

The GAMCO Growth Fund

Shareholder Commentary December 31, 2009



Howard F. Ward, CFA

To Our Shareholders,

Thank you for your investment in The GAMCO Growth Fund.

The economy continues to improve, although it remains premature to declare victory. Getting to this point required an enormous injection of monetary and fiscal stimulus. Victory will only come when the economy is growing without stimulus and the unemployment rate is well into single digits. Still, we appear to be in a much stronger position than a year ago, and for that we are grateful. The trends are positive. Job growth is just around the corner and that is a good thing. Without job growth, the recovery will falter. Both business and consumer confidence has turned up and spending has followed suit. We expect a strong profit recovery in 2010. Whether that is enough to sustain the bull market in stocks remains to be seen.

The Economy

The economy began to grow again in the third quarter of 2009. When an economy rebounds from a violent decline as we saw in 2008 and the first half 2009, it typically snaps back with growth of 7% or more for several quarters. So far we are not seeing that. We are seeing and expect to see growth in the 2% to 4% range. This is consistent with long-term trend line growth of 3.3% in GDP, but well short of what would be considered normal for an economy pulling out of recession. This begs the question of what happens to growth once the stimulus is removed. What level of growth are we capable of producing and sustaining given our historically high level of indebtedness?

With total debt equal to a record 370% of GDP, the private sector is working to pay down debt while the public sector is piling on debt at a faster clip. There are consequences to this developing fiscal train wreck. The most important one is the concern that we are edging closer to the tipping point, a level of indebtedness tied to entitlements that will outgrow our capacity to service and retire the associated debt, like an individual that keeps getting further behind on their credit card balance. Sort of like California (sorry), you might say, but on a national scale. Should we reach this point, it will result in slower growth, fewer services, and a weaker currency, and that is an optimistic view. Let us hope that Washington wakes up and gets serious about deficit reduction before we drown in our own red ink.

For now, we can bask in the sunshine and glory of the developing economic momentum, however mild it may be, and marvel at how close we came to our nation's second Great Depression. Of course, delinquency rates at commercial banks are still deteriorating and many homeowners are either under water on their mortgage or close to it. Housing is arguably the weakest link in the recovery and a pause in the housing recovery would not sit well with investors, especially those invested in bank shares. On a more positive note, we expect increased consumer and government spending, rising exports, and rebounding private investment to drive close to 4% growth in real GDP in 2010. Standard & Poor's 500 (S&P 500) operating profits should advance between 25% and 30%, driven by enhanced productivity and increased consumption. Inflation should remain below 2%, especially at the core level, although inflation may be trending higher before the year is out. Some say this will be a jobless recovery. That is too pessimistic. We do not know who repealed the economic notion that companies should produce, and hire, until their marginal cost equals their marginal profit. The unemployment rate, currently 10%, should recede over the course of the year.

The big test for the economy will be weathering the ultimate withdrawal of Fed induced liquidity. Most Fed watchers view this as a mid 2010 event, but the Fed is in no hurry and could easily avoid tightening until 2011. The Fed is not worried about inflation and would ideally not tighten until the unemployment rate falls below 9%, at a minimum. The sharply positive slope to the yield curve, fostered by the Fed's free money policy, has the added benefit of helping banks generate profits and build capital. At some point, Dr. Bernanke will don his surgical gown and gloves and drain the massive pool of liquidity from the belly of this economic beast. Just as was the case with Dr. Greenspan, "The Maestro", it will be years before we can accurately score Dr. Bernanke's performance. Of course, they do not call him "Helicopter Ben" for nothing.

Average Annual Returns through December 31, 2009 (a)

	Quarter	1 Year	3 Year	5 Year	10 Year	15 Year	20 Year	Since Inception (4/10/87)
GAMCO Growth Fund Class AAA	6.74%	45.71%	(2.36)%	1.76%	(3.86)%	7.34%	7.54%	9.54%
S&P 500 Index	6.04	26.47	(5.62)	0.42	(0.95)	8.04	8.20	8.41
Russell 1000 Growth Index	7.94	37.21	(1.89)	1.63	(3.99)	6.87	7.48	7.84(b)

(a) **The expense ratio in the current prospectus is 1.40% for the Fund's Class AAA Shares. Class AAA Shares do not have a sales charge. Returns represent past performance and do not guarantee future results.** Total returns and average annual returns reflect changes in share price and reinvestment of dividends and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.** The S&P 500 Index and the Russell 1000 Growth Index are unmanaged indicators of stock market performance. Dividends are considered reinvested. See page 9 for performance of other classes of shares.

(b) From commencement of investment operations on April 10, 1987.

The Stock Market

For investors that managed to remain committed to stocks despite the hysteria, this past year was a pleasant surprise. The upturn in stocks that began in early March did in fact lead the upturn in the economy by several months, which is more typical than not. Unfortunately, industry data confirms that many investors, professionals and amateurs alike, went into risk aversion mode during the fourth quarter of 2008 and first quarter of 2009. Consequently, they missed the rally that propelled the S&P 500 over 60% above its March 2009 low. Some investors embraced an "anything but stocks" mentality, preferring bonds, money market funds, and gold. These

decisions had mixed results, depending on timing and security selection. We understand the emotional toll extracted by stocks during the financial crises. As mentioned last quarter, the collapse in share prices left investors dazed, suffering from a form of blunt force trauma to the head. It is a trauma that continues to feed skepticism with regard to both the economic recovery and the stock market rally. It has given the rally a surreal quality.

Investors can thank the Fed and its extraordinary measures of liquidity, including Quantitative Easing, for the rally that has defied the skeptics thus far. As in all investment cycles, at some point the Fed must take its punch bowl away, or risk an overheating of the economy and an undesired increase in inflation expectations. This is unlikely to happen before mid year and may not happen until 2011. Stocks often, but not always, encounter increased selling when the Fed tightens credit and there is no compelling reason to suggest that it will not happen this time too. No doubt some investors will reduce exposure to stocks in anticipation of a change in Fed policy. However, any flurry of selling connected to a Fed tightening does not usually signal an end to a bull market. This should be true during the current cycle given the exceptionally low base level of interest rates. Still, a 5% to 10% correction, coincident to an initial Fed tightening move, should not be a surprise.

Importantly, stock valuations are quite average. Using the mean First Call estimate of 2010 S&P 500 earnings of \$76, the market is selling at 15 times forward earnings (S&P 500 at 1140), exactly in line with the historical average. This is similar to last quarter, yet the market has moved higher, in tandem with rising earnings estimates. Last quarter, the mean earnings estimate was \$71. As stated last quarter, we expect rising earnings estimates to continue to pull stocks higher. As stocks moved higher in the fourth quarter, assets in money market funds declined from \$3.4 trillion to \$3.3 trillion. This level of cash represents 25% of the market value of all common stocks in the U.S. and this remains a high level by historical standards. On signs of improving economic growth, we believe more investors will move some of their cash into bonds or stocks in order to increase current yield and/or total return.

Portfolio Observations

Directionally, we became more defensive at the margin in the fourth quarter. We sold the balance of several Financial Service issues (Goldman Sachs, Bank of New York Mellon, BlackRock, Northern Trust and State Street Corp.). We also sold our remaining shares of some Producer Durables (Deere, Lockheed Martin, L-3 Communications, Fluor, and McDermott), two Energy names (Schlumberger and Weatherford International), and one in Materials (BHP).

Additions to the portfolio were several Consumer Staples: Coca-Cola (1.0% of net assets as of December 31, 2009), Colgate-Palmolive (0.8%), Nestlé (1.2%), and Walgreen (0.5%), two Healthcare issues, Novo Nordisk (0.4%) and Roche Holdings (0.3%), and two energy issues, Anadarko Petroleum (0.7%) and EOG (0.8%).

There were a number of positions that were trimmed and others that were increased. In most cases, changes were geared to taking profits and reducing our significant cyclical exposure. Although there was a defensive thrust to our portfolio positioning at the margin during the quarter, we remain biased toward companies that are economically sensitive. It is not so much that we became defensive as it was that we became less offensive. The biggest change was our reduction in Financials, based on our view that housing was the weakest link in the recovery and any housing setback would be relatively more negative for the banks. About 20% of the portfolio remains invested in foreign companies.

Relative to the Russell 1000 Growth Index, we are overweight Technology, Energy, and Materials. We are underweight Healthcare, Consumer Staples, Consumer Discretionary, Producer Durables, Financial Services, Telecom Services, and Utilities. Approximately 5% of the portfolio is invested in Green Technology companies.

Performance Commentary

The fourth quarter continued the trend of relative strength in Technology, Materials, Energy, Consumer Discretionary, and some Financials. While additive to absolute performance, the relative returns of Producer Durables, Healthcare, and Consumer Staples lagged. We expect the fourth quarter to bring favorable earnings comparisons, year over year, for the majority of our more economically sensitive issues. It is our hope that their favorable relative earnings growth will continue into 2010 and result in superior share price performance.

For the fourth quarter, the ten holdings with the most positive impact on performance were Google (4.8%), Microsoft (4.6%), Apple (5.0%), MasterCard (1.7%), Rio Tinto (1.5%), Visa (1.4%), Amazon.com (0.6%), Freeport-McMoRan Copper & Gold (1.5%), Hess (2.2%), and Mosaic (0.8%).

For the fourth quarter, the ten holdings with the most negative impact on performance were Agnico-Eagle Mines (1.8%), Vestas Wind Systems (1.2%), Northern Trust Co., SunPower (0.5%), Goldman Sachs, Gilead Sciences (0.8%), Murphy Oil (1.0%), ITT Corp. (1.8%), First Solar (1.5%), and State Street Corp. (Goldman Sachs, Northern Trust, and State Street were not held at quarter end).

For the year, our pro-cyclical stance had a positive impact on performance, with Technology, Materials, and Energy making the largest contribution to our results. In general, stocks that had declined the most in 2008 had the greatest rebound in 2009. For the most part, these were the most economically sensitive stocks, including Financials.

For the year, the ten holdings with the most positive impact on performance were Apple, Google, Rio Tinto, Freeport-McMoRan Copper & Gold, MasterCard, Petrobras (1.3%), Amazon.com, Goldman Sachs, National Oilwell Varco (0.4%), and Joy Global (0.4%).

For the year, the ten holdings with the most negative impact on performance were SunPower, Gilead Sciences, Caterpillar, Siemens (1.3%), Nestlé, Medtronic, Walgreen, EDP Renovaveis (0.2%), and Novo Nordisk. (Caterpillar and Medtronic were not held at year end).

Looking Ahead

Market timing is not easy (just ask those who sold stocks at the bottom last March). The outlook for stocks is favorable relative to bonds and money market funds, but returns are not likely to be as strong as in 2009. We expect upward pressure on interest rates, which means bond returns on Treasuries will be less than 5%, and could be negative. The pressure will come from a growing supply, fewer purchases by the Fed and commercial banks, and a gradual rekindling of inflationary expectations. Money market funds will return less than 1%, as the upward pressure on rates will be focused on longer dated bonds. If the market's forward price to earnings ratio remains at 15, which is to say average, then stocks will rise to reflect and discount the growth in earnings expected for 2011. In the back half of 2010, the market will increasingly be focused on 2011 earnings prospects. As we write, the market is selling at 15 times the expected earnings of \$76 for 2010. Come December 2010, it should be selling at 15 times the currently expected earnings of \$86 for 2011. That gives us a price target of 1290 for the S&P 500, 13% above current levels. Add the market's 2% dividend yield and you would have a total return of 15%. Of course, the market will make adjustments as dictated by changes in earnings

expectations, for better or worse. Multiples could change too, to account for changes in inflation expectations, interest rates, and tax rates. A 15% return is above the historical average for stocks (9.7%) and would dwarf returns from Treasuries and money market funds.

Capital gains taxes will continue to have a tax advantage over interest income after tax rates rise in 2011, so this favors stocks, unless current income is a priority. In fact, the capital gains tax advantage over interest income may actually widen for top wage earners after 2011, although that has yet to be determined. Of course, with stocks comes risk, too. There can be no assurance regarding returns this year. An individual's risk tolerance plays a role here as well. Corporate buyers will be a source of demand for stocks this year. Strategic cross border deals, driven by the decline in the dollar, low funding costs, and stock prices relative to 2007 peak, make U.S. companies tempting targets. It is reasonable to expect many U.S. companies with significant inside ownership to be interested in selling their businesses before the increase in capital gains taxes in 2011.

Outside the realm of traditional security analysis, Washington presents investors with its own set of policy concerns. Exactly what tax rates will apply to whom in 2011? What does healthcare reform mean? Will Congress ever get serious about tackling the budget deficit? What will financial regulatory and banking reform look like? What happens with Cap and Trade? What about Iraq, Iran, Afghanistan, and Pakistan? Yemen? What about trade frictions with the Chinese? Who will finance our budget deficit? We expect some anxious moments this year, but we do not know what they will entail nor when they will arrive.

In Conclusion

A few forecasters predicted the downturn. A few other forecasters predicted the upturn. Did anyone predict the downturn and the upturn? These have been and continue to be difficult and emotional times. This translates into volatility and volatility brings opportunity. The last time the nation deleveraged was the twenty years between 1933 and 1953, during which time total debt to GDP was reduced from 260% to 130%. This did not stop stocks from compounding at about 11% over this period, above the historical average of 9.7%. While many factors contributed to these results, it is significant that deleveraging does not appear to have been an obstacle to economic growth and above average stock returns. If anything, the evidence points the other way. This is confirmed by returns over the most recent twenty years, which was a period when total debt to GDP increased from around 220% of GDP to about 370%, and stocks returned 5% per annum, roughly one half the historical average.

With interest rates so low today, even a 5% compound return from stocks over the next twenty years is likely to beat a buy and hold approach to twenty year Treasuries, which are currently priced at a yield to maturity of about 4.5%. Of course, interest rates will not always be this low and who has the luxury of a twenty year investment horizon? Still, equities, warts and all, offer investors a vehicle to build capital over time. It is this desire to create wealth that leads investors to accept a high level of uncertainty with respect to shorter-term equity returns in exchange for a more predictable longer-term return, which is largely a function of earnings growth and dividend payments.

It has been a tumultuous couple of years, to say the least. As we usher in a new decade, we once again thank you for entrusting your assets to us and want to wish you and your family good health, good returns, and a happy new year!

Let's Talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the percentages of net assets and their share prices are stated as of December 31, 2009.

Abbott Labs (2.2% of net assets as of December 31, 2009) (ABT - \$53.99 - NYSE) is a global, broad based healthcare company devoted to the discovery, development, manufacture, and marketing of pharmaceuticals and medical products, including nutritionals, devices, and diagnostics. The company employs more than 72,000 people and markets its products in more than 130 countries.

Apple (5.0%) (AAPL - \$210.86 - OTC) ignited the personal computer revolution in the 1970s with the Apple II and reinvented the personal computer in the 1980s with the Macintosh. Today, Apple continues to lead the industry in innovation with its award winning computers, OS X operating system and iLife and professional applications. Apple is also spearheading the digital media revolution with its iPod portable music and video players and iTunes online store, and has entered the mobile phone market with its revolutionary iPhone.

Baxter International (2.4%) (BAX - \$58.68 - NYSE) is a global healthcare company that, through its subsidiaries assists healthcare professionals and their patients with treatment of complex medical conditions including hemophilia, immune disorders, kidney disease, trauma, and other conditions. With 2008 sales of \$12.3 billion, and approximately 48,500 employees, Baxter applies its expertise in medical devices, pharmaceuticals, and biotechnology to make a meaningful difference in patients' lives.

Google (4.8%) (GOOG - \$619.98 - OTC) is widely recognized as the world's largest search engine. Google's stated mission is to organize the world's information and make it universally accessible and useful. Google generates revenue by providing advertisers with the opportunity to deliver measurable, cost effective online advertising that is relevant to the information displayed on any given webpage. This makes the advertising useful to consumers as well as to the advertiser placing it. We believe this highly innovative and fast growing company is uniquely positioned to create new market opportunities while maintaining its lead in online search.

Hess Corporation (2.2%) (HES - \$60.5 - NYSE) is a leading global independent energy company, engaged in the exploration and production of crude oil and natural gas, as well as in refining and in marketing refined petroleum products, natural gas, and electricity. Exploration and production is the engine of future income and growth, currently representing nearly 80% of capital employed and over 95% of annual capital expenditures. The Company has operations in the United States, United Kingdom, Norway, Denmark, Russia, Equatorial Guinea, Algeria, Libya, Gabon, Egypt, Ghana, the Joint Development Area of Malaysia and Thailand, Indonesia, Thailand, Azerbaijan, Australia, Brazil, and St. Lucia. They continue to increase reserves outside the mature regions of the United States and North Sea. The Company operates about 1,360 Hess branded sites in sixteen states along the East Coast of the United States.

IBM (3.7%) (IBM - \$130.90 - NYSE) is a globally integrated enterprise that targets the intersection of technology and effective business. The company's major operations comprise a Global Technology Services segment; a Global Business Services segment; a Systems and Technology segment; a Software segment; and a Global Financing segment. We feel IBM is a growth company that also exhibits defensive characteristics, including a large services business that provides more stable recurring revenues and a broad geographic diversification with operations in 170 countries.

Microsoft (4.6%) (MSFT - \$30.49 - OTC), the world's leading software company, develops, manufactures, and licenses a range of software products for a variety of computing devices from PCs to servers to its Xbox game console. While the company's core desktop operating system and applications software franchise (Windows/MS Office) is maturing, Microsoft is gaining share in the enterprise market and, with its Internet and Xbox efforts, in the consumer markets also. With gross margins near 80%, Microsoft is one of the most profitable companies in history. The company's newest operating system for PCs, Windows 7, was released on October 22, 2009.

Procter & Gamble Co. (2.0%) (PG - \$60.63 - NYSE) touches the lives of people around the world four billion times a day. The company has one of the strongest portfolios of trusted, quality, leadership brands, including Pampers®, Tide®, Ariel®, Always®, Whisper®, Pantene®, Mach3®, Bounty®, Dawn®, Gain®, Pringles®, Charmin®, Downy®, Lenor®, Iams®, Crest®, Oral-B®, Duracell®, Olay®, Head & Shoulders®, Wella®, Gillette®, Braun®, and Fusion®. The P&G community includes approximately 135,000 employees working in about 80 countries worldwide.

QUALCOMM (3.2%) (QCOM - \$46.56 - OTC) is a leader in developing and delivering innovative digital wireless communications products and services based on CDMA and other advanced technologies. The company has over 65,000 patents issued or applied for, over 175 CDMA licensees, and approximately 16,100 employees working in 146 worldwide locations. The world leader in next generation mobile technologies, QUALCOMM ideas and inventions are driving wireless growth and helping to connect people to information, entertainment, and one another.

Teva Pharmaceutical Industries Ltd. (2.6%) (TEVA - \$56.18 - OTC) is a global pharmaceutical company specializing in the development, production, and marketing of generic and proprietary branded pharmaceuticals and active pharmaceutical ingredients. Teva is among the top twenty pharmaceutical companies and among the largest generic pharmaceutical companies in the world. With more than a century of experience in the healthcare industry, the Company enjoys a firmly established international presence, operating through a carefully tailored network of worldwide subsidiaries. Headquartered in Israel, above 80% of Teva's sales, which totaled U.S. \$11.1 billion in 2008, are in North America and Europe. Teva has over 36,600 employees worldwide and production facilities in Israel, North America, Europe, and Latin America.

Sincerely,



Howard F. Ward, CFA
Portfolio Manager
The GAMCO Growth Fund

January 29, 2010

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Manager only through the end of the period stated in this Shareholder Commentary. The Portfolio Manager's views are subject to change at any time based on market and other conditions. The information in this Portfolio Manager's Shareholder Commentary represents the opinions of the individual Portfolio Manager and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Manager and may differ from those of other portfolio managers or of the Firm as a whole. This

Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed.

Minimum Initial Investment – \$1,000

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

www.gabelli.com

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

The Fund's daily net asset value is available in the financial press and each evening after 7:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554). The Fund's Nasdaq symbol is GABGX for Class AAA Shares. Please call us during the business day for further information.

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

e-delivery

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

Multi-Class Shares

The GAMCO Growth Fund began offering additional classes of Fund shares on December 31, 2003. Class AAA Shares are no-load shares offered directly by selected broker/dealers. Class A and Class C Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available solely to certain institutions which initially invest directly with the Fund. The minimum initial investment amount for Class I Shares is \$500,000. The Board of Trustees determined that expanding the types of Fund shares available through various distribution options would enhance the ability of the Fund to attract additional investors.

GAMCO Growth Fund – Average Annual Returns — December 31, 2009 (a)

	Class AAA Shares	Class A Shares	Class B Shares	Class C Shares	Class I Shares
1 Year	45.71%	45.63% 37.26(c)	44.59% 39.59(d)	44.53% 43.53(e)	46.02%
5 Year	1.76	1.75 0.55(c)	0.99 0.60(d)	0.98 0.98	1.84
10 Year	(3.86)	(3.86) (4.43)(c)	(4.29) (4.29)	(4.30) (4.30)	(3.82)
Life of Fund (b)	9.54	9.54 9.26(c)	9.32 9.32	9.32 9.32	9.56
Current Expense Ratio . .	1.40	1.40	2.15	2.15	1.15
Maximum Sales Charge . .	None	5.75	5.00	1.00	None
Ticker Symbols	GABGX	GGCAX	GGCBX	GGCCX	GGCIX

- (a) **Returns represent past performance and do not guarantee future results.** Total returns and average annual returns reflect changes in share price and reinvestment of distributions and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.** The Class AAA Share net asset values (“NAV”) per share are used to calculate performance for the periods prior to the issuance of Class A Shares, Class B Shares, and Class C Shares on December 31, 2003 and Class I Shares on January 11, 2008. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares.
- (b) Performance is calculated from inception of Class AAA Shares on April 10, 1987.
- (c) Includes the effect of the maximum 5.75% sales charge at the beginning of the period.
- (d) Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the one year and five year periods of 5% and 2%, respectively, of the Fund’s NAV per share at the time of purchase or sale, whichever is lower. Class B Shares are not available for new purchases.
- (e) Performance results include the deferred sales charges for the Class C Shares upon redemption at the end of the one year period of 1% of the Fund’s NAV per share at the time of purchase or sale, whichever is lower.

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

Gabelli/GAMCO Funds and Your Personal Privacy

Who are we?

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

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

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

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

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

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

What do we do to protect your personal information?

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

GABELLI FAMILY OF FUNDS

VALUE

Gabelli Asset Fund

Seeks to invest primarily in a diversified portfolio of common stocks selling at significant discounts to their private market value. The Fund's primary objective is growth of capital. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

Gabelli Blue Chip Value Fund

Seeks long term growth of capital through investment primarily in the common stocks of established companies which are temporarily out of favor. The fund's objective is to identify a catalyst or sequence of events that will return the company to a higher value. (Multiclass)

Portfolio Manager: Barbara Marcin, CFA

GAMCO Westwood Equity Fund

Seeks to invest primarily in the common stock of well seasoned companies that have recently reported positive earnings surprises and are trading below Westwood's proprietary growth rate estimates. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Susan M. Byrne

FOCUSED VALUE

Gabelli Value Fund

Seeks to invest in securities of companies believed to be undervalued. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

SMALL CAP VALUE

Gabelli Small Cap Fund

Seeks to invest primarily in common stock of smaller companies (market capitalizations at the time of investment of \$2 billion or less) believed to have rapid revenue and earnings growth potential. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Westwood SmallCap Equity Fund

Seeks to invest primarily in smaller capitalization equity securities – market caps of \$2.5 billion or less. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Portfolio Manager: Nicholas F. Galluccio

Gabelli Woodland Small Cap Value Fund

Seeks to invest primarily in the common stocks of smaller companies (market capitalizations generally less than \$3.0 billion) believed to be undervalued with shareholder oriented management teams that are employing strategies to grow the company's value. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Elizabeth M. Lilly, CFA

GROWTH

GAMCO Growth Fund

Seeks to invest primarily in large cap stocks believed to have favorable, yet undervalued, prospects for earnings growth. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Howard F. Ward, CFA

GAMCO International Growth Fund

Seeks to invest in the equity securities of foreign issuers with long-term capital appreciation potential. The Fund offers investors global diversification. (Multiclass)

Portfolio Manager: Caesar Bryan

AGGRESSIVE GROWTH

GAMCO Global Growth Fund

Seeks capital appreciation through a disciplined investment program focusing on the globalization and interactivity of the world's marketplace. The Fund invests in companies at the forefront of accelerated growth. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

MICRO-CAP

GAMCO Westwood Mighty MitesSM Fund

Seeks to invest in micro-cap companies that have market capitalizations of \$300 million or less. The Fund's primary objective is long-term capital appreciation. (Multiclass)

Team Managed

EQUITY INCOME

Gabelli Equity Income Fund

Seeks to invest primarily in equity securities with above average market yields. The Fund pays monthly dividends and seeks a high level of total return with an emphasis on income. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Westwood Balanced Fund

Seeks to invest in a balanced and diversified portfolio of stocks and bonds. The Fund's primary objective is both capital appreciation and current income. (Multiclass)

Co-Portfolio Managers: Susan M. Byrne
Mark Freeman, CFA

GAMCO Westwood Income Fund

Seeks to provide a high level of current income as well as long-term capital appreciation by investing in income producing equity and fixed income securities. (Multiclass)

Portfolio Manager: Barbara Marcin, CFA

SPECIALTY EQUITY

GAMCO Global Convertible Securities Fund

Seeks to invest principally in bonds and preferred stocks which are convertible into common stock of foreign and domestic companies. The Fund's primary objective is total return through a combination of current income and capital appreciation. (Multiclass)

Team Managed

GAMCO Global Opportunity Fund

Seeks to invest in common stock of companies which have rapid growth in revenues and earnings and potential for above average capital appreciation or are undervalued. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

Gabelli SRI Green Fund

Seeks to invest in common and preferred stocks meeting guidelines for social responsibility (avoiding defense contractors and manufacturers of alcohol, abortifacients, gaming, and tobacco products) and sustainability (companies engaged in climate change, energy security and independence, natural resource shortages, organic living, and urbanization). The Fund's primary objective is capital appreciation. (Multiclass)

Co-Portfolio Managers: Christopher C. Desmarais
John M. Segrich, CFA

SECTOR

GAMCO Global Telecommunications Fund

Seeks to invest in telecommunications companies throughout the world – targeting undervalued companies with strong earnings and cash flow dynamics. The Fund's primary objective is capital appreciation. (Multiclass)

Team Managed

GAMCO Gold Fund

Seeks to invest in a global portfolio of equity securities of gold mining and related companies. The Fund's objective is long-term capital appreciation. Investment in gold stocks is considered speculative and is affected by a variety of worldwide economic, financial, and political factors. (Multiclass)

Portfolio Manager: Caesar Bryan

Gabelli Utilities Fund

Seeks to provide a high level of total return through a combination of capital appreciation and current income. (Multiclass)

Team Managed

MERGER AND ARBITRAGE

Gabelli ABC Fund

Seeks to invest in securities with attractive opportunities for appreciation or investment income. The Fund's primary objective is total return in various market conditions without excessive risk of capital loss. (No-load)

Portfolio Manager: Mario J. Gabelli, CFA

Gabelli Enterprise Mergers and Acquisitions Fund

Seeks to invest in securities believed to be likely acquisition targets within 12–18 months or in arbitrage transactions of publicly announced mergers or other corporate reorganizations. The Fund's primary objective is capital appreciation. (Multiclass)

Portfolio Manager: Mario J. Gabelli, CFA

CONTRARIAN

GAMCO Mathers Fund

Seeks long-term capital appreciation in various market conditions without excessive risk of capital loss. (No-load)

Portfolio Manager: Henry Van der Eb, CFA

Comstock Capital Value Fund

Seeks capital appreciation and current income. The Fund may use either long or short positions to achieve its objective. (Multiclass)

Portfolio Manager: Martin Weiner, CFA

FIXED INCOME

GAMCO Westwood Intermediate Bond Fund

Seeks to invest in a diversified portfolio of bonds with various maturities. The Fund's primary objective is total return. (Multiclass)

Portfolio Manager: Mark Freeman, CFA

CASH MANAGEMENT-MONEY MARKET

Gabelli U.S. Treasury Money Market Fund

Seeks to invest exclusively in short-term U.S. Treasury securities. The Fund's primary objective is to provide high current income consistent with the preservation of principal and liquidity. (No-load)

Co-Portfolio Managers: Judith A. Raneri
Ronald S. Eaker

An investment in the above Money Market Fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

The Funds may invest in foreign securities which involve risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks.

To receive a prospectus, call **800-GABELLI** (422-3554). Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.

The GAMCO Growth Fund

One Corporate Center
Rye, New York 10580-1422

800-GABELLI

800-422-3554

fax: 914-921-5118

website: www.gabelli.com

e-mail: info@gabelli.com

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

GAMCO

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Portfolio Manager

Agnes Mullady
Treasurer

Peter D. Goldstein
Chief Compliance Officer

Distributor

Gabelli & Company, Inc.

Custodian, Transfer Agent, and Dividend Agent

State Street Bank and Trust Company

Legal Counsel

Skadden, Arps, Slate, Meagher & Flom LLP

The GAMCO Growth Fund

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

GAB406Q409SC

SHAREHOLDER COMMENTARY
DECEMBER 31, 2009

The GAMCO Growth Fund

Annual Report December 31, 2009



Howard F. Ward, CFA

To Our Shareholders,

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

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

Enclosed are the audited financial statements including the investment portfolio as of December 31, 2009 with a description of factors that affected the performance during the past year.

Performance Discussion (Unaudited)

For the year ended December 31, 2009, The GAMCO Growth Fund (the "Fund") (Class AAA) net asset value ("NAV") per share returned 45.71%, compared with 37.21% for the Russell 1000 Growth Index and 26.47% for the Standard & Poor's 500 Stock Index.

The economy began to grow again in the third quarter and continues to improve although it remains premature to declare victory. To arrive at this point required an enormous injection of monetary and fiscal stimulus. Victory will only come once the economy is growing without stimulus and the unemployment rate declines well into single digits. The trends are positive. Both business and consumer confidence has turned up and spending has followed suit. The upturn in stocks that began in March did in fact lead the upturn in the economy by several months, which is more typical than not.

For the year, our pro-cyclical stance had a positive impact on performance, with Technology, Materials, and Energy making the largest contribution to our results. In general, stocks that had declined the most in 2008 had the greatest rebound in 2009. For the most part, these were the most economically sensitive stocks, including Financials.

For the year, the five holdings with the most positive impact on performance were Apple Inc., the Fund's largest holding (5.0% of net assets as of December 31, 2009), Google Inc. (4.8%), MasterCard (1.7%), Rio Tinto (1.5%), and Freeport-McMoRan Copper & Gold (1.4%).

For the year, the five holdings with the most negative impact on performance were Nestlé (1.2%), Gilead Sciences Inc. (0.8%), SunPower Corp. (0.5%), Caterpillar, and Siemens (1.3%).

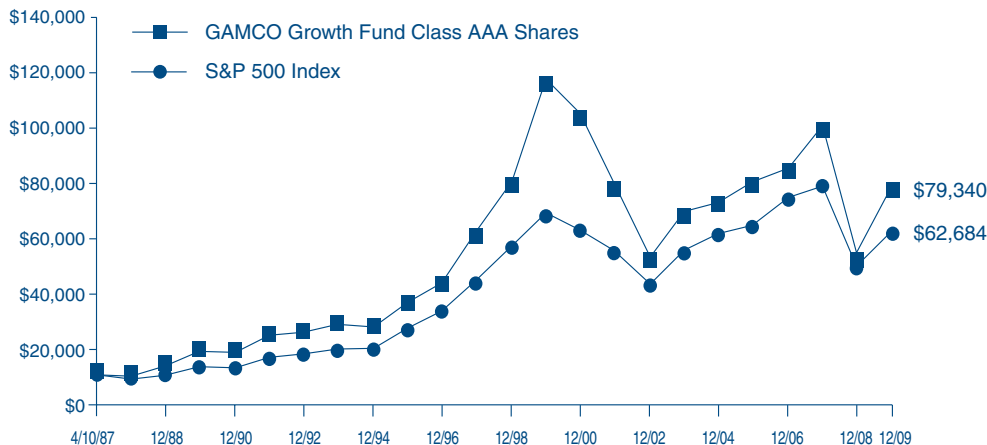
Sincerely yours,

A handwritten signature in blue ink that reads "Bruce N. Alpert".

Bruce N. Alpert
President

February 19, 2010

**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN
THE GAMCO GROWTH FUND CLASS AAA SHARES AND THE S&P 500 INDEX (Unaudited)**



Past performance is not predictive of future results. The performance tables and graph do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

Comparative Results

Average Annual Returns through December 31, 2009 (a) (Unaudited)

	Quarter	1 Year	3 Year	5 Year	10 Year	15 Year	20 Year	Since Inception (4/10/87)
GAMCO Growth Fund Class AAA ..	6.74%	45.71%	(2.36)%	1.76%	(3.86)%	7.34%	7.54%	9.54%
S&P 500 Index	6.04	26.47	(5.62)	0.42	(0.95)	8.04	8.20	8.41
Russell 1000 Growth Index	7.94	37.21	(1.89)	1.63	(3.99)	6.87	7.48	7.84
Class A	6.70	45.63	(2.37)	1.75	(3.86)	7.34	7.54	9.54
Class B	0.57(b)	37.26(b)	(4.28)(b)	0.55(b)	(4.43)(b)	6.92(b)	7.22(b)	9.26(b)
Class C	6.53	44.59	(3.10)	0.99	(4.29)	7.02	7.30	9.32
Class I	1.53(c)	39.59(c)	(4.08)(c)	0.60(c)	(4.29)	7.02	7.30	9.32
Class C	6.49	44.53	(3.11)	0.98	(4.30)	7.02	7.29	9.32
Class I	5.49(d)	43.53(d)	(3.11)	0.98	(4.30)	7.02	7.29	9.32
Class I	6.79	46.02	(2.23)	1.84	(3.82)	7.43	7.60	9.56

In the current prospectus, the expense ratios for Class AAA, A, B, C, and I Shares are 1.40%, 1.40%, 2.15%, 2.15%, and 1.15%, respectively. See page 9 for the expense ratios for the year ended December 31, 2009. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A, B, and C Shares is 5.75%, 5.00%, and 1.00%, respectively.

(a) **Returns represent past performance and do not guarantee future results.** Total returns and average annual returns reflect changes in share price and reinvestment of distributions and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.**

The Class AAA Shares NAVs per share are used to calculate performance for the periods prior to the issuance of Class A Shares, Class B Shares, and Class C Shares on December 31, 2003 and Class I Shares on January 11, 2008. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The S&P 500 Index and the Russell 1000 Growth Index are unmanaged indicators of stock market performance. Dividends are considered reinvested. You cannot invest directly in an index.

(b) Includes the effect of the maximum 5.75% sales charge at the beginning of the period.

(c) Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the quarter, one year, three year, and five year periods of 5%, 5%, 3%, and 2%, respectively, of the Fund's NAV per share at the time of purchase or sale, whichever is lower. Class B Shares are not available for new purchases.

(d) Performance results include the deferred sales charges for the Class C Shares upon redemption at the end of the quarter and one year periods of 1% of the Fund's NAV per share at the time of purchase or sale, whichever is lower.

The GAMCO Growth Fund

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from July 1, 2009 through December 31, 2009

Expense Table

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

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

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

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

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which are described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. The "Annualized Expense Ratio" represents the actual expenses for the last six months and may be different from the expense ratio in the Financial Highlights which is for the year ended December 31, 2009.

	Beginning Account Value 07/01/09	Ending Account Value 12/31/09	Annualized Expense Ratio	Expenses Paid During Period*
The GAMCO Growth Fund				
Actual Fund Return				
Class AAA	\$1,000.00	\$1,222.10	1.50%	\$ 8.40
Class A	\$1,000.00	\$1,221.60	1.51%	\$ 8.46
Class B	\$1,000.00	\$1,217.20	2.26%	\$12.63
Class C	\$1,000.00	\$1,217.30	2.25%	\$12.57
Class I	\$1,000.00	\$1,232.50	1.25%	\$ 7.03
Hypothetical 5% Return				
Class AAA	\$1,000.00	\$1,017.64	1.50%	\$ 7.63
Class A	\$1,000.00	\$1,017.59	1.51%	\$ 7.68
Class B	\$1,000.00	\$1,013.81	2.26%	\$11.47
Class C	\$1,000.00	\$1,013.86	2.25%	\$11.42
Class I	\$1,000.00	\$1,018.90	1.25%	\$ 6.36

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

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total net assets as of December 31, 2009:

The GAMCO Growth Fund

Technology	28.2%	Financial Services	5.9%
Energy	19.3%	Consumer Discretionary	3.8%
Health Care	13.7%	Utilities	1.9%
Materials and Processing	10.3%	U.S. Government Obligations	0.4%
Producer Durables	9.0%	Other Assets and Liabilities (Net)	(0.3)%
Consumer Staples	7.8%		<u>100.0%</u>

The Fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q, the last of which was filed for the quarter ended September 30, 2009. Shareholders may obtain this information at www.gabelli.com or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at www.sec.gov and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Proxy Voting

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

The GAMCO Growth Fund
Schedule of Investments (Continued) — December 31, 2009

<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>	<u>Principal Amount</u>	<u>Cost</u>	<u>Market Value</u>
COMMON STOCKS (Continued)				U.S. GOVERNMENT OBLIGATIONS — 0.4%	
CONSUMER STAPLES — 7.8%			\$2,530,000	U.S. Treasury Cash	
55,000	Colgate-Palmolive Co. \$ 4,701,166	\$ 4,518,250		Management Bill,	
74,122	Danone 4,390,745	4,551,006		0.157%††, 06/10/10 ... \$ 2,528,249	\$ 2,528,103
145,000	Nestlé SA 7,084,842	7,036,589		TOTAL	
145,000	PepsiCo Inc. 8,791,099	8,816,000		INVESTMENTS — 100.3% \$551,330,740	
105,000	The Coca-Cola Co. 6,086,862	5,985,000		584,167,368	
190,000	The Procter & Gamble Co. 11,190,626	11,519,700		Other Assets and Liabilities (Net) — (0.3%)	
80,000	Walgreen Co. 3,116,575	2,937,600		NET ASSETS — 100.0% \$582,200,957	
	TOTAL CONSUMER STAPLES 45,361,915	45,364,145			
	FINANCIAL SERVICES — 5.9%				
317,000	Cheung Kong (Holdings) Ltd. 3,992,575	4,100,794		† Non-income producing security.	
39,500	MasterCard Inc., Cl. A 6,928,036	10,111,210		†† Represents annualized yield at date of purchase.	
126,500	Standard Chartered plc ... 2,997,454	3,218,076		ADR American Depositary Receipt.	
226,000	Sun Hung Kai Properties Ltd. 3,169,360	3,389,971			
178,000	Swire Pacific Ltd., Cl. A ... 1,893,028	2,158,021			
165,000	The Charles Schwab Corp. 3,034,868	3,105,300			
95,000	Visa Inc., Cl. A 6,171,436	8,308,700			
	TOTAL FINANCIAL SERVICES 28,186,757	34,392,072			
	CONSUMER DISCRETIONARY — 3.8%				
25,000	Amazon.com Inc.† 1,651,125	3,363,000			
60,000	Coach Inc. 1,660,629	2,191,800			
70,000	Costco Wholesale Corp. ... 3,603,868	4,141,900			
70,000	NIKE Inc., Cl. B 3,564,317	4,624,900			
25,000	Polo Ralph Lauren Corp. ... 1,126,872	2,024,500			
72,400	Tiffany & Co. 1,594,904	3,113,200			
89,800	Under Armour Inc., Cl. A† .. 1,892,451	2,448,846			
	TOTAL CONSUMER DISCRETIONARY 15,094,166	21,908,146			
	UTILITIES — 1.9%				
150,000	EDP Renovaveis SA† 1,517,858	1,425,663			
155,000	FPL Group Inc. 7,943,237	8,187,100			
280,000	Iberdrola Renovables SA ... 1,380,068	1,332,626			
	TOTAL UTILITIES 10,841,163	10,945,389			
	TOTAL COMMON STOCKS .. 548,802,491	581,639,265			

See accompanying notes to financial statements.

The GAMCO Growth Fund

Statement of Assets and Liabilities December 31, 2009

Assets:

Investments, at value (cost \$551,330,740) . . .	\$ 584,167,368
Foreign currency, at value (cost \$5)	5
Receivable for Fund shares sold	60,985
Dividends receivable	421,785
Prepaid expenses	44,261
Total Assets	<u>584,694,404</u>

Liabilities:

Payable to custodian	15,929
Payable for Fund shares redeemed	1,433,462
Payable for investment advisory fees	493,338
Payable for distribution fees	123,679
Payable for accounting fees	11,250
Payable for shareholder services fees	197,899
Payable for shareholder communications expenses	146,616
Other accrued expenses	71,274
Total Liabilities	<u>2,493,447</u>

Net Assets applicable to 20,432,990 shares outstanding	<u>\$ 582,200,957</u>
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Net Assets Consist of:

Paid-in capital	\$1,469,617,726
Accumulated net realized loss on investments and foreign currency transactions	(920,256,087)
Net unrealized appreciation on investments	32,836,628
Net unrealized appreciation on foreign currency translations	2,690
Net Assets	<u>\$ 582,200,957</u>

Shares of Beneficial Interest:

Class AAA:

Net Asset Value, offering, and redemption price per share (\$575,202,748 ÷ 20,184,930 shares outstanding, at \$0.01 par value; unlimited number of shares authorized)	<u>\$28.50</u>
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Class A:

Net Asset Value and redemption price per share (\$1,237,020 ÷ 43,398 shares outstanding, at \$0.01 par value; unlimited number of shares authorized)	<u>\$28.50</u>
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Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price)	<u>\$30.24</u>
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Class B:

Net Asset Value and offering price per share (\$263,027 ÷ 9,657.6 shares outstanding, at \$0.01 par value; unlimited number of shares authorized)	<u>\$27.24(a)</u>
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Class C:

Net Asset Value and offering price per share (\$1,620,348 ÷ 59,499 shares outstanding, at \$0.01 par value; unlimited number of shares authorized)	<u>\$27.23(a)</u>
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Class I:

Net Asset Value, offering, and redemption price per share (\$3,877,814 ÷ 135,505 shares outstanding, at \$0.01 par value; unlimited number of shares authorized)	<u>\$28.62</u>
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(a) Redemption price varies based on the length of time held.

Statement of Operations For the Year Ended December 31, 2009

Investment Income:

Dividends (net of foreign taxes of \$104,840) . . .	\$ 7,521,993
Interest	6,405
Total Investment Income	<u>7,528,398</u>

Expenses:

Investment advisory fees	5,162,098
Distribution fees – Class AAA	1,275,604
Distribution fees – Class A	2,327
Distribution fees – Class B	2,186
Distribution fees – Class C	14,197
Shareholder services fees	723,621
Shareholder communications expenses	377,046
Trustees' fees	85,000
Custodian fees	81,137
Legal and audit fees	48,532
Accounting fees	45,000
Registration expenses	44,770
Interest expense	1,675
Miscellaneous expenses	63,810
Total Expenses	<u>7,927,003</u>

Net Investment Loss	<u>(398,605)</u>
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Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:

Net realized loss on investments	(77,478,398)
Net realized loss on foreign currency transactions	(3,866)
Net realized loss on investments and foreign currency transactions	<u>(77,482,264)</u>
Net change in unrealized appreciation: on investments	272,240,888
on foreign currency translations	4,802
Net change in unrealized appreciation on investments and foreign currency translations	<u>272,245,690</u>

Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency	<u>194,763,426</u>
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Net Increase in Net Assets Resulting from Operations	<u>\$194,364,821</u>
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See accompanying notes to financial statements.

The GAMCO Growth Fund

Statement of Changes in Net Assets

	<u>Year Ended December 31, 2009</u>	<u>Year Ended December 31, 2008</u>
Operations:		
Net investment loss	\$ (398,605)	\$ (2,301,704)
Net realized loss on investments and foreign currency transactions	(77,482,264)	(17,921,581)
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	<u>272,245,690</u>	<u>(394,048,663)</u>
Net Increase/(Decrease) in Net Assets Resulting from Operations	<u>194,364,821</u>	<u>(414,271,948)</u>
Shares of Beneficial Interest Transactions:		
Class AAA	(72,334,029)	(78,506,781)
Class A	164,195	612,577
Class C	(330,845)	1,486,759
Class I	<u>(247,375)</u>	<u>4,144,903</u>
Net Decrease in Net Assets from Shares of Beneficial Interest Transactions	<u>(72,748,054)</u>	<u>(72,262,542)</u>
Redemption Fees	<u>1,551</u>	<u>1,943</u>
Net Increase/(Decrease) in Net Assets	<u>121,618,318</u>	<u>(486,532,547)</u>
Net Assets:		
Beginning of period	<u>460,582,639</u>	<u>947,115,186</u>
End of period (including undistributed net investment income of \$0 and \$0, respectively)	<u>\$582,200,957</u>	<u>\$ 460,582,639</u>

See accompanying notes to financial statements.

The GAMCO Growth Fund

Financial Highlights

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

Period Ended December 31	Income from Investment Operations					Ratios to Average Net Assets/ Supplemental Data					
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Redemption Fees(a)(b)	Net Asset Value, End of Period	Total Return†	Net Assets End of Period (in 000's)	Net Investment Income (Loss)	Operating Expenses	Portfolio Turnover Rate††
Class AAA											
2009	\$19.56	\$(0.02)	\$ 8.96	\$ 8.94	\$0.00	\$28.50	45.7%	\$ 575,203	(0.08)%	1.53%	83%
2008	36.17	(0.09)	(16.52)	(16.61)	0.00	19.56	(45.9)	455,357	(0.31)	1.40	93
2007	30.62	(0.16)	5.71	5.55	0.00	36.17	18.1	945,068	(0.49)	1.45	91
2006	28.81	(0.05)	1.86	1.81	0.00	30.62	6.3	956,811	(0.19)	1.44	57
2005	26.12	(0.13)	2.82	2.69	0.00	28.81	10.3	1,139,640	(0.48)	1.49	39
Class A											
2009	\$19.57	\$(0.02)	\$ 8.95	\$ 8.93	\$0.00	\$28.50	45.6%	\$ 1,237	(0.08)%	1.53%	83%
2008	36.18	(0.08)	(16.53)	(16.61)	0.00	19.57	(45.9)	737	(0.29)	1.40	93
2007	30.63	(0.08)	5.63	5.55	0.00	36.18	18.1	707	(0.23)	1.45	91
2006	28.82	(0.06)	1.87	1.81	0.00	30.63	6.3	276	(0.19)	1.44	57
2005	26.13	(0.12)	2.81	2.69	0.00	28.82	10.3	274	(0.43)	1.47	39
Class B											
2009	\$18.84	\$(0.19)	\$ 8.59	\$ 8.40	\$0.00	\$27.24	44.6%	\$ 263	(0.84)%	2.28%	83%
2008	35.10	(0.30)	(15.96)	(16.26)	0.00	18.84	(46.3)	182	(1.06)	2.15	93
2007	29.93	(0.40)	5.57	5.17	0.00	35.10	17.2	339	(1.23)	2.20	91
2006	28.38	(0.27)	1.82	1.55	0.00	29.93	5.5	289	(0.94)	2.19	57
2005	25.93	(0.32)	2.77	2.45	0.00	28.38	9.5	274	(1.22)	2.24	39
Class C											
2009	\$18.84	\$(0.18)	\$ 8.57	\$ 8.39	\$0.00	\$27.23	44.5%	\$ 1,620	(0.82)%	2.28%	83%
2008	35.10	(0.28)	(15.98)	(16.26)	0.00	18.84	(46.3)	1,467	(1.05)	2.15	93
2007	29.93	(0.40)	5.57	5.17	0.00	35.10	17.2	1,001	(1.23)	2.20	91
2006	28.38	(0.27)	1.82	1.55	0.00	29.93	5.5	401	(0.95)	2.19	57
2005	25.93	(0.32)	2.77	2.45	0.00	28.38	9.5	553	(1.21)	2.23	39
Class I											
2009	\$19.60	\$ 0.04	\$ 8.98	\$ 9.02	\$0.00	\$28.62	46.0%	\$ 3,878	0.17%	1.28%	83%
2008 (c)	33.70	0.00(b)	(14.10)	(14.10)	0.00	19.60	(41.8)	2,840	0.00(d)(e)	1.15(d)	93

† Total return represents aggregate total return of a hypothetical \$1,000 investment at the beginning of the period and sold at the end of the period including reinvestment of distributions and does not reflect applicable sales charges. Total return for a period of less than one year is not annualized.

†† Effective in 2008, a change in accounting policy was adopted with regard to the calculation of the portfolio turnover rate to include cash proceeds due to mergers. Had this policy been adopted retroactively, the portfolio turnover rate for the years ended December 31, 2007, 2006, and 2005 would have been as shown.

(a) Per share amounts have been calculated using the average shares outstanding method.

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

(c) From the commencement of offering Class I Shares on January 11, 2008 through December 31, 2008.

(d) Annualized.

(e) Amount represents less than 0.005%.

See accompanying notes to financial statements.

The GAMCO Growth Fund

Notes to Financial Statements

1. Organization. The GAMCO Growth Fund (the “Fund”) was organized on October 24, 1986 as a Massachusetts business trust. The Fund is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund’s primary objective is capital appreciation. The Fund commenced investment operations on April 10, 1987.

2. Significant Accounting Policies. The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) has become the exclusive reference of authoritative U.S. generally accepted accounting principles (“GAAP”) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The ASC has superseded all existing non-SEC accounting and reporting standards. The Fund’s financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

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

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities’ fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than sixty days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price.

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

The GAMCO Growth Fund

Notes to Financial Statements (Continued)

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

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments by inputs used to value the Fund's investments as of December 31, 2009 is as follows:

<u>Valuation Inputs</u>	<u>Investments in Securities (Market Value) Assets</u>
Level 1 – Quoted Prices*	\$581,639,265
Level 2 – Other Significant Observable Inputs*	2,528,103
Total	<u>\$584,167,368</u>

* Portfolio holdings designated in Level 1 and Level 2 are disclosed individually in the Schedule of Investments ("SOI"). Level 2 consists of U.S. Government Obligations. Please refer to the SOI for the industry classifications of the portfolio holdings.

There were no Level 3 investments held at December 31, 2008 or December 31, 2009.

Foreign Securities. The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers.

Foreign Taxes. The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

Securities Transactions and Investment Income. Securities transactions are accounted for on the trade date with realized gain or loss on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on the accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date except for certain dividends which are recorded as soon as the Fund is informed of the dividend.

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

The GAMCO Growth Fund

Notes to Financial Statements (Continued)

In calculating NAV per share of each class, investment income, realized and unrealized gains and losses, redemption fees, and expenses other than class specific expenses are allocated daily to each class of shares based upon the proportion of net assets of each class at the beginning of each day. Distribution expenses are borne solely by the class incurring the expense.

Custodian Fee Credits and Interest Expense. When cash balances are maintained in the custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under the custody arrangement are included in custodian fees in the Statement of Operations with the corresponding expense offset, if any, shown as “custodian fee credits.” When cash balances are overdrawn, the Fund is charged an overdraft fee equal to 2.00% above the federal funds rate on outstanding balances. This amount, if any, would be included in “interest expense” in the Statement of Operations.

Distributions to Shareholders. Distributions to shareholders, if any, are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Fund and timing differences. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to recharacterization of distributions and write-offs of net operating loss. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2009, reclassifications were made to decrease accumulated net investment loss by \$398,605 and increase accumulated net realized loss on investments and foreign currency transactions by \$19,808, with an offsetting adjustment to additional paid in capital.

No distributions were made during the years ended December 31, 2009 and 2008.

Provision for Income Taxes. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

At December 31, 2009, the components of accumulated earnings/losses on a tax basis were as follows:

Accumulated capital loss carryforwards	\$(906,984,213)
Net unrealized appreciation on investments and foreign currency translations	19,567,444
Total	<u><u>\$(887,416,769)</u></u>

At December 31, 2009, the Fund had net capital loss carryforwards for federal income tax purposes of \$906,984,213, which are available to reduce future required distributions of net capital gains to shareholders. \$469,914,764 is available through 2010; \$350,050,494 is available through 2011; \$1,141,675 is available through 2012; \$18,485,136 is available through 2016; and \$67,392,144 is available through 2017.

The GAMCO Growth Fund

Notes to Financial Statements (Continued)

At December 31, 2009, the difference between book basis and tax basis unrealized appreciation was primarily due to deferral of losses from wash sales for tax purposes.

The following summarizes the tax cost of investments and the related unrealized appreciation/depreciation at December 31, 2009:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$564,602,613	\$59,832,113	\$(40,267,358)	\$19,564,755

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed to not meet the more-likely-than-not threshold. For the year ended December 31, 2009, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2009, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. Tax years ended December 31, 2007 through December 31, 2009, remain subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Adviser will monitor its tax positions to determine if adjustments to this conclusion are necessary.

3. Investment Advisory Agreement and Other Transactions. The Fund has entered into an investment advisory agreement (the "Advisory Agreement") with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, at the annual rate of 1.00% of the value of its average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio, oversees the administration of all aspects of the Fund's business and affairs, and pays the compensation of all Officers and Trustees of the Fund who are affiliated persons of the Adviser.

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$6,000 plus \$1,000 for each Board meeting attended. Each Trustee is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended and the Chairman of the Audit Committee, Proxy Voting Committee, and the Lead Trustee each receive an annual fee of \$1,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

4. Distribution Plan. The Fund's Board has adopted a distribution plan (the "Plan") for each class of shares, except for Class I Shares, pursuant to Rule 12b-1 under the 1940 Act. Gabelli & Company, Inc. ("Gabelli & Company"), an affiliate of the Adviser, serves as distributor of the Fund. Under the Class AAA, Class A, Class B, and Class C Share Plans, payments are authorized to Gabelli & Company at annual rates of 0.25%, 0.25%, 1.00%, and 1.00%, respectively, of the average daily net assets of those classes, the annual limitations under each Plan. Such payments are accrued daily and paid monthly.

5. Portfolio Securities. Purchases and sales of securities for the year ended December 31, 2009, other than short-term securities and U.S. Government obligations, aggregated \$416,713,703 and \$487,381,190, respectively.

The GAMCO Growth Fund

Notes to Financial Statements (Continued)

Sales of U.S. Government obligations for the year ended December 31, 2009, other than short-term obligations, aggregated \$684,409.

6. Transactions with Affiliates. During the year ended December 31, 2009, the Fund paid brokerage commissions on security trades of \$16,440 to Gabelli & Company. Additionally, Gabelli & Company informed the Fund that it retained \$6,500 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. During the year ended December 31, 2009, the Fund paid or accrued \$45,000 to the Adviser in connection with the cost of computing the Fund's NAV.

7. Line of Credit. The Fund participates in an unsecured line of credit of up to \$75,000,000 under which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bear interest at the higher of the sum of the overnight LIBOR plus 100 basis points or the sum of the federal funds rate plus 100 basis points at the time of borrowing. This amount, if any, would be included in "interest expense" in the Statement of Operations. At December 31, 2009, there were no borrowings under the line of credit.

The average daily amount of borrowings outstanding under the line of credit during the year ended December 31, 2009 was \$33,414 with a weighted average interest rate of 1.23%. The maximum amount borrowed at any time during the year ended December 31, 2009 was \$1,564,000.

8. Shares of Beneficial Interest. The Fund offers five classes of shares – Class AAA Shares, Class A Shares, Class B Shares, Class C Shares, and Class I Shares. Class AAA Shares are offered without a sales charge only to investors who acquire them directly from Gabelli & Company, through selected broker/dealers, or the transfer agent. Class I Shares are offered to foundations, endowments, institutions, and employee benefit plans without a sales charge. Class A Shares are subject to a maximum front-end sales charge of 5.75%. Class B Shares are subject to a contingent deferred sales charge ("CDSC") upon redemption within six years of purchase and automatically convert to Class A Shares approximately eight years after the original purchase. The applicable CDSC is equal to a declining percentage of the lesser of the NAV per share at the date of the original purchase or at the date of redemption, based on the length of time held. Class C Shares are subject to a 1.00% CDSC for one year after purchase. Class B Shares are available only through exchange of Class B Shares of other funds distributed by Gabelli & Company. Class I Shares were first issued on January 11, 2008.

The Fund imposes a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before the seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund. The redemption fees retained by the Fund during the years ended December 31, 2009 and December 31, 2008 amounted to \$1,551 and \$1,943, respectively.

The redemption fee does not apply to redemptions of shares where (i) the shares were purchased through automatic reinvestment of distributions, (ii) the redemption was initiated by the Fund, (iii) the shares were purchased through programs that collect the redemption fee at the program level and remit them to the Fund,

The GAMCO Growth Fund

Notes to Financial Statements (Continued)

or (iv) the shares were purchased through programs that the Adviser determines to have appropriate anti-short-term trading policies in place or as to which the Adviser has received assurances that look-through redemption fee procedures or effective anti-short-term trading policies and procedures are in place.

Transactions in shares of beneficial interest were as follows:

	Year Ended December 31, 2009		Year Ended December 31, 2008*	
	Shares	Amount	Shares	Amount
Class AAA				
Shares sold	1,248,178	\$ 28,547,900	1,875,009	\$ 53,412,799
Shares redeemed	(4,343,445)	(100,881,929)	(4,723,631)	(131,919,580)
Net decrease	<u>(3,095,267)</u>	<u>\$ (72,334,029)</u>	<u>(2,848,622)</u>	<u>\$ (78,506,781)</u>
Class A				
Shares sold	22,812	\$ 568,856	28,643	\$ 874,485
Shares redeemed	(17,076)	(404,661)	(10,520)	(261,908)
Net increase	<u>5,736</u>	<u>\$ 164,195</u>	<u>18,123</u>	<u>\$ 612,577</u>
Class C				
Shares sold	13,413	\$ 316,290	68,214	\$ 1,974,053
Shares redeemed	(31,795)	(647,135)	(18,871)	(487,294)
Net increase/(decrease)	<u>(18,382)</u>	<u>\$ (330,845)</u>	<u>49,343</u>	<u>\$ 1,486,759</u>
Class I				
Share sold	61,341	\$ 1,460,614	165,715	\$ 4,613,871
Shares redeemed	(70,745)	(1,707,989)	(20,806)	(468,968)
Net increase/(decrease)	<u>(9,404)</u>	<u>\$ (247,375)</u>	<u>144,909</u>	<u>\$ 4,144,903</u>

* From the commencement of offering Class I Shares on January 11, 2008.

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

The GAMCO Growth Fund

Notes to Financial Statements (Continued)

10. Other Matters. On April 24, 2008, the Adviser entered into an administrative settlement with the SEC to resolve the SEC's inquiry regarding prior frequent trading activity in shares of the GAMCO Global Growth Fund (the "Global Growth Fund") by one investor who was banned from the Global Growth Fund in August 2002. In the settlement, the SEC found that the Adviser had violated Section 206(2) of the Investment Advisers Act, Section 17(d) of the 1940 Act, and Rule 17d-1 thereunder, and had aided and abetted and caused violations of Section 12(d)(1)(B)(i) of the 1940 Act. Under the terms of the settlement, the Adviser, while neither admitting nor denying the SEC's findings and allegations, agreed, among other things, to pay the previously reserved total of \$16 million (including a \$5 million penalty), of which at least \$11 million will be distributed to shareholders of the Global Growth Fund in accordance with a plan developed by an independent distribution consultant and approved by the independent directors of the Global Growth Fund and the staff of the SEC, and to cease and desist from future violations of the above referenced federal securities laws. The settlement will not have a material adverse impact on the Adviser or its ability to fulfill its obligations under the Advisory Agreement. On the same day, the SEC filed a civil action against the Executive Vice President and Chief Operating Officer of the Adviser, alleging violations of certain federal securities laws arising from the same matter. The officer is also an officer of the Global Growth Fund and other funds in the Gabelli/GAMCO fund complex including the Fund. The officer denies the allegations and is continuing in his positions with the Adviser and the funds. The Adviser currently expects that any resolution of the action against the officer will not have a material adverse impact on the Fund or the Adviser or its ability to fulfill its obligations under the Advisory Agreement.

11. Subsequent Events. Management has evaluated the impact on the Fund of events occurring subsequent to December 31, 2009 through February 25, 2010, the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

The GAMCO Growth Fund

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of
The GAMCO Growth Fund:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The GAMCO Growth Fund (hereafter referred to as the “Fund”) at December 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2009 by correspondence with the custodian, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
February 25, 2010

The GAMCO Growth Fund

Additional Fund Information (Unaudited)

The business and affairs of the Fund are managed under the direction of the Fund's Board of Trustees. Information pertaining to the Trustees and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Trustees and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The GAMCO Growth Fund at One Corporate Center, Rye, NY 10580-1422.

Name, Position(s) Address¹ and Age	Term of Office and Length of Time Served²	Number of Funds in Fund Complex Overseen by Trustee	Principal Occupation(s) During Past Five Years	Other Directorships Held by Trustee⁴
<u>INTERESTED TRUSTEES³:</u>				
Mario J. Gabelli Trustee Age: 67	Since 1992	26	Chairman and Chief Executive Officer of GAMCO Investors, Inc. and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies in the Gabelli/GAMCO Funds complex; Chairman and Chief Executive Officer of GGCP, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications)
John D. Gabelli Trustee Age: 65	Since 1995	10	Senior Vice President of Gabelli & Company, Inc.	—
Anthony Torna, Sr. Trustee Age: 83	Since 1987	1	Registered Representative, Maxim Group LLC from 2002; Investec Ernst & Company, 2001-2002	—
<u>INDEPENDENT TRUSTEES⁵:</u>				
Anthony J. Colavita Trustee Age: 74	Since 1989	34	President of the law firm of Anthony J. Colavita, P.C.	—
James P. Conn Trustee Age: 71	Since 1992	18	Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings Ltd. (insurance holding company) (1992-1998)	—
Dugald A. Fletcher Trustee Age: 80	1989-1996 2000-present	2	President, Fletcher & Company, Inc.	Director of Harris and Harris Group, Inc. (venture capital)
Robert J. Morrissey Trustee Age: 70	Since 2001	6	Partner in the law firm of Morrissey, Hawkins & Lynch	—
Anthony R. Pustorino Trustee Age: 84	Since 1987	13	Certified Public Accountant; Professor Emeritus, Pace University	Director of The LGL Group, Inc. (diversified manufacturing)
Anthonie C. van Ekris Trustee Age: 75	1987-1989 1992-present	20	Chairman of BALMAC International, Inc. (commodities and futures trading)	—
Salvatore J. Zizza Trustee Age: 64	1987-1996 2000-present	28	Chairman of Zizza & Co., Ltd. (consulting)	Director of Hollis-Eden Pharmaceuticals (biotechnology); Director of Trans-Lux Corporation (business services)

The GAMCO Growth Fund

Additional Fund Information (Continued) (Unaudited)

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Principal Occupation(s) During Past Five Years</u>
OFFICERS:		
Bruce N. Alpert President and Secretary Age: 58	Since 1994	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988 and an officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex. Director and President of Teton Advisors, Inc. 1998 through 2008; Chairman of Teton Advisors, Inc. since 2008; Senior Vice President of GAMCO Investors, Inc. since 2008
Agnes Mullady Treasurer Age: 51	Since 2006	Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex; Senior Vice President of U.S. Trust Company, N.A. and Treasurer and Chief Financial Officer of Excelsior Funds from 2004 through 2005
Peter D. Goldstein Chief Compliance Officer Age: 56	Since 2004	Director of Regulatory Affairs at GAMCO Investors, Inc. since 2004; Chief Compliance Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex

¹ Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.

² Each Trustee will hold office for an indefinite term until the earliest of (i) the next meeting of shareholders, if any, called for the purpose of considering the election or re-election of such Trustee and until the election and qualification of his or her successor, if any, elected at such meeting, or (ii) the date a Trustee resigns or retires, or a Trustee is removed by the Board of Trustees or shareholders, in accordance with the Fund's By-Laws and Declaration of Trust. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

³ "Interested person" of the Fund as defined in the 1940 Act. Messrs. Gabelli are each considered an "interested person" because of their affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser. Mr. Torna is considered an interested person because he is a registered broker with a firm to which the Fund Complex (but not the Fund) pays brokerage commissions. Mario J. Gabelli and John D. Gabelli are brothers.

⁴ This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended (i.e. public companies) or other investment companies registered under the 1940 Act.

⁵ Trustees who are not interested persons are considered "Independent" Trustees.

The GAMCO Growth Fund

One Corporate Center
Rye, New York 10580-1422

800-GABELLI

800-422-3554

fax: 914-921-5118

website: www.gabelli.com

e-mail: info@gabelli.com

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

GAMCO

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The GAMCO Growth Fund

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

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