GAMCO INVESTORS, INC.

A Delaware Corporation

191 Mason Street, Greenwich, CT 06830

Telephone: (203) 629-2726
Website: https://www.gabelli.com/
Email: info@gabelli.com

Federal EIN: 13-4007862
SIC code: 6211

Issuer's Annual Report

For the year ended December 31, 2023

Indicate the number of shares outstanding of each of the Issuer's classes of Common Stock, as of the end of the previous reporting period and the latest practical date.

Class	Outstanding at September 30, 2023	Outstanding at February 29, 2024
Class A Common Stock, $0.001 par value (OTCQX: GAMI)	6,141,096	5,771,505
Class B Common Stock, $0.001 par value	19,011,934	19,011,934

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes ☐ No ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes ☐ No ☒

Indicate by check mark whether a change in control of the company has occurred over this reporting period:

Yes ☐ No ☒

GAMCO Investors, Inc. is responsible for the content of this Annual Report. The securities described in this document are not registered with, and the information contained in this report has not been filed with, or approved by, the U.S. Securities and Exchange Commission.

GAMCO INVESTORS, INC. AND SUBSIDIARIES

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PART A: GENERAL COMPANY INFORMATION

The name of the issuer is GAMCO Investors, Inc.

Unless indicated otherwise, or the context otherwise requires, references in this report to "GAMCO Investors, Inc.," "GAMCO," "the Company," "the Firm," and "GAMI" or similar terms are to GAMCO Investors, Inc., its predecessors, and its subsidiaries.

Company Description
GAMCO (OTCQX: GAMI), a company incorporated under the laws of Delaware, is a widely-recognized provider of investment advisory services to 24 open-end funds, 14 closed-end funds, 5 actively managed semi-transparent exchange traded funds ("ETFs"), one société d'investissement à capital variable ("SICAV"), and approximately 1,400 institutional and private wealth management ("Institutional and PWM") investors principally in the United States ("U.S."). The Company generally manages assets on a fully discretionary basis and invests in a variety of U.S. and international securities through various investment styles including value, growth, non-market correlated, convertible securities, and U.S. Treasury securities. The Company's revenues are based primarily on the levels of assets under management ("AUM") and fees associated with the various investment products. GAMCO serves a broad client base, including institutions, intermediaries, offshore investors, private wealth, and direct retail investors.

GAMCO offers a wide range of solutions for clients across Value and Growth Equity, Convertibles, actively managed semi-transparent ETFs, sector-focused strategies including Gold and Utilities, Merger Arbitrage, Fixed Income, and 100% U.S. Treasury Money Market Funds. In 1977, GAMCO launched its well-known All Cap Value strategy, Gabelli Value, and in 1986 entered the mutual fund business.

The investment advisory business is conducted principally through the following subsidiaries: Gabelli Funds, LLC (open-end funds, closed-end funds, and actively managed semi-transparent ETFs) ("Gabelli Funds") and GAMCO Asset Management Inc. (Institutional and PWM) ("GAMCO Asset"). The distribution of open-end funds and actively managed semi-transparent ETFs are conducted through G.distributors, LLC ("G.distributors"), the Company's broker-dealer subsidiary.

The principal executive office and principal place of business is located at 191 Mason Street, Greenwich, CT 06830.

Telephone:	(203) 629-2726
Website:	https://www.gabelli.com/
Email:	info@gabelli.com
Jurisdiction:	Delaware (active), incorporated October 14, 2013

PART B: SHARE STRUCTURE

There are two classes of GAMCO's common stock: class A ("Class A Stock") and class B ("Class B Stock"), each class with par value of $0.001. Class A Stock trades on the OTCQX market under the symbol GAMI (CUSIP: 361438104) and Class B Stock does not trade publicly. The following table shows summary information on each class of securities outstanding as of December 31, 2023, 2022, and 2021.

Class A Stock	December 31, 2023	December 31, 2022	December 31, 2021
Number of shares authorized	100,000,000	100,000,000	100,000,000
Number of shares outstanding	5,894,276	6,655,635	7,704,022
Number of shares freely tradable (public float)	3,128,029	4,057,596	4,875,350
Total number of holders	135	149	235

Class B Stock	December 31, 2023	December 31, 2022	December 31, 2021
Number of shares authorized	25,000,000	25,000,000	25,000,000
Number of shares outstanding	19,011,934	19,024,117	19,024,117
Number of shares freely tradable (public float)	-	-	-
Total number of holders	17	19	19

The number of shares freely tradable may include shares held by stockholders owning 10% or more of our Class A Stock. These shareholders may be considered "affiliates" within the meaning of Rule 144 and their shares may be "control shares" subject to the volume and manner of sale restrictions under rule 144. The Board of Directors has authorized the exchange of Class B Stock for Class A Stock on a one for one basis.

As of February 29, 2024, there were 136 Class A stockholders of record and 17 Class B stockholders of record.

The initial public offering ("IPO") on the New York Stock Exchange ("NYSE") under the symbol GBL was in February 1999. GAMCO voluntarily delisted from the NYSE and began trading on the OTCQX under the new symbol GAMI as of October 7, 2022. GAMCO voluntarily deregistered with the U.S. Securities and Exchange Commission ("SEC") as of December 27, 2022.

Voting Rights

The holders of Class A Stock and Class B Stock have identical rights except that (i) holders of Class A Stock are entitled to one vote per share, while holders of Class B Stock are entitled to ten votes per share, on all matters to be voted on by shareholders in general, and (ii) holders of Class A Stock are not eligible to vote on matters relating exclusively to Class B Stock and vice versa.

Stock Award and Incentive Plan

The Company maintains a stock award and incentive plan approved by the shareholders (the "Plan"), which is designed to provide incentives that will attract and retain individuals key to the success of GAMCO through direct or indirect ownership of our common stock. A maximum of 7.5 million shares of Class A Stock have been reserved for issuance under the Plan by a committee of GAMCO's board of directors (the "Board of Directors") responsible for administering the Plan ("Compensation Committee"). Benefits under the Plan may be granted in any one or a combination of stock options, stock appreciation rights, restricted stock, restricted stock units, stock awards, phantom stock awards, dividend equivalents, and other stock or cash based awards. Under the Plan, the Compensation Committee may grant restricted stock awards ("RSAs"), each of which entitles the grantee to one share of Class A Stock subject to restrictions, phantom RSAs, each of which entitles the grantee to the cash value of one share of Class A Stock subject to restrictions, and either incentive or nonqualified stock options, with a term not to exceed ten years from the grant date and at an exercise price that the Compensation Committee may determine, which were recommended by the Company's Executive Chairman who did not receive any awards.

As of December 31, 2023 and 2022, there were 0 and 70,000, respectively, RSAs outstanding with weighted average grant prices per RSA of $0 and $15.97, respectively, and 10,000 stock options outstanding with an exercise price of $25.55. As of December 31, 2023 and 2022, there were 748,800 and 366,800, respectively, phantom RSAs outstanding with weighted average grant prices per phantom RSA of $21.85 and $25.02, respectively.

The following table shows information regarding outstanding options and shares reserved for future issuance under our equity compensation plans as of December 31, 2023.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights
Equity compensation plans approved by security holders:		
Stock options	10,000	$ 25.55
Restricted stock awards	-	n/a
Equity compensation plans not approved by security holders:	-	n/a
Total	10,000	$ 25.55

The number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column above) is 2,615,225.

Stock Repurchase Program

In March 1999, the Board of Directors established a stock repurchase program (the "Stock Repurchase Program") to grant management the authority to repurchase shares of Class A Stock. On November 7, 2023, the Board of Directors increased the buyback authorization under the Stock Repurchase Program by 500,000 shares of Class A Stock. At December 31, 2023, the total shares available under the Stock Repurchase Program to be repurchased in the future were 861,008. The Stock Repurchase Program is not subject to an expiration date. Shares of common stock may be purchased from time to time in the future, however share repurchase amounts and prices may vary after considering a variety of factors, including the company's financial position, earnings, other alternative uses of cash, macroeconomic issues, and market conditions.

The following table provides information regarding purchases of Class A Stock made by or on behalf of the Company or any affiliated purchaser during the year ended December 31, 2023:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
1/01/23 - 1/31/23	132,102	$ 16.36	132,102	1,002,448
2/01/23 - 2/28/23	53,926	18.85	53,926	948,522
3/01/23 - 3/31/23	95,342	18.30	95,342	853,180
4/01/23 - 4/30/23	28,082	19.19	28,082	825,098
5/01/23 - 5/31/23	27,362	18.73	27,362	797,736
6/01/23 - 6/30/23	30,390	19.01	30,390	767,346
7/01/23 - 7/31/23	40,106	19.53	40,106	727,240
8/01/23 - 8/31/23	93,817	21.39	93,817	633,423
9/01/23 - 9/30/23	25,595	20.26	25,595	607,828
10/01/23 - 10/31/23	71,753	19.02	71,753	536,075
11/01/23 - 11/30/23	57,564	18.43	57,564	978,511
12/01/23 - 12/31/23	117,503	19.19	117,503	861,008
Totals	773,542	18.80	773,542	

(1) On trade date basis.

Dividends

The declaration of dividends by GAMCO is subject to the discretion of our Board of Directors. Our Board of Directors will consider such matters as general business conditions, our financial results, capital requirements, contractual, legal and regulatory restrictions on the payment of dividends, and such other factors as our Board of Directors may deem relevant.

As of December 31, 2023, since the IPO, we have returned to shareholders $2.1 billion in total, of which $1.0 billion was in the form of the spin-offs of Associated Capital Group, Inc. (“AC”) and Teton Advisors, Inc. (“Teton”), $555 million was through our stock buyback program, and $588 million was from dividends, as well as $74 million to charities.

On February 6, 2024, the Board of Directors declared its regular quarterly dividend of $0.04 per share to all of the Company’s shareholders, payable on March 26, 2024 to shareholders of record on March 12, 2024.

Transfer Agent

The name and address of the transfer agent is:	Computershare 150 Royall Street, Suite 101, Canton, MA 02021 (800) 564-6253

Computershare is registered under the Securities Exchange Act of 1934 (the “Exchange Act”) and regulated by the SEC.

PART C: BUSINESS INFORMATION

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Our disclosure and analysis in this Annual Report contains some forward-looking statements. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements because they do not relate strictly to historical or current facts. They use words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "will," "should," "may," and other words and terms of similar meaning. They also appear in any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance of our products, expenses, the outcome of any legal proceedings, and financial results. Although we believe that we are basing our expectations and beliefs on reasonable assumptions within the bounds of what we currently know about our business and operations, there can be no assurance that our actual results will not differ materially from what we expect or believe. Some of the factors that could cause our actual results to differ from our expectations or beliefs include, without limitation: the adverse effect from a decline in the securities markets that adversely affects our assets under management; a decline in the performance of our products; a general downturn in the economy; changes in government policy or regulation; changes in our ability to attract or retain key employees ("teammates"); and unforeseen costs and other effects related to legal proceedings or investigations of governmental and self-regulatory organizations. We are providing these statements as permitted by the Private Litigation Reform Act of 1995. Our actual results and condition could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in "Risk Factors" later in Part C of and elsewhere in this Annual Report. We do not undertake to update publicly any forward-looking statements if we subsequently learn that we are unlikely to achieve our expectations or if we receive any additional information relating to the subject matters of our forward-looking statements.

BUSINESS

(Y)our Business

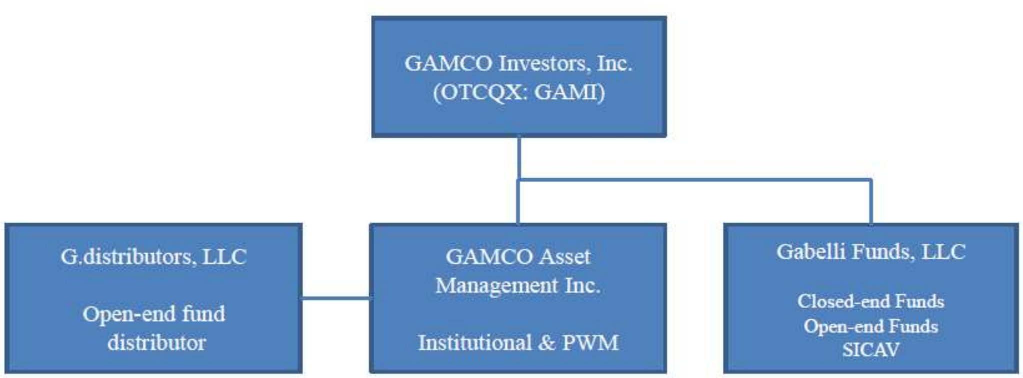
GAMCO (OTCQX: GAMI), a company incorporated under the laws of Delaware, is a widely-recognized provider of investment advisory services to 24 open-end funds, 13 U.S. closed-end funds and one U.K. Limited Investment Company ("closed-end funds"), 5 actively managed semi-transparent ETFs, one SICAV, and approximately 1,400 Institutional and PWM investors principally in the U.S. The Company generally manages assets on a fully discretionary basis and invests in a variety of U.S. and international securities through various investment styles including value, growth, non-market correlated, convertible securities, and U.S. Treasury securities. The Company's revenues are based primarily on the levels of AUM and fees associated with our various investment products. GAMCO serves a broad client base, including institutions, intermediaries, offshore investors, private wealth, and direct retail investors.

GAMCO offers a wide range of solutions for clients across Value and Growth Equity, Convertibles, actively managed semi-transparent ETFs, sector-focused strategies including Gold and Utilities, Merger Arbitrage, Fixed Income, and 100% U.S. Treasury Money Markets Funds. In 1977, GAMCO launched its well-known All Cap Value strategy, Gabelli Value, and in 1986 entered the mutual fund business.

The investment advisory business is conducted principally through the following subsidiaries: Gabelli Funds (open-end funds, closed-end funds, and actively managed semi-transparent ETFs) and GAMCO Asset (Institutional and PWM). The distribution of open-end funds and actively managed semi-transparent ETFs are conducted through G.distributors, the Company's broker-dealer subsidiary.

Organizational Chart

Below is the abbreviated organizational chart of the Company illustrating the subsidiaries with key operations:



Our AUM are organized into three groups:

· ***Open and Closed-End Funds:*** We provide advisory services to 24 open-end funds, 14 closed-end funds, and 5 actively managed semi-transparent ETFs under the Gabelli and GAMCO brands (collectively, the "Funds"). As of December 31, 2023, the Funds had $19.7 billion of AUM. Additionally, we provide administrative services to 8 open-end funds, with AUM of $1.0 billion on December 31, 2023, under the TETON Westwood and Keeley brands.

· ***Institutional and Private Wealth Management:*** We provide advisory services to a broad range of investors, including corporate retirement plans, foundations, endowments, jointly-trusteed plans and public funds, private wealth clients and also serve as sub-advisor to third party investment funds including registered investment companies. Portfolios may be customized to comply with client-specific guidelines and risk profiles. As of December 31, 2023, Institutional and PWM had $10.8 billion of AUM.

· ***SICAV:*** We provide advisory services to one SICAV under the GAMCO brand, the GAMCO International SICAV. The SICAV has three sub-fund strategies: the GAMCO Merger Arbitrage Fund, the GAMCO All Cap Value Fund, and the GAMCO Convertible Securities Fund. The GAMCO Merger Arbitrage strategy is sub-advised by AC and had $631 million of AUM as of December 31, 2023.

Portfolio managers oversee our AUM and are supported by in-depth analysis by our research analyst teammates who have accumulated compound knowledge across numerous industries. Our research team, located in the U.S. and abroad, has an average of 15 years of industry experience.

Our fiscal year ends on December 31. The principal executive office is located at 191 Mason Street, Greenwich, CT 06830. Our telephone number is (203) 629-2726. We post or provide a link on our website (www.gabelli.com) to the following filings as soon as reasonably practicable after they are electronically filed with or furnished to the OTC Markets ("OTCIQ"): our Annual Report, Quarterly Reports, Current Reports, and any amendments to those reports filed or furnished. All such filings on our website are available free of charge.

GAMI is a holding company incorporated in April 1998 in advance of our IPO in February 1999. GGCP Holdings, LLC ("GGCP Holdings"), a subsidiary of GGCP, Inc. ("GGCP"), owns a majority of the outstanding shares of Class B Stock of GAMI. As of December 31, 2023, such ownership represented approximately 93% of the combined voting power of the outstanding common stock and approximately 74% of the equity interest. AC, which was spun-off from GAMI on November 30, 2015 and is publicly traded on the NYSE under the ticker symbol AC, owns 2,407,000 shares of Class A Stock representing approximately 1% of the combined voting power and approximately 10% of the equity interest of GAMI as of December 31, 2023. AC is majority-owned by GGCP Holdings.

During 2023, we returned $18.6 million to shareholders through $4.1 million of dividends and $14.5 million in stock buybacks.

At the IPO in February 1999, 6 million GAMI shares were offered at $17.50 per share and total shares outstanding were 30 million for a market capitalization of $525 million. Since the IPO, we have returned to shareholders $2.1 billion in total, comprised of $1.0 billion in the form of the spin-offs of AC and Teton, $555.2 million through our stock buyback program, and $588.0 million from dividends. In addition, $74 million was distributed to charities on behalf of shareholders.

Business Strategy

Our business strategy targets global growth of the franchise by leveraging our proven asset management strengths, including our brands, long-term performance record, diverse product offerings, and experienced investment, research, and client relationship professionals. To achieve performance and growth in AUM and profitability, we are deploying a strategy which includes several factors:

· ***Gabelli Private Market Value (PMV) with a Catalyst™ Investment Approach*** has been the underpinning of our business. This methodology has evolved from the value investing principles articulated by Graham & Dodd in 1934 and enhanced by Roger Murray and Bruce Greenwald. Mr. Mario J. Gabelli ("Mr. Gabelli") contribution to their principles was the introduction of the Private Market Value (PMV) with a Catalyst™ value investment methodology in 1979.

  Private Market Value (PMV) with a Catalyst™ investing is a research-driven approach based on intensive security analysis. In this process, select stocks are identified with an intrinsic value based on our estimate of current asset value, future growth, and earnings power that is significantly different from the value reflected in the public market. We then calculate the stock's PMV, defined as the price an informed industrial buyer would likely pay to acquire the business. As part of this process, we generally look for a catalyst: a company specific event or industry-wide phenomena, such as a change in regulations that will help realize returns.

In general, our Institutional and PWM AUM are managed to meet the specific needs and objectives of each client by utilizing investment strategies that are within our areas of expertise: “all cap value”, “small cap value”, “small and mid (SMID) cap value,” and “gold”.

· ***Gabelli Growth Team***. Our investment process begins by identifying the most robust secular growth industries globally. Once attractive markets are identified, businesses within those markets are evaluated for two criteria: low penetration of a large addressable market and competitive advantage. The presence of competitive advantage allows us to derive confidence that the business can grow market share and revenue by increasing the penetration of its addressable market. Competitive advantage can take the form of network effects, customer captivity, or barriers to entry.

We value companies across two dimensions: relative valuation, which is most appropriate for profitable businesses, and discounted cash flow, which is appropriate for companies that are mostly being valued on future expected cash flows. For the latter, generally we evaluate unit economics, e.g. the ratio of lifetime value to customer acquisition cost, to understand the potential profitability of a business at maturity as its growth investments moderate. At the portfolio construction level, we usually incorporate business cycle analysis to manage position sizes and sector exposures.

· ***Growing Convertible Presence***. Our convertible team has focused on this unique asset class for decades. Convertibles enable us to invest in companies with an asymmetrical return profile through a combination of equity exposure, income, and seniority in the capital structure. This attractive combination leads to reduced volatility relative to the underlying equity. We work closely with the Gabelli team of analysts and the combination of our strong bottom-up fundamental research culture and convertible expertise creates a differentiated strategy that resonates with investors, benefitting shareholders and clients. AUMs across our convertible products include a number of funds and SMAs. In 2021, we expanded our convertible presence to Europe through a SICAV structure allowing us to meet demand for a global convertible product.

· ***Increasing Presence in and Marketing for Private Wealth Management Market.*** Our private wealth management business focuses on client relationships. We believe the firm is well positioned to take advantage of the private wealth management business, given its over four decades history of serving the needs of private high net worth clients, with tax sensitive investment management across a breadth of strategies, long performance history, and reputational standing. Our long-term objective is to deepen client relationships by addressing the holistic needs of new clients over a sole equity management focus.

In recent years, GAMCO has successfully attracted and integrated new teams of RIAs, by providing a strong combination of corporate culture, reputation, and compensation arrangements.

· ***Increasing Marketing for Institutional Market.*** Our dedicated team of institutional marketing professionals engages with a variety of clients and prospects across institutional and intermediary channels and are responsible for new business development and client relationship management. The institutional sales effort is focused on corporate and public pension plans, unions, endowments, foundations, and financial intermediaries. GAMCO augmented the institutional team with the addition of staff dedicated to marketing to investment consultants as they advise institutional plan sponsors on investment manager selection, asset allocation, and a wide range of investment matters. Expansion of the team serving regional, national, and global consultants provides greater breadth and depth of our firm’s engagement and sales efforts with the institutional community.

· ***Attracting and Retaining Experienced Professionals.*** We offer competitive variable compensation to our staff. The ability to attract and retain highly experienced investment and other professionals with a long-term commitment to our clients has been, and will continue to be, a significant factor in our long-term growth.

· ***Launch of actively managed semi-transparent ETFs.*** We received approval in 2019 for the Gabelli ETFs Trust and may launch up to nine licensed Precidian ActiveShares actively managed semi-transparent ETFs. This innovative product combines the characteristics of an actively managed mutual fund with the intra-day pricing and tax benefits of an ETF, including the benefits from §852(b)(6), which allows a fund to deliver appreciated securities to redeeming shareholders without recognizing any gains and enables shareholders to defer capital gains until they sell their shares. The 5 ETFs launched thus far, all on the NYSE, include:

- LOPP, the Gabelli Love Our Planet & People ETF, which began trading on February 1, 2021, underscores our belief that an investment focus on the environment is essential to the future of the Planet.
- GGRW, the Gabelli Growth Innovators ETF, which began trading on February 16, 2021, provides an investment opportunity in businesses both enabling and benefitting from digital acceleration.
- GAST, the Gabelli Automation ETF, which began trading on January 5, 2022, focuses on companies that use automation equipment, related technology, software, or processes, and firms that use those services to automate their productivity.

- GABF, the Gabelli Financial Services Opportunity ETF, which began trading on May 10, 2022, focuses on companies in the financial services sector.
- GCAD, the Gabelli Commercial Aerospace & Defense ETF, which began trading on January 4, 2023, focuses on the aerospace and defense sectors.

· ***Expanding Fund Distribution.*** We continue to expand our distribution network, primarily through national and regional brokerage firms, and have developed additional classes of shares for most of our open-end Funds for sale through these firms and other third party distribution channels. We have increased our wholesale distribution efforts to market the multi-class shares, which are designed to meet the needs of investors seeking advice through financial consultants. We also seek relationships with financial intermediaries that manage discretionary fund models in order to have our funds placed within such models.

· ***Incentive Fees.*** As of December 31, 2023, approximately $1.0 billion of our AUM were managed on a performance fee basis including $631 million of SICAV assets, $97 million of preferred issues of closed-end funds, $185 million in The GDL Fund, and $69 million in the Gabelli Merger Plus$^+$ Trust Plc. Incentive fees are recognized at end of measurement period and upon redemption.

· ***Establishing Relationship Offices Internationally.*** We have eleven offices, comprised of eight domestic offices located in Charleston, SC; Chicago, IL; Greenwich, CT; Morristown, NJ; Palm Beach, FL; Reno, NV; Rye, NY; and St. Louis, MO, and three international offices located in London, Shanghai, and Tokyo. We will continue to evaluate adding additional offices in order to serve our clients and meet global research requirements.

· ***Hosting of Institutional Investor Symposiums.*** We have a tradition of sponsoring institutional investor symposiums that bring together prominent portfolio managers, members of academia, and other leading business professionals to present, discuss, and debate current issues and topics in the investment industry. These symposiums have included:

-2023 “Reimagining Primary Care,” “Trends in Regenerative Medicine,” and “The Future of Medicare Advantage”
-2022 “Advances in Diabetes Care,” “Moving Care Closer to the Patient,” and “The Evolution of Wearables and Remote Patient Monitoring”
-2021 “The Future of Alzheimer’s Care and Treatment,” “New Technologies in Biopharma,” and “Data Mining and Artificial Intelligence in Patient Care”
-2020 “COVID-19: Vaccines, Therapeutics, and Impact on the Healthcare System”
-2019 “Healthcare at a Crossroads: What’s the Path Forward?” and “Rule 852(b)(6), the Dynamics and Implications for the Fund Industry”
-2017 “Digital Evolution in Financial Services”
-2015 “Capital Allocation – The Tug of War”
-2013 “Value Investing 20 Years Later: A Celebration of the Roger Murray Lecture Series”
-2006 “Closed-End Funds: Premiums vs. Discounts, Dividends and Distributions”
-2003 “Dividends, Taxable versus Non-Taxable Issues”
-2001 “Virtues of Value Investing”
-1998 “The Role of Hedge Funds as a Way of Generating Absolute Returns”
-1997 “Active vs. Passive Stock Selection”
-1993 “Roger Murray Lecture Series”

· ***Hosting of Conferences.*** Gabelli Funds sponsors a series of industry conferences, which are well known within their respective industries for the intellectual content and for providing insight into investment decisions made on behalf of our clients.

Conference	Years sponsored
Automotive Aftermarket Symposium	47
Pump, Valve & Water Systems Symposium	33
Aerospace & Defense Symposium	29
Berkshire Hathaway Annual Meeting Research Trip	17
Entertainment & Broadcasting Conference	15
Specialty Chemicals Symposium	14
Waste & Environmental Services Conference	9
Healthcare Symposium	5
PFAS Symposium	1

· ***Capitalizing on Acquisitions, Alliances, and Lift-outs.*** We intend to selectively and opportunistically pursue acquisitions, alliances, and lift-outs that broaden our product offerings, add new sources of distribution, and augment organic growth. On August 1, 2010, the clients of Florida-based NMF Asset Management became part of the Institutional and PWM operation of GAMCO Asset. On November 2, 2015, the investment team of Dinsmore Capital, a specialist in convertible bond investing and formerly the manager of The Bancroft Fund and the Ellsworth Growth & Income Fund joined Gabelli Funds. During 2018, the clients of Trevor, Stewart, Burton & Jacobsen and Loeb Partners Management, Inc. joined GAMCO.

· ***Solutions For Our Wealth Management Clients With Fixed Income.*** We look to increase our competitive ability to attract new clients interested in wealth management and fixed income vehicles. The Gabelli U.S. Treasury Money Market Fund has an investment objective of high current income consistent with the preservation of principal and liquidity.

We believe that our growth since inception is traceable to the following factors:

· ***Industry Fundamentals:*** According to data compiled by the U.S. Federal Reserve, the investment management industry has grown faster than more traditional segments of the financial services industry, including the banking and insurance industries. Since GAMI began managing assets for Institutional and PWM clients in 1977, based on data generated by Birinyi Associates, LLC, world equity markets have grown at a 9.7% compound annual growth rate through December 31, 2023 to approximately $111.6 trillion. The U.S. equity market comprises about $50.7 trillion, or roughly 45% of world equity markets. We believe that demographic trends and the growing role of money managers in the placement of capital compared to the traditional role played by banks and life insurance companies will result in continued growth of the investment management industry.

· ***Long-Term Performance:*** We have a superior long-term record of achieving relatively high returns for our Institutional and PWM clients. We believe that our performance record represents a competitive advantage and a recognized component of our franchise.

· ***Stock Market Gains:*** Since we began managing for Institutional and PWM clients in 1977, our traditional value-oriented Institutional and PWM composite has earned a compound annual return of 14.9% gross and 14.0% net of fees versus a compound annual return of 11.8% for the S&P 500 through December 31, 2023.

· ***Widely-Recognized "Gabelli" and "GAMCO" Brand Names:*** For much of our history, our CEOs, portfolio managers, investment style, and investment products have been featured in a variety of print and digital media publications, including U.S. and international publications such as *The Wall Street Journal, Financial Times, Money Magazine, Barron's, Fortune, Business Week, Nikkei Financial News, Forbes,* and *Investor's Business Daily*. We have published *Deals…Deals…and More Deals* written by our investment professionals. It examines the history and current practice of merger arbitrage and has been translated into Japanese, Chinese, Italian, and Spanish. *Global Convertible Investing: The Gabelli Way* is a comprehensive guide to effective investing in convertible securities. We most recently published *Merger Masters: Tales of Arbitrage*, which presents revealing profiles of monumentally successful merger investors based on exclusive interviews with some of the greatest minds to practice the art of arbitrage. Our investment professionals also appear on leading financial news programs, including *CNBC, Fox, Yahoo Finance,* and *Bloomberg*, and we are active on numerous digital platforms, including Gabelli TV on YouTube, Gabelli Funds on LinkedIn, and Twitter (@MarioGabelli and @InvestGabelli), among others. We have launched a podcast series whereby our portfolio managers and research analysts discuss their views on various industries and topical issues. https://www.gabelli.com/media/podcast

· ***Diversified Product Offerings:*** Since the inception of our investment management activities, we have sought to expand the breadth of our product offerings. We currently offer a wide spectrum of investment products and strategies, including product offerings in U.S. equities, U.S. fixed income, international equities, and convertible securities.

Business Description

Our AUM's are clustered in two groups: Funds and Institutional and PWM.

Funds: At December 31, 2023, we had $20.3 billion of AUM in Fund AUM, representing 65.4% of our total AUM. Our equity Funds were $15.1 billion in AUM on December 31, 2023, 0.7% below the $15.2 billion on December 31, 2022 and 20.1% below the $18.9 billion on December 31, 2021. This includes our role as investment advisor to a SICAV with AUM of $631 million at December 31, 2023, compared to the $867 million in AUM at December 31, 2022 and $831 million in AUM at December 31, 2021.

Open-end Funds

As of December 31, 2023, we had $8.0 billion of AUM in 23 open-end equity Funds and $4.6 billion in our Gabelli U.S. Treasury Money Market Fund. We market our open-end Funds primarily through third party distribution programs, including no-transaction fee ("NTF") programs, and have developed additional share classes for many of our funds for distribution through these third party distribution channels. As of December 31, 2023, third party distribution programs accounted for approximately 67% of our AUM in open-end equity funds and approximately 33% of our AUM in open-end equity funds were sourced through direct sales relationships.

Closed-end Funds

We act as investment advisor to 14 closed-end funds, 13 of which trade on the NYSE or its affiliated exchange. These funds cannot be redeemed by the funds' shareholders, except in limited cases. The trading price of the shares is determined by supply and demand in the marketplace and, as a result, the shares may trade at a premium or discount to the net asset value of the fund. The closed-end funds are: Gabelli Equity Trust (GAB), GDL Fund (GDL), Gabelli Multimedia Trust (GGT), Gabelli Healthcare & Wellness Rx Trust (GRX), Gabelli Convertible and Income Securities Fund (GCV), Gabelli Utility Trust (GUT), Gabelli Dividend & Income Trust (GDV), Gabelli Global Utility & Income Trust (GLU), GAMCO Global Gold, Natural Resources & Income Trust (GGN), GAMCO Natural Resources, Gold & Income Trust (GNT), The Gabelli Global Small and Mid Cap Value Trust (GGZ), the Bancroft Fund Ltd. (BCV), and the Ellsworth Growth and Income Fund Ltd. (ECF). We launched the Gabelli Merger Plus+ Trust Plc (GMP) in 2017, which trades on the London Stock Exchange. As of December 31, 2023, the 14 closed-end funds had total assets of $7.1 billion, representing 34.9% of the total assets in our Funds business.

SICAV

We provide investment advisory services to the GAMCO International SICAV, which has three sub-fund strategies: the GAMCO Merger Arbitrage Fund, the GAMCO All Cap Value Fund, and the GAMCO Convertible Securities Fund. Total AUM in the SICAV was $631 million at December 31, 2023.

Institutional and Private Wealth Management: At December 31, 2023, we had $10.8 billion of AUM in approximately 1,400 Institutional and PWM accounts, representing 34.6% of our total AUM. As of December 31, 2023, the PWM clients, generally defined as individuals having minimum investable assets of $1.0 million, comprised approximately 82% of the total number of Institutional and PWM accounts and approximately $3.8 billion, or 36%, of the Institutional and PWM AUM. We believe that PWM clients are attracted to us by our returns and the tax efficient nature of the underlying investment process for the taxable portion of their assets. As of December 31, 2023, institutional client accounts comprised approximately 8% of the total number of Institutional and PWM accounts and approximately $1.7 billion, or 15%, of the Institutional and PWM AUM. As of December 31, 2023, foundation and endowment fund assets comprised approximately 9% of the total number of Institutional and PWM accounts and approximately $1.0 billion, or 9%, of the Institutional and PWM AUM. As of December 31, 2023, the sub-advisory clients, where we act as sub-advisor to third party investment funds, comprised approximately 1% of the total number of Institutional and PWM accounts and approximately $4.3 billion, or 40%, of total Institutional and PWM AUM.

The ten largest Institutional and PWM relationships comprised approximately 49% of GAMCO Asset AUM and 17% of our total AUM as of December 31, 2023, and approximately 35% of GAMCO Asset revenues and 9% of our total revenues for the year ended December 31, 2023.

Investment advisory agreements for our Institutional and PWM clients are generally subject to termination by the client without penalty on 30 days' written notice.

Assets Under Management (in millions)

	Twelve Months Ended December 31, 2023	2022	2021
Equities:			
Mutual Funds			
Beginning of period assets	$ 8,140	$ 10,249	$ 9,541
Inflows	711	890	1,060
Outflows	(1,616)	(1,593)	(1,828)
Net inflows (outflows)	(905)	(703)	(768)
Market appreciation (depreciation)	772	(1,365)	1,521
Fund distributions, net of reinvestment	(34)	(41)	(45)
Total increase (decrease)	(167)	(2,109)	708
End of period assets	$ 7,973	$ 8,140	$ 10,249
Percentage of total assets under management	25.6%	27.8%	29.3%
Average assets under management	$ 8,035	$ 8,875	$ 10,099
Closed-end Funds			
Beginning of period assets	$ 7,046	$ 8,656	$ 7,773
Inflows	41	135	504
Outflows	(130)	(401)	(239)
Net inflows (outflows)	(89)	(266)	265
Market appreciation (depreciation)	654	(828)	1,140
Fund distributions, net of reinvestment	(514)	(516)	(522)
Total increase (decrease)	51	(1,610)	883
End of period assets	$ 7,097	$ 7,046	$ 8,656
Percentage of total assets under management	22.8%	24.1%	24.7%
Average assets under management	$ 7,058	$ 7,508	$ 8,373
Institutional & PWM			
Beginning of period assets	$ 10,714	$ 13,497	$ 12,371
Inflows	241	358	501
Outflows	(1,739)	(1,568)	(2,028)
Net inflows (outflows)	(1,498)	(1,210)	(1,527)
Market appreciation (depreciation)	1,522	(1,573)	2,653
Total increase (decrease)	24	(2,783)	1,126
End of period assets [(a)]	$ 10,738	$ 10,714	$ 13,497
Percentage of total assets under management	34.5%	36.6%	38.6%
Average assets under management	$ 10,670	$ 11,566	$ 13,272
SICAV			
Beginning of period assets	$ 867	$ 831	$ 474
Inflows	357	537	514
Outflows	(624)	(459)	(155)
Net inflows (outflows)	(267)	78	359
Market appreciation (depreciation)	31	(42)	(2)
Total increase (decrease)	(236)	36	357
End of period assets	$ 631	$ 867	$ 831
Percentage of total assets under management	2.0%	3.0%	2.4%
Average assets under management	$ 694	$ 862	$ 662
Total Equities			
Beginning of period assets	$ 26,767	$ 33,233	$ 30,159
Inflows	1,350	1,920	2,579
Outflows	(4,109)	(4,021)	(4,250)
Net inflows (outflows)	(2,759)	(2,101)	(1,671)
Market appreciation (depreciation)	2,979	(3,808)	5,312
Fund distributions, net of reinvestment	(548)	(557)	(567)
Total increase (decrease)	(328)	(6,466)	3,074
End of period assets	$ 26,439	$ 26,767	$ 33,233
Percentage of total assets under management	85.1%	91.5%	95.0%
Average assets under management	$ 26,457	$ 28,811	$ 32,406

(a) Includes $227 million, $223 million and $183 million of 100% U.S. Treasury Fund AUM at December 31, 2023, 2022, and 2021, respectively.

	Twelve Months Ended December 31,		
	2023	2022	2021
Fixed Income:			
100% U.S. Treasury fund			
Beginning of period assets	$ 2,462	$ 1,717	$ 2,370
Inflows	5,498	5,048	2,839
Outflows	(3,536)	(4,339)	(3,492)
Net inflows (outflows)	1,962	709	(653)
Market appreciation (depreciation)	191	36	-
Total increase (decrease)	2,153	745	(653)
End of period assets	$ 4,615	$ 2,462	$ 1,717
Percentage of total assets under management	14.8%	8.4%	4.9%
Average assets under management	$ 3,823	$ 2,154	$ 1,834
Institutional & PWM			
Beginning of period assets	$ 32	$ 32	$ 32
Inflows	-	-	-
Outflows	-	-	-
Net inflows (outflows)	-	-	-
Market appreciation (depreciation)	-	-	-
Total increase (decrease)	-	-	-
End of period assets	$ 32	$ 32	$ 32
Percentage of total assets under management	0.1%	0.1%	0.1%
Average assets under management	$ 32	$ 32	$ 32
Total Fixed Income			
Beginning of period assets	$ 2,494	$ 1,749	$ 2,402
Inflows	5,498	5,048	2,839
Outflows	(3,536)	(4,339)	(3,492)
Net inflows (outflows)	1,962	709	(653)
Market appreciation (depreciation)	191	36	-
Total increase (decrease)	2,153	745	(653)
End of period assets	$ 4,647	$ 2,494	$ 1,749
Percentage of total assets under management	14.9%	8.5%	5.0%
Average assets under management	$ 3,855	$ 2,186	$ 1,866
Total AUM			
Beginning of period assets	$ 29,261	$ 34,982	$ 32,561
Inflows	6,848	6,968	5,418
Outflows	(7,645)	(8,360)	(7,742)
Net inflows (outflows)	(797)	(1,392)	(2,324)
Market appreciation (depreciation)	3,170	(3,772)	5,312
Fund distributions, net of reinvestment	(548)	(557)	(567)
Total increase (decrease)	1,825	(5,721)	2,421
End of period assets	$ 31,086	$ 29,261	$ 34,982
Average assets under management	$ 30,312	$ 30,997	$ 34,272

The following table sets forth the amount of distributions to clients in our Funds by year:

	2023	2022	2021
Open-end Funds	$ 34	$ 41	$ 45
Closed-end Funds	514	516	522
Total distributions	$ 548	$ 557	$ 567

Our AUM by style at December 31, 2023 (in millions) was comprised of the following:

	Funds	Institutional & PWM	SICAV	Total
Value	$ 9,164	$ 10,168	$ 4	$ 19,336
100% U.S. Treasury Fund	4,615	-	-	4,615
Utilities	1,962	-	-	1,962
Event-driven	779	168	621	1,568
Growth	1,081	344	-	1,425
Gold and Natural Resources	1,154	62	-	1,216
Sector-focused	535	-	-	535
Convertibles	395	28	6	429
Total	$ 19,685	$ 10,770	$ 631	$ 31,086

Summary of Investment Products

We manage assets in the following wide spectrum of investment products and strategies:

U.S. Equities:
All Cap Value
Large Cap Value
Large Cap Growth
Small-Mid Cap Value
Small Cap Value
Micro Cap Value
Dividend and Income
Event-Driven Merger Arbitrage
Actively managed ETFs

Sector-focused:
Utilities
Gold
Natural Resources
Media
Healthcare
Financial Services

Global and International Equities:
International Growth
International Small Cap Growth
Global Growth
Global Value

Convertible Securities:
Convertible Securities

U.S. Fixed Income:
Corporate Bonds
Government and Agencies
Asset-backed Securities
Intermediate-term
Short-term

Additional Information on Mutual Funds

Through Gabelli Funds, we act as the investment advisor to all of the Funds.

Shareholders of the open-end Funds are allowed to exchange shares among the same class of shares of the other open-end Funds as economic and market conditions and investor needs change at no additional cost. However, certain open-end Funds impose a 2% redemption fee on shares redeemed within seven days or less after a purchase. We periodically introduce new funds designed to complement and expand our investment product offerings, respond to competitive developments in the financial marketplace, and meet the changing needs of investors.

Our marketing efforts for the open-end Funds are focused on increasing the distribution and sales of our existing funds and creating new products for sale through our distribution channels. We believe that our marketing efforts for the Funds will continue to generate additional revenues from investment advisory fees. After distributing most of our open-end Funds using a variety of direct response marketing techniques, in late 1995 we expanded our product distribution by offering several of our open-end Funds through third party distribution programs, including NTF programs.

In 1998 and 1999, we expanded these efforts to include substantially all of our open-end Funds in third party distribution programs, which have become an increasingly important source of asset growth. As of December 31, 2023, approximately 67% of the $7.9 billion of open-end equity fund AUM was generated through third party distribution programs, while approximately 33% was attributable to our direct response marketing efforts.

Multi-class shares are available in most of the Funds, and we believe that their use expands the distribution of our open-end Funds into the advised sector of the investment community. Class I shares, no-load shares with higher minimum initial investments and without distribution fees, are available directly through G.distributors or brokers that have entered into selling agreements, and no-load Class AAA shares are available to investors.

In general, distribution through third party programs has greater variable cost components and lower fixed cost components than distribution through traditional direct sales methods. We pay the distribution fees charged by many of the third party distribution programs, although a portion of distribution fees under certain circumstances is payable by the Funds.

We provide investment advisory and management services pursuant to an investment management agreement with each fund ("Fund IMAs"). The Fund IMAs generally provide that we are responsible for the overall investment and administrative services, subject to the oversight of each Fund's board of directors or trustees and in accordance with each Fund's fundamental investment objectives and policies. The Fund IMAs permit us to enter into separate agreements for sub-administrative and accounting services on behalf of the respective Funds.

Our affiliated advisor provides the Funds with administrative services pursuant to the Fund IMAs. Such services include, without limitation, supervision of the calculation of net asset value, preparation of financial reports for shareholders of the Funds, internal accounting, tax accounting and reporting, regulatory filings, and other services. Most of these administrative services are provided through sub-contracts with independent third parties. Transfer agency and custodial services are provided directly to the Funds by independent third parties.

Each of our Fund IMAs may continue in effect from year to year only if specifically approved at least annually by (i) the Fund's board of directors or trustees or (ii) the Fund's shareholders and, in either case, the vote of a majority of the Fund's independent or non-interested directors or trustees who are not parties to the agreement or "interested persons" of any such party, within the meaning of the Investment Company Act of 1940, as amended ("Company Act"). Each domestic Fund may terminate its Fund IMA at any time upon 60 days' written notice by (i) a vote of the majority of the board of directors or trustees cast in person at a meeting called for the purpose of voting on such termination or (ii) a vote at a meeting of shareholders of the lesser of either 67% of the voting shares represented in person or by proxy (if at least 50% of the shares are present at the meeting) or 50% of the outstanding voting shares of such Fund. Each Fund IMA automatically terminates in the event of its assignment, as defined in the Company Act. We may terminate a Fund IMA without penalty on 60 days' written notice.

Open-End Fund Distribution

G.distributors, a wholly-owned subsidiary of GAMI, is a broker-dealer registered under the Exchange Act, and is regulated by the Financial Industry Regulatory Authority ("FINRA"). G.distributors' revenues are derived primarily from the distribution of our open-end Funds. G.distributors distributes our open-end Funds pursuant to distribution agreements with each Fund. It also distributes funds managed by Teton and its affiliates. Under each distribution agreement with an open-end Fund, G.distributors offers and sells such open-end Fund's shares on a continuous basis and pays the majority of the costs of marketing and selling the shares, including printing and mailing prospectuses and sales literature, advertising, maintaining sales and customer service teammates and sales and services fulfillment systems, and payments to the sponsors of third party distribution programs, financial intermediaries, and G.distributors' sales teammates. G.distributors receives fees for such services pursuant to distribution plans adopted under provisions of Rule 12b-1 ("12b-1") of the Company Act. Distribution fees from the open-end Funds are computed daily based on average net assets. For the years ended December 31, 2023, 2022, and 2021, distribution fees from the open-end Funds amounted to $17.0 million, $19.8 million and $23.7 million, respectively, while payments to third-parties for selling the open-end Funds totaled $15.5 million, $18.3 million and $21.8 million, respectively. G.distributors is the principal underwriter for the Funds distributed in multiple classes of shares, which carry either a front-end, back-end, or no sales charge. For the years ended December 31, 2023, 2022, and 2021, underwriting fees and sales charges retained amounted to $0.8 million, $1.0 million and $0.9 million, respectively.

Under the distribution plans, the Class AAA shares of the open-end Funds (except The Gabelli ABC Fund) and the Class A and ADV shares of certain funds pay G.distributors a distribution fee of 0.25% per year on the average daily net assets of the fund. Class C shares have a 12b-1 distribution plan with a distribution fee totaling 1.00%.

G.distributors' distribution agreements with each fund may continue in effect from year to year only if specifically approved at least annually by (i) the Fund's board of directors or trustees or (ii) the Fund's shareholders and, in either case, the vote of a majority of the Fund's board of directors or trustees who are not parties to the agreement or "interested persons" of any such party, within the meaning of the Company Act. Each Fund may terminate its distribution agreement, or any agreement thereunder, at any time upon 60 days' written notice by (i) a vote of the majority of its board of directors or trustees cast in person at a meeting called for the purpose of voting on such termination or (ii) a vote at a meeting of shareholders of the lesser of either 67% of the voting shares represented in person or by proxy (if at least 50% of the shares are present at the meeting) or 50% of the outstanding voting shares of such Fund. Each distribution agreement automatically terminates in the event of its assignment, as defined in the Company Act. G.distributors may terminate a distribution agreement without penalty upon 60 days' written notice.

G.distributors also offers our open-end Fund products through our website, www.gabelli.com, where directly registered investors can access their personal account information and buy, sell, and exchange fund shares. Fund prospectuses, quarterly reports, Fund applications, daily net asset values, and performance charts are all available online.

Competition

We compete with other investment management firms and mutual fund companies, insurance companies, banks, brokerage firms, and other financial institutions that offer products that have similar features and investment objectives. Many of these investment management firms are subsidiaries of large diversified financial companies. Many others are much larger in terms of AUM and revenues and, accordingly, have much larger sales organizations and marketing budgets. Historically, we have competed primarily on the basis of the long-term investment performance of many of our investment products in addition to brand recognition of the Firm and market awareness of its founder, Mr. Gabelli. We have taken steps to increase our distribution channels, brand consistency and marketing communications, and thought-leadership efforts. Other trends affecting the investment management business include the widespread popularity of index mutual funds and ETFs, which have tax and cost advantages over traditional investment companies.

The market for providing investment management services to Institutional and PWM clients is also highly competitive. Approximately 28% of our investment advisory fee revenue for the year ended December 31, 2023 was derived from our Institutional and PWM business. Selection of investment advisors by U.S. institutional investors is often subject to a screening process and favorable recommendations by investment industry consultants. Many of these investors require their investment advisors to have a successful and sustained performance record, often five years or longer with focus also on one-year and three-year performance records. We have significantly increased our AUM on behalf of U.S. institutional investors since our entry into the institutional asset management business in 1977.

Intellectual Property

Service marks and brand name recognition are important to our business. We have rights to the service marks under which our products are offered. We have registered certain service marks in the U.S. and will continue to do so as new trademarks and service marks are developed or acquired. We have rights to use the "Gabelli" name, the "GAMCO" name, and other names. Pursuant to an assignment agreement, Mr. Gabelli has assigned to us all of his rights, title, and interests in and to the "Gabelli" name for use in connection with investment management services, and mutual funds. However, under the agreement, Mr. Gabelli will retain any and all rights, title, and interests he has or may have in the "Gabelli" name for use in connection with (i) charitable foundations controlled by Mr. Gabelli or members of his family and (ii) entities engaged in private investment activities for Mr. Gabelli or members of his family. In addition, the funds managed by Mr. Gabelli outside GAMI have entered into a license agreement with us permitting them to continue limited use of the "Gabelli" name under specified circumstances.

Regulation

Virtually all aspects of our businesses are subject to various federal, state, and foreign laws and regulations. These laws and regulations are primarily intended to protect investment advisory clients and shareholders of investment funds. Under such laws and regulations, agencies that regulate investment advisors and broker-dealers have broad powers, including the power to limit, restrict or prohibit such an advisor or broker-dealer from carrying on its business in the event that it fails to comply with such laws and regulations. In such an event, the possible sanctions that may be imposed include civil and criminal liability, the suspension of individual employees, injunctions, limitations on engaging in certain lines of business for specified periods of time, revocation of the investment advisor, and other registrations, censures, and fines.

Our business is subject to extensive regulation at the federal, state, and foreign level by the SEC and other regulatory bodies. Certain of our subsidiaries are registered with the SEC under the Investment Advisers Act of 1940, as amended ("Advisers Act"), and the Funds are registered with the SEC under the Company Act. We also have a subsidiary that is registered as a broker-dealer with the SEC and is subject to regulation by FINRA and various states.

The subsidiaries of GAMI that are registered with the SEC under the Advisers Act (Gabelli Funds and GAMCO Asset) are regulated by and subject to examination by the SEC. The Advisers Act imposes numerous obligations on registered investment advisors, including fiduciary duties, disclosure obligations, and record keeping, operational, and marketing requirements. The SEC is authorized to institute proceedings and impose sanctions for violations of the Advisers Act, ranging from censure to termination of an investment advisor's registration. The failure of an advisory subsidiary to comply with the requirements of the SEC could have a material adverse effect on us.

We derive a substantial majority of our revenues from investment advisory services through our various investment management agreements. Under the Advisers Act, our investment management agreements may not be assigned without the client's consent. Under the Company Act, advisory agreements with registered investment companies, such as our Funds, terminate automatically upon assignment. The term "assignment" is broadly defined and includes direct as well as assignments that may be deemed to occur, under certain circumstances, upon the transfer, directly or indirectly, of a controlling interest in GAMI.

In its capacity as a broker-dealer, G.distributors is required to maintain certain minimum net capital amounts. These requirements also provide that equity capital may not be withdrawn, advances to affiliates may not be made, and cash dividends may not be paid if certain minimum net capital requirements are not met. G.distributors' net capital, as defined in Rule 15c3-3 promulgated under the Securities Exchange Act of 1934, as amended, met or exceeded all minimum requirements as of December 31, 2023. As a registered broker-dealer, G.distributors is also subject to periodic examination by FINRA, the SEC, and the states.

Subsidiaries of GAMI are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and to regulations promulgated thereunder, insofar as they are "fiduciaries" under ERISA with respect to certain of their clients. ERISA and applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), impose certain duties on persons who are fiduciaries under ERISA and prohibit certain transactions involving ERISA plan clients. Our failure to comply with these requirements could have a material adverse effect on us.

Investments by GAMI and on behalf of our Funds and Institutional and PWM clients often represent a significant equity ownership position in an issuer's class of stock. As of December 31, 2023, we had five percent or more beneficial ownership with respect to 64 equity securities. This activity raises frequent regulatory, legal, and disclosure issues regarding our aggregate beneficial ownership level with respect to portfolio securities, including issues relating to issuers' shareholder rights plans or "poison pills," and various federal and state regulatory limitations, including state gaming laws and regulations, federal communications laws and regulations, and federal and state public utility laws and regulations, as well as federal proxy rules governing shareholder communications and federal laws and regulations regarding the reporting of beneficial ownership positions. Foreign country regulations may have different levels of ownership limitations. Our failure to comply with these requirements could have a material adverse effect on us.

The USA Patriot Act of 2001 contains anti-money laundering and financial transparency laws and mandates the implementation of various new regulations applicable to broker-dealers, mutual funds and other financial services companies, including standards for verifying client identification at account opening and obligations to monitor client transactions and report suspicious activities. Anti-money laundering laws outside of the U.S. contain some similar provisions. Our failure to comply with these requirements could have a material adverse effect on us.

We and certain of our affiliates are subject to the laws of non-U.S. jurisdictions and non-U.S. regulatory agencies or bodies. In connection with our office in London and our plans to market certain products in Europe, we are required to comply with the laws of the United Kingdom and other European countries regarding these activities. Our subsidiary, GAMCO Asset Management (UK) Limited, is regulated by the Financial Conduct Authority. In connection with our registration in the United Kingdom, we have minimum capital requirements that have been consistently met or exceeded. We opened offices in Shanghai, and Tokyo and, therefore, are subject to national and local laws in those jurisdictions. We are subject to requirements in numerous jurisdictions regarding reporting of beneficial ownership positions in securities issued by companies whose securities are publicly-traded in those countries.

Regulatory matters

The investment management industry is likely to continue facing a high level of regulatory scrutiny and become subject to additional rules designed to increase disclosure, tighten controls, and reduce potential conflicts of interest. In addition, the SEC has substantially increased its use of focused inquiries, which request information from investment advisors and a number of fund complexes regarding particular practices or provisions of the securities laws. We participate in some of these inquiries in the normal course of our business. Changes in laws, regulations, and administrative practices by regulatory authorities, and the associated compliance costs, have increased our cost structure and could in the future have a material adverse impact. Although we have installed procedures and utilize the services of experienced administrators, accountants, and lawyers to assist us in adhering to regulatory guidelines and satisfying these requirements, and maintain insurance to protect ourselves in the case of client losses, there can be no assurance that the precautions and procedures that we have instituted and installed, or the insurance that we maintain to protect ourselves in case of client losses, will protect us from all potential liabilities.

See *Legal Proceedings* later in Part C of this Annual Report for additional information.

Cybersecurity

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity and availability of our critical systems and information.

Our cybersecurity risk management program is aligned with the Company’s business strategy. It shares common methodologies, reporting channels and governance processes that apply to other areas of enterprise risk, including legal, compliance, strategic, operational, and financial risk. Key elements of our cybersecurity risk management program include:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise information technology environment;
- a security team principally responsible for managing our cybersecurity risk assessment processes, our security controls, and our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls;
- training and awareness programs for team members that include periodic and ongoing assessments to drive adoption and awareness of cybersecurity processes and controls;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and
- a third-party risk management process for service providers, suppliers, and vendors.

In the last three years, the Company has not experienced any material cybersecurity incidents, and expenses incurred from cybersecurity incidents were immaterial.

The operations of the Company are dependent on technology information and communications systems. A failure of any such system, or a security breach or cyberattack related thereto, could significantly disrupt the Company’s operations. The service providers of the Company are subject to the same cybersecurity threats as the Company. If the Company and/or any service provider of the Company fails to adopt, implement or adhere to adequate cybersecurity measures, or in the event of a breach of any network, information relating to the Company or the Company’s operations, as well as personal information relating to the Company’s clients, may be lost, damaged or corrupted, or improperly accessed, used or disclosed.

Any system failure, security breach or cyberattack on the Company and/or any service provider of the Company could cause the Company to suffer financial loss, disruption to its business, including its trading capabilities and its ability to transfer payments, increased operating costs, liability to third parties, regulatory intervention and reputational damage, among other things, any one or all of which could have a material adverse effect on the Company.

Cybersecurity Governance

Our Board of Directors is responsible for overseeing cybersecurity threats, among other things. Our Chief Technology Officer, who reports to our Co-Chief Executive Officer ("Co-CEO"), provides our senior management and our Board of Directors periodic reports on our cybersecurity risks and any material cybersecurity incidents.

Our cybersecurity risk management team, in conjunction with various information technology, internal audit, legal and compliance personnel, has primary responsibility for our overall cybersecurity risk management program.

Our team of cybersecurity professionals, led by our Chief Technology Officer, who has over 20 years of experience in the cybersecurity space and advanced training in the field of cybersecurity and technology, has primary responsibility for our internal cybersecurity personnel and our retained external cybersecurity consultants.

Our information technology team also monitors the prevention, detection, mitigation, and remediation of cybersecurity risks and incidents through various means, which may include briefings with internal personnel, threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us, and alerts and reports produced by security tools deployed in the information technology environment.

Human Capital

GAMCO is a dynamic firm that seeks and employs bright and energetic teammates with entrepreneurial attitudes, experience in the financial services industry, and who are guided by the same ESG principles that guide the firm.

Teammates

We provide a variety of benefits to promote retention and growth of our teammates. We strive to offer competitive compensation packages to our teammates, comprised of base pay, variable compensation, annual bonuses, as well as equity grants to promote a sense of ownership and aligned interests to our public shareholders. We offer a comprehensive benefits package that gives a robust collection of rewards and benefits, including healthcare and other insurance benefits and retirement savings plans. Additionally, we provide annual training and teammate reviews in order to promote growth and self-reflection.

As of February 29, 2024, we had a full-time staff of 177 teammates, of whom 65 served in the portfolio management, portfolio management support, and trading areas (including 21 portfolio managers for the Funds and Institutional and PWM), 56 served in the marketing and shareholder servicing areas, and 56 served in the administrative area.

RISK FACTORS

We caution the reader that the following risks and those risks described elsewhere in this report could have a material adverse effect on our business, prospects, financial condition, results of operations, or cash flows or could cause a decline in the Company's stock price.

Risks Related to Our Industry

We earn substantially all of our revenue based on assets under management and, therefore, a reduction in assets under management would reduce our revenues and profitability. Assets under management fluctuate based on many factors including market conditions, investment performance, and terminations of investment contracts.

Substantially all of our revenues are directly related to the amount of our AUM. Under our investment advisory contracts with our clients, the investment advisory fees we receive are typically based on the market value of AUM. In addition, we receive asset-based distribution fees with respect to the open-end Funds managed by Gabelli Funds or Teton and its affiliates over time pursuant to distribution plans adopted under provisions of Rule 12b-1 under the Company Act. Rule 12b-1 fees typically are based on the average AUM and represented approximately 7.2%, 7.7%, and 7.9% of our total revenues for the years ended December 31, 2023, 2022, and 2021, respectively. Accordingly, a decline in the prices of securities generally may cause our revenues and net income to decline by either causing the value of our AUM to decrease, which would result in lower investment advisory and Rule 12b-1 fees, or causing our clients to withdraw funds in favor of investments they perceive to offer greater opportunity or lower risk, which would also result in lower fees. The securities markets are highly volatile, and securities prices may decrease for many reasons beyond our control, including, but not limited to, economic and political events, war (whether or not directly involving the U.S.), acts of terrorism, natural disasters, unanticipated changes in currency exchange rates, interest rates, inflation rates, the yield curve, defaults by derivative counterparties, bond default risks, sovereign debt crisis, and other factors that are difficult or impossible to predict. If a decline in securities prices caused our revenues to decline, it could have a material adverse effect on our earnings. Lastly, as we are a traditional asset manager, we do not receive additional revenue streams from alternative asset strategies such as hedge funds, private equity, or venture capital.

Changes in laws or regulations or in governmental policies and compliance with existing laws or regulations could limit the sources and amounts of our revenues, increase our costs of doing business, decrease our profitability, and materially and adversely affect our business.

Our business is subject to extensive regulation in the U.S., primarily at the federal level, including regulation by the SEC under the Company Act and the Advisers Act as well as other securities laws, by the Department of Labor under ERISA, and regulation by FINRA and state regulators. The Funds managed by Gabelli Funds are registered with the SEC as investment companies under the Company Act. The Advisers Act imposes numerous obligations on investment advisors, including record-keeping, advertising and operating requirements, fiduciary and disclosure obligations, custodial requirements, and prohibitions on fraudulent activities. The Company Act imposes similar obligations, as well as additional detailed operational requirements, on registered investment companies and investment advisors. In addition, our businesses are also subject to regulation by the Financial Services Authority in the United Kingdom, and we are also subject to the laws of other non-U.S. jurisdictions and non-U.S. regulatory agencies or bodies.

Our failure to comply with applicable laws or regulations could result in fines, censure, suspensions of teammates, or other sanctions, including revocation of our subsidiaries' registrations as an investment advisor or broker-dealer. Industry regulations are designed to protect our clients and investors in our funds and other third parties who deal with us and to ensure the integrity of the financial markets. Our industry is frequently altered by new laws or regulations and by revisions to, and evolving interpretations of, existing laws and regulations, both in the U.S. and in other nations. Changes in laws or regulations or in governmental policies could limit the sources and amounts of our revenues including but not limited to distribution revenue under the Company Act, increase our costs of doing business, decrease our profitability, and materially and adversely affect our business.

Events outside of our control, including public health crises, could negatively affect the portfolios we manage and our results of our operations.

Periods of market volatility have occurred and could continue to occur in response to pandemics or other events outside of our control. These types of events have adversely affected and could continue to adversely affect operating results for us and the portfolios that we manage. For example, in December 2019, a novel strain of coronavirus ("COVID-19") surfaced in China and since spread globally, which resulted in restrictions on travel and congregation and the temporary closure of many non-essential businesses in affected jurisdictions. In addition to these developments having adverse consequences for us and the portfolios that we manage, the operations of GAMCO could be adversely impacted, including through quarantine measures and travel restrictions imposed on its personnel or service providers based in affected countries, or any related health issues of such personnel or service providers. The ongoing impact of COVID-19 remains difficult to predict, including the extent to which COVID-19 could negatively affect our and our portfolio companies' operating results or the duration of any potential business disruption. While cases have declined globally and many governments have loosened or lifted COVID-related restrictions, any potential impact to our results of operations will depend to a large extent on future developments and new information that could emerge regarding the duration and severity of COVID-19 and new virus variants and the actions taken by authorities and other entities to contain it or treat its impact, all of which are beyond our control. These potential impacts, while uncertain, could adversely affect our operating results.

To the extent we are forced to compete on the basis of price, we may not be able to maintain our current fee structure.

The investment management business is highly competitive and has relatively low barriers to entry. To the extent we are forced to compete on the basis of price, we may not be able to maintain our current fee structure. Although our investment advisory fees vary from product to product, historically we have competed primarily on the performance of our products and not on the level of our investment advisory fees relative to those of our competitors. In recent years, however, there has been a trend toward lower fees in the investment management industry. In order to maintain our fee structure in a competitive environment, we must be able to continue to provide clients with investment returns and service that make investors willing to pay our fees. In addition, the board of directors or trustees of each Fund managed by Gabelli Funds must make certain findings as to the reasonableness of its fees. We cannot be assured that we will succeed in providing investment returns and service that will allow us to maintain our current fee structure. Fee reductions on existing or new business could have an adverse effect on our profit margins and results of operations.

We derive a substantial portion of our revenues from investment advisory contracts that may be terminated on short notice or may not be renewed by clients.

A substantial majority of our revenues are derived from investment management agreements and distribution arrangements. Investment management agreements and distribution arrangements with the domestic Funds are terminable without penalty on 60 days' notice (subject to certain additional procedural requirements in the case of termination by a Fund) and must be specifically approved at least annually, as required by law. Such annual renewal requires, among other things, approval by the disinterested members of each Fund's board of directors or trustees. Investment advisory agreements with our Institutional and PWM clients are typically terminable by the client without penalty on 30 days' notice or less. Any failure to renew or termination of a significant number of these agreements or arrangements would have a material adverse effect on us.

Investors in the open-end Funds can redeem their investments in these Funds at any time without prior notice, which could adversely affect our earnings.

Open-end Fund investors may redeem their investments in those Funds at any time without prior notice. Investors may reduce the aggregate amount of AUM for any number of reasons, including investment performance, changes in prevailing interest rates, and financial market performance. In a declining stock market, the pace of mutual fund redemptions could accelerate. Poor performance relative to other asset management firms tends to result in decreased purchases of open-end fund shares and increased redemptions of open-end fund shares. The redemption of investments in the Funds managed by Gabelli Funds would adversely affect our revenues, which are substantially dependent upon the AUM in our Funds. If redemptions of investments in the open-end Funds caused our revenues to decline, it could have a material adverse effect on our earnings.

Certain changes in control of our company would automatically terminate our investment management agreements with our clients, unless our Institutional and PWM clients consent and, in the case of Fund clients, the Funds' boards of directors and shareholders vote to continue the agreements, and could prevent us for a two-year period from increasing the investment advisory fees we are able to charge our mutual fund clients.

Under the Company Act, an investment management agreement with a fund must provide for its automatic termination in the event of its assignment. The fund's board and shareholders must vote to continue the agreement following its assignment, the cost of which ordinarily would be borne by us. Under the Advisers Act, a client's investment management agreement may not be assigned by the investment advisor without the client's consent. An investment management agreement is considered to be assigned to another party when a controlling block of the advisor's ownership is transferred. In our case, an assignment of our investment management agreements may occur if, among other things, we sell or issue a certain number of additional common shares in the future. We cannot be certain that our clients will consent to assignments of our investment management agreements or approve new agreements with us if an assignment occurs. Under the Company Act, if a fund's investment advisor engages in a transaction that results in the assignment of its investment management agreement with the fund, the advisor may not impose an unfair burden on that fund as a result of the transaction for a two-year period after the transaction is completed. The term "unfair burden" has been interpreted to include certain increases in investment advisory fees. This restriction may discourage potential purchasers from acquiring a controlling interest in our company.

Catastrophic and unpredictable events could have a material adverse effect on our business.

A terrorist attack, cyber-attack, political unrest, war (whether or not directly involving the U.S.), power failure, technology failure, natural disaster, or many other possible catastrophic or unpredictable events could adversely affect our future revenues, expenses, and earnings by, among other things: causing disruptions in U.S., regional or global economic conditions; interrupting our normal business operations; inflicting teammate casualties, including loss of our key executives; requiring substantial expenditures and expenses to repair, replace, and restore normal business operations; and reducing investor confidence.

We have a disaster recovery plan to address certain contingencies, but it cannot be assured that this plan will be effective or sufficient in responding to, eliminating, or ameliorating the effects of all disaster scenarios. If our teammates or vendors we rely upon for support in a catastrophic event are unable to respond adequately or in a timely manner, we may lose clients resulting in a decrease in AUM, which may have a material adverse effect on revenues and net income.

The soundness of other financial institutions could adversely affect our business.

Financial services institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. We and the investments we manage may have exposure to many different industries and counterparties, and we routinely execute transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, clearing organizations, mutual and hedge funds, and other institutions. Many of these transactions expose us, or the accounts we manage, to credit risk in the event of the counterparty's default. There is no assurance that any such losses would not materially and adversely impact the Company's revenues and earnings.

Risks Related to Our Business

Control by Mr. Gabelli of a majority of the combined voting power of our common stock may give rise to conflicts of interests.

Since our IPO in 1999, Mr. Gabelli, through his control and majority ownership of GGCP, has beneficially owned a majority of our outstanding Class B Stock, currently representing approximately 97% of voting control. As long as Mr. Gabelli indirectly beneficially owns a majority of the combined voting power of our common stock, he will have the ability to elect all of the members of our Board of Directors and thereby control our management and affairs, including determinations with respect to acquisitions, dispositions, borrowings, issuances of common stock or other securities, and the declaration and payment of dividends on the common stock. In addition, Mr. Gabelli will be able to determine the outcome of matters submitted to a vote of our shareholders for approval and will be able to cause or prevent a change in control of our company. As a result of Mr. Gabelli's control, none of our agreements with Mr. Gabelli and other companies controlled by him can be assumed to have been arrived at through arm's-length negotiations, although we believe that the parties endeavor to implement market-based terms. There can be no assurance that we would not have received more favorable terms, or offered less favorable terms to, an unaffiliated party.

We depend on Mr. Gabelli and other key teammates.

We are dependent on the efforts of Mr. Gabelli, our Chairman of the Board, Co-CEO, Co-Chief Investment Officer ("CIO") of the Value team (along with the two other Value Co-CIOs Christopher Marangi and Kevin Dreyer), and the primary portfolio manager for a significant majority of our AUM, as well as Douglas R. Jamieson ("Mr. Jamieson"), Co-CEO . The loss of either Mr. Gabelli or Mr. Jamieson's services could have a material adverse effect on the Company.

On February 6, 2008, Mr. Gabelli entered into an amended and restated employment agreement (as amended, the "2008 Employment Agreement") with the Company, which was initially approved by the Company's shareholders on November 30, 2007 and approved again on May 6, 2011, May 5, 2015, and June 5, 2020, and which limits his activities outside of the Company. Under the 2008 Employment Agreement, the manner of computing Mr. Gabelli's remuneration from GAMCO is unchanged.

Mr. Gabelli has agreed that while he is employed by us he will not provide investment management services outside of GAMCO, Teton, AC, and GGCP, except for certain permitted accounts. These permitted accounts, excluding personal accounts, held assets at December 31, 2023, 2022, and 2021 of approximately $294.7 million, $269.2 million and $295.8 million, respectively. The 2008 Employment Agreement may not be amended without approval by the committee of our Board of Directors responsible for administering compensation and Mr. Gabelli.

Our future success depends to a substantial degree on our ability to retain and attract other qualified teammates to conduct our investment management business, including: Messrs. Marangi and Dreyer, the other Co-CIOs of the Value team; Howard Ward, CIO – Growth Portfolios; John Belton, Growth portfolio manager; Caesar Bryan, who manages Gold portfolios; the Dinsmore team that manages the Convertible strategies; and Judy Raneri and Ron Eaker who manage the Gabelli U.S. Treasury Fund. The market for qualified portfolio managers is extremely competitive. We anticipate that it will be necessary for us to add portfolio managers and investment analysts as we further diversify our investment products and strategies. There can be no assurance, however, that we will be successful in our efforts to recruit and retain teammates. In addition, our investment professionals and senior marketing teammates have direct contact with our Institutional and PWM clients, which can lead to strong client relationships. The loss of these teammates could jeopardize our relationships with certain Institutional and PWM clients, and result in the loss of such accounts. The loss of key management professionals or the inability to recruit and retain sufficient portfolio managers and marketing teammates could have a material adverse effect on our business.

There may be adverse effects on our business from a decline in the performance of the securities markets.

Our results of operations are affected by many economic factors, including the performance of the securities markets. The securities markets in general have experienced significant volatility, and such volatility may continue or increase in the future. At December 31, 2023, approximately 85% of our AUM was invested in portfolios consisting primarily of equity securities. Any decline in the securities markets, in general, and the equity markets, in particular, could reduce our AUM and consequently reduce our revenues. In addition, any such decline in the equity markets, failure of these markets to sustain their prior levels of growth, or continued short-term volatility in these markets could result in investors withdrawing from the equity markets or decreasing their rate of investment, either of which would be likely to adversely affect us. Also, from time to time, a relatively high proportion of the assets we manage may be concentrated in particular economic or industry sectors. A general decline in the performance of securities in those industry sectors could have an adverse effect on our AUM and revenues.

Since the separation, certain of our directors and officers may have actual or potential conflicts of interest because of their positions or relationships with AC.

Since the separation of AC from GAMCO, Mr. Gabelli has continued to serve as our Chairman and Co-CEO and also serves as Executive Chairman of AC. Peter Goldstein, GAMCO's General Counsel and Secretary, serves as the Chief Legal Officer and Secretary of AC. Mr. Jamieson has continued to serve as Co-CEO of GAMI, a Director of GAMI, and also serves as CEO, President, and Director of AC. In addition, certain of our portfolio managers and teammates provide services to AC pursuant to the Transitional Services Agreement with AC and are officers or employees of AC. Such dual assignments could create, or appear to create, potential conflicts of interest when our and AC's officers and directors face decisions that could have different implications for the two companies.

Also, some of our directors, executive officers, portfolio managers, and teammates own shares of GGCP as well as AC common stock.

Mr. Gabelli is deemed to control AC by his control of GGCP Holdings, an intermediate subsidiary of GGCP, a private company controlled by Mr. Gabelli. Marc Gabelli is President of GGCP.

In addition, potential conflicts of interest could arise in connection with the resolution of any dispute that may arise between GAMCO and AC regarding the terms of the agreements governing the separation and the relationship thereafter between the companies. The executive officers and other personnel of AC who serve as directors or executive management of GAMCO may interpret these agreements in their capacity as AC employees in a manner that would adversely affect the business of GAMCO.

Also, certain subsidiaries of AC are investment advisers. The executive officers and other personnel of AC who also serve as directors or executive management of GAMCO may be confronted with the possibility of making decisions in their AC capacity that would adversely affect the business of GAMCO.

Both GAMCO and AC will work to identify and resolve any potential conflicts of interest, including, but not limited to, the types described above at the earliest possible time. However, there can be no guarantee that the interests of GAMCO may not be adversely affected at some point by such a conflict.

Our reputation is critical to our success.

Our reputation is critical to acquiring, maintaining, and developing relationships with our clients, Fund shareholders, and third party intermediaries. Misconduct by our teammates, or even unsubstantiated allegations, could result not only in direct financial harm but also in harm to our reputation, causing injury to the value of our brands and our ability to retain or attract AUM. Moreover, reputational harm may cause us to lose current teammates and we may be unable to attract new teammates with similar qualification or skills. Damage to our reputation could substantially reduce our AUM and impair our ability to maintain or grow our business, which could have a material adverse effect on us.

There is a possibility of losses associated with proprietary investment activities.

Currently, we maintain proprietary investment positions in securities. Market fluctuations and other factors may result in substantial losses in our proprietary accounts, which could have an adverse effect on our balance sheet or reduce our ability or willingness to make new investments.

Future investment performance could reduce revenues and other income.

Success in the investment management and mutual fund businesses is dependent on investment performance as well as distribution and client servicing. Good performance generally stimulates sales of our investment products and tends to keep withdrawals and redemptions low, which generates higher advisory fees (which are based on the amount of AUM). Conversely, poor performance, both in absolute terms and/or relative to peers and industry benchmarks, tends to result in decreased sales, increased withdrawals and redemptions in the case of the open-end Funds, and in the loss of Institutional and PWM clients, with corresponding decreases in revenues to us. Many analysts of the mutual fund industry believe that investment performance is the most important factor for the growth of open-end and closed-end funds, such as those we offer. Failure of our investment products to perform well or failure of the Funds to maintain ratings or rankings could, therefore, have a material adverse effect on us.

In addition, when our investment products experience strong results relative to the market or other asset classes, clients' investments in our products may increase beyond their target levels, and we could, therefore, suffer withdrawals as our clients rebalance their investments to fit their asset allocation preferences.

Loss of significant Institutional and PWM accounts could affect our revenues.

We had approximately 1,400 Institutional and PWM accounts as of December 31, 2023, of which the ten largest accounts generated approximately 9% of our total revenues during the year ended December 31, 2023. Account turnover for any reason would have an adverse effect on our revenues. Notwithstanding performance, we have, from time to time, experienced account turnover of large Institutional and PWM accounts as a result of corporate mergers and restructurings, and we could continue to lose accounts under these and other circumstances, including the performance of our small cap and value mandates.

A decline in the market for closed-end funds could reduce our ability to raise future assets to manage.

Market conditions may preclude us from increasing the assets we manage in our closed-end Funds. A significant portion of our growth in the assets we manage resulted from public offerings of the common and preferred shares of the closed-end Funds. We raised approximately $6.9 billion in gross assets through closed-end Fund offerings since January 2004. The market conditions for these offerings may not be as favorable in the future, which could adversely impact our ability to grow our AUM and our revenue.

The inability to access clients through third-party intermediaries could have a material adverse effect on our business.

A significant portion of the assets we manage is attributable to the distribution of our products through third-party intermediaries. Our ability to distribute our products is highly dependent on access to the client bases and product platforms of international, national and regional securities firms, investment advisory firms, banks, insurance companies, defined contribution plan administrators, and other intermediaries, which generally offer competing investment products that could limit the distribution of our products. In addition, our separate account business, subadvisory, and model delivery services depend in part on recommendations by consultants, financial planners, and other professional advisors, as well as our existing clients.

The structure and terms of the distribution arrangements with intermediaries, including fees or rebates paid by us or our funds to intermediaries to assist with distribution efforts, and the ability of our funds to participate in these intermediary platforms are subject to changes driven by market competition and regulatory developments. Our existing relationships with third-party intermediaries and access to new intermediaries could be adversely affected by continued consolidation within the financial services industry. Consolidation may result in increased distribution costs, a reduction in the number of third parties distributing our investment products, or increased competition to access third-party distribution channels. There can be no assurance that we will be able to retain access to these channels. Loss of any of these third-party distribution channels, or changes to their structure and terms, or any reduction in our ability to access clients and investors through existing and new distribution channels, could adversely affect our business.

Operational risks may disrupt our businesses, result in regulatory action against us, or limit our growth.

We face operational risk arising from errors made in the execution, confirmation, or settlement of transactions or from transactions not being properly recorded, evaluated, or accounted for. Our business is highly dependent on our ability to process, on a daily basis, transactions across markets in an efficient and accurate manner. Consequently, we rely heavily on our financial, accounting, and other data processing systems. Despite the reliability of these systems, and the training and skill of our teammates and third parties we rely on, it remains likely that errors may occasionally occur due to the extremely large number of transactions we process. In addition, if systems we use are unable to accommodate an increasing volume of transactions, our ability to expand our businesses could be constrained. If any of these systems do not operate properly or are disabled, we could suffer financial loss, a disruption of our businesses, liability to clients, regulatory intervention, or reputational damage.

Failure to maintain adequate infrastructure could impede the Company's productivity and growth. Additionally, failure to implement effective information and cyber security policies, procedures, and capabilities could disrupt operations and cause financial losses that could result in a decrease in the Company's earnings or stock price.

Our infrastructure, including our information systems and technology, is vital to the competitiveness of our business. The failure to maintain an adequate infrastructure commensurate with the size and scope of our business could impede our productivity and growth, which could cause our earnings or stock price to decline. We outsource a significant portion of our information systems operations to third parties who are responsible for providing the management, maintenance, and updating of such systems. Technology is subject to rapid change and we cannot guarantee that our competitors may not implement more advanced technology platforms for their products than we do for ours. In addition, there can be no assurance that the cost of maintaining such outsourcing arrangements will not increase from its current level, which could have a material adverse effect on us.

In addition, any inaccuracies, delays, system failures, or security breaches in these and other systems could subject us to client dissatisfaction and losses. Breach of our technology systems could result in the loss of valuable information, liability for stolen assets or information, remediation costs to repair damage caused by the breach, additional security costs to mitigate against future incidents, and litigation costs resulting from the incident. Moreover, loss of confidential customer identification information could harm our reputation and subject us to liability under laws that protect confidential personal data, resulting in increased costs or loss of revenues. Further, although we take precautions to password protect and encrypt our laptops, tablets, smartphones, and other mobile electronic hardware, if such hardware is stolen, misplaced or left unattended, it may become vulnerable to hacking or other unauthorized use, creating a possible security risk and resulting in potentially costly actions by us.

Our operations rely on the secure processing, storage, and transmission of confidential and other information in our computer systems and networks. We may be the target of cyber-attacks, including denial-of-service attacks, and must continuously monitor and develop our systems to protect our technology infrastructure and data from misappropriation or corruption. Although we take protective measures and endeavor to modify them as circumstances warrant, our computer systems, software, and networks may be vulnerable to unauthorized access, misuse, computer viruses, or other malicious code and other events that could have a security impact. If one or more of such events occur, this potentially could jeopardize our or our clients' or counterparties' confidential and other information processed and stored in our, our clients', our counterparties', or third parties' operations, which could impact their ability to transact with us or otherwise result in significant losses or reputational damage. The increased use of mobile technologies can heighten these and other operational risks. We expect to expend additional resources on an ongoing basis to modify our protective measures and to investigate and remediate vulnerabilities or other exposures, and we may be subject to litigation and financial losses that are either not insured against or not fully covered through any insurance maintained by us.

We routinely transmit and receive personal, confidential, and proprietary information by email and other electronic means. We have discussed and worked with clients, vendors, service providers, counterparties, and other third parties to develop secure transmission capabilities and protect against cyber-attacks, but we do not have, and may be unable to put in place, secure capabilities with all of our clients, vendors, service providers, counterparties, and other third parties and we may not be able to ensure that these third parties have appropriate controls in place to protect the confidentiality of the information. An interception, misuse, or mishandling of personal, confidential, or proprietary information being sent to or received from a client, vendor, service provider, counterparty, or other third party could result in legal liability, regulatory action, and reputational harm.

The failure of one of our vendors to fulfill its obligations to us could have a material adverse effect on the Company and its products.

The Company depends on a number of key vendors for various fund administration, accounting, custody, and transfer agent roles and other operational needs. The failure or inability of the Company to diversify its sources for key services or the failure of any key vendors to fulfill their obligations could lead to operational issues for the Company and in certain products, which could result in financial losses for the Company and its clients.

Our ability to meet cash needs may be adversely affected by a number of factors.

Our ability to meet anticipated cash needs is affected by factors such as the market value of our assets, our operating cash flows, and our creditworthiness as perceived by lenders. Adverse developments in any of these areas could have significantly adverse effects on our business. If we are unable to obtain funds and financing in a timely manner or on acceptable terms, we may be forced to incur unanticipated costs or revise our business plans. Volatility in the U.S., regional, or global financing markets may also impact our ability to access the capital markets should we seek to do so, and we may be forced to incur unanticipated costs or experience other adverse effects on our business.

We face exposure to legal actions, including litigation and arbitration claims and regulatory and governmental examinations and/or investigations. Insurance coverage for these matters may be inadequate.

The volume of litigation and arbitration claims against financial services firms and the amount of damages claimed continues to increase. The types of claims that we may face are varied. For example, we may face claims against us for purchasing securities that are inconsistent with a client's investment objectives or guidelines, in connection with the operation of the Funds, or arising from an employment dispute. The risk of litigation is difficult to predict, assess, or quantify, and may occur years after the activities or events at issue. In addition, from time to time we may become the subject of governmental or regulatory investigations and/or examinations. Even if we prevail in a legal or regulatory action, the costs alone of defending against the action or the harm to our reputation could have a material adverse effect on us. The insurance coverage that we maintain with respect to legal and regulatory actions may be inadequate or may not cover certain proceedings.

Compliance failures could adversely affect us.

Our investment management activities are subject to client guidelines, and our mutual fund business involves compliance with numerous investment, asset valuation, liquidity, distribution, and tax requirements. A failure to comply with these guidelines or contractual requirements could result in damage to the Company's reputation or in its clients seeking to recover losses, withdrawing their AUM, or terminating their contracts, any of which could cause the Company's revenues and earnings to decline. There can be no assurance that the precautions and procedures that we have instituted and installed or the insurance we maintain to protect ourselves in case of client losses will protect us from potential liabilities.

We face strong competition from numerous and, in many instances, larger companies.

The asset management business is intensely competitive. We compete with numerous investment management companies, stock brokerage and investment banking firms, insurance companies, banks, savings and loan associations, and other financial institutions. The periodic establishment of new investment management companies and other competitors increases the competition that we face. At the same time, consolidation in the financial services industry has created stronger competitors with greater financial resources and broader distribution channels than our own. Competition is based on various factors, including, among others, business reputation, investment performance, product mix and offerings, service quality and innovation, distribution relationships, and fees charged. Our competitive success in any or all of these areas cannot be assured. Additionally, competing securities dealers whom we rely upon to distribute our open-end Funds also sell their own proprietary funds and investment products, which could limit the distribution of our investment products. To the extent that existing or potential customers, including securities dealers, decide to invest in or distribute the products of our competitors, the sales of our products as well as our market share, revenues, and net income could decline.

Investors are choosing to invest in passive strategies such as index funds and ETFs.

Our actively managed investment strategies compete against passive strategies. The trend in market demand for passive products such as index funds and ETFs, which favor our competitors in the asset management business, reduces opportunities for active managers. Investors are increasingly attracted to these lower fee passive products, which have gained, and may continue to gain, market share at the expense of active products like those managed by us.

Fee pressures could reduce our profit margins.

There has been a trend toward lower fees in some segments of the investment management industry. In order for us to maintain our fee structure in a competitive environment, we must be able to provide clients with investment returns and service that will encourage them to be willing to pay such fees. Expense limitations and reimbursements have been put in place for certain classes of certain Funds. Accordingly, there can be no assurance that we will be able to maintain our current fee structure. Fee reductions on existing or future new business could have an adverse effect on our profit margins and results of operations.

Launch of new strategies and products may negatively impact our results of operations.

We may support the development of new investment strategies and products by waiving a portion of the management fees we are entitled to receive or by subsidizing expenses. Additionally, the costs with establishing new strategies and products, including actively managed semi-transparent ETFs, can exceed the revenues generated, which could have an adverse effect on our profit margins and results of operations. Also, we may provide seed capital to new strategies and products, which could have an adverse effect on our consolidated financial statements or reduce our ability or willingness to make new investments.

We are not subject to SEC reporting requirements, which may negatively impact our ability to raise capital.

None of our common stock remains registered with the SEC under the Securities Act or the Exchange Act, or qualified under any state securities laws. This may limit our ability to raise capital under certain circumstances. For example, certain investors may not invest in unregistered securities, including in private offerings of securities issued by public companies that do not provide investors with registration rights. We avail ourselves of Blue Sky secondary trading exemptions through our inclusion on the OTCQX market, and other applicable exemptions and filings; however, not all states recognize these exemptions. If we were to decide to issue securities in a registered public offering, we would be required to register our securities under the Exchange Act and, among other things, comply with SEC reporting requirements, which would increase our ongoing costs of operations.

Risks Related to our Common Stock

The disparity in the voting rights among the classes of shares may have a potential adverse effect on the price of our Class A Stock.

The holders of Class A Stock and Class B Stock have identical rights except that (i) holders of Class A Stock are entitled to one vote per share, while holders of Class B Stock are entitled to ten votes per share on all matters to be voted on by shareholders in general, and (ii) holders of Class A Stock are not eligible to vote on matters relating exclusively to Class B Stock and vice versa. Since our IPO in 1999, Mr. Gabelli, through his control and majority ownership of GGCP, has beneficially owned a majority of our outstanding Class B Stock, currently representing approximately 97% of voting control. As long as Mr. Gabelli indirectly beneficially owns a majority of the combined voting power of our common stock, he will have the ability to elect all of the members of our Board of Directors and thereby control our management and affairs, including, among other things, any determinations with respect to acquisitions, dispositions, borrowings, issuances of common stock or other securities, and the declaration and payment of dividends on the common stock. The differential in voting rights and the ability of our company to issue additional Class B Stock could adversely affect the value of the Class A Stock to the extent the investors, or any potential future purchaser of our company, view the superior voting rights of the Class B Stock to have value. On May 3, 2017, Class A Stock shareholders approved an advisory proposal for the Board of Directors to consider the conversion and reclassification of our shares of Class B Stock into Class A Stock at a ratio in the range of 1.15 to 1.25 shares of Class A Stock for each share of Class B Stock. The Board of Directors has made no decision on this matter.

Future sales of our Class A Stock in the public market or sales or distributions of our Class B Stock could lower our stock price, and any additional capital raised by us through the sale of equity or convertible securities may dilute our stockholders' ownership in us.

We may sell additional shares of Class A Stock in subsequent public offerings. We also may issue additional shares of Class A Stock or convertible debt securities. On March 5, 2018, AC completed a tender offer in which tendering AC shareholders received an aggregate of approximately 660,000 shares of our registered Class A Stock constituting approximately 7% of the Class A Stock outstanding. On October 29, 2018, AC completed another tender offer in which tendering AC shareholders received an aggregate of approximately 710,000 shares of our registered Class A Stock constituting approximately 7% of the Class A Stock outstanding. During 2023, 2022, and 2021, AC sold 7,392 shares, 10,500 shares and 339,376 shares, respectively, of our Class A Stock constituting approximately 0%, 0% and 4%, respectively, of the Class A Stock outstanding. The market price of our Class A Stock could decline as a result of sales of Class A Stock by such shareholders. Any such sales, as well as sales by our other current shareholders, could be perceived negatively.

No prediction can be made as to the effect, if any, that future sales or distributions of Class B Stock owned by GGCP Holdings will have on the market price of the Class A Stock from time to time. Sales or distributions of substantial amounts of Class A Stock or Class B Stock, or the perception that such sales or distributions are likely to occur, could adversely affect the prevailing market price for the Class A Stock.

Our common stock has relatively limited trading volume, and ownership of a large percentage is concentrated with a small number of shareholders, which could increase the volatility in our stock trading and dramatically affect our share price.

A large percentage of our common stock is held by a limited number of shareholders. If our larger shareholders decide to liquidate their positions, it could cause significant fluctuation in the share price of our common stock.

General Risk Factors

The risk factors described above are those that we think may be material with regard to an investment in us that are not applicable generally to all business enterprises. However, we are subject to the many risks that affect all or most business enterprises in the U.S. or internationally, and our business or financial condition could be materially affected by those risks.

PROPERTIES

Our principal office is located at 191 Mason Street, Greenwich, CT. In addition, we lease office space in Charleston, SC; Chicago, IL; Morristown, NJ; Palm Beach, FL; Reno, NV; Rye, NY; and St. Louis, MO and, internationally, in London, Shanghai, and Tokyo.

LEGAL PROCEEDINGS

From time to time, the Company may be named in legal actions and proceedings in the normal course of business. These actions may seek substantial or indeterminate compensatory as well as punitive damages or injunctive relief. The Company is also subject to governmental or regulatory examinations or investigations. The examinations or investigations could result in adverse judgments, settlements, fines, injunctions, restitutions, or other relief. For any such matters, the consolidated financial statements in Part D of this

Annual Report include the necessary provisions for losses that the Company believes are probable and estimable. Furthermore, the Company evaluates whether there exist losses which may be reasonably possible and, if material, makes the necessary disclosures. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. There are currently no such matters pending that the Company believes could have a material adverse effect on its consolidated financial condition, operations, or cash flows at December 31, 2023. See also Note 10, *Commitments and Contingencies*, to the consolidated financial statements in Part D of this Annual Report.

PART D: MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

Information on Company insiders (officers, directors, and control persons), legal/disciplinary history, and disclosure of family relationships, related party transactions, and conflicts of interest is incorporated by reference from our proxy statement relating to our 2024 annual meeting of stockholders, which is expected to be filed with OTCIQ and mailed to shareholders on or about June 17, 2024.

GAMCO INVESTORS, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the stockholders and the Board of Directors of GAMCO Investors, Inc.

Opinion

We have audited the consolidated financial statements of GAMCO Investors, Inc. and subsidiaries (the "Company"), which comprise the consolidated statements of financial condition as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2023, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Deloitte & Touche LLP

March 21, 2024

GAMCO INVESTORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(in thousands, except per share data)

	December 31, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents (a)	$ 61,801	$ 66,381
Short-term investments in U.S. Treasury Bills	99,025	9,906
Investments in fixed maturity securities	5,132	3,444
Investments in securities, at fair value (b)	38,910	89,739
Investment advisory and incentive fees receivable	17,978	21,396
Deferred tax assets and income taxes receivable	8,927	16,701
Receivable from brokers	4,562	1,932
Finance lease	2,644	3,173
Goodwill and identifiable intangible assets	2,634	2,844
Receivable from affiliates	2,519	3,335
Other assets	5,299	4,970
Total assets	$ 249,431	$ 223,821
LIABILITIES AND STOCKHOLDERS' EQUITY		
Compensation payable	$ 23,399	$ 33,919
Lease liability obligations	5,137	5,828
Payable to affiliates	571	2,855
Income taxes payable	17	-
Payable for investments purchased	-	2,980
Accrued expenses and other liabilities	39,328	39,185
Total liabilities	68,452	84,767
Commitments and contingencies (Note 10)		
Stockholders' Equity		
Preferred stock, $0.001 par value; 10,000,000 shares authorized; none issued and outstanding	-	-
Class A Stock, $0.001 par value; 100,000,000 shares authorized; 16,550,659 and 16,538,476 shares issued, respectively; 5,894,276 and 6,655,635 shares outstanding, respectively	14	14
Class B Stock, $0.001 par value; 25,000,000 shares authorized; 24,000,000 shares issued; 19,011,934 and 19,024,117 shares outstanding, respectively	19	19
Additional paid-in capital	32,351	31,884
Retained earnings	527,715	471,646
Accumulated comprehensive loss	(223)	(295)
Treasury stock, at cost (10,656,383 and 9,882,841 shares, respectively)	(378,897)	(364,214)
Total stockholders' equity	180,979	139,054
Total liabilities and stockholders' equity	$ 249,431	$ 223,821

(a) Includes U.S. Treasury Bills with maturities of three months or less when purchased of $0 million and $37.9 million at December 31, 2023 and 2022, respectively.

(b) On January 3, 2023, an equity security investment with fair value of $54.1 million at December 31, 2022 was sold for $54.2 million, which was placed into cash equivalents.

See notes to consolidated financial statements.

GAMCO INVESTORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	Years Ended December 31,		
	2023	**2022**	**2021**
Revenues			
Investment advisory and incentive fees	$ 217,169	$ 236,856	$ 274,531
Distribution fees and other income	18,696	21,890	26,595
Total revenues	235,865	258,746	301,126
Expenses			
Compensation	112,750	111,232	118,186
Management fee	8,657	5,690	5,552
Distribution costs	24,682	25,876	30,276
Other operating expenses	23,569	26,714	29,692
Total expenses	169,658	169,512	183,706
Operating income	66,207	89,234	117,420
Non-operating income / (loss)			
Gain/(loss) from investments, net	3,754	(13,245)	269
Interest and dividend income	9,112	8,735	550
Interest expense	(1,159)	(2,526)	(2,919)
Shareholder-designated charitable contribution	-	-	(11,279)
Total non-operating income / (loss)	11,707	(7,036)	(13,379)
Income before income taxes	77,914	82,198	104,041
Provision for income taxes	17,707	16,635	30,842
Net income	$ 60,207	$ 65,563	$ 73,199
Earnings per share:			
Basic	$ 2.38	$ 2.52	$ 2.79
Diluted	$ 2.38	$ 2.51	$ 2.73
Weighted average shares outstanding:			
Basic	25,286	25,973	26,267
Diluted	25,286	26,136	26,809

See notes to consolidated financial statements.

GAMCO INVESTORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Years Ended December 31,		
	2023	2022	2021
Net income	$ 60,207	$ 65,563	$ 73,199
Other comprehensive income:			
Foreign currency translation gain / (loss)	72	(118)	(12)
Total comprehensive income	$ 60,279	$ 65,445	$ 73,187

See notes to consolidated financial statements.

GAMCO INVESTORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEAR-TO-DATE DECEMBER 31st
(in thousands, except per share data)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at December 31, 2022	$ 33	$ 31,884	$ 471,646	$ (295)	$ (364,214)	$ 139,054
Net income	-	-	15,897	-	-	15,897
Foreign currency translation	-	-	-	24	-	24
Dividends declared ($0.04 per share)	-	-	(1,033)	-	-	(1,033)
Stock based compensation expense	-	467	-	-	-	467
Purchases of treasury stock	-	-	-	-	(4,925)	(4,925)
Balance at March 31, 2023	$ 33	$ 32,351	$ 486,510	$ (271)	$ (369,139)	$ 149,484
Net income	-	-	14,613	-	-	14,613
Foreign currency translation	-	-	-	40	-	40
Dividends declared ($0.04 per share)	-	-	(1,027)	-	-	(1,027)
Purchases of treasury stock	-	-	-	-	(1,685)	(1,685)
Balance at June 30, 2023	$ 33	$ 32,351	$ 500,096	$ (231)	$ (370,824)	$ 161,425
Net income	-	-	13,137	-	-	13,137
Foreign currency translation	-	-	-	(47)	-	(47)
Dividends declared ($0.04 per share)	-	-	(1,050)	-	-	(1,050)
Purchase of treasury stock	-	-	-	-	(3,343)	(3,343)
Balance at September 30, 2023	$ 33	$ 32,351	$ 512,183	$ (278)	$ (374,167)	$ 170,122
Net income	-	-	16,560	-	-	16,560
Foreign currency translation	-	-	-	55	-	55
Dividends declared ($0.04 per share)	-	-	(1,028)	-	-	(1,028)
Purchase of treasury stock	-	-	-	-	(4,730)	(4,730)
Balance at December 31, 2023	$ 33	$ 32,351	$ 527,715	$ (223)	$ (378,897)	$ 180,979

GAMCO INVESTORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEAR-TO-DATE DECEMBER 31st
(continued) (in thousands, except per share data)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at December 31, 2021	$ 33	$ 28,753	$ 410,333	$ (177)	$ (345,062)	$ 93,880
Net income	-	-	17,454	-	-	17,454
Foreign currency translation	-	-	-	(31)	-	(31)
Dividends declared ($0.04 per share)	-	-	(1,077)	-	-	(1,077)
Stock based compensation expense	-	339	-	-	-	339
Purchase of treasury stock	-	-	-	-	(3,150)	(3,150)
Balance at March 31, 2022	$ 33	$ 29,092	$ 426,710	$ (208)	$ (348,212)	$ 107,415
Net income	-	-	17,286	-	-	17,286
Foreign currency translation	-	-	-	(83)	-	(83)
Dividends declared ($0.04 per share)	-	-	(1,070)	-	-	(1,070)
Stock based compensation expense	-	332	-	-	-	332
Purchase of treasury stock	-	-	-	-	(3,790)	(3,790)
Balance at June 30, 2022	$ 33	$ 29,424	$ 442,926	$ (291)	$ (352,002)	$ 120,090
Net income	-	-	9,427	-	-	9,427
Foreign currency translation	-	-	-	(85)	-	(85)
Dividends declared ($0.04 per share)	-	-	(1,063)	-	-	(1,063)
Stock based compensation expense	-	1,833	-	-	-	1,833
Purchase of treasury stock	-	-	-	-	(8,752)	(8,752)
Balance at September 30, 2022	$ 33	$ 31,257	$ 451,290	$ (376)	$ (360,754)	$ 121,450
Net income	-	-	21,396	-	-	21,396
Foreign currency translation	-	-	-	81	-	81
Dividends declared ($0.04 per share)	-	-	(1,040)	-	-	(1,040)
Stock based compensation expense	-	627	-	-	-	627
Purchase of treasury stock	-	-	-	-	(3,460)	(3,460)
Balance at December 31, 2022	$ 33	$ 31,884	$ 471,646	$ (295)	$ (364,214)	$ 139,054

GAMCO INVESTORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEAR-TO-DATE DECEMBER 31st
(continued) (in thousands, except per share data)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at December 31, 2020	$ 33	$ 21,219	$ 394,386	$ (165)	$ (328,562)	$ 86,911
Net income	-	-	15,950	-	-	15,950
Foreign currency translation	-	-	-	10	-	10
Dividends declared ($0.02 per share)	-	-	(548)	-	-	(548)
Stock based compensation expense	-	1,166	-	-	-	1,166
Purchase of treasury stock	-	-	-	-	(1,814)	(1,814)
Balance at March 31, 2021	$ 33	$ 22,385	$ 409,788	$ (155)	$ (330,376)	$ 101,675
Net income	-	-	17,101	-	-	17,101
Foreign currency translation	-	-	-	5	-	5
Dividends declared ($2.02 per share)	-	-	(55,061)	-	-	(55,061)
Stock based compensation expense	-	946	-	-	-	946
Purchase of treasury stock	-	-	-	-	(3,520)	(3,520)
Balance at June 30, 2021	$ 33	$ 23,331	$ 371,828	$ (150)	$ (333,896)	$ 61,146
Net income	-	-	29,161	-	-	29,161
Foreign currency translation	-	-	-	(31)	-	(31)
Dividends declared ($0.02 per share)	-	-	(537)	-	-	(537)
Stock based compensation expense	-	910	-	-	-	910
Purchase of treasury stock	-	-	-	-	(2,464)	(2,464)
Balance at September 30, 2021	$ 33	$ 24,241	$ 400,452	$ (181)	$ (336,360)	$ 88,185
Net income	-	-	10,987	-	-	10,987
Foreign currency translation	-	-	-	4	-	4
Dividends declared ($0.04 per share)	-	-	(1,106)	-	-	(1,106)
Stock based compensation expense	-	4,512	-	-	-	4,512
Purchase of treasury stock	-	-	-	-	(8,702)	(8,702)
Balance at December 31, 2021	$ 33	$ 28,753	$ 410,333	$ (177)	$ (345,062)	$ 93,880

See notes to consolidated financial statements.

GAMCO INVESTORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Years Ended December 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net income	$ 60,207	$ 65,563	$ 73,199
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,149	1,264	1,171
Accretion of discounts and amortization of premiums	(2,334)	(1,805)	(54)
Stock based compensation expense	467	3,131	7,534
Deferred income taxes	6,017	(7,409)	1,638
Foreign currency translation gain / (loss)	72	(118)	(12)
Net realized loss on securities	11,342	4,036	5,105
Unrealized (gains) / losses on securities	(14,853)	10,543	(5,387)
Impairment charge on intangible asset	210	332	-
(Increase) decrease in assets:			
Investments in securities	797	4,344	(1,485)
Investment advisory and incentive fees receivable	3,418	9,581	(2,181)
Income taxes receivable	1,757	(2,585)	1,117
Receivable from brokers	(2,630)	1,998	1,903
Receivable from affiliates	822	69	1,442
Other assets	(863)	(465)	(1,215)
Increase (decrease) in liabilities:			
Compensation payable	(10,524)	12,879	(494)
Payable to affiliates	(2,285)	(2,344)	1,355
Income taxes payable	14	(310)	(3,595)
Payable for investments purchased	(2,980)	(12,010)	14,989
Accrued expenses and other liabilities	(484)	88	1,101
Total adjustments	(10,888)	21,219	22,932
Net cash provided by operating activities	49,319	86,782	96,131
Cash flows from investing activities:			
Purchases of securities	(105,580)	(98,979)	(8,979)
Proceeds from sales and maturities of securities	70,650	11,116	67,360
Return of capital on securities	-	-	1,134
Net cash provided by (used in) investing activities	(34,930)	(87,863)	59,515
Cash flows from financing activities:			
Dividends paid	(4,039)	(4,154)	(4,338)
Purchases of treasury stock	(14,548)	(19,152)	(16,500)
Repurchases of 5.875% ten year notes due 6/1/21	-	-	(24,225)
Repurchases of 2-year puttable note due 6/15/23	-	(51,065)	(1,619)
Repayments of principal portion of lease liability	(385)	(206)	(264)
Net cash used in financing activities	(18,972)	(74,577)	(46,946)
Effect of exchange rates on cash and cash equivalents	3	12	2
Net increase (decrease) in cash and cash equivalents	(4,580)	(75,646)	108,702
Cash and cash equivalents, beginning of period	66,381	142,027	33,325
Cash and cash equivalents, end of period	$ 61,801	$ 66,381	$ 142,027
Supplemental disclosures of cash flow information:			
Cash paid for interest	$ 1,151	$ 2,622	$ 2,923
Cash paid for taxes	$ 10,496	$ 27,540	$ 30,688

Supplemental disclosure of non-cash activity:

For 2023, 2022 and 2021, the Company accrued excise tax payable on purchases of treasury stock of $135, $0 and $0, respectively.

For 2023, 2022 and 2021, the Company accrued dividends on RSAs of $98, $95 and $1,975, respectively.

For 2021, the Company issued approximately $52.7 million principal amount of Subordinated Notes due 2023 to shareholders in connection with the special dividend of $2.00 per share.

See notes to consolidated financial statements.

Organization and Description of Business

Unless indicated otherwise, or the context otherwise requires, references in this report to “GAMCO Investors, Inc.,” “GAMCO,” “the Company,” “the Firm,” and “GAMI” or similar terms are to GAMCO Investors, Inc., its predecessors, and its subsidiaries.

GAMCO (OTCQX: GAMI), a company incorporated under the laws of Delaware, is a widely-recognized provider of investment advisory services to 24 open-end funds, 13 U.S. closed-end funds and 1 U.K. Limited Investment Company (“closed-end funds”), 5 actively managed semi-transparent exchange traded funds (“ETFs”), one société d’investissement à capital variable (“SICAV”), and approximately 1,400 institutional and private wealth management (“Institutional and PWM”) investors principally in the United States (“U.S.”). The Company generally manages assets on a fully discretionary basis and invests in a variety of U.S. and international securities through various investment styles including value, growth, non-market correlated, convertible securities, and U.S. Treasury securities. The Company’s revenues are based primarily on the levels of assets under management (“AUM”) and fees associated with the various investment products. GAMCO serves a broad client base, including institutions, intermediaries, offshore investors, private wealth, and direct retail investors.

GAMCO offers a wide range of solutions for clients across Value and Growth Equity, Convertibles, actively managed semi-transparent ETFs, sector-focused strategies including Gold and Utilities, Merger Arbitrage, Fixed Income, and 100% U.S. Treasury Money Markets Funds. In 1977, GAMCO launched its well-known All Cap Value strategy, Gabelli Value, and in 1986 entered the mutual fund business.

The investment advisory business is conducted principally through the following subsidiaries: Gabelli Funds, LLC (open-end funds, closed-end funds, and actively managed semi-transparent ETFs, collectively, the “Funds”) (“Gabelli Funds”) and GAMCO Asset Management Inc. (Institutional and PWM) (“GAMCO Asset”). The distribution of open-end funds and actively managed semi-transparent ETFs are conducted through G.distributors, LLC (“G.distributors”), the Company’s broker-dealer subsidiary.

1. Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (“GAAP”). The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries including: Gabelli Funds, GAMCO Asset, G.distributors, and GAMCO Asset Management (UK) Limited. Intercompany accounts and transactions have been eliminated. Subsidiaries are fully consolidated from the date of acquisition, being the date on which GAMI obtains control, and continue to be consolidated until the date that such control ceases.

The annual financial statements have been prepared in accordance with U.S. GAAP for annual financial information. In the opinion of management, all adjustments considered necessary for the fair presentation of consolidated financial statements for the years presented have been included.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Nature of Operations

Gabelli Funds and GAMCO Asset are registered investment advisors under the Investment Advisers Act of 1940, as amended. G.distributors is a registered broker-dealer with the Securities and Exchange Commission (“SEC”) and is regulated by the Financial Industry Regulatory Authority. Refer to *Major Revenue-Generating Services and Revenue Recognition* below for additional discussion of the Company’s business.

Cash and Cash Equivalents and Short-term Investments in U.S. Treasury Bills

Cash equivalents primarily consist of U.S Treasury Bills with maturities of three months or less at the time of purchase and an affiliated money market fund (The Gabelli U.S. Treasury Money Market Fund) which is highly liquid. Short-term investments in U.S. Treasury Bills consist of U.S. Treasury Bills with maturities exceeding three months at the time of purchase and are stated at amortized cost, which approximates fair value.

Currency Translation

Assets and liabilities of subsidiaries having non-U.S. dollar functional currencies are translated at exchange rates at the dates of the applicable consolidated statements of financial condition. Revenues and expenses of such subsidiaries are translated at the average exchange rates during the period. The gains or losses resulting from translating non-U.S. dollar functional currency into U.S. dollars are included in the consolidated statements of comprehensive income.

Transactions in currencies other than the U.S. dollar, including the Company's investments in United Kingdom ("U.K.") Gilts, are measured on the transaction date in U.S. dollars. Changes in the expected cash flows caused by changes in exchange rates, measured at exchange rates at the dates of the applicable consolidated statements of financial condition, are included in gain/(loss) from investments, net on the consolidated statements of income.

Investments in Securities

Equity securities owned are recorded at fair value in the statements of financial condition, with any unrealized gains or losses reported in current period earnings in gain/(loss) from investments, net on the consolidated statements of income.

Management determines the appropriate classification of debt securities at the time of purchase. Government debt with maturities of greater than three months at the time of purchase are considered investments in debt securities. Investments in debt securities are accounted for as either trading, available for sale ("AFS"), or held-to-maturity. The Company does not hold any investments in debt securities accounted for as AFS. The Company's investments in debt securities, consisting of U.S. Treasury Bills and U.K. Gilts, are classified as held-to-maturity, as the Company has the intent and ability to hold these securities until maturity, and represent fixed income securities recorded at amortized cost. Discounts from and premiums to par value on held-to-maturity investments are accreted/amortized into interest income over the life of the respective security using the effective interest method. The amortized cost of debt investments represents the original cost adjusted for the accretion of discounts and amortization of premiums, if any. Held-to-maturity securities are evaluated for other than temporary impairment each reporting period and any impairment charges are recorded in gain/(loss) from investments, net on the consolidated statements of income. As of December 31, 2023 and 2022, there were no impairments on the Company's investments in debt securities classified as held-to-maturity. The Company's investments in preferred securities subject to mandatory redemption are classified as trading, with any unrealized gains or losses reported in current period earnings in gain/(loss) from investments, net on the consolidated statements of income.

Securities transactions and any related gains and losses are recorded on a trade date basis. Realized gains and losses from equity and debt securities transactions are recorded on the specific identified cost basis and are included in gain/(loss) from investments, net on the consolidated statements of income.

Major Revenue-Generating Services and Revenue Recognition

The Company's revenues are derived primarily from investment advisory and incentive fees and distribution fees.

Investment advisory and incentive fees are directly influenced by the level and mix of AUM, as fees are derived from a contractually-determined percentage of AUM for each account as well as incentive fees earned on certain accounts. Advisory fees from Funds and sub-advisory accounts are computed daily or weekly based on average net assets and amounts receivable are included in investment advisory and incentive fees receivable on the consolidated statements of financial condition. Advisory fees from Institutional and PWM accounts are generally computed quarterly based on account values as of the end of the preceding quarter, and amounts receivable are included in investment advisory and incentive fees receivable on the consolidated statements of financial condition. The Company derived approximately 92%, 92% and 91% of its total revenues from advisory fees, including incentive fees, for the years ended December 31, 2023, 2022, and 2021, respectively. These revenues vary depending upon the level of sales compared with redemptions, financial market conditions, performance, and the fee structure for the Fund or account. Revenues derived from the equity-oriented portfolios generally have higher advisory fee rates than fixed income portfolios.

For The GDL Fund, there is an incentive fee earned as of the end of the calendar year which varies to the extent the total return of the fund is in excess of the ICE Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index total return. This fee is recognized at the end of the measurement period. Receivables due on incentive fees relating to The GDL Fund are included in investment advisory and incentive fees receivable on the consolidated statements of financial condition and were $0.9 million and $0 as of December 31, 2023 and 2022, respectively.

For the Gabelli Merger Plus^{+} Trust Plc, there is an incentive fee which is earned and recognized at the end of the measurement period, June 30th and varies to the extent the total return of the fund is in excess of twice the rate of return of the 13 week Treasury Bills over the performance period. There were no incentive fees receivable as of December 31, 2023 or 2022.

Advisory fees on certain of the closed-end preferred shares are earned at year-end if the total return to common shareholders of the closed-end fund for the calendar year exceeds the dividend rate of the preferred shares. These fees are recognized at the end of the measurement period, which is annually, or earlier if there is a redemption. Receivables due for advisory fees on closed-end preferred shares are included in investment advisory and incentive fees receivable on the consolidated statements of financial condition. There were $1.0 million and $0 in advisory fees receivable on closed-end preferred shares as of December 31, 2023 and 2022.

For the GAMCO Merger Arbitrage SICAV, there is an incentive fee earned as of the end of the calendar year when the total return of a share class exceeds the hurdle rate (return on the 13-week UST) and the NAV exceeds the high water mark, at the rate of fifteen percent of the total return of share classes not denominated in the base currency and at the rate of twenty percent of the total return of share classes denominated in the base currency. This fee is recognized at the end of the measurement period, which is annually on a calendar year basis, or earlier if there is a redemption. Receivables due on incentive fees relating to the GAMCO Merger Arbitrage SICAV are included in investment advisory and incentive fees receivable on the consolidated statements of financial condition and were $0 and $3.3 million as of December 31, 2023 and 2022, respectively.

Distribution fees revenues are derived primarily from the distribution of Gabelli and GAMCO open-end Funds as well as the affiliated TETON Westwood and Keeley open-end funds advised by either a subsidiary of GAMI (Gabelli Funds), a subsidiary of GGCP, Inc. (“GGCP”) (Teton Advisors, Inc. (“Teton”)), or a subsidiary of Teton (Keeley-Teton Advisors, Inc.). G.distributors distributes the open-end Funds pursuant to distribution agreements with each Fund. Under each distribution agreement with an open-end Fund, G.distributors offers and sells such open-end Fund shares on a continuous basis and pays all of the costs of marketing and selling the shares, including printing and mailing prospectuses and sales literature, advertising and maintaining sales and customer service teammates and sales and services fulfillment systems, and payments to the sponsors of third party distribution programs, financial intermediaries, and G.distributors’ sales teammates. G.distributors receives fees for such services pursuant to distribution plans adopted under provisions of 12b-1 of the Company Act. G.distributors is the principal underwriter for funds distributed in multiple classes of shares which carry either a front-end or back-end sales charge.

Under the distribution plans, the Class AAA shares of the open-end Funds (except Gabelli Capital Asset Fund, and The Gabelli ABC Fund) and the Class A and ADV shares of certain Funds pay G.distributors a distribution fee of 0.25% per year on the average daily net assets of the fund. Class C shares have a 12b-1 distribution plan with a distribution fee totaling 1.00%.

Distribution fees from the open-end Funds are computed daily based on average net assets. The amounts receivable for distribution fees are included in receivables from affiliates on the consolidated statements of financial condition.

Note 2 to the consolidated financial statements includes additional information on the Company’s revenue recognition policy.

Distribution Costs

The Company incurs certain promotion and distribution costs, which are expensed as incurred, principally related to the sale of shares of Funds and after-market support services related to the closed-end Funds. Additionally, Gabelli Funds has agreed to reimburse expenses on certain Funds beyond certain expense caps. The reimbursed expenses are presented on a gross basis in distribution costs in the consolidated statements of income.

Dividends and Interest Income and Interest Expense

Dividends are recorded on the ex-dividend date. Interest income and interest expense are accrued as earned or incurred.

Depreciation and Amortization

Fixed assets other than leasehold improvements, with net book value of $1.9 million and $2.1 million at December 31, 2023 and 2022, respectively, which are included in other assets, are recorded at cost and depreciated using the straight-line method over their estimated useful lives from four to seven years. Accumulated depreciation was $3.6 million and $3.4 million at December 31, 2023 and 2022, respectively. Leasehold improvements, with net book value of $0.3 million and $0.4 million at December 31, 2023 and 2022, respectively, which are included in other assets, are recorded at cost and amortized using the straight-line method over their estimated useful lives or lease terms, whichever is shorter. The leased property under the finance lease is depreciated utilizing the straight-line method over the term of the lease, which expires on December 31, 2028. The finance lease was extended on June 11, 2014 to December 31, 2028 from December 31, 2023. For the years ended December 31, 2023, 2022, and 2021, depreciation and amortization were $1.1 million, $1.2 million, and $1.2 million, respectively. Depreciation and amortization is expected to be approximately $1.1 million annually over the next three years.

Goodwill and Identifiable Intangible Assets

Goodwill and identifiable intangible assets are initially measured as the excess of the cost of the acquired business over the sum of the amounts assigned to assets acquired less the liabilities assumed. Goodwill and identifiable intangible assets are tested for impairment at least annually as of November 30th and whenever certain triggering events are met. In assessing the recoverability of goodwill and identifiable intangible assets, projections regarding estimated future cash flows and other factors are made to determine the fair value of the assets. If the book value exceeds the fair value of the assets, an impairment charge is recorded, corresponding to the amount by which the book value exceeds the fair value.

Income Taxes

GAMI and its operating subsidiaries file a consolidated federal income tax return. Accordingly, the income tax provision represents the aggregate of the amounts provided for all companies. The Company operates in numerous states and countries through its subsidiaries and therefore must allocate income, expenses, and earnings to these taxing jurisdictions taking into account the various laws and regulations in each jurisdiction. Each year, the Company files tax returns in each jurisdiction and settles its tax liabilities, which may be subject to audit by the taxing authorities. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and the reported amounts on the consolidated statements of financial condition using the statutory tax rates in effect for the year when the reported amount of the asset or liability is recovered or settled, respectively. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. Excess tax benefits or tax deficiencies are recognized against income tax expenses. A valuation allowance is recorded to reduce the carrying values of deferred tax assets to the amount that is more likely than not to be realized. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in several jurisdictions.

In accordance with Accounting Standards Codification ("ASC") Topic 740, *Income Taxes* ("ASC 740"), a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of the technical merits. We record a liability for unrecognized tax benefits in accordance with ASC 740 and adjust these liabilities when our judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may differ from our current estimate of the liabilities for unrecognized tax benefits. These differences are reflected as increases or decreases in income tax expense in the period in which new information becomes available. The Company recognizes the accrual of interest on uncertain tax positions and penalties in income tax provision on the consolidated statements of income.

Fair Values of Financial Instruments

All of the instruments within cash and cash equivalents and investments in securities, at fair value are measured at fair value.

The Company's assets and liabilities are categorized based upon a fair value hierarchy. See Note 4, Fair Value, for further details on the fair value hierarchy.

Cash equivalents consist of U.S Treasury Bills with maturities of three months or less at the time of purchase and are valued using unadjusted quoted market prices. Cash equivalents also include an affiliated money market fund which is invested solely in U.S. Treasuries.

Investments in securities are generally valued based on quoted prices from an exchange. To the extent these securities are actively traded, valuation adjustments are not applied, and they are categorized in Level 1 of the fair value hierarchy. Securities categorized in Level 2 investments are valued using other observable inputs. Nonpublic and infrequently traded investments are included in Level 3 of the fair value hierarchy because significant inputs to measure fair value are unobservable.

Senior and Subordinated Notes

The Company issued 10-year, $100 million Senior Notes due June 1, 2021 (“Senior Notes”) and 2-year subordinated notes due June 15, 2023 (“Subordinated Notes”). Interest expense is recorded on an accrual basis and is included in interest expense in the Consolidated Statements of Income. The notes are recorded at face value, net of unamortized issuance costs. Issuance costs include capitalized expenses including arrangement fees and legal costs related to the issuance of the notes. Amortization of issuance costs for the notes is computed on the straight-line basis over the term of the notes. The unamortized balance of such costs is presented as a direct deduction to the carrying amount of the notes in the Consolidated Statements of Financial Condition. The amortization of such costs is included in interest expense in the Consolidated Statements of Income.

Earnings Per Share

Basic earnings per share is based on the weighted-average number of common shares outstanding during each period less unvested restricted stock. Diluted earnings per share is based on basic shares plus the incremental shares that would be issued upon the assumed exercise of in-the-money stock options and unvested restricted stock using the treasury stock method.

Management Fee

Management fee expense is incentive-based and entirely variable compensation in the amount of 10% of the aggregate pre-tax profits before management fee which is paid to Mr. Gabelli or his designee for acting as CEO pursuant to his 2008 Employment Agreement so long as he is an executive of GAMI and devotes the substantial majority of his working time to the business.

Stock Based Compensation

The Company maintains a stock award and incentive plan approved by the shareholders (the “Plan”). The Company has granted equity awards, in the form of restricted stock awards (“RSAs”) and phantom RSAs to teammates and stock options to board members, which were recommended by the Company’s Chairman, who did not receive an RSA, phantom RSA, or option award, and approved by a committee of GAMCO’s board of directors (the “Board of Directors”) responsible for administering the Plan (“Compensation Committee”). The Company’s stock-based RSA and option compensation provided to teammates and board members is accounted for as an equity award based on fair value. The Company’s phantom RSA compensation provided to teammates is accounted for as a liability award based on fair value and is adjusted for changes in the Company’s stock price at each reporting date, with mark to market adjustments recognized in the results of operations.

The estimated fair value of RSAs and phantom RSAs is determined by using the closing price of Class A Stock on the grant date and the balance sheet date, respectively. The total expense, which is reduced by estimated forfeitures, is recognized over the vesting period for these awards, which is 30% over three years from the date of grant and 70% over five years from the date of grant. The forfeiture rate is determined by reviewing historical forfeiture rates for previous stock-based compensation grants and is reviewed and updated quarterly, if necessary. During the vesting period, dividends to RSA and phantom RSA holders are held for them until the vesting dates and are forfeited if the grantee is no longer employed by the Company on the vesting dates. Dividends declared on these RSAs and phantom RSAs, less estimated forfeitures, are charged to retained earnings on the declaration date.

The estimated fair value of option awards on the grant date is determined using the Black Scholes option-pricing model. This sophisticated model utilizes a number of assumptions in arriving at its results, including the estimated life of the option, the risk free interest rate at the date of grant, and the volatility of the underlying common stock. The effects of changing any of the assumptions or factors employed by the Black Scholes model may result in a significantly different valuation for the options. The total expense based on the grant date fair value, which is reduced by estimated forfeitures, is recognized over the vesting period for these awards, which is 75% over three years from the date of grant and 25% over four years from date of grant. The forfeiture rate is determined by reviewing historical forfeiture rates for previous stock-based compensation grants and is reviewed and updated quarterly, if necessary.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company maintains cash and cash equivalents primarily in U.S Treasury Bills with maturities of three months or less at the time of purchase and the Gabelli U.S. Treasury Money Market Fund, which invests in instruments issued by the U.S. government. The concentration of credit risk with respect to advisory fees receivable is generally limited due to the short payment terms extended to clients by the Company. In addition, the credit risk is further limited by virtue of the fact that no single advisory relationship provided over 10% of the total revenue of the Company during 2023 and 2022. All investments in securities are held at third party brokers or custodians.

Credit Losses

The Company measures all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The allowance for credit losses is subject to judgment. Due to the short-term nature of the Company's receivables, the Company determined there was minimal credit risk inherent in the Company's financial assets. For the year ended December 31, 2023, there were no credit losses for newly recognized financial assets or changes in the estimate of expected credit losses in the Consolidated Statements of Income.

Business Segment

The Company operates in one business segment, the investment advisory and asset management business. The Company conducts its investment advisory business principally through Gabelli Funds (Funds) and GAMCO Asset (Institutional and PWM). The distribution of the open-end Funds and underwriting of those Funds is conducted through G.distributors.

Recent Accounting Developments

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2017-04, *Intangibles - Goodwill and Other (Topic 350) - Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"), which simplifies the process used to test for goodwill impairment by eliminating the requirement to calculate the implied fair value of goodwill, and instead any goodwill impairment will be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. In November 2019, the FASB issued ASU 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), Leases (Topic 842): Effective Dates* (ASU 2019-10), which deferred the effective date of this guidance for other public companies for three years. The guidance was effective on January 1, 2023, and was adopted without a material impact on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Accounting for Financial Instruments - Credit Losses (Topic 326)* ("ASU 2016-13"), which requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Currently, U.S. GAAP requires an "incurred loss" methodology that delays recognition until it is probable a loss has been incurred. Under ASU 2016-13, the allowance for credit losses must be deducted from the amortized cost of the financial asset to present the net amount expected to be collected. The consolidated statement of income will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. In November 2019, the FASB issued ASU 2019-10, which deferred the effective date of this guidance for other public companies for three years. The guidance was effective for the Company on January 1, 2023, and was adopted without a material impact on the Company's consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280)*, which improves reportable segment disclosure requirements. The new standard will require enhanced disclosures about a public company's significant segment expenses and more timely and detailed segment information reporting throughout the fiscal period, including for companies with a single reportable segment. The standard is effective for annual periods beginning after December 15, 2023 and interim periods beginning after December 15, 2024, and early adoption is permitted. The Company has performed an analysis on the transition to this new guidance and it is not expected to have a material impact on the Company's consolidated financial statements or related disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Improvements to Income Tax Disclosures (Topic 740)* ("ASU 2023-09"), which requires greater disaggregation of income tax disclosures related to a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. ASU 2023-09 is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. The Company has performed an analysis on the transition to this new guidance and it is not expected to have a material impact on the Company's consolidated financial statements or related disclosures.

2. Revenue Recognition

In all cases for all revenue streams discussed below, the revenue generated is from a single transaction price and there is no need to allocate the amounts across more than a single revenue stream. The customer for all revenues derived from Funds described in detail below has been determined to be each Fund itself and not the ultimate underlying investor in each Fund.

Significant judgments that affect the amounts and timing of revenue recognition:

The Company's analysis of the timing of revenue recognition for each revenue stream is based upon an analysis of the current terms of each contract. Performance obligations could, however, change from time to time if and when existing contracts are modified or new contracts are entered into. These changes could potentially affect the timing of satisfaction of performance obligations, the determination of the transaction price, and the allocation of the price to performance obligations. In the case of the revenue streams discussed below, the performance obligation is satisfied either at a point in time or over time. For incentive fee revenues, the performance obligation (advising a client portfolio) is satisfied over time, while the recognition of revenues effectively occurs at the end of the measurement period as defined within the contract, as such amounts are subject to reduction to zero on the date where the measurement period ends even if the performance benchmarks were exceeded during the intervening period. The judgments outlined below, where the determination as to these factors is discussed in detail, are continually reviewed and monitored by the Company when new contracts or contract modifications occur. Transaction price is in all instances formulaic and not subject to significant (or any) judgment at the current time.

Advisory Fee Revenues

Advisory fees for Funds, sub-advisory accounts, and the SICAV are earned based on predetermined percentages of the average net assets of the individual Funds and are recognized as revenues as the related services are performed. Fees for open-end Funds, one non-U.S. closed-end Fund, sub-advisory accounts, and the SICAV are computed on a daily basis based on average daily net AUM. Fees for U.S. closed-end Funds are computed on average weekly net AUM. These fees are received in cash after the end of each monthly period within 30 days. The revenue recognition occurs ratably as the performance obligation (advising the Fund) is met continuously over time. There is a risk of non-payment and, therefore, a credit loss on these receivables is possible at each reporting date. There were no such credit losses for the periods presented.

Advisory fees for Institutional and PWM accounts are earned based on predetermined percentages of the AUM and are generally computed quarterly based on account values at the end of the preceding quarter. The revenue recognition occurs daily as the performance obligation (advising the client portfolio) is met continuously. These fees are received in cash, typically within 60 days of the client being billed. There is a risk of non-payment and, therefore, a credit loss on these receivables is possible at each reporting date. There were no such credit losses for the periods presented.

Performance Correlated and Conditional Revenues

Investment advisory fees are earned on a portion of some closed-end Funds' preferred shares at year-end if the total return to common shareholders of the respective closed-end Fund for the year exceeds the dividend rate of the preferred shares. These fees are recognized at the end of the measurement period, which coincides with the calendar year. These fees would also be earned and the contract period ended at any interim point in time that the respective preferred shares are redeemed. These fees are received in cash after the end of each annual measurement period, within 30 days.

Two closed-end Funds charge incentive fees. For The GDL Fund (GDL), there is an incentive fee, which is earned and recognized as of the end of each calendar year and varies to the extent the total return of the Fund is in excess of the ICE Bank of America Merrill Lynch 3-month U.S. Treasury Bill Index total return. For the Gabelli Merger Plus+ Trust Plc (GMP), there is an incentive fee, which is earned and recognized as of the end of each measurement period, June 30th, and varies to the extent the total return of the Fund is in excess of twice the rate of return of the 13-week Treasury Bills over the performance period.

A SICAV sub-fund, the GAMCO Merger Arbitrage SICAV, charges a performance fee. This fee is recognized at the end of the measurement period, which coincides with the calendar year. The fee would also be earned and the measurement period ended at any interim point in time that a client redeemed their respective shares. This fee is received in cash after the end of the measurement period, within 30 days.

In all cases of the incentive fees, because of the variable nature of the consideration, revenue recognition is delayed until it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur, which is generally when the uncertainty associated with the variable consideration is subsequently resolved (for example, the measurement period has concluded and the hurdle rate has been exceeded). There is a risk of non-payment and, therefore, a credit loss on these receivables is possible at each reporting date. There were no such credit losses for the periods presented.

Distribution Fees and Other Income

Distribution fees and other income primarily includes distribution fee revenue earned in accordance with Rule 12b-1 of the Company Act along with sales charges and underwriting fees associated with the sale of the class A shares of open-end Funds. Distribution fees are computed based on average daily net assets of certain classes of each Fund and are recognized during the period in which they are earned. These fees are received in cash after the end of each monthly period within 30 days. In evaluating the appropriate timing of the recognition of these fees, the Company applied the guidance on up-front fees to determine whether such fees are related to the transfer of a promised service (a distinct performance obligation). The Company's conclusion is that the service being provided by G.distributors to the customer in exchange for the fee is for the initial distribution of certain classes of the open-end Funds and is completed at the time of each respective sale. Any fixed amounts are recognized on the trade date and variable amounts are recognized to the extent it is probable that a significant revenue reversal will not occur once the uncertainty is resolved. For variable amounts, as the uncertainty is dependent on the value of the shares at future points in time as well as the length of time the investor remains in the Fund, both of which are highly susceptible to factors outside the Company's influence, the Company does not believe that it can overcome this constraint until the market value of the Fund and the investor activities are known, which are generally monthly. Sales charges and underwriting fees associated with the sale of certain classes of the open-end Funds are recognized on the trade date of the sale of the respective shares. There is a risk of non-payment and, therefore, a credit loss on these receivables is possible at each reporting date. There were no such credit losses for the periods presented.

Revenue Disaggregated

The following table presents the Company's revenue disaggregated by account type (in thousands):

	Twelve Months Ended December 31,		
	2023	2022	2021
Investment advisory and incentive fees:			
Open-end Funds	$ 80,540	$ 86,851	$ 98,281
Closed-end Funds	66,696	70,841	80,580
Institutional & Private Wealth Management	59,727	65,117	73,218
SICAVs	6,882	8,710	6,771
Sub-advisory accounts	1,308	1,901	2,524
Performance-based	2,016	3,436	13,157
Total investment advisory and incentive fees	217,169	236,856	274,531
Distribution fees and other income	18,696	21,890	26,595
Total revenues	$ 235,865	$ 258,746	$ 301,126

Other income was not material.

3. Investments in Securities

Investments in securities at December 31, 2023 and 2022 consisted of the following (in thousands):

	December 31, 2023		December 31, 2022	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Investments in securities:				
Actively managed semi-transparent ETFs	$ 16,923	$ 18,343	$ 15,000	$ 13,069
Common stocks	18,447	7,527	25,068	8,522
Closed-end Funds	7,520	7,516	8,985	8,967
Open-end funds	6,073	5,484	66,049	59,181
Other	5	40	6	-
Total investments in securities	$ 48,968	$ 38,910	$ 115,108	$ 89,739

Short-term investments in U.S. Treasury Bills and investments in fixed maturity securities, which are held to maturity, at December 31, 2023 and 2022 consisted of the following (in thousands):

	December 31, 2023			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
Short-term investments in U.S. Treasury Bills:				
U.S. Treasury Bills	$ 99,025	$ 35	$ -	$ 99,060
Total short-term investments in U.S. Treasury Bills	$ 99,025	$ 35	$ -	$ 99,060
Investments in fixed maturity securities:				
U.K. Gilts	$ 5,132	$ -	$ (39)	$ 5,093
Total investments in fixed maturity securities	$ 5,132	$ -	$ (39)	$ 5,093

	December 31, 2022			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
Short-term investments in U.S. Treasury Bills:				
U.S. Treasury Bills	$ 9,906	$ -	$ (9)	$ 9,897
Total short-term investments in U.S. Treasury Bills	$ 9,906	$ -	$ (9)	$ 9,897
Investments in fixed maturity securities:				
U.K. Gilts	$ 3,444	$ -	$ (76)	$ 3,368
Total investments in fixed maturity securities	$ 3,444	$ -	$ (76)	$ 3,368

The maturity dates of the U.S. Treasury Bills were all less than a year. As of December 31, 2023, the maturity dates of $1,068 of the U.K Gilts were less than a year and $4,064 were between one and five years. As of December 31, 2022, the maturity dates of all of the U.K Gilts were between one and five years.

4. Fair Value

All of the instruments within cash and cash equivalents and investments in securities are measured at fair value, except for those investments designated as held-to-maturity. The Company's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the FASB ASC Topic 820, *Fair Value Measurement* ("ASC 820"), guidance on fair value measurement. The levels of the fair value hierarchy and their applicability to the Company are described below:

- Level 1 - the valuation methodology utilizes quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date. Level 1 assets include cash equivalents, government obligations, open-end funds, closed-end funds, and listed equities.
- Level 2 - the valuation methodology utilizes inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities that are not active, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly-quoted intervals.
- Level 3 - the valuation methodology utilizes unobservable inputs for the asset or liability, and includes situations where there is little, if any, market activity for the asset or liability. Level 3 assets include privately issued preferred securities of closed-end funds.

The following tables summarize the Company's assets and liabilities measured at fair value on a recurring basis by the above fair value hierarchy levels as of December 31, 2023 and 2022 (in thousands):

Assets and Liabilities Measured at Fair Value on a Recurring Basis as of December 31, 2023

Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2023
Cash equivalents	$ 61,256	$ -	$ -	$ 61,256
Investments in securities:				
Actively managed semi-transparent ETFs	18,343	-	-	18,343
Open-end Funds	5,484	-	-	5,484
Common stocks	7,527	-	-	7,527
Closed-end Funds[(a)]	516	-	7,000	7,516
Other	40	-	-	40
Total investments in securities	31,910	-	7,000	38,910
Total assets at fair value	$ 93,166	$ -	$ 7,000	$ 100,166

(a) Includes $7,000 of privately issued, puttable, and callable preferred securities subject to mandatory redemption issued by the closed-end Funds.

Assets and Liabilities Measured at Fair Value on a Recurring Basis as of December 31, 2022

Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2022
Cash equivalents	$ 62,863	$ -	$ -	$ 62,863
Investments in securities:				
Open-end Funds	59,181	-	-	59,181
Actively managed semi-transparent ETFs	13,069	-	-	13,069
Closed-end Funds	8,967	-	-	8,967
Common stocks	8,522	-	-	8,522
Other	-	-	-	-
Total investments in securities	89,739	-	-	89,739
Total assets at fair value	$ 152,602	$ -	$ -	$ 152,602

Financial assets and liabilities not carried at fair value

The following table presents the carrying value and fair value of the Company's short-term investments in U.S. Treasury Bills and investments in fixed maturity securities not carried at fair value, including the U.K. Gilts investments which are all designated as held-to-maturity and are carried at amortized cost remeasured in U.S. dollars, as of December 31, 2023 and 2022 (in thousands):

	December 31, 2023		December 31, 2022	
	Carrying Value	Fair Value Level 1	Carrying Value	Fair Value Level 1
U.S. Treasury Bills	$ 99,025	$ 99,060	$ 9,906	$ 9,897
U.K. Gilts	5,132 (1)	5,093	3,444 (1)	3,368
Total	$ 104,157	$ 104,153	$ 13,350	$ 13,265

(1) Amortized cost at December 31, 2023 and 2022 prior to remeasurement in U.S. dollars was $4,878 and $3,382, respectively.

5. Income Taxes

The provision for income taxes for the years ended December 31, 2023, 2022, and 2021 consisted of the following (in thousands):

	2023	2022	2021
Federal:			
Current	$ 10,651	$ 21,460	$ 25,170
Deferred	5,070	(6,510)	1,441
State and local:			
Current	1,039	2,585	4,034
Deferred	947	(899)	197
Total	$ 17,707	$ 16,636	$ 30,842

A reconciliation of the Federal statutory income tax rate to the effective tax rate is set forth below:

	2023	2022	2021
Statutory Federal income tax rate	21.0%	21.0%	21.0%
State income tax, net of Federal benefit	1.8	1.4	3.3
Section 162(m) limitation	-	-	6.2
Other	(0.1)	(2.2)	(0.9)
Effective income tax rate	22.7%	20.2%	29.6%

Significant components of the deferred tax assets and liabilities are as follows (in thousands):

	2023	2022
Deferred tax assets:		
Investments in securities	$ 6,339	$ 7,278
Stock compensation expense	1,177	626
Deferred compensation	184	5,855
Capital lease obligation	1,196	1,374
Total deferred tax assets	8,896	15,133
Deferred tax liabilities:		
Finance lease asset	(615)	(748)
Intangible asset amortization	(364)	(379)
Contingent deferred sales commissions	(31)	(58)
Fixed Assets	(91)	(136)
Total deferred tax liabilities	(1,101)	(1,321)
Net deferred tax assets	$ 7,795	$ 13,812

As of December 31, 2023 and 2022, the total amount of gross liability for unrecognized tax benefits related to uncertain tax positions was approximately $13.8 million and $15.3 million, respectively, of which recognition of $10.9 million and $12.1 million, respectively, would impact the Company’s effective tax rate.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits related to uncertain tax positions is as follows (in millions):

Balance at December 31, 2021	$	16.0
Additions based on tax positions related to the current year		1.1
Additions for tax positions of prior years		-
Reductions for tax positions of prior years		(1.8)
Balance at December 31, 2022		15.3
Additions based on tax positions related to the current year		0.5
Additions for tax positions of prior years		-
Reductions for tax positions of prior years		(2.0)
Balance at December 31, 2023	$	13.8

As of December 31, 2023 and 2022, the net liability for unrecognized tax benefits related to uncertain tax positions was $19.5 million and $20.1 million, respectively, and is included in accrued expenses and other liabilities on the consolidated statements of financial condition. These amounts include penalties and interest related to tax uncertainties in income taxes of approximately $11.0 million and $10.1 million at December 31, 2023 and 2022, respectively. The Company records penalties and interest related to tax uncertainties in income taxes. The Company recorded an income tax expense related to an increase in its liability for interest and penalties of $0.6 million, $0.5 million and $0.4 million for the years ended December 31, 2023, 2022, and 2021, respectively.

The Company is under audit by various jurisdictions from time to time, and is currently being audited by New York, California, and Illinois. The Company does not expect that any potential assessments will be material to its results of operations.

6. Earnings per Share

Basic earnings per share is calculated by dividing net income by the weighted average shares outstanding. Diluted earnings per share is calculated using the treasury stock method by dividing net income by the total weighted average shares of common stock outstanding and RSAs. The computations of basic and diluted net income per share were as follows (in thousands, except per share amounts):

	Years Ended December 31,		
	2023	2022	2021
Basic:			
Net income	$ 60,207	$ 65,563	$ 73,199
Weighted average shares outstanding	25,286	25,973	26,267
Basic net income per share	$ 2.38	$ 2.52	$ 2.79
Diluted:			
Net income	$ 60,207	$ 65,563	$ 73,199
Weighted average share outstanding	25,286	25,973	26,267
Restricted stock awards	-	163	542
Total	25,286	26,136	26,809
Diluted net income per share	$ 2.38	$ 2.51	$ 2.73

7. Debt

Subordinated Notes

On June 14, 2021, the Company entered into an indenture with Computershare Trust Company, N.A., as trustee, relating to GAMCO's issuance of up to approximately $54.0 million of 2-year Subordinated Notes. The Subordinated Notes were issued to shareholders as a special dividend of $2.00 per share on Class A Stock and Class B Stock. The Company issued approximately $52.2 million of Subordinated Notes in connection with the special dividend, paid out $0.4 million of cash in lieu of fractional Subordinated Notes, and reserved approximately $1.9 million of Subordinated Notes to be issued upon vesting of RSAs. The Subordinated Notes bear interest at a rate of 4% per annum for the one-year period ending June 15, 2022 and 5% per annum for the one-year period ending June 15, 2023 and mature on June 15, 2023. The Subordinated Notes are transferable, callable at the option of GAMCO, in whole or in part, at any time or from time to time at a redemption price equal to 100% of the principal amount of the Subordinated Notes to be redeemed plus interest, and puttable, in whole or in part, at any time after September 15, 2021 at a redemption price equal to 100% of the principal amount of the Subordinated Notes to be redeemed upon notice of redemption of at least 60 days but not more than 90 days before the redemption date.

During the year ended December 31, 2022, the Company redeemed $13.3 million of Subordinated Notes relating to put notices received.

On March 28, 2022, the Company commenced a tender offer (the “Offer”) to purchase for cash up to $10 million aggregate principal amount of the Subordinated Notes at a price equal to $1,014 per $1,000 principal amount of validly tendered and not properly withdrawn Subordinated Notes. The Offer expired on April 25, 2022 with the Company accepting $4.0 million of tendered Subordinated Notes.

On August 9, 2022, the Company announced that it was calling the remaining $33.7 million of outstanding Subordinated Notes effective September 15, 2022 at a price equal to $1,012.50 per $1,000 principal amount, which included accrued and unpaid interest through the September 15, 2022 payment date at the stated rate of 5.0% per annum. As of December 31, 2022, there were no Subordinated Notes outstanding.

8. Equity

Shares outstanding were 24.9 million and 25.7 million on December 31, 2023 and 2022, respectively.

Voting Rights

The holders of Class A Stock and Class B Stock have identical rights except that (i) holders of Class A Stock are entitled to one vote per share, while holders of Class B Stock are entitled to ten votes per share, on all matters to be voted on by shareholders in general, and (ii) holders of Class A Stock are not eligible to vote on matters relating exclusively to Class B Stock and vice versa.

Stock Award and Incentive Plan

The Company maintains the Plan, which is designed to provide incentives that will attract and retain individuals key to the success of GAMCO through direct or indirect ownership of our common stock. A maximum of 7.5 million shares of Class A Stock have been reserved for issuance under the Plan by the Compensation Committee of the Company’s Board of Directors. Benefits under the Plan may be granted in any one or a combination of stock options, stock appreciation rights, restricted stock, restricted stock units, stock awards, dividend equivalents, and other stock or cash based awards. Under the Plan, the Compensation Committee may grant RSAs, each of which entitles the grantee to one share of Class A Stock subject to restrictions, phantom RSAs, each of which entitles the grantee to the cash value of one share of Class A Stock subject to restrictions, and either incentive or nonqualified stock options, with a term not to exceed ten years from the grant date and at an exercise price that the Compensation Committee may determine, which were recommended by the Company’s Chairman who did not receive any awards.

On June 15, 2021, 396,800 phantom RSAs were issued at a grant price of $25.02 per phantom RSA. On June 1, 2023, 411,500 phantom RSAs were issued at a grant price of $19.04 per phantom RSA. Phantom RSAs have similar vesting terms to the RSAs, except that the phantom RSAs will be settled in cash based on the fair value of the shares on the vesting date. Thus, the phantom RSAs were determined to be liability awards and are adjusted for changes in the Company’s stock price at each reporting date, with mark to market adjustments recognized in the results of operations.

As of December 31, 2023 and 2022, there were 0 and 70,000, respectively, RSAs outstanding with weighted average grant prices per RSA of $0 and $15.97, respectively, and 10,000 stock options outstanding with an exercise price of $25.55. As of December 31, 2023 and 2022, there were 748,800 and 366,800, respectively, phantom RSAs outstanding with a weighted average grant price per phantom RSA of $21.85 and $25.02, respectively, and a liability balance of $5.1 million and $2.0 million, respectively, included within compensation payable.

On November 15, 2021, the Compensation Committee of GAMI accelerated the vesting relating to 483,515 of GAMI RSAs outstanding effective December 15, 2021. As a result, GAMI recorded an incremental $3.8 million of stock-based compensation expense for 2021 that would have been recognized in future years. On September 2, 2022 and December 22, 2022, the Compensation Committee of GAMI accelerated the vesting relating to 253,700 and 78,500, respectively, of GAMI RSAs outstanding effective September 12, 2022 and December 28, 2022, respectively. As a result, GAMI recorded an incremental $1.9 million of stock-based compensation expense for 2022 that would have been recognized in future years. On December 22, 2022, the Compensation Committee of GAMI accelerated the vesting relating to 70,000 of GAMI RSAs outstanding effective January 3, 2023. As a result, GAMI recorded an incremental $0.2 million of stock-based compensation expense for 2023 that would have been recognized in future years. For the years ended December 31, 2023, 2022, and 2021, the Company recorded approximately $0.5 million, $3.1 million, and $7.5 million, respectively, in stock-based non-cash RSA compensation expense, including such incremental expense from the accelerated vesting, which resulted in the recognition of tax benefits of approximately $0.1 million, $0.7 million and $1.9 million, respectively. For the years ended December 31, 2023 and 2022, the Company recorded approximately $3.1 million and $0.8 million, respectively, in stock-based phantom RSA compensation expense, which resulted in the recognition of tax benefits of approximately $0.8 million and $0.2 million, respectively.

The total compensation costs related to non-vested phantom RSA awards to teammates, excluding the CEO who received none, not yet recognized was approximately $8.4 million as of December 31, 2023.

Stock Repurchase Program

In March 1999, the Board of Directors established the Stock Repurchase Program to grant management the authority to repurchase shares of Class A Stock. The Board of Directors has authorized additional share repurchases since establishing the program, including most recently, on November 7, 2023, a share repurchase increase of 500,000 shares of its outstanding Class A Stock. Purchases may be made from time to time, at management's discretion, in the open market or in private transactions, including the use of trading plans, as well as pursuant to accelerated share repurchase programs or other share repurchase strategies.

For the years ended December 31, 2023, 2022, and 2021, the Company repurchased 773,542, 1,039,387, and 700,722 shares, respectively, at an average price per share of $18.80, $18.43, and $23.54, respectively. At December 31, 2023, the total shares available under the Stock Repurchase Program to be repurchased in the future were 861,008. The Stock Repurchase Program has no expiry.

Dividends

During 2023, 2022, and 2021, the Company declared cash dividends of $0.16 per share, $0.16 per share and $0.10 per share, respectively, to class A and class B shareholders totaling $4.1 million, $4.3 million, and $2.7 million, respectively. During 2021, the Company declared a special dividend of $2.00 per share to shareholders of Class A Stock and Class B Stock payable in Subordinated Notes that totaled $54.5 million, of which $0.4 million was paid in cash in lieu of fractional Subordinated Notes.

Shelf Registration

In April 2018, the SEC declared effective the Company's "shelf" registration statement on Form S-3 giving the Company the flexibility to sell any combination of senior and subordinate debt securities, convertible debt securities, and equity securities (including common and preferred securities) up to a total amount of $500 million. The shelf was available through April 2021. On July 21, 2021, the Company filed a new "shelf" registration statement on Form S-3 on similar terms, which was declared effective on July 27, 2021. On September 20, 2022, the Company filed a post-effective amendment to voluntarily withdraw the "shelf" registration statement.

9. Goodwill and Identifiable Intangible Assets

Goodwill is initially measured as the excess of the cost of the acquired business over the sum of the amounts assigned to assets acquired less the liabilities assumed. At December 31, 2023 and 2022, there was goodwill of $0.2 million maintained on the consolidated statements of financial condition related to G.distributors.

As a result of becoming the advisor to the Gabelli Enterprise Mergers and Acquisitions Fund and the associated consideration paid, the Company maintains an identifiable intangible asset of $0.8 million and $1.0 million at December 31, 2023 and 2022, respectively. This investment advisory agreement is next up for renewal in February 2025. As a result of becoming the advisor to the Bancroft Fund Ltd. and the Ellsworth Growth and Income Fund Ltd. and the associated consideration paid, the Company maintains an identifiable intangible asset of $1.6 million at December 31, 2023 and 2022. The investment advisory agreements for the Bancroft Fund Ltd. and the Ellsworth Growth and Income Fund Ltd. are next up for renewal in August 2024. Each of these investment advisory agreements are subject to annual renewal by the respective fund's board of directors, which the Company expects to be renewed, and the Company does not expect to incur additional expense as a result, which is consistent with other investment advisory agreements entered into by the Company.

The Company assesses the recoverability of goodwill and intangible assets at least annually each November 30, or more often should events warrant. For the years ended December 31, 2023, 2022, and 2021, as a result of the dislocations in the financial markets resulting from COVID-19 and other more recent market turmoil, impairment analyses and annual assessments of the recoverability of the intangible assets were performed which resulted in $210 thousand, $332 thousand, and $0 thousand, respectively, of impairment charges to the identifiable intangible asset related to the Enterprise Fund included within other operating expenses on the consolidated statements of income. There was no impairment charge recorded to the identifiable intangible asset related to the Bancroft Fund or Ellsworth Fund.

10. Commitments and Contingencies

From time to time, the Company may be named in legal actions and proceedings in the normal course of business. These actions may seek substantial or indeterminate compensatory as well as punitive damages or injunctive relief. The Company is also subject to governmental or regulatory examinations or investigations. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. There are currently no such matters pending that the Company believes could have a material adverse effect on its consolidated financial condition, operations, or cash flows at December 31, 2023.

Leases

On December 5, 1997, the Company entered into a fifteen-year lease, expiring on April 30, 2013, of an approximately 60,000 square foot building located at One Corporate Center, Rye, New York (the "Building") from M4E, LLC ("M4E"), an entity controlled by members of the Chairman's family. On June 11, 2013, the Company modified and extended its lease of the Building with M4E. The lease term was extended to December 31, 2028 and the base rental remained at $18 per square foot, or $1.1 million, for 2014. For each subsequent year through December 31, 2028, the base rental is determined by the change in the consumer price index for the New York Metropolitan Area for November of the immediate prior year with the base period as November 2008 for the New York Metropolitan Area.

This lease has been accounted for as a finance lease under FASB ASC Topic 842 as it transfers substantially all the benefits and risks of ownership to the Company. The Company has recorded the leased property as an asset and a lease obligation for the present value of the obligation of the leased property. The leased property is amortized on a straight-line basis from the date of the most recent extension to the end of the lease. The lease obligation is amortized over the same term using the interest method of accounting. Finance lease improvements are amortized from the date of expenditure through the end of the lease term or the useful life, whichever is shorter, on a straight-line basis. The lease provides that all operating expenses relating to the property (such as property taxes, utilities, and maintenance) are to be paid by the lessee, GAMCO. These are recognized as expenses in the periods in which they are incurred. Accumulated amortization on the leased property at December 31, 2023 and 2022 was approximately $6.1 million and $5.9 million, respectively.

The Company also rents office space under operating leases, which expire at various dates through December 31, 2030.

The following table summarizes the Company's leases for the years presented (in thousands, except lease term and discount rate):

	Years Ended December 31,		
	2023	2022	2021
Finance lease cost - interest expense	$ 1,061	$ 1,046	$ 1,034
Finance lease cost - amortization of right-of-use asset	308	276	267
Operating lease cost	492	585	664
Sublease income	(142)	(126)	(150)
Total lease cost	$ 1,719	$ 1,781	$ 1,815
Other information:			
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows from operating leases	$ 306	$ 652	$ 501
Financing cash flows from finance lease	385	318	264
Total cash paid for amounts included in the measurement of lease liabilities	$ 691	$ 970	$ 765
Right-of-use assets obtained in exchange for new operating lease liabilities	$ -	$ -	$ 2,356
Weighted average remaining lease term—finance lease (years)	5.0	6.0	7.0
Weighted average remaining lease term—operating leases (years)	3.6	2.5	3.3
Weighted average discount rate—finance lease	19.1%	19.1%	19.1%
Weighted average discount rate—operating leases	5.0%	5.0%	5.0%

The finance lease right-of-use asset, net of amortization, at December 31, 2023 and 2022 was $1.0 million and $1.3 million, respectively, and the operating right-of-use assets, net of amortization, were $1.6 million and $1.9 million, respectively, and these right-of-use assets were included within finance lease in the consolidated statements of financial condition.

The following table summarizes the maturities of lease liabilities at December 31, 2023 (in thousands):

Year ending December 31,	Finance Leases	Operating Leases	Total Leases
2024	1,484	502	$ 1,986
2025	1,080	391	1,471
2026	1,080	391	1,471
2027	1,080	359	1,439
2028	1,080	343	1,423
Thereafter	-	687	687
Total lease payments	$ 5,804	$ 2,673	$ 8,477
Less imputed interest	(2,376)	(914)	(3,290)
Total lease liabilities	$ 3,428	$ 1,759	$ 5,187

The finance lease contains an escalation clause tied to the change in the New York Metropolitan Area Consumer Price Index which may cause the future minimum payments to exceed the amounts shown above. Future minimum lease payments have not been reduced by related minimum future sublease rentals of approximately $0.6 million due over the next three years, which are due from affiliated entities.

11. Shareholder-Designated Charitable Contributions

During 2013, the Company established a shareholder-designated charitable contribution program. Under the program, each shareholder is eligible to designate a charity to which the Company would make a donation based upon the actual number of shares registered in the shareholder's name. Shares held in nominee or street name are not eligible to participate. There were no shareholder-designated charitable contributions during 2023 and 2022. During 2021, the Company recorded charges of $11.3 million, which were included in shareholder-designated charitable contributions on the consolidated statements of income.

12. Related Party Transactions

The following is a summary of certain related party transactions.

GGCP Holdings, LLC ("GGCP Holdings"), a subsidiary of GGCP, which is majority-owned by Mr. Gabelli, owns a majority of the outstanding shares of the Company's Class B Stock. As of both December 31, 2023 and 2022, such ownership represented approximately 93% of the combined voting power of the outstanding common stock and approximately 74% and 71% of the equity interest, respectively. As of December 31, 2023 and 2022, AC and its subsidiaries own approximately 2.4 million shares of the Company's Class A Stock representing approximately 1% of the combined voting power and approximately 10% of the equity interest. AC is majority-owned by GGCP Holdings. Accordingly, Mr. Gabelli is deemed to control GAMI.

Leases

The Company leases the Building from M4E, an entity controlled by members of the Chairman's family. See Leases within Note 10 for further details.

The Company sub-leases approximately 4,900 square feet effective January 1, 2022, up from 3,300 square feet, in the Building to LICT Corporation, a company for which Mr. Gabelli serves as Chairman and Co-CEO, which pays rent at the base rate of $28 per square foot plus $3 per square foot for electricity, subject to adjustment for increases in taxes and other operating expenses. The total amounts received in each of 2023, 2022, and 2021 for rent and other expenses under this lease were $0.2 million, $0.2 million, and $0.1 million, respectively, which were recorded in other operating expenses as a credit on the consolidated statements of income. On May 20, 2021, the Company and LICT further agreed to extend the term of the sub-lease until December 31, 2028 on the same terms and conditions. The Company also sub-leased approximately 1,600 square feet in the Building through December 31, 2021 to Teton, a company which is majority owned by GGCP Holdings. Teton paid rent at the base rate of $37.75 per square foot plus $3 per square foot for electricity, subject to adjustment for increases in taxes and other operating expenses. The total amount received in 2021 for rent and other expenses under this lease were $0.1 million, which was recorded in other operating expenses as a credit on the consolidated statements of income. For August 5, 2020 through December 31, 2023, the Company sub-leased approximately 5,200 square feet in the Building to AC. AC pays rent at the base rate of $22.32 per square foot plus $3 per square foot for electricity. The total amount received in each of 2023, 2022, and 2021 for rent and other expenses under this lease was $0.1 million, which was recorded in distribution fees and other income on the consolidated statements of income. For August 5, 2020 through December 31, 2023, the Company sub-leased approximately 2,800 square feet in the Building to Morgan Group Holding Co., a former subsidiary of GGCP. The total amount received in each of 2023, 2022, and 2021 for rent and other expenses under this lease was $0.1 million, which was recorded in distribution fees and other income on the consolidated statements of income.

Effective September 1, 2019, the Company leases office space located at 191 Mason Street, Greenwich, CT from AC for its principal office. During 2023, 2022, 2021, the Company paid AC $0.1 million in rent for each year.

Effective January 1, 2021, the Company leases office space located at 3 St. James's Place, London from AC. During 2023, 2022 and 2021, the Company paid AC £0.3 million, £0.2 million and £0.2 million, respectively, in rent.

Investment Advisory Services

The Company serves as the investment advisor for the Funds and earns advisory fees based on predetermined percentages of the average net assets of the Funds, discussed within Note 2, Revenue Recognition. In addition, G.distributors has entered into distribution agreements with each of the Funds. It also distributes funds managed by Teton and its affiliates. As principal distributor, G.distributors incurs certain promotional and distribution costs related to the sale of Fund shares, for which it receives a distribution fee from the Funds or reimbursement from the investment advisor. For 2023, 2022, and 2021, the Company received $17.0 million, $19.8 million, and 23.7 million, respectively, in distributions fees. Advisory and distribution fees receivable from the Funds were approximately $16.3 million and $18.4 million at December 31, 2023 and 2022, respectively.

Pursuant to an agreement between Gabelli & Company Investment Advisers, Inc. ("GCIA"), a subsidiary of Associated Capital Group, Inc. ("AC"), and Gabelli Funds, Gabelli Funds pays to GCIA 90% of the net revenues received by Gabelli Funds related to being the advisor to the SICAV. Net revenues are defined as gross advisory fees less expenses related to payouts and expenses of the SICAV paid by Gabelli Funds. The amounts paid by Gabelli Funds to GCIA for 2023, 2022, and 2021 were $3.8 million, $7.0 million, and $8.9 million, respectively, and were included in other operating expenses on the consolidated statements of income.

GAMCO has entered into agreements to provide advisory and administrative services to MJG Associates, Inc., which is wholly-owned by Mr. Gabelli, with respect to the private investment funds managed by them. Pursuant to such agreements, MJG Associates, Inc. paid GAMCO $0.01 million (excluding reimbursement of expenses) for each of the years 2023, 2022, and 2021.

Compensation

Immediately preceding the initial public offering in February 1999, GAMI and the Company's Chairman and Co-CEO, Mr. Gabelli, entered into an employment agreement. On February 6, 2008, Mr. Gabelli entered into an amended and restated employment agreement, the 2008 Employment Agreement, with the Company, which was initially approved by the Company's shareholders on November 30, 2007 and approved again on May 6, 2011, May 5, 2015, and June 5, 2020.

Under the terms of this agreement and consistent with the Firm's practice since its inception in 1977, Mr. Gabelli is entitled to receive a percentage of revenues or net operating contribution, which are substantially derived from AUM, as compensation relating to or generated by the following activities: (i) managing or overseeing the management of various investment companies, (ii) attracting mutual fund shareholders, (iii) attracting and managing Institutional and PWM clients, and (iv) otherwise generating revenues for the Company. Such payments are made in a manner and at rates as agreed to from time to time by GAMCO, which rates have been and generally will be the same as those received by other professionals at GAMCO performing similar services. With respect to the Institutional and PWM and Funds advisory businesses, the Company pays out up to 40% of the revenues or net operating contribution to the portfolio managers and marketing teammates who introduce, service, or generate such business, with payments involving the Institutional and PWM accounts being typically based on revenues and payments involving the Funds being typically based on net operating contribution.

Mr. Gabelli has agreed that while he is employed by the Company, he will not provide investment management services outside of GAMCO, except for certain permitted accounts as defined under the agreement. The 2008 Employment Agreement may not be amended without the approval of the Compensation Committee and Mr. Gabelli.

Mr. Gabelli receives compensation in the form of a management fee for managing the Company. The management fee is incentive-based and entirely variable compensation in the amount of 10% of the aggregate pre-tax profits, which is paid to Mr. Gabelli or his designee for acting as CEO pursuant to his 2008 Employment Agreement so long as he is an executive of GAMI and devotes the substantial majority of his working time to the business. In accordance with his 2008 Employment Agreement, he has allocated $4.4

million, \$2.0 million, and \$1.7 million of his management fee to certain other teammates of the Company in 2023, 2022, and 2021, respectively.

During 2022, Mr. Gabelli elected to waive \$11.9 million in compensation that he would otherwise have been entitled to under his 2008 Employment Agreement relating to the period of March 1, 2022 to May 31, 2022. During 2021, Mr. Gabelli elected to waive \$20.8 million in compensation that he would otherwise have been entitled to under his 2008 Employment Agreement relating to the period of July 1, 2021 to November 30, 2021. There was no waiver for the year ended December 31, 2023.

Other

GAMI and Teton entered into a transitional administrative and management service agreement in connection with the spin-off of Teton from GAMI that formalized certain arrangements. Effective January 1, 2011, Teton and GAMI renegotiated the terms of the sub-administration agreement from a flat 0.20% on the average net assets of the mutual funds managed by Teton to 0.20% on the first \$370 million in average net assets, 0.12% on the next \$630 million in average net assets, and 0.10% on average net assets in excess of \$1 billion, as compensation for providing mutual fund administration services. Effective January 1, 2022, Teton and GAMI renegotiated the terms of the sub-administration agreement to 0.05% on the first \$500 million in average net assets, and 0.03% on average net assets in excess of \$500 million. Additionally, Teton paid to GAMI an administrative services fee of \$4,167 per month. During 2023, 2022, and 2021, there was \$0.2 million, \$0.2 million and \$1.5 million, respectively, included in distribution fees and other income on the consolidated statements of income.

GAMI and Keeley Funds, Inc. ("Keeley") entered into a fund administration servicing agreement on October 1, 2018 to provide fund services to Keeley. Under the agreement, Keeley pays to GAMI \$24 thousand annually for legal administration, a variable 0.025% on the first \$1.5 billion of average net assets of the mutual funds managed by Keeley, 0.015% on the next \$6.5 billion managed by Keeley, 0.0125% on the balance of the funds managed by Keeley, as well as 0.0025% on the funds managed by Keeley for daily compliance testing. During 2023, 2022, and 2021, there was \$0.1 million, \$0.1 million and \$0.2 million, respectively, included in distribution fees and other income on the consolidated statements of income.

GAMI and AC entered into a transitional administrative and management services agreement in connection with the spin-off of AC from GAMI on November 30, 2015. The agreement calls for GAMI to provide to AC certain administrative services including but not limited to: human resources, compliance, legal, payroll, information technology, and operations. All services provided under the agreement by GAMI to AC or by AC to GAMI are charged at cost. The agreement is terminable by either party on 30 days' prior written notice to the other party and has a term of twelve months.

13. Regulatory Requirements

The Company's broker-dealer subsidiary, G.distributors, is subject to certain net capital requirements. G.distributors computes its net capital under the alternative method permitted, which requires minimum net capital of the greater of \$250,000 or 2% of the aggregate debit items in the reserve formula for those broker-dealers subject to Rule 15c3-3 promulgated under the Securities Exchange Act of 1934, as amended. The requirement was \$250,000 for the broker-dealer at December 31, 2023 and 2022. At December 31, 2023 and 2022, G.distributors had net capital, as defined in the Rule, of approximately \$2.5 million and \$2.6 million, respectively, exceeding the regulatory requirement by approximately \$2.2 million and \$2.4 million, respectively.

The Company's subsidiary, GAMCO Asset Management (UK) Limited is authorized and regulated by the Financial Conduct Authority ("FCA"). In February 2011, GAMCO Asset Management (UK) Limited increased its permitted license with the FCA's predecessor, the Financial Services Authority. At December 31, 2023 and 2022, GAMCO Asset Management (UK) Limited held total capital of £1.0 million and £864 thousand (\$1.3 million and \$1.0 million), respectively, and had a Financial Resources Requirement of £56 thousand and £186 thousand (\$71 thousand and \$225 thousand), respectively. These minimum requirements have consistently been met or exceeded.

14. Administration Fees

The Company has entered into administration agreements with other companies (the "Administrators"), whereby the Administrators provide certain services on behalf of several of the Funds. Such services do not include the investment advisory and portfolio management services provided by GAMI. The fees were negotiated and based on predetermined percentages of the net assets of each of the Funds.

15. Profit Sharing Plan and Incentive Savings Plan

The Company has a qualified contributory employee profit sharing plan and incentive savings plan covering substantially all teammates. Company contributions to the plans are determined annually by the Board of Directors, but may not exceed the amount permitted as a deductible expense under the Internal Revenue Code. For the years ended December 31, 2023, 2022, and 2021, the Company accrued contributions of approximately \$83 thousand, \$66 thousand, and \$20 thousand to the plans, respectively.

16. Subsequent Events

Subsequent events have been evaluated through the date the consolidated financial statements were issued. There have been no subsequent events that require recognition or disclosure through the date the consolidated financial statements were issued, except as disclosed below.

On February 6, 2024, the Board of Directors declared a regular quarterly dividend of \$0.04 per share to all of its shareholders, payable on March 26, 2024 to shareholders of record on March 12, 2024.

From January 1, 2024 to March 21, 2024, the Company repurchased 230,228 shares at \$19.42 per share. As a result, there are 630,780 shares available to be repurchased under the Company's existing buyback plan at March 21, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and the notes thereto included in "Financial Statements and Supplementary Data." This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to those described in Part C of this Annual Report "Risk Factors." Our actual results could differ materially from those anticipated by such forward-looking statements due to factors discussed under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" appearing elsewhere in this Annual Report.

OVERVIEW

GAMCO (OTCQX: GAMI), a company incorporated under the laws of Delaware, is a widely-recognized provider of investment advisory services to 24 open-end funds, 14 closed-end funds, 5 actively managed semi-transparent ETFs, one SICAV, and approximately 1,400 Institutional and PWM investors principally in the U.S. The Company generally manages assets on a fully discretionary basis and invests in a variety of U.S. and international securities through various investment styles including value, growth, non-market correlated, convertible securities, and U.S. Treasury securities. The Company's revenues are based primarily on the levels of AUM and fees associated with our various investment products. GAMCO serves a broad client base, including institutions, intermediaries, offshore investors, private wealth, and direct retail investors.

GAMCO offers a wide range of solutions for clients across Value and Growth Equity, Convertibles, actively managed semi-transparent ETFs, sector-focused strategies including Gold and Utilities, Merger Arbitrage, Fixed Income, and 100% U.S. Treasury Money Markets Funds. In 1977, GAMCO launched its well-known All Cap Value strategy, Gabelli Value, and in 1986 entered the mutual fund business.

The investment advisory business is conducted principally through the following subsidiaries: Gabelli Funds (open-end funds, closed-end funds, and actively managed semi-transparent ETFs) and GAMCO Asset (Institutional and PWM). The distribution of open-end funds and actively managed semi-transparent ETFs are conducted through G.distributors, the Company's broker-dealer subsidiary.

2023 Business and Investment Highlights

- On January 4, 2023, the fifth Gabelli actively managed semi-transparent ETF, GCAD (The Gabelli Commercial Aerospace & Defense ETF) launched on NYSE. This ETF focuses on the aerospace and defense sectors. The Fund's adviser is absorbing expenses, including management fees, from the commencement of the Fund's operations on the first $25 million of net assets for one year.
- On February 23rd, we hosted our 33rd Annual Pump, Valve & Water Systems Symposium. The meeting featured presentations by senior management of several leading industrial companies with an emphasis on industrial and municipal water use and the role of technology.
- On March 16th, we hosted our 14th Annual Specialty Chemicals Symposium. The symposium featured presentations from senior management of leading specialty chemicals companies.
- On April 25th to April 27th, Gabelli Funds was the Principal Sponsor of Morningstar's Annual Investor Conference held in Chicago.
- On May 5th, GAMI hosted the 17th Annual Omaha Research Trip in conjunction with the Berkshire Hathaway Annual Meeting. This Value Investor Conference attracted a record number of participants with Gabelli portfolio managers anchoring panels with noted Berkshire experts and regional CEOs.
- On May 11th, GAMI hosted its 9th Annual Waste & Sustainability Symposium at the Harvard Club in New York City.
- On June 8th, more than a dozen media and entertainment companies participated in our 15th Annual Entertainment & Broadcasting Symposium.
- On September 7th, we hosted our 29th Annual Aerospace & Defense Symposium in New York City. The symposium featured leading companies in the Aerospace and Defense industries.
- On September 28th, we hosted our first PFAS Symposium in New York City where leading companies in waste and disposal services, water utilities, testing, and remediation discussed relevant polyfluoroalkyl substances (PFAS) topics, including the vast implications of forever chemicals.

- On October 30th and 31st, we hosted our 47th Annual Automotive Symposium in Las Vegas. The symposium featured presentations from senior management of leading automotive and electric vehicle suppliers.
- On November 17th, we hosted our 5th Annual Healthcare Symposium in conjunction with Columbia Business School.

Subsequent to the end of 2023:

- The Gabelli U.S. Treasury Money Market Fund, which has the lowest cost of any 100% U.S. Treasury money market fund, is exempt from state and local taxes, and has check writing privileges, benefitted from $2.0 billion of net inflows during 2023 and a further $0.2 billion of net inflows in early 2024, bringing the total assets in the fund to $4.9 billion at February 29, 2024.

Giving Back to Society – (Y)our "S" in ESG

Since our initial public offering in February 1999, our firm's combined charitable donations total approximately $74 million, including $48 million through the SDCC program. Since its inception in 2013, GAMI shareholders have designated charitable gifts to approximately 350 charitable organizations.

Shareholder Compensation and Initiatives

During 2023 and 2022, we returned $18.6 million and $23.5 million, respectively, of our earnings to shareholders through dividends and stock repurchases, including a total of $0.16 per share in regular quarterly cash dividends totaling $4.1 million and $4.3 million, respectively.

Through our Stock Repurchase Program, including routine open market purchases under Rules 10b5-1 and 10b-18 of the Securities Exchange Act of 1934, as amended and opportunistic private transactions, we repurchased 773,542 shares and 1,039,387 shares in 2023 and 2022, respectively, for approximately $14.5 million and $19.2 million, respectively, or $18.80 per share and $18.43 per share, respectively. At December 31, 2023, the total shares available under the Stock Repurchase Program for Class A Stock to be repurchased in the future were 861,008. The Stock Repurchase Program is not subject to an expiration date.

Assets Under Management

AUM was $31.1 billion as of December 31, 2023, an increase of $1.8 billion, or 6.1%, from the December 31, 2022 AUM of $29.3 billion. The activity for 2023 consisted of $3.2 billion of market appreciation offset by net cash outflows of $797 million and recurring distributions, net of reinvestments, from the Funds of $548 million. Average total AUM was $30.3 billion in 2023 versus $31.0 billion in 2022, a decrease of 2.3%.

We earn incentive fees for certain institutional client assets, assets attributable to certain preferred issues for our closed-end Funds, our GDL Fund (NYSE: GDL), the Gabelli Merger Plus$^+$ Trust Plc (LSE: GMP), and the GAMCO Merger Arbitrage Fund. As of December 31, 2023, assets with incentive based fees were $1.0 billion, a decrease of $0.3 billion, of 23.1%, from the $1.3 billion on December 31, 2022. The majority of these assets have calendar year-end measurement periods; therefore, our incentive fees are primarily recognized in the fourth quarter when the uncertainty is removed at the end of the annual measurement period.

RESULTS OF OPERATIONS

Investment advisory and incentive fees, which are based on the amount and composition of AUM in our Funds and Institutional and PWM accounts, and distribution fees represent our largest source of revenues. In addition to the general level and trends of the stock market, growth in revenues depends on good investment performance, which influences the value of existing AUM as well as contributes to higher investment and lower redemption rates and facilitates the ability to attract additional investors while maintaining current fee levels. Growth in AUM is also dependent on being able to access various distribution channels, which is usually based on several factors, including performance and service. A majority of our cash inflows to mutual fund products have come through third party distribution programs, including no-transaction fee programs. We have also been engaged to act as a sub-advisor for other much larger financial services companies with much larger sales distribution organizations. These sub-advisory clients are subject to business combinations that may result in the termination of the relationship. The loss of a sub-advisory relationship could have a significant impact on our financial results in the future.

Advisory fees from the Funds and sub-advisory accounts are computed daily or weekly based on average net assets. Advisory fees from Institutional and PWM clients are generally computed quarterly based on account values as of the end of the preceding quarter. These revenues are based on AUM, which is highly correlated to the stock market and can vary in direct proportion to movements in the stock market and the level of sales compared with redemptions, financial market conditions, and the fee structure for AUM. Revenues derived from the equity-oriented portfolios generally have higher advisory fee rates than fixed income portfolios.

We also receive incentive fees from certain Institutional and PWM clients, which are based upon meeting or exceeding a specific benchmark index or indices. These fees are recognized at the end of the stipulated contract period, which may be quarterly or annually, for the respective account. Advisory fees on assets attributable to certain of the closed-end preferred shares are earned at year-end if the total return to common shareholders of the closed-end fund for the calendar year exceeds the dividend rate of the preferred shares. These fees are recognized at the end of the measurement period.

Distribution fees and other income primarily include distribution fee revenue earned in accordance with Rule 12b-1 of the Company Act, along with sales charges and underwriting fees associated with the sale of the mutual funds plus other revenues. Distribution fees fluctuate based on the level of AUM and the amount and type of mutual funds sold directly by G.distributors or through various distribution channels.

Compensation costs include variable and fixed compensation and related expenses paid to officers, portfolio managers, sales, trading, research, and all other professional teammates. Variable compensation paid to sales teammates and portfolio management generally represents 40% of revenues and is the largest component of total compensation costs. Distribution costs include marketing, product distribution, and promotion costs. The management fee is incentive-based and entirely variable compensation in the amount of 10% of the aggregate pre-tax profits, which is paid to Mr. Gabelli or his designee for acting as CEO pursuant to his 2008 Employment Agreement so long as he is an executive of GAMI and devotes the substantial majority of his working time to the business. Other operating expenses include general and administrative operating costs.

Non-operating income/(loss) includes gain/(loss) from investments, net (which includes both realized and unrealized gains and losses from securities), interest and dividend income, interest expense, and shareholder-designated charitable contribution. The gain/(loss) from investments, net is derived from our proprietary investment portfolio consisting of various public investments.

The following table (in thousands, except per share data) and discussion of our results of operations are based upon data derived from the consolidated statements of income contained in our consolidated financial statements and should be read in conjunction with those statements included earlier in Part D of this Annual Report.

	Years Ended December 31, 2023	2022
Revenues		
Investment advisory and incentive fees	$ 217,169	$ 236,856
Distribution fees and other income	18,696	21,890
Total revenues	235,865	258,746
Expenses		
Compensation	112,750	111,232
Management fee	8,657	5,690
Distribution costs	24,682	25,876
Other operating expenses	23,569	26,714
Total expenses	169,658	169,512
Operating income	66,207	89,234
Non-operating income / (loss)		
Gain/(loss) from investments, net	3,754	(13,245)
Interest and dividend income	9,112	8,735
Interest expense	(1,159)	(2,526)
Shareholder-designated charitable contribution	-	-
Total non-operating income / (loss)	11,707	(7,036)
Income before income taxes	77,914	82,198
Provision for income taxes	17,707	16,635
Net income	$ 60,207	$ 65,563
Earnings per share:		
Basic	$ 2.38	$ 2.52
Diluted	$ 2.38	$ 2.51

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Overview

Net income for 2023 was $60.2 million, or $2.38 per fully diluted share, versus $65.6 million, or $2.51 per fully diluted share, in 2022. The year-to-year comparison was impacted by lower revenues, higher income taxes, and slightly higher expenses, offset partially by higher non-operating income.

Revenues

Total revenues were $235.9 million in 2023, $22.8 million or 8.8% lower than the total revenues of $258.7 million in 2022. The change in total revenues by component was as follows (dollars in millions):

	Years Ended December 31, 2023	2022	Increase (decrease) $	%
Investment advisory	$ 215.2	$ 233.4	$ (18.2)	(7.8)
Incentive fees	2.0	3.4	(1.4)	(41.2)
Distribution fees and other income	18.7	21.9	(3.2)	(14.6)
Total revenues	$ 235.9	$ 258.7	$ (22.8)	(8.8)

Investment advisory fees excluding incentive fees, which comprised 91.2% of total revenues in 2023, are directly influenced by the level and mix of average AUM. Average total AUM decreased 2.3% to $30.3 billion in 2023 as compared to $31.0 billion in 2022. Average equity AUM decreased 8.0% to $26.5 billion in 2023 from $28.8 billion in 2022, primarily from net outflows, slightly offset by market appreciation. Incentive fees, which comprised 0.8% of total revenues in 2023, result from our ability to either generate an absolute return in a portfolio or meet or exceed a specific benchmark index or indices and can vary significantly from one period to another. Incentive fees were lower in 2023 as a larger number of portfolios did not exceed their respective benchmarks as compared to 2022.

Fund revenues decreased $9.2 million or 5.8%, to $150.4 million, driven by lower average AUM. Revenue from open-end Funds decreased $7.0 million, or 7.9%, to $81.8 million from the prior year as average equity AUM in 2023 decreased $0.9 billion, or 10.1%, to $8.0 billion from the $8.9 billion in 2022. Closed-end fund revenues decreased $2.2 million, or 3.1%, to $68.6 million from the prior year and were comprised of a decrease of $4.1 million in investment advisory fees attributable to lower average AUM offset slightly by an increase of $1.9 million in incentive fees on certain closed-end fund AUM. Revenue from Institutional and PWM accounts, which are generally billed on beginning quarter AUM, decreased $5.3 million, or 8.1%, to $59.8 million principally due to lower billable AUM levels throughout the course of 2023. In 2023, average AUM in our equity Institutional and PWM business decreased $0.9 billion, or 7.8%, for the year to $10.7 billion. SICAV revenues were $7.0 million in 2023, including $0.1 million of incentive fees, down from $12.1 million in 2022.

Distribution fees and other income decreased $3.2 million, or 14.6%, to $18.7 million in 2023 from $21.9 million in 2022 primarily from lower average open-end equity Fund AUM which decreased 10.1%. Distribution fees were $17.0 million in 2023 versus $19.8 million in 2022 while other income was $1.7 million in 2023 versus $2.1 million in 2022.

Expenses

Total compensation costs, which are largely variable in nature, increased $1.6 million, or 1.4%, to $112.8 million in 2023 from $111.2 million in 2022. Variable compensation costs, which are tied to revenues and principally consist of portfolio manager and relationship manager fees, increased $3.9 million to $70.2 million in 2023 from $66.3 million in 2022 and increased as a percent of revenues to 29.7% in 2023 from 25.6% in 2022. The decrease of waived compensation by the Co-CEO, in his capacity as a portfolio manager and a relationship manager, to $0 million in 2023, as compared to $9.8 million in 2022, offset the decrease in variable compensation costs due to lower average AUM. During 2022, the Co-CEO elected to irrevocably waive all of his compensation for a total of three months (March 1, 2022 to May 31, 2022). Fixed compensation costs decreased to $39.1 million in 2023 from $41.0 million in 2022. Stock based compensation was $3.5 million in 2023, a decrease of $0.4 million, as compared to $3.9 million in 2022. During 2023 and 2022, RSA grants were accelerated resulting in an additional expense of $0.2 million and $1.9 million, respectively, that would have been recognized in future years.

In 2023, management fee expense increased to $8.7 million versus $5.7 million in 2022. Management fee expense is incentive-based and entirely variable in the amount of 10% of the aggregate pre-tax profits, which is paid to Mr. Gabelli (or his designee) in accordance with his 2008 Employment Agreement. During 2022, the Co-CEO compensation waiver reduced management fee expense by $2.1 million.

Distribution costs, which include marketing, promotion, and distribution costs decreased $1.2 million, or 4.6%, to $24.7 million in 2023 from $25.9 million in 2022, driven by a decrease in average open-end equity mutual funds AUM of 10.1%.

Other operating expenses were $23.6 million in 2023 compared to $26.7 million in 2022, a decrease of $3.1 million or 11.6%, primarily from decreased SICAV fees totaling $3.2 million paid to GCIA.

Operating income

Operating income decreased $23.0 million, or 25.8%, to $66.2 million for 2023, versus $89.2 million in 2022. This decrease in 2023 as compared to 2022 primarily resulted from lower revenues of $22.8 million. Operating margin was 28.1% for the year ended December 31, 2023, versus 34.5% in the prior year.

Operating income before management fee was $74.9 million for the year ended of 2023, versus $94.9 million in the prior year. Operating margin before management fee was 31.7% in 2023 versus 36.7 % in 2022. The reconciliation of operating income before management fee and operating margin before management fee, both of which are non-GAAP measures, to their respective GAAP measures is provided at the end of this section.

Non-operating income/(loss)

Total non-operating gain was $11.7 million for the year ended December 31, 2023, compared to a loss of $7.0 million in 2022. This was comprised of net gain from investments of $3.8 million in 2023 as compared to a net loss from investments of $13.2 million in 2022;

interest and dividend income of $9.1 million in 2023 versus $8.7 million in 2022; and interest expense of $1.2 million in 2023 as compared to $2.5 million in 2022.

The effective tax rate was 22.7% for the year ended December 31, 2023 versus 20.2% for the year ended December 31, 2022, primarily due to less non-deductible compensation and less state income tax, net of federal benefit.

<u>Non-GAAP information and reconciliation</u>

Operating income before management fee expense is used by management for purposes of evaluating its business operations. We believe this measure is useful in illustrating the operating results of the Company as management fee expense is based on pre-tax income before management fee expense, which includes non-operating items including gain/(loss) from investments, net from our proprietary investment portfolio, interest and dividend income, interest expense, and shareholder-designated charitable contribution. We believe that an investor would find this useful in analyzing our business operations without the impact of the non-operating items such as trading and investment portfolios, interest and dividend income, interest expense, or shareholder-designated charitable contribution.

Reconciliation of GAAP financial measures to non-GAAP (in thousands):

	2023	2022
Revenues, U.S. GAAP basis	$ 235,865	$ 258,746
Operating income, U.S. GAAP basis	66,207	89,234
Add back: management fee expense	8,657	5,690
Operating income before management fee	$ 74,864	$ 94,924
Operating margin	28.1%	34.5%
Operating margin before management fee	31.7%	36.7%

<u>Seasonality and Inflation</u>

We do not believe our operations are subject to significant seasonal fluctuations. We do not believe inflation will significantly affect our compensation costs, as they are substantially variable in nature. However, the rate of inflation may affect our expenses, such as information technology and occupancy costs. To the extent inflation results in rising interest rates and has other effects upon the securities markets, it may adversely affect our financial condition and results of operations by reducing our AUM, revenues, or otherwise.

LIQUIDITY AND CAPITAL RESOURCES

Our principal assets are highly liquid in nature and consist of cash and cash equivalents, U.S. Treasury Bills, short-term investments, and securities held for investment purposes. Cash and cash equivalents are comprised primarily of U.S Treasury Bills with maturities of three months or less at the time of purchase and a 100% U.S. Treasury money market fund managed by GAMCO (The Gabelli U.S. Treasury Money Market Fund).

Summary cash flow data for the years ended December 31, 2023 and 2022 was as follows (in thousands):

	Years Ended December 31, 2023	2022
Cash flows provided by (used in):		
Operating activities	$ 49,319	$ 86,782
Investing activities	(34,930)	(87,863)
Financing activities	(18,972)	(74,577)
Increase (decrease) in cash and cash equivalents	(4,583)	(75,658)
Effect of exchange rates on cash and cash equivalents	3	12
Net increase (decrease) in cash and cash equivalents	(4,580)	(75,646)
Cash and cash equivalents at beginning of year	66,381	142,027
Cash and cash equivalents at end of year	$ 61,801	$ 66,381
Short-term investments in U.S. Treasury Bills	$ 99,025	$ 9,906
Investments in fixed maturity securities	5,132	3,444
Cash, cash equivalents, short-term investments in U.S. Treasury Bills, and investments in fixed maturity securities	$ 165,958	$ 79,731

Cash and liquidity requirements have historically been met through cash generated by operating income and our borrowing capacity.

On February 15, 2022, the Company announced that the Co-CEO elected to irrevocably waive all of his compensation that he would otherwise have been entitled to for the period of March 1, 2022 to May 31, 2022. As a result of this waiver, there was $11.9 million of compensation and management fee waived by the Co-CEO for the year ended December 31, 2022. There was no waiver for the year ended December 31, 2023.

As of December 31, 2023, we had cash, cash equivalents, short-term investments in U.S. Treasury Bills, and investments in fixed maturity securities of $166.0 million, an increase of $86.3 million from the prior year-end balance of $79.7 million primarily due to the Company's operating activities, partially offset by the Company's investing and financing activities, as described below. There was no debt as December 31, 2023.

Net cash provided by operating activities was $49.3 million in 2023, as compared to $86.8 million provided by operating activities in 2022. Cash flows from operating activities primarily consisted of net income adjusted for certain non-cash items and changes in assets and liabilities.

Net cash used in investing activities in 2023 was $34.9 million relating to net purchases of securities, as compared to $87.9 million used in 2022, relating to net purchases of securities. As of December 31, 2023, we had total debt investments, including short-term investments in U.S. Treasury Bills and investments in fixed maturity securities, of $104.2 million, an increase in total debt investments of $90.8 million from the prior year-end balance of $13.4 million. As of December 31, 2023, we had total equity investments of $38.9 million, a decrease in total equity investments of $50.8 million from the prior year-end balance of $89.7 million.

Net cash used in financing activities in 2023 was $18.9 million, including $14.5 million paid for the purchase of treasury stock, $4.0 million paid in dividends, and $0.4 million paid on the principal portion of lease liabilities, as compared to $74.6 million used in 2022, including $51.1 million paid for the repurchase of Subordinated Notes, $19.2 million paid for the purchase of treasury stock, $4.2 million paid in dividends, and $0.2 million paid on the principal portion of lease liabilities.

The Company's principal contractual commitments include payments of lease obligations. Under the terms of the lease of our Rye, New York office, we are obligated to make minimum total payments of $5.8 million through December 2028. We are obligated to make future payments under various contracts such as finance and operating lease agreements of $8.5 million. We also had a net liability for unrecognized tax benefits related to uncertain tax positions of $19.5 million, including penalties and interest related to tax uncertainties in income taxes of approximately $11.0 million, some or all of which could result in future cash payments to various taxing authorities. At this time, we are unable to estimate the timing and amount of any future cash outflows related to these uncertain tax positions. As such amounts above, both individually and in the aggregate, can be satisfied with cash on hand and investments, we do not believe they represent a material liquidity risk to the company. We do not invest in any other off-balance sheet vehicles that provide financing, liquidity, market, or credit risk support or engage in any leasing activities that expose us to any liability that is not reflected on the consolidated financial statements.

We have one broker-dealer subsidiary, G.distributors, which is subject to certain net capital requirements. G.distributors computes its net capital under the alternative method permitted, which requires minimum net capital of the greater of $250,000 or 2% of the aggregate debit items in the reserve formula for those broker-dealers subject to Rule 15c3-3 promulgated under the Securities Exchange Act of 1934, as amended. The requirement was $250,000 for the broker-dealer at December 31, 2022 and 2021. At December 31, 2023 and 2022, G.distributors had net capital, as defined in the Rule, of approximately $2.5 million and $2.6 million, respectively, exceeding the regulatory requirement by approximately $2.2 million and $2.4 million, respectively. Net capital requirements for our affiliated broker-dealer may increase in accordance with the rules and regulations applicable to broker-dealers to the extent G.distributors engages in other business activities.

Our subsidiary, GAMCO Asset Management (UK) Limited, is authorized and regulated by the FCA. At December 31, 2023 and 2022, GAMCO Asset Management (UK) Limited held total capital of £1.0 million and £864 thousand ($1.3 million and $1.0 million), respectively, and had a Financial Resources Requirement of £56 thousand and £186 thousand ($71 thousand and $225 thousand), respectively. We have consistently met or exceeded these minimum requirements.

OUTSIDE PROVIDERS

The name, address, telephone number, and email address of outside providers that advise the issuer on matters relating to operations, business development, and disclosure

1. Investment Banker: None

2. Promoter: None

3. Securities Counsel: Olshan Frome Wolosky LLP
   1325 Avenue of the Americas
   New York, NY 10019
   Tel: +1 (212) 451-2300
   Fax: +1 (212) 451-2222
   Email: info@olshanlaw.com
   www.olshanlaw.com

4. Auditor: Deloitte & Touche LLP ("Deloitte")
   695 East Main Street
   Stamford, CT 06901-2150
   Tel: +1 (203) 708-4000
   Fax: +1 (203) 705-5455
   www.deloitte.com

   Preparation of GAMI's consolidated financial statements is the responsibility of management. Deloitte is responsible for expressing an opinion on the consolidated financial statements as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 based on their audits. During 2023 and 2022, we incurred audit fees from Deloitte of $1.2 million and $1.1 million, respectively, related to the audits of the financial statements of GAMI. During 2023 and 2022, we did not incur any other audit-related or other fees from Deloitte.

   Deloitte is registered with the PCAOB (ID: 34).

5. Public Relations Consultant: Zito Partners

6. Investor Relations Consultant: None

7. Any Other Advisor: None

PART E: ISSUANCE HISTORY

List of the Securities Offerings and Shares Issued for Services in the Past Two Years

There were no Class A Stock, Class B Stock, or options issued during the fiscal years 2023 and 2022.

PART F: EXHIBITS

(a) List of documents filed as part of this report:

(1) Consolidated financial statements and the reports of the independent registered public accounting firm are included herein:

See index on page 30.

(2) List of exhibits:

The agreements included or incorporated by reference as exhibits to this Annual Report contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) may have been qualified in such agreement by disclosures that were made to the other party in connection with the negotiation of the applicable agreement; (iii) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement.

The Company acknowledges that, notwithstanding the inclusion of the foregoing cautionary statements, it is responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this report not misleading.

Purchases of equity securities by the issuer and affiliated purchasers were included in Part B of this Annual Report.

Exhibit Number	**Description of Exhibit**
2.1	Separation and Distribution Agreement, dated November 30, 2015, by and between GAMCO Investors, Inc. and Associated Capital Group, Inc. (Incorporated by reference to Exhibit 2.1 to the Company's Form 8-K dated November 30, 2015 filed with the SEC on December 4, 2015).
3.1	Amended and Restated Certificate of Incorporation of the Company (Incorporated by reference to Exhibit 3.1 to the Company's Form 8-K dated November 20, 2013 filed with the SEC on November 22, 2013).
3.2	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of GAMCO Investors, Inc. (Incorporated by reference to Exhibit B of the Company's definitive proxy statement on Schedule 14A filed with the SEC on April 29, 2020).
3.3	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of the Company. (Incorporated by reference to Appendix A to the Company's definitive proxy statement on Schedule 14A filed with the SEC on July 2, 2021).
3.4	Amended and Restated Bylaws of the Company. (Incorporated by reference to Exhibit 3.2 to the Company's Report on Form 8-K dated November 20, 2013 filed with SEC on November 22, 2013).
3.5	Amendment No. 1 to Amended and Restated Bylaws of the Company (Incorporated by reference to Exhibit 3.3 to the Company's Report on Form 8-K dated September 23, 2014 filed with the SEC on September 26, 2014).
3.6	Amendment No. 2 to Amended and Restated Bylaws of the Company (Incorporated by reference to Exhibit 3.4 to the Company's Report on Form 8-K dated February 20, 2020 filed with the SEC on February 21, 2020).

4.1 Form of Common Stock Certificate. (Incorporated by reference to Exhibit 4.1 to the Company's Report on Form 8-K dated November 20, 2013 filed with the SEC on November 22, 2013).

4.2 Indenture, dated as of June 14, 2021, by and between the Company and Computershare Trust Company, N.A. as trustee (Incorporated by reference to Exhibit 4.1 to the Company's Report on Form 8-K dated June 14, 2021 filed with the SEC on June 15, 2021).

4.3 Form of 2-Year Puttable Subordinated Notes due 2023 (included in Exhibit 4.2). (Incorporated by reference to Exhibit 4.1 to the Company's Report on Form 8-K dated June 14, 2021 filed with the SEC on June 15, 2021).

4.4 Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934. (Incorporated by reference to Exhibit 4.9 to the Company's Report on Form 10-K filed with the SEC on March 6, 2020).

10.1 Tax Indemnification Agreement, dated February 1999, by and between the Company and Gabelli Funds, Inc. (Incorporated by reference to Exhibit 10.2 to Amendment No. 3 to the Company's Registration Statement on Form S-1 (File No. 333-51023) filed with the SEC on January 29, 1999).

10.2 The Company's 2002 Stock Award and Incentive Plan (Incorporated by reference to Exhibit A to the Company's definitive proxy statement on Schedule 14A filed with the SEC on April 30, 2002). *

10.3 First Amendment to the Company's 2002 Stock Award and Incentive Plan (Incorporated by reference to Annex D to the Company's definitive proxy statement on Schedule 14A filed with the SEC on October 30, 2013).

10.4 Second Amendment to the Company's 2002 Stock Award and Incentive Plan (Incorporated by reference to Exhibit A to the Company's definitive proxy statement on Schedule 14A filed with the SEC on April 21, 2016).

10.5 Third Amendment to the Company's 2002 Stock Award and Incentive Plan (Incorporated by reference to Exhibit A to the Company's definitive proxy statement on Schedule 14A filed with the SEC on April 12, 2017).

10.6 Employment Agreement, dated February 6, 2008, by and between the Company and Mario J. Gabelli (Incorporated by reference to Exhibit 10.1 to the Company's Report on Form 8-K dated February 6, 2008 filed with the SEC on February 7, 2008).

10.7 Service Mark and Name License Agreement, dated November 30, 2015, by and between the Company and Associated Capital Group, Inc. (Incorporated by reference to Exhibit 10.1 to the Company's Report on Form 8-K dated November 30, 2015 filed with the SEC on December 4, 2015).

10.8 Transitional Administrative and Management Services Agreement, dated November 30, 2015, by and between the Company and Associated Capital Group, Inc. (Incorporated by reference to Exhibit 10.2 to the Company's Report on Form 8-K dated November 30, 2015 filed with the SEC on December 4, 2015).

10.9 Tax Indemnity and Sharing Agreement, dated November 30, 2015, by and between the Company and Associated Capital Group, Inc. (Incorporated by reference to Exhibit 10.4 to the Company's Report on Form 8-K dated November 30, 2015 filed with the SEC on December 4, 2015).

10.10 License Agreement, dated February 9, 1999, by and among the Company, Gabelli International Limited, Gabelli International II Limited, Gabelli Fund, LDC, and Gabelli Performance Partnership, L.P. and MJG Associates, Inc. (Incorporated by reference to Exhibit 10.14 to the Company's Form 10-K for the year ended December 31, 2015 filed with the SEC on March 15, 2016).

10.11 GAMCO Investors, Inc. Deferred Compensation Plan (Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report filed with the OTC on November 7, 2022).

Exhibit 21.1

Subsidiaries of GAMCO Investors, Inc.

The following table lists the direct and indirect subsidiaries of the Company.

Name	Jurisdiction of Incorporation or Organization
Gabelli Funds, LLC	New York
(100%-owned by the Company)	
GAMCO Asset Management Inc.	New York
(100%-owned by the Company)	
Gabelli Fixed Income, Inc.	New York
(100%-owned by the Company)	
GAMCO Asset Management (UK) Limited	United Kingdom
(100%-owned by the Company)	
Gabelli Fixed Income L.L.C.	Delaware
(100%-owned by Gabelli Fixed Income, Inc.)	
GAMCO Acquisition LLC	New York
(100%-owned by the Company)	
Distributors Holdings, Inc.	Delaware
(100%-owned by GAMCO Asset Management Inc.)	
G.distributors, LLC	Delaware
(100%-owned by Distributors Holdings, Inc.)	
Gabelli Japan K.K.	Japan
(100%-owned by the Company)	
Nevada NJ Lat, LLC	Nevada
(100%-owned by the Company)	

CERTIFICATIONS

<u>Certification by the co-principal executive officers</u>

We, Mario J. Gabelli and Douglas R. Jamieson, certify that:

1. We have reviewed this annual disclosure statement of GAMCO Investors, Inc.;

2. Based on our knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on our knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 21, 2024

<u>/s/ Mario J. Gabelli</u>
Name: Mario J. Gabelli
Title: Co-Chief Executive Officer (Co-Principal Executive Officer)

<u>/s/ Douglas R. Jamieson</u>
Name: Douglas R. Jamieson
Title: Co-Chief Executive Officer (Co-Principal Executive Officer)

<u>Certification by the principal financial officer</u>

I, Kieran Caterina, certify that:

1. I have reviewed this annual disclosure statement of GAMCO Investors, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 21, 2024

<u>/s/ Kieran Caterina</u>
Name: Kieran Caterina
Title: Chief Accounting Officer (Principal Financial Officer)