The Gabelli Dividend Growth Fund

Shareholder Commentary
September 30, 2016

Barbara G. Marcin, CFA
Portfolio Manager

To Our Shareholders,

For the quarter ended September 30, 2016, the net asset value ("NAV") per Class AAA Share of The Gabelli Dividend Growth Fund increased 5.5% compared with the increase of 3.9% for the Standard & Poor's ("S&P") 500 Index. See page 2 for additional performance information.

Performance

The S&P 500 and Dow Jones Industrials market averages closed out the third quarter with returns of 3.9% and 2.8% respectively, and year to date returns of 7.7% and 7.4%, respectively. The Gabelli Dividend Growth Fund gained 5.5% in the third quarter for a return of 5.5% year to date.

The S&P 500 Index now has 11 sectors, after adding a new sector, Real Estate, late in the third quarter. Of the other ten, Utilities and Telecom, which are the most sensitive to changes in interest rates, were the worst performing sectors in the third quarter, with declines of 5.6% and 5.9%, respectively. The best performing sectors were Technology, with a gain of 12.9%, and Industrials, with a gain of 4.6%.

The top contributors to performance in the Fund in the third quarter were Apple Inc (5.8% of net assets as of September 30, 2016), AIG (4.6%), Morgan Stanley (2.0%), Alphabet (formerly Google) (3.7%), and International Paper (3.0%), all of which gained more than 12%. The contribution of a position to performance is a function of the position's size and its gains in the quarter.

S&P 500 dividends are estimated to have increased at a rate of 4% in the third quarter over the second quarter. The dividend yield of 2.0% on the S&P 500 is sixty basis points above the ten year U.S. treasury note yield of almost 1.6%, making the choice of stocks over bonds still an overwhelming relative, if not absolute, value.

Comparative Results

Average Annual Returns through September 30, 2016 (a)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (8/26/99)
Class AAA (GABBX)	5.49%	11.30%	12.17%	4.95%	5.68%	5.31%
S&P 500 Index	3.85	15.43	16.37	7.24	7.15	4.74
Lipper Large Cap Value Fund Average	4.28	14.87	14.95	5.53	6.35	4.69
Class A (GBCAX)	5.50	11.39	12.17	4.97	5.71	5.33
With sales charge (b)	(0.57)	4.98	10.85	4.35	5.29	4.97
Class C (GBCCX)	5.38	10.54	11.33	4.17	5.02	4.74
With contingent deferred sales charge (c)	4.38	9.54	11.33	4.17	5.02	4.74
Class I (GBCIX)	5.57	11.60	12.45	5.21	5.90	5.51

In the current prospectuses dated April 29, 2016, the expense ratios for Class AAA, A, C, and I Shares are 1.91%, 1.91%, 2.66%, and 1.66% respectively, and effective October 1, 2016 the net expense ratios for these share classes after contractual reimbursements by Gabelli Funds, LLC, (the "Adviser") are 1.91%, 1.91%, 2.66%, and 1.00%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75% and 1.00%, respectively.

(a) *Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Returns would have been lower had Gabelli Funds, LLC (the "Adviser") not reimbursed certain expenses of the Fund. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com.* The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Lipper Large Cap Value Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2003, and the Class I Shares on June 30, 2004.The actual performance of the Class A and Class C Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance for the Class I Shares would have been higher due to the lower expenses related to this class of shares.

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

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

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

The Economy and Markets

The economy remains on a path of sub-par growth, on track for less than 2% growth in gross domestic product, or GDP this year. The third quarter saw a mixed set of data, including an improvement in consumer spending. However, core income growth, meaning wages and salaries, has been in a slowing trend for over a year and will likely result in a slowdown in consumer spending. The long term slow growth in GDP has resulted in low sales growth for corporations, which has put downward pressure on profits and capital spending. This has been part of the circle of low growth and more accommodative monetary and fiscal policies, not just in the United States but globally.

Housing, including both housing starts and new home sales, has been a solid support in the third quarter. However, despite very low mortgage rates this housing recovery has been subdued, perhaps due to consumers limiting their debt burden. This slow to moderate cycle could be sustained for a while longer, as unsustainably low household formations over the past few years have resulted in pent-up demand. Employment gains and low mortgage rates remain supportive of this housing cycle.

Business confidence remains weak, and this has contributed to the lack of capital spending.

Low interest rates have raised asset prices, but they have also destroyed savings and bank and insurance company business models. Returns on savings and fixed income instruments are essential to individuals' ability to pay their debts and fund their retirements. While the Central Bank has said that it will eventually run off its bond holdings, in effect selling the debt back into the private market, this is clearly a promise that will never be kept. The ultimate end for quantitative easing is a perpetual rolling off or maturity extension of the debt. The Federal Reserve is doing that now, just as Japan has been doing for years.

Nominal growth, meaning real growth plus inflation, is critical in affording a country or individual the ability to service debt with increasing income, applying some to interest and some to principal. The low rate of nominal growth in the United States is and will continue to be a problem.

It looks increasingly like China will be a source of weakness next year. The capital spending that so spectacularly fueled a decade of tremendous growth is no longer effective. There is already overcapacity visible in factories, plants and housing, so even if money were to be handed out, no one would build. In addition, a housing bubble has been building, fueled by easy money, just as in the United States a decade ago. New house prices rose sharply again in August, making it the tenth month of increases in a row. China cannot lower interest rates while this speculation on a big asset class, housing, is underway. We expect China to take more steps to slow down rising house prices, such as restricting lending or requiring larger down payments.

In Japan, "Abenomics," prime minister Shinzo Abe's ambitious stimulus plan, has not succeeded. Japan will grow about 0.5% this year. Japanese growth has been slow for many years and is a reminder that an aging population and contracting workforce are strong headwinds coming to the developed economies.

In the third quarter, the presidential election made for shocking news. The lack of confidence in both candidates is perhaps unprecedented and their unfavorably rates are historically low.

Let's Talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the share prices are listed first in United States dollars (USD) and second in the local currency, where applicable, and are presented as of September 30, 2016.

American Express Co. (2.3% of net assets as of September 30, 2016) (AXP – $64.04 – NYSE) is the largest closed loop credit card company in the world. The company operates its eponymous premiere branded payment network and lends to its largely affluent customer base. American Express has 108 million cards in force and over $60 billion in loans, while its customers charged nearly $1.0 trillion of spending on their cards in 2015. The company's strong consumer brand has allowed American Express to enter the deposit gathering market as an alternate source of funding, while the company's affluent customers have picked up spending. Longer term, American Express should capitalize on its higher spending customer base and continue to expand into other payment related businesses, such as corporate purchasing, while also growing in emerging markets. Similarly, the company is looking at the growing success of social media as an opportunity to expand its product base and payment options.

American International Group Inc. (4.6%) (AIG – $59.34 – NYSE) is a multi-line insurance company offering property and casualty and life insurance, and serving customers in more than 130 countries and jurisdictions. AIG's annuity and private mortgage insurance businesses have good growth prospects. The company is well positioned as it has excess capital, sophisticated products, and broad global distribution. In addition, the company is committed to returning capital to shareholders with dividends and share buybacks. We believe it can increase these capital returns to shareholders, given greater stability of the business lines.

Apple Inc. (5.8%) (AAPL – $113.05 – NASDAQ) has emerged as the world's most valuable corporation as a consequence of the unprecedented global success of its iPhone, iPad, and network of retail stores. Tim Cook, successor to Steve Jobs, has steered the firm through a massive new product cycle with iPhone 7, the iWatch, Apple Pay and a refresh of iPads and iMacs. Apple's brand strength allows it to lead in the high end of its market, avoiding the ruinous price competition and profit margin volatility that impede other firms in its sector. Future product cycles will upgrade the phones and other products, vastly improving their functionality (size, speed, battery life, etc.). The net effect will be to keep consumers in the AAPL ecosystem, enabling the company to collect high margin recurring revenue from the use of apps and commercial transactions enabled by the phone. This should enhance the multiple at which investors value AAPL's growing cash flow.

Honeywell International Inc. (3.4%) (HON – $116.59 – NYSE) operates as a diversified technology company with highly engineered products, including turbine propulsion engines, auxiliary power units, turbochargers, brake pads, environmental and combustion controls, sensors, security and life safety products, resins and chemicals, nuclear services, and process technology for the petrochemical and refining industries. One of the key drivers of HON's growth is acquisitions that increase the company's growth profile globally, creating both organic and inorganic opportunities. The company recently acquired Elster Industries, a leading provider of thermal gas solutions, smart meters, software and data analytics for the commercial, industrial and residential heating market. Elster's gas business offers products in high demand among natural gas customers and brings a strong, global distribution network and numerous cross-selling opportunities for existing HON technologies to new customers. Elster's gas, electric, and water meters are highly valued for their reliability, safety and accuracy. The company maintains an installed base of more than 200 million meter modules deployed over the course of the last 10 years that generate significant recurring revenues. We believe acquisitions such as Elster should drive meaningful and sustained growth for HON spurred by global energy efficiency initiatives and natural resource management.

Kraft Heinz Co (1.0%) (KHC – $89.51 – NASDAQ), headquartered in Pittsburgh, Pennsylvania and Chicago, Illinois, was formed through the merger of H.J. Heinz Company and Kraft Foods Group which was completed on July 2, 2015. Heinz was previously acquired in 2013 by private equity firm, 3G Capital, and Berkshire Hathaway, which continue to collectively own approximately 51% of KHC. The Kraft Heinz Company generates approximately $27 billion of revenue and is the fifth largest food and beverage company in the world with leading positions in condiments, cheese, meats, and other grocery products under brands such as Heinz, Kraft, Oscar Mayer, Planters, Velveeta, ABC, Complan, and Ore-Ida. The combination enhances Heinz's scale in North America, while providing Kraft with the infrastructure to expand its grocery products globally. There are also significant opportunities for margin improvement, particularly as management implements zero-based budgeting, restructures the combined company and begins to realize the $1.5 billion of net cost savings it plans to achieve by 2017. Following integration and debt reduction, KHC is likely to play a leading role in food industry consolidation.

Mondelēz International Inc. (1.9%) (MDLZ – $43.90 – NASDAQ) headquartered in Deerfield, Illinois, is the renamed Kraft Foods Inc. following the tax-free spin-off to shareholders of the North American grocery business on October 1, 2012. Mondelēz's approximately $26 billion of revenue is derived primarily from snacking, which includes leading brands such as Oreo, LU and Ritz biscuits, Trident gum and Cadbury and Milka chocolates. On July 2, 2015 Mondelēz combined its coffee business with DE Master Blenders 1753 to form a new coffee company, Jacobs Douwe Egberts. Subsequently, MDLZ exchanged part of its stake in this coffee joint venture for 24% ownership in Keurig Green Mountain, which was acquired by an investor group led by JAB Holding Co. in March 2016. This narrows the company's product focus, as only 15% of revenue will be outside snacks — mostly Tang beverages and other products, such as Philadelphia cream cheese, which management may look to divest in the future as it executes on its plan to accelerate growth and improve margins in the faster-growing snack business. On August 26, Mondelez confirmed that discussions relating to a potential combination with Hershey had ended. Hershey initially confirmed on June 30 that it received and rejected a preliminary indication of interest from Mondelēz to acquire Hershey for $107 per share in cash and stock, demonstrating Mondelēz's continued interest in pursuing acquisitions while remaining an independent company.

Pfizer Inc. (3.5%) (PFE – $33.87 – NYSE), headquartered in New York City, is one of the world's largest research based pharmaceutical companies, with sales of $48.9 billion in 2015. The company's drugs include the blockbusters Enbrel for autoimmune diseases, Lipitor for high cholesterol, Lyrica for pain, and Viagra for erectile dysfunction. The company's late-stage pipeline includes drugs being developed to treat cancer, cardiovascular disease, and inflammatory conditions. Pfizer also offers consumer healthcare products, including Advil, Centrum, ChapStick, Emergen-C, and Robitussin. The company's recently completed $14 billion acquisition of Medivation included the blockbuster prostate cancer drug Xtandi and a potential "best-in-class" PARP inhibitor in Phase III for breast cancer.

Looking Ahead

Overall, corporate earnings estimates for 2016 continue to be revised down due to slowing global growth. Corporate earnings, as represented by the S&P 500, are now expected to be flat in 2016, showing no growth for the second year in a row. Right now, the consensus estimate is for corporate earnings to gain 5% in 2017, which seems optimistic. Investors are unlikely to reward this sub-par earnings growth with higher valuations. Foreign economic weakness implies that exports will likely deteriorate.

While the third quarter had a mild “strong patch” of good economic news in new home sales and industrial production, it is not enough to boost the full year above 2%, and is not expected to remain this firm in the fourth quarter. The election means that we have great uncertainty about tax and energy policies, foreign policy, and government spending. The first presidential debate was held on October 28 and did nothing to ease concerns about the strangeness of this election. This is a year noteworthy for the worry expressed by U.S. business and world leaders over the state of our politics.

This uncertainty about what policies will look like over the next administration, combined with the decline in global earnings, has resulted in a decline in business confidence which will exert downward pressure on employment, wages, and capital spending in the next year.

Growth risks worldwide are to the downside. Great Britain will have to start the process of exiting the European Union within the next year, most likely next March. This uncertainty will continue to weigh on decisions to spend and expand, thus lowering growth.

The Federal Reserve signaled it was ready to raise rates last year. However, with the economy growing at barely 2%, the Federal Reserve has a difficult balancing act, with a bias against raising rates. Bond yields have been in a downtrend for thirty years and it remains to be seen when we will see the turn.

Oil prices may have bottomed, although we believe that prices will remain lower for longer. If growth slows worldwide in 2017, as we expect, then it is unlikely the price of oil will rise much, if at all, from these levels. We do expect that prices will rise over the next five years and we expect some correlation between oil prices and inflation expectations over this time.

In Conclusion

We try to invest in companies at good values, some of which are noted in our "Performance" and "Let's Talk Stocks" sections that have good value and the opportunity to grow their earnings and cash flow. We look for those companies that we believe will continue to return cash flow to shareholders through not only dividends but also through reinvestment in their businesses, resulting in greater cash flow and earnings, and higher share price valuation. We look to build a steady component of not only current return from dividend yields, but also a rising dividend pay-out from most of our portfolio in order to contribute to the performance of the Fund. As always, we thank you for your continued confidence in us.

October 4, 2016

Top Ten Holdings (Percent of Net Assets)
September 30, 2016

Apple Inc.	5.8%	Merck & Company Inc.	3.2%
American International Group Inc.	4.6%	The Walt Disney Co.	3.1%
Alphabet Inc.	3.7%	International Paper Co.	3.0%
Pfizer Inc.	3.5%	Microsoft Corp.	3.0%
Honeywell International Inc.	3.4%	JPMorgan Chase & Co.	2.9%

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

Minimum Initial Investment – $1,000

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

www.gabelli.com

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

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

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

e-delivery

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

Multi-Class Shares

Class AAA Shares are no-load shares offered directly through selected broker/dealers. Class A and Class C Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available directly through the Fund's distributor or brokers that have entered into selling agreements specifically with respect to Class I Shares. The Board of Trustees determined that expanding the types of Fund shares available through various distribution options will enhance the ability of the Fund to attract additional investors.

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Gabelli/GAMCO Funds and Your Personal Privacy

Who are we?

The Gabelli/GAMCO Funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC and GAMCO Asset Management Inc., which are affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly held company that has subsidiaries and affiliates that provide investment advisory services for a variety of clients.

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

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

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

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

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

What do we do to protect your personal information?

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

Portfolio Manager Biography

Barbara G. Marcin, CFA, joined GAMCO Investors, Inc. in 1999 and currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Prior to joining GAMCO, Ms. Marcin was head of value investments at Citibank Global Asset Management. Ms. Marcin graduated with Distinction as an Echols Scholar from the University of Virginia and holds an MBA degree from Harvard University's Graduate School of Business.

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GAB402Q316SC

GABELLI FUNDS

THE GABELLI DIVIDEND GROWTH FUND

Shareholder Commentary
September 30, 2016

The Gabelli Dividend Growth Fund

Third Quarter Report — September 30, 2016

Barbara G. Marcin, CFA
Portfolio Manager

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Enclosed is the schedule of investments as of September 30, 2016.

Comparative Results

Average Annual Returns through September 30, 2016 (a) (Unaudited)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (8/26/99)
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(b) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.

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

The Gabelli Dividend Growth Fund
Schedule of Investments — September 30, 2016 (Unaudited)

Shares		Market Value
	COMMON STOCKS — 92.4%	
	Automotive — 2.3%	
20,000	General Motors Co.	$ 635,400
	Automotive: Parts and Accessories — 0.8%	
3,000	Delphi Automotive plc	213,960
	Computer Software and Services — 12.5%	
1,300	Alphabet Inc., Cl. C†	1,010,477
14,000	Apple Inc.	1,582,700
14,000	Microsoft Corp.	806,400
		3,399,577
	Diversified Industrial — 5.4%	
18,000	General Electric Co.	533,160
8,000	Honeywell International Inc.	932,720
		1,465,880
	Energy — 6.1%	
6,000	Anadarko Petroleum Corp.	380,160
2,000	Apache Corp.	127,740
5,000	BP plc, ADR	175,800
2,000	Chevron Corp.	205,840
5,350	ConocoPhillips	232,565
10,000	CONSOL Energy Inc.	192,000
4,000	Exxon Mobil Corp.	349,120
		1,663,225
	Energy Services — 2.5%	
7,800	Halliburton Co.	350,064
60,000	Weatherford International plc†	337,200
		687,264
	Entertainment — 5.3%	
9,000	The Walt Disney Co.	835,740
25,000	Twenty-First Century Fox Inc., Cl. A	605,500
		1,441,240
	Financial Services — 21.4%	
10,000	American Express Co.	640,400
21,000	American International Group Inc.	1,246,140
16,000	Citigroup Inc.	755,680
5,500	CME Group Inc.	574,860
12,000	JPMorgan Chase & Co.	799,080
13,600	Legg Mason Inc.	455,328
17,000	Morgan Stanley	545,020
15,000	PayPal Holdings Inc.†	614,550
5,000	U.S. Bancorp	214,450
		5,845,508
	Food and Beverage — 2.9%	
12,000	Mondelēz International Inc., Cl. A	526,800
3,000	The Kraft Heinz Co.	268,530
		795,330
	Health Care — 18.8%	
2,000	Allergan plc†	$ 460,620
5,487	Bristol-Myers Squibb Co.	295,859
7,000	Gilead Sciences Inc.	553,840
3,000	Johnson & Johnson	354,390
6,000	Mallinckrodt plc†	418,680
5,162	Medtronic plc	445,997
13,950	Merck & Co. Inc.	870,619
28,575	Pfizer Inc.	967,835
14,754	Zoetis Inc.	767,356
		5,135,196
	Metals and Mining — 2.5%	
20,000	Barrick Gold Corp.	354,400
30,000	Freeport-McMoRan Inc.	325,800
		680,200
	Paper and Forest Products — 3.0%	
17,000	International Paper Co.	815,660
	Retail — 1.4%	
10,000	Best Buy Co. Inc.	381,800
	Specialty Chemicals — 4.9%	
8,000	E. I. du Pont de Nemours and Co.	535,760
5,100	H.B. Fuller Co.	236,997
11,000	The Dow Chemical Co.	570,130
		1,342,887
	Telecommunications — 1.1%	
5,700	Verizon Communications Inc.	296,286
	Water — 1.5%	
8,000	Xylem Inc.	419,600
	TOTAL COMMON STOCKS	25,219,013
Principal Amount		
	U.S. GOVERNMENT OBLIGATIONS — 7.6%	
$ 2,090,000	U.S. Treasury Bills, 0.200% to 0.310%††, 11/10/16 to 12/29/16	2,088,941
	TOTAL INVESTMENTS — 100.0% (Cost $20,003,757)	$ 27,307,954
	Aggregate tax cost	$ 20,038,094
	Gross unrealized appreciation	$ 7,930,060
	Gross unrealized depreciation	(660,200)
	Net unrealized appreciation/depreciation	$ 7,269,860

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

See accompanying notes to schedule of investments.

As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles ("GAAP") that may require the use of management estimates and assumptions in the preparation of its schedule of investments. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its schedule of investments.

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

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, 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. Debt instruments having a maturity greater than sixty days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. U.S. government obligations with maturities greater than sixty days are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. Certain securities are valued principally using dealer quotations.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value American Depositary Receipt securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

- Level 1 — quoted prices in active markets for identical securities;
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 — significant unobservable inputs (including the Board's determinations as to the fair value of investments).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of September 30, 2016 is as follows:

Valuation Inputs*	Investments in Securities (Market Value) Assets
Level 1 - Quoted Prices	$25,219,013
Level 2 - Other Significant Observable Inputs	2,088,941
Total	$27,307,954

* Portfolio holdings designated in Level 1 are disclosed individually in the Schedule of Investments ("SOI"). Please refer to the SOI for the industry classifications of these portfolio holdings.

There were no Level 3 investments held at September 30, 2016 or December 31, 2015.

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 is 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. Among the factors to be considered to fair value a security are recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

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

Foreign 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.

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

THE GABELLI DIVIDEND GROWTH FUND
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Portfolio Manager Biography

Barbara G. Marcin, CFA, joined GAMCO Investors, Inc. in 1999 and currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Prior to joining GAMCO, Ms. Marcin was head of value investments at Citibank Global Asset Management. Ms. Marcin graduated with Distinction as an Echols Scholar from the University of Virginia and holds an MBA degree from Harvard University's Graduate School of Business.

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

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