The Gabelli Dividend Growth Fund

Shareholder Commentary
March 31, 2017

(Y)our Portfolio Management Team


Barbara G. Marcin, CFA


Robert Leininger


Justin Bergner

To Our Shareholders,

For the quarter ended March 31, 2017, the net asset value ("NAV") per Class AAA Share of The Gabelli Dividend Growth Fund increased 4.1% compared with an increase of 6.1% for the Standard & Poor's ("S&P") 500 Index. See page 2 for additional performance information.

Performance

Of the eleven sectors in the S&P 500, the top two performers were the consumer discretionary and utility sectors, both with returns of 6%, while the two lowest performing sectors were the energy sector and the telecommunications sector, with losses of 7.9% and 4.3%, respectively. The energy sector gave back its gain of the fourth quarter, which occurred after OPEC reached a surprise agreement to reintroduce quotas. The top five contributors to performance in the Fund in the first quarter were positions in, Apple (5.1% of net assets as of March 31, 2017), Allergan (3.0%), Delphi (2.7%), Honeywell (2.5%), and Legg Mason (1.9%). Those that subtracted the most from the overall return were in the two worst performing sectors, telecommunications and energy – Verizon (1.7), Halliburton (1.3%) and Occidental Petroleum. The contribution of a position to performance is a function of the position's size and its gains in the quarter.

The Economy and Markets

The chaos of the first few months of the Trump presidency has cast doubt on the ability of the Republican Party, which in addition to the presidency has control of the House and the Senate, to pass constructive legislation. The Republicans and President Trump had promised to immediately repeal and replace the Affordable Care Act. President Trump briefly tried to persuade and then gave an ultimatum to Congress.

Comparative Results

Average Annual Returns through March 31, 2017 (a) (Unaudited)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (8/26/99)
Class AAA (GABBX)	4.13%	17.25%	9.14%	5.05%	6.12%	5.70%
S&P 500 Index	6.07	17.17	13.30	7.51	7.09	5.18
Lipper Large Cap Value Fund Average	3.58	19.53	12.24	5.83	6.36	5.17
Class A (GBCAX)	4.14	17.23	9.15	5.07	6.15	5.72
With sales charge (b)	(1.85)	10.49	7.86	4.45	5.73	5.36
Class C (GBCCX)	3.96	16.41	8.31	4.27	5.43	5.11
With contingent deferred sales charge (c)	2.96	15.41	8.31	4.27	5.43	5.11
Class I (GBCIX)	4.39	17.98	9.49	5.36	6.38	5.92

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 the Adviser not reimbursed certain expenses of the Fund. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com.* The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The 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 managers’ commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio managers’ commentary is unrestricted. Both the commentary and the financial statements, including the portfolio of investments, are available on our website at www.gabelli.com.

However, it quickly became evident that it would be difficult to put together a plan with enough support and the vote was withdrawn just seventeen days after the start of the effort. An earlier initiative, a ban on immigrants from countries perceived as threats, was blocked by federal judges after state attorneys filed lawsuits saying it was a ban on Muslims, and therefore unconstitutional.

While some of the initiatives that President Trump campaigned on, such as tax reform, lower taxes, and infrastructure spending, have broad appeal and could stimulate economic growth and corporate profits, it very much remains to be seen what detailed plans will emerge and whether or not they can get passed.

We reserve some optimism that some of these initiatives will be undertaken in a serious way, and that they could possibly be positive for growth in two or three years. We are not yet incorporating any positives or negatives from new trade policy, as many things have been said but no concrete proposal has emerged. We have also seen various members of the cabinet, and even President Trump himself, say contradictory things on trade, so we must wait to see what emerges.

The Federal Reserve, whose mandate is maximizing employment and managing inflation, is succeeding on both of those goals. Unemployment fell to 4.5% in March and inflation rose over the past twelve months to the Federal Reserve's 2% goal. As a result, the Federal Reserve raised its target interest rate for the second time in three months in March, and at the moment, is expected to raise the rate twice more this year.

Interest rates have risen over the past six months, which is already having a slowing effect on consumer spending. Over the past six months, the 30-year mortgage rate is up 70 basis points. This is equivalent to a 9%, or $100 increase in the mortgage payment on an average U.S. house. The last time interest rates surged was in 2013, the so-called "taper tantrum". This resulted from a panicked withdrawal of money from the bond market in response to the Federal Reserve announcing that it would be tapering the money it was feeding to the economy. At that time, we saw a surge in home buying for a few months as people anticipated higher rates, but three months later demand began a slide that lasted six months. We expect this decline in affordability to be a headwind on the housing market this year.

We are seeing the same headwind already affecting vehicle sales. Ford Motor raised this red flag in an announcement last week, saying that the increase in auto loan interest rates of 50 basis points has raised the average monthly car payment to over $500, which in the past has been followed by lower car sales.

Higher interest rates, if they hold, will also crimp spending of the nation's largest borrower, the federal government, over the next few years. The Congressional Budget Office is projecting that federal interest payments will double over the next decade, with less money available to fund mandatory programs and discretionary spending.

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 percentage of net assets and their share prices stated in U.S. dollar equivalent terms are presented as of March 31, 2017.

Allergan plc (3.0% of net assets as of March 31, 2017) (AGN – $238.92 – NYSE) (Cv., 5.50%, 3/1/18), headquartered in Dublin, Ireland, is a leading specialty pharmaceutical company, with key brands in dermatology/aesthetics, including Botox, ophthalmology, central nervous system diseases, and gastrointestinal disorders. The company is an active acquirer of clinical stage and commercial assets with 12 "stepping stone" deals announced in 2016. In February 2017, Allergan agreed to acquire Zeltiq (ZLTQ) for $2.5 billion to expand the company's industry leading presence in the aesthetics market. The company also initiated a quarterly dividend payment of $0.70 per share.

Alphabet (3.1%) (GOOG – $829.56 – NASDAQ) is the parent company of Google, the world's leading Internet search engine. Google's stated mission is to organize the world's information and make it universally accessible and useful. The company generates revenue by providing advertisers with the opportunity to deliver targeted and measurable advertising. Alphabet's healthy core search revenue allows the company to pursue new market opportunities such as streaming video (YouTube Red), life sciences, autonomous driving technology and a variety of other "moonshot" projects.

American Express Co. (2.4%) (AXP – $79.11– 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 110 million cards in force and over $65 billion in loans, while its customers charged nearly $1.0 trillion of spending on their cards in 2016. 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.

Citigroup Inc. (4.5%) (C – $59.82 – NYSE) is a leading global bank, with approximately 100 million customer accounts. The firm conducts business in more than 100 countries and jurisdictions. Citigroup provides consumers, corporations, governments, and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management. The firm is well positioned to capitalize on the growth of global personal wealth.

Delphi Automotive Plc (2.7%) (DLPH – $80.49 – NYSE) Delphi Automotive is a global automotive component supplier with leading positions in several categories set to benefit from long term secular growth in the automotive industry. The company's Electrical Architecture segment is optimally situated to provide automakers with the power they need for next generation vehicle propulsion systems, including Hybridization and Electrification. Delphi's Powertrain business is a supplier of components critical to helping make internal combustion engines more efficient. Finally, Delphi is also a critical supplier of both hardware and software for Advanced Safety, Autonomous Driving, and Vehicle Infotainment.

Dow Chemical Co. (2.8%) (DOW – $63.54 – NYSE) has undergone multi-years of restructuring and upgrading of its portfolio of businesses. The company offers technology-based products serving the packaging, infrastructure, transportation, consumer care, electronics, and agriculture markets. Following its announced merger with DuPont in December 2015, closing has been postponed three times (recently to end August end/early September) as regulators expressed concerns about the merger's impact on competition. The companies recently received conditional approval from the European Commission. As a result, Dow will sell its Ethylene Acrylic Acid to SK Global Chemicals and DuPont will swap/sell businesses with FMC Corporation. DuPont will receive cash of $1.2 billion retain $400 million of receivables, as well as FMC's Health & Nutrition (H&N) business. FMC will get DuPont's crop protection operations which generated $1.5 billion in 2016 revenues and $475 million of EBITDA; FMC's H&N generated $743 million of revenues and $233 million of EBITDA. Once the merger has been approved the new company, named DowDuPont, plans to split into three independent entities within 18 months of closing. They will consist of Agriculture with $19 billion in revenues (-$1.5B divested), Material Science $51 billion, and Specialty Products with $13 billion (+ $743M from FMC's H&N). In 2016 Dow Chemicals generated revenues of $48 billion, EBITDA of $8 billion, and EPS of $3.72. During the year the company returned $3 billion to shareholders via dividends and share repurchases.

Honeywell International Inc. (2.5%) (HON – $124.87 – 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 (2.5%) (KHC – $90.81 – NASDAQ) headquartered in Pittsburgh, PA and Chicago, IL 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 enhanced Heinz's scale in North America, while provided Kraft with the infrastructure to expand its grocery products globally. The company has significantly improved the profitability of the business by optimizing its cost structure, implementing zero-based-budgeting and realizing $1.2 billion of the total $1.7 billion of net cost savings it plans to achieve by year-end 2017. As speculation concerning KHC's next target intensified; on February 17, 2017, Kraft Heinz confirmed its proposal to acquire Unilever for cash and stock, an offer which was rejected by Unilever and two days later abandoned by Kraft Heinz. Consequently, the overarching question across the consumer staples sector remains - who is next? – as Kraft Heinz intends to play a leading role in industry consolidation.

Microsoft (2.7%) (MSFT – $65.86 – NASDAQ), the world's largest software company, develops, manufacturers, and licenses a range of software products for a variety of computing devices from PCs to servers to its Xbox game console. While the company's core desktop operating system and applications software franchise (Windows/MS Office) is maturing, Microsoft is gaining share in the enterprise market and, with its internet and Xbox efforts, in the consumer markets. Microsoft's Azure is a fast growing public cloud service that competes with Amazon's AWS. The recent acquisition of LinkedIn will allow Microsoft to integrate data from LinkedIn's economic graph with Microsoft's professional cloud.

Mondelēz International Inc. (2.1%) (MDLZ – $43.08 – 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. Following the contribution of coffee into a new joint venture, nearly 85% of Mondelēz's $26 billion of revenue is derived from snacking, including 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 D.E 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 including 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.

Looking Ahead

The U.S. economy expanded at an annual rate of 2.1% in the first quarter of 2017. It expanded 1.6% for all of 2016, the worst performance since 2011, after growing 2.6% in 2015. This low growth is problematic for President Trump, who campaigned to boost growth to 4%, and vowed to do so by slashing taxes, increasing infrastructure spending and reducing regulations. So far, he has done everything within the power of the presidency to deliver on these promises, which has resulted in cutting regulations. To the extent that the rest of the agenda to boost growth requires getting others on board, it looks like it will be more difficult to accomplish.

Consumer spending, which accounts for the majority of U.S. economic output, has slowed. We are seeing a real change in spending, as consumers have been living within their means in this expansion. Consumers are saving more, concerned about low growth in wages and the funding of their retirement. And while both small business and chief executive officer surveys show increased levels of confidence since the election, presumably because of the business friendly plans for less regulation and taxes, so far this has not translated into capital spending.

The consensus estimate of growth in the gross domestic product for this year is 2.1%. The economy is now in its eight year of expansion. Job gains have been steady, if modest, over this expansion, but are now slowing, and will continue to do so without new tax and spending plans. Retail is still shedding stores and jobs, with tens of thousands of jobs being eliminated over the next year or two.

President Trump's win has been accompanied by a gain in the stock market of about 7% through the end of the first quarter, and a corresponding loss in the bond markets, as investors priced in stronger growth from campaign promises of lower taxes, less regulation, big infrastructure spending and repatriation of foreign cash. A balanced look must also acknowledge campaign suggestions of trade and currency wars, and also the drag on sales and earnings which will come in the next year assuming the strong dollar maintains the gains it has made. In addition, the direction and magnitude of interest rate moves, and the effect on the economy, is particularly unknown. While a rise in interest rates has been part of a long anticipated move to normalization after the past several years of extraordinary monetary easing, both public and private balance sheets are very stretched and would suffer greatly should rates rise meaningfully.

Prior to the election in November, corporate earnings estimates for 2016 and 2017 had been continually revised down all year due to slowing global growth. Corporate earnings, as represented by the S&P 500, were flat in 2016, showing no growth for the second year in a row. Prior to November, the consensus estimate for corporate earnings growth in 2017 was for a gain of 0% - 5%, and it seemed unlikely that investors would reward this sub-par earnings growth with higher valuations. The hope that the new administration's policies can jump start the economy out of its aging cycle has faded a bit.

In Conclusion

The rise in the stock market over the past three months will ultimately only be justified by a very positive effect from new policies on corporate earnings. The trailing and forward price earnings multiples are at the upper ends of their longer term ranges. Although we have had strong upwards adjustments for financials and energy, two sectors expected to be winners under Trump, and downward revisions for rate sensitive sectors such as utilities and real estate, we do not yet have policies in place or even outlined that would affect these sectors. We will have to wait to see what new plans or priorities might emerge.

At the same time, companies do not have enough information as to how tax changes, infrastructure spending, changes in regulations, or new tariffs, or health insurance reforms, will affect their sales and earnings, and this uncertainty will continue to hold back capital spending. We can only remain hopeful of the idea that the current aging business cycle and bull market can be extended.

We continue to find good value in many companies that have some combination of long term growth prospects, strong cash flow generation, good balance sheets, as well as shareholder friendly management teams. We thank you for your investment in the Fund and we look forward to serving you in the future.

April 20, 2017

Top Ten Holdings (Percent of Net Assets)
March 31, 2017

Apple Inc.	5.1%	Alphabet Inc.	3.1%
American International Group Inc.	4.7%	Allergan Plc	3.0%
Pfizer Inc.	4.5%	Dow Chemical Co.	2.8%
Citigroup	4.5%	Delphi Automotive Plc	2.7%
JPMorgan Chase & Co.	4.0%	Microsoft Corp.	2.7%

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

Minimum Initial Investment – $1,000

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

www.gabelli.com

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

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

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

e-delivery

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

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 Management Team Biographies

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.

Robert D. Leininger, CFA, joined GAMCO Investors, Inc. in 1993 as an equity analyst. Subsequently, he was a partner and portfolio manager at Rorer Asset Management before rejoining GAMCO in 2010 where he currently serves as a portfolio manager of Gabelli Funds, LLC. Mr. Leininger is a magna cum laude graduate of Amherst College with a degree in Economics and holds an MBA from the Wharton School at the University of Pennsylvania.

Justin Bergner, CFA, is currently a Vice President at Gabelli & Company and a portfolio manager for Gabelli Funds, LLC, having rejoined Gabelli & Company in June 2013 as a research analyst covering Diversified Industrials, Home Improvement, and Transport companies. He began his investment career at Gabelli & Company in 2005 as a metals and mining analyst, and subsequently spent five years at Axiom International Investors as a senior analyst focused on industrial and healthcare stocks. Mr. Bergner graduated cum laude from Yale University with a B.A. in Economics & Mathematics and received an M.B.A. in Finance and Accounting from Wharton Business School.

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

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

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THE GABELLI DIVIDEND GROWTH FUND

Shareholder Commentary
March 31, 2017

The Gabelli Dividend Growth Fund
First Quarter Report — March 31, 2017

To Our Shareholders,

For the quarter ended March 31, 2017, the net asset value ("NAV") per Class AAA Share of The Gabelli Dividend Growth Fund increased 4.1% compared with an increase of 6.1% for the Standard & Poor's ("S&P") 500 Index. See below for additional performance information.

Enclosed is the schedule of investments as of March 31, 2017.

Comparative Results

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(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 — March 31, 2017 (Unaudited)

Shares		Market Value
	COMMON STOCKS — 89.0%	
	Automotive: Parts and Accessories — 2.8%	
10,000	Delphi Automotive plc	$ 804,900
	Business Services — 1.5%	
5,000	Visa Inc., Cl. A	444,350
	Computer Software and Services — 12.6%	
1,100	Alphabet Inc., Cl. C†	912,516
10,500	Apple Inc.	1,508,430
12,000	Microsoft Corp.	790,320
11,000	Oracle Corp.	490,710
		3,701,976
	Diversified Industrial — 5.9%	
25,500	General Electric Co.	759,900
6,000	Honeywell International Inc.	749,220
4,500	Textron Inc.	214,155
		1,723,275
	Energy — 4.4%	
7,000	Anadarko Petroleum Corp.	434,000
13,000	BP plc, ADR	448,760
5,000	Phillips 66	396,100
		1,278,860
	Energy Services — 1.3%	
8,000	Halliburton Co.	393,680
	Entertainment — 2.0%	
18,000	Twenty-First Century Fox Inc., Cl. A	583,020
	Financial Services — 23.5%	
9,000	American Express Co.	711,990
22,000	American International Group Inc.	1,373,460
15,000	Bank of America Corp.	353,850
22,000	Citigroup Inc.	1,316,040
13,500	JPMorgan Chase & Co.	1,185,840
15,500	Legg Mason Inc.	559,705
14,000	Morgan Stanley	599,760
8,000	PayPal Holdings Inc.†	344,160
3,500	Willis Towers Watson plc	458,115
		6,902,920
	Food and Beverage — 6.1%	
4,000	Diageo plc, ADR	462,320
14,000	Mondelēz International Inc., Cl. A	603,120
8,000	The Kraft Heinz Co.	726,480
		1,791,920
	Health Care — 13.7%	
3,700	Allergan plc	884,004
5,487	Bristol-Myers Squibb Co.	$ 298,383
6,500	Gilead Sciences Inc.	441,480
11,000	Merck & Co. Inc.	698,940
39,000	Pfizer Inc.	1,334,190
7,000	Zoetis Inc.	373,590
		4,030,587
	Media — 0.4%	
3,000	Tribune Media Co., Cl. A	111,810
	Metals and Mining — 1.6%	
25,000	Barrick Gold Corp.	474,750
	Retail — 4.5%	
6,000	CVS Health Corp.	471,000
15,000	Macy's Inc.	444,600
7,000	Starbucks Corp.	408,730
		1,324,330
	Specialty Chemicals — 5.0%	
8,000	E. I. du Pont de Nemours and Co.	642,640
13,000	The Dow Chemical Co.	826,020
		1,468,660
	Telecommunications — 1.7%	
10,000	Verizon Communications Inc.	487,500
	Transportation — 2.0%	
1,500	AMERCO	571,785
	TOTAL COMMON STOCKS	26,094,323

Principal Amount		Market Value
	U.S. GOVERNMENT OBLIGATIONS — 11.0%	
$ 3,245,000	U.S. Treasury Bills, 0.491% to 0.759%††, 05/04/17 to 06/29/17	3,241,528
	TOTAL INVESTMENTS — 100.0% (Cost $22,839,531)	$ 29,335,851
	Aggregate tax cost	$ 22,948,201
	Gross unrealized appreciation	$ 6,577,550
	Gross unrealized depreciation	(189,900)
	Net unrealized appreciation/depreciation	$ 6,387,650

† 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 obligations for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. Such debt obligations are valued through prices provided by a Pricing Service approved by the Board. 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 March 31, 2017 is as follows:

	Valuation Inputs		
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Total Market Value at 03/31/17
INVESTMENTS IN SECURITIES:			
ASSETS (Market Value):			
Common Stocks(a)	$26,094,323	—	$26,094,323
U.S. Government Obligations	—	$3,241,528	3,241,528
TOTAL INVESTMENTS IN SECURITIES – ASSETS	$26,094,323	$3,241,528	$29,335,851

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

Additional Information to Evaluate Qualitative Information.

General. The Fund uses recognized industry pricing services – approved by the Board and unaffiliated with the Adviser – to value most of its securities, and uses broker quotes provided by market makers of securities not valued by these and other recognized pricing sources. Several different pricing feeds are received to value domestic equity securities, international equity securities, preferred equity securities, and fixed income securities. The data within these feeds are ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

Fair Valuation. Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. 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. 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
One Corporate Center
Rye, NY 10580-1422

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.

Robert D. Leininger, CFA, joined Gabelli in 1993 as a security analyst covering the beverage industry after earning his MBA from the Wharton School at the University of Pennsylvania. Bob rejoined Gabelli in 2010. He holds the Chartered Financial Analyst designation and is a member of the Financial Analyst Society of Philadelphia. Bob is a magna cum laude graduate of Amherst College with a degree in Economics. Since September 27, 2010, Bob has been a Portfolio Manager of the Gabelli Dividend and Income Trust. (NYSE:GDV) and since June 1, 2015 a Portfolio Manager of the Gabelli Equity Trust (NYSE:GAB).

Justin Bergner, CFA, is currently a Vice President at Gabelli & Company and a portfolio manager for Gabelli Funds LLC, the Adviser. Justin rejoined Gabelli & Company in 2013 as a research analyst covering Diversified Industrials, Home Improvement, and Transport companies. He began his investment career at Gabelli & Company in 2005 as a metals and mining analyst, andsubsequently spent five years at Axiom International Investors as a senior analyst focused on industrial and healthcare stocks. Prior to business school, Mr. Bergner worked in management consulting at both Bain & Company and Dean & Company. A Chartered Financial Analyst, Mr. Bergner graduated cum laude from Yale University with a B.A. in Economics & Mathematics and received an M.B.A. in Finance and Accounting from the Wharton School at the University of Pennsylvania.

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

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

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