The Gabelli U.S. Treasury Money Market Fund

Shareholder Commentary – March 31, 2018

(Y)our Portfolio Management Team

Judith A. Raneri Ronald S. Eaker

To Our Shareholders,

After a strong finish in 2017, the U.S. economy eased a notch in the first quarter of this year suggesting a slight pullback in growth. However, the moderate data released did not reflect a change in the economy's underlying fundamental momentum. Despite the clear deceleration at the start of the year, the economy appears to have shifted into a higher gear during the current cycle, and is entering a new period of self-sustaining regularity.

Extreme weather played havoc with data in late February and early March, which disrupted economic activity in major sectors of the economy, prompting a downgrade to first quarter's gross domestic product (GDP) growth. Monthly reports, including personal consumption spending and Industrial Production, imply the rate of growth slowed to less than 2% annualized in the first quarter of 2018. Inflation adjusted consumer spending, which drives two-thirds of the economy, fell 0.1% (+2.7% year-over-year). Ex-transportation, durable goods orders fell 0.3%. Single-family building permits fell 1.7%. Factory output edged up a mere 0.1% (+2.0% year-over-year) while core retail sales was flat. The labor market was also impacted, as seen in the March jobs report stepping back from the strengths of prior months, as Nonfarm payrolls increased by just 103,000 jobs, the worst showing since September of 2017. The uninspiring start to the year also fits the pattern that historically, first quarter GDP growth tends to be on the weak side due to residual seasonality.

Nonetheless, even with a projected first quarter slowdown, the trend is expected to be temporary. Underlying fundamentals and economic momentum remain positive and reveal a solid economy growing at a self-sustaining pace. The economic landscape consists of rising household net worth along with upbeat consumer and business confidence. Recent solid gains in cyclical sectors like construction and manufacturing are very much consistent with continued economic expansion. And although March payroll data disappointed expectations, employment has risen by an average 202,000 jobs per month, compared to an average 182,000 per month in 2017. While jobs and income growth continue to bring potential buyers to the market even as mortgage rates rose, making residential investment a bright spot in the outlook for first quarter's GDP growth. What's more, consumer spending has started to perk up in March as auto sales rose 2.4%, marking the first rise in three months and stronger foreign demand, oil prices and a softer dollar are also adding to the positive outlook.

Aside from recent sound fundamentals, fiscal stimulus is playing a major role in reinforcing the strength and wellbeing of the economy. The recently enacted tax reform package creates potential upside risks for the economy in the near term, it reduces household taxes and encourages spending as well as savings. The increase in income will lead to more demand. It creates a recurring cycle that drives further economic growth. The Bipartisan Budget Act will increase discretionary spending by nearly $300 billion over the next two years. Together, they will add ½%-¾% to growth in 2018 and 2019.

The current state of the economy has given the Federal Reserve justification this year to accelerate its pace of interest rate increases. The strengthening jobs market has been core to the Federal Reserve's debates on whether to raise interest rates. As the economy approaches full employment, the committee believes wage growth will rise and inflation could accelerate above the central bank's 2% target, leading to further tightening. According to the summary of economic projections that the FOMC releases each quarter, three rate hikes in total is still the baseline for 2018.

Given this bright outlook, possible risks to growth exist. High on the list is the potential for aggressive monetary tightening from the Federal Reserve, if signs of over heating begin to appear, mainly due to the impact of the House Tax plan. The large amount of stimulus can fuel inflation when added to an economy already operating near full capacity. Currently however, inflation has not shown any warning signs. The Federal Reserve's preferred measure of inflation, the Personal Consumption Expenditures (PCE) 12-month increase, was unchanged at 1.7% for the third consecutive month. Supporting the conclusion that inflation is sufficiently low and stable. Another risk to economic growth is trade protectionism. The trade battle between the U.S. and China could escalate into a trade war that could rebound negatively on financial conditions and economic activity, not just in the U.S., but globally. Lastly, there are signs that growth is moderating in Europe and that emerging markets will experience less strengthening during the second half of 2018 than initially expected.

Still, these downside risks together with a weak start to the year do not skew the overall strength of the economy. The Conference Board measures of consumer and CEO confidence remain near ten-year highs, the unemployment rate is at its lowest level in a decade, fundamentals are strong and together with the simulative effects of the recent tax cuts and additional government spending, the economy is poised for more robust growth in the months to come.

April 27, 2018

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.

THE GABELLI U.S. TREASURY MONEY MARKET FUND
One Corporate Center
Rye, NY 10580-1422

Portfolio Management Team Biographies

Ronald S. Eaker joined GAMCO Investors, Inc. in 1987. Currently he is a Managing Director of Gabelli Fixed Income, Inc. and a portfolio manager of Gabelli Funds, LLC and the Fund. Mr. Eaker manages short term cash products and high grade intermediate fixed income products. Prior to joining Gabelli, Mr. Eaker was affiliated with Frank Henjes & Co. He is a graduate of Pennsylvania State University with a B.S. in Finance.

Judith A. Raneri joined GAMCO Investors, Inc. in 1989. Currently she is the Vice President and Senior Portfolio Manager of Gabelli Funds, LLC responsible for managing the Fund. Ms. Raneri received a B.S. with honors in Finance from Iona College.

An investment in The Gabelli U.S. Treasury Money Market Fund is neither insured nor guaranteed by the U.S. Government or the Federal Deposit Insurance Corporation. Although the Fund seeks to preserve the value of an investment at $1.00 per share, there can be no assurance that the Fund will maintain a stable $1.00 per share net asset value, so it is possible to lose money by investing in the Fund. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain more information about these and other matters and should be read carefully before investing.

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

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THE GABELLI U.S. TREASURY MONEY MARKET FUND

Shareholder Commentary
March 31, 2018

The Gabelli U.S. Treasury Money Market Fund

Semiannual Report — March 31, 2018

Judith A. Raneri
Portfolio Manager

Ronald S. Eaker
Portfolio Manager

To Our Shareholders,

The Sarbanes-Oxley Act requires a fund's principal executive and financial officers to certify the entire contents of the semiannual and annual shareholder reports in filings with the Securities and Exchange Commission ("SEC") on Form N-CSR. This certification would cover the portfolio managers' commentary and subjective opinions if they are attached to or a part of the financial statements. Many of these comments and opinions would be difficult or impossible to certify.

Because we do not want our portfolio managers to eliminate their opinions and/or restrict their commentary to historical facts, we have separated their commentary from the financial statements and investment portfolio and have sent it to you separately. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

Portfolio Holdings

On a monthly basis, The Gabelli U.S. Treasury Money Market Fund makes available a complete schedule of portfolio holdings. Shareholders may obtain this information at www.gabelli.com, by calling the Fund at 800-GABELLI (800-422-3554), or on the SEC's website at www.sec.gov.

For the Six Month Period from October 1, 2017 through March 31, 2018 **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 are 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 10/01/17	Ending Account Value 03/31/18	Annualized Expense Ratio	Expenses Paid During Period*
Gabelli U.S. Treasury Money Market Fund				
Actual Fund Return				
Class AAA	$1,000.00	$1,005.90	0.08%	$0.40
Class A	$1,000.00	$1,005.90	0.08%	$0.40
Class C	$1,000.00	$1,005.90	0.08%	$0.40
Hypothetical 5% Return				
Class AAA	$1,000.00	$1,024.53	0.08%	$0.40
Class A	$1,000.00	$1,024.53	0.08%	$0.40
Class C	$1,000.00	$1,024.53	0.08%	$0.40

* 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 (182 days), then divided by 365.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of March 31, 2018:

The U.S. Treasury Money Market Fund

U.S. Treasury Bills	99.9%
Other Assets and Liabilities (Net)	0.1%
Net Assets	100.0%

The Gabelli U.S. Treasury Money Market Fund

Statement of Net Assets
March 31, 2018 (Unaudited)

Principal Amount			Market Value
	U.S. GOVERNMENT OBLIGATIONS — 99.9%		
$1,926,204,000	U.S. Treasury Bills, 1.226% to 1.913%†, 04/05/18 to 09/27/18		$1,921,881,841
	TOTAL INVESTMENTS (Cost $1,921,881,841)	99.9%	1,921,881,841
	Receivable for Fund shares sold	0.4%	8,148,864
	Payable for Fund shares redeemed	(0.3)%	(5,842,827)
	Distributions payable	(0.0)%	(313,086)
	Payable to Manager	(0.0)%	(130,838)
	Other Assets	0.0%	242,162
	Other Assets and Liabilities (Net)	0.1%	2,104,275
	NET ASSETS (applicable to 1,924,098,144 shares outstanding)	100.0%	$1,923,986,116

Net Assets Consist of:	
Paid-in capital	$1,924,098,577
Distributions in excess of net investment income	(2,447)
Accumulated net realized loss on investments	(110,014)
TOTAL NET ASSETS	$1,923,986,116

SHARES OF BENEFICIAL INTEREST, each at $0.001 par value; unlimited number of shares authorized:

Class AAA:	
Net Asset Value, offering, and redemption price per share ($1,916,548,607 ÷ 1,916,658,957 shares outstanding)	$1.00
Class A:	
Net Asset Value, offering, and redemption price per share ($5,387,741 ÷ 5,388,963 shares outstanding)	$1.00
Class C:	
Net Asset Value, offering, and redemption price per share ($2,049,768 ÷ 2,050,224 shares outstanding)	$1.00

† Represents range of annualized yields at date of purchase.

Statement of Operations
For the Six Months Ended March 31, 2018 (Unaudited)

Investment Income:	
Interest	$12,203,317
Expenses:	
Management fees	775,127
Total Expenses	775,127
Net Investment Income	11,428,190
Net Realized Loss on Investments	(21,679)
Net Increase in Net Assets Resulting from Operations	$11,406,511

See accompanying notes to financial statements.

The Gabelli U.S. Treasury Money Market Fund

Statement of Changes in Net Assets

	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30, 2017
Operations:		
Net investment income	$ 11,428,190	$ 10,675,863
Net realized loss on investments	(21,679)	(49,605)
Net Increase in Net Assets Resulting from Operations	11,406,511	10,626,258
Distributions to Shareholders:		
Net investment income		
Class AAA	(11,382,184)	(10,624,713)
Class A	(31,947)	(30,589)
Class C	(14,059)	(20,561)
Total Distributions to Shareholders	(11,428,190)	(10,675,863)
Shares of Beneficial Interest Transactions ($1.00 per share):		
Proceeds from shares issued		
Class AAA	1,284,049,323	2,335,446,182
Class A	3,812,051	3,435,208
Class C	3,661,228	3,120,706
Total proceeds from shares issued	1,291,522,602	2,342,002,096
Proceeds from reinvestment of distributions		
Class AAA	11,191,332	10,475,159
Class A	26,570	22,631
Class C	12,377	19,485
Total proceeds from reinvestment of distributions	11,230,279	10,517,275
Cost of shares redeemed		
Class AAA	(1,263,517,021)	(2,186,196,856)
Class A	(2,553,514)	(5,341,720)
Class C	(3,393,503)	(7,895,165)
Total cost of shares redeemed	(1,269,464,038)	(2,199,433,741)
Net Increase in Net Assets from Shares of Beneficial Interest Transactions	33,288,843	153,085,630
Net Increase in Net Assets	33,267,164	153,036,025
Net Assets:		
Beginning of year	1,890,718,952	1,737,682,927
End of period (including undistributed net investment income of $0 and $0, respectively)	$ 1,923,986,116	$ 1,890,718,952

See accompanying notes to financial statements.

The Gabelli U.S. Treasury Money Market Fund
Financial Highlights

Selected data for a share of beneficial interest outstanding throughout each period:

		Income from Investment Operations			Distributions					Ratios to Average Net Assets/ Supplemental Data			
Year Ended September 30	Net Asset Value, Beginning of Year	Net Investment Income(a)	Net Realized Gain (Loss) on Investments(b)	Total from Investment Operations	Net Investment Income	Net Realized Gain on Investments(b)	Total Distributions	Net Asset Value, End of Period	Total Return†	Net Assets, End of Period (in 000's)	Net Investment Income	Operating Expenses Net of Fees Waived, Reimbursed, and Assumed by the Manager	Operating Expenses Before Fees Waived, Reimbursed, and Assumed by the Manager
Class AAA													
2018(c)	$1.0000	$0.0059	$(0.0000)	$0.0059	$(0.0059)	—	$(0.0059)	$1.0000	0.59%	$1,916,548	1.18%(d)	0.08%(d)	0.08%(d)
2017	1.0000	0.0060	(0.0000)	0.0060	(0.0060)	—	(0.0060)	1.0000	0.60	1,884,846	0.60	0.08	0.11
2016	1.0000	0.0017	0.0000	0.0017	(0.0017)	—	(0.0017)	1.0000	0.17	1,725,171	0.17	0.08	0.11
2015	1.0000	—	0.0000	0.0000(b)	—	$(0.0000)	(0.0000)(b)	1.0000	0.00(e)	1,622,495	0.00(e)	0.03	0.11
2014	1.0000	—	0.0000	0.0000(b)	—	(0.0000)	(0.0000)(b)	1.0000	0.00(e)	1,690,137	0.00(e)	0.05	0.10
2013	1.0000	0.0002	0.0000	0.0002	(0.0002)	(0.0000)	(0.0002)	1.0000	0.02	1,700,348	0.01	0.07	0.11
Class A													
2018(c)	$1.0000	$0.0059	$(0.0000)	$0.0059	$(0.0059)	—	$(0.0059)	$1.0000	0.59%	$ 5,388	1.18%(d)	0.08%(d)	0.08%(d)
2017	1.0000	0.0060	(0.0000)	0.0060	(0.0060)	—	(0.0060)	1.0000	0.60	4,103	0.60	0.08	0.11
2016	1.0000	0.0017	0.0000	0.0017	(0.0017)	—	(0.0017)	1.0000	0.17	5,987	0.17	0.08	0.11
2015	1.0000	—	0.0000	0.0000(b)	—	$(0.0000)	(0.0000)(b)	1.0000	0.00(e)	10,067	0.00(e)	0.03	0.11
2014	1.0000	—	0.0000	0.0000(b)	—	(0.0000)	(0.0000)(b)	1.0000	0.00(e)	5,229	0.00(e)	0.05	0.10
2013	1.0000	0.0002	0.0000	0.0002	(0.0002)	(0.0000)	(0.0002)	1.0000	0.02	3,571	0.01	0.07	0.11
Class C													
2018(c)	$1.0000	$0.0059	$(0.0000)	$0.0059	$(0.0059)	—	$(0.0059)	$1.0000	0.59%	$ 2,050	1.18%(d)	0.08%(d)	0.08%(d)
2017	1.0000	0.0060	(0.0000)	0.0060	(0.0060)	—	(0.0060)	1.0000	0.60	1,770	0.60	0.08	0.11
2016	1.0000	0.0017	0.0000	0.0017	(0.0017)	—	(0.0017)	1.0000	0.17	6,525	0.17	0.08	0.11
2015	1.0000	—	0.0000	0.0000(b)	—	$(0.0000)	(0.0000)(b)	1.0000	0.00(e)	4,545	0.00(e)	0.03	0.11
2014	1.0000	—	0.0000	0.0000(b)	—	(0.0000)	(0.0000)(b)	1.0000	0.00(e)	2,217	0.00(e)	0.05	0.10
2013	1.0000	0.0002	0.0000	0.0002	(0.0002)	(0.0000)	(0.0002)	1.0000	0.02	3,020	0.01	0.07	0.11

† Total return represents aggregate total return of a hypothetical $1,000 investment at the beginning of the year and sold at the end of the period including reinvestment of distributions. Total return for a period of less than one year is not annualized.
(a) Net investment income (loss) per Class AAA, Class A, and Class C Shares before expenses reimbursed by the Manager for the years ended September 30, 2017, 2016, 2015, 2014, and 2013 was $0.0057, $0.0014, ($0.0007), ($0.0005), and ($0.0002), respectively. There was no expense reimbursement for the six months ended March 31, 2018.
(b) Amount represents less than $0.00005 per share.
(c) For the six months ended March 31, 2018, unaudited.
(d) Annualized.
(e) Amount represents less than 0.005%.

See accompanying notes to financial statements.

1. Organization. The Gabelli U.S. Treasury Money Market Fund, a series of The Gabelli Money Market Funds (the "Trust"), was organized on May 21, 1992 as a Delaware statutory trust. 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 high current income consistent with the preservation of principal and liquidity. The Fund commenced investment operations on October 1, 1992.

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.

Security Valuation. The Fund values securities utilizing the amortized cost valuation method which approximates market value and is permitted under Rule 2a-7, as amended, under the 1940 Act. This method involves valuing a portfolio security initially at its cost and thereafter adjusting for amortization of premium or accretion of discount to maturity.

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 approval as to the fair value of investments).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of March 31, 2018 is as follows:

Valuation Inputs*	Investments in Securities (Market Value) Assets
Level 2 - Other Significant Observable Inputs	$1,921,881,841

* Level 2 holdings consist of U.S. Government Obligations.

The Fund held only Level 2 investments during the six months ended March 31, 2018 and the year ended September 30, 2017. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

In 2014, the U.S. Securities and Exchange Commission adopted amendments to money market fund regulations which structurally changed the way that certain money market funds operate. Since the Fund invests only in U.S. Treasury securities, it will continue to transact at a stable $1.00 share price.

Securities Transactions and Investment Income. Securities transactions are accounted for on the trade date with realized gain/(loss) on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on the accrual basis. Premiums and discounts on long term debt securities are amortized using the effective yield to maturity method.

Distributions to Shareholders. Distributions from investment income (including net short term realized capital gains) are declared daily and paid monthly. Distributions from net long term capital gains, if any, are paid annually. Book/tax differences of distributions 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 NAV of the Fund.

For the year ended September 30, 2017, the tax character of distributions was all ordinary income.

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 Fund is permitted to carry capital losses forward for an unlimited period. Capital losses that are carried forward will retain their character as either short term or long term capital losses. The Fund has a short term capital loss carryforward with no expiration of $38,919.

The following summarizes the tax cost of investments and the related net unrealized appreciation/(depreciation) at March 31, 2018:

	Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Depreciation
Investments	$1,921,883,698	$—	$(1,857)	$(1,857)

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. For the six months ended March 31, 2018, the Fund did not incur any income tax, interest, or penalties. As of March 31, 2018, Gabelli Funds, LLC (the "Manager") 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 Manager will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

3. Line of Credit. The Fund participates in an unsecured line of credit, which expires on March 6, 2019 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 125 basis points or the 30 day LIBOR plus

125 basis points in effect on that day. This amount, if any, would be included in "Interest expense" in the Statement of Operations. During the six months ended March 31, 2018, there were no borrowings under the line of credit.

4. Shares of Beneficial Interest. The Fund offers three classes of shares - Class AAA Shares, Class A Shares, and Class C Shares. Class A Shares and Class C Shares are offered only as an exchange option for shareholders holding Class A or Class C Shares of other funds within the Gabelli/GAMCO Fund complex. Class A Shares and Class C Shares are not available for direct investment by shareholders.

5. Agreements with Affiliated Parties. The Trust has entered into a management agreement (the "Management Agreement") with the Manager, which provides that the Trust will pay the Manager a fee, computed daily and paid monthly, at the annual rate of 0.08% of the value of the Fund's average daily net assets. In accordance with the Management Agreement, the Manager provides a continuous investment program for the Fund's portfolio, oversees the administration of all aspects of the Fund's business and affairs, and pays all expenses of operating the Fund (excluding brokerage costs, interest, taxes, and extraordinary expenses). In addition, the Manager may voluntarily reimburse expenses to the extent necessary to assist the Fund in attempting to prevent a negative yield.

Each Trustee who is not considered an affiliated person is paid by the Manager an annual retainer of $3,000 plus $500 for each Board of Trustees (the "Board") meeting attended and is reimbursed for any out of pocket expenses incurred in attending meetings. All Board committee members receive $500 per meeting attended and the Chairman of the Audit Committee and the Lead Trustee each receives an annual fee of $1,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees who are directors or employees of the Manager or an affiliated company receive no compensation or expense reimbursement from the Fund.

6. Significant Shareholder. As of March 31, 2018, 65.8% of the Fund was beneficially owned by the Manager and its affiliates, including managed accounts for which the affiliates of the Manager have voting control but disclaim pecuniary interest.

7. 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.

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

Section 15(c) of the 1940 Act contemplates that the Board of Trustees (the "Board") of the Fund, including a majority of the Trustees who have no direct or indirect interest in the investment management agreement and are not "interested persons" of the Trust, 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 Management Agreement (the "Agreement") and approve any newly proposed terms therein. At a meeting held on November 15, 2017, the Board, including the Independent Board Members, considered the factors and reached the conclusions described below relating to the selection of the Manager and the re-approval of the Management Agreement.

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

The Board Members reviewed in detail the nature and extent of the services provided by the Manager under the Management Agreement and the quality of those services over the past year. The Board noted that these services included managing the investment program of the Fund, including the purchase and sale of portfolio securities, as well as the provision of general corporate services. The Board Members considered that the Manager 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 compliance with stated investment policies and restrictions under the 1940 Act and related securities regulations. The Board Members noted that, in addition to managing the investment program for the Fund, the Manager provided certain non-advisory and compliance services, including services under the Fund's Rule 38a-1 compliance program.

The Board Members also considered that the Manager paid for all compensation of officers and non-Independent Board Members of the Fund. The Board Members evaluated these factors based on its direct experience with the Manager and in consultation with Fund Counsel. The Board noted that the Manager had engaged, at its expense, BNY Mellon Investment Servicing (US) Inc. ("BNY") to assist it in performing certain of its administrative functions. The Board Members concluded that the nature and extent of the services provided was reasonable and appropriate in relation to the advisory fee, that the level of services provided by the Manager, either directly or through BNY, had not diminished over the past year, and that the quality of service continued to be high.

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

2) The performance of the Fund and the Manager.

The Board Members reviewed the investment performance of the Fund, on an absolute basis, as compared with its peer group of other SEC registered funds. The Board Members considered the Fund's one, three, five, and ten year average annual total return for the periods ended September 30, 2017, but placed greater emphasis on the Fund's longer term performance. The peer group considered by the Board Members was developed by Broadridge and was comprised of all retail U.S. Treasury money market funds, regardless of asset size or primary channel of distribution (the "Performance Peer Group"). The Board considered these comparisons helpful in their assessment as to whether the Manager 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 Board Members noted that the Fund's performance was in the top quintile of its Performance Peer Group for one, three, five, and ten year periods and concluded that the Fund's performance was reasonable in comparison to that of the Performance Peer Group.

In connection with its assessment of the performance of the Manager, the Board Members considered the Manager's financial condition and whether it had the resources necessary to continue to carry out its functions under the Management Agreement. The Board Members concluded that the Manager had the financial resources necessary to continue to perform its obligations under the Management 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 Manager and its affiliates from the relationship with the Fund.

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

The Board Members also considered an analysis prepared by the Manager of the estimated profitability to the Manager of its relationship with the Fund and reviewed with the Manager its cost allocation methodology in connection with its profitability. In this regard, the Board Members reviewed Pro Forma Income Statements of the Manager for the fiscal year ended December 31, 2016. The Board Members considered one analysis for the Manager as a whole, and a second analysis for the Manager with respect to the Fund. With respect to the Fund analysis, the 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 asset levels. The Board Members concluded that the profitability of the Fund to the Manager 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 Board Members' consideration of economies of scale, the Board Members discussed whether economies of scale would be realized by the Fund at higher asset levels. The 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 Board Members also assessed whether certain of the Manager's costs would increase if asset levels rise. The 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 were to be significant asset growth in the Fund, the 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 Members also discussed other benefits received by the Manager from its management of the Fund. The Board Members considered that the Manager did not 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 management 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 Members deemed relevant. Accordingly, the Board Members determined to approve the continuation of the Fund's Management Agreement. The Board Members based their decision on evaluations of all these factors as a whole and did not consider any one factor as all important or controlling.

Portfolio Management Team Biographies

Judith A. Raneri joined GAMCO Investors, Inc. in 1989. Currently she is the Vice President and Senior Portfolio Manager of Gabelli Funds, LLC responsible for managing the Fund. Ms. Raneri received a BS with honors in Finance from Iona College.

Ronald S. Eaker joined GAMCO Investors, Inc. in 1987. Currently he is a Managing Director of Gabelli Fixed Income, LLC and a portfolio manager of Gabelli Funds, LLC. Mr. Eaker manages short term cash products and high grade intermediate fixed income products. Prior to joining Gabelli, Mr. Eaker was affiliated with Frank Henjes & Co. He is a graduate of Pennsylvania State University with a BS in Finance.

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 the 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.

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