

Objective:

Growth of capital.
Current income is a
secondary objective

Portfolio:

At least 80% common
stocks and securities
convertible into common
stocks

Inception Date:

May 1, 1995

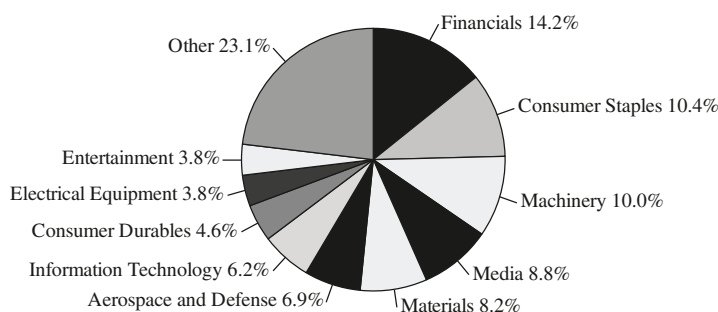
Net Assets at June 30, 2022:

\$62,286,402

Top Ten Holdings (As of 6/30/2022) (Unaudited)

Company	Percentage of Total Net Assets
Diageo plc	3.8%
Newmont Corp.	3.5%
Brown-Forman Corp.	3.4%
Indus Realty Trust Inc.	3.4%
Sony Group Corp.	3.0%
Paramount Global	2.9%
Texas Instruments Inc.	2.7%
CTS Corp.	2.7%
Aerojet Rocketdyne Holdings Inc.	2.5%
Myers Industries Inc.	2.5%

Sector Weightings (Percentage of Net Assets as of 6/30/2022) (Unaudited)



Average Annual Returns (For six months ended 6/30/2022) (Unaudited)

	Six Months	1 Year	5 Year	10 Year	15 Year	Since Inception (5/1/1995)
The Gabelli Capital Asset Fund	(18.30)%	(15.36)%	4.37%	7.90%	5.70%	9.10%
S&P 500 Index	(19.96)	(10.62)	11.31	12.96	8.54	9.67(a)

The Standard & Poor's ("S&P") 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. Please note that the indices are unmanaged and not available for direct investment and its returns consider dividends as reinvested and do not reflect the fees and expenses that have been deducted from the Fund.

(a) The S&P 500 Index since inception performance results are as of April 30, 1995.

About information in this report:

All performance data quoted are historical and the results represent past performance and neither guarantee nor predict future investment results. To obtain performance data current to the most recent month (availability within seven business days of the most recent month end), please call us at (800) 221-3253 or visit our website at www.guardianlife.com. Current performance may be higher or lower than the performance quoted here. Investment returns and the principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost.

Total return figures are historical and assume the reinvestment of distributions and the deduction of all Fund expenses. The actual total returns for owners of variable annuity contracts or variable life insurance policies that provide for investment in the Fund will be lower to reflect separate account and contract/policy charges. The return figures shown do not reflect the deduction of taxes that a contractowner may pay on distributions or redemption of units.

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from January 1, 2022 through June 30, 2022.

Expense Table

We believe it is important for you to understand the impact of fees and expenses regarding your investment. All mutual funds have operating expenses. As a shareholder of a fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund's gross income, directly reduce the investment return of a fund. When a fund's expenses are expressed as a percentage of its average net assets, this figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The Expense Table below illustrates your Fund's costs in two ways:

Actual Fund Return: This section provides information about actual account values and actual expenses. You may use this section to help you to estimate the actual expenses that you paid over the period after any fee waivers and expense reimbursements. The "Ending Account Value" shown is derived from the Fund's **actual** return during the past six months, and the "Expenses Paid During Period" shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Fund. You may use this information, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your Fund under the heading "Expenses Paid During Period" to estimate the expenses you paid during this period.

Hypothetical 5% Return: This section provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio. It assumes a hypothetical annualized return of 5% before expenses during the period shown. In this case – because the hypothetical return used is **not** the Fund's actual return – the results do not apply to your investment and you cannot use the hypothetical account value and expense to estimate the actual ending account balance or expenses you paid for the period. This example is useful in making comparisons of the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which would be described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

	Beginning Account Value January 1, 2022	Ending Account Value June 30, 2022	Annualized Expense Ratio	Expenses Paid During Period*
<i>The Gabelli Capital Asset Fund</i>				
Actual Fund Return	\$1,000.00	\$ 817.00	1.30%	\$ 5.86
Hypothetical 5% Return	\$1,000.00	\$1,018.35	1.30%	\$ 6.51

* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181 days), then divided by 365.

■ Gabelli Capital Asset Fund

Summary of Portfolio Holdings (Unaudited)

The following table present portfolio holdings as a percent of net assets as of June 30, 2022:

Financials	14.2%	Energy	2.3%
Consumer Staples	10.4%	Utilities	2.2%
Machinery	10.0%	Transportation	2.1%
Media	8.8%	Building and Construction	2.0%
Materials	8.2%	Health Care	1.5%
Aerospace and Defense	6.9%	Commercial and Professional Services	1.4%
Information Technology	6.2%	Consumer Services	1.0%
Consumer Durables	4.6%	Publishing	0.5%
Electrical Equipment	3.8%	Automobiles and Components	0.4%
Entertainment	3.8%	Agriculture	0.4%
Diversified Industrial	3.6%	Closed-End Funds	0.1%
Telecommunication Services	2.8%	Other Assets and Liabilities (Net)	0.3%
Retailing	2.5%		<u>100.0%</u>

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the SEC) for the first and third quarters of each fiscal year on Form N-PORT. Shareholders may obtain this information at www.gabelli.com or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-PORT is available on the SEC's website at www.sec.gov and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. A description of the Fund's proxy voting policies, procedures, and how each Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at www.sec.gov.

Gabelli Capital Asset Fund

Schedule of Investments

June 30, 2022 (Unaudited)

<i>Shares</i>	<i>Cost</i>	<i>Market Value</i>
Common Stocks — 99.6%		
Aerospace and Defense — 6.9%		
38,500 Aerojet Rocketdyne Holdings Inc.†	\$ 133,818	\$ 1,563,100
11,000 HEICO Corp.	52,391	1,442,320
2,700 Honeywell International Inc.	83,424	469,287
27,000 Kaman Corp.	357,063	843,750
	626,696	4,318,457
Agriculture — 0.4%		
2,500 Archer-Daniels-Midland Co.	53,100	194,000
300 Bunge Ltd.	16,727	27,207
	69,827	221,207
Automobiles and Components — 0.4%		
1,000 BorgWarner Inc.	10,743	33,370
5,500 Dana Inc.	103,013	77,385
2,299 Garrett Motion Inc.†	8,962	17,771
25,000 Iveco Group NV†	109,479	132,094
	232,197	260,620
Building and Construction — 2.0%		
14,500 Griffon Corp.	171,035	406,435
9,500 Herc Holdings Inc.	325,600	856,425
	496,635	1,262,860
Commercial and Professional Services — 1.4%		
5,000 Rollins Inc.	5,297	174,600
4,700 Waste Management Inc.	173,630	719,006
	178,927	893,606
Consumer Durables — 4.6%		
2,900 Cavco Industries Inc.†	84,061	568,371
9,000 Skyline Champion Corp.†	43,076	426,780
22,500 Sony Group Corp., ADR	423,252	1,839,825
	550,389	2,834,976
Consumer Services — 1.0%		
6,800 Boyd Gaming Corp.	73,338	338,300
11,500 Canterbury Park Holding Corp.	126,480	297,505
	199,818	635,805
Consumer Staples — 10.4%		
31,500 Brown-Forman Corp., Cl. A	299,266	2,130,660
4,000 Campbell Soup Co.	183,855	192,200
37,000 Danone SA, ADR	397,657	412,180
13,700 Diageo plc, ADR	565,697	2,385,444
12,500 Fomento Economico Mexicano SAB de CV, ADR	489,225	843,625
4,000 National Beverage Corp.	189,287	195,760
2,800 The Coca-Cola Co.	68,583	176,148
3,399 Tootsie Roll Industries Inc.	55,308	120,155
	2,248,878	6,456,172
Diversified Industrial — 3.6%		
11,000 Crane Holdings Co.	330,051	963,160
1,100 EnPro Industries Inc.	51,413	90,123
14,000 ITT Inc.	265,633	941,360

<i>Shares</i>	<i>Cost</i>	<i>Market Value</i>
14,500 L.B. Foster Co., Cl. A†	\$ 246,570	\$ 186,615
1,300 Textron Inc.	67,328	79,391
	960,995	2,260,649
Electrical Equipment — 3.8%		
12,000 AMETEK Inc.	59,782	1,318,680
13,900 Franklin Electric Co. Inc.	81,246	1,018,314
300 Rockwell Automation Inc.	14,248	59,793
	155,276	2,396,787
Energy — 2.3%		
1,800 Chevron Corp.	112,464	260,604
4,000 ConocoPhillips	84,007	359,240
4,400 Devon Energy Corp.	42,991	242,484
2,000 Dril-Quip Inc.†	48,915	51,600
3,000 Exxon Mobil Corp.	131,760	256,920
35,000 RPC Inc.†	151,680	241,850
	571,817	1,412,698
Entertainment — 3.8%		
66,000 Paramount Global, Cl. A	2,582,297	1,799,160
2,500 The Walt Disney Co.†	44,175	236,000
10,000 Vivendi SE	128,416	101,609
15,000 Warner Bros Discovery Inc.†	183,620	201,300
	2,938,508	2,338,069
Financials — 14.2%		
8,600 American Express Co.	190,792	1,192,132
6,000 Bank of America Corp.	158,007	186,780
35,300 Indus Realty Trust Inc., REIT	573,056	2,095,408
3,500 JPMorgan Chase & Co.	100,288	394,135
1,300 Marsh & McLennan Companies Inc.	33,852	201,825
12,000 Morgan Stanley	337,603	912,720
3,500 PROG Holdings Inc.†	15,272	57,750
7,900 Ryman Hospitality Properties Inc., REIT†	195,063	600,637
11,500 State Street Corp.	666,574	708,975
37,000 The Bank of New York Mellon Corp.	1,024,313	1,543,270
24,500 Wells Fargo & Co.	733,858	959,665
	4,028,678	8,853,297
Health Care — 1.5%		
5,000 Covetrus Inc.†	60,215	103,750
11,000 Henry Schein Inc.†	222,532	844,140
	282,747	947,890
Information Technology — 6.2%		
14,500 Corning Inc.	165,170	456,895
48,500 CTS Corp.	471,418	1,651,425
3,300 Diebold Nixdorf Inc.†	18,211	7,491
4,000 EchoStar Corp., Cl. A†	69,708	77,200
11,000 Texas Instruments Inc.	228,690	1,690,150
	953,197	3,883,161
Machinery — 10.0%		
11,000 CIRCOR International Inc.†	328,014	180,290
125,000 CNH Industrial NV	727,220	1,448,750

See accompanying notes to financial statements.

■ Gabelli Capital Asset Fund

Schedule of Investments (Continued)

June 30, 2022 (Unaudited)

<i>Shares</i>	<i>Cost</i>	<i>Market Value</i>
Common Stocks (Continued)		
Machinery (Continued)		
1,800 Deere & Co.	\$ 52,020	\$ 539,046
10,000 Flowserve Corp.	186,379	286,300
22,500 Graco Inc.	447,872	1,336,725
2,200 IDEX Corp.	89,825	399,586
3,000 Snap-on Inc.	656,325	591,090
8,000 The Eastern Co.	98,352	162,720
74,010 The L.S. Starrett Co., Cl. A†	587,899	519,550
1,200 Watts Water Technologies Inc., Cl. A	19,728	147,408
7,500 Xylem Inc.	211,713	586,350
	3,405,347	6,197,815
Materials — 8.2%		
9,700 Ampco-Pittsburgh Corp.†	43,155	37,539
36,000 Freeport-McMoRan Inc.	602,601	1,053,360
2,000 International Flavors & Fragrances Inc.	111,453	238,240
68,500 Myers Industries Inc.	793,287	1,557,005
36,200 Newmont Corp.	1,215,881	2,160,054
600 Sensient Technologies Corp.	12,078	48,336
	2,778,455	5,094,534
Media — 8.8%		
3,000 AMC Networks Inc., Cl. A†	48,772	87,360
10,000 Cogeco Inc.	195,072	530,221
11,595 DISH Network Corp., Cl. A†	194,751	207,898
6,000 Fox Corp., Cl. A	249,300	192,960
123,000 Grupo Televisa SAB, ADR	1,670,812	1,006,140
1,500 Liberty Broadband Corp., Cl. A†	9,828	170,325
1,800 Liberty Broadband Corp., Cl. C†	38,393	208,152
5,000 Liberty Global plc, Cl. A†	30,677	105,250
12,000 Liberty Global plc, Cl. C†	87,458	265,080
12,000 Liberty Latin America Ltd., Cl. A†	130,384	93,600
269 Liberty Latin America Ltd., Cl. C†	1,921	2,096
7,000 Liberty Media Corp.-Liberty Braves, Cl. A†	165,572	176,050
2,000 Liberty Media Corp.-Liberty Braves, Cl. C†	36,978	48,000
1,500 Liberty Media Corp.-Liberty Formula One, Cl. A†	5,307	86,955
1,500 Liberty Media Corp.-Liberty Formula One, Cl. C†	5,509	95,205
1,098 Liberty Media Corp.-Liberty SiriusXM, Cl. C†	6,072	39,583
12,144 Madison Square Garden Entertainment Corp.†	84,619	639,017
6,700 Madison Square Garden Sports Corp.†	86,784	1,011,700

<i>Shares</i>	<i>Cost</i>	<i>Market Value</i>
26,000 Sinclair Broadcast Group Inc., Cl. A	\$ 633,637	\$ 530,400
	3,681,846	5,495,992
Publishing — 0.5%		
24,000 The E.W. Scripps Co., Cl. A†	172,414	299,280
Retailing — 2.5%		
11,000 CVS Health Corp.	349,769	1,019,260
2,000 Ingles Markets Inc., Cl. A	29,696	173,500
31,000 Sally Beauty Holdings Inc.†	466,518	369,520
	845,983	1,562,280
Telecommunication Services — 2.8%		
10,000 Millicom International Cellular SA, SDR†	225,775	142,721
9,000 Rogers Communications Inc., Cl. B	123,161	431,100
22,000 Telephone and Data Systems Inc.	563,941	347,380
28,000 United States Cellular Corp.†	1,096,172	810,880
	2,009,049	1,732,081
Transportation — 2.1%		
14,000 GATX Corp.	449,589	1,318,240
Utilities — 2.2%		
20,500 National Fuel Gas Co.	1,126,835	1,354,025
Total Common Stocks		28,964,103 62,030,501
Closed-End Funds — 0.1%		
7,500 Altaba Inc., Escrow†	0	37,875
Convertible Preferred Stocks — 0.0%		
Automobiles and Components — 0.0%		
2,535 Garrett Motion Inc., Ser. A, 11.000%	13,309	20,838
Warrants — 0.0%		
Materials — 0.0%		
6,000 Ampco-Pittsburgh Corp., expire 08/01/25†	4,099	2,502
TOTAL INVESTMENTS — 99.7%		\$ 28,981,511 62,091,716
Other Assets and Liabilities (Net) — 0.3%		194,686
NET ASSETS — 100.0%		\$ 62,286,402
†	Non-income producing security.	
ADR	American Depositary Receipt	
REIT	Real Estate Investment Trust	
SDR	Swedish Depositary Receipt	

See accompanying notes to financial statements.

Gabelli Capital Asset Fund

Statement of Assets and Liabilities

June 30, 2022 (Unaudited)

ASSETS:

Investments, at value (cost \$28,981,511)	\$ 62,091,716
Cash	582
Foreign currency, at value (cost \$97,586)	96,625
Receivable for investments sold	152,490
Receivable for Fund shares sold	7,615
Dividends receivable	84,733
Total Assets	62,433,761

LIABILITIES:

Payable for investment advisory fees	40,286
Payable for legal and audit fees	31,303
Line of credit payable	27,000
Payable for Fund shares redeemed	19,781
Payable for administrative services	13,541
Payable for accounting fees	7,500
Payable for payroll expenses	1,266
Other accrued expenses	6,682
Total Liabilities	147,359

Net Assets (applicable to 3,964,437 shares outstanding) \$ 62,286,402

NET ASSETS CONSIST OF:

Paid-in capital	\$ 25,615,245
Total distributable earnings	36,671,157
Net Assets	\$ 62,286,402

Shares of Capital Stock, each at \$0.001 par value; 500,000,000 shares authorized:

Net Asset Value, offering, and redemption price per share ($\$62,286,402 \div 3,964,437$ shares outstanding) \$ 15.71

Statement of Operations

For the Six Months Ended
June 30, 2022 (Unaudited)

INVESTMENT INCOME:

Dividends (net of foreign withholding taxes of \$6,865)	\$ 572,754
Interest	199
Total Investment Income	572,953

EXPENSES:

Advisory fees	278,522
Administrative services fees	92,840
Legal and audit fees	29,676
Directors' fees	26,283
Accounting fees	22,500
Shareholder communications expenses	15,525
Shareholder services fees	5,120
Custodian fees	4,754
Payroll expenses	1,325
Interest expense	1,120
Miscellaneous expenses	6,404
Total Expenses	484,069

Less:

Advisory fee reduction on unsupervised assets (See Note 3) (2,142)

Net Expenses 481,927

Net Investment Income 91,026

NET REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:

Net realized gain on investments	4,091,957
Net realized gain on foreign currency transactions	8

Net realized gain on investments and foreign currency transactions 4,091,965

Net change in unrealized appreciation/depreciation:
on investments (18,460,462)
on foreign currency translations (1,044)

Net change in unrealized appreciation/depreciation on investments and foreign currency translations (18,461,506)

Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency (14,369,541)

NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS \$ (14,278,515)

See accompanying notes to financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2022 (Unaudited)	Year Ended December 31, 2021
OPERATIONS:		
Net investment income	\$ 91,026	\$ 356,313
Net realized gain on investments and foreign currency transactions	4,091,965	9,047,539
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	(18,461,506)	5,808,907
Net Increase/(Decrease) in Net Assets Resulting from Operations	(14,278,515)	15,212,759
DISTRIBUTIONS TO SHAREHOLDERS:		
Accumulated earnings	—	(9,336,126)
Total Distributions to Shareholders	—	(9,336,126)
NET DECREASE IN NET ASSETS FROM CAPITAL SHARE TRANSACTIONS	(6,049,906)	(382,492)
Net Increase/(Decrease) in Net Assets	(20,328,421)	5,494,141
NET ASSETS:		
Beginning of year	82,614,823	77,120,682
End of period	<u>\$ 62,286,402</u>	<u>\$ 82,614,823</u>

Financial Highlights

Selected data for a share of capital stock outstanding throughout each period:

	Six Months Ended June 30, 2022 (Unaudited)	Year Ended December 31,				
		2021	2020	2019	2018	2017
Operating Performance:						
Net asset value, Beginning of Year	\$ 19.23	\$ 17.99	\$ 17.95	\$ 16.45	\$ 20.83	\$ 19.55
Net investment income(a)	0.02	0.09(b)	0.02	0.06	0.07	0.06
Net realized and unrealized gain/(loss) on investments and foreign currency transactions	(3.54)	3.60	1.11	3.15	(2.40)	3.95
Total from investment operations	(3.52)	3.69	1.13	3.21	(2.33)	4.01
Distributions to Shareholders:						
Net investment income	—	(0.10)	(0.03)	(0.07)	(0.07)	(0.06)
Net realized gain on investments	—	(2.35)	(1.06)	(1.64)	(1.98)	(2.67)
Return of capital	—	—	—	—	—	(0.00)(c)
Total distributions	—	(2.45)	(1.09)	(1.71)	(2.05)	(2.73)
Net Asset Value, End of Period	\$ 15.71	\$ 19.23	\$ 17.99	\$ 17.95	\$ 16.45	\$ 20.83
Total Return †	(18.30%)	20.48%	6.34%	19.51%	(11.09%)	20.49%
Ratios to Average Net Assets and Supplemental Data:						
Net assets, end of period (in 000's)	\$ 62,286	\$ 82,615	\$ 77,121	\$ 82,272	\$ 78,205	\$ 104,422
Ratio of net investment income to average net assets	0.25%(d)	0.43%(b)	0.15%	0.34%	0.33%	0.26%
Ratio of operating expenses to average net assets	1.30%(d)(e)	1.28%(e)	1.32%	1.28%(f)	1.26%	1.23%(g)
Portfolio turnover rate	1%	6%	2%	1%	1%	2%

† Total return represents aggregate total return of a hypothetical investment at the beginning of the period and sold at the end of the year including reinvestment of distributions and does not reflect the applicable sales charges. Total return for a period of less than one year is not annualized.

(a) Per share data are calculated using the average shares outstanding method.

(b) Includes income resulting from special dividends. Without these dividends, the per share income amounts would have been \$0.07 and the net investment income ratio would have been 0.33%.

(c) Amount represents less than \$0.005 per share.

(d) Annualized.

(e) Ratio of operating expenses includes advisory fee reduction on unsupervised assets. For the six months ended June 30, 2022 and year ended December 31, 2021, there was no impact on the expense ratio.

(f) The Fund incurred tax expense during the year ended December 31, 2019, the effect of which was minimal.

(g) During the year ended December 31, 2017, the Fund received reimbursements of custody expenses paid in prior years. There was no impact on the expense ratio.

June 30, 2022 (Unaudited)

1. Organization

The Gabelli Capital Asset Fund was incorporated on April 8, 1993 in Maryland. The Fund is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund's primary objective is growth of capital. Current income is a secondary objective. The Fund commenced investment operations on May 1, 1995. Shares of the Fund are available to the public only through the purchase of certain variable annuity and variable life insurance contracts issued by The Guardian Insurance & Annuity Company, Inc. (Guardian) and other selected insurance companies, including Ameritas Life Insurance Corporation.

2. Significant Accounting Policies

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 financial statements. 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 financial statements.

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions, and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Fund, its ability to buy and sell fund investments at appropriate valuations, and its ability to achieve its investment objectives.

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 securities are 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;

Notes to Financial Statements (Continued)

June 30, 2022 (Unaudited)

- 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, 2022 is as follows:

	Valuation Inputs		Total Market Value at 6/30/22
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	
INVESTMENTS IN SECURITIES:			
ASSETS (Market Value):			
Common Stocks(a)	\$ 62,030,501	—	\$ 62,030,501
Closed-End Funds	—	\$ 37,875	37,875
Convertible Preferred Stocks (a)	20,838	—	20,838
Warrants (a)	2,502	—	2,502
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$ 62,053,841	\$ 37,875	\$ 62,091,716

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

During the six months ended June 30, 2022, the Fund did not have material transfers into or out of Level 3.

There were no Level 3 investments held at June 30, 2022.

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 and preferred equities, warrants, options, rights, and 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 include recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. A significant change in the unobservable inputs could result in a lower or higher value in Level 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

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

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. For the six months ended June 30, 2022, the Fund's pro rata portion of the periodic expenses charged by the Acquired Funds was less than one basis point.

Notes to Financial Statements (Continued)

June 30, 2022 (Unaudited)

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.

Securities Transactions and Investment Income

Securities transactions are accounted for on the trade date with realized gain or loss on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on an accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method or amortized to earliest call date, if applicable. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

Expenses

Certain administrative expenses are common to, and allocated among, various affiliated funds. Such allocations are made on the basis of each fund's average net assets or other criteria directly affecting the expenses as determined by the Adviser pursuant to procedures established by the Board.

Distributions to Shareholders

Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. These reclassifications have no impact on the net asset value (NAV) per share of the Fund.

■ Gabelli Capital Asset Fund

Notes to Financial Statements (Continued)

June 30, 2022 (Unaudited)

The tax character of distributions paid during the year ended December 31, 2021 was as follows:

Distributions paid from:	
Ordinary income (inclusive of short term capital gains)	\$ 507,993
Net long term capital gains	8,828,133
Total distributions paid	<u>\$ 9,336,126</u>

Provision for Income Taxes

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 Code). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

The following summarizes the tax cost of investments and the related net unrealized appreciation at June 30, 2022:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$ 29,521,838	\$ 35,847,911	\$ (3,278,033)	\$ 32,569,878

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. During the six months ended June 30, 2022, the Fund did not incur any income tax, interest, or penalties. As of June 30, 2022, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. The Fund's federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

3. Agreements with Affiliated Parties

The Fund has entered into an investment advisory agreement (the Advisory Agreement) with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, at the annual rate of 0.75% of the value of its average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio, oversees the administration of certain aspects of the Fund's business and affairs, and pays the compensation of all Officers and Directors of the Fund who are affiliated persons of the Adviser. The Fund entered into a shareholder services agreement with The Guardian Insurance & Annuity Company, Inc. (Guardian), whereby Guardian provides various administrative services, including maintenance of books and records, reconciliations with respect to Fund purchase and redemption orders, and telephone support for contractowners, as well as providing advice to the Adviser with respect to relevant insurance laws, regulations, and related matters and IRS regulations with respect to variable contracts. As compensation for its services, the Fund pays Guardian a fee, computed daily and paid monthly, at the annual rate of 0.25% of the value of its average daily net assets.

There was a reduction in the advisory fee paid to the Adviser relating to certain portfolio holdings, i.e., unsupervised assets, of the Fund with respect to which the Adviser transferred dispositive and voting control to the Fund's Proxy Voting Committee. During the six months ended June 30, 2022, the Fund's Proxy Voting Committee exercised control and discretion over all rights to vote or consent, and exercised dispositive control with respect to The L.S. Starrett Co., Class A and the Adviser reduced its fee with respect to such securities by \$2,142.

4. Portfolio Securities

Purchases and sales of securities during the six months ended June 30, 2022, other than short term securities and U.S. Government obligations, aggregated \$800,905 and \$6,518,790, respectively.

■ Gabelli Capital Asset Fund

Notes to Financial Statements (Continued)

June 30, 2022 (Unaudited)

5. Transactions with Affiliates

During the six months ended June 30, 2022, the Fund paid \$1,532 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Investment Advisory Agreement. Under the sub-administration agreement with Bank of New York Mellon, the fees paid include the cost of calculating the Fund's NAV. The Fund reimburses the Adviser for this service. During the six months ended June 30, 2022, the Fund accrued \$22,500 in accounting fees in the Statement of Operations.

As per the approval of the Board, the Fund compensates an officer of the Fund, who is employed by the Fund and who is also employed by the Adviser and receives compensation from the Adviser. During the six months ended June 30, 2022, the Fund accrued \$1,325 in payroll expenses in the Statement of Operations.

The Fund pays retainer and per meeting fees to Directors not affiliated with the Adviser, plus specified amounts to the Lead Director and Audit Committee Chairman. Directors are also reimbursed for out of pocket expenses incurred in attending meetings. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

6. Line of Credit

The Fund participates in an unsecured line of credit, which expires on March 1, 2023 and may be renewed annually, of up to \$75,000,000 under which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bear interest at a floating rate equal to the higher of the Overnight Federal Funds Rate plus 135 basis points or the Overnight Bank Funding Rate plus 135 basis points in effect on that day. This amount, if any, would be included in "Interest expense" in the Statement of Operations. At June 30, 2022, there was \$27,000 outstanding under the line of credit.

The average daily amount of borrowings outstanding under the line of credit during the six months ended June 30, 2022 was \$240,473 with a weighted average interest rate of 1.96%. The maximum amount borrowed at any time during the six months ended June 30, 2022 was \$1,055,000.

7. Capital Stock

Transactions in shares of capital stock were as follows:

	Six Months Ended June 30, 2022 (Unaudited)		Year Ended December 31, 2021	
	Shares	Amount	Shares	Amount
Shares sold	40,545	\$ 744,701	107,710	\$ 2,196,496
Shares issued upon reinvestment of distributions	—	—	484,993	9,336,126
Shares redeemed	(373,281)	(6,794,607)	(583,493)	(11,915,114)
Net increase/(decrease)	(332,736)	\$ (6,049,906)	9,210	\$ (382,492)

8. Indemnifications

The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

9. Subsequent Events

Management has evaluated the impact on the Fund of all subsequent events occurring through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

Board Consideration and Re-Approval of Investment Advisory Agreement (Unaudited)

Section 15(c) of the 1940 Act, as amended, contemplates that the Board of the Fund, the only series of Gabelli Capital Series Funds, Inc. (the Company), including a majority of the Directors who have no direct or indirect interest in the investment management agreement or the investment advisory agreement and are not interested persons of the Company, as defined in the 1940 Act (the Independent Board Members), are required annually to review and re-approve the terms of the Fund's existing investment advisory agreement and approve any newly proposed terms therein. In this regard, the Board reviewed and re-approved, during the most recent six month period covered by this report, the Investment Advisory Agreement (the Advisory Agreement) with the Adviser for the Fund.

More specifically, at a meeting held on February 7, 2022, the Independent Board Members, meeting in executive session, reviewed the written and oral information that had been made available and considered the factors, and reached the conclusions described below relating to the selection of the Adviser and the re-approval of the Advisory Agreement.

1) The nature, extent, and quality of services provided by the Adviser

The Independent Board Members reviewed in detail the nature and extent of the services provided by the Adviser under the Advisory Agreement, and the quality of those services over the past year. The Independent Board noted that these services included managing the investment program of the Fund, including the purchase and sale of portfolio securities, overseeing all of the Fund's third party service providers as well as providing general corporate services. The Independent Board Members considered that the Adviser also provided, at its expense, office facilities for use by the Fund and supervisory personnel responsible for supervising the performance of administrative, accounting, and related services for the Fund, including monitoring to assure compliance with stated investment policies and restrictions under the 1940 Act and related securities regulations. The Independent Board Members noted that, in addition to managing the investment program for the Fund, the Adviser provided certain non-advisory and compliance services, including services under the Fund's Rule 38a-1 compliance program.

The Independent Board Members also considered that the Adviser paid for all compensation of officers and non-Independent Board Members of the Fund. The Independent Board Members evaluated these factors based on their direct experience with the Adviser and in consultation with Fund Counsel. The Independent Board noted that the Adviser had engaged, at its expense, BNY to assist it in performing certain of its administrative functions. The Independent Board Members concluded that the nature and extent of the services provided were reasonable and appropriate in relation to the advisory fee, that the level of services provided by the Adviser had not diminished over the past year, and that the quality of service continued to be high.

The Independent Board Members reviewed the personnel responsible for providing services to the Fund and concluded, based on their experience and interaction with the Adviser, that (i) the Adviser was able to retain quality personnel, (ii) the Adviser and its agents exhibited a high level of diligence and attention to detail in carrying out their advisory and administrative responsibilities under the Advisory Agreement, (iii) the Adviser was responsive to requests of the Board, (iv) the scope and depth of the Adviser's resources was adequate, and (v) the Adviser had kept the Board apprised of developments relating to the Fund and the industry in general. The Independent Board Members also focused on the Adviser's reputation and long standing relationship with the Fund. The Independent Board Members also believed that the Adviser had devoted substantial resources and made substantial commitments to address new regulatory compliance requirements applicable to the Fund.

Board Consideration and Re-Approval of Investment Advisory Agreement (Unaudited)
(Continued)

2) The performance of the Fund and the Adviser.

The Independent Board Members reviewed the investment performance of the Fund, on an absolute basis, as compared with its Broadridge peer group of other SEC registered funds. The Independent Board Members considered the Fund's one, three, five, and ten year average annual total return for the periods ended December 31, 2021, but placed greater emphasis on the Fund's longer term performance. The peer group considered by the Independent Board Members was developed by the Adviser and was comprised of the Fund and four other comparable peer funds (the Adviser Peer Group). The Independent Board Members considered these comparisons helpful in their assessment as to whether the Adviser was obtaining for the Fund's shareholders the total return performance that was available in the marketplace, given the Fund's investment objectives, strategies, limitations, and restrictions. In reviewing the performance of the Fund, the Independent Board Members noted that the Fund's performance was below average as compared with the peer group chosen by the Adviser for the one year, three year, five year, and ten year periods.

In connection with its assessment of the performance of the Adviser, the Independent Board Members considered the Adviser's financial condition and whether it had the resources necessary to continue to carry out its functions under the Advisory Agreement. The Independent Board Members concluded that the Adviser had the financial resources necessary to continue to perform its obligations under the Advisory Agreement and to continue to provide the high quality services that it has provided to the Fund to date.

3) The cost of the advisory services and the profits to the Adviser and its affiliates from the relationship with the Fund

In connection with the Independent Board Members' consideration of the cost of the advisory services and the profits to the Adviser and its affiliates from the relationship with the Fund, the Independent Board Members considered a number of factors. First, the Independent Board Members compared the level of the advisory fee for the Fund against the comparative Adviser expense peer group (Expense Peer Group). The Independent Board Members also considered comparative non-management fee expenses and comparative total fund expenses of the Fund and the Expense Peer Group. The Independent Board Members considered this information useful in assessing whether the Adviser was providing services at a cost that was competitive with other similar funds. In assessing this information, the Independent Board Members considered both the comparative contract rates as well as the level of the total expense ratio. In particular, the Independent Board Members noted that the Fund's advisory fee and total expense ratio were above the Expense Peer Group median.

The Independent Board Members also reviewed the fees charged by the Adviser to provide similar advisory services to other RICs or accounts with similar investment objectives, noting that the fees charged by the Adviser were the same or lower than the fees charged to the Fund.

The Independent Board Members also considered an analysis prepared by the Adviser of the estimated profitability to the Adviser of its relationship with the Fund and reviewed with the Adviser its cost allocation methodology in connection with its profitability. In this regard, the Independent Board Members reviewed the Pro Forma Income Statements of the Adviser for the fiscal year ended December 31, 2021. The Independent Board Members considered one analysis for the Adviser as a whole and a second analysis for the Adviser with

Board Consideration and Re-Approval of Investment Advisory Agreement (Unaudited)
(Continued)

respect to the Fund. With respect to the Fund analysis, the Independent Board Members received an analysis based on the Fund's average net assets during the period as well as a pro forma analysis of profitability at higher and lower asset levels. The Independent Board Members concluded that the profitability of the Fund to the Adviser under either analysis was not excessive.

4) The extent to which economies of scale will be realized as the Fund grows and whether fee levels reflect those economies of scale

With respect to the Independent Board Members' consideration of economies of scale, the Independent Board Members discussed whether economies of scale would be realized by the Fund at higher asset levels. The Independent Board Members also reviewed data from the Expense Peer Group to assess whether the Expense Peer Group funds had advisory fee breakpoints and, if so, at what asset levels. The Independent Board Members also assessed whether certain of the Adviser's costs would increase if asset levels rise. The Independent Board Members noted the Fund's current size and concluded that under foreseeable conditions, they were unable to assess at this time whether economies of scale would be realized if the Fund were to experience significant asset growth. In the event there was to be significant asset growth in the Fund, the Independent Board Members determined to reassess whether the advisory fee appropriately took into account any economies of scale that had been realized as a result of that growth.

5) Other Factors

In addition to the above factors, the Board also discussed other benefits received by the Adviser from its management of the Fund.

The Board considered that the Adviser does use soft dollars in connection with its management of the Fund. Based on a consideration of all these factors in their totality, the Board Members, including all of the Independent Board Members, determined that the Fund's advisory fee was fair and reasonable with respect to the quality of services provided and in light of the other factors described above that the Board deemed relevant. Accordingly, the Board Members determined to approve the continuation of the Fund's Advisory Agreement. The Board based their decision on evaluations of all these factors as a whole and did not consider any one factor as all-important or controlling.