, 2.165%††, 12/27/18 <u>989,836</u>
4,000	Kansas City Southern <u>453,120</u>		TOTAL INVESTMENTS — 100.0%
	<u>24,005,600</u>		(Cost \$808,831,626) <u>\$2,577,713,052</u>
	Wireless Communications — 0.7%		
115,000	America Movil SAB de CV, Cl. L, ADR 1,846,900	Principal Amount	
14,000	Millicom International Cellular SA 800,380	\$ 995,000	
53,000	Millicom International Cellular SA, SDR 3,044,366		
208,000	NTT DoCoMo Inc. 5,592,677		
20,000	Tim Participacoes SA, ADR 289,800		
50,000	T-Mobile US Inc.† 3,509,000		
76,000	United States Cellular Corp.† <u>3,403,280</u>		
	<u>18,486,403</u>		
	TOTAL COMMON STOCKS <u>2,567,798,799</u>		

- (a) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2018, the market value of the Rule 144A security amounted to \$378,000 or 0.01% of net asset.

† Non-income producing security.

†† Represents annualized yield at date of purchase.

ADR American Depositary Receipt

GDR Global Depositary Receipt

REIT Real Estate Investment Trust

SDR Swedish Depositary Receipt

See accompanying notes to schedule of investments.

The Gabelli Asset Fund

Notes to Schedule of Investments (Unaudited)

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).

The Gabelli Asset Fund

Notes to Schedule of Investments (Unaudited) (Continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of September 30, 2018 is as follows:

	Valuation Inputs			Total Market Value at 9/30/18
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
Energy and Utilities	\$ 80,940,626	—	\$ 0	\$ 80,940,626
Financial Services	252,269,384	\$ 58,750	—	252,328,134
Manufactured Housing and Recreational Vehicles	8,820,886	472,500	—	9,293,386
Health Care	128,190,821	—	450,000	128,640,821
Other Industries (a)	2,096,595,832	—	—	2,096,595,832
Total Common Stocks	2,566,817,549	531,250	450,000	2,567,798,799
Closed End Funds (a)	7,953,081	—	—	7,953,081
Preferred Stocks (a)	—	593,136	—	593,136
Rights (a)	—	—	200	200
U.S. Government Obligations	—	989,836	—	989,836
Warrants (a)	378,000	—	—	378,000
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$2,575,148,630	\$2,114,222	\$450,200	\$2,577,713,052

(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 Gabelli Asset Fund

Notes to Schedule of Investments (Unaudited) (Continued)

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

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

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

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

Restricted Securities. The Fund may invest up to 10% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. At September 30, 2018, the Fund did not hold restricted securities.

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

The Gabelli Asset Fund

Notes to Schedule of Investments (Unaudited) (Continued)

the Acquired Funds in addition to the Fund's expenses. For the quarter ended September 30, 2018, the Fund's pro rata portion of the periodic expenses charged by the Acquired Funds was less than one basis point.

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 ASSET FUND
One Corporate Center
Rye, NY 10580-1422

Portfolio Management Team Biographies

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

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

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

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

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

THE GABELLI ASSET FUND

One Corporate Center
Rye, New York 10580-1422

t 800-GABELLI (800-422-3554)

f 914-921-5118

e info@gabelli.com

GABELLI.COM

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

BOARD OF TRUSTEES

Mario J. Gabelli, CFA
Chairman and Chief
Executive Officer,
GAMCO Investors, Inc.
Executive Chairman,
Associated Capital Group, Inc.

Anthony J. Colavita
President,
Anthony J. Colavita, P.C.

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

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

Kuni Nakamura
President,
Advanced Polymer, Inc.

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

Werner J. Roeder
Former Medical Director,
Lawrence Hospital

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

Salvatore J. Zizza
Chairman,
Zizza & Associates Corp.

OFFICERS

Bruce N. Alpert
President

John C. Ball
Treasurer

Agnes Mullady
Vice President

Andrea R. Mango
Secretary

Richard J. Walz
Chief Compliance Officer

DISTRIBUTOR

G.distributors, LLC

CUSTODIAN

State Street Bank and Trust
Company

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT

DST Asset Manager
Solutions, Inc.

LEGAL COUNSEL

Skadden, Arps, Slate, Meagher &
Flom LLP

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

GAB405Q318QR



GABELLI
FUNDS

THE GABELLI ASSET FUND

*Third Quarter Report
September 30, 2018*