



## TETON WESTWOOD FUNDS

Mighty Mites<sup>SM</sup> Fund

SmallCap Equity Fund

Mid-Cap Equity Fund

Income Fund

Equity Fund

Balanced Fund

Intermediate Bond Fund

Commentary  
September 30, 2014

# TETON WESTWOOD FUNDS

## TETON Westwood Mighty Mites<sup>SM</sup> Fund



Morningstar<sup>®</sup> rated the TETON Westwood Mighty Mites<sup>SM</sup> Fund Class AAA Shares 4 stars overall, 3 stars for the three-year period, 4 stars for the five-year period, and 5 stars for the ten-year period ended September 30, 2014 among 616, 616, 563, and 351 Small Blend funds, respectively.<sup>†</sup>

### To Our Shareholders

For the quarter ended September 30, 2014, the TETON Westwood Mighty Mites<sup>SM</sup> Fund's net asset value ("NAV") per Class AAA Share declined 6.4% versus losses of 7.4% and 8.2% for the Russell 2000 and the Russell Microcap Indices, respectively. Year to date, the Fund declined 5.9% versus losses of 4.4% and 6.8% for the respective benchmarks.

### Commentary

Small cap and microcap stocks have lagged the Standard & Poor's 500 Index,

which was up 8.3% through September. Although small caps have been correcting since March, much of the slide has occurred in the third quarter. Because small caps are less mature and proven than their large cap brethren, investors perceive small cap stocks to be riskier, especially during periods of uncertainty. Since they trade with less liquidity than larger companies, small cap stocks tend to be more volatile by nature. What are investors reacting to? First, there is much concern that the U.S. Federal Reserve Board will soon begin to raise interest rates, which could dampen growth prospects for smaller companies in need of financing. Second, markets have historically corrected in anticipation of tightening credit and higher interest rates. Finally, economic data this year has been very uneven, with real gross domestic product contracting 2.1% in the March quarter followed by growth of 4.6% in the second quarter, the fastest



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rate of growth since 2011. From our perspective, the United States economy continues its trend of slow improvement. In addition, the consumer is spending more, up 2.5% in the second quarter.

Solid housing prices and improving employment have given the consumer confidence to boost spending and

### Average Annual Returns Through September 30, 2014 (a)

|   | Quarter | Year to Date | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception (5/11/98) |
|---|---------|--------------|--------|--------|--------|---------|---------------------------|
| Mighty Mites <sup>SM</sup> Fund Class AAA (WEMMX) . . . . . | (6.43)% | (5.89)%      | 2.23%  | 19.82% | 14.28% | 11.03%  | 11.82%                    |
| Russell Microcap <sup>TM</sup> Index . . . . .              | (8.21)  | (6.78)       | 2.78   | 22.77  | 13.60  | 6.36    | N/A(b)                    |
| Russell 2000 Index . . . . .                                | (7.36)  | (4.41)       | 3.93   | 21.26  | 14.29  | 8.19    | 6.63                      |
| Lipper Small Cap Value Fund Average . . . . .               | (7.17)  | (2.77)       | 6.71   | 20.82  | 13.65  | 8.20    | 8.16(c)                   |

**In the current prospectuses dated January 28, 2014, the expense ratio for Class AAA Shares is 1.44%. Class AAA Shares do not have a sales charge.**

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.tetonadv.com](http://www.tetonadv.com) for performance information as of the most recent month end. TETON Advisors, LLC, the Adviser reimbursed expenses through September 30, 2005 to limit the expense ratios. Had such limitations not been in place, returns would have been lower. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at [www.tetonadv.com](http://www.tetonadv.com). Other share classes are available and have different performance characteristics. See page 22 for performance of other classes of shares. The Russell Microcap<sup>TM</sup> Index is an unmanaged indicator which measures the performance of the microcap segment of the U.S. equity market. The Russell 2000 Index is an unmanaged indicator which measures the performance of the small cap segment of the U.S. equity market. The Lipper Small Cap Value Fund Average reflects the average performance of mutual funds classified in this particular category. Investing in small capitalization securities involves special challenges because these securities may trade less frequently and experience more abrupt price movements than large capitalization securities. Dividends are considered reinvested. You cannot invest directly in an index.

(b) The Inception of the Russell Microcap<sup>TM</sup> Index was June 30, 2000.

(c) Lipper Small Cap Value Fund Average since inception performance is as of April 30, 1998.

<sup>†</sup> Morningstar Rating<sup>TM</sup> is based on risk adjusted returns.

borrowing. Auto loans, for example, are now at a record high. Moreover, the consumer is enjoying the benefits of lower gasoline prices, which are down 9.2% from this year's peak in June, in concert with falling oil prices. This is tantamount to a tax cut that should boost retail sales and the economy in general, given that consumer expenditures constitute two thirds of our economy. On the business side, profits are increasing and capital expenditures have begun to grow, with business investment spending growing 9.7% in the second quarter. This behavior signals confidence in business conditions and growth prospects going forward. Employment is on the rise with the economy adding 248,000 jobs in September, and the headline unemployment rate dropping to 5.9%. Unfortunately, the labor participation rate remains stubbornly low at 62.7%, as people retire or simply give up trying to find a job. Underemployment is also high, with 7.1 million people working part-time because they were unable to find full-time work.

The mostly good news domestically comes against the backdrop of softness in Europe and Asia. The slowdown in both consumer spending and infrastructure investment in China is concerning. As our Fed contemplates monetary tightening, European policy is easing in an attempt to stimulate growth and rekindle inflation. Geopolitical risks loom in the form of conflicts in the Middle East and Ukraine, with violence and terrorism in the headlines, and also the pandemic risk of Ebola. Because of the relative strength of the U.S. economy versus conditions overseas, the dollar has been strengthening, with mixed effects as U.S. companies may experience softness in exports to overseas companies with relatively weaker currencies. At the same time, a stronger dollar should attract foreign investment to our markets. It is worth pointing out that small cap companies, especially micro caps, are more U.S.-focused and will be less exposed to the

headwinds of a strong dollar, and more leveraged to the improving domestic economy.

Most importantly, deal activity has been robust, with 6 portfolio transactions announced in the third quarter, and we expect this trend to continue. Journal Communications (0.9% of net assets as of September 30, 2014) is being acquired by The E.W. Scripps Company (0.2%) in a financially engineered, all-stock deal. Shareholders will receive stock in two "new" companies: E.W. Scripps Co., which will own the broadcasting assets and Journal Media, a newspaper publisher. Private Equity firm, Court Square Capital Partners and CEO Eric Pike are buying Pike Corporation (0.2%) for \$12.00 in cash. Fortegra Financial Corp. (less than 0.1%) is being acquired by Tiptree Financials, Inc. for \$10.00 in cash. Skilled Healthcare Group, Inc. (less than 0.1%) will merge with Genesis Healthcare in an all stock deal. Multimedia Games Holding Co. (0.3%) is being acquired by Global Cash Access Holdings for \$36.50 in cash. Finally, Annie's, Inc. (0.1%) is being acquired by General Mills, Inc. for \$46.00 in cash.

### **Let's Talk Stocks**

*Multimedia Games Holding Company, Inc. (0.3% of net assets as of September 30, 2014) (MGAM - \$36.01 - NASDAQ)* is a manufacturer of slot machines and operates the centralized computers for the New York Lottery. Operating out of Austin, Texas and run by computer scientists, the company attracted strong programming talent and has steadily gained market share in a mature and competitive industry. It recently agreed to a merger with Global Cash Access which helps extend player credit in the worldwide casino industry. A transaction should be completed late this year for a cash price of \$36.50.

*Ferro Corporation (1.4%) (FOE - \$14.49 - NYSE)* is a specialty chemicals company that is transforming itself into a specialty materials company. Ferro's end markets include consumer, electronics, construction, automotive,

and appliances. The company is now focusing on color and glass technology. Ferro's remaining portfolio will be fully concentrated on its core technologies in coatings, color and glass science, polymer science, and organic synthesis. Anticipated savings of \$100M+ should be achieved by year end 2015, and the sale of the last operations to be divested, Polymer Additives, should be announced by year end. Ferro's management is gaining credibility: they have delivered better-than-expected results recently. We believe that more acquisitions will follow and that management will remain disciplined.

*Vishay Precision Group, Inc. (0.1%) (VPG - \$14.94 - NYSE)* manufactures sensors based on resistive foil technology and sensor based systems specializing in stress, force, weight and pressure measurements. Several years ago, VPG was spun out from Vishay Intertechnology and VPG has struggled since due to operational issues, ERP implementation and poorly integrated acquisitions. Several catalysts lead us to believe that VPG is finally headed in the right direction. First, CEO Ziv Shoshani has laid out a clear plan to drive operating margins from 5% to over 10% by 2016. Second, the company has launched its first ever share repurchase plan. This is significant because VPG has over \$4 per share of cash on their balance sheet, and with a major capital expenditure program completed, the cash balance should continue to build. Finally, there has been consolidation in the sensor industry over the last year and VPG is the last remaining pure play sensor company.

*Orbcomm, Inc. (0.2%) (ORBC - \$5.75 - NASDAQ)* is a global satellite data communications company focused on the M2M (machine to machine or telematics) market. In July 2014, ORBC launched 6 new satellites into space and, in the coming months, will launch another 11 satellites for a total cost of \$180 million. This new constellation will increase speed, reliability and connectivity for customers. We believe

that ORBC will continue to differentiate itself from its competition with proprietary product offerings. Consolidation has taken place in the M2M industry and we believe that Orbcomm could be an acquisition candidate.

*Reading International, Inc. (0.3%) (RDI - \$8.40 - NASDAQ)* is a diversified company in the business of owning and operating cinemas and developing, owning, and operating real estate assets. The company's assets are based in the United States, Australia, and New Zealand and it owns valuable brands such as the Beekman Theatre and The Paris Theatre in New York and the Reading and Rialto brands in New Zealand. Over the last decade, the management team led by former CEO James Cotter, has built a portfolio of valuable assets in key global locations. We believe that Reading assets added together are greater than the value of the stock traded in the public market. Recently, Reading has started to take steps to unlock the value in its real estate segment, while positioning the cinema business for continued growth opportunities.

*Pike Corporation (0.2%) (PIKE - \$11.89 - NYSE)* is a specialty contractor that provides transmission power line and sub station engineering and construction services to investor owned, municipal and co-operative utilities. Its services include permitting, engineering, installation, maintenance and repair of energy delivery systems. A large percentage of PIKE's customers operate in areas that are susceptible to disruptive weather conditions and so it also provides storm repair and restoration work. On August 4, 2014, PIKE announced that it was being acquired by

Court Square Capital Partners and CEO Eric Pike for \$12.00 per share, a 51% premium over the prior day's close.

*Calavo Growers, Inc. (0.5%) (CVGW - \$45.14 - NASDAQ)* is based in Santa Paula, California. Formerly a cooperative, today it is the leading packer, distributor and marketer of avocados, prepared avocados and other fresh products, including tomatoes and pineapples in the U.S.. It has diversified and expanded its product line to include fresh food, such as fresh-cut fruit and vegetable party trays with the 2011 of Renaissance Food Group (RFG) and salsa with the acquisition in 2010 of Lisa's Salsa Company. The most recent venture, FreshRealm, was founded in 2013 and is 50% owned by Calavo. On September 2, 2014, FreshRealm launched its network which connects consumers to merchants of fresh prepared food which is delivered using FreshRealm's proprietary vessel. In conjunction with the launch, FreshRealm announced that it is testing the platform with Nutrisystem in California.

*1-800-FLOWERS.COM, Inc. (0.3%) (FLWS - \$7.19 - NASDAQ)* headquartered in Carle Place, New York is a leading florist and gift shop, selling fresh flowers, gift baskets, gourmet foods, candy and other miscellaneous gift items, primarily online through several websites, including 1-800-Flowers.com, 1-800-Baskets.com and FruitBouquets.com. The company sells branded products, such Cheryl's cookies, Fannie May chocolates, The Popcorn Factory and Harry London, while it also provides product and services to florists through its BloomNet wire service. On September 30, 2014 the company completed the acquisition of Harry &

David Holdings, Inc. for \$142.5 million, which adds approximately \$380 million in revenue and expands its share in food gift giving. The combined company is expected to generate over \$1.1 billion in revenue, \$90 million in adjusted EBITDA and earnings of \$0.45-\$0.50 per share during fiscal 2015.

*Kaman Corp. (0.6%) (KAMN - \$39.30 - NYSE)* is a diversified company serving the aerospace, defense, and industrial markets. The aerospace segment manufactures aircraft bearings, precision fuses, helicopter components, and subcontract aerospace work. Kaman's aerospace business is benefiting from the increased production of commercial aircraft and higher aftermarket sales driven by increased flying hours. In the industrial segment, the company distributes power transmission, motion control, and material handling products to a broad range of industries. This segment is buoyed by the global economic and industrial recovery. We believe the company is well-positioned for earnings growth, driven by its leading positions in various aerospace and defense programs and higher industrial distribution sales.

### Conclusion

We remain sanguine about the longer term prospects for the equity market and small capitalization equities, which have outperformed large caps, following a year of underperformance, in all such five previous periods going back to 1984. We believe the portfolio is well positioned to generate attractive risk adjusted returns over a complete market cycle.

We appreciate your confidence and trust.

October 15, 2014

| <b>Top Ten Holdings (Percent of Net Assets)</b> |      |                             |      |
|---|------|-----------------------------|------|
| <b>September 30, 2014</b>                       |      |                             |      |
| GenCorp Inc.                                    | 1.5% | Nathan's Famous Inc.        | 1.2% |
| Cantel Medical Corp.                            | 1.5% | Media General Inc.          | 1.1% |
| Ferro Corp.                                     | 1.4% | SL Industries               | 1.0% |
| Strattec Security Corp.                         | 1.3% | Ascent Capital Group Inc.   | 0.9% |
| Steel Excel Inc.                                | 1.2% | Journal Communications Inc. | 0.9% |

## TETON Westwood SmallCap Equity Fund



Morningstar® rated the TETON Westwood SmallCap Equity Fund Class AAA Shares 2 stars overall, 2 star for the three and five-year periods, and 3 stars for the ten-year period ended September 30, 2014 among 616, 616, 563, and 351 Small Blend funds, respectively.†

### To Our Shareholders,

For the quarter ended September 30, 2014, the TETON Westwood SmallCap Equity Fund's net asset value ("NAV") per Class AAA Share declined 7.7% versus a 7.4% loss for the Russell 2000 Index. Year to date, the Fund declined 5.0% versus a 4.4% loss for the benchmark.

### Commentary

While small capitalization equities have recently lagged after outperforming their larger cap brethren for five out of the last six years, the long term investment case for the small cap asset class remains undiminished. Small cap equities have outperformed large caps

by a significant margin over most periods since 1926, according to the Ibbotson study. Because smaller companies are followed by fewer research analysts and are relatively illiquid, they are often inefficiently priced, affording astute investors the opportunity to purchase their equities at a discount to their intrinsic value. For the TETON Westwood SmallCap Equity Fund, we are using the recent market pullback to upgrade the portfolio by rebuilding existing positions and redeploying sale proceeds into higher quality purchase candidates that have fallen into our valuation range.

The U.S. stock market has risen at a break neck pace since bottoming from the throes of the Great Recession in March 2009. We now appear to be transitioning toward a more volatile market buffeted by investor concerns over geopolitical instability in the Middle East and Ukraine, decelerating growth in China, coupled with a less accommodative monetary policy by the Federal Reserve. At its recent meeting, the Fed announced it would reduce its bond purchasing program by \$10 billion to \$15 billion monthly. Markets have historically corrected in an-

icipation of tightening credit and higher interest rates. The Fed must strike a delicate balance by curbing excessive growth of the monetary aggregates while adequately funding the fragile economic expansion to ensure employment growth. Another drag on global growth continues to be Europe. Output across the euro area was flat in the second quarter, following a first quarter growth of 0.2% (0.8% at an annualized rate). The new GDP figures are yet more evidence that the euro-zone economy is in a bad way. Constantly low inflation has prompted fears that Europe could soon slide into deflation.

The U.S. economy nonetheless is estimated to grow at a healthy annual rate of 3% plus real GDP this year. Moreover, housing and employment continue to exhibit strong gains. New home sales in the U.S. surged in August to the highest levels in more than six years, a sign that the housing recovery is making progress. Purchases of new homes increased 18%



Nicholas F. Galluccio

### Average Annual Returns Through September 30, 2014 (a)

|  | Quarter | Year to Date | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception (4/15/97) |
|--|---------|--------------|--------|--------|--------|---------|---------------------------|
| SmallCap Equity Fund Class AAA (WESCX) ..... | (7.69)% | (5.00)%      | 3.48%  | 17.93% | 12.69% | 8.91%   | 7.17%                     |
| Russell 2000 Index .....                     | (7.36)  | (4.41)       | 3.93   | 21.26  | 14.29  | 8.19    | 8.36                      |

**In the current prospectuses dated January 28, 2014, the gross expense ratio for Class AAA Shares is 1.63%, and the net expense ratio is 1.50%, after contractual reimbursements by Teton Advisors, Inc. (the "Adviser") in place through January 31, 2015. Class AAA Shares do not have a sales charge.**

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† Morningstar Rating™ is based on risk adjusted returns.

to a 504,000 annualized pace, the strongest since May 2008. Retail sales through August were up 5% from the same month a year ago, the fastest rate of increase since July 2013. Big ticket items, including furniture and appliances, have also participated with new vehicle sales the highest since January 2006. The job market and manufacturing activity continue to move ahead, with unemployment claims now the lowest since April 2006, and non-defense capital goods shipments increasing to the highest level since 2007. The U.S. jobless rate declined to a six year low of 5.9% in September and nonfarm payrolls gained 248,000 workers, following a gain of 180,000 in August. The September increase was bigger than previously estimated. Inflation is likely to continue to slow, with the dollar now up 7% over the past three months, and with oil and gasoline prices down, a boon for the consumer. The small business sector is also showing signs of revival. The 350,000 member National Federation of Independent Business reported in August that its index of Small Business Optimism rose to 95.7 in the second quarter, the highest reading since the first quarter of 2007, just before the onset of the Great Recession.

### Let's Talk Stocks

Among the best performing stocks in the quarter were: International Rectifier Corporation, American Eagle Outfitters, Inc. (1.3% of net assets as of September 30, 2014), and Pike Corporation.

*International Rectifier Corporation (IRF - \$39.24 - NYSE)* designs and manufactures power management semiconductors for a balanced array of end markets. Prompted by the economic downturn and a failed takeover attempt by a competitor, the company implemented an ongoing turnaround strategy. Production realignment and facilities closures enabled the company to manage a significant recovery in gross margins. In August, Infineon Technologies AG (IFX.DE - €8.19 - XETRA) made a cash bid to acquire the

company. We believe they were also attracted by this new operating structure, exposure to high growth end markets, and intellectual property related to gallium nitride, an emerging application to produce more efficient, small sized semiconductors with lower system costs.

*American Eagle Outfitters, Inc. (AEO - \$14.52 - NYSE)* is a casual clothing retailer geared towards young adults. The stock responded strongly to quarterly results which demonstrated improvements in inventory levels, expense control and rational competitive behavior by peers towards promotional pricing. Our investment had a twofold attraction: the contrarian nature of low expectations towards the teen retail space and the attractive risk/reward setup, supported by a management team which has historically demonstrated strong financial discipline and responsive cost cutting. We believe analysts and investors are coming to consider the abating downward pressure within the teen space and the potential leverage from any improvement in comparable store sales.

*Pike Corporation (PIKE - \$11.89 - NYSE)* provides construction services for electrical utilities, primarily related to residential power distribution. Last year, Pike benefited from a recovery in residential housing construction, confirming our investment thesis. However, new home construction rates have since stalled and the company sought to diversify away from residential exposure, partly by broadening into a national presence. When it became apparent that the public market would not support a lengthy investment process and likely uneven turnaround, Court Square Capital Partners joined with management to take the company private via a buyout.

Among the worst performing stocks in the quarter were: Energy XXI Limited (0.7%), General Cable Corporation, and Carpenter Technologies Corp. (1.1%).

*Energy XXI (Bermuda) Limited (EXXI - \$11.35 - NASDAQ)* is an independent oil

exploration and producer, focused on extended recovery from legacy fields in the Gulf of Mexico via modern production techniques. In an effort to restart organic growth and drive operational leverage, the company pursued a sizeable acquisition of geographic rival EPL Oil & Gas, Inc. The first quarterly results post acquisition disappointed many who preferred a clear growth story to the merger related dislocation. Against a market backdrop of weakening crude oil pricing, investor interest is low for a story with moving parts and a sizeable debt balance. We, however, are encouraged by the already improved cost savings outlook, potential avenues of further operating efficiencies, and new drilling properties to enable swift debt reduction. Downward pressures on crude prices remain a risk we will monitor.

*General Cable Corporation (BGC - \$15.08 - NYSE)* manufactures various types of wire, primarily used in the transmission and distribution of electricity. We had expected a swelling global middle class to drive electrical infrastructure spending levels, providing significant operating leverage to the company. But this proved elusive. As global recovery prospects faded and company specific issues surfaced (such as restatements and multiple foreign corrupt practice investigations), we questioned whether the global manufacturing base had become too sprawling, providing little clarity. Without the support of the global economy, it appeared there would be more of a turnaround process required than this management team appeared able to handle. With an extended investment horizon now required and increased uncertainty, our calculation of risk-adjusted potential for the stock significantly diminished and we decided to seek higher returns elsewhere.

*Carpenter Technology Corp (CRS - \$45.15 - NYSE)* manufactures rough-shaped specialty alloys which are then sold to secondary fabricators for further shaping into products serving aerospace, industrial and energy markets. The

company experienced operational stumbles this summer, impairing production and impacting near term earnings. We see these issues as temporary and prefer to focus on the long term opportunity related to significant incremental, low-cost production capacity at the recently completed Athens facility. Athens should service an improved mix of products, some for new

end markets, and improve the margin profile of the company. While currently underutilized, the continued strength in aircraft build rates and growing backlog support this outlook.

**Conclusion**

We remain sanguine about the longer term prospects for the equity market and small capitalization equities, which have

outperformed large caps, following a year of underperformance, in all such five previous periods going back to 1984. We believe the portfolio is well positioned to generate attractive risk adjusted returns over a complete market cycle.

We appreciate your confidence and trust.

October 15, 2014

| <b>Top Ten Holdings (Percent of Net Assets)</b> |      |                         |      |
|---|------|-------------------------|------|
| <b><u>September 30, 2014</u></b>                |      |                         |      |
| Patterson Cos. Inc.                             | 2.3% | Stifel Financial Corp.  | 1.9% |
| MYR Group Inc.                                  | 2.0% | AAR Corp.               | 1.9% |
| Newport Corp.                                   | 1.9% | Hexcel Corp.            | 1.7% |
| Patterson-UTI Energy Inc.                       | 1.9% | Trinity Industries Inc. | 1.7% |
| Viewpoint Financial Group Inc.                  | 1.9% | Rush Enterprises Inc.   | 1.7% |

## TETON Westwood Mid-Cap Equity Fund

### To Our Shareholders,

For the quarter ended September 30, 2014, the TETON Westwood Mid-Cap Equity Fund's net asset value ("NAV") per Class AAA Share declined 3.0% versus a loss of 1.7% for the Russell Midcap benchmark. Year to date, the Fund returned 3.3% versus the Russell Midcap benchmark return of 6.9%.

### Commentary

The U.S. equity markets during the third quarter acted much like a self-absorbed teenager, seeming to focus only on U.S. centric events and ignoring developments taking place around the globe. Stock price performance was closely aligned with the direction of U.S. economic growth but turned a blind eye to weakening economies and geopolitical unrest in regions outside our borders. After a second quarter rebound in GDP to 4.6%, U.S. economic activity continued to advance through August with both manufacturing and service sectors matching or exceeding post recession highs as measured by the Institute for Supply Management. Retail sales ticked up during this time period, fueled by

annualized monthly auto sales of over 17 million in August, while consumer confidence reached near peak levels as measured by the University of Michigan. The economy appeared to be on solid footing. However, as summer drew to a close and back-to-school arrived, the economic recovery proved somewhat temperamental. The robust growth seen in spring and summer partly reflected some catchup after a weather worn winter as most macroeconomic statistics from manufacturing to auto sales softened in September while consumer confidence took a hit.

Two conflicting trends remained consistent throughout the quarter. Labor market statistics remained strong with monthly job growth at levels above 200,000, while the unemployment rate cracked the 6% floor to 5.9% in September. Alternatively, the housing market continued to languish. Even with mortgage rates at 15 month lows, housing starts, building permits and existing home sales were lackluster throughout the quarter. Despite the Federal Reserve's reversal of easy monetary policy, and much to everyone's



Diane M. Wehner, CFA



Charles F. Stuart

surprise, interest rates in general continued to decline with the 10 year Treasury note ending the quarter at a low 2.5%. Outside of the U.S., political conflicts escalated in the Middle East and Ukraine, while the Ebola outbreak in West Africa intensified. The Chinese economy continued to weaken and the Eurozone slipped closer to recession. The quarter ended with the recovery intact, but concerns were building about its pace going forward.

Equity markets climbed to new highs before reversing course in September. Midcap stocks advanced 2% in lock step with the overall improvement in the economy before declining in September and ending the quarter down 1.7% as measured by the Russell Midcap Index. Midcap stocks underperformed large cap stocks which were up slightly for the

### Average Annual Returns Through September 30, 2014 (a)

|   | Quarter | Year to Date | 1 Year | Since Inception (5/31/13) |
|---|---------|--------------|--------|---------------------------|
| Mid-Cap Equity Fund Class AAA (WMCEX) ..... | (3.03)% | 3.31%        | 10.15% | 11.36%                    |
| Russell Midcap Index .....                  | (1.66)  | 6.87         | 15.83  | 15.88(b)                  |

**In the current prospectuses dated January 28, 2014, the gross expense ratio for Class AAA Shares is 3.88%, and the net expense ratio is 1.50%, after contractual reimbursements by Teton Advisors, Inc. (the "Adviser") in place through January 31, 2015. Class AAA Shares do not have a sales charge.**

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(b) Russell Midcap Index since inception performance is from May 30, 2013.

† Morningstar Rating™ is based on risk adjusted returns.



quarter and meaningfully outperformed small cap stocks which suffered a sharp decline of 7.4%. Midcap stocks were up 6.9% year-to-date, slightly behind large cap returns of 8.0% and well ahead of small cap declines of 4.4%. Once again, lower quality companies (those with highly levered balance sheets and low returns-on-equity) outperformed, a headwind given the portfolio's bias towards high quality companies. Correlations remained high and dispersion between under and outperformers remained tight, making it a difficult environment for active managers. Only 22% of active midcap core managers outperformed the benchmark and average returns were -3.3% versus our -3.0% for the quarter. On a year-to-date basis, less than 10% of managers have outperformed with an average return of +2.9% compared to the portfolio's return of +3.3%.

As the Federal Reserve wound down bond purchases and progressed towards likely interest rate increases in 2015, yield oriented stocks including real estate investment trusts and utilities underperformed the overall market. We took profits in these stocks after their outperformance during the earlier part of the year. The portfolio's underweight in these sectors was additive to performance.

Healthcare was the best performing sector, and the portfolio's overweight in this sector was additive to performance. Biotech company investments were standout performers. Vertex Pharmaceuticals Inc. (+19% total return for the quarter; 2.4% of net assets as of September 30, 2014) continued its ascent on the heels of the positive trial data released in June for its cystic fibrosis drug. The drug could dramatically expand the market for Vertex's products, resulting in significant sales and earnings growth. Alexion Pharmaceuticals Inc. (+6%; 2.3%) maintained its long established track record of putting up strong quarterly revenue and earnings growth driven by its lead product

Solaris, coupled with increasing guidance for the year and measurable progress in the company's pipeline of new drug candidates. Finally Exact Sciences Corp. (+14%; 1.9%) received FDA approval for its non-invasive colon cancer test, which has a market potential estimated to exceed \$1B in sales.

Within Information Technology, our investments in software companies delivered good performance. Citrix Systems Inc. (+14%; 1.8%) rebounded in the third quarter after the company posted solid quarterly sales and earnings results. The company's earnings benefited from expanding operating margins, as well as a substantial \$1.2B stock buyback which retired over 10% of shares outstanding. Internet company MercadoLibre Inc. (+14%; 1.3%) reported second quarter sales and earnings that were well above expectations, as the firm continued to benefit from its position as the leading e-commerce company in Latin America. These gains were offset by performance in Synaptics Inc. (-19%; 1.8%). After a strong period of outperformance with the stock up 75% in the first half of the year, we trimmed our position which had been a top ten holding. The correction is largely due to investors' concerns regarding its large exposure to Samsung, which is seeing increased competitive pressures along with slower market growth for smartphones.

Consumer stocks had mixed performance during Q3. Coca Cola Enterprises Inc. (-7%; 1.7%) is a bottling company operating in Western Europe. Since the end of June, the U.S. dollar strengthened a meaningful 7.7%, a sign of better economic prospects in the U.S. relative to the rest of the world. Coca Cola Enterprises which reports in U.S. dollars will feel the negative impact of converting sales in Euros. In addition, the weakening economy in the region is a headwind for its business and earnings expectations. Within the consumer discretionary sector, Arcos Dorados Holdings Inc. (-44%) declined due to the

company's exposure to weakening Latin American markets. During the quarter we exited the position given its exposure to politically and economically challenged countries where the outlook remains uncertain. Our homebuilding holdings, Toll Brothers Inc. (-16%; 1.1%) and MDC Holdings Inc. (-8%), were a detractor during the quarter given concerns about demand. We believe the housing market, though in fits and starts, remains in an upward trajectory. Offsetting this weakness was strength in the portfolio's cruise industry investments. Royal Caribbean Cruises Ltd. (+22%; 0.5%) announced its new goal to double EPS by 2017 and increase ROIC to double digits. Meanwhile, Norwegian Cruise Line Holdings Ltd. (+14%; 0.9%) announced a strategic acquisition that provides potential revenue diversification and cost synergies.

Energy related stocks which delivered the best performance during the second quarter fell to last place in Q3, as declining energy prices weighed on expectations for oil and gas company earnings. The portfolio was overweight this sector thus detracting from performance. Brent crude fell nearly 20% from June highs amidst the perfect storm of mild summer weather, increased crude oil supply in the U.S., lower global demand and a stronger U.S. dollar, the currency in which oil is priced. Pioneer Natural Resources Co. (-14%; 1.7%), which drills mostly oil in the Texas Permian Basin gave back more than half its return from the second quarter. Natural gas prices also came under pressure weighing on gas exploration and production companies' earnings and stock prices including Range Resources Corp. (-22%; 1.1%) and Antero Resources Corp. (-16%; 1.2%).

The U.S. economy demonstrated resiliency in the face of weakness in both China and Europe. This successful decoupling has been supported by low inflation, historically low interest rates and strong domestic demand fueled by

strength in manufacturing and the energy renaissance. Several issues can interrupt this trend. A stronger U.S. dollar and weaker international economies will put pressure on U.S. multinational corporations' revenue and earnings in the months ahead. The conflict in the Middle East with its well-televised atrocities, along with the encroachment of Ebola into the U.S. and other developed countries could counteract the general improvement in consumer sentiment here in the states. Outside of auto sales, consumer spending remains lackluster and the housing sector has stalled. Finally, as the Federal Reserve completes its bond purchase program in October, attention will focus on the timing of the eventual increase in short term rates.

We believe the U.S. economy can continue to distinguish itself from the rest of the world. However, close attention needs to be paid to the psyche of the consumer who comprises 70% of GDP. Several tailwinds should remedy housing and consumer spending, including continued improvement in the job market, lower gasoline prices resulting from the decline in oil prices, and lower mortgage rates. With inflation in check, the Fed will likely keep rates low until there is definitive evidence that both the improvement in the labor markets and the overall economy are sustainable. In this environment, smaller, more domestically focused companies should continue to perform relatively well. Merger and acquisition activity has picked up with 25 deals announced for midcap companies, exceeding the 20 which took place in all of 2013. We expect this trend to continue as corporate balance sheets remain strong with nearly \$3.6 trillion in cash and marketable securities and net debt-to-earnings ratios at 24 year lows. Value continues to outperform growth year-to-date in midcap stocks, resulting in growth stock valuations at an historical discount to value stocks.

### Let's Talk Stocks

Among the best performing stocks in the quarter were: Universal Health Services Inc. (1.6% of net assets as of September 30, 2014), Alexion Pharmaceuticals, Inc. (2.3%), Invesco Ltd. (1.8%).

*Universal Health Services Inc. (UHS - \$104.50 - NYSE)* owns and/or operates approximately 25 acute-care hospitals and 200 behavioral health centers located in 37 states. The company is a direct beneficiary of the implementation of the Affordable Care Act especially in its acute business where patient admission growth has accelerated due to expanded healthcare coverage. An improving economy has also boosted admissions. The behavioral health center industry is very fragmented. Universal has grown this business both organically and through acquisition, and the segment represents 75% of profits. Behavioral health is also benefiting from the ACA, as well as legislation which increases patient access to mental health treatment. Universal, as the market share leader is well positioned to benefit from this fast growing, higher margin segment of healthcare services.

*Alexion Pharmaceuticals, Inc. (ALXN - \$165.82 - NASDAQ)* is a biotechnology company focused on the discovery and development of drugs to treat rare diseases. The company generates revenue from a commercialized product called Soliris, which is an antibody drug that is currently approved to treat two rare diseases. These rare (or orphan) diseases typically have small patient populations, but the disease is life-threatening and the treatment options are ineffective or nonexistent. Soliris is literally a wonder drug that saves patients' lives. As a result, Alexion has huge barriers to entry and competitive advantages resulting in pricing power and high margins. The company has taken the profits generated from Soliris and acquired drugs that target additional rare diseases, creating a pipeline

of growth opportunities for the next several years.

*Invesco Ltd. (IVZ - \$39.48 - NYSE)* is a leading global investment management firm with a presence in 20 countries. The company's product offerings include equities, fixed income, alternatives and ETFs. Invesco is well positioned with its diverse platform and global reach and is somewhat insulated from the market volatility that often impacts more niche asset managers. In addition, its commitment to shareholders is appealing given that the company has returned over 80% of its adjusted earnings via dividends (2.5% dividend yield) and share repurchases over the past year.

Among the worst performing stocks in the quarter were: Antero Resources Corp. (1.2%), Toll Brothers Inc. (1.1%) and BankUnited, Inc. (1.8%).

*Antero Resources Corp. (AR - \$54.89 - NYSE)* is an oil and natural gas exploration and production company with acreage in the lucrative Marcellus and Utica shale plays in West Virginia and Ohio. In addition, Antero owns and operates its midstream activities which include the processing, storing and transporting of their production output. We believe there are several catalysts for stock price appreciation. Their acreage has proven very prolific and has resulted in strong production growth which should continue. Meanwhile, the company has filed and is awaiting approval for the IPO of its midstream operations.

*Toll Brothers Inc. (TOL - \$31.16 - NYSE)* is a leading builder of luxury homes. The company possesses one of the most attractive land positions in the country. Moreover, Toll has been focused on growing its urban luxury condominium business, which is being driven by the affluent move-up buyers and the young professionals seeking to live in major cities. The company's latest quarterly report showed some weakness in its

markets. However, we believe over the medium and long-term, Toll is well positioned to benefit from the improvements in the economy and the pent-up demand for housing.

*BankUnited, Inc. (BKU - \$30.49 - NYSE)* is a regional bank operating in Florida and New York. The bank was at one time a distressed Florida thrift which was acquired from the FDIC in the throes of the financial crisis by John Kanas, famed CEO of Northfork Bancorp, and a group of private equity investors. Kanas successfully ran Northfork for over 40 years before selling it to Capital One in 2006, before the financial crisis. Terms of the BankUnited acquisition included an agreement that the FDIC would absorb 80% of the bank's losses. With a banking platform to build upon, the company

entered the New York market and has been successful in attracting banking talent. We believe BankUnited is well positioned to deliver strong organic loan growth as it grows its market share.

**Conclusion**

During the quarter, we realized profits in several technology names that were meaningful outperformers. These sales reduced our overall weight in the sector. We also took profits in the healthcare sector where valuations appeared full. Proceeds from the sales were partly put to work within the industrial sector where we added to existing positions. While we maintain our positive outlook for the economy and for continued growth in corporate profits, we are mindful of the fragility of the global recovery. We

therefore continue to incorporate a balanced approach to portfolio positioning between cyclical and defensive investments. We believe that stock selection should matter most over the long run. Thus, we remain focused on investing in attractively valued companies with strong balance sheets, secular growth, seasoned management teams, solid earnings prospects, dominant market shares, and superior long term fundamentals. With an emphasis on growth, we continue to invest in innovative companies with above average revenue and earnings growth, trading at attractive valuations.

We appreciate your confidence and trust.

October 15, 2014

**Top Ten Holdings (Percent of Net Assets)  
September 30, 2014**

|                              |      |                             |      |
|------------------------------|------|-----------------------------|------|
| Fortinet Inc.                | 2.5% | HCC Insurance Holdings Inc. | 2.2% |
| Vertex Pharmaceuticals Inc.  | 2.4% | Quanta Services Inc.        | 2.1% |
| Alexion Pharmaceuticals Inc. | 2.2% | CBRE Group Inc.             | 2.1% |
| Rexnord Corp.                | 2.2% | American Tower Corp.        | 1.9% |
| Catamaran Corp.              | 2.2% | Exact Sciences Corp.        | 1.9% |

## TETON Westwood Income Fund



Morningstar® rated the TETON Westwood Income Fund Class AAA Shares 3 stars overall, 2 stars for the three-year period, and 3 stars for the five and ten-year periods ended September 30, 2014 among 1092, 1092, 966, and 635 Large Value Funds, respectively.†

### To Our Shareholders,

For the quarter ended September 30, 2014, the TETON Westwood Income Fund's net asset value ("NAV") per Class AAA Share declined 0.8% versus a gain of 1.1% and a loss of 0.6% for the S&P 500 Index and the Lipper Equity Income Fund Average, respectively. Year to date, the Fund is up 6.7%, versus 8.3% and 6.6% for the respective benchmarks.

### Performance

Of the ten industry groups in the S&P 500 the healthcare, technology and financial sectors had the highest returns. The top ten contributors to performance in the Fund in the third quarter were our positions in healthcare companies, Gilead

Sciences (1.2% of net assets as of September 30, 2014) and Zoetis (3.0%); technology companies Apple Computer (4.9%), Microsoft and Intel (3.2%); financial companies Citibank, Citigroup (0.9%), CME Group (2.6%) and JP Morgan (2.4%); retailer Best Buy (2.7%), and industrial company DuPont (1.8%). These holdings contributed the most due to the combination of their weight in the Fund and their performance in the quarter.

The three bottom performing industry sectors in the S&P 500 were energy, utilities and industrials. Some of our larger positions in these groups, which declined in the quarter, are Halliburton (3.0%), Consol Energy (2.1%), and ConocoPhillips (2.3%).

### Economy and Markets

First the good news: the real gross domestic product – the output of goods and services produced in the United States – that was achieved in the second quarter was revised up to an annual rate of 4.6%, bouncing back from the decrease of 2.1 percent in the first quarter, which had been impacted by the weather

and new healthcare launch.

The monthly jobs reports have continued to be supportive of lower unemployment. The three month average pace of jobs gain was 224,000 in the third quarter, the highest since the first three months of 2004. The unemployment rate fell in September to 5.9%, the lowest level since July of 2008.

However, as has been the pattern with our very low paced recovery that began in 2009, this step forward was accompanied by disappointing news that moderated the strength of the headline number. The improvement in the jobless number was helped by a negative factor, which is that the labour force participation rate ticked down to 67.2%, the lowest level since 1978. The other disappointment was the lack of wage increase, which Federal Reserve Chair Janet Yellen continues to reference as a requirement for an improving economy.



Barbara G. Marcin, CFA

### Average Annual Returns Through September 30, 2014 (a)

|   | Quarter | Year to Date | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception (9/30/97) |
|---|---------|--------------|--------|--------|--------|---------|---------------------------|
| Income Fund Class AAA (WESRX) .....     | (0.81)% | 6.73%        | 15.46% | 17.00% | 12.55% | 6.79%   | 7.94%                     |
| S&P 500 Index .....                     | 1.13    | 8.34         | 19.73  | 22.99  | 15.70  | 8.11    | 6.34                      |
| Lipper Equity Income Fund Average ..... | (0.62)  | 6.55         | 16.10  | 20.50  | 14.02  | 7.44    | 6.07                      |

**In the current prospectuses dated January 28, 2014, the gross expense ratio for Class AAA Shares is 2.57%, and the net expense ratio is 2.00%, after contractual reimbursements by Teton Advisors, Inc. (the "Adviser") in place through January 31, 2015. Class AAA Shares do not have a sales charge.**

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.tetonadv.com](http://www.tetonadv.com) for performance information as of the most recent month end. The Adviser reimbursed expenses to limit the expense ratio. Had such limitation not been in place, returns would have been lower. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at [www.tetonadv.com](http://www.tetonadv.com). Other share classes are available and have different performance characteristics. See page 22 for performance of other classes of shares. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Lipper Equity Income Fund Average includes the 30 largest equity funds in this category tracked by Lipper, Inc. Dividends are considered reinvested. You cannot invest directly in an index.

† Morningstar Rating™ is based on risk adjusted returns.

Investors braved a lot of bad news in the third quarter. Conflicts around the world included the Israel-Gaza war, the Russian invasion of the Ukraine, and China and Japan confronting each other over disputed islands. The scariest war erupted when we suddenly became aware of the substantial threat posed by the terrorist group calling itself the Islamic State which broadcast executions of American and British captives. The question of how officials failed to anticipate this rise, and what the response should be suddenly became the biggest issue facing our president. This contributed to his fall in the public approval polls, and possibly knock on effects for the November mid-term elections.

Economic activity in Europe continued to weaken in the third quarter. German manufacturing, which had been strong, slumped unexpectedly in August. This is the latest sign that growth in Europe's industrial powerhouse is slowing, and suggests that the impact of the Ukraine conflict extends beyond the sanctions, that is, beyond merely reduced exports. Russia makes up about 3% of Germany's total exports, but the conflict could be reducing confidence and business activity and investment more broadly.

While a rise in interest rates has been endlessly anticipated, we have seen rates fall this year, confounding consensus. The rate on the U.S. ten year Treasury bond has fallen from just over 3% at the beginning of the year to under 2.5% at the end of the third quarter.

### **Let's Talk Stocks**

*American International Group (3.1% of net assets as of September 30, 2014) (AIG - \$54.02 - NYSE)* is a multi line insurance company, with property and casualty and also life insurance, serving customers in more than 130 countries and jurisdictions. Their good annuity and private mortgage insurance businesses have good growth prospects. The company is well positioned for the next few years as it has excess capital, sophisticated products and broad global distribution. If rates do pick up, we could see individuals eventually rotate out of bonds and into equities and variable annuities. We believe the

stock of AIG has tremendous upside. If the company continues to make progress to lower expenses and return margins to industry peer averages then they can grow earnings and book value strongly over the next 3-4 years. In addition, the company is committed to returning capital to shareholders with dividends and share buybacks. We believe they can materially increase these capital returns to shareholders over the next few year, and will achieve their long stated goals of a 10% return on equity and \$25-\$30 billion of capital returns.

*Apple Inc. (4.9%) (AAPL - \$100.75\$ - NASDAQ)* has emerged as the world's most valuable corporation as a consequence of the unprecedented global success of its iPhone, iPad, and network of retail stores. Tim Cook, successor to Steve Jobs, lead the firm through a massive new product cycle with the recently released iPhone 6, the iWatch, I-Pay and refresh of the ipads and macs. Apple's brand strength allows it to lead in the high end of its market, avoiding the ruinous price competition and profit margin volatility that impede other firms in its sector. In addition, the company is making inroads into the corporate market, partnering with IBM to offer a secure alternative to traditional personal computers that have dominated the business user. Apple's business requires little cash (it contracts its product manufacture) and the abundant free cash flow has been used for a generous and increasing dividend as well as significant share repurchases

*Halliburton (3.0%) (HAL - \$64.51 - NYSE)* is one of the largest oil service companies and is the global leader in pressure pumping, comprising about 30%-40% of its revenues. We expect the company to see strong demand for its services over the next several years as pressure pumping is required for hydraulic fracturing, which is transforming our energy industry as previously inaccessible deposits of oil and gas are now able to be pulled out of shale rock formations. The pressure pumping is also critical to the need to get more yield out of wells. Long term, we have a multi year demand for the services Halliburton supplies. The company has seen very little growth in earnings over the previous several years.

Now, we believe Halliburton can double earnings over next several years as well as doubling dividends by keeping the dividend payout ratio constant. The company is also also buying back shares *Zoetis (3.0%) (ZTS - \$36.95 - NYSE)* is the global leader in animal health, a leader in sales of vaccines, medicinal feed additives, diagnostic products and genetic tests. This company was spun out of Pfizer two years ago and is the largest global animal medicines and vaccines and the only large cap animal health that is publicly traded. It is very diversified geographically and therapeutically, with livestock, including swine, poultry cattle and fish accounting for two-thirds of sales and the balance in pets, or companion animals. Long term growth drivers include increasing demand for meat and milk due to population growth and increasing affluence in emerging economies; as well as increasing spending on pets. We believe that this growth profile, combined with the uniqueness as a public company can result in a premium valuation on its growth and cash flow and may make the company an attractive acquisition candidate.

*General Electric Co. (2.1%) (GE - \$25.62 - NYSE)* is an industrial conglomerate based in Fairfield, Connecticut, with leading positions in power, energy, healthcare, and aviation equipment, services, and financing. GE downsized its finance business through the recent spinoff of Synchrony Financial, allowing for a larger industrials focus and the payment of dividends to the parent. The announced \$10 billion offer to acquire most of Alstom's power assets will further that shift. Led by higher quality growth in its manufacturing businesses, GE may be able to grow its earnings per share at an 8% - 9% pace over the next five years, with dividends increasing in line with earnings. Drivers will be strong top line growth, led by aircraft engine deliveries, Alstom acquisition synergies, and a company wide effort to reduce SG&A expenses as a percentage of sales and expedite decision-making through simplification at the corporate level. CFO Jeffrey Bornstein, appointed in 2013, appears to have the vision, drive, and mindset needed to simplify costs and processes within the organization.

## Looking Ahead

Consensus is that the Federal Reserve will start to raise the federal funds rate about mid-year next year. However, we believe growth will remain subdued and that interest rates will remain low for a longer period of time. Growth outside the United States is slowing, resulting in continued low global rates, and we believe it is unlikely that U.S. interest rates can rise much against this background. The German 10 year government bond yield continues to make record lows, under 1%, joining the Japanese ten year government bond yield, and ten year yields of other Eurozone government bonds remain close to or even lower than U.S. government bonds.

Federal Reserve Chair Janet Yellen, while acknowledging the moderately steady growth in jobs, continues to express concern over both weak wage gains and the depressed job participation rate. We expect the Federal Reserve to err on the side of caution and to be slow to raise rates.

The Eurozone economy is weakening significantly. The International Monetary Fund updated their global growth outlook and raised their estimate of a possible recession in the Eurozone to 40%. We believe there will be more fiscal and monetary stimulus measures taken there soon.

While lower growth globally does make the United States look relatively attractive for investors, it is also drag on our own earnings. About a third of the sales of the companies in the S&P 500 are generated outside the United States. Weakness in China, Europe and the emerging markets is already being blamed for earnings disappointments for the likes of global companies such as auto manufacturer Ford Motors and restaurant company Yum Brands.

The U.S. dollar has been on a tear in the third quarter, rising 8% against both the Eurodollar and the Japanese yen. Perhaps this reflects the relatively firmer footing of the U.S. economy. A stronger dollar does have the positive effect of lowering commodity and energy prices for consumers and corporations, and guarding against inflation. However, it is a definite negative for U.S. exports as they become costlier for overseas buyers.

The global slowdown will have a much stronger effect on the earnings of the companies that make up the S&P 500 than it will on the U.S. economy. Most of what is made in the United States is sold here. Exports account for about 14% of the U.S. gross domestic product, which compares to Germany, where exports are 51% of GDP, the United Kingdom, with exports comprising 31%, and China, with exports making up 26% of GDP (figures from the World Bank).

This is just one of the factors contributing to the very strong growth in earnings for the S&P 500, which are in aggregate dominated by large global companies. Earnings per share have grown very strongly in the last five years while the economy has only had moderate growth. Other factors that have contributed to earnings far outpacing sales growth over the past five years have been very low interest rates, and refinancing of debt obligations at these lower rates; tremendous share buybacks, and cost cutting including minimal hiring. However, the earnings growth rate has moderated to less than 10% in 2012 and 2013, and is on track this year to post a third single digit growth rate.

We invest in companies, some of which are noted in our "Performance" and "Let's Talk Stocks" sections, to participate in the growth of their earnings and cash flow. We look for those companies that we believe will continue to return cash flow to shareholders through not only dividends but also through reinvestment in their businesses, resulting in greater cash flow and earnings, and higher share price valuation. We look to build a steady component of not only current return from dividend yields, but also a rising dividend payout from most of our portfolio in order to contribute to the performance of the Fund.

October 15, 2014

### Top Ten Holdings (Percent of Net Assets) September 30, 2014

|                                   |      |                         |      |
|-----------------------------------|------|-------------------------|------|
| Apple Inc.                        | 4.9% | Halliburton Co.         | 3.0% |
| Intel Corp.                       | 3.2% | Zoetis Inc.             | 3.0% |
| American International Group Inc. | 3.1% | Best Buy Co Inc.        | 2.7% |
| American Water Works Co Inc.      | 3.1% | International Paper Co. | 2.6% |
| Wells Fargo & Co.                 | 3.0% | CME Group Inc.          | 2.6% |

## TETON Westwood Equity Fund



Morningstar® rated the TETON Westwood Equity Fund Class AAA Shares 3 stars overall, 3 stars for the three-year period, 2 stars for the five-year period, and 4 stars for the 10-year period ended September 30, 2014 among 1092, 1092, 966, and 635 Large Value Funds, respectively.†

### To Our Shareholders,

For the quarter ended September 30, 2014, the TETON Westwood Equity Fund's net asset value ("NAV") per Class AAA Share returned -0.4% versus a return of 1.1% for the S&P 500 Index, a modest gain for this broad index during a quarter marked by more volatility than at any time over the past two years. Year to date, the Fund returned 5.9% versus 8.3% for the benchmark. For the twelve months ended September 30, 2014, the Fund returned, net of all fees and expenses, 15.3% versus a return of 19.7% for the S&P 500 Index.

### Commentary

During the third quarter of 2014 (the closing quarter of the fiscal year), the S&P 500 reached an all-time high amidst the market volatility: stocks sold off in July, rallied in August, and then closed out the period by losing ground in September. The quarter ended on a sour

note despite positive factors: strong 2Q revenues and earnings, solid U.S. economic data, an improving employment picture, and a strengthening U.S. dollar. The primary catalyst for the decline in sentiment was concern about the impact of tighter Fed policy, followed by concern about geopolitical events, including U.S. airstrikes against ISIS forces in Iraq and Syria as well as continued turmoil in Ukraine. The key factor for investors going forward will likely be the adjustment needed to adapt to the end of a very accommodative Fed cycle, which has been in place for almost six years.

The best performing sectors in the benchmark were Health Care and Technology – both based on good 2Q earnings coupled with solid near term outlooks – followed by Financial Services, as investors began to price in the prospects for higher long term interest rates and a steeper yield curve (allowing banks to earn more on loans than to pay on deposits). Utilities lagged – these stocks tend to perform poorly in rising rate environments because of increased competition for the sector's dividend yield – while Energy stocks fell in tandem with declining oil and natural gas prices.

### Performance Drivers

Relative to the S&P 500, performance of the Fund was hindered by security selection in the Consumer Staples,



Matthew R. Lockridge



Mark R. Freeman, CFA



Varun V. Singh, PhD, CFA



Scott D. Lawson, CFA



Lisa Dong, CFA

Technology, and Health Care sectors, as well as by an underweight to Technology stocks. Five stocks were the biggest detractors: (1) EOG Resources (1.8% of net assets as of September 30, 2014) fell in concert with other producers amid a sharp selloff in crude oil prices, yet the company operates in several of the most prolific crude oil basins where they continue to grow production and

### Average Annual Returns Through September 30, 2014 (a)

|                                     | Quarter | Year to Date | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception (1/2/87) |
|-------------------------------------|---------|--------------|--------|--------|--------|---------|--------------------------|
| Equity Fund Class AAA (WESWX) ..... | (0.36)% | 5.90%        | 15.28% | 21.36% | 12.91% | 7.85%   | 10.17%                   |
| S&P 500 Index .....                 | 1.13    | 8.34         | 19.73  | 22.99  | 15.70  | 8.11    | 10.33(b)                 |

**In the current prospectuses dated January 28, 2014, the expense ratio for Class AAA Shares is 1.60%. Class AAA Shares do not have a sales charge.**

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.tetonadv.com](http://www.tetonadv.com) for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at [www.tetonadv.com](http://www.tetonadv.com). Other share classes are available and have different performance characteristics. See page 22 for performance of other classes of shares. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. Dividends are considered reinvested. You cannot invest directly in an index.

(b) S&P 500 Index since inception performance is as of December 31, 1986.

† Morningstar Rating™ is based on risk adjusted returns.

generate top-tier returns; (2) United Technologies Corp. (2.0%) reported strong earnings results and raised earnings guidance as organic growth continues to improve, but was affected by concern about decelerating international economic growth; (3) Viacom Inc. (1.8%) posted earnings results that were impacted by industry wide weakness in advertising spending, yet continues to launch new programming and to return cash to shareholders; (4) MSC Industrial (1.9%) relayed weaker-than-expected earnings guidance based upon slower-than-expected improvement in sales trends, yet margins have begun to improve as the company completes an investment cycle designed to better position the firm for an improving U.S. industrial market; (5) ARRIS Group (1.9%), a new purchase during the quarter, noted that a recent uptick in mergers and acquisitions among its customers could lead to choppiness in near term customer orders, which we view as a temporary setback and believe long term positive business trends remain intact and underappreciated.

Five stocks contributed most to Fund performance: (1) technology stock Skyworks Solutions (1.9%) reported strong earnings results and raised sales and earnings guidance as they continue to benefit from growing demand for internet ready devices; (2) Bank of America (3.3%) overcame several regulatory hurdles with better-than-expected outcomes – the settlement of mortgage-related litigation claims with the U.S. Dept. of Justice and approval by the Federal Reserve of a resubmitted capital plan allowing for an increase in the quarterly dividend; (3) Home Depot (2.0%) reported strong quarterly results from operational improvements and housing market business, and despite a data breach occurring in September, the company affirmed full year revenue and earnings guidance, assuring investors that they will be able to overcome this temporary headwind; (4) Target Corporation (3.3%) reported inline earnings results and also announced that the impact of their data breach was better-than-expected, with sales trends improving and costs being well below expectations; (5) despite a failed takeover attempt by Twenty-First

Century Fox, Time Warner Inc. (3.0%) performed well as the company continues to streamline its business, improve programming content, and return cash to shareholders.

### **Fiscal Year Performance Drivers**

During the twelve month fiscal year ending September 30, 2014, Technology and Health Care were the best performing index sectors, while Consumer Discretionary and Energy performed the worst but still produced returns greater than 10%. Detracting from relative performance was stock selection in Health Care, followed by Energy, Consumer Staples, and Technology. Detractors included technology companies Cisco Systems Inc., which lowered forward guidance as a result of increased competition in its core businesses, and ARRIS Group (1.9%), after management made cautious comments about the effect on sales from consolidation in the cable/telecom provider industry. Financial services company CIT Group (1.7%) fell after reporting worse than expected net interest margins, while both consumer discretionary companies Viacom Inc (1.8%) and AMC Networks Inc. (1.7%) have experienced at points during the period weaker than expected advertising rates and a relative decline in sentiment for media companies following very strong performance in 2013.

Driving Fund relative performance positively during the period was stock selection in Consumer Discretionary, followed by Utilities. The top contributor for the period was Advance Auto Parts (1.0%), which rallied after announcing a very accretive acquisition in the 4th quarter of 2013. Union Pacific Corporation (2.2%) was also additive to results as it continued to post strong earnings results based on good execution and continued demand for rail transportation, while Wells Fargo & Company (3.1%) was bid up on optimism over the housing market and a belief that the interest rate environment will favor banks going forward. Health care company Covidien Plc rose after competitor Medtronic announced it was acquiring the firm, and technology company Skyworks Solutions (1.9%) continued its strong performance.

### **Fiscal Year Market Review**

Optimism rose throughout the opening three months of the period, the fourth quarter of 2013, spurred on by an agreement that postponed the U.S. budget/debt ceiling battle, the nomination of Janet Yellen to lead the FOMC, and the Fed's announcement that QE tapering (a reduction in its bond buying program) would begin in January. Other catalysts for the market's gain included the release of stronger than expected 3Q GDP and corporate earnings, as well as economic data that supported a sustainable growth environment. Solid economic data points included the unemployment rate, which fell to 7.0%, growth in the manufacturing sector, and better than expected 3Q GDP, led by a strong gain from the private sector. The best performing index sectors included the economically sensitive Producer Durables and Technology sectors, while Financial Services rallied on rising long term interest rates and a steepened yield curve. Health Care stocks, specifically hospitals and managed care companies, rose in anticipation of the onset of the Affordable Care Act. The poorest performing sectors were REITs and Utilities, with yields that may seem less attractive in a rising rate environment.

Concerns about the global impact of weakening emerging market economies drove stocks lower in January, but a rebound in sentiment during February produced a rally that allowed the broad market to post a gain for the first quarter of 2014. Investors successfully shrugged off several potentially damaging occurrences, including unseasonably cold weather in much of the U.S. that resulted in an economic soft patch, the potential for sooner than expected monetary policy tightening, and Russia's invasion of Ukraine. In addition, continued evidence of a slowdown in the Chinese economy was insufficient to derail investor confidence. The best performing sectors during the quarter included Utilities and REITs, which benefitted from the January stock sell-off and subsequent decline in interest rates. In addition, Health Care stocks were bid up as investors sought out safety early in the quarter. The worst performers included Consumer Discretionary, one of the leaders from 2013, while sectors exposed to global



cyclical demand, including Energy and Producer Durables, also underperformed. Importantly, the anticipation of reduced monetary stimulus resulted in greater market volatility, as well as higher dispersion among stock prices. This has historically caused a differentiated performance environment that favors higher quality, fundamentally sound companies with predictable earnings growth.

Investor confidence took a hit early in the second quarter of 2014, causing stocks to fall and Treasury bonds to rally. The ongoing conflict in the Ukraine combined with slowing growth in China and fears about the impact of the Fed's reduction in monetary stimulus resulted in poor sentiment that drove the markets. However, corporate earnings estimates rose in the latter half of the quarter as a

bounce back in economic activity created stronger demand. In addition, despite rising gasoline prices and a decline in the 10 year Treasury bond yield to 2.53%, investors continued to find relative value in U.S. equities. As a result, stocks produced a solid gain for the quarter, while the period ended with investor optimism buoyed by improving economic growth, solid employment data, and proactive monetary policy arising from actions taken by the European Central Bank and the Bank of Japan.

### Outlook

Looking out to mid-year 2015, we expect the U.S. economic expansion to continue with the pace of GDP shifting modestly higher. Continued improvement in the labor market should eventually result in higher wage growth. This, in turn, would

produce an increase in personal consumption and move the economy closer to sustainable growth. We would expect businesses to increase capital expenditures in addition to hiring more workers. We expect the end of deleveraging and an easing in lending standards to allow credit expansion to contribute to growth. Inflation would move modestly higher, primarily on higher costs in the service sector. After the Federal Reserve ends quantitative easing in the fourth quarter of 2014, we expect maintenance of a zero interest rate policy into the middle of 2015.

We thank you for your continued confidence and support.

October 15, 2014

| <b>Top Ten Holdings (Percent of Net Assets)</b> |      |                              |      |
|---|------|------------------------------|------|
| <b>September 30, 2014</b>                       |      |                              |      |
| Target Corp.                                    | 3.3% | Honeywell International Inc. | 3.1% |
| Bank of America Corp.                           | 3.3% | Amdocs Ltd.                  | 3.0% |
| JPMorgan Chase & Co.                            | 3.3% | Time Warner Inc.             | 3.0% |
| Wells Fargo & Co.                               | 3.1% | Union Pacific Corp.          | 2.2% |
| Capital One Financial Corp.                     | 3.1% | Pepsico Inc.                 | 2.2% |

## TETON Westwood Balanced Fund



Morningstar® rated the TETON Westwood Balanced Fund Class AAA Shares 4 stars overall, 3 stars for the three and five-year periods, and 4 stars for the ten-year period ended September 30, 2014 among 737, 737, 652 and 430 Moderate Allocation Funds, respectively.†

### To Our Shareholders,

For the quarter ended September 30, 2014, the TETON Westwood Balanced Fund's net asset value ("NAV") per Class AAA Share returned -0.5% versus a return of 0.8% for the benchmark: 60% S&P 500 Stock Index/ 40% Barclays Government/Credit Bond Index (BG/C). Year to date, the Fund returned 3.9% versus 6.7% for the benchmark. For the twelve months ended September 30, 2014, the Fund returned, net of all fees and expenses, 9.9% versus a return of 13.5% for the Index.

The Fund is designed to provide exposure to equities while reducing overall risk through investment in investment grade fixed income securities. The bond portion

typically invests in high quality notes with lower interest rate sensitivity — and generally a shorter maturity — than the typical bond index, with the objective of dampening the volatility of equity holdings. Unlike the prior fiscal year, this lower interest rate sensitivity detracted over the last twelve months from relative performance of the bond portion of the Fund versus the BG/C.

Please note that the commentary for the Equity Fund also applies to the equity portion of the Balanced Fund, whereas specific factors related to performance of the fixed income portion are discussed below. The Intermediate Bond Fund commentary on the bond market, the BG/C, and the fiscal year market review do apply, however.

### Fixed Income Performance Drivers

Relative to the Barclays Government Credit Index, performance of the Fund during the third quarter was hindered primarily by a lower allocation to long maturity bonds during a period in which the yield curve twist resulted in long bonds rallying and outperforming short-to-intermediate maturities. The five lowest contributors to Fund performance



Matthew R. Lockridge



Mark R. Freeman, CFA



Varun V. Singh, PhD, CFA



Scott D. Lawson, CFA



Lisa Dong, CFA

### Average Annual Returns Through September 30, 2014 (a)

|   | Quarter | Year to Date | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception (10/1/91) |
|---|---------|--------------|--------|--------|--------|---------|---------------------------|
| Balanced Fund Class AAA (WEBAX) .....   | (0.50)% | 3.94%        | 9.85%  | 13.46% | 9.03%  | 6.49%   | 8.65%                     |
| Barclays Government/Credit Bond Index .....                                   | 0.17    | 4.12         | 4.08   | 2.54   | 4.27   | 4.59    | 6.21(c)                   |
| S&P 500 Index .....   | 1.13    | 8.34         | 19.73  | 22.99  | 15.70  | 8.11    | 9.53(c)                   |
| 60% S&P 500 Index and 40% Barclays Government/<br>Credit Bond Index (b) ..... | 0.75    | 6.65         | 13.47  | 14.81  | 11.13  | 6.70    | 8.20                      |

**In the current prospectuses dated January 28, 2014, the expense ratio for Class AAA Shares is 1.28%. Class AAA Shares do not have a sales charge.**

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.tetonadv.com](http://www.tetonadv.com) for performance information as of the most recent month end. TETON Advisors, LLC, the Adviser, reimburses expenses in the years prior to 1998 to limit the expense ratio. Had such limitation not been in place, returns would have been lower. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at [www.tetonadv.com](http://www.tetonadv.com). Other share classes are available and have different performance characteristics. See page 22 for performance of other classes of shares. The Barclays Government/Credit Bond Index is a market value weighted index that tracks the performance of fixed rate, publicly placed, dollar denominated obligations. The S&P 500 Index is a market capitalization-weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. Dividends are considered reinvested. You cannot invest directly in an index.

(b) The Blended Index consists of a 60% blend of each of the S&P 500 Index and 40% Barclays Government/Credit Bond Index.

(c) S&P 500 Index and Barclays Government/Credit Bond Index since inception performance are as of September 30, 1991.

† Morningstar Rating™ is based on risk adjusted returns.

(considering both percentage of Fund and total return) were three Treasury Inflation-Index Protected Securities: 1.375% due 15-Jan-2020 (1.4% of net assets as of September 30, 2014), 2.125% due 15-Jan-2019 (1.3%), and 2.5% due 15-Jul-2016 (1.8%); Freddie Mac note 3.75% due 27-Mar-2019 (2.0%), and JPMorgan Chase & Co 6.3% due 23-Apr-2019 (1.0%). Leading positive contributors included four Corporate securities and one U.S. Agency note: Colgate-Palmolive Company 2.1% due 01-May-2023 (0.6%), Vornado Realty LP 4.25% due 01-Apr 2015 (0.9%), Intel Corporation 3.3% due 01-Oct-2021 (1.2%), Citigroup Inc 5.5% due 15-Oct-2014 (1.4%), and Freddie Mac 2.375% due 13-Jan-2022 (1.0%).

### 3Q14 Changes in Fixed Income Holdings

The quarter included four purchases: IBM Corporation 2.9% due 01-Nov-2021 (as of September 30, 2014, 0.8%), Wells Fargo & Company 3.5% due 08-Mar-2022 (0.7%), Goldman Sachs Group Inc 3.85% due 08-Jul-2024 (0.7%), and Fannie Mae 1.125% due 27-Apr-2017 (1.0%); the sale of

AT&T 0.875% due 13-Feb-2015, and the maturity of U.S. Treasury Bill 0.0% due 21-Aug-2014.

### Fiscal Year Fixed Commentary and Attribution

For the twelve months ended September 30, 2014, the Treasury yield curve twisted more markedly than during third quarter: within the BG/C, bonds longer than 10 years returned 12.9% while bonds 1-10 years in maturity returned 2.2%. The spread narrowing trend for Corporates, referenced in the Intermediate Bond Commentary, resulted in Corporates outperforming U.S. Governments 6.8% to 2.3%. In general, fixed income investors were better compensated over the fiscal year for taking interest rate risk over credit risk. Within the Corporate sector, the 8.4% return of Baa rated credits more than tripled the performance of Aaa rated credits. The Utility sector led Corporates with an 8.6% return. Treasury Inflation-Indexed securities earned 1.6%.

Factors driving the performance of the Fund relative to the BG/C were: (1) underweighting U.S. Treasuries — particularly long maturity bonds — while over-

weighting the (lowest performing) U.S. Agency sector, and (2) favoring in the Industrial and Financial Services sectors maturities less than 10 years relative to stronger performing long maturity credits. Considerable overweight positions in these two corporate sectors were beneficial, however.

The top five contributors to fiscal year Fund performance were four Corporates and one U.S. Agency: Intel Corporation 3.3% due 01-Oct-2021 (1.2%), Occidental Petroleum Corporation 2.7% due 15-Feb-2023 (0.9%), JPMorgan Chase & Co 6.3% due 23-Apr-2019 (1.0%), Freddie Mac note 3.75% due 27-Mar-2019 (2.0%), and Burlington Northern Santa Fe Corp 5.65% due 01-May-2017 (1.3%). Detracting the most were three Treasury Inflation-Index Protected Securities: 1.375% due 15-Jan-2020 (1.4%), 2.125% due 15-Jan-2019 (1.3%), and 2.5% due 15-Jul-2016 (1.8%); and two corporate notes: Costco Wholesale Corporation 1.7% due 15-Dec-2019 (0.9%) and Goldman Sachs Group Inc 3.85% due 08-Jul-2024 (purchased shortly before quarter end, 0.7%).

October 15, 2014

| <b>Top Ten Issuers* (Percent of Net Assets)</b> |      |                             |      |
|---|------|-----------------------------|------|
| <b>September 30, 2014</b>                       |      |                             |      |
| Fannie Mae Notes                                | 4.8% | Target Corp.                | 2.0% |
| Freddie Mac Notes                               | 4.6% | Colgate-Palmolive Co.       | 2.0% |
| JPMorgan Chase & Co.                            | 3.1% | Amdocs Ltd.                 | 1.9% |
| Occidental Petroleum Corp.                      | 2.2% | Bank of America Corp.       | 1.8% |
| Wells Fargo & Co.                               | 2.0% | Capital One Financial Corp. | 1.8% |

\* Bond and equity positions have been combined.

## TETON Westwood Intermediate Bond Fund



Morningstar® rated the TETON Westwood Intermediate Bond Fund Class AAA Shares 1 star overall and 1 star for the three, five, and ten-year periods ended September 30, 2014 among 929, 929, 808, and 574 Intermediate-Term Bond Funds, respectively.†

### To Our Shareholders,

For the quarter ended September 30, 2014, the TETON Westwood Intermediate Bond Fund's net asset value ("NAV") per Class AAA Share returned -0.4% versus a return of 0.2% for the Barclays Government/Credit Bond Index (BG/C). Year to date, the Fund returned 0.9% versus 4.1% for the benchmark. For the twelve months ended September 30, 2014, the Fund returned, net of all fees and expenses, 0.5% versus a return of 4.1% for the Index.

### Commentary

During the third quarter of 2014, the U.S. Treasury yield curve slightly twisted, as short/intermediate yields rose and longer bond yields declined, resulting in a rally for longer versus shorter maturities. The 10 year Treasury yield moved from 2.56% to 2.49%. The rally in long

Treasuries reflected expectations for a delay in Fed interest rate hikes, based on inflation and labor readings below the Federal Reserve's targets. U.S. Treasuries also benefited from historically low sovereign bond yields in Europe.

Credit spreads (the excess yield of a corporate bond above the comparable maturity Treasury) widened during the third quarter. The rise in risk premia was driven by concerns over valuations and additional supply coming to market, particularly in September. This quarter's credit spread widening interrupted the consistent spread narrowing trend which had been in place since 2012. Corresponding to the yield curve twist and corporate spread widening: Treasuries outperformed Corporates 0.34% to -0.08% and 10+ year bonds outperformed 1-10 year maturities 1.04% to -0.03%. Within investment grade corporates: Utilities led with a gain of 0.45%, while industrials lagged with a return of -0.16% and stronger credit quality outperformed lower credit quality. AAA credits returned 0.25% versus -0.20% for BBB credits.

### Performance Drivers

Relative to the Barclays Government Credit Index, performance of the Fund during the third quarter was hindered by 2 factors: (1) a lower allocation to long

maturity bonds during a period in which long bonds rallied, and (2) a greater holding in Inflation-Linked Treasuries during a period when TIIPS returned -2.0%. The five lowest contributors to Fund performance (considering both percentage of Fund and total return) all were Treasury Inflation-Index Protected Securities: 2.5% due 15-Jan-2019 (2.2% of net assets as of September 30, 2014), 1.375% due 15-Jan-2020 (1.7%), , 1.375% due 15-Jul-2018 (1.7%), 2.125% due 15-Jan-2019 (1.6%), and 2.5% due 15-Jul-2016 (1.6%). Leading positive contributors were diverse holdings from the corporate, Treasury, U.S. Agency, and mortgage sectors: Arrow Electronics 6.0% due 01-Apr-2020 (1.1%), U.S. Treasury 5.375% due 15-Feb-2031 (16.5 year maturity, 0.9%), Fannie Mae note 1.25% due 27-Apr-2017 (3.8%), Oracle Corporation 3.625% due 15-Jul-2023 (1.9%), and Ginnie Mae pool #3747 5.000% due 20-Aug-2035 (0.16%).



Mark R. Freeman, CFA

### Changes in Fixed Income Holdings

The quarter included one new purchase, IBM Corporation 2.9% due 01-Nov-2021

### Average Annual Returns Through September 30, 2014 (a)

|  | Quarter | Year to Date | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception (10/1/91) |
|--|---------|--------------|--------|--------|--------|---------|---------------------------|
| Intermediate Bond Fund Class AAA (WEIBX) . . . . . | (0.44)% | 0.87%        | 0.54%  | 0.69%  | 2.23%  | 3.17%   | 4.94%                     |
| Barclays Government/Credit Bond Index . . . . .    | 0.17    | 4.12         | 4.08   | 2.54   | 4.27   | 4.59    | 6.21(b)                   |

**In the current prospectuses dated January 28, 2014, the gross expense ratio for AAA Shares is 1.36%, and the net expense ratio is 1.00%, after contractual reimbursements by Teton Advisors Inc. (the "Adviser") in place through January 31, 2014. Class AAA Shares do not have a sales charge.**

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.tetonadv.com](http://www.tetonadv.com) for performance information as of the most recent month end. The Adviser reimbursed expenses to limit the expense ratio. Had such limitation not been in place, returns would have been lower. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at [www.tetonadv.com](http://www.tetonadv.com). Other share classes are available and have different performance characteristics. See page 22 for performance of other classes of shares. The Barclays Government/Credit Bond Index is a market value weighted index that tracks the performance of fixed rate, publicly placed, dollar denominated obligations. Dividends are considered reinvested. You cannot invest directly in an index.

(b) The Barclays Government/Credit Bond Index since inception performance is as of September 30, 1991.

† Morningstar Rating™ is based on risk adjusted returns.

(1.7%), and two maturities: Freddie Mac note 5.0% due 15-Jul-2014 and U.S. Treasury Bill 0.0% due 21-Aug-2014.

### Fiscal Year Performance Drivers

For the twelve months ended September 30, 2014, the Treasury yield curve twisted more markedly than during third quarter: within the BG/C, bonds longer than 10 years returned 12.9% while bonds 1-10 years in maturity returned 2.2%. The spread narrowing trend for Corporates, referenced in our above Commentary, resulted in Corporates outperforming U.S. Governments 6.8% to 2.3%. In general, fixed income investors were better compensated over the fiscal year for taking interest rate risk over credit risk. Within the Corporate sector, the 8.4% return of Baa rated credits more than tripled the performance of Aaa rated credits. The Utility sector led Corporates with an 8.6% return. Treasury Inflation-Indexed securities earned 1.6%. Factors driving the relative performance of the Fund relative to the BG/C were: (1) owning a majority of shorter maturity notes, notably in the Industrial sector (lower interest rate sensitivity during a year when long maturity bonds led), and (2) owning an overweight position in U.S. Agency notes during a year when that sector lagged both U.S. Treasuries and Corporates.

The top five contributors to fiscal year Fund performance all were Corporates: Intel Corporation 3.3% due 01-Oct-2021 (1.7%), Arrow Electronics Inc 6.0% due 01-Apr-2020 (1.1%), Oracle Corporation 3.625% due 15-Jul-2023 (1.9%), Teva Pharmaceutical Finance 3.65% due 10-Nov-2021 (1.6%), and Murphy Oil Corporation 2.5% due 01-Dec-2017

(1.9%). Detracting the most were Costco Wholesale Corporation 1.7% due 15-Dec-2019 (1.8%) and the following four Treasury Inflation-Index Protected Securities: 1.375% due 15-Jul-2018 (1.7%), 1.375% due 15-Jan-2020 (1.7%), 2.125% due 15-Jan-2019 (1.6%), and 2.5% due 15-Jul-2016 (1.6%).

### Fiscal Year Market Review

Fixed income price volatility increased in the fourth quarter of 2013 – the opening quarter of the fiscal year – after the Federal Reserve announced plans on Dec. 18 to reduce quantitative easing purchases of Treasury and mortgage securities. The 10 year Treasury yield increased over the period from 2.61% to 3.00%; shorter maturity notes outperformed longer maturity bonds. Within Corporates, credit spreads tightened significantly and lower-rated credits outperformed higher-rated credits. Although the BG/C was barely negative for the period, Corporates gained 1.1%.

Fixed Income appreciated during a choppy first quarter of 2014. Treasuries and Investment Grade corporates benefited from “flight-to-quality” buying associated with geopolitical tension in the Ukraine, several pieces of underwhelming U.S. Economic data, and an Emerging Market sell-off in January. The 10-year Treasury yield began 2014 at 3% and rallied to 2.72% by the end of the quarter. The Fed announced plans to further reduce Quantitative Easing purchases and was projected to wind down Quantitative Easing by the end of the year. Fixed income investors were expected to eventually focus on when to expect Fed Funds (overnight borrowing) rate hikes – a move away from the Fed’s

zero interest rate policy. Credit spreads widened briefly in January due to Emerging Markets weakness, but quickly regained their footing and finished tighter again. U.S. Treasuries underperformed Investment Grade corporates. Investment Grade long maturity securities in every credit quality cohort earned 6% or more. For the period, long maturity bonds beat shorter maturity notes.

Fixed Income investments continued to appreciate during the second quarter of 2014, as the 10 year Treasury yield rallied from 2.72% to finish the quarter at 2.53% and other Treasury yields declined for maturities 5 years and longer. The 2014 first half income rally surprised the consensus, which was concerned about falling bond prices associated with the expectation for a more normalized monetary policy by the Federal Reserve. Instead, bond prices generally climbed higher through June, as monetary guidance remained accommodative and investors encountered both mixed economic data and geopolitical tensions. Credit spreads for Investment Grade issues continued to tighten relative to corresponding Treasury yields, resulting in Credit instruments outperforming Government issued notes and bonds. Risk premiums between bonds of various levels of credit quality tightened as well, with the difference between Baa and Aaa credit spreads reaching nearly a 17 year low and lower credit quality outperforming higher credit quality. TIIPS outperformed both the U.S. Treasury and Corporate sectors. Maturities longer than 10 years returned 4.93% vs. 1-5 year maturities at 0.65%.

October 15, 2014

### Top Ten Holdings (Percent of Net Assets) September 30, 2014

|                                       |       |  |      |
|---------------------------------------|-------|--|------|
| Fannie Mae Notes                      | 16.8% | AT&T Inc., 1.700%, 06/01/17                      | 2.4% |
| Freddie Mac Notes                     | 13.3% | Oracle Corp., 3.625%, 07/15/23                   | 1.9% |
| U.S. Treasury Inflation Indexed Notes | 8.7%  | Murphy Oil Corp., 2.50%, 12/01/17                | 1.9% |
| U.S. Treasury Notes                   | 8.0%  | General Electric Capital Corp., 1.625%, 07/02/15 | 1.9% |
| Bank of America Corp.                 | 2.9%  | Costco Wholesale Corp., 1.750%, 12/15/19         | 1.8% |

Effective October 1, 2012, the GAMCO Westwood Funds were renamed the TETON Westwood Funds, and each of the Trust's series, GAMCO Westwood Equity Fund, GAMCO Westwood Balanced Fund, GAMCO Westwood SmallCap Equity Fund, GAMCO Westwood Mighty Mites Fund, GAMCO Westwood Income Fund, and GAMCO Westwood Intermediate Bond Fund, were renamed TETON Westwood Equity Fund, TETON Westwood Balanced Fund, TETON Westwood SmallCap Equity Fund, TETON Westwood Mighty Mites Fund, TETON Westwood Income Fund, and TETON Westwood Intermediate Bond Fund, respectively.

### Minimum Initial Investment

For all Funds, except the Mighty Mites Fund, your minimum initial investment must be at least \$1,000; there are no subsequent investment minimums; no initial minimum is required for those establishing an Automatic Investment Plan; and all of the TETON Westwood Funds are available through financial intermediaries including the no transaction fee programs at many major brokerage firms. The minimum initial investment for the Mighty Mites Fund is \$10,000 for all accounts. There are no subsequent investment minimums. Class I Shares are available directly through the Funds' distributor, or brokers that have entered into selling agreements with the distributor specifically with respect to Class I Shares.

### www.tetonadv.com

Please visit us on the Internet. Our homepage at [www.tetonadv.com](http://www.tetonadv.com) contains information about the TETON Westwood Funds, with links to information about the Gabelli 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@tetonadv.com](mailto:info@tetonadv.com).

The Funds' daily net asset values are available in the financial press and each evening after 7:00 PM (Eastern Time) by calling 800-WESTWOOD (800-937-8966). Please call us during the business day, between 8:00 AM – 7:00 PM (Eastern Time), for further information. Thank you for investing in the TETON Westwood Funds. We look forward to serving your investment objectives in the years ahead.

### e-delivery

We are pleased to offer electronic delivery of fund documents. Direct shareholders of our open-end funds can now elect to receive their Annual and Semiannual Reports, Manager Commentaries, and Prospectuses via e-delivery. For more information, please visit our distributor's website at [www.gabelli.com](http://www.gabelli.com). You may also sign up for our e-mail alerts and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance via our website.

### Nasdaq Symbols Table

| <u>TETON Westwood Funds</u> | <u>Class AAA</u> | <u>Class A</u> | <u>Class C</u> | <u>Class I</u> |
|-----------------------------|------------------|----------------|----------------|----------------|
| Mighty Mites                | WEMMX            | WMMAX          | WMMCX          | WEIMX          |
| SmallCap Equity             | WESCX            | WESAX          | WWSCX          | WWSIX          |
| Mid-Cap Equity Fund         | WMCEX            | WMCAx          | WMCCX          | WMCRX          |
| Income                      | WESRX            | WEIAX          | WEICX          | WESIX          |
| Equity                      | WESWX            | WEECX          | WEQCX          | WEEIX          |
| Balanced                    | WEBAX            | WEBCX          | WBCCX          | WBBIX          |
| Intermediate Bond           | WEIBX            | WEAIX          | WECIX          | WEIIX          |

Morningstar Rating™ is based on risk adjusted returns. The Overall Morningstar Rating is derived from a weighted average of the performance figures associated with a fund's three, five, and ten year (if applicable) Morningstar Rating metrics. For funds with at least a three year history, a Morningstar Rating is based on a risk adjusted return measure (including the effects of sales charges, loads, and redemption fees) placing more emphasis on downward variations and rewarding consistent performance. That accounts for variations in a fund's monthly performance. The top 10% of funds in each category receive 5 stars, the next 22.5% 4 stars, the next 35% 3 stars, the next 22.5% 2 stars, and the bottom 10% 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) Morningstar Rating is for the AAA Share class only; other classes may have different performance characteristics. Ratings reflect relative performance. Results for certain periods were negative. © 2014 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

# TETON WESTWOOD FUNDS

## Average Annual Returns – September 30, 2014

### Class AAA Shares (a)

|                                  | 1 Year | 5 Year | 10 Year | Since Inception | Gross Expense Ratio | Current Expense Ratio after Adviser Reimburse-ments | Maximum Sales Charge |
|----------------------------------|--------|--------|---------|-----------------|---------------------|---|----------------------|
| Mighty Mites <sup>SM</sup> ..... | 2.23%  | 14.28% | 11.03%  | 11.82%          | 1.44%               | 1.44%   | None                 |
| SmallCap Equity .....            | 3.48   | 12.69  | 8.91    | 7.17            | 1.63                | 1.50  | None                 |
| Mid Cap .....                    | 10.15  | —      | —       | 11.36           | 3.88                | 1.50  | None                 |
| Income .....                     | 15.46  | 12.55  | 6.79    | 7.94            | 2.57                | 2.00  | None                 |
| Equity .....                     | 15.28  | 12.91  | 7.85    | 10.17           | 1.60                | 1.60  | None                 |
| Balanced .....                   | 9.85   | 9.03   | 6.49    | 8.65            | 1.28                | 1.28  | None                 |
| Intermediate Bond .....          | 0.54   | 2.23   | 3.17    | 4.94            | 1.36                | 1.00  | None                 |

### Class A Shares (a)(b)(d)

|                                  | 1 Year  | 5 Year | 10 Year | Since Inception | Gross Expense Ratio | Current Expense Ratio after Adviser Reimburse-ments | Maximum Sales Charge |
|----------------------------------|---------|--------|---------|-----------------|---------------------|---|----------------------|
| Mighty Mites <sup>SM</sup> ..... | (2.12)% | 13.07% | 10.32%  | 11.34%          | 1.69%               | 1.69%   | 4.00%                |
| SmallCap Equity .....            | (0.83)  | 11.51  | 8.22    | 6.78            | 1.88                | 1.75  | 4.00                 |
| Mid Cap .....                    | 5.57    | —      | —       | 7.77            | 4.13                | 1.75  | 4.00                 |
| Income .....                     | 10.54   | 11.35  | 6.09    | 7.47            | 2.82                | 2.25  | 4.00                 |
| Equity .....                     | 10.43   | 11.72  | 7.14    | 9.78            | 1.85                | 1.85  | 4.00                 |
| Balanced .....                   | 5.17    | 7.88   | 5.79    | 8.20            | 1.53                | 1.53  | 4.00                 |
| Intermediate Bond .....          | (3.53)  | 1.30   | 2.63    | 4.69            | 1.46                | 1.10  | 4.00                 |

### Class C Shares (a)(c)(d)

|                                  | 1 Year | 5 Year | 10 Year | Since Inception | Gross Expense Ratio | Current Expense Ratio after Adviser Reimburse-ments | Maximum Sales Charge |
|----------------------------------|--------|--------|---------|-----------------|---------------------|---|----------------------|
| Mighty Mites <sup>SM</sup> ..... | 0.41%  | 13.43% | 10.21%  | 11.16%          | 2.19%               | 2.19%   | 1.00%                |
| SmallCap Equity .....            | 1.77   | 11.86  | 7.90    | 6.54            | 2.38                | 2.25  | 1.00                 |
| Mid Cap .....                    | 8.41   | —      | —       | 10.57           | 4.63                | 2.25  | 1.00                 |
| Income .....                     | 13.57  | 11.70  | 5.99    | 7.41            | 3.32                | 2.75  | 1.00                 |
| Equity .....                     | 13.51  | 12.08  | 7.05    | 9.70            | 2.35                | 2.35  | 1.00                 |
| Balanced .....                   | 8.04   | 8.23   | 5.70    | 8.11            | 2.03                | 2.03  | 1.00                 |
| Intermediate Bond .....          | (1.16) | 1.45   | 2.40    | 4.50            | 2.11                | 1.75  | 1.00                 |

### Class I Shares (a)(d)

|                                  | 1 Year | 5 Year | 10 Year | Since Inception | Gross Expense Ratio | Current Expense Ratio after Adviser Reimburse-ments | Maximum Sales Charge |
|----------------------------------|--------|--------|---------|-----------------|---------------------|---|----------------------|
| Mighty Mites <sup>SM</sup> ..... | 2.43%  | 14.56% | 11.21%  | 11.94%          | 1.19%               | 1.19%   | None                 |
| SmallCap Equity .....            | 3.78   | 12.98  | 9.10    | 7.28            | 1.38                | 1.25  | None                 |
| Mid Cap .....                    | 10.50  | —      | —       | 11.64           | 3.63                | 1.25  | None                 |
| Income .....                     | 15.77  | 12.81  | 6.97    | 8.04            | 2.32                | 1.75  | None                 |
| Equity .....                     | 15.38  | 13.16  | 8.02    | 10.23           | 1.35                | 1.35  | None                 |
| Balanced .....                   | 10.04  | 9.32   | 6.67    | 8.73            | 1.03                | 1.03  | None                 |
| Intermediate Bond .....          | 0.88   | 2.49   | 3.34    | 5.01            | 1.11                | 0.75  | None                 |

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.tetonadv.com](http://www.tetonadv.com) for performance information as of the most recent month end. For the SmallCap Equity, Mid-Cap Equity, Income, and Intermediate Bond Funds (and for the Mighty Mites<sup>SM</sup> Fund through September 30, 2005), (TETON Advisors, Inc., "the Adviser") reimbursed expenses to limit the expense ratio. Had such limitations not been in place, returns would have been lower. The contractual expense limitations are in effect through January 31, 2015 (and for the Mid-Cap Equity Fund through May 31, 2015) and are renewable annually by the Adviser. The Funds, except for the Equity, Balanced, and Intermediate Bond Funds, imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of a Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at [www.tetonadv.com](http://www.tetonadv.com).

(b) Includes the effect of the maximum 4.0% sales charge at the beginning of the period.

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

(d) The performance of the Class AAA Shares is used to calculate performance for the periods prior to the issuance of Class A Shares, Class C Shares, and Class I Shares for all Funds except for the Mid-Cap Equity Fund. The performance for the Class A Shares and Class C Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The performance for the Class I Shares would have been higher due to the lower expenses associated with this class of shares. The inception dates for the Class AAA Shares and the initial issuance dates for the Class A Shares, Class C Shares, and Class I Shares after which shares remained continuously outstanding are listed below.

|                                  | Class AAA Shares | Class A Shares | Class C Shares | Class I Shares |
|----------------------------------|------------------|----------------|----------------|----------------|
| Mighty Mites <sup>SM</sup> ..... | 05/11/98         | 11/26/01       | 08/03/01       | 01/11/08       |
| SmallCap Equity .....            | 04/15/97         | 11/26/01       | 11/26/01       | 01/11/08       |
| Mid-Cap Equity .....             | 05/31/13         | 05/31/13       | 05/31/13       | 05/31/13       |
| Income .....                     | 09/30/97         | 05/09/01       | 11/26/01       | 01/11/08       |
| Equity .....                     | 01/02/87         | 01/28/94       | 02/13/01       | 01/11/08       |
| Balanced .....                   | 10/01/91         | 04/06/93       | 09/25/01       | 01/11/08       |
| Intermediate Bond .....          | 10/01/91         | 07/26/01       | 10/22/01       | 01/11/08       |

# TETON WESTWOOD FUNDS

**TETON Westwood Mighty Mites<sup>SM</sup> Fund**  
**TETON Westwood SmallCap Equity Fund**  
**TETON Westwood Mid-Cap Equity Fund**  
**TETON Westwood Income Fund**  
**TETON Westwood Equity Fund**  
**TETON Westwood Balanced Fund**  
**TETON Westwood Intermediate Bond Fund**

One Corporate Center  
Rye, New York 10580-1422

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We have separated the portfolio managers' commentaries from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio managers' commentaries is unrestricted. The financial statements and investment portfolio are mailed separately from the commentaries. Both the commentaries and the financial statements, including the portfolio of investments, are available on our website at [www.tetonadv.com](http://www.tetonadv.com).

This report is submitted for the information of the shareholders of the TETON Westwood Funds. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.





## TETON WESTWOOD FUNDS

Mighty Mites<sup>SM</sup> Fund

SmallCap Equity Fund

Mid-Cap Equity Fund

Income Fund

Equity Fund

Balanced Fund

Intermediate Bond Fund

Annual Report

September 30, 2014

# TETON WESTWOOD FUNDS

(Unaudited)

|                          | Class AAA Shares                                |        |         |                 |                     |   |                      | Class A Shares  |        |         |                 |                     |   |                      |
|--------------------------|---|--------|---------|-----------------|---------------------|---|----------------------|---|--------|---------|-----------------|---------------------|---|----------------------|
|                          | Average Annual Returns – September 30, 2014 (a) |        |         |                 |                     |   |                      | Average Annual Returns – September 30, 2014 (a)(b)(d) |        |         |                 |                     |   |                      |
|                          | 1 Year  | 5 Year | 10 Year | Since Inception | Gross Expense Ratio | Expense Ratio after Adviser Reimburse-ments | Maximum Sales Charge | 1 Year  | 5 Year | 10 Year | Since Inception | Gross Expense Ratio | Expense Ratio after Adviser Reimburse-ments | Maximum Sales Charge |
| Mighty Mites.....        | 2.23%   | 14.28% | 11.03%  | 11.82%          | 1.44%               | 1.44%                                       | None                 | (2.12)%   | 13.07% | 10.32%  | 11.34%          | 1.69%               | 1.69%                                       | 4.00%                |
| SmallCap Equity.....     | 3.48  | 12.69  | 8.91    | 7.17            | 1.63                | 1.50  | None                 | (0.83)  | 11.51  | 8.22    | 6.78            | 1.88                | 1.75  | 4.00                 |
| Mid-Cap Equity Fund .... | 10.15   | —      | —       | 11.36           | 3.88                | 1.50  | None                 | 5.57  | —      | —       | 7.77            | 4.13                | 1.75  | 4.00                 |
| Income .....             | 15.46   | 12.55  | 6.79    | 7.94            | 2.57                | 2.00  | None                 | 10.54   | 11.35  | 6.09    | 7.47            | 2.82                | 2.25  | 4.00                 |
| Equity .....             | 15.28   | 12.91  | 7.85    | 10.17           | 1.60                | 1.60  | None                 | 10.43   | 11.72  | 7.14    | 9.78            | 1.85                | 1.85  | 4.00                 |
| Balanced .....           | 9.85  | 9.03   | 6.49    | 8.65            | 1.28                | 1.28  | None                 | 5.17  | 7.88   | 5.79    | 8.20            | 1.53                | 1.53  | 4.00                 |
| Intermediate Bond.....   | 0.54  | 2.23   | 3.17    | 4.94            | 1.36                | 1.00  | None                 | (3.53)  | 1.30   | 2.63    | 4.69            | 1.46                | 1.10  | 4.00                 |

|                        | Class C Shares  |        |         |                 |                     |   |                      | Class I Shares                                     |        |         |                 |                     |   |                      |
|------------------------|---|--------|---------|-----------------|---------------------|---|----------------------|--|--------|---------|-----------------|---------------------|---|----------------------|
|                        | Average Annual Returns – September 30, 2014 (a)(c)(d) |        |         |                 |                     |   |                      | Average Annual Returns – September 30, 2014 (a)(d) |        |         |                 |                     |   |                      |
|                        | 1 Year  | 5 Year | 10 Year | Since Inception | Gross Expense Ratio | Expense Ratio after Adviser Reimburse-ments | Maximum Sales Charge | 1 Year   | 5 Year | 10 Year | Since Inception | Gross Expense Ratio | Expense Ratio after Adviser Reimburse-ments | Maximum Sales Charge |
| Mighty Mites.....      | 0.41%   | 13.43% | 10.21%  | 11.16%          | 2.19%               | 2.19%                                       | 1.00%                | 2.43%  | 14.56% | 11.21%  | 11.94%          | 1.19%               | 1.19%                                       | None                 |
| SmallCap Equity.....   | 1.77  | 11.86  | 7.90    | 6.54            | 2.38                | 2.25  | 1.00                 | 3.78   | 12.98  | 9.10    | 7.28            | 1.38                | 1.25  | None                 |
| Mid-Cap Equity .....   | 8.41  | —      | —       | 10.57           | 4.63                | 2.25  | 1.00                 | 10.50  | —      | —       | 11.64           | 3.63                | 1.25  | None                 |
| Income .....           | 13.57   | 11.70  | 5.99    | 7.41            | 3.32                | 2.75  | 1.00                 | 15.77  | 12.81  | 6.97    | 8.04            | 2.32                | 1.75  | None                 |
| Equity .....           | 13.51   | 12.08  | 7.05    | 9.70            | 2.35                | 2.35  | 1.00                 | 15.38  | 13.16  | 8.02    | 10.23           | 1.35                | 1.35  | None                 |
| Balanced .....         | 8.04  | 8.23   | 5.70    | 8.11            | 2.03                | 2.03  | 1.00                 | 10.04  | 9.32   | 6.67    | 8.73            | 1.03                | 1.03  | None                 |
| Intermediate Bond..... | (1.16)  | 1.45   | 2.40    | 4.50            | 2.11                | 1.75  | 1.00                 | 0.88   | 2.49   | 3.34    | 5.01            | 1.11                | 0.75  | None                 |

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.tetonadv.com](http://www.tetonadv.com) for performance information as of the most recent month end. For the SmallCap Equity, Mid-Cap Equity, Income, and Intermediate Bond Funds (and for the Mighty Mites Fund through September 30, 2005), TETON Advisors, Inc., (the "Adviser") reimbursed expenses to limit the expense ratio. Had such limitations not been in place, returns would have been lower. The contractual expense limitations are in effect through January 31, 2015 and are renewable annually by the Adviser. The Funds, except for the Equity, Balanced, and Intermediate Bond Funds, impose a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Investors should carefully consider the investment objectives, risks, charges, and expenses of a Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at [www.tetonadv.com](http://www.tetonadv.com).

(b) Includes the effect of the maximum 4.00% sales charge at the beginning of the period.

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

(d) The performance of the Class AAA Shares is used to calculate performance for the periods prior to the issuance of Class A Shares, Class C Shares, and Class I Shares, except for the Mid-Cap Equity Fund. The performance for the Class I Shares of the Mid-Cap Equity Fund is based on the Fund's inception date for this Share class. The performance for the Class A Shares and Class C Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The performance for the Class I Shares would have been higher due to the lower expenses associated with this class of shares. The inception dates for the Class AAA Shares and the initial issuance dates for the Class A Shares, Class C Shares, and Class I Shares after which shares remained continuously outstanding are listed below.

|                         | Class AAA Shares | Class A Shares | Class C Shares | Class I Shares |
|-------------------------|------------------|----------------|----------------|----------------|
| Mighty Mites .....      | 05/11/98         | 11/26/01       | 08/03/01       | 01/11/08       |
| SmallCap Equity .....   | 04/15/97         | 11/26/01       | 11/26/01       | 01/11/08       |
| Mid-Cap Equity.....     | 05/31/13         | 05/31/13       | 05/31/13       | 05/31/13       |
| Income.....             | 09/30/97         | 05/09/01       | 11/26/01       | 01/11/08       |
| Equity .....            | 01/02/87         | 01/28/94       | 02/13/01       | 01/11/08       |
| Balanced .....          | 10/01/91         | 04/06/93       | 09/25/01       | 01/11/08       |
| Intermediate Bond ..... | 10/01/91         | 07/26/01       | 10/22/01       | 01/11/08       |

The TETON Westwood Funds file a complete schedule of portfolio holdings with the Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at [www.gabelli.com](http://www.gabelli.com) or by calling the Funds at 800-WESTWOOD (800-937-8966). The Funds' Form N-Q is available on the SEC's website at [www.sec.gov](http://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 800-SEC-0330.

## Proxy Voting

Each Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. A description of the Funds' proxy voting policies, procedures, and how the Funds voted proxies relating to portfolio securities are available without charge, upon request, by (i) calling 800-WESTWOOD (800-937-8966); (ii) writing to The TETON Westwood Funds at One Corporate Center, Rye, NY 10580-1422; and (iii) visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

## Performance Discussion (Unaudited) Mighty Mites Fund

For the year ended September 30, 2014, the TETON Westwood Mighty Mites Fund net asset value (“NAV”) per Class AAA Share appreciated 2.2% versus gains of 3.9% for the Russell 2000 and 2.8% for the Russell Microcap Indices. See next page for additional performance information.

The Fund invests in small and micro-cap equity securities that have a market capitalization of \$500 million or less at time of purchase. The portfolio management team focuses on bottom up stock selection, seeking bite sized companies with excellent management teams, strong balance sheets, and superior long term fundamentals. As bottom up, fundamental, research driven investors, the team seeks to purchase the inefficiently priced stocks of excellent companies selling at a discount to their private market value (PMV). In many cases, they look for a catalyst that can unlock hidden value within the enterprise. As such, (y)our portfolio is diversified across a broad cross section of companies sharing these valuation characteristics.

The first calendar quarter saw equity markets continue in a slow growth pattern. Tensions across the globe continued to build, with the U.S. and the European Union imposing sanctions on Russia. The greater geopolitical risk, along with slowing growth in China, indicated possible headwinds for the market.

During the quarter ended June 30, the performance of the equity markets continued to reflect the improving economic landscape in the U.S. Despite geopolitical concerns over civil war in Iraq, Russian posturing in Eastern Europe, and the rise of ISIS, the market continued its upward trajectory. The labor market continued to gain momentum, with an accelerating pace of job gains and a downtrend in the unemployment rate.

Despite a period of global uncertainty, the U.S. economy continued to grow in the third quarter. Small and microcap stocks have lagged the S&P 500 Index through September. Although small caps have been correcting since March, much of the slide has occurred in the third quarter. Also, economic data this year has been very uneven, with Gross Domestic Product contracting 2.9% in the March quarter followed by second quarter growth at a very strong 4.6%, the fastest rate of growth since the fourth quarter of 2011.

Deal activity was strong, with 19 announced transactions during the Fund’s fiscal year. Some notable deals during the fiscal year include: Costa Inc. was purchased by Essilor International for \$21.50 in cash; Coastal Contacts Inc. was acquired by Essilor International for \$12.45 in cash; LIN Media was acquired by Media General Inc. for \$27.82 in cash and stock; Owens & Minor acquired Medical Action Industries Inc. for \$13.80 in cash; Journal Communications Inc. (0.9% of net assets as of September 30, 2014) is being acquired by The E.W. Scripps Co. (0.2%) in an all stock deal. Private equity firm, Court Square Capital Partners, is buying Pike Corp. (0.2%) for \$12.00 in cash. Skilled Healthcare Group, Inc. (less than 0.05%) is merging with Genesis Healthcare in an all stock deal. Multimedia Games Holding Co. Inc. (0.3%) is being acquired by Global Cash Access Holdings for \$36.50 in cash.

Among the better performing stocks for the fiscal year were The Greenbrier Companies Inc. (0.2%), a transportation manufacturing corporation, specializing in rail transportation and leasing/management services; InfuSystems Holdings Inc. (0.2%), a provider of infusion pumps and related services; and Lawson Products Inc. (0.4%), a distributor of products and services to the industrial, commercial, institutional, and governmental maintenance, repair and operations marketplace. Some of our weaker performing stocks during the year were Coldwater Creek (sold), a specialty retailer of women’s apparel; Sevcon Inc. (0.3%), a producer and distributor in the electronic controls business; and the Dolan Co. (sold), a provider of professional services and business information to the legal, financial, and real estate sectors in the U.S.

We appreciate your confidence and trust.

Average Annual Returns Through September 30, 2014 (a) (Unaudited)

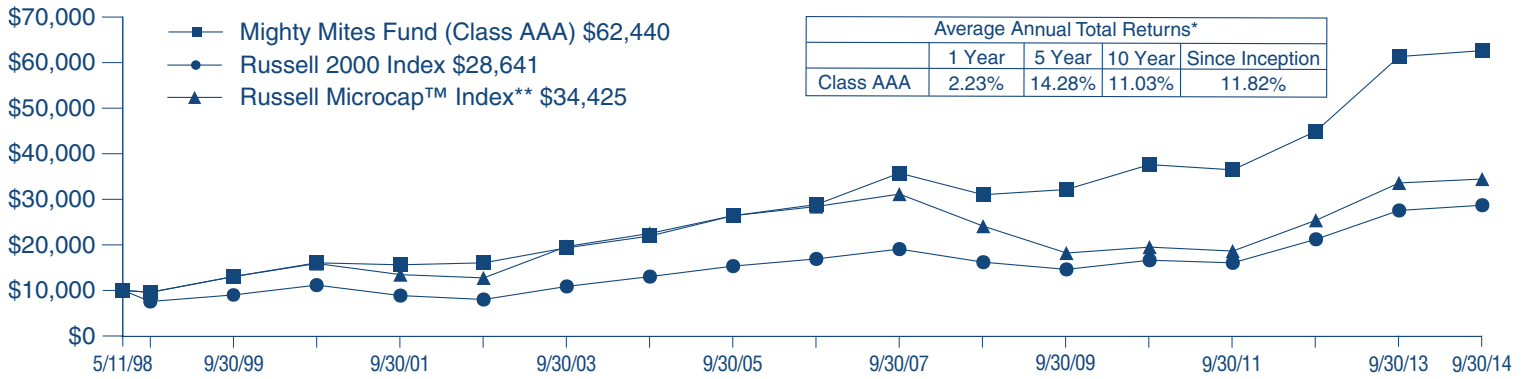
|  | 1 Year | 5 Year | 10 Year | Since Inception (5/11/98) |
|--|--------|--------|---------|---------------------------|
| <b>Mighty Mites Fund Class AAA</b> ..... | 2.23%  | 14.28% | 11.03%  | 11.82%                    |
| Russell Microcap™ Index.....             | 2.78   | 13.60  | 6.36    | N/A(b)                    |
| Russell 2000 Index.....                  | 3.93   | 14.29  | 8.19    | 6.63                      |
| Lipper Small Cap Value Fund Average..... | 6.71   | 13.65  | 8.20    | 8.16(c)                   |

**In the current prospectus dated January 28, 2014, the expense ratio for Class AAA Shares is 1.44%. See page 42 for the expense ratios for the year ended September 30, 2014. Class AAA Shares do not have a sales charge.**

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.tetonadv.com](http://www.tetonadv.com) for performance information as of the most recent month end. TETON Advisors, Inc., the Adviser, reimbursed expenses through September 30, 2005 to limit the expense ratios. Had such limitations not been in place, returns would have been lower. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at [www.tetonadv.com](http://www.tetonadv.com). Other share classes are available and have different performance characteristics. See page 2 for performance of other classes of shares. The Russell Microcap™ Index is an unmanaged indicator which measures the performance of the microcap segment of the U.S. equity market. The Russell 2000 Index is an unmanaged indicator which measures the performance of the small cap segment of the U.S. equity market. The Lipper Small Cap Value Fund Average reflects the average performance of mutual funds classified in this particular category. Investing in small capitalization securities involves special challenges because these securities may trade less frequently and experience more abrupt price movements than large capitalization securities. Dividends are considered reinvested. You cannot invest directly in an index.

(b) The inception date of the Russell Microcap™ Index is June 30, 2000.  
 (c) Lipper Small Cap Value Fund Average since inception performance is as of April 30, 1998.

**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE MIGHTY MITES FUND CLASS AAA, THE RUSSELL 2000 INDEX, AND THE RUSSELL MICROCAP™ 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.

\*\*The Russell Microcap™ Index inception date is June 30, 2000 and the value of the Index prior to July 1, 2000 is that of the Mighty Mites Fund (Class AAA).

## SmallCap Equity Fund (Unaudited)

For the year ended September 30, 2014, the TETON Westwood SmallCap Equity Fund net asset value (“NAV”) per Class AAA Share appreciated 3.5% compared with a gain of 3.9% for the Russell 2000 Index. See below for additional performance information.

The last calendar quarter of 2013 saw equity price/earnings (P/E) multiples expand along with strong market gains. At its December meeting, the Federal Reserve announced that it would reduce the monthly pace of bond purchases by \$10 billion per month.

The U.S. economic recovery gathered momentum in the first quarter of 2014, as evidenced by robust consumer spending and an improving job picture: nonfarm payrolls rose a seasonally adjusted 192,000 in March and figures for the prior two months were revised upward by a combined 37,000 with the unemployment rate holding steady at 6.7%. Moreover, the economy witnessed the early stages of a wave in merger and acquisition activity among smaller capitalization companies being acquired by both financial and strategic buyers.

Though the market was up significantly in the second quarter of 2014, the small cap index experienced an early stumble. The small cap pullback, attributable to concerns over a slowing economy, afforded the opportunity to refresh the portfolio through pruning and capital redeployment. Following the correction in the first quarter of 2014, nearly 40% of small caps were down 10% or more, causing the P/E premium of small caps vs. large caps to narrow to 1.16x from 1.35x in September 2013.

The quarter ended September 30 saw increasing geopolitical instability in the Middle East and Ukraine, decelerating growth in China, and fears of a less accommodative monetary policy by the Federal Reserve. Markets have historically corrected in anticipation of tightening credit and higher interest rates. Some positive domestic trends included strong new home sales, retail sales up 5% from the same month a year ago, and an improving job market and manufacturing activity.

Among the better performing stocks for the fiscal year were: Trinity Industries Inc. (1.7% of net assets as of September 30, 2014), a provider of products and services to the energy, transportation, chemical, and construction sectors in the U.S., Canada, Mexico, United Kingdom, Singapore, and Sweden; Patterson-UTI Energy Inc. (1.9%), a provider of onshore contract drilling services to major and independent oil and natural gas operators in the U.S. and Canada; and Hanesbrands Inc. (0.9%), a consumer goods company that designs, manufactures, sources, and sells basic apparels primarily in the U.S. Our weaker performing stocks during the year were Energy XXI Bermuda Ltd. (0.6%), which engages in the acquisition, exploration, development, production, and operation of oil and natural gas properties; General Cable Corp., a company offering fiber optic wire and cable products for the energy, industrial, construction, specialty, and communications markets worldwide which was sold prior to the fiscal year end; and Approach Resources Inc. (0.8%), an independent energy company engaged in the acquisition, development, exploration, and production of oil and gas properties in the U.S.

We thank you for your continued confidence and trust.

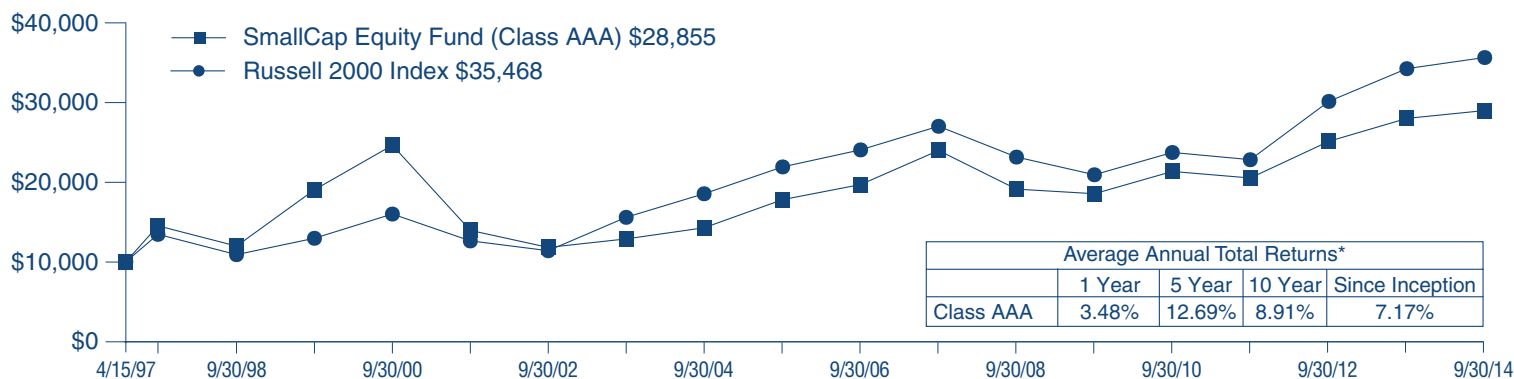
### Average Annual Returns through September 30, 2014 (a) (Unaudited)

|                                | 1 Year | 5 Year | 10 Year | Since Inception (4/15/97) |
|--------------------------------|--------|--------|---------|---------------------------|
| SmallCap Equity Fund Class AAA | 3.48%  | 12.69% | 8.91%   | 7.17%                     |
| Russell 2000 Index             | 3.93   | 14.29  | 8.19    | 8.36                      |

In the current prospectus dated January 28, 2014, the gross expense ratio for Class AAA Shares is 1.63%, and the net expense ratio is 1.50%, after contractual reimbursements by TETON Advisors, Inc. (the “Adviser”) in place through January 31, 2015. See page 43 for the expense ratios for the year ended September 30, 2014. Class AAA Shares do not have a sales charge.

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.tetonadv.com](http://www.tetonadv.com) for performance information as of the most recent month end. The Adviser reimbursed expenses to limit the expense ratio. Had such limitation not been in place, returns would have been lower. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at [www.tetonadv.com](http://www.tetonadv.com). Other share classes are available and have different performance characteristics. See page 2 for performance of other classes of shares. The Russell 2000 Index is an unmanaged indicator which measures the performance of the small cap segment of the U.S. equity market. Investing in small capitalization securities involves special challenges because these securities may trade less frequently and experience more abrupt price movements than large capitalization securities. Dividends are considered reinvested. You cannot invest directly in an index.

### COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE SMALLCAP EQUITY FUND CLASS AAA AND THE RUSSELL 2000 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.

## Mid-Cap Equity Fund (Unaudited)

For the year ended September 30, 2014, the TETON Westwood Mid-Cap Equity Fund's net asset value ("NAV") per Class AAA Share appreciated 10.2% compared with 15.8% for the Russell Midcap Index. See next page for additional performance information.

The Fund invests primarily in mid-cap companies that the portfolio managers believe are undervalued by the market and have above average growth potential. The Fund defines mid-cap companies as those whose market capitalization (number of shares multiplied by share price) falls within a range of \$1 billion to \$20 billion. The portfolio managers seek to identify companies with attractive products or services, financial strength, strong competitive positions, high quality management, and reasonable valuation. As bottom up, fundamental, research driven investors, they seek to invest in attractively valued companies with strong balance sheets, secular growth, experienced management teams, solid earnings prospects, leading market shares, and superior long term fundamentals.

The fourth quarter of 2013, the opening of the Fund's fiscal year, capped an exceptional year for the U.S. equity market fueled by accommodative monetary policy and solid improvement in the economy. Mid-cap stocks appreciated 8.4% in the fourth quarter ending the year at an all time high for the Russell Midcap Index.

The financial markets were very erratic during the first three months of the calendar year as investors focused on weaker macroeconomic statistics in the U.S. and the reversal of the Federal Reserve's stimulative monetary policy. The Russell Midcap Index swooned more than 5.0% before ending the quarter up 3.5%. Economic activity suddenly reversed course, slowing markedly from the upward momentum seen at year end. Mid-cap stocks outperformed both large and small cap stocks during the first quarter. Growth stocks underperformed throughout the quarter, but were particularly hard hit in March when the market favored lower quality, value companies.

In the second calendar quarter, economic statistics from manufacturing to employment displayed gradual improvement, reaching levels similar to or better than those reported at the end of 2013. Equity markets celebrated the recovery by resuming their ascent, reaching record levels at mid year with mid-cap stocks up 5.0% for the quarter and 8.7% year to date as measured by the Russell Midcap Index. Mid-cap companies continued to outperform both large and small cap.

The U.S. equity markets' performance during the third calendar quarter was closely aligned with the direction of U.S. economic growth, but turned a blind eye to weakening economies and geopolitical unrest in regions outside our borders. After a second quarter rebound in GDP to 4.6%, U.S. economic activity continued to advance through August with both manufacturing and service sectors matching or exceeding post recession highs as measured by the Institute for Supply Management. The economy appeared to be on solid footing. However, the economic recovery proved somewhat temperamental. The robust growth seen in spring and summer partly reflected some catchup after a weather worn winter, as most macroeconomic statistics from manufacturing to auto sales softened in September while consumer confidence took a hit.

Two conflicting trends remained consistent throughout the third quarter. Labor market statistics remained strong, while the housing market continued to languish. Despite the Federal Reserve's reversal of easy monetary policy, and much to everyone's surprise, interest rates in general continued to decline with the 10 year Treasury note ending the quarter at a low 2.5%. Outside of the U.S., political conflicts escalated in the Middle East and Ukraine, while the Ebola outbreak in West Africa intensified. The Chinese economy continued to weaken and the Eurozone slipped closer to recession. The quarter ended with the recovery intact, but concerns were building about its pace going forward.

Among the better performing stocks from for the year were Illumina Inc. (1.3% of net assets as of September 30, 2014), a developer and manufacturer of life science tools and integrated systems for the analysis of genetic variation and function; Synaptics Inc. (1.8%), a developer and supplier of custom designed human interface solutions that enable people to interact with a range of mobile computing, communications, entertainment, and other electronic devices; and Vertex Pharmaceuticals Inc. (2.4%), a company dedicated to discovering, developing, manufacturing, and commercializing small molecule drugs for the treatment of serious diseases. Some of our weaker performing holdings were Ariad Pharmaceuticals (sold), a global oncology company focused on the discovery, development, and commercialization of medicines for cancer patients; Covisint Corp. (0.4%), an American information technology company established in 2000 by a consortium of General Motors, Ford, and DaimlerChrysler; and Noble Corp. plc (0.6%), an offshore drilling contractor for the oil and gas industry.

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Average Annual Returns through September 30, 2014 (a) (Unaudited)

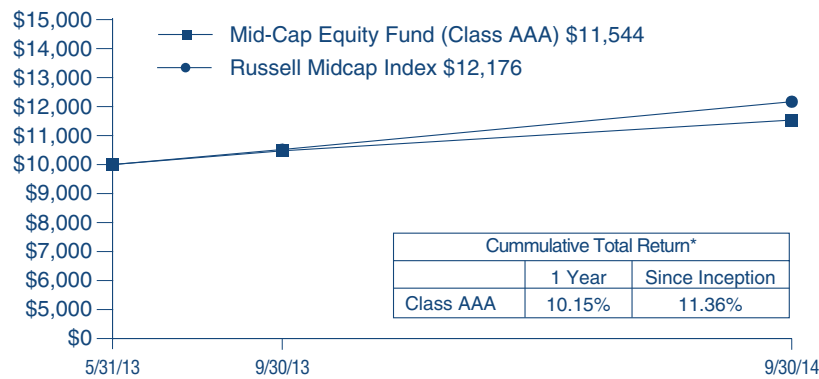
|                                    | <u>1 Year</u> | <u>Since Inception (5/31/13)</u> |
|------------------------------------|---------------|----------------------------------|
| Mid-Cap Equity Fund Class AAA..... | 10.15%        | 11.36%                           |
| Russell Midcap Index .....         | 15.83         | 15.88(b)                         |

**In the current prospectus dated January 28, 2014, the gross expense ratio for Class AAA Shares is 3.88%, and net expense ratio is 1.50% after contractual reimbursements by TETON Advisors, Inc. (the "Adviser") in place through January 31, 2015. See page 44 for the expense ratios for the year ended September 30, 2014. Class AAA Shares do not have a sales charge.**

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.tetonadv.com](http://www.tetonadv.com) for performance information as of the most recent month end. The Adviser reimbursed expenses to limit the expense ratio. Had such limitation not been in place, returns would have been lower. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at [www.tetonadv.com](http://www.tetonadv.com). Other share classes are available and have different performance characteristics. See page 2 for performance of other classes of shares. The Russell Midcap Index is an unmanaged indicator which measures the performance of the mid-cap segment of the U.S. equity market. Dividends are considered reinvested. You cannot invest directly in an index.

(b) Russell Midcap Index since inception performance is from May 30, 2013.

**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE MID-CAP EQUITY FUND CLASS AAA AND THE RUSSELL MIDCAP 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.

## Income Fund (Unaudited)

For the year ended September 30, 2014, the TETON Westwood Income Fund net asset value (“NAV”) per Class AAA Share appreciated 15.5% compared with gains of 19.7% and 16.1% for the Standard & Poor’s (“S&P”) 500 Index and the Lipper Equity Income Fund Average, respectively. See next page for additional performance information.

The Fund invests in companies to participate in the growth of their earnings and cash flow. We look for companies that we believe will continue to return cash flow to shareholders through reinvestment in their business resulting in greater cash flow and earnings, and higher share price valuation. The Fund looks to build a steady component of not only current return from dividend yields, but also rising dividend payout.

Investors ended 2013 on an optimistic note, sending the equity markets higher to a strong finish. In the fourth quarter of 2013, the U.S. equity markets gained over 10% to top off a 30% year, the best annual return since 1997. All ten industry sectors of the S&P 500 had positive returns in the quarter.

In the Fund’s second fiscal quarter, the ten industry sectors which comprise the stocks of the S&P 500 had more widely divergent returns than we have seen over the past year. As the underlying strength of the economy began to be questioned in the quarter, the strongest performing sectors were those considered defensive, or not dependent on economic growth. The utility sector had the highest total return, just under 10%, and the healthcare sector was also strong with a return of 5.9%. The weakest two sectors were those that would be most affected by a lack of strength and spending: consumer discretionary and industrials, with returns of 0.5% and 0.1%, respectively.

In the Fund’s third quarter, all ten industry sectors had positive returns, for the second quarter in a row. The energy sector posted the highest total return, of 12.1%, followed by the utilities and technology sectors. Through the third fiscal quarter the utilities sector has gained a tremendously strong 18.4%, followed by year to date gains in the energy sector of 12.8% and healthcare of 10.6%. The weakest sector in the third quarter was the consumer discretionary sector, which gained 0.6%, reflecting the growing realization the economy would post a much weaker first half than had been thought at the end of the first quarter.

The fourth quarter saw a return of volatility to financial markets, starting with a decline in July, as macroeconomic factors, including conflict in Ukraine and the Middle East, a slowdown in emerging markets growth, and Argentinian debt default on the last day of the month all weighed on the market. Markets rebounded sharply in August, as mostly positive second quarter earnings reports were coupled with dovish comments from Federal Reserve Chair Janet Yellen, who at the annual Federal Reserve meeting in Jackson Hole reiterated, “that it likely will be appropriate to maintain the current target range for the federal funds rate for a considerable time after our current asset purchase program ends.”

Toward the end of August, however, markets began factoring in the possibility of a recession in Europe, a worse than expected emerging markets slowdown, the negative impact of foreign currencies on overseas earnings (especially in the Eurozone), concerns about the impact of communicable diseases on travel and leisure industries, and continued conflict around the globe, whether in Ukraine, Iraq, Syria, or elsewhere.

Among the better performing stocks for the fiscal year were Intel Corp. (3.2% of net assets as of September 30, 2014), a leader in semiconductor chip and computer hardware producers; Apple Inc. (4.9%), an American multinational that designs, develops, and sells consumer electronics, computer software, online services, and PC’s; and Gilead Sciences Inc. (1.2%), a biotechnology company that discovers, develops, and commercializes therapeutics. Some of our weaker performing stocks during the year were Noble Corp. plc (0.4%), (formerly the Noble Drilling Company) a leading offshore drilling contractor; Barrick Gold Corp (0.9%), the largest gold mining company in the world with operations in over ten countries; and Newmont Mining Corp. (0.8%), one of the world’s largest producers of gold, with active mines in Nevada, Indonesia, Australia, New Zealand, Ghana, and Peru.

We appreciate your confidence and trust.



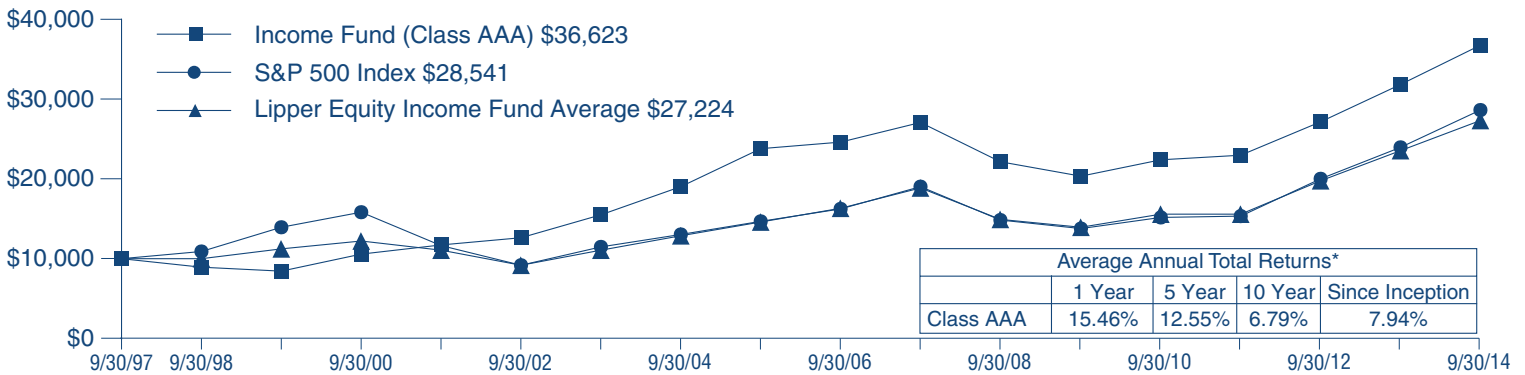
Average Annual Returns Through September 30, 2014 (a) (Unaudited)

|  | 1 Year | 5 Year | 10 Year | Since Inception (9/30/97) |
|--|--------|--------|---------|---------------------------|
| Income Fund Class AAA .....            | 15.46% | 12.55% | 6.79%   | 7.94%                     |
| S&P 500 Index .....                    | 19.73  | 15.70  | 8.11    | 6.34                      |
| Lipper Equity Income Fund Average..... | 16.10  | 14.02  | 7.44    | 6.07                      |

In the current prospectus dated January 28, 2014, the gross expense ratio for Class AAA Shares is 2.57%. The net expense ratio is 2.00% after contractual reimbursements by TETON Advisors, Inc. (the "Adviser") in place through January 31, 2015. See page 45 for the expense ratios for the year ended September 30, 2014. Class AAA Shares do not have a sales charge.

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**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE INCOME FUND CLASS AAA, THE S&P 500 INDEX, AND THE LIPPER EQUITY INCOME FUND AVERAGE (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.

## Equity Fund (Unaudited)

The Teton Westwood Equity Fund underperformed the benchmark S&P 500 Index over the fiscal year. For the twelve months ended September 30, 2014, the Equity Fund Class AAA shares posted a return of 15.3%, net of expenses, versus the S&P 500 Index return of 19.7%.

During the fiscal year ended September 30, 2014, Technology and Health Care were the best performing index sectors, while Consumer Discretionary and Energy performed the worst but still produced returns greater than 10%. Driving the Fund's positive performance during the fiscal year was stock selection in Consumer Discretionary, followed by Utilities. The top contributors were Advance Auto Parts Inc. (1.0% of net assets as of September 30, 2014), which rallied after announcing a very accretive acquisition in the fourth quarter of 2013. Union Pacific Corp. (2.2%) was also additive to results as it continued to post strong earnings based on good execution and continued demand for rail transportation, while Wells Fargo & Co. (3.1%) was bid up on optimism over the housing market and a belief that the interest rate environment will favor banks going forward. Health care company Covidien Plc. (sold) rose after competitor Medtronic announced it was acquiring the firm, and technology company Skyworks Solutions Inc. (1.9%) continued its strong performance.

Detracting from the relative performance for the year was stock selection in Health Care, followed by Energy, Consumer Staples, and Technology. Detractors included technology companies Cisco Systems Inc. (sold), which lowered forward guidance as a result of increased competition in its core businesses, and ARRIS Group Inc. (1.9% of net assets as of September 30, 2014), after management made cautious comments about the effect on sales from consolidation in the cable/telecom provider industry. Financial services company CIT Group Inc. (1.7%) fell after reporting worse than expected net interest margins, while both consumer discretionary companies Viacom Inc (1.8%) and AMC Networks Inc. (1.7%) have experienced at points during the period weaker than expected advertising rates and a relative decline in sentiment for media companies following very strong performance in 2013.

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### Average Annual Returns through September 30, 2014 (a) (Unaudited)

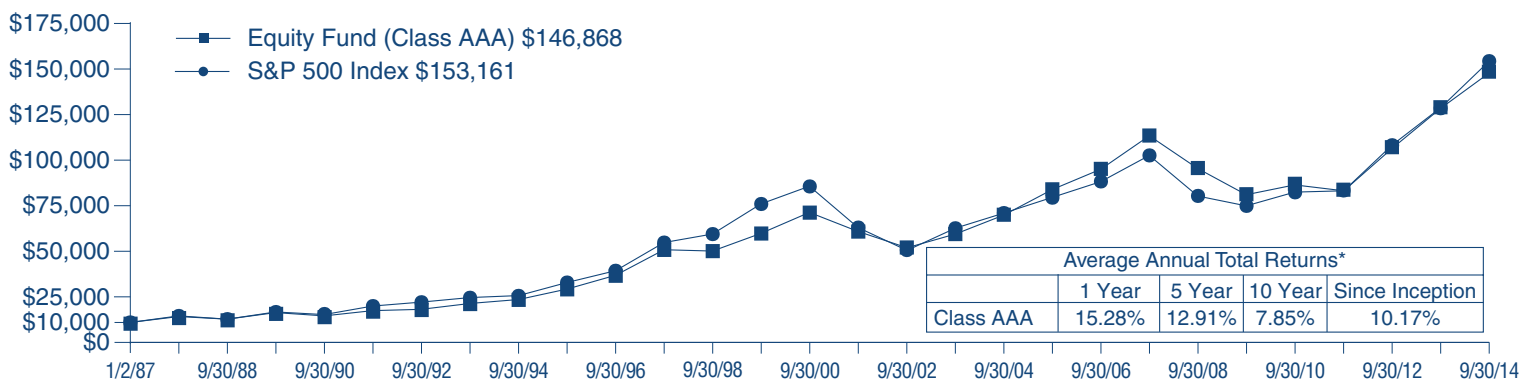
|                             | 1 Year | 5 Year | 10 Year | Since Inception (1/2/87) |
|-----------------------------|--------|--------|---------|--------------------------|
| Equity Fund Class AAA ..... | 15.28% | 12.91% | 7.85%   | 10.17%                   |
| S&P 500 Index .....         | 19.73  | 15.70  | 8.11    | 10.33(b)                 |

In the current prospectus dated January 28, 2014, the expense ratio for Class AAA Shares is 1.60%. See page 46 for the expense ratios for the year ended September 30, 2014. Class AAA Shares do not have a sales charge.

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(b) S&P 500 Index since inception performance are as of December 31, 1986.

### COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE EQUITY FUND CLASS AAA 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.

## Balanced Fund (Unaudited)

For twelve months ended September 30, 2014, the Teton Westwood Balanced Fund Class AAA Shares posted a return of 9.9%, net of expenses, versus the Barclays Government/Credit Bond Index return of 4.1%. The Fund's return was less than a common balanced benchmark comprised of 60% S&P 500 Index and 40% of the Barclays Capital Government/Credit Bond Index which returned 13.5%. See next page for additional information.

The Fund is designed to provide exposure to equities while reducing overall risk through investment in investment grade fixed income securities. The bond portion typically invests in high quality notes with lower interest rate sensitivity and generally a shorter maturity than the typical bond index, with the objective of dampening the volatility of equity holdings. Unlike the prior fiscal year, this lower interest rate sensitivity detracted over the last twelve months from relative performance of the bond portion of the Fund versus the Barclays Capital Government/Credit Bond Index.

For the twelve months ended September 30, 2014, the Treasury yield curve twisted more markedly than during the quarter end September: within the Barclays Capital Government/Credit Bond Index, bonds longer than 10 years returned 12.9% while bonds 1-10 years in maturity returned 2.2%. The spread narrowing trend for Corporates, resulted in Corporates outperforming U.S. Governments 6.8% to 2.3%. In general, fixed income investors were better compensated over the fiscal year for taking interest rate risk over credit risk. Within the Corporate sector, the 8.4% return of Baa-rated credits more than tripled the performance of Aaa-rated credits. The Utility sector led Corporates with an 8.6% return. Treasury Inflation-Indexed securities earned 1.6%.

Factors driving the performance of the Fund relative to the Barclays Capital Government/Credit Bond Index were: (1) underweighting U.S. Treasuries – particularly long maturity bonds – while overweighting the (lowest performing) U.S. Agency sector, and (2) favoring in the Industrial and Financial Services sectors' maturities less than 10 years relative to stronger performing long maturity credits. Considerable overweight positions in these two corporate sectors were beneficial, however.

The top five contributors to fiscal year Fund performance were four Corporates and one U.S. Agency: Intel Corp. 3.3% due 01-Oct-2021 (1.2% of net assets as of September 30, 2014), Occidental Petroleum Corp. 2.7% (0.9%) due 15-Feb-2023, JPMorgan Chase & Co 6.3% due 23-Apr-2019 (1.0%), Freddie Mac note 3.75% due 27-Mar-2019 (1.9%), and Burlington Northern Santa Fe LLC 5.65% due 01-May-2017 (1.3%).

Detracting the performance the most were three Treasury Inflation-Index Protected Securities: 1.375% due 15-Jan-2020 (1.4%), 2.125% due 15-Jan-2019 (1.3%), and 2.5% due 15-Jul-2016 (1.8%); and two corporate notes: Costco Wholesale Corporation 1.7% due 15-Dec-2019 (0.9%) and The Goldman Sachs Group Inc. 3.85% due 08-Jul-2024 (0.7%).

We appreciate your confidence and trust.

Average Annual Returns through September 30, 2014 (a) (Unaudited)

|  | 1 Year | 5 Year | 10 Year | Since Inception (10/1/91) |
|--|--------|--------|---------|---------------------------|
| <b>Balanced Fund Class AAA</b> .....                                     | 9.85%  | 9.03%  | 6.49%   | 8.65%                     |
| Barclays Government/Credit Bond Index .....                              | 4.08   | 4.27   | 4.59    | 6.21(c)                   |
| S&P 500 Index .....  | 19.73  | 15.70  | 8.11    | 9.53(c)                   |
| 60% S&P 500 Index and 40% Barclays Government/Credit Bond Index (b)..... | 13.47  | 11.13  | 6.70    | 8.20                      |

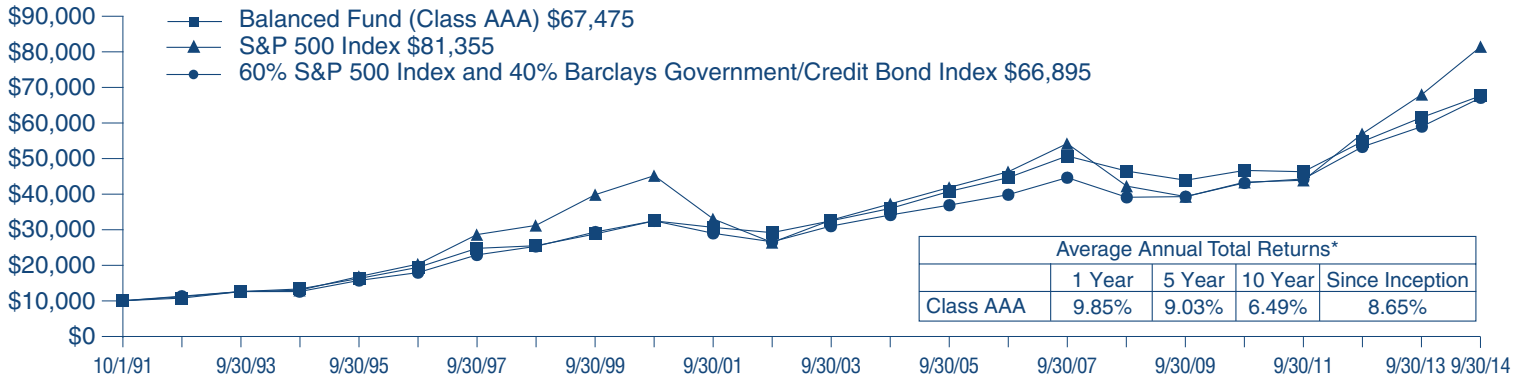
**In the current prospectus dated January 28, 2014, the expense ratio for Class AAA Shares is 1.28%. See page 47 for the expense ratios for the year September 30, 2014. Class AAA Shares do not have a sales charge.**

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.tetonadv.com](http://www.tetonadv.com) for performance information as of the most recent month end. TETON Advisors, LLC, the Adviser reimbursed expenses in years prior to 1998 to limit the expense ratio. Had such limitation not been in place, returns would have been lower. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at [www.tetonadv.com](http://www.tetonadv.com). Other share classes are available and have different performance characteristics. See page 2 for performance of other classes of shares. The Barclays Government/Credit Bond Index is a market value weighted index that tracks the performance of fixed rate, publicly placed, dollar denominated obligations. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. Dividends are considered reinvested. You cannot invest directly in an index.

(b) The Blended Index consists of a 60% blend of each of the S&P 500 Index and 40% Barclays Government/Credit Bond Index.

(c) S&P 500 Index and Barclays Government/Credit Bond Index since inception performance are as of September 30, 1991.

**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE BALANCED FUND CLASS AAA, THE S&P 500 INDEX, AND A COMPOSITE OF 60% OF THE S&P 500 INDEX AND 40% OF THE BARCLAYS GOVERNMENT/CREDIT BOND 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.

## Intermediate Bond Fund (Unaudited)

For the year ended September 30, 2014, the TETON Westwood Intermediate Bond Fund net asset value (“NAV”) per Class AAA Share increased 0.5% compared with the Barclays Government/Credit Bond Index which was up 4.1%. See next page for additional performance information.

Volatility for fixed income prices increased in the fourth calendar quarter of 2013 – the opening quarter of the Fund’s fiscal year – after the Federal Reserve announced plans on December 18 to reduce the quantitative easing purchases of Treasury and mortgage securities.

Fixed income continued to appreciate during a choppy first calendar quarter of 2014. Treasuries and Investment Grade corporates benefited from the “flight-to-quality” buying associated with geopolitical and military tension in Ukraine, several pieces of underwhelming U.S. economic data, and an emerging market sell-off in January. The Federal Reserve announced plans to wind down Quantitative Easing purchases by the end of the year.

The second calendar quarter of 2014 saw fixed income investments continue to appreciate as the 10 year Treasury yield rallied from 2.72% to finish the quarter at 2.53%, while other Treasury yields declined for maturities of 5 years and longer. During the third calendar quarter of 2014, the U.S. Treasury yield curve slightly twisted, as short/intermediate yields rose and longer bond yields declined, resulting in a rally for longer versus shorter maturities. The 10 year Treasury yield moved from 2.56% to 2.49%. The rally in long Treasuries reflected expectations for a delay in Fed interest rate hikes, based on inflation and labor readings below the Federal Reserve’s targets. U.S. Treasuries also benefited from historically low sovereign bond yields in Europe.

Credit spreads (the excess yield of a corporate bond above the comparable maturity Treasury) widened during the third quarter. The rise in risk premia was driven by concern over valuations and additional supply coming to market, particularly in September. This quarter’s credit spread widening interrupted the consistent spread narrowing trend which had been in place since 2012. Corresponding to the yield curve twist and corporate spread widening: Treasuries outperformed Corporates 0.34% to -0.08% and 10+ year bonds outperformed 1-10 year maturities 1.04% to -0.03%. Within investment grade corporates: Utilities led with a gain of 0.45%, while industrials lagged with a return of -0.16% and stronger credit quality outperformed lower credit quality –AAA credits returned 0.25% versus -0.20% for BBB credits.

The top five contributors to the Fund’s annual performance all were Corporates: Intel Corp. 3.3% due 01-Oct-2021 (1.7% of net assets as of September 30, 2014), Arrow Electronics Inc. 6.0% due 01-Apr-2020 (1.1%), Oracle Corp. 3.625% due 15-Jul-2023 (1.9%), Teva Pharmaceutical Finance 3.65% due 10-Nov-2021 (1.6%), and Murphy Oil Corp. 2.5% due 01-Dec-2017 (1.9%). Detracting the most to performance were Costco Wholesale Corp. 1.7% due 15-Dec-2019 (1.8%), and the following four Treasury Inflation-Index Protected Securities: 1.375% due 15-Jul-2018 (1.7%), 1.375% due 15-Jan-2020 (1.7%), 2.125% due 15-Jan-2019 (1.6%), and 2.5% due 15-Jul-2016 (1.6%).

We thank you for your continued confidence and trust.

Average Annual Returns through September 30, 2014 (a) (Unaudited)

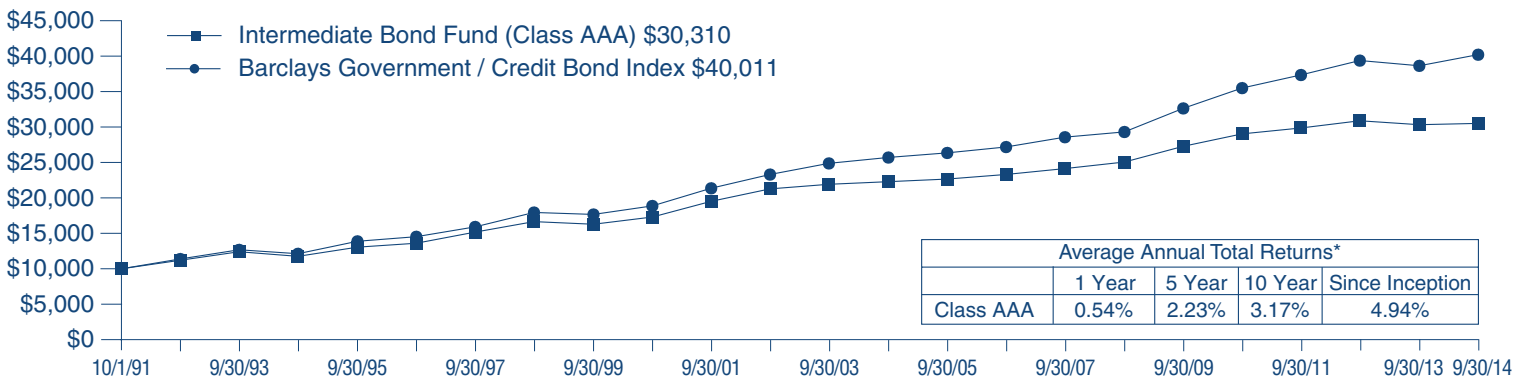
|   | 1 Year | 5 Year | 10 Year | Since Inception (10/1/91) |
|---|--------|--------|---------|---------------------------|
| Intermediate Bond Fund Class AAA .....      | 0.54%  | 2.23%  | 3.17%   | 4.94%                     |
| Barclays Government/Credit Bond Index ..... | 4.08   | 4.27   | 4.59    | 6.21(b)                   |

**In the current prospectus dated January 28, 2014, the gross expense ratio for AAA Shares is 1.36%. The net expense ratio is 1.00%, after contractual reimbursements by TETON Advisors Inc. (the "Adviser") in place through January 31, 2015. See page 48 for the expense ratios for the year ended September 30, 2014. Class AAA Shares do not have a sales charge.**

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.tetonadv.com](http://www.tetonadv.com) for performance information as of the most recent month end. The Adviser reimbursed expenses to limit the expense ratio. Had such limitation not been in place, returns would have been lower. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at [www.tetonadv.com](http://www.tetonadv.com). Other share classes are available and have different performance characteristics. See page 2 for performance of other classes of shares. The Barclays Government/Credit Bond Index is a market value weighted index that tracks the performance of fixed rate, publicly placed, dollar denominated obligations. Dividends are considered reinvested. You cannot invest directly in an index.

(b) The Barclays Government/Credit Bond Index since inception performance is as of September 30, 1991.

**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE INTERMEDIATE BOND FUND CLASS AAA AND THE BARCLAYS GOVERNMENT/CREDIT BOND 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.

**Morningstar® Ratings Based on Risk Adjusted Returns as of September 30, 2014 (Unaudited)**

| FUND                                 | Morningstar Category   | Overall Rating |            | 3 Year Rating |            | 5 Year Rating |            | 10 Year Rating |            |
|--------------------------------------|------------------------|----------------|------------|---------------|------------|---------------|------------|----------------|------------|
|                                      |                        | Stars          | # of Funds | Stars         | # of Funds | Stars         | # of Funds | Stars          | # of Funds |
| TETON Westwood Mighty Mites AAA      | Small Blend            | ★★★★           | 616        | ★★★           | 616        | ★★★★          | 563        | ★★★★★          | 351        |
| TETON Westwood Mighty Mites A        | Small Blend            | ★★★★           | 616        | ★★            | 616        | ★★★           | 563        | ★★★★★          | 351        |
| TETON Westwood Mighty Mites C        | Small Blend            | ★★★★           | 616        | ★★            | 616        | ★★★           | 563        | ★★★★★          | 351        |
| TETON Westwood Mighty Mites I        | Small Blend            | ★★★★           | 616        | ★★★           | 616        | ★★★★          | 563        | ★★★★★          | 351        |
| TETON Westwood SmallCap Equity AAA   | Small Blend            | ★★             | 616        | ★★            | 616        | ★★            | 563        | ★★★            | 351        |
| TETON Westwood SmallCap Equity A     | Small Blend            | ★              | 616        | ★             | 616        | ★             | 563        | ★★             | 351        |
| TETON Westwood SmallCap Equity C     | Small Blend            | ★              | 616        | ★             | 616        | ★             | 563        | ★★             | 351        |
| TETON Westwood SmallCap Equity I     | Small Blend            | ★★             | 616        | ★★            | 616        | ☆☆            | 563        | ☆☆☆            | 351        |
| TETON Westwood Mid-Cap Equity AAA    | Mid-Cap Growth         | —              | —          | —             | —          | —             | —          | —              | —          |
| TETON Westwood Mid-Cap Equity A      | Mid-Cap Growth         | —              | —          | —             | —          | —             | —          | —              | —          |
| TETON Westwood Mid-Cap Equity C      | Mid-Cap Growth         | —              | —          | —             | —          | —             | —          | —              | —          |
| TETON Westwood Mid-Cap Equity I      | Mid-Cap Growth         | —              | —          | —             | —          | —             | —          | —              | —          |
| TETON Westwood Income AAA            | Large Value            | ★★★            | 1092       | ★★            | 1092       | ★★★           | 966        | ★★★            | 635        |
| TETON Westwood Income A              | Large Value            | ★★             | 1092       | ★             | 1092       | ★★            | 966        | ★★★            | 635        |
| TETON Westwood Income C              | Large Value            | ★★             | 1092       | ★             | 1092       | ★★            | 966        | ★★★            | 635        |
| TETON Westwood Income I              | Large Value            | ★★★            | 1092       | ★★            | 1092       | ★★★           | 966        | ★★★            | 635        |
| TETON Westwood Equity AAA            | Large Value            | ★★★            | 1092       | ★★★★          | 1092       | ★★            | 966        | ★★★★           | 635        |
| TETON Westwood Equity A              | Large Value            | ★★★            | 1092       | ★★            | 1092       | ★★            | 966        | ★★★            | 635        |
| TETON Westwood Equity C              | Large Value            | ★★★            | 1092       | ★★            | 1092       | ★★            | 966        | ★★★            | 635        |
| TETON Westwood Equity I              | Large Value            | ★★             | 1092       | ★★★★          | 1092       | ★★            | 966        | ★★★★           | 635        |
| TETON Westwood Balanced AAA          | Moderate Allocation    | ★★★★           | 737        | ★★★★          | 737        | ★★★           | 652        | ★★★★           | 430        |
| TETON Westwood Balanced A            | Moderate Allocation    | ★★★★           | 737        | ★★            | 737        | ★★            | 652        | ★★★            | 430        |
| TETON Westwood Balanced C            | Moderate Allocation    | ★★★★           | 737        | ★★★★          | 737        | ★★            | 652        | ★★★            | 430        |
| TETON Westwood Balanced I            | Moderate Allocation    | ★★★            | 737        | ★★★★          | 737        | ★★★           | 652        | ★★★★           | 430        |
| TETON Westwood Intermediate Bond AAA | Intermediate Term Bond | ★              | 929        | ★             | 929        | ★             | 808        | ★              | 574        |
| TETON Westwood Intermediate Bond A   | Intermediate Term Bond | ★              | 929        | ★             | 929        | ★             | 808        | ★              | 574        |
| TETON Westwood Intermediate Bond C   | Intermediate Term Bond | ★              | 929        | ★             | 929        | ★             | 808        | ★              | 574        |
| TETON Westwood Intermediate Bond I   | Intermediate Term Bond | ★              | 929        | ★             | 929        | ★             | 808        | ☆☆             | 574        |

The Overall Morningstar Rating™ is derived from a weighted average of the performance figures associated with its three, five, and ten year (if applicable) Morningstar Rating metrics. Data presented reflects past performance, which is no guarantee of future results. Ratings are for Class AAA, A, C, or I Shares. Unrated classes of fund shares are not listed. For each fund with at least a three year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure (including the effects of sales charges, loads, and redemption fees) that accounts for variation in a fund's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of the funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) Strong relative performance is not indicative of positive fund returns. © 2014 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

*Teton Advisors, Inc. is the investment manager for all TETON Westwood Funds. Investors should carefully consider the investment objectives, risks, sales charges, and expenses of a fund carefully before investing. Each Fund's prospectuses contain this and other information about the Funds and are available by calling 800-WESTWOOD, online at [www.tetonadv.com](http://www.tetonadv.com), or from your financial adviser. The prospectuses should be read carefully before investing.*

*Distributed by G.distributors, LLC, One Corporate Center, Rye, NY 10580. Call 800-WESTWOOD for a prospectus.*

## TETON Westwood Funds

### Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from April 1, 2014 through September 30, 2014

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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 September 30, 2014.



**TETON Westwood Funds**  
**Disclosure of Fund Expenses (Unaudited) (Continued)**  
For the Six Month Period from April 1, 2014 through September 30, 2014

**Expense Table**

|  | Actual Fund Return                     |                                     |                                |                                    | Hypothetical 5% Return                 |                                     |                                |                                    |
|--|--|-------------------------------------|--------------------------------|------------------------------------|--|-------------------------------------|--------------------------------|------------------------------------|
|  | Beginning<br>Account Value<br>04/01/14 | Ending<br>Account Value<br>09/30/14 | Annualized<br>Expense<br>Ratio | Expenses<br>Paid During<br>Period* | Beginning<br>Account Value<br>04/01/14 | Ending<br>Account Value<br>09/30/14 | Annualized<br>Expense<br>Ratio | Expenses<br>Paid During<br>Period* |
| <b>TETON Westwood Mighty Mites Fund</b>      |  |                                     |                                |                                    |  |                                     |                                |                                    |
| Class AAA                                    | \$1,000.00                             | \$ 937.70                           | 1.44%                          | \$ 6.99                            | \$1,000.00                             | \$1,017.85                          | 1.44%                          | \$ 7.28                            |
| Class A                                      | \$1,000.00                             | \$ 936.20                           | 1.69%                          | \$ 8.20                            | \$1,000.00                             | \$1,016.60                          | 1.69%                          | \$ 8.54                            |
| Class C                                      | \$1,000.00                             | \$ 933.80                           | 2.19%                          | \$10.62                            | \$1,000.00                             | \$1,014.09                          | 2.19%                          | \$11.06                            |
| Class I                                      | \$1,000.00                             | \$ 938.70                           | 1.18%                          | \$ 5.73                            | \$1,000.00                             | \$1,019.15                          | 1.18%                          | \$ 5.97                            |
| <b>TETON Westwood SmallCap Equity Fund</b>   |  |                                     |                                |                                    |  |                                     |                                |                                    |
| Class AAA                                    | \$1,000.00                             | \$ 944.80                           | 1.50%                          | \$ 7.31                            | \$1,000.00                             | \$1,017.55                          | 1.50%                          | \$ 7.59                            |
| Class A                                      | \$1,000.00                             | \$ 944.00                           | 1.75%                          | \$ 8.53                            | \$1,000.00                             | \$1,016.29                          | 1.75%                          | \$ 8.85                            |
| Class C                                      | \$1,000.00                             | \$ 941.20                           | 2.25%                          | \$10.95                            | \$1,000.00                             | \$1,013.79                          | 2.25%                          | \$11.36                            |
| Class I                                      | \$1,000.00                             | \$ 946.00                           | 1.25%                          | \$ 6.10                            | \$1,000.00                             | \$1,018.80                          | 1.25%                          | \$ 6.33                            |
| <b>TETON Westwood Mid-Cap Equity Fund</b>    |  |                                     |                                |                                    |  |                                     |                                |                                    |
| Class AAA                                    | \$1,000.00                             | \$1,014.10                          | 1.50%                          | \$ 7.57                            | \$1,000.00                             | \$1,017.55                          | 1.50%                          | \$ 7.59                            |
| Class A                                      | \$1,000.00                             | \$1,013.20                          | 1.75%                          | \$ 8.83                            | \$1,000.00                             | \$1,016.29                          | 1.75%                          | \$ 8.85                            |
| Class C                                      | \$1,000.00                             | \$1,009.70                          | 2.25%                          | \$11.34                            | \$1,000.00                             | \$1,013.79                          | 2.25%                          | \$11.36                            |
| Class I                                      | \$1,000.00                             | \$1,014.90                          | 1.25%                          | \$ 6.31                            | \$1,000.00                             | \$1,018.80                          | 1.25%                          | \$ 6.33                            |
| <b>TETON Westwood Income Fund</b>            |  |                                     |                                |                                    |  |                                     |                                |                                    |
| Class AAA                                    | \$1,000.00                             | \$1,064.90                          | 2.00%                          | \$10.35                            | \$1,000.00                             | \$1,015.04                          | 2.00%                          | \$10.10                            |
| Class A                                      | \$1,000.00                             | \$1,062.80                          | 2.25%                          | \$11.64                            | \$1,000.00                             | \$1,013.79                          | 2.25%                          | \$11.36                            |
| Class C                                      | \$1,000.00                             | \$1,061.00                          | 2.75%                          | \$14.21                            | \$1,000.00                             | \$1,011.28                          | 2.75%                          | \$13.87                            |
| Class I                                      | \$1,000.00                             | \$1,066.10                          | 1.75%                          | \$ 9.06                            | \$1,000.00                             | \$1,016.29                          | 1.75%                          | \$ 8.85                            |
| <b>TETON Westwood Equity Fund</b>            |  |                                     |                                |                                    |  |                                     |                                |                                    |
| Class AAA                                    | \$1,000.00                             | \$1,034.90                          | 1.58%                          | \$ 8.06                            | \$1,000.00                             | \$1,017.15                          | 1.58%                          | \$ 7.99                            |
| Class A                                      | \$1,000.00                             | \$1,032.60                          | 1.83%                          | \$ 9.32                            | \$1,000.00                             | \$1,015.89                          | 1.83%                          | \$ 9.25                            |
| Class C                                      | \$1,000.00                             | \$1,030.50                          | 2.33%                          | \$11.86                            | \$1,000.00                             | \$1,013.39                          | 2.33%                          | \$11.76                            |
| Class I                                      | \$1,000.00                             | \$1,035.70                          | 1.33%                          | \$ 6.79                            | \$1,000.00                             | \$1,018.40                          | 1.33%                          | \$ 6.73                            |
| <b>TETON Westwood Balanced Fund</b>          |  |                                     |                                |                                    |  |                                     |                                |                                    |
| Class AAA                                    | \$1,000.00                             | \$1,023.00                          | 1.26%                          | \$ 6.39                            | \$1,000.00                             | \$1,018.75                          | 1.26%                          | \$ 6.38                            |
| Class A                                      | \$1,000.00                             | \$1,021.50                          | 1.51%                          | \$ 7.65                            | \$1,000.00                             | \$1,017.50                          | 1.51%                          | \$ 7.64                            |
| Class C                                      | \$1,000.00                             | \$1,019.60                          | 2.01%                          | \$10.18                            | \$1,000.00                             | \$1,014.99                          | 2.01%                          | \$10.15                            |
| Class I                                      | \$1,000.00                             | \$1,024.30                          | 1.01%                          | \$ 5.13                            | \$1,000.00                             | \$1,020.00                          | 1.01%                          | \$ 5.11                            |
| <b>TETON Westwood Intermediate Bond Fund</b> |  |                                     |                                |                                    |  |                                     |                                |                                    |
| Class AAA                                    | \$1,000.00                             | \$1,002.80                          | 1.00%                          | \$ 5.02                            | \$1,000.00                             | \$1,020.05                          | 1.00%                          | \$ 5.06                            |
| Class A                                      | \$1,000.00                             | \$1,002.30                          | 1.10%                          | \$ 5.52                            | \$1,000.00                             | \$1,019.55                          | 1.10%                          | \$ 5.57                            |
| Class C                                      | \$1,000.00                             | \$ 998.90                           | 1.75%                          | \$ 8.77                            | \$1,000.00                             | \$1,016.29                          | 1.75%                          | \$ 8.85                            |
| Class I                                      | \$1,000.00                             | \$1,005.00                          | 0.75%                          | \$ 3.77                            | \$1,000.00                             | \$1,021.31                          | 0.75%                          | \$ 3.80                            |

\* Expenses are equal to the Funds' 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 (183 days), then divided by 365.

## Summary of Portfolio Holdings (Unaudited)

The following tables present portfolio holdings as a percent of net assets as of September 30, 2014:

### ***TETON Westwood Mighty Mites Fund***

|   |       |  |               |
|---|-------|--|---------------|
| U.S. Government Obligations.....        | 26.4% | Building and Construction.....                     | 0.7%          |
| Health Care.....                        | 7.4%  | Energy and Utilities: Natural Gas .....            | 0.7%          |
| Diversified Industrial.....             | 7.4%  | Energy and Utilities: Services.....                | 0.7%          |
| Equipment and Supplies.....             | 5.6%  | Consumer Services .....                            | 0.6%          |
| Automotive: Parts and Accessories ..... | 4.8%  | Energy and Utilities: Water.....                   | 0.6%          |
| Financial Services .....                | 4.7%  | Manufactured Housing and Recreational Vehicles ... | 0.5%          |
| Food and Beverage.....                  | 3.7%  | Energy and Utilities: Oil .....                    | 0.4%          |
| Business Services.....                  | 3.4%  | Semiconductors .....                               | 0.4%          |
| Computer Software and Services .....    | 3.1%  | Airlines.....                                      | 0.4%          |
| Electronics.....                        | 2.8%  | Agriculture .....                                  | 0.4%          |
| Aviation: Parts and Services .....      | 2.5%  | Energy and Utilities: Integrated .....             | 0.4%          |
| Broadcasting .....                      | 2.4%  | Automotive.....                                    | 0.4%          |
| Specialty Chemicals.....                | 2.4%  | Paper and Forest Products.....                     | 0.3%          |
| Restaurants .....                       | 2.3%  | Environmental Control .....                        | 0.2%          |
| Retail .....                            | 2.1%  | Educational Services .....                         | 0.2%          |
| Hotels and Gaming .....                 | 2.1%  | Communications Equipment.....                      | 0.2%          |
| Telecommunications.....                 | 1.8%  | Transportation.....                                | 0.2%          |
| Machinery.....                          | 1.8%  | Aerospace and Defense .....                        | 0.1%          |
| Consumer Products.....                  | 1.5%  | Energy and Utilities: Alternative Energy .....     | 0.1%          |
| Real Estate .....                       | 1.3%  | Closed-End Business Development Company.....       | 0.0%          |
| Metals and Mining .....                 | 1.3%  | Other Assets and Liabilities (Net) .....           | (0.2)%        |
| Publishing.....                         | 1.1%  |  | <u>100.0%</u> |
| Entertainment .....                     | 0.8%  |  |               |

### ***TETON Westwood SmallCap Equity Fund***

|                                      |       |  |               |
|--------------------------------------|-------|--|---------------|
| Financial Services .....             | 19.0% | Telecommunications .....                 | 3.1%          |
| Computer Software and Services ..... | 8.1%  | Machinery.....                           | 2.8%          |
| Business Services.....               | 7.9%  | U.S. Government Obligations.....         | 2.6%          |
| Energy and Utilities.....            | 7.9%  | Specialty Chemicals.....                 | 1.4%          |
| Semiconductors.....                  | 7.6%  | Metals and Mining .....                  | 1.0%          |
| Health Care.....                     | 7.1%  | Consumer Products.....                   | 1.0%          |
| Diversified Industrial.....          | 6.1%  | Entertainment .....                      | 1.0%          |
| Retail .....                         | 5.9%  | Computer Hardware .....                  | 1.0%          |
| Electronics.....                     | 5.3%  | Publishing.....                          | 0.2%          |
| Building and Construction.....       | 4.3%  | Other Assets and Liabilities (Net) ..... | (0.1)%        |
| Aerospace .....                      | 3.6%  |  | <u>100.0%</u> |
| Equipment and Supplies.....          | 3.2%  |  |               |

### ***TETON Westwood Mid-Cap Equity Fund***

|                              |       |  |               |
|------------------------------|-------|--|---------------|
| Financials.....              | 18.3% | U.S. Government Obligations.....         | 7.0%          |
| Industrials.....             | 16.7% | Consumer Staples.....                    | 4.0%          |
| Health Care.....             | 16.4% | Materials.....                           | 2.9%          |
| Consumer Discretionary ..... | 14.0% | Utilities .....                          | 2.4%          |
| Information Technology.....  | 12.0% | Other Assets and Liabilities (Net) ..... | (1.4)%        |
| Energy .....                 | 7.7%  |  | <u>100.0%</u> |

## Summary of Portfolio Holdings (Unaudited) (Continued)

### **TETON Westwood Income Fund**

|                                     |       |  |               |
|-------------------------------------|-------|--|---------------|
| Financial Services .....            | 18.2% | Energy and Utilities: Natural Gas .....  | 2.1%          |
| Health Care.....                    | 14.5% | Communications Equipment.....            | 2.1%          |
| Energy and Utilities: Oil.....      | 8.3%  | Machinery.....                           | 2.1%          |
| Retail .....                        | 6.8%  | Telecommunications.....                  | 1.9%          |
| Computer Hardware .....             | 4.9%  | Real Estate Investment Trusts .....      | 1.3%          |
| Diversified Industrial.....         | 4.3%  | Pharmaceuticals .....                    | 1.2%          |
| Metals and Mining .....             | 3.6%  | Consumer Staples.....                    | 1.2%          |
| Energy and Utilities: Services..... | 3.4%  | Environmental Services .....             | 1.1%          |
| Electronics.....                    | 3.2%  | Services.....                            | 1.0%          |
| Energy and Utilities: Water.....    | 3.1%  | Computer Software and Services .....     | 0.7%          |
| Specialty Chemicals.....            | 2.8%  | Agriculture .....                        | 0.6%          |
| Automotive.....                     | 2.7%  | Energy and Utilities: Integrated .....   | 0.5%          |
| Paper and Forest Products.....      | 2.6%  | Other Assets and Liabilities (Net) ..... | 1.0%          |
| Cable and Satellite.....            | 2.5%  |  |               |
| Food and Beverage.....              | 2.3%  |  | <u>100.0%</u> |

### **TETON Westwood Equity Fund**

|                               |       |  |               |
|-------------------------------|-------|--|---------------|
| Banking .....                 | 14.5% | Mutual Funds .....                       | 2.2%          |
| Health Care.....              | 10.2% | Computer Hardware .....                  | 2.1%          |
| Financial Services .....      | 6.9%  | Computer Software and Services .....     | 2.0%          |
| Food and Beverage.....        | 6.5%  | Consumer Products .....                  | 2.0%          |
| Retail .....                  | 6.3%  | Energy: Integrated.....                  | 1.9%          |
| Aerospace .....               | 6.3%  | Semiconductors .....                     | 1.9%          |
| Energy: Oil.....              | 5.8%  | Electronics.....                         | 1.8%          |
| Telecommunications.....       | 5.1%  | Energy and Energy Services.....          | 1.8%          |
| Entertainment .....           | 4.8%  | Consumer Services .....                  | 1.0%          |
| Communications Equipment..... | 3.8%  | Energy: Natural Gas .....                | 0.8%          |
| Cable and Satellite.....      | 3.7%  | Other Assets and Liabilities (Net) ..... | (0.2)%        |
| Business Services.....        | 3.5%  |  | <u>100.0%</u> |
| Diversified Industrial.....   | 3.1%  |  |               |
| Transportation.....           | 2.2%  |  |               |

### **TETON Westwood Balanced Fund**

|  |       |  |               |
|--|-------|--|---------------|
| Banking .....                              | 13.6% | Diversified Industrial.....              | 2.8%          |
| Energy: Oil.....                           | 7.4%  | Communications Equipment.....            | 2.3%          |
| U.S. Government Obligations.....           | 6.8%  | Cable and Satellite.....                 | 2.2%          |
| Health Care.....                           | 6.4%  | Computer Hardware .....                  | 2.0%          |
| Financial Services .....                   | 5.8%  | Energy: Integrated.....                  | 1.5%          |
| Mutual Funds .....                         | 5.1%  | Semiconductors .....                     | 1.4%          |
| Federal National Mortgage Association..... | 4.8%  | Computer Software and Services .....     | 1.2%          |
| Federal Home Loan Mortgage Corp.....       | 4.6%  | Energy and Energy Services.....          | 1.2%          |
| Food and Beverage.....                     | 4.4%  | Equipment and Supplies.....              | 1.2%          |
| Retail .....                               | 3.9%  | Business Services.....                   | 1.1%          |
| Aerospace .....                            | 3.7%  | Real Estate Investment Trusts .....      | 0.8%          |
| Telecommunications.....                    | 3.1%  | Consumer Services .....                  | 0.8%          |
| Entertainment .....                        | 3.0%  | Energy: Natural Gas .....                | 0.7%          |
| Consumer Products.....                     | 2.9%  | Other Assets and Liabilities (Net) ..... | (0.5)%        |
| Electronics.....                           | 2.9%  |  | <u>100.0%</u> |
| Transportation.....                        | 2.9%  |  |               |

### **TETON Westwood Intermediate Bond Fund**

|  |       |  |               |
|--|-------|--|---------------|
| Corporate Bonds .....                    | 43.2% | Mutual Funds .....                       | 8.2%          |
| U.S. Government Agency Obligations ..... | 32.0% | Other Assets and Liabilities (Net) ..... | (1.0)%        |
| U.S. Government Obligations.....         | 17.6% |  | <u>100.0%</u> |

**TETON Westwood Mighty Mites Fund**  
**Schedule of Investments — September 30, 2014**

| <u>Shares</u>                       | <u>Cost</u>   | <u>Market Value</u>   | <u>Shares</u> | <u>Cost</u>   | <u>Market Value</u>       |
|-------------------------------------|---|-----------------------|---------------|---|---------------------------|
| <b>COMMON STOCKS — 73.5%</b>        |   |                       | 564,710       | Salem Communications Corp.,                           |                           |
| <b>Aerospace and Defense — 0.1%</b> |   |                       |               | Cl. A . . . . .                                       | \$ 3,017,174 \$ 4,297,443 |
| 170,794                             |   |                       | 33,000        | Sinclair Broadcast Group Inc.,                        |                           |
|                                     |   |                       |               | Cl. A . . . . .                                       | 53,667 860,970            |
| 37,500                              | Innovative Solutions & Support Inc.† . . . . . \$ 749,930 | \$ 890,691            |               |   | 15,469,488 31,024,024     |
|                                     | Kratos Defense & Security Solutions Inc.† . . . . .       | 247,124 246,000       |               |   |                           |
|                                     |   | 997,054 1,136,691     |               |   |                           |
|                                     | <b>Agriculture — 0.4%</b>                                 |                       | 253,163       | <b>Building and Construction — 0.7%</b>               |                           |
| 225                                 | J.G. Boswell Co. . . . .                                  | 144,675 240,187       | 850,065       | Builders FirstSource Inc.† . . . . .                  | 1,899,778 1,379,738       |
| 186,836                             | Limoneira Co. . . . .                                     | 4,085,154 4,426,145   | 107,074       | Huttig Building Products Inc.† . . . . .              | 953,284 3,145,240         |
|                                     |   | 4,229,829 4,666,332   | 500           | MYR Group Inc.† . . . . .                             | 2,422,367 2,578,342       |
|                                     |   |                       | 75,360        | Nortek Inc.† . . . . .                                | 20,053 37,250             |
|                                     |   |                       |               | The Monarch Cement Co. . . . .                        | 1,915,213 2,192,976       |
|                                     |   |                       |               |   | 7,210,695 9,333,546       |
|                                     | <b>Airlines — 0.4%</b>                                    |                       |               | <b>Business Services — 3.4%</b>                       |                           |
| 125,000                             | American Airlines Group Inc. . . . .                      | 57,608 4,435,000      | 237,808       | ACCO Brands Corp.† . . . . .                          | 1,640,532 1,640,875       |
| 225,000                             | American Airlines Group Inc., Escrow† . . . . .           | 3,288 337,500         | 194,679       | Ascent Capital Group Inc., Cl. A† . . . . .           | 5,834,739 11,719,676      |
|                                     |   | 60,896 4,772,500      | 19,000        | Cenveo Inc.† . . . . .                                | 63,979 46,930             |
|                                     | <b>Automotive — 0.4%</b>                                  |                       | 193           | Du-Art Film Labs Inc.† . . . . .                      | 33,105 30,880             |
| 27,200                              | Lithia Motors Inc., Cl. A . . . . .                       | 517,533 2,058,768     | 692,272       | Edgewater Technology Inc.†(a) . . . . .               | 2,188,004 4,755,909       |
| 66,500                              | Sonic Automotive Inc., Cl. A . . . . .                    | 849,600 1,629,915     | 50,000        | Fortegra Financial Corp.† . . . . .                   | 394,500 494,500           |
| 70,000                              | Wabash National Corp.† . . . . .                          | 132,194 932,400       | 101,271       | GP Strategies Corp.† . . . . .                        | 928,058 2,908,503         |
|                                     |   | 1,499,327 4,621,083   | 23,300        | ICF International Inc.† . . . . .                     | 558,939 717,407           |
|                                     |   |                       | 491,477       | Internap Network Services Corp.† . . . . .            | 3,199,991 3,391,191       |
|                                     | <b>Automotive: Parts and Accessories — 4.7%</b>           |                       | 32,029        | KAR Auction Services Inc. . . . .                     | 443,660 916,990           |
| 6,000                               | China Automotive Systems Inc. . . . .                     | 34,007 55,080         | 3,000         | Landauer Inc. . . . .                                 | 107,267 99,030            |
| 105,000                             | Dana Holding Corp. . . . .                                | 624,230 2,012,850     | 1,500         | Liquidity Services Inc.† . . . . .                    | 7,977 20,625              |
| 273,081                             | Federal-Mogul Holdings Corp.† . . . . .                   | 2,970,836 4,060,714   | 16,500        | Macquarie Infrastructure Co. LLC . . . . .            | 269,338 1,100,550         |
| 27,800                              | Gentherm Inc.† . . . . .                                  | 404,618 1,173,994     | 10,608        | Matthews International Corp., Cl. A . . . . .         | 466,646 465,585           |
| 196,600                             | Modine Manufacturing Co.† . . . . .                       | 1,907,098 2,333,642   | 23,000        | McGrath RentCorp . . . . .                            | 616,374 786,600           |
| 31,000                              | Motorcar Parts of America Inc.† . . . . .                 | 407,454 843,510       | 482,016       | ModusLink Global Solutions Inc.† . . . . .            | 1,923,836 1,720,797       |
| 60,000                              | Puradyn Filter Technologies Inc.† . . . . .               | 13,098 13,794         | 30,000        | Pendrell Corp.† . . . . .                             | 48,782 40,200             |
| 60,000                              | Shiloh Industries Inc.† . . . . .                         | 811,170 1,020,600     | 188,172       | PFSweb Inc.† . . . . .                                | 835,090 2,047,311         |
| 182,200                             | Standard Motor Products Inc. . . . .                      | 1,773,700 6,273,146   | 401,375       | PRGX Global Inc.† . . . . .                           | 2,535,374 2,352,058       |
| 197,000                             | Strattec Security Corp.(a) . . . . .                      | 4,552,098 16,025,950  | 302,900       | Pure Technologies Ltd. . . . .                        | 1,403,331 2,185,305       |
| 597,000                             | Superior Industries International Inc. . . . .            | 10,793,277 10,465,410 | 167,655       | Safeguard Scientifics Inc.† . . . . .                 | 3,304,759 3,084,852       |
| 37,000                              | Tenneco Inc.† . . . . .                                   | 115,032 1,935,470     | 84,000        | Stamps.com Inc.† . . . . .                            | 853,414 2,667,840         |
| 1,030,070                           | The Pep Boys - Manny, Moe & Jack† . . . . .               | 11,534,718 9,177,924  | 10,032        | Trans-Lux Corp.† . . . . .                            | 98,964 77,748             |
| 104,565                             | Tower International Inc.† . . . . .                       | 1,697,806 2,633,992   |               |   | 27,756,659 43,271,362     |
| 134,231                             | West Marine Inc.† . . . . .                               | 1,576,523 1,208,079   | 45,000        | <b>Closed-End Business Development Company — 0.0%</b> |                           |
|                                     |   | 39,215,665 59,234,155 |               | MVC Capital Inc. . . . .                              | 499,586 484,200           |
|                                     | <b>Aviation: Parts and Services — 2.5%</b>                |                       | 149,537       | <b>Communications Equipment — 0.2%</b>                |                           |
| 13,500                              | Astronics Corp.† . . . . .                                | 127,472 643,680       | 166,100       | Communications Systems Inc. . . . .                   | 1,642,215 1,668,833       |
| 11,090                              | Astronics Corp., Cl. B† . . . . .                         | 100,709 526,794       | 134,600       | Extreme Networks Inc.† . . . . .                      | 672,216 795,619           |
| 120,485                             | Ducommun Inc.† . . . . .                                  | 2,034,710 3,302,494   | 30,000        | Sycamore Networks Inc. . . . .                        | 37,521 46,841             |
| 1,218,900                           | GenCorp Inc.† . . . . .                                   | 5,625,828 19,465,833  |               | ViewCast.com Inc.† . . . . .                          | 14,100 123                |
| 197,201                             | Kaman Corp. . . . .                                       | 5,007,415 7,749,999   |               |   | 2,366,052 2,511,416       |
|                                     |   | 12,896,134 31,688,800 |               | <b>Computer Software and Services — 3.1%</b>          |                           |
|                                     | <b>Broadcasting — 2.4%</b>                                |                       | 40,000        | Avid Technology Inc.† . . . . .                       | 405,070 404,000           |
| 614,200                             | ACME Communications Inc. . . . .                          | 21,436 26,103         | 187,284       | Blucora Inc.† . . . . .                               | 3,253,467 2,854,208       |
| 582,793                             | Beasley Broadcast Group Inc., Cl. A(a) . . . . .          | 3,140,886 3,123,770   | 331,400       | Callidus Software Inc.† . . . . .                     | 1,847,278 3,983,428       |
| 131,400                             | Crown Media Holdings Inc., Cl. A† . . . . .               | 308,815 420,480       | 68,487        | Carbonite Inc.† . . . . .                             | 717,393 701,307           |
| 36,000                              | Cumulus Media Inc., Cl. A† . . . . .                      | 166,178 145,080       | 16,000        | Cinedigm Corp., Cl. A† . . . . .                      | 27,077 24,800             |
| 88,700                              | Entercom Communications Corp., Cl. A† . . . . .           | 196,753 712,261       | 165,652       | Computer Task Group Inc. . . . .                      | 2,042,779 1,838,737       |
| 407,500                             | Gray Television Inc.† . . . . .                           | 362,094 3,211,100     | 28,100        | Constant Contact Inc.† . . . . .                      | 392,805 762,634           |
| 53,032                              | Gray Television Inc., Cl. A† . . . . .                    | 279,898 335,162       | 76,000        | CyrusOne Inc. . . . .                                 | 1,447,240 1,827,040       |
| 153,366                             | LIN Media LLC, Cl. A† . . . . .                           | 2,259,081 3,404,725   | 40,000        | Daegis Inc.† . . . . .                                | 49,529 32,800             |
| 1,105,029                           | Media General Inc.† . . . . .                             | 5,663,506 14,486,930  | 22,000        | Datawatch Corp.† . . . . .                            | 540,645 225,500           |
|                                     |   |                       | 110,419       | Digital River Inc.† . . . . .                         | 1,939,990 1,603,284       |
|                                     |   |                       | 509,311       | Dot Hill Systems Corp.† . . . . .                     | 1,712,799 1,925,196       |
|                                     |   |                       | 184,650       | EarthLink Holdings Corp. . . . .                      | 727,661 631,503           |
|                                     |   |                       | 115,000       | Emulex Corp.† . . . . .                               | 782,680 568,100           |
|                                     |   |                       | 760,343       | FalconStor Software Inc.† . . . . .                   | 2,478,062 874,394         |

See accompanying notes to financial statements.

**TETON Westwood Mighty Mites Fund**  
**Schedule of Investments (Continued) — September 30, 2014**

| Shares  | Cost  | Market Value | Shares  | Cost   | Market Value      |
|---|---|--------------|---------|--|-------------------|
| <b>COMMON STOCKS (Continued)</b>                  |   |              |         |  |                   |
| <b>Computer Software and Services (Continued)</b> |   |              |         |  |                   |
| 503,161   | Furmanite Corp.† . . . . . \$ 3,188,805             | \$ 3,401,368 | 33,380  | L.B. Foster Co., Cl. A. . . . . \$ 1,225,035           | \$ 1,533,477      |
| 1,410   | Gemalto NV . . . . . 8,172                          | 129,437      | 246,099 | Lawson Products Inc.† . . . . . 3,380,364              | 5,485,547         |
| 889,238   | Global Sources Ltd.† . . . . . 6,442,627            | 5,966,787    | 176,449 | Lydall Inc.† . . . . . 1,696,229                       | 4,765,887         |
| 25,000  | GSE Systems Inc.† . . . . . 136,805                 | 39,000       | 75,255  | Magnetek Inc.† . . . . . 1,376,963                     | 2,354,729         |
| 636,450   | Guidance Software Inc.† . . . . . 5,280,999         | 4,283,308    | 11,800  | MSA Safety Inc. . . . . 367,269                        | 582,920           |
| 144,117   | iGO Inc.† . . . . . 484,026                         | 461,174      | 480,356 | Myers Industries Inc. . . . . 5,956,756                | 8,473,480         |
| 458,356   | Lionbridge Technologies Inc.† . . . . . 1,640,566   | 2,062,602    | 97,158  | NAPCO Security Technologies Inc.† . . . . . 537,572    | 456,643           |
| 29,500  | Mercury Systems Inc.† . . . . . 166,227             | 324,795      | 147,000 | Park-Ohio Holdings Corp. . . . . 2,664,259             | 7,035,420         |
| 67,500  | Mitek Systems Inc.† . . . . . 199,734               | 162,675      | 67,571  | Raven Industries Inc. . . . . 1,955,578                | 1,648,732         |
| 20,000  | Move Inc.† . . . . . 418,644                        | 419,200      | 66,666  | Rubicon Ltd.† . . . . . 37,762                         | 18,996            |
| 5,802   | MTS Systems Corp. . . . . 265,634                   | 396,045      | 17,900  | RWC Inc.† . . . . . 296,129                            | 223,840           |
| 12,000  | Qualstar Corp.† . . . . . 17,642                    | 14,520       | 465,564 | Sevcon Inc.†(a) . . . . . 2,608,573                    | 3,794,347         |
| 188,932   | Qumu Corp.† . . . . . 2,298,499                     | 2,456,116    | 28,000  | Standex International Corp. . . . . 928,588            | 2,075,920         |
| 356,200   | Speed Commerce Inc.† . . . . . 1,034,145            | 979,550      | 480,226 | Steel Partners Holdings LP† . . . . . 7,605,431        | 7,976,554         |
| 3,800   | Tyler Technologies Inc.† . . . . . 39,378           | 335,920      | 196,956 | Tredegar Corp. . . . . 3,810,005                       | 3,625,960         |
|   |   |              | 269,134 | Twin Disc Inc. . . . . 5,902,060                       | 7,255,853         |
|   |   |              | 108,381 | Vishay Precision Group Inc.† . . . . . 1,778,303       | 1,619,212         |
|   |   |              |         |  | <u>71,113,712</u> |
|   |   |              |         |  | <u>91,347,841</u> |
| <b>Consumer Products — 1.5%</b>                   |   |              |         |  |                   |
| 155,070   | Bassett Furniture Industries Inc. . . . . 2,268,715 | 2,118,256    | 187,587 | <b>Educational Services — 0.2%</b>                     |                   |
| 143,000   | Blyth Inc. . . . . 1,835,023                        | 1,161,160    | 290,336 | Corinthian Colleges Inc.† . . . . . 188,970            | 20,728            |
| 2,000   | Brunswick Corp. . . . . 30,085                      | 84,280       |         | Universal Technical Institute Inc. . . . . 5,039,895   | 2,714,642         |
| 55,687  | Callaway Golf Co. . . . . 383,296                   | 403,174      |         |  | <u>5,228,865</u>  |
| 10,000  | Elizabeth Arden Inc.† . . . . . 153,306             | 167,400      |         |  | <u>2,735,370</u>  |
| 3,500   | Johnson Outdoors Inc., Cl. A. . . . . 29,026        | 90,650       |         | <b>Electronics — 2.8%</b>                              |                   |
| 11,400  | Lakeland Industries Inc.† . . . . . 109,829         | 79,230       | 33,000  | Alliance Semiconductor Corp.† . . . . . 66,300         | 26,400            |
| 1,262,342   | Marine Products Corp. . . . . 8,496,293             | 9,959,878    | 14,000  | Badger Meter Inc. . . . . 477,554                      | 706,300           |
| 13,000  | MarineMax Inc.† . . . . . 63,807                    | 219,050      | 132,347 | Bel Fuse Inc., Cl. A(a) . . . . . 2,503,628            | 3,119,419         |
| 200   | National Presto Industries Inc. . . . . 5,745       | 12,142       | 55,000  | BTU International Inc.† . . . . . 219,541              | 178,750           |
| 91,931  | Nautilus Inc.† . . . . . 688,912                    | 1,100,414    | 342,500 | CTS Corp. . . . . 2,816,345                            | 5,442,325         |
| 129,300   | Oil-Dri Corp. of America. . . . . 2,299,864         | 3,370,851    | 52,000  | Daktronics Inc. . . . . 527,159                        | 639,080           |
| 5,700   | PC Group Inc.† . . . . . 3,465                      | 125          | 151,867 | Dialight plc . . . . . 1,836,479                       | 2,218,241         |
| 10,400  | Syratech Corp.† . . . . . 2,600                     | 31           | 49,789  | Electro Scientific Industries Inc. . . . . 507,868     | 338,067           |
| 286,636   | The Wet Seal Inc., Cl. A† . . . . . 943,823         | 150,627      | 34,000  | IMAX Corp.† . . . . . 143,748                          | 933,640           |
| 119,200   | ValueVision Media Inc., Cl. A† . . . . . 546,447    | 611,496      | 20,000  | Iteris Inc.† . . . . . 32,200                          | 35,000            |
|   |   |              | 105,000 | Kopin Corp.† . . . . . 365,260                         | 357,000           |
|   |   |              | 43,500  | Mesa Laboratories Inc. . . . . 1,122,942               | 2,513,430         |
|   |   |              | 38,800  | Methode Electronics Inc. . . . . 213,618               | 1,430,556         |
|   |   |              | 329,633 | MOCON Inc.(a) . . . . . 4,695,211                      | 4,921,421         |
|   |   |              | 52,100  | MoSys Inc.† . . . . . 150,654                          | 126,082           |
|   |   |              | 64,800  | Newport Corp.† . . . . . 419,585                       | 1,148,256         |
|   |   |              | 51,200  | Park Electrochemical Corp. . . . . 946,862             | 1,205,760         |
|   |   |              | 70,000  | Pericom Semiconductor Corp.† . . . . . 699,279         | 681,800           |
|   |   |              | 10,000  | Pulse Electronics Corp.† . . . . . 50,853              | 13,500            |
|   |   |              | 82,074  | Rofin-Sinar Technologies Inc.† . . . . . 1,923,230     | 1,892,626         |
|   |   |              | 78,000  | Schmitt Industries Inc.† . . . . . 210,348             | 250,380           |
|   |   |              | 6,776   | Sparton Corp.† . . . . . 77,815                        | 167,028           |
|   |   |              | 272,020 | Stoneridge Inc.† . . . . . 1,408,646                   | 3,065,665         |
|   |   |              | 157,000 | Ultra Clean Holdings† . . . . . 478,219                | 1,405,150         |
|   |   |              | 109,198 | Ultralife Corp.† . . . . . 437,808                     | 353,802           |
|   |   |              | 99,500  | Ultratech Inc.† . . . . . 1,819,137                    | 2,263,625         |
|   |   |              |         |  | <u>24,150,289</u> |
|   |   |              |         |  | <u>35,433,303</u> |
|   |   |              |         | <b>Energy and Utilities: Alternative Energy — 0.1%</b> |                   |
|   |   |              | 34,200  | JA Solar Holdings Co. Ltd., ADR† . . . . . 300,114     | 316,350           |
|   |   |              | 234,400 | Real Goods Solar Inc., Cl. A† . . . . . 889,176        | 403,168           |
|   |   |              |         |  | <u>1,189,290</u>  |
|   |   |              |         | <b>Energy and Utilities: Integrated — 0.4%</b>         |                   |
|   |   |              | 134,475 | Broadwind Energy Inc.† . . . . . 767,979               | 1,007,218         |
|   |   |              | 159,500 | Headwaters Inc.† . . . . . 656,007                     | 2,000,130         |
|   |   |              | 44,000  | MGE Energy Inc. . . . . 1,025,270                      | 1,639,440         |
|   |   |              |         |  | <u>2,449,256</u>  |
|   |   |              |         |  | <u>4,646,788</u>  |
|   |   |              |         |  | <u>39,986,378</u> |
|   |   |              |         |  | <u>39,689,428</u> |
|   |   |              |         |  | <u>17,860,236</u> |
|   |   |              |         |  | <u>19,528,764</u> |
|   |   |              |         |  | <u>4,912,371</u>  |
|   |   |              |         |  | <u>7,832,191</u>  |
|   |   |              |         |  | <u>219,152</u>    |
|   |   |              |         |  | <u>3,310,548</u>  |
|   |   |              |         |  | <u>147,177</u>    |
|   |   |              |         |  | <u>7,182,783</u>  |
|   |   |              |         |  | <u>2,835,864</u>  |
|   |   |              |         |  | <u>3,483,893</u>  |
|   |   |              |         |  | <u>1,699,081</u>  |
|   |   |              |         |  | <u>3,769,317</u>  |
|   |   |              |         |  | <u>1,904,076</u>  |
|   |   |              |         |  | <u>2,546,442</u>  |
|   |   |              |         |  | <u>1,607,344</u>  |
|   |   |              |         |  | <u>1,902,144</u>  |
|   |   |              |         |  | <u>534,517</u>    |
|   |   |              |         |  | <u>948,750</u>    |
|   |   |              |         |  | <u>4,233,697</u>  |
|   |   |              |         |  | <u>260,683</u>    |
|   |   |              |         |  | <u>254,270</u>    |
|   |   |              |         |  | <u>260,683</u>    |
|   |   |              |         |  | <u>134,090</u>    |
|   |   |              |         |  | <u>389,969</u>    |
|   |   |              |         |  | <u>1,098,402</u>  |
|   |   |              |         |  | <u>1,025,577</u>  |
|   |   |              |         |  | <u>95,694</u>     |
|   |   |              |         |  | <u>90,340</u>     |
|   |   |              |         |  | <u>907,605</u>    |
|   |   |              |         |  | <u>959,983</u>    |
|   |   |              |         |  | <u>2,748,399</u>  |
|   |   |              |         |  | <u>2,637,159</u>  |
|   |   |              |         |  | <u>286,409</u>    |
|   |   |              |         |  | <u>374,767</u>    |

See accompanying notes to financial statements.









**TETON Westwood Mighty Mites Fund**  
**Schedule of Investments (Continued) — September 30, 2014**

| Shares  |  | Cost               | Market Value       | Principal Amount |   | Cost                 | Market Value           |
|---------|--|--------------------|--------------------|------------------|---|----------------------|------------------------|
|         | <b>COMMON STOCKS (Continued)</b>   |                    |                    |                  |   |                      |                        |
|         | <b>Telecommunications (Continued)</b>  |                    |                    |                  |   |                      |                        |
| 250,000 | Shenandoah Telecommunications Co. . . . .  | \$ 2,747,595       | \$ 6,202,500       | \$ 40,860        | Capital Properties Inc.,<br>5.000%, 12/31/22. . . . .   | \$ 40,860            | \$ 40,281              |
|         |  | <u>19,973,777</u>  | <u>22,862,618</u>  | 108,079          | Gyrodyne Co. of America Inc.,<br>Sub. Deb.,<br>5.000%, 06/30/17. . . . .  | <u>106,090</u>       | <u>106,090</u>         |
| 21,000  | <b>Transportation — 0.2%</b><br>Dakota Plains Holdings Inc.† . . . . .   | 53,275             | 50,400             |                  |   |                      |                        |
| 8,200   | PHI Inc.† . . . . .  | 130,182            | 345,138            |                  |   |                      |                        |
| 110,308 | <b>Providence and Worcester Railroad Co.</b> . . . . .   | 1,536,078          | 1,929,287          |                  |   |                      |                        |
| 1       | Trailer Bridge Inc.† . . . . .   | 7,995              | 465                |                  |   |                      |                        |
|         |  | <u>1,727,530</u>   | <u>2,325,290</u>   | 334,265,000      | <b>TOTAL CORPORATE BONDS</b> . . . . .  | <u>146,950</u>       | <u>146,371</u>         |
|         | <b>TOTAL COMMON STOCKS</b> . . . . .   | <u>657,027,553</u> | <u>931,970,406</u> |                  | <b>U.S. GOVERNMENT OBLIGATIONS — 26.4%</b><br>U.S. Treasury Bills,<br>0.000% to 0.076%††,<br>10/02/14 to 03/26/15 . . . . . | <u>334,225,050</u>   | <u>334,246,726</u>     |
|         | <b>PREFERRED STOCKS — 0.1%</b><br><b>Automotive: Parts and Accessories — 0.1%</b><br>Jungheinrich AG . . . . .                 | 229,855            | 1,127,278          |                  | <b>TOTAL INVESTMENTS — 100.2%</b> . . . . .   | <u>\$993,879,883</u> | 1,270,348,690          |
| 20,000  |  |                    |                    |                  | <b>Other Assets and Liabilities (Net) — (0.2)%</b> . . . . .  |                      | (1,964,610)            |
|         | <b>CONVERTIBLE PREFERRED STOCKS — 0.2%</b><br><b>Diversified Industrial — 0.2%</b><br>Sevcon Inc.,<br>4.000%, Ser. A . . . . . | 1,912,146          | 2,174,510          |                  | <b>NET ASSETS — 100.0%</b> . . . . .  |                      | <u>\$1,268,384,080</u> |
| 88,937  |  |                    |                    |                  |   |                      |                        |
| 500     | <b>Food and Beverage — 0.0%</b><br>Seneca Foods Corp.,<br>Ser. 2003† . . . . .   | 7,625              | 14,300             |                  |   |                      |                        |
|         | <b>TOTAL CONVERTIBLE PREFERRED STOCKS</b> . . . . .  | <u>1,919,771</u>   | <u>2,188,810</u>   |                  |   |                      |                        |
|         | <b>RIGHTS — 0.0%</b><br><b>Health Care — 0.0%</b><br>Adolor Corp., CPR,<br>expire 07/01/19†. . . . .                           | 0                  | 156,000            |                  |   |                      |                        |
| 300,000 |  |                    |                    |                  |   |                      |                        |
| 200,000 | Clinical Data Inc., CVR,<br>expire 04/14/18†. . . . .  | 0                  | 190,000            |                  |   |                      |                        |
| 400,000 | Sanofi, CVR,<br>expire 12/31/20†. . . . .  | 137,800            | 186,000            |                  |   |                      |                        |
| 200,000 | Teva Pharmaceutical Industries Ltd., CPR,<br>expire 02/20/23†. . . . .   | 103,591            | 106,000            |                  |   |                      |                        |
|         | <b>TOTAL RIGHTS</b> . . . . .  | <u>241,391</u>     | <u>638,000</u>     |                  |   |                      |                        |
|         | <b>WARRANTS — 0.0%</b><br><b>Real Estate — 0.0%</b><br>Tejon Ranch Co.,<br>expire 08/31/16†. . . . .                           | 89,313             | 31,099             |                  |   |                      |                        |
| 15,170  |  |                    |                    |                  |   |                      |                        |
| 2       | <b>Transportation — 0.0%</b><br>Trailer Bridge Inc., Ser. A,<br>expire 04/02/17†. . . . .                                      | 0                  | 0                  |                  |   |                      |                        |
| 2       | Trailer Bridge Inc., Ser. B,<br>expire 04/02/17†. . . . .  | 0                  | 0                  |                  |   |                      |                        |
|         |  | <u>0</u>           | <u>0</u>           |                  |   |                      |                        |
|         | <b>TOTAL WARRANTS</b> . . . . .  | <u>89,313</u>      | <u>31,099</u>      |                  |   |                      |                        |

(a) Security considered an affiliated holding because the Fund owns at least 5% of its outstanding shares.  
† Non-income producing security.  
†† Represents annualized yield at date of purchase.  
ADR American Depositary Receipt  
CPR Contingent Payment Right  
CVR Contingent Value Right

See accompanying notes to financial statements.



**TETON Westwood SmallCap Equity Fund**  
**Schedule of Investments (Continued) — September 30, 2014**

| <u>Shares</u> |  | <u>Cost</u> | <u>Market Value</u> | <u>Shares</u> |                                      | <u>Cost</u>       | <u>Market Value</u> |
|---------------|--|-------------|---------------------|---------------|--------------------------------------|-------------------|---------------------|
|               | <b>COMMON STOCKS (Continued)</b>         |             |                     |               |                                      |                   |                     |
|               | <b>Health Care (Continued)</b>           |             |                     | 5,300         | PolyOne Corp. . . . .                | \$ 60,361         | \$ 188,574          |
| 12,600        | VCA Inc.† . . . . .                      | \$ 213,971  | \$ 495,558          | 8,500         | Zep Inc. . . . .                     | 149,927           | 119,170             |
|               |  | 1,915,400   | 2,928,988           |               |                                      | 523,665           | 585,371             |
|               | <b>Machinery — 2.8%</b>                  |             |                     |               | <b>Telecommunications — 3.1%</b>     |                   |                     |
| 23,900        | Briggs & Stratton Corp. . . . .          | 448,322     | 430,678             | 4,650         | Atlantic Tele-Network Inc. . . . .   | 163,864           | 250,635             |
| 15,200        | Trinity Industries Inc. . . . .          | 195,428     | 710,144             | 63,900        | Extreme Networks Inc.† . . . . .     | 271,062           | 306,081             |
|               |  | 643,750     | 1,140,822           | 23,900        | Ixia† . . . . .                      | 343,236           | 218,446             |
|               | <b>Metals and Mining — 1.0%</b>          |             |                     | 27,400        | Polycom Inc.† . . . . .              | 317,604           | 336,609             |
| 9,650         | Carpenter Technology Corp. . . . .       | 470,131     | 435,697             | 16,100        | Procera Networks Inc.† . . . . .     | 201,409           | 154,238             |
|               | <b>Publishing — 0.2%</b>                 |             |                     |               |                                      | 1,297,175         | 1,266,009           |
| 1,600         | Meredith Corp. . . . .                   | 46,356      | 68,480              |               | <b>TOTAL COMMON STOCKS . . . . .</b> | <b>31,936,819</b> | <b>40,299,657</b>   |
|               | <b>Retail — 5.9%</b>                     |             |                     |               |                                      |                   |                     |
| 36,450        | American Eagle Outfitters Inc. . . . .   | 492,434     | 529,254             |               |                                      |                   |                     |
| 9,200         | Big 5 Sporting Goods Corp. . . . .       | 74,585      | 86,204              |               |                                      |                   |                     |
| 24,850        | Ethan Allen Interiors Inc. . . . .       | 492,441     | 566,580             |               |                                      |                   |                     |
| 6,800         | Haverty Furniture Companies Inc. . . . . | 171,647     | 148,172             |               |                                      |                   |                     |
| 10,200        | Penske Automotive Group Inc. . . . .     | 229,280     | 414,018             |               |                                      |                   |                     |
| 21,200        | Rush Enterprises Inc., Cl. A† . . . . .  | 383,586     | 709,140             |               |                                      |                   |                     |
|               |  | 1,843,973   | 2,453,368           |               |                                      |                   |                     |
|               | <b>Semiconductors — 7.6%</b>             |             |                     |               |                                      |                   |                     |
| 4,300         | Cabot Microelectronics Corp.† . . . . .  | 175,328     | 178,235             |               |                                      |                   |                     |
| 18,400        | Cascade Microtech Inc.† . . . . .        | 89,393      | 186,392             |               |                                      |                   |                     |
| 9,200         | Cypress Semiconductor Corp. . . . .      | 80,914      | 90,850              |               |                                      |                   |                     |
| 42,300        | Entegris Inc.† . . . . .                 | 419,598     | 486,450             |               |                                      |                   |                     |
| 98,600        | FormFactor Inc.† . . . . .               | 656,583     | 706,962             |               |                                      |                   |                     |
| 45,000        | Intersil Corp., Cl. A . . . . .          | 369,240     | 639,450             |               |                                      |                   |                     |
| 63,300        | ON Semiconductor Corp.† . . . . .        | 500,272     | 565,902             |               |                                      |                   |                     |
| 12,400        | Ultratech Inc.† . . . . .                | 295,407     | 282,100             |               |                                      |                   |                     |
|               |  | 2,586,735   | 3,136,341           |               |                                      |                   |                     |
|               | <b>Specialty Chemicals — 1.4%</b>        |             |                     |               |                                      |                   |                     |
| 11,900        | Chemtura Corp.† . . . . .                | 313,377     | 277,627             |               |                                      |                   |                     |

**Principal Amount**

|             |   |                     |                     |
|-------------|---|---------------------|---------------------|
|             | <b>U.S. GOVERNMENT OBLIGATIONS — 2.6%</b>                                     |                     |                     |
| \$1,095,000 | U.S. Treasury Bills,<br>0.005% to 0.045%††,<br>11/20/14 to 12/26/14 . . . . . | 1,094,970           | 1,094,967           |
|             | <b>TOTAL INVESTMENTS — 100.1% . . . . .</b>                                   | <b>\$33,031,789</b> | 41,394,624          |
|             | <b>Other Assets and Liabilities (Net) — (0.1%) . . . . .</b>                  |                     | (60,816)            |
|             | <b>NET ASSETS — 100.0% . . . . .</b>  |                     | <b>\$41,333,808</b> |

† Non-income producing security.  
†† Represents annualized yield at date of purchase.

See accompanying notes to financial statements.

**TETON Westwood Mid-Cap Equity Fund**  
**Schedule of Investments — September 30, 2014**

| <u>Shares</u>                | <u>Cost</u>                                  | <u>Market Value</u> | <u>Shares</u> | <u>Cost</u>                                     | <u>Market Value</u>  |
|------------------------------|--|---------------------|---------------|---|--|
| <b>COMMON STOCKS — 94.4%</b> |  |                     | 1,056         | Vertex Pharmaceuticals Inc.† . . . . .          | \$ 83,428 \$ 118,599   |
| <b>FINANCIALS — 18.3%</b>    |  |                     |               |   | 444,244 541,914  |
| <b>Banks — 4.2%</b>          |  |                     |               |   | <b>TOTAL HEALTH CARE . . . . .</b> 705,878 811,010               |
| 2,909                        | BankUnited Inc. . . . . \$ 87,726            | \$ 88,695           |               |   | <b>CONSUMER DISCRETIONARY — 14.0%</b>                            |
| 5,171                        | Regions Financial Corp. . . . . 51,770       | 51,917              |               |   | <b>Consumer Durables — 1.1%</b>                                  |
| 2,271                        | Zions Bancorporation . . . . . 66,371        | 65,995              | 1,722         | Toll Brothers Inc.† . . . . .                   | 58,854 53,658  |
|                              |  | 205,867             |               |   | <b>Consumer Services — 2.2%</b>                                  |
|                              |  | 206,607             | 728           | Hyatt Hotels Corp., Cl. A† . . . . .            | 37,485 44,059  |
|                              |  |                     | 1,167         | Norwegian Cruise Line Holdings Ltd.† . . . . .  | 37,926 42,035  |
|                              |  |                     | 349           | Royal Caribbean Cruises Ltd. . . . .            | 19,014 23,484  |
|                              |  |                     |               |   | 94,425 109,578   |
|                              |  |                     |               |   | <b>Media — 5.6%</b>  |
|                              |  |                     | 1,929         | Discovery Communications Inc., Cl. C† . . . . . | 72,488 71,913  |
|                              |  |                     | 2,131         | Liberty Global plc, Cl. C† . . . . .            | 81,942 87,403  |
|                              |  |                     | 429           | Liberty Media Corp., Cl. A† . . . . .           | 19,570 20,240  |
|                              |  |                     | 858           | Liberty Media Corp., Cl. C† . . . . .           | 38,142 40,317  |
|                              |  |                     | 853           | Omnicom Group Inc. . . . .                      | 58,462 58,738  |
|                              |  |                     |               |   | 270,604 278,611  |
|                              |  |                     |               |   | <b>Retailing — 5.1%</b>  |
|                              |  |                     | 628           | Bed Bath & Beyond Inc.† . . . . .               | 42,046 41,341  |
|                              |  |                     | 1,615         | Ethan Allen Interiors Inc. . . . .              | 40,284 36,822  |
|                              |  |                     | 486           | O'Reilly Automotive Inc.† . . . . .             | 64,686 73,075  |
|                              |  |                     | 1,365         | Urban Outfitters Inc.† . . . . .                | 52,220 50,095  |
|                              |  |                     | 1,272         | zulily Inc., Cl. A† . . . . .                   | 46,061 48,196  |
|                              |  |                     |               |   | 245,297 249,529  |
|                              |  |                     |               |   | <b>TOTAL CONSUMER DISCRETIONARY . . . . .</b> 669,180 691,376    |
|                              |  |                     |               |   | <b>INFORMATION TECHNOLOGY — 12.0%</b>                            |
|                              |  |                     |               |   | <b>Software and Services — 10.2%</b>                             |
|                              |  |                     | 2,796         | Activision Blizzard Inc. . . . .                | 54,088 58,129  |
|                              |  |                     | 1,217         | Citrix Systems Inc.† . . . . .                  | 76,899 86,821  |
|                              |  |                     | 848           | Cornerstone OnDemand Inc.† . . . . .            | 34,680 29,180  |
|                              |  |                     | 5,210         | Covisint Corp.† . . . . .                       | 46,122 21,621  |
|                              |  |                     | 359           | Equinix Inc.† . . . . .                         | 69,761 76,280  |
|                              |  |                     | 4,799         | Fortinet Inc.† . . . . .                        | 102,630 121,247  |
|                              |  |                     | 596           | MercadoLibre Inc. . . . .                       | 64,541 64,755  |
|                              |  |                     | 838           | Splunk Inc.† . . . . .                          | 45,309 46,392  |
|                              |  |                     |               |   | 494,030 504,425  |
|                              |  |                     |               |   | <b>Technology Hardware and Equipment — 1.8%</b>                  |
|                              |  |                     | 1,211         | Synaptics Inc.† . . . . .                       | 69,205 88,645  |
|                              |  |                     |               |   | <b>TOTAL INFORMATION TECHNOLOGY . . . . .</b> 563,235 593,070    |
|                              |  |                     |               |   | <b>ENERGY — 7.7%</b>   |
|                              |  |                     |               |   | <b>Energy — 7.7%</b>   |
|                              |  |                     | 1,032         | Antero Resources Corp.† . . . . .               | 60,463 56,646  |
|                              |  |                     | 1,052         | Cameron International Corp.† . . . . .          | 66,502 69,832  |
|                              |  |                     | 1,224         | Noble Corp. plc . . . . .                       | 35,368 27,197  |
|                              |  |                     | 408           | Paragon Offshore plc† . . . . .                 | 4,717 2,509  |
|                              |  |                     | 1,120         | Peabody Energy Corp. . . . .                    | 18,581 13,866  |
|                              |  |                     | 425           | Pioneer Natural Resources Co. . . . .           | 77,093 83,712  |
|                              |  |                     | 808           | Range Resources Corp. . . . .                   | 64,135 54,790  |
|                              |  |                     | 3,387         | Weatherford International plc† . . . . .        | 56,746 70,450  |
|                              |  |                     |               |   | <b>TOTAL ENERGY . . . . .</b> 383,605 379,002                    |
|                              |  |                     |               |   | <b>Pharmaceuticals, Biotechnology, and Life Sciences — 11.0%</b> |
| 670                          | Alexion Pharmaceuticals Inc.† . . . . .      | 91,275 111,099      |               |   |  |
| 753                          | Covance Inc.† . . . . .                      | 64,878 59,261       |               |   |  |
| 4,730                        | Exact Sciences Corp.† . . . . .              | 69,167 91,667       |               |   |  |
| 399                          | Illumina Inc.† . . . . .                     | 50,187 65,404       |               |   |  |
| 994                          | Incyte Corp. Ltd.† . . . . .                 | 41,059 48,756       |               |   |  |
| 184                          | Mettler-Toledo International Inc.† . . . . . | 44,250 47,128       |               |   |  |

See accompanying notes to financial statements.

**TETON Westwood Mid-Cap Equity Fund**  
**Schedule of Investments (Continued) — September 30, 2014**

| <u>Shares</u> |  | <u>Cost</u>      | <u>Market Value</u> | <u>Principal Amount</u> |  | <u>Cost</u>        | <u>Market Value</u> |
|---------------|--|------------------|---------------------|-------------------------|--|--------------------|---------------------|
|               | <b>COMMON STOCKS (Continued)</b>           |                  |                     |                         |  |                    |                     |
|               | <b>CONSUMER STAPLES — 4.0%</b>             |                  |                     | \$ 345,000              | <b>U.S. GOVERNMENT OBLIGATIONS — 7.0%</b>                    |                    |                     |
|               | <b>Food and Beverage — 4.0%</b>            |                  |                     |                         | U.S. Treasury Bills,   |                    |                     |
| 1,927         | Coca-Cola Enterprises Inc. . . . .         | \$ 82,349        | \$ 85,482           |                         | 0.000% to 0.045%††,  |                    |                     |
| 611           | McCormick & Co. Inc., Non-Voting . . . . . | 42,015           | 40,876              |                         | 10/30/14 to 03/05/15 . . . . .                               | \$ 344,969         | \$ 344,981          |
| 749           | Mead Johnson Nutrition Co. . . . .         | 62,658           | 72,069              |                         |  |                    |                     |
|               | <b>TOTAL CONSUMER STAPLES . . . . .</b>    | <u>187,022</u>   | <u>198,427</u>      |                         | <b>TOTAL INVESTMENTS — 101.4% . . . . .</b>                  | <u>\$4,759,539</u> | 5,014,150           |
|               | <b>MATERIALS — 2.9%</b>                    |                  |                     |                         | <b>Other Assets and Liabilities (Net) — (1.4)% . . . . .</b> |                    | <u>(69,371)</u>     |
|               | <b>Materials — 2.9%</b>                    |                  |                     |                         | <b>NET ASSETS — 100.0% . . . . .</b>                         |                    | <u>\$4,944,779</u>  |
| 1,269         | Cytec Industries Inc. . . . .              | 55,342           | 60,011              |                         |  |                    |                     |
| 713           | Ecolab Inc. . . . .                        | 71,062           | 81,874              |                         |  |                    |                     |
|               | <b>TOTAL MATERIALS . . . . .</b>           | <u>126,404</u>   | <u>141,885</u>      |                         |  |                    |                     |
|               | <b>UTILITIES — 2.4%</b>                    |                  |                     |                         |  |                    |                     |
|               | <b>Utilities — 2.4%</b>                    |                  |                     |                         |  |                    |                     |
| 2,248         | ITC Holdings Corp. . . . .                 | 74,581           | 80,096              |                         |  |                    |                     |
| 2,872         | The AES Corp. . . . .                      | 38,865           | 40,725              |                         |  |                    |                     |
|               | <b>TOTAL UTILITIES. . . . .</b>            | <u>113,446</u>   | <u>120,821</u>      |                         |  |                    |                     |
|               | <b>TOTAL COMMON STOCKS . . . . .</b>       | <u>4,414,570</u> | <u>4,669,169</u>    |                         |  |                    |                     |

† Non-income producing security.  
†† Represents annualized yield at date of purchase.

See accompanying notes to financial statements.

**TETON Westwood Income Fund**  
**Schedule of Investments — September 30, 2014**

| Shares |  | Cost      | Market Value | Shares |  | Cost               | Market Value       |
|--------|--|-----------|--------------|--------|--|--------------------|--------------------|
|        | <b>COMMON STOCKS — 99.0%</b>                         |           |              |        |  |                    |                    |
|        | <b>Agriculture — 0.6%</b>                            |           |              |        |  |                    |                    |
| 1,000  | Archer Daniels Midland Co. . . . .                   | \$ 28,410 | \$ 51,100    | 3,400  | JPMorgan Chase & Co. . . . .                               | \$ 159,068         | \$ 204,816         |
|        | <b>Automotive — 2.7%</b>                             |           |              | 6,000  | The Blackstone Group LP. . . . .                           | 202,290            | 188,880            |
| 5,000  | General Motors Co. . . . .                           | 163,215   | 159,700      | 4,000  | U.S. Bancorp. . . . .                                      | 131,903            | 167,320            |
| 2,300  | Navistar International Corp.† . . . . .              | 67,619    | 75,693       | 5,000  | Wells Fargo & Co. . . . .                                  | 157,923            | 259,350            |
|        |  | 230,834   | 235,393      |        |  | 1,208,114          | 1,563,910          |
|        | <b>Cable and Satellite — 2.5%</b>                    |           |              |        | <b>Food and Beverage — 2.3%</b>                            |                    |                    |
| 1,500  | Scripps Networks Interactive Inc.,<br>Cl. A. . . . . | 115,203   | 117,135      | 2,000  | General Mills Inc. . . . .                                 | 58,976             | 100,900            |
| 700    | Time Warner Cable Inc. . . . .                       | 93,543    | 100,443      | 1,000  | PepsiCo Inc. . . . .                                       | 54,570             | 93,090             |
|        |  | 208,746   | 217,578      |        |  | 113,546            | 193,990            |
|        | <b>Communications Equipment — 2.1%</b>               |           |              |        | <b>Health Care — 14.5%</b>                                 |                    |                    |
| 3,000  | Cisco Systems Inc. . . . .                           | 73,663    | 75,510       | 1,500  | AbbVie Inc. . . . .  | 40,989             | 86,640             |
| 1,400  | QUALCOMM Inc. . . . .                                | 100,380   | 104,678      | 2,000  | AstraZeneca plc, ADR . . . . .                             | 85,794             | 142,880            |
|        |  | 174,043   | 180,188      | 1,783  | Bristol-Myers Squibb Co. . . . .                           | 51,086             | 91,254             |
|        | <b>Computer Hardware — 4.9%</b>                      |           |              | 1,000  | Eli Lilly & Co. . . . .                                    | 43,784             | 64,850             |
| 4,200  | Apple Inc. . . . .                                   | 237,468   | 423,150      | 1,500  | Johnson & Johnson . . . . .                                | 85,403             | 159,885            |
|        | <b>Computer Software and Services — 0.7%</b>         |           |              | 3,000  | Merck & Co. Inc. . . . .                                   | 132,674            | 177,840            |
| 1,000  | eBay Inc.† . . . . .                                 | 51,305    | 56,630       | 5,264  | Pfizer Inc. . . . .  | 111,058            | 155,656            |
|        | <b>Consumer Staples — 1.2%</b>                       |           |              | 2,000  | Sanofi, ADR . . . . .                                      | 101,714            | 112,860            |
| 3,000  | Mondelēz International Inc., Cl. A . . . .           | 63,120    | 102,795      | 6,858  | Zoetis Inc. . . . .  | 196,452            | 253,403            |
|        | <b>Diversified Industrial — 4.3%</b>                 |           |              |        |  | 848,954            | 1,245,268          |
| 7,000  | General Electric Co. . . . .                         | 122,298   | 179,340      |        | <b>Machinery — 2.1%</b>                                    |                    |                    |
| 2,000  | Honeywell International Inc. . . . .                 | 78,538    | 186,240      | 5,000  | Xylem Inc. . . . .   | 132,724            | 177,450            |
|        |  | 200,836   | 365,580      |        |  |                    |                    |
|        | <b>Electronics — 3.2%</b>                            |           |              |        | <b>Metals and Mining — 3.6%</b>                            |                    |                    |
| 8,000  | Intel Corp. . . . .                                  | 188,828   | 278,560      | 5,000  | Barrick Gold Corp. . . . .                                 | 91,137             | 73,300             |
|        | <b>Energy and Utilities: Integrated — 0.5%</b>       |           |              | 5,000  | Freeport-McMoRan Inc. . . . .                              | 189,000            | 163,250            |
| 1,334  | FirstEnergy Corp. . . . .                            | 50,482    | 44,782       | 3,000  | Newmont Mining Corp. . . . .                               | 147,074            | 69,150             |
|        | <b>Energy and Utilities: Natural Gas — 2.1%</b>      |           |              |        |  | 427,211            | 305,700            |
| 4,800  | CONSOL Energy Inc. . . . .                           | 185,869   | 181,728      |        | <b>Paper and Forest Products — 2.6%</b>                    |                    |                    |
|        | <b>Energy and Utilities: Oil — 8.3%</b>              |           |              | 4,700  | International Paper Co. . . . .                            | 134,673            | 224,378            |
| 500    | Apache Corp. . . . .                                 | 42,855    | 46,935       |        | <b>Pharmaceuticals — 1.2%</b>                              |                    |                    |
| 1,500  | BP plc, ADR . . . . .                                | 68,990    | 65,925       | 1,000  | Gilead Sciences Inc.† . . . . .                            | 72,102             | 106,450            |
| 1,000  | Chevron Corp. . . . .                                | 84,889    | 119,320      |        | <b>Real Estate Investment Trusts — 1.3%</b>                |                    |                    |
| 2,500  | ConocoPhillips . . . . .                             | 152,078   | 191,300      | 5,000  | Starwood Property Trust Inc. . . . .                       | 89,451             | 109,800            |
| 1,600  | Devon Energy Corp. . . . .                           | 95,837    | 109,088      |        | <b>Retail — 6.8%</b>                                       |                    |                    |
| 2,250  | Phillips 66 . . . . .                                | 86,073    | 182,948      | 7,000  | Best Buy Co. Inc. . . . .                                  | 182,263            | 235,130            |
|        |  | 530,722   | 715,516      | 6,500  | Hertz Global Holdings Inc.† . . . . .                      | 183,791            | 165,035            |
|        | <b>Energy and Utilities: Services — 3.4%</b>         |           |              | 2,000  | The Home Depot Inc. . . . .                                | 79,247             | 183,480            |
| 4,000  | Halliburton Co. . . . .                              | 145,790   | 258,040      |        |  | 445,301            | 583,645            |
| 1,500  | Noble Corp. plc . . . . .                            | 59,714    | 33,330       |        | <b>Services — 1.0%</b>                                     |                    |                    |
| 500    | Paragon Offshore plct . . . . .                      | 8,143     | 3,075        | 4,000  | Weatherford International plct . . . . .                   | 83,668             | 83,200             |
|        |  | 213,647   | 294,445      |        | <b>Specialty Chemicals — 2.8%</b>                          |                    |                    |
|        | <b>Energy and Utilities: Water — 3.1%</b>            |           |              | 2,200  | E. I. du Pont de Nemours and Co. . . . .                   | 104,556            | 157,872            |
| 5,500  | American Water Works Co. Inc. . . . .                | 96,405    | 265,265      | 2,000  | H.B. Fuller Co. . . . .                                    | 76,354             | 79,400             |
|        | <b>Environmental Services — 1.1%</b>                 |           |              |        |  | 180,910            | 237,272            |
| 2,000  | Waste Management Inc. . . . .                        | 69,920    | 95,060       |        | <b>Telecommunications — 1.9%</b>                           |                    |                    |
|        | <b>Financial Services — 18.2%</b>                    |           |              | 3,315  | Verizon Communications Inc. . . . .                        | 142,414            | 165,717            |
| 5,000  | American International Group Inc. . . . .            | 181,970   | 270,100      |        | <b>TOTAL COMMON STOCKS . . . . .</b>                       | <b>6,409,703</b>   | <b>8,504,550</b>   |
| 4,000  | Bank of America Corp. . . . .                        | 49,700    | 68,200       |        | <b>TOTAL INVESTMENTS — 99.0% . . . . .</b>                 | <b>\$6,409,703</b> | <b>8,504,550</b>   |
| 3,500  | Citigroup Inc. . . . .                               | 160,807   | 181,370      |        | <b>Other Assets and Liabilities (Net) — 1.0% . . . . .</b> |                    | <b>83,260</b>      |
| 2,800  | CME Group Inc. . . . .                               | 164,453   | 223,874      |        | <b>NET ASSETS — 100.0% . . . . .</b>                       |                    | <b>\$8,587,810</b> |

† Non-income producing security.  
ADR American Depository Receipt

See accompanying notes to financial statements.

# TETON Westwood Equity Fund

## Schedule of Investments — September 30, 2014

| Shares  |   | Cost         | Market Value | Shares    |  | Cost                | Market Value        |
|---------|---|--------------|--------------|-----------|--|---------------------|---------------------|
|         | <b>COMMON STOCKS — 98.0%</b>                    |              |              |           |  |                     |                     |
|         | <b>Aerospace — 6.3%</b>                         |              |              |           |  |                     |                     |
| 14,400  | Raytheon Co. . . . .                            | \$ 1,350,739 | \$ 1,463,328 | 16,300    | Viacom Inc., Cl. B . . . . .                                 | \$ 954,473          | \$ 1,254,122        |
| 11,300  | The Boeing Co. . . . .                          | 1,143,892    | 1,439,394    |           |  | 2,535,747           | 3,269,750           |
| 13,100  | United Technologies Corp. . . . .               | 1,399,129    | 1,383,360    |           | <b>Financial Services — 6.9%</b>                             |                     |                     |
|         |   | 3,893,760    | 4,286,082    | 25,500    | American International Group Inc. . . . .                    | 897,767             | 1,377,510           |
|         | <b>Banking — 14.5%</b>                          |              |              | 36,900    | Invesco Ltd. . . . .   | 1,338,177           | 1,456,812           |
| 132,100 | Bank of America Corp. . . . .                   | 1,401,376    | 2,252,305    | 12,600    | MetLife Inc. . . . .   | 680,314             | 676,872             |
| 25,700  | Capital One Financial Corp. . . . .             | 1,650,510    | 2,097,634    | 31,100    | The Hartford Financial Services Group Inc. . . . .           | 739,878             | 1,158,475           |
| 25,400  | CIT Group Inc. . . . .                          | 821,437      | 1,167,384    |           |  | 3,656,136           | 4,669,669           |
| 36,884  | JPMorgan Chase & Co. . . . .                    | 1,578,226    | 2,221,892    |           | <b>Food and Beverage — 6.5%</b>                              |                     |                     |
| 40,700  | Wells Fargo & Co. . . . .                       | 1,504,094    | 2,111,109    | 19,500    | General Mills Inc. . . . .                                   | 759,713             | 983,775             |
|         |   | 6,955,643    | 9,850,324    | 19,700    | McCormick & Co. Inc., Non-Voting . . . . .                   | 1,333,727           | 1,317,930           |
|         | <b>Business Services — 3.5%</b>                 |              |              | 15,900    | PepsiCo Inc. . . . .   | 989,029             | 1,480,131           |
| 7,000   | FedEx Corp. . . . .                             | 923,392      | 1,130,150    | 6,600     | The J.M. Smucker Co. . . . .                                 | 679,366             | 653,334             |
| 14,997  | MSC Industrial Direct Co. Inc., Cl. A . . . . . | 1,260,147    | 1,281,644    |           |  | 3,761,835           | 4,435,170           |
|         |   | 2,183,539    | 2,411,794    |           | <b>Health Care — 10.2%</b>                                   |                     |                     |
|         | <b>Cable and Satellite — 3.7%</b>               |              |              | 34,400    | Abbott Laboratories . . . . .                                | 1,209,560           | 1,430,696           |
| 19,400  | AMC Networks Inc., Cl. A† . . . . .             | 1,385,121    | 1,133,348    | 11,800    | Becton, Dickinson and Co. . . . .                            | 1,277,590           | 1,342,958           |
| 26,100  | Comcast Corp., Cl. A . . . . .                  | 481,560      | 1,403,658    | 14,600    | Cigna Corp. . . . .  | 1,286,120           | 1,324,074           |
|         |   | 1,866,681    | 2,537,006    | 20,500    | Express Scripts Holding Co.† . . . . .                       | 1,267,630           | 1,447,915           |
|         | <b>Communications Equipment — 3.8%</b>          |              |              | 13,400    | Johnson & Johnson. . . . .                                   | 1,165,600           | 1,428,306           |
| 45,300  | ARRIS Group Inc.† . . . . .                     | 1,397,893    | 1,284,481    |           |  | 6,206,500           | 6,973,949           |
| 17,700  | QUALCOMM Inc. . . . .                           | 1,171,730    | 1,323,429    |           | <b>Retail — 6.3%</b>   |                     |                     |
|         |   | 2,569,623    | 2,607,910    | 5,145     | Advance Auto Parts Inc. . . . .                              | 425,736             | 670,393             |
|         | <b>Computer Hardware — 2.1%</b>                 |              |              | 36,400    | Target Corp. . . . .   | 2,296,654           | 2,281,552           |
| 14,000  | Apple Inc. . . . .                              | 1,063,400    | 1,410,500    | 15,000    | The Home Depot Inc. . . . .                                  | 1,203,871           | 1,376,100           |
|         |   |              |              |           |  | 3,926,261           | 4,328,045           |
|         | <b>Computer Software and Services — 2.0%</b>    |              |              |           | <b>Semiconductors — 1.9%</b>                                 |                     |                     |
| 24,000  | eBay Inc.† . . . . .                            | 1,299,245    | 1,359,120    | 22,200    | Skyworks Solutions Inc. . . . .                              | 814,091             | 1,288,710           |
|         | <b>Consumer Products — 2.0%</b>                 |              |              |           | <b>Telecommunications — 5.1%</b>                             |                     |                     |
| 20,700  | Colgate-Palmolive Co. . . . .                   | 1,182,031    | 1,350,054    | 44,500    | Amdocs Ltd. . . . .  | 1,711,586           | 2,041,660           |
|         | <b>Consumer Services — 1.0%</b>                 |              |              | 28,500    | Verizon Communications Inc. . . . .                          | 1,406,679           | 1,424,715           |
| 10,100  | IAC/InterActiveCorp. . . . .                    | 521,527      | 665,590      |           |  | 3,118,265           | 3,466,375           |
|         | <b>Diversified Industrial — 3.1%</b>            |              |              |           | <b>Transportation — 2.2%</b>                                 |                     |                     |
| 22,400  | Honeywell International Inc. . . . .            | 1,323,857    | 2,085,888    | 14,100    | Union Pacific Corp. . . . .                                  | 513,630             | 1,528,722           |
|         | <b>Electronics — 1.8%</b>                       |              |              |           | <b>TOTAL COMMON STOCKS . . . . .</b>                         | <b>54,089,651</b>   | <b>66,747,745</b>   |
| 15,700  | WESCO International Inc.† . . . . .             | 1,242,820    | 1,228,682    |           | <b>SHORT TERM INVESTMENT — 2.2%</b>                          |                     |                     |
|         | <b>Energy and Energy Services — 1.8%</b>        |              |              |           | <b>Mutual Fund — 2.2%</b>                                    |                     |                     |
| 12,100  | EOG Resources Inc. . . . .                      | 1,029,308    | 1,198,142    | 1,502,210 | Dreyfus Cash Management, 0.030%* . . . . .                   | 1,502,210           | 1,502,210           |
|         | <b>Energy: Integrated — 1.9%</b>                |              |              |           | <b>TOTAL INVESTMENTS — 100.2% . . . . .</b>                  | <b>\$55,591,861</b> | <b>68,249,955</b>   |
| 13,900  | NextEra Energy Inc. . . . .                     | 1,062,078    | 1,304,932    |           | <b>Other Assets and Liabilities (Net) — (0.2)% . . . . .</b> |                     | <b>(111,112)</b>    |
|         | <b>Energy: Natural Gas — 0.8%</b>               |              |              |           | <b>NET ASSETS — 100.0% . . . . .</b>                         |                     | <b>\$68,138,843</b> |
| 6,200   | EQT Corp. . . . .                               | 312,207      | 567,548      |           |  |                     |                     |
|         | <b>Energy: Oil — 5.8%</b>                       |              |              |           |  |                     |                     |
| 10,800  | Chevron Corp. . . . .                           | 739,557      | 1,288,656    |           |  |                     |                     |
| 13,900  | Exxon Mobil Corp. . . . .                       | 1,197,591    | 1,307,295    |           |  |                     |                     |
| 13,810  | Occidental Petroleum Corp. . . . .              | 1,114,319    | 1,327,832    |           |  |                     |                     |
|         |   | 3,051,467    | 3,923,783    |           |  |                     |                     |
|         | <b>Entertainment — 4.8%</b>                     |              |              |           |  |                     |                     |
| 26,800  | Time Warner Inc. . . . .                        | 1,581,274    | 2,015,628    |           |  |                     |                     |

† Non-income producing security.  
\* Current yield.

See accompanying notes to financial statements.

**TETON Westwood Balanced Fund**  
**Schedule of Investments — September 30, 2014**

| <u>Shares</u> |   | <u>Cost</u> | <u>Market Value</u> | <u>Shares</u>           |   | <u>Cost</u> | <u>Market Value</u> |
|---------------|---|-------------|---------------------|-------------------------|---|-------------|---------------------|
|               | <b>COMMON STOCKS — 62.4%</b>                    |             |                     | 27,600                  | The Hartford Financial Services Group Inc. . . . .                | \$ 653,468  | \$ 1,028,100        |
|               | <b>Aerospace — 3.7%</b>                         |             |                     |                         |   | 2,855,743   | 3,807,028           |
| 10,500        | Raytheon Co. . . . .                            | \$ 985,275  | \$ 1,067,010        |                         |   |             |                     |
| 8,100         | The Boeing Co. . . . .                          | 770,751     | 1,031,778           |                         |   |             |                     |
| 9,400         | United Technologies Corp. . . . .               | 978,492     | 992,640             |                         |   |             |                     |
|               |   | 2,734,518   | 3,091,428           |                         |   |             |                     |
|               | <b>Banking — 8.8%</b>                           |             |                     | 15,900                  | <b>Food and Beverage — 4.4%</b>                                   |             |                     |
| 90,100        | Bank of America Corp. . . . .                   | 559,023     | 1,536,205           | 15,300                  | General Mills Inc. . . . .  | 619,889     | 802,155             |
| 18,300        | Capital One Financial Corp. . . . .             | 1,127,528   | 1,493,646           | 14,500                  | McCormick & Co. Inc., Non-Voting. . . . .                         | 1,033,549   | 1,023,570           |
| 19,900        | CIT Group Inc. . . . .                          | 642,067     | 914,604             | 4,800                   | PepsiCo Inc. . . . .  | 893,634     | 1,349,805           |
| 27,796        | JPMorgan Chase & Co. . . . .                    | 1,063,873   | 1,674,431           |                         | The J.M. Smucker Co. . . . .                                      | 494,156     | 475,152             |
| 32,700        | Wells Fargo & Co. . . . .                       | 1,109,869   | 1,696,149           |                         |   | 3,041,228   | 3,650,682           |
|               |   | 4,502,360   | 7,315,035           |                         |   |             |                     |
|               | <b>Business Services — 1.1%</b>                 |             |                     | 27,200                  | <b>Health Care — 6.4%</b>   |             |                     |
| 5,700         | FedEx Corp. . . . .                             | 748,999     | 920,265             | 9,100                   | Abbott Laboratories . . . . .                                     | 946,605     | 1,131,248           |
|               |   |             |                     | 10,600                  | Becton, Dickinson and Co. . . . .                                 | 983,093     | 1,035,671           |
| 13,300        | <b>Cable and Satellite — 2.2%</b>               |             |                     | 16,500                  | Cigna Corp. . . . .   | 926,398     | 961,314             |
| 19,600        | AMC Networks Inc., Cl. A† . . . . .             | 952,025     | 776,986             | 9,800                   | Express Scripts Holding Co.† . . . . .                            | 1,021,819   | 1,165,395           |
|               | Comcast Corp., Cl. A . . . . .                  | 363,281     | 1,054,088           |                         | Johnson & Johnson. . . . .  | 839,616     | 1,044,582           |
|               |   | 1,315,306   | 1,831,074           |                         |   | 4,717,531   | 5,338,210           |
|               | <b>Communications Equipment — 2.3%</b>          |             |                     | 3,665                   | <b>Retail — 3.9%</b>  |             |                     |
| 32,900        | ARRIS Group Inc.† . . . . .                     | 1,013,268   | 932,879             | 26,700                  | Advance Auto Parts Inc. . . . .                                   | 303,220     | 477,549             |
| 13,700        | QUALCOMM Inc. . . . .                           | 906,346     | 1,024,349           | 12,400                  | Target Corp. . . . .  | 1,673,619   | 1,673,556           |
|               |   | 1,919,614   | 1,957,228           |                         | The Home Depot Inc. . . . .                                       | 994,370     | 1,137,576           |
|               |   |             |                     |                         |   | 2,971,209   | 3,288,681           |
|               | <b>Computer Hardware — 1.2%</b>                 |             |                     | 20,600                  | <b>Semiconductors — 1.4%</b>                                      |             |                     |
| 10,150        | Apple Inc. . . . .                              | 769,813     | 1,022,612           |                         | Skyworks Solutions Inc. . . . .                                   | 749,778     | 1,195,830           |
|               | <b>Computer Software and Services — 1.2%</b>    |             |                     | 34,000                  | <b>Telecommunications — 3.1%</b>                                  |             |                     |
| 17,500        | eBay Inc.† . . . . .                            | 947,512     | 991,025             | 20,500                  | Amdocs Ltd. . . . .   | 1,302,884   | 1,559,920           |
|               |   |             |                     |                         | Verizon Communications Inc. . . . .                               | 1,011,816   | 1,024,795           |
| 18,400        | <b>Consumer Products — 1.4%</b>                 |             |                     |                         |   | 2,314,700   | 2,584,715           |
|               | Colgate-Palmolive Co. . . . .                   | 1,049,365   | 1,200,048           |                         |   |             |                     |
|               | <b>Consumer Services — 0.8%</b>                 |             |                     |                         | <b>Transportation — 1.6%</b>                                      |             |                     |
| 9,500         | IAC/InterActiveCorp. . . . .                    | 503,400     | 626,050             | 12,200                  | Union Pacific Corp. . . . .                                       | 416,012     | 1,322,724           |
|               | <b>Diversified Industrial — 1.8%</b>            |             |                     |                         |   | 40,771,662  | 52,025,298          |
| 15,925        | Honeywell International Inc. . . . .            | 945,457     | 1,482,936           |                         | <b>TOTAL COMMON STOCKS . . . . .</b>                              |             |                     |
|               | <b>Electronics — 1.1%</b>                       |             |                     | <b>Principal Amount</b> |   |             |                     |
| 11,800        | WESCO International Inc.† . . . . .             | 928,138     | 923,468             |                         | <b>CORPORATE BONDS — 16.8%</b>                                    |             |                     |
|               | <b>Energy and Energy Services — 1.2%</b>        |             |                     | \$ 750,000              | <b>Banking — 4.8%</b>   |             |                     |
| 10,000        | EOG Resources Inc. . . . .                      | 865,832     | 990,200             | 1,125,000               | Barclays Bank plc, Ser. 1, 5.000%, 09/22/16 . . . . .             | 761,442     | 805,491             |
| 13,700        | <b>Energy: Integrated — 1.5%</b>                |             |                     | 750,000                 | Citigroup Inc., MTN, 5.500%, 10/15/14 . . . . .                   | 1,125,037   | 1,125,037           |
|               | NextEra Energy Inc. . . . .                     | 1,043,966   | 1,286,156           | 600,000                 | JPMorgan Chase & Co., 6.300%, 04/23/19 . . . . .                  | 762,923     | 870,476             |
| 6,400         | <b>Energy: Natural Gas — 0.7%</b>               |             |                     |                         | The Goldman Sachs Group Inc., MTN, 3.850%, 07/08/24 . . . . .     | 600,368     | 597,180             |
|               | EQT Corp. . . . .                               | 334,857     | 585,856             | 600,000                 | Wells Fargo & Co., MTN, 3.500%, 03/08/22 . . . . .                | 615,947     | 613,895             |
| 9,400         | <b>Energy: Oil — 3.8%</b>                       |             |                     |                         |   | 3,865,717   | 4,012,079           |
| 10,700        | Chevron Corp. . . . .                           | 621,814     | 1,121,608           |                         |   |             |                     |
| 10,700        | Exxon Mobil Corp. . . . .                       | 928,158     | 1,006,335           |                         | <b>Computer Hardware — 0.8%</b>                                   |             |                     |
|               | Occidental Petroleum Corp. . . . .              | 849,183     | 1,028,805           | 650,000                 | International Business Machines Corp., 2.900%, 11/01/21 . . . . . | 659,159     | 657,513             |
|               |   | 2,399,155   | 3,156,748           |                         |   |             |                     |
|               | <b>Entertainment — 3.0%</b>                     |             |                     |                         | <b>Consumer Products — 1.5%</b>                                   |             |                     |
| 19,500        | Time Warner Inc. . . . .                        | 967,239     | 1,466,595           | 500,000                 | Colgate-Palmolive Co., MTN, 2.100%, 05/01/23 . . . . .            | 494,563     | 469,346             |
| 13,100        | Viacom Inc., Cl. B . . . . .                    | 766,503     | 1,007,914           | 800,000                 | Costco Wholesale Corp., 1.700%, 12/15/19 . . . . .                | 790,262     | 782,290             |
|               |   | 1,733,742   | 2,474,509           |                         |   | 1,284,825   | 1,251,636           |
| 11,500        | <b>Equipment and Supplies — 1.2%</b>            |             |                     |                         |   |             |                     |
|               | MSC Industrial Direct Co. Inc., Cl. A . . . . . | 963,427     | 982,790             |                         |   |             |                     |
| 21,400        | <b>Financial Services — 4.6%</b>                |             |                     |                         |   |             |                     |
| 27,500        | American International Group Inc. . . . .       | 715,595     | 1,156,028           |                         |   |             |                     |
| 10,000        | Invesco Ltd. . . . .                            | 998,493     | 1,085,700           |                         |   |             |                     |
|               | MetLife Inc. . . . .                            | 488,187     | 537,200             |                         |   |             |                     |

See accompanying notes to financial statements.



**TETON Westwood Balanced Fund**  
**Schedule of Investments (Continued) — September 30, 2014**

| <u>Principal Amount</u> |   | <u>Cost</u>       | <u>Market Value</u> | <u>Principal Amount</u> |  | <u>Cost</u>         | <u>Market Value</u> |
|-------------------------|---|-------------------|---------------------|-------------------------|--|---------------------|---------------------|
|                         | <b>CORPORATE BONDS (Continued)</b>                              |                   |                     |                         | <b>U.S. GOVERNMENT OBLIGATIONS — 6.8%</b>                    |                     |                     |
|                         | <b>Diversified Industrial — 1.0%</b>                            |                   |                     |                         | <b>U.S. Treasury Inflation Indexed Notes — 4.5%</b>          |                     |                     |
| \$ 800,000              | John Deere Capital Corp., MTN,<br>1.950%, 12/13/18 . . . . .    | \$ 801,877        | \$ 799,130          | \$1,415,700             | 2.500%, 07/15/16 . . . . .                                   | \$ 1,416,286        | \$ 1,503,628        |
|                         |   |                   |                     | 998,730                 | 2.125%, 01/15/19 . . . . .                                   | 1,008,738           | 1,091,737           |
|                         |   |                   |                     | 1,101,770               | 1.375%, 01/15/20 . . . . .                                   | 1,129,570           | 1,172,696           |
|                         | <b>Electronics — 1.8%</b>                                       |                   |                     |                         |  | <u>3,554,594</u>    | <u>3,768,061</u>    |
| 1,000,000               | Intel Corp.,<br>3.300%, 10/01/21 . . . . .                      | 1,030,664         | 1,030,097           |                         | <b>U.S. Treasury Notes — 2.3%</b>                            |                     |                     |
| 500,000                 | Texas Instruments Inc.,<br>1.650%, 08/03/19 . . . . .           | 498,680           | 486,841             | 1,000,000               | 3.625%, 08/15/19 . . . . .                                   | 1,013,701           | 1,087,227           |
|                         |   | <u>1,529,344</u>  | <u>1,516,938</u>    | 750,000                 | 3.375%, 11/15/19 . . . . .                                   | 810,476             | 807,686             |
|                         |   |                   |                     |                         |  | <u>1,824,177</u>    | <u>1,894,913</u>    |
|                         | <b>Energy: Oil — 3.6%</b>                                       |                   |                     |                         | <b>TOTAL U.S. GOVERNMENT OBLIGATIONS . . . . .</b>           | <u>5,378,771</u>    | <u>5,662,974</u>    |
| 1,000,000               | Anadarko Petroleum Corp.,<br>5.950%, 09/15/16 . . . . .         | 992,762           | 1,091,317           |                         | <b>Shares</b>  |                     |                     |
| 500,000                 | Marathon Oil Corp.,<br>5.900%, 03/15/18 . . . . .               | 501,191           | 565,779             |                         | <b>SHORT TERM INVESTMENT — 5.1%</b>                          |                     |                     |
| 800,000                 | Occidental Petroleum Corp.,<br>2.700%, 02/15/23 . . . . .       | 747,641           | 769,241             |                         | <b>Mutual Fund — 5.1%</b>                                    |                     |                     |
| 500,000                 | XTO Energy Inc.,<br>6.500%, 12/15/18 . . . . .                  | 539,361           | 592,425             | 4,262,082               | Dreyfus Cash Management,<br>0.030%* . . . . .                | 4,262,082           | 4,262,082           |
|                         |   | <u>2,780,955</u>  | <u>3,018,762</u>    |                         |  |                     |                     |
|                         |   |                   |                     |                         | <b>TOTAL INVESTMENTS — 100.5% . . . . .</b>                  | <u>\$71,593,332</u> | 83,843,087          |
|                         | <b>Financial Services — 1.2%</b>                                |                   |                     |                         | <b>Other Assets and Liabilities (Net) — (0.5)% . . . . .</b> |                     | (424,725)           |
| 950,000                 | ACE INA Holdings Inc.,<br>5.600%, 05/15/15 . . . . .            | 952,953           | 979,928             |                         | <b>NET ASSETS — 100.0% . . . . .</b>                         |                     | <u>\$83,418,362</u> |
|                         | <b>Real Estate Investment Trusts — 0.8%</b>                     |                   |                     |                         |  |                     |                     |
| 700,000                 | Vornado Realty LP,<br>4.250%, 04/01/15 . . . . .                | 699,675           | 706,452             |                         |  |                     |                     |
|                         | <b>Transportation — 1.3%</b>                                    |                   |                     |                         |  |                     |                     |
| 1,000,000               | Burlington Northern Santa Fe LLC,<br>5.650%, 05/01/17 . . . . . | 994,180           | 1,109,406           |                         |  |                     |                     |
|                         | <b>TOTAL CORPORATE BONDS . . . . .</b>                          | <u>13,568,685</u> | <u>14,051,844</u>   |                         |  |                     |                     |
|                         | <b>U.S. GOVERNMENT AGENCY OBLIGATIONS — 9.4%</b>                |                   |                     |                         |  |                     |                     |
|                         | <b>Federal Home Loan Mortgage Corp. — 4.6%</b>                  |                   |                     |                         |  |                     |                     |
| 800,000                 | 1.750%, 09/10/15 . . . . .                                      | 810,867           | 811,778             |                         |  |                     |                     |
| 1,500,000               | 3.750%, 03/27/19 . . . . .                                      | 1,497,101         | 1,624,931           |                         |  |                     |                     |
| 600,000                 | 1.750%, 05/30/19 . . . . .                                      | 593,954           | 598,582             |                         |  |                     |                     |
| 800,000                 | 2.375%, 01/13/22 . . . . .                                      | 800,000           | 795,903             |                         |  |                     |                     |
|                         |   | <u>3,701,922</u>  | <u>3,831,194</u>    |                         |  |                     |                     |
|                         | <b>Federal National Mortgage Association — 4.8%</b>             |                   |                     |                         |  |                     |                     |
| 1,500,000               | 5.000%, 04/15/15 . . . . .                                      | 1,505,214         | 1,539,657           |                         |  |                     |                     |
| 800,000                 | 0.625%, 08/26/16 . . . . .                                      | 801,714           | 800,663             |                         |  |                     |                     |
| 800,000                 | 1.125%, 04/27/17 . . . . .                                      | 804,218           | 804,222             |                         |  |                     |                     |
| 775,000                 | 5.375%, 06/12/17 . . . . .                                      | 799,064           | 865,153             |                         |  |                     |                     |
|                         |   | <u>3,910,210</u>  | <u>4,009,695</u>    |                         |  |                     |                     |
|                         | <b>TOTAL U.S. GOVERNMENT AGENCY OBLIGATIONS . . . . .</b>       | <u>7,612,132</u>  | <u>7,840,889</u>    |                         |  |                     |                     |

† Non-income producing security.  
\* Current yield.  
MTN Medium Term Note

See accompanying notes to financial statements.

**TETON Westwood Intermediate Bond Fund**  
**Schedule of Investments — September 30, 2014**

| <u>Principal Amount</u> |  | <u>Cost</u>      | <u>Market Value</u> | <u>Principal Amount</u> |  | <u>Cost</u>      | <u>Market Value</u> |
|-------------------------|--|------------------|---------------------|-------------------------|--|------------------|---------------------|
|                         | <b>CORPORATE BONDS — 43.2%</b>               |                  |                     | \$ 200,000              | XTO Energy Inc.,                                     |                  |                     |
|                         | <b>Aerospace — 1.1%</b>                      |                  |                     |                         | 6.500%, 12/15/18                                     | \$ 215,744       | \$ 236,970          |
| \$ 200,000              | The Boeing Co.,                              |                  |                     |                         |  | <u>1,143,685</u> | <u>1,207,164</u>    |
|                         | 6.000%, 03/15/19                             | \$ 202,856       | \$ 232,557          |                         |  |                  |                     |
|                         | <b>Automotive — 1.7%</b>                     |                  |                     |                         | <b>Financial Services — 3.6%</b>                     |                  |                     |
| 350,000                 | Toyota Motor Credit Corp., MTN,              |                  |                     | 175,000                 | ACE INA Holdings Inc.,                               |                  |                     |
|                         | 1.750%, 05/22/17                             | <u>353,055</u>   | <u>354,670</u>      |                         | 5.600%, 05/15/15                                     | 174,863          | 180,513             |
|                         | <b>Banking — 5.0%</b>                        |                  |                     | 260,000                 | International Bank for Reconstruction &              |                  |                     |
| 300,000                 | Bank of America Corp., MTN, Ser. L,          |                  |                     |                         | Development,   |                  |                     |
|                         | 5.650%, 05/01/18                             | 331,160          | 333,962             |                         | 8.625%, 10/15/16                                     | 270,908          | 300,131             |
| 225,000                 | Barclays Bank plc, Ser. 1,                   |                  |                     | 275,000                 | Merrill Lynch & Co. Inc., MTN, Ser. C,               |                  |                     |
|                         | 5.000%, 09/22/16                             | 225,376          | 241,647             |                         | 5.000%, 01/15/15                                     | 275,010          | 278,581             |
| 250,000                 | Citigroup Inc., MTN,                         |                  |                     |                         |  | <u>720,781</u>   | <u>759,225</u>      |
|                         | 5.500%, 10/15/14                             | 250,008          | 250,008             |                         | <b>Food and Beverage — 2.8%</b>                      |                  |                     |
| 200,000                 | JPMorgan Chase & Co.,                        |                  |                     | 275,000                 | Bottling Group LLC,                                  |                  |                     |
|                         | 6.300%, 04/23/19                             | 199,299          | 232,127             |                         | 5.125%, 01/15/19                                     | 305,892          | 308,024             |
|                         |  | <u>1,005,843</u> | <u>1,057,744</u>    | 250,000                 | Mondelēz International Inc.,                         |                  |                     |
|                         |  |                  |                     |                         | 5.375%, 02/10/20                                     | 252,698          | 283,772             |
|                         | <b>Computer Hardware — 3.1%</b>              |                  |                     |                         |  | <u>558,590</u>   | <u>591,796</u>      |
| 300,000                 | Apple Inc.,                                  |                  |                     |                         | <b>Health Care — 1.5%</b>                            |                  |                     |
|                         | 0.489%, 05/03/18(a)                          | 300,560          | 300,702             |                         | Teva Pharmaceutical Finance IV BV,                   |                  |                     |
| 360,000                 | International Business Machines Corp.,       |                  |                     | 325,000                 | 3.650%, 11/10/21                                     | 329,768          | 330,846             |
|                         | 2.900%, 11/01/21                             | 365,072          | 364,161             |                         |  |                  |                     |
|                         |  | <u>665,632</u>   | <u>664,863</u>      |                         | <b>Real Estate Investment Trusts — 1.2%</b>          |                  |                     |
|                         | <b>Computer Software and Services — 3.1%</b> |                  |                     | 250,000                 | Vornado Realty LP,                                   |                  |                     |
| 250,000                 | Microsoft Corp.,                             |                  |                     |                         | 4.250%, 04/01/15                                     | 249,897          | 252,304             |
|                         | 1.625%, 09/25/15                             | 249,885          | 253,392             |                         |  |                  |                     |
| 400,000                 | Oracle Corp.,                                |                  |                     |                         | <b>Semiconductors — 1.7%</b>                         |                  |                     |
|                         | 3.625%, 07/15/23                             | 400,209          | 411,282             | 350,000                 | Intel Corp.,   |                  |                     |
|                         |  | <u>650,094</u>   | <u>664,674</u>      |                         | 3.300%, 10/01/21                                     | 349,393          | 360,534             |
|                         | <b>Consumer Products — 1.8%</b>              |                  |                     |                         |  |                  |                     |
| 400,000                 | Costco Wholesale Corp.,                      |                  |                     | 500,000                 | AT&T Inc.,   |                  |                     |
|                         | 1.700%, 12/15/19                             | 395,131          | 391,145             |                         | 1.700%, 06/01/17                                     | 505,264          | 504,441             |
|                         | <b>Diversified Industrial — 3.3%</b>         |                  |                     |                         |  |                  |                     |
| 400,000                 | General Electric Capital Corp.,              |                  |                     | 200,000                 | Burlington Northern Santa Fe LLC,                    |                  |                     |
|                         | 1.625%, 07/02/15                             | 402,501          | 403,879             |                         | 5.650%, 05/01/17                                     | 199,687          | 221,881             |
| 300,000                 | John Deere Capital Corp., MTN,               |                  |                     | 65,000                  | CSX Corp.,   |                  |                     |
|                         | 1.950%, 12/13/18                             | 302,346          | 299,674             |                         | 6.250%, 04/01/15                                     | 64,997           | 66,861              |
|                         |  | <u>704,847</u>   | <u>703,553</u>      |                         |  | <u>264,684</u>   | <u>288,742</u>      |
|                         | <b>Electronics — 2.4%</b>                    |                  |                     |                         | <b>TOTAL CORPORATE BONDS . . .</b>                   | <u>8,903,942</u> | <u>9,199,974</u>    |
| 200,000                 | Arrow Electronics Inc.,                      |                  |                     |                         | <b>U.S. GOVERNMENT AGENCY OBLIGATIONS — 32.0%</b>    |                  |                     |
|                         | 6.000%, 04/01/20                             | 199,866          | 226,980             |                         | <b>Federal Home Loan Bank — 1.3%</b>                 |                  |                     |
| 300,000                 | Texas Instruments Inc.,                      |                  |                     | 250,000                 | 5.375%, 05/18/16, Ser. 656 . . . . .                 | 250,332          | 269,839             |
|                         | 1.650%, 08/03/19                             | 299,201          | 292,105             |                         |  |                  |                     |
|                         |  | <u>499,067</u>   | <u>519,085</u>      |                         | <b>Federal Home Loan Mortgage Corp. — 13.3%</b>      |                  |                     |
|                         | <b>Energy and Utilities: Electric — 1.5%</b> |                  |                     | 900,000                 | 1.750%, 09/10/15                                     | 911,505          | 913,251             |
| 275,000                 | Dominion Resources Inc.,                     |                  |                     | 325,000                 | 5.250%, 04/18/16                                     | 335,200          | 348,994             |
|                         | 6.400%, 06/15/18                             | 305,355          | 316,631             | 600,000                 | 3.750%, 03/27/19                                     | 626,234          | 649,972             |
|                         |  |                  |                     | 450,000                 | 1.750%, 05/30/19                                     | 445,465          | 448,936             |
|                         | <b>Energy and Utilities: Oil — 5.7%</b>      |                  |                     | 475,000                 | 2.375%, 01/13/22                                     | 475,000          | 472,568             |
| 200,000                 | Anadarko Petroleum Corp.,                    |                  |                     |                         |  | <u>2,793,404</u> | <u>2,833,721</u>    |
|                         | 5.950%, 09/15/16                             | 198,558          | 218,263             |                         | <b>Federal National Mortgage Association — 16.8%</b> |                  |                     |
| 125,000                 | Marathon Oil Corp.,                          |                  |                     | 700,000                 | 2.625%, 11/20/14                                     | 701,979          | 701,979             |
|                         | 5.900%, 03/15/18                             | 125,298          | 141,445             | 600,000                 | 5.000%, 04/15/15                                     | 608,782          | 615,863             |
| 400,000                 | Murphy Oil Corp.,                            |                  |                     | 650,000                 | 2.375%, 07/28/15                                     | 658,808          | 661,677             |
|                         | 2.500%, 12/01/17                             | 401,709          | 406,599             | 450,000                 | 0.625%, 08/26/16                                     | 450,964          | 450,373             |
| 200,000                 | Total Capital SA,                            |                  |                     | 800,000                 | 1.125%, 04/27/17                                     | 805,982          | 804,222             |
|                         | 3.000%, 06/24/15                             | 202,376          | 203,887             | 275,000                 | 5.375%, 06/12/17                                     | 283,539          | 306,990             |

See accompanying notes to financial statements.

**TETON Westwood Intermediate Bond Fund**  
**Schedule of Investments (Continued) — September 30, 2014**

| <u>Principal Amount</u> |   | <u>Cost</u>      | <u>Market Value</u> | <u>Principal Amount</u> |  | <u>Cost</u>         | <u>Market Value</u> |
|-------------------------|---|------------------|---------------------|-------------------------|--|---------------------|---------------------|
|                         | <b>U.S. GOVERNMENT AGENCY OBLIGATIONS (Continued)</b>     |                  |                     |                         | <b>U.S. Treasury Notes — 8.0%</b>  |                     |                     |
|                         | <b>Federal National Mortgage Association (Continued)</b>  |                  |                     | \$ 675,000              | 3.250%, 05/31/16 . . . . .   | \$ 706,853          | \$ 706,482          |
| \$ 20,582               | Pool #745122,   |                  |                     | 275,000                 | 3.500%, 02/15/18 . . . . .   | 275,166             | 295,023             |
|                         | 5.500%, 09/01/20. . . . .                                 | \$ 20,453        | \$ 22,384           | 650,000                 | 3.375%, 11/15/19 . . . . .   | 667,271             | 699,994             |
| 18,673                  | Pool #255554,   |                  |                     |                         |  | <u>1,649,290</u>    | <u>1,701,499</u>    |
|                         | 5.500%, 01/01/35. . . . .                                 | 18,796           | 20,934              |                         | <b>U.S. Treasury Bonds — 0.9%</b>  |                     |                     |
|                         |   | <u>3,549,303</u> | <u>3,584,422</u>    | 150,000                 | 5.375%, 02/15/31 . . . . .   | 165,240             | 198,598             |
|                         | <b>Government National Mortgage Association — 0.6%</b>    |                  |                     |                         | <b>TOTAL U.S. GOVERNMENT OBLIGATIONS . . . . .</b>                                     | <u>3,511,452</u>    | <u>3,756,842</u>    |
| 8,491                   | Pool #562288,   |                  |                     |                         | <b>Shares</b>  |                     |                     |
|                         | 6.000%, 12/15/33. . . . .                                 | 8,568            | 9,822               |                         | <b>SHORT TERM INVESTMENT — 8.2%</b>  |                     |                     |
| 26,084                  | Pool #604946,   |                  |                     |                         | <b>Mutual Fund — 8.2%</b>  |                     |                     |
|                         | 5.500%, 01/15/34. . . . .                                 | 26,253           | 29,802              | 1,740,090               | Dreyfus Cash Management,   |                     |                     |
| 18,746                  | Pool #604970,   |                  |                     |                         | 0.030%* . . . . .  | <u>1,740,090</u>    | <u>1,740,090</u>    |
|                         | 5.500%, 01/15/34. . . . .                                 | 18,828           | 21,068              |                         | <b>TOTAL INVESTMENTS — 101.0% . . . . .</b>  | <u>\$20,861,853</u> | 21,512,430          |
| 31,346                  | Pool #003747,   |                  |                     |                         | <b>Other Assets and Liabilities (Net) — (1.0)% . . . . .</b>                           |                     | <u>(202,541)</u>    |
|                         | 5.000%, 08/20/35. . . . .                                 | 31,112           | 34,874              |                         | <b>NET ASSETS — 100.0% . . . . .</b>   |                     | <u>\$21,309,889</u> |
| 28,578                  | Pool #550728,   |                  |                     |                         |  |                     |                     |
|                         | 5.500%, 11/15/35. . . . .                                 | 28,569           | 31,976              |                         |  |                     |                     |
|                         |   | <u>113,330</u>   | <u>127,542</u>      |                         |  |                     |                     |
|                         | <b>TOTAL U.S. GOVERNMENT AGENCY OBLIGATIONS . . . . .</b> | <u>6,706,369</u> | <u>6,815,524</u>    |                         |  |                     |                     |
|                         | <b>U.S. GOVERNMENT OBLIGATIONS — 17.6%</b>                |                  |                     |                         | (a) Variable rate security. Rate shown is the effective rate as of September 30, 2014. |                     |                     |
|                         | <b>U.S. Treasury Inflation Indexed Notes — 8.7%</b>       |                  |                     |                         | * Current yield.   |                     |                     |
| 324,431                 | 2.500%, 07/15/16 . . . . .                                | 324,572          | 344,581             |                         | MTN Medium Term Note   |                     |                     |
| 331,461                 | 1.375%, 07/15/18 . . . . .                                | 313,483          | 352,320             |                         |  |                     |                     |
| 305,169                 | 2.125%, 01/15/19 . . . . .                                | 308,018          | 333,586             |                         |  |                     |                     |
| 330,531                 | 1.375%, 01/15/20 . . . . .                                | 343,904          | 351,809             |                         |  |                     |                     |
| 388,395                 | 2.500%, 01/15/29 . . . . .                                | 406,945          | 474,449             |                         |  |                     |                     |
|                         |   | <u>1,696,922</u> | <u>1,856,745</u>    |                         |  |                     |                     |

See accompanying notes to financial statements.

**TETON Westwood Funds**  
**Statements of Assets and Liabilities**  
**September 30, 2014**

|   | <u>Mighty<br/>Mites Fund</u> | <u>SmallCap<br/>Equity Fund</u> | <u>Mid-Cap<br/>Equity Fund</u> | <u>Income<br/>Fund</u> |
|---|------------------------------|---------------------------------|--------------------------------|------------------------|
| <b>Assets:</b>  |                              |                                 |                                |                        |
| Investments, at value (cost \$964,654,157, \$33,031,789, \$4,759,539, and \$6,409,703, respectively) . . . . .        | \$1,213,497,136              | \$41,394,624                    | \$5,014,150                    | \$ 8,504,550           |
| Investments in affiliates, at value (cost \$29,225,726) . . . . .   | 56,851,554                   | —                               | —                              | —                      |
| Cash . . . . .  | 4,633                        | 47,637                          | 71,315                         | 91,661                 |
| Receivable for Fund shares sold . . . . .   | 7,247,266                    | 6,691                           | 2,401                          | 9,052                  |
| Receivable for investments sold . . . . .   | 40,912                       | 301,769                         | —                              | —                      |
| Receivable from Adviser . . . . .   | —                            | —                               | 13,249                         | —                      |
| Dividends and interest receivable . . . . .   | 450,102                      | 26,222                          | 4,378                          | 8,590                  |
| Prepaid expenses . . . . .  | 48,895                       | 15,757                          | 8,077                          | 20,226                 |
| <b>Total Assets</b> . . . . .   | <u>1,278,140,498</u>         | <u>41,792,700</u>               | <u>5,113,570</u>               | <u>8,634,079</u>       |
| <b>Liabilities:</b>   |                              |                                 |                                |                        |
| Payable for investments purchased . . . . .   | 5,775,581                    | 273,781                         | 134,323                        | —                      |
| Payable for Fund shares redeemed . . . . .  | 2,038,454                    | 87,373                          | —                              | —                      |
| Distributions payable . . . . .   | —                            | —                               | —                              | —                      |
| Payable for investment advisory fees . . . . .  | 1,068,126                    | 32,162                          | —                              | 4,409                  |
| Payable for distribution fees . . . . .   | 333,437                      | 8,919                           | 810                            | 2,604                  |
| Payable for accounting fees . . . . .   | 15,000                       | —                               | —                              | —                      |
| Payable for payroll expenses . . . . .  | —                            | —                               | 445                            | —                      |
| Payable for legal and audit fees . . . . .  | 69,111                       | 34,160                          | 20,182                         | 24,959                 |
| Payable for shareholder communications expenses . . . . .   | —                            | —                               | —                              | 7,183                  |
| Other accrued expenses . . . . .  | 456,709                      | 22,497                          | 13,031                         | 7,114                  |
| <b>Total Liabilities</b> . . . . .  | <u>9,756,418</u>             | <u>458,892</u>                  | <u>168,791</u>                 | <u>46,269</u>          |
| <b>Net Assets</b> . . . . .   | <u>\$1,268,384,080</u>       | <u>\$41,333,808</u>             | <u>\$4,944,779</u>             | <u>\$ 8,587,810</u>    |
| <b>Net Assets Consist of:</b>   |                              |                                 |                                |                        |
| Paid-in capital . . . . .   | \$ 983,123,291               | \$31,629,874                    | \$4,639,171                    | \$ 8,096,156           |
| Accumulated net investment income/(loss) . . . . .  | (10,760,258)                 | (113,892)                       | 296                            | 4,261                  |
| Accumulated net realized gain/(loss) on investments and foreign currency transactions . . . . .                       | 19,553,007                   | 1,454,991                       | 50,701                         | (1,607,454)            |
| Net unrealized appreciation on investments . . . . .  | 276,468,807                  | 8,362,835                       | 254,611                        | 2,094,847              |
| Net unrealized depreciation on foreign currency translations . . . . .  | (767)                        | —                               | —                              | —                      |
| <b>Net Assets</b> . . . . .   | <u>\$1,268,384,080</u>       | <u>\$41,333,808</u>             | <u>\$4,944,779</u>             | <u>\$ 8,587,810</u>    |
| <b>Shares of Beneficial Interest, each at \$0.001 par value; unlimited number of shares authorized:</b>               |                              |                                 |                                |                        |
| <b>Class AAA:</b>   |                              |                                 |                                |                        |
| Net assets . . . . .  | <u>\$365,022,294</u>         | <u>\$15,649,133</u>             | <u>\$1,679,123</u>             | <u>\$6,239,372</u>     |
| Shares of beneficial interest outstanding . . . . .   | <u>15,864,762</u>            | <u>762,528</u>                  | <u>145,490</u>                 | <u>529,357</u>         |
| <b>Net Asset Value</b> , offering, and redemption price per share . . . . .   | <u>\$23.01</u>               | <u>\$20.52</u>                  | <u>\$11.54</u>                 | <u>\$11.79</u>         |
| <b>Class A:</b>   |                              |                                 |                                |                        |
| Net assets . . . . .  | <u>\$175,107,658</u>         | <u>\$4,269,427</u>              | <u>\$681,994</u>               | <u>\$1,013,166</u>     |
| Shares of beneficial interest outstanding . . . . .   | <u>7,798,753</u>             | <u>212,982</u>                  | <u>59,275</u>                  | <u>83,163</u>          |
| <b>Net Asset Value</b> and redemption price per share . . . . .   | <u>\$22.45</u>               | <u>\$20.05</u>                  | <u>\$11.51</u>                 | <u>\$12.18</u>         |
| Maximum offering price per share (NAV ÷ 0.96, based on maximum sales charge of 4.00% of the offering price) . . . . . | <u>\$23.39</u>               | <u>\$20.89</u>                  | <u>\$11.99</u>                 | <u>\$12.69</u>         |
| <b>Class C:</b>   |                              |                                 |                                |                        |
| Net assets . . . . .  | <u>\$208,795,170</u>         | <u>\$4,185,589</u>              | <u>\$238,690</u>               | <u>\$1,045,282</u>     |
| Shares of beneficial interest outstanding . . . . .   | <u>10,212,682</u>            | <u>225,535</u>                  | <u>20,881</u>                  | <u>80,148</u>          |
| <b>Net Asset Value</b> and offering price per share(a) . . . . .  | <u>\$20.44</u>               | <u>\$18.56</u>                  | <u>\$11.43</u>                 | <u>\$13.04</u>         |
| <b>Class I:</b>   |                              |                                 |                                |                        |
| Net assets . . . . .  | <u>\$519,458,958</u>         | <u>\$17,229,659</u>             | <u>\$2,344,972</u>             | <u>\$289,990</u>       |
| Shares of beneficial interest outstanding . . . . .   | <u>22,319,777</u>            | <u>826,421</u>                  | <u>202,666</u>                 | <u>24,570</u>          |
| <b>Net Asset Value</b> , offering, and redemption price per share . . . . .   | <u>\$23.27</u>               | <u>\$20.85</u>                  | <u>\$11.57</u>                 | <u>\$11.80</u>         |

(a) Redemption price varies based on the length of time held.

See accompanying notes to financial statements.

**TETON Westwood Funds**  
**Statements of Assets and Liabilities (Continued)**  
**September 30, 2014**

|   | <u>Equity Fund</u>  | <u>Balanced Fund</u> | <u>Intermediate Bond Fund</u> |
|---|---------------------|----------------------|-------------------------------|
| <b>Assets:</b>  |                     |                      |                               |
| Investments, at value (cost \$55,591,861, \$71,593,332, and \$20,861,853, respectively) . . . . .                     | \$68,249,955        | \$83,843,087         | \$21,512,430                  |
| Investments in affiliates, at value . . . . .   | —                   | —                    | —                             |
| Cash . . . . .  | —                   | —                    | 362                           |
| Receivable for Fund shares sold . . . . .   | 15,403              | 20,181               | 26,019                        |
| Receivable for investments sold . . . . .   | 1,351,271           | 985,944              | —                             |
| Receivable from Adviser . . . . .   | —                   | —                    | —                             |
| Dividends and interest receivable . . . . .   | 62,830              | 309,857              | 180,531                       |
| Prepaid expenses . . . . .  | 17,943              | 20,528               | 15,623                        |
| <b>Total Assets</b> . . . . .   | <u>69,697,402</u>   | <u>85,179,597</u>    | <u>21,734,965</u>             |
| <b>Liabilities:</b>   |                     |                      |                               |
| Payable for investments purchased . . . . .   | 1,299,245           | 1,614,629            | 369,480                       |
| Payable for Fund shares redeemed . . . . .  | 110,368             | 567                  | 5,482                         |
| Distributions payable . . . . .   | —                   | —                    | 508                           |
| Payable for investment advisory fees . . . . .  | 56,963              | 51,998               | 4,241                         |
| Payable for distribution fees . . . . .   | 14,669              | 21,475               | 1,788                         |
| Payable for accounting fees . . . . .   | 15,000              | 15,000               | —                             |
| Payable for payroll expenses . . . . .  | —                   | —                    | —                             |
| Payable for legal and audit fees . . . . .  | 26,733              | 27,015               | 27,996                        |
| Payable for shareholder communications expenses . . . . .   | —                   | —                    | —                             |
| Other accrued expenses . . . . .  | 35,581              | 30,551               | 15,581                        |
| <b>Total Liabilities</b> . . . . .  | <u>1,558,559</u>    | <u>1,761,235</u>     | <u>425,076</u>                |
| <b>Net Assets</b> . . . . .   | <u>\$68,138,843</u> | <u>\$83,418,362</u>  | <u>\$21,309,889</u>           |
| <b>Net Assets Consist of:</b>   |                     |                      |                               |
| Paid-in capital . . . . .   | \$48,969,785        | \$65,227,345         | \$20,662,472                  |
| Accumulated net investment income/(loss) . . . . .  | 189,835             | —                    | 99                            |
| Accumulated net realized gain/(loss) on investments and foreign currency transactions . . . . .                       | 6,321,129           | 5,941,262            | (3,259)                       |
| Net unrealized appreciation on investments . . . . .  | 12,658,094          | 12,249,755           | 650,577                       |
| Net unrealized appreciation on foreign currency translations . . . . .  | —                   | —                    | —                             |
| <b>Net Assets</b> . . . . .   | <u>\$68,138,843</u> | <u>\$83,418,362</u>  | <u>\$21,309,889</u>           |
| <b>Shares of Beneficial Interest, each at \$0.001 par value;</b>  |                     |                      |                               |
| <b>unlimited number of shares authorized:</b>   |                     |                      |                               |
| <b>Class AAA:</b>   |                     |                      |                               |
| Net assets . . . . .  | \$60,587,249        | \$69,187,557         | \$5,173,872                   |
| Shares of beneficial interest outstanding . . . . .   | 4,440,090           | 5,358,474            | 446,393                       |
| <b>Net Asset Value</b> , offering, and redemption price per share . . . . .   | <u>\$13.65</u>      | <u>\$12.91</u>       | <u>\$11.59</u>                |
| <b>Class A:</b>   |                     |                      |                               |
| Net assets . . . . .  | \$3,329,292         | \$6,442,974          | \$927,976                     |
| Shares of beneficial interest outstanding . . . . .   | 244,549             | 496,689              | 80,150                        |
| <b>Net Asset Value</b> and redemption price per share . . . . .   | <u>\$13.61</u>      | <u>\$12.97</u>       | <u>\$11.58</u>                |
| Maximum offering price per share (NAV ÷ 0.96, based on maximum sales charge of 4.00% of the offering price) . . . . . | <u>\$14.18</u>      | <u>\$13.51</u>       | <u>\$12.06</u>                |
| <b>Class C:</b>   |                     |                      |                               |
| Net assets . . . . .  | \$675,928           | \$5,349,940          | \$503,374                     |
| Shares of beneficial interest outstanding . . . . .   | 51,298              | 407,895              | 45,709                        |
| <b>Net Asset Value</b> and offering price per share(a) . . . . .  | <u>\$13.18</u>      | <u>\$13.12</u>       | <u>\$11.01</u>                |
| <b>Class I:</b>   |                     |                      |                               |
| Net assets . . . . .  | \$3,546,374         | \$2,437,891          | \$14,704,667                  |
| Shares of beneficial interest outstanding . . . . .   | 260,093             | 188,985              | 1,268,008                     |
| <b>Net Asset Value</b> , offering, and redemption price per share . . . . .   | <u>\$13.64</u>      | <u>\$12.90</u>       | <u>\$11.60</u>                |

(a) Redemption price varies based on the length of time held.

See accompanying notes to financial statements.

**TETON Westwood Funds**  
**Statements of Operations**  
**For the Year Ended September 30, 2014**

|  | <u>Mighty<br/>Mites Fund</u> | <u>SmallCap<br/>Equity Fund</u> | <u>Mid-Cap<br/>Equity Fund</u> | <u>Income<br/>Fund</u> |
|--|------------------------------|---------------------------------|--------------------------------|------------------------|
| <b>Investment Income:</b>  |                              |                                 |                                |                        |
| Dividends - unaffiliated (net of foreign withholding taxes of \$41,376, \$445, \$198, and \$1,941, respectively) . . . . . | \$ 5,490,946                 | \$ 509,173                      | \$ 37,664                      | \$ 342,600             |
| Dividends - affiliated . . . . .   | 628,994                      | —                               | —                              | —                      |
| Interest . . . . .   | 214,720                      | 650                             | 88                             | 207                    |
| <b>Total Investment Income</b> . . . . .   | <u>6,334,660</u>             | <u>509,823</u>                  | <u>37,752</u>                  | <u>342,807</u>         |
| <b>Expenses:</b>   |                              |                                 |                                |                        |
| Investment advisory fees . . . . .   | 12,676,410                   | 443,389                         | 33,389                         | 88,156                 |
| Distribution fees - Class AAA . . . . .  | 1,265,229                    | 49,314                          | 3,108                          | 16,051                 |
| Distribution fees - Class A . . . . .  | 863,489                      | 24,183                          | 1,830                          | 4,840                  |
| Distribution fees - Class C . . . . .  | 2,037,171                    | 44,421                          | 1,483                          | 11,786                 |
| Accounting fees . . . . .  | 45,000                       | —                               | —                              | —                      |
| Custodian fees . . . . .   | 201,714                      | 11,542                          | 23,954                         | 5,043                  |
| Interest expense . . . . .   | —                            | —                               | 236                            | —                      |
| Legal and audit fees . . . . .   | 85,729                       | 35,946                          | 20,418                         | 25,560                 |
| Offering expenses . . . . .  | —                            | —                               | 25,802                         | —                      |
| Payroll expenses . . . . .   | —                            | —                               | 1,481                          | —                      |
| Registration expenses . . . . .  | 125,585                      | 41,303                          | 10,266                         | 43,195                 |
| Shareholder communications expenses . . . . .  | 350,735                      | 15,702                          | 6,630                          | 11,599                 |
| Shareholder services fees . . . . .  | 1,152,754                    | 26,602                          | 5,920                          | 8,231                  |
| Trustees' fees . . . . .   | 67,625                       | 2,499                           | 156                            | 505                    |
| Miscellaneous expenses . . . . .   | 61,455                       | 10,056                          | 5,845                          | 8,607                  |
| <b>Total Expenses</b> . . . . .  | <u>18,932,896</u>            | <u>704,957</u>                  | <u>140,518</u>                 | <u>223,573</u>         |
| <b>Less:</b>   |                              |                                 |                                |                        |
| Fees waived or expenses reimbursed by Adviser (See Note 3) . . . . .   | —                            | (32,802)                        | (92,134)                       | (36,616)               |
| Advisory fee reduction on unsupervised assets (Note 3) . . . . .   | (76,140)                     | —                               | —                              | —                      |
| Custodian fee credits . . . . .  | —                            | —                               | —                              | —                      |
| <b>Total Reimbursements and Reductions</b> . . . . .   | <u>(76,140)</u>              | <u>(32,802)</u>                 | <u>(92,134)</u>                | <u>(36,616)</u>        |
| <b>Net Expenses</b> . . . . .  | <u>18,856,756</u>            | <u>672,155</u>                  | <u>48,384</u>                  | <u>186,957</u>         |
| <b>Net Investment Income/(Loss)</b> . . . . .  | <u>(12,522,096)</u>          | <u>(162,332)</u>                | <u>(10,632)</u>                | <u>155,850</u>         |
| <b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:</b>  |                              |                                 |                                |                        |
| Net realized gain on investments - unaffiliated . . . . .  | 28,138,708                   | 2,853,146                       | 51,231                         | 653,324                |
| Net realized gain on investments - affiliated . . . . .  | 445,093                      | —                               | —                              | —                      |
| Net realized loss on foreign currency transactions . . . . .   | (3,148)                      | —                               | —                              | —                      |
| Net realized gain on investments and foreign currency transactions . . . . .   | <u>28,580,653</u>            | <u>2,853,146</u>                | <u>51,231</u>                  | <u>653,324</u>         |
| Net change in unrealized appreciation/depreciation: on investments . . . . .   | (305,940)                    | (1,101,155)                     | 175,605                        | 420,235                |
| on foreign currency translations . . . . .   | (1,308)                      | —                               | —                              | —                      |
| Net change in unrealized appreciation/depreciation on investments and foreign currency translations . . . . .              | <u>(307,248)</u>             | <u>(1,101,155)</u>              | <u>175,605</u>                 | <u>420,235</u>         |
| <b>Net Realized and Unrealized Gain on Investments and Foreign Currency</b> . . . . .                                      | <u>28,273,405</u>            | <u>1,751,991</u>                | <u>226,836</u>                 | <u>1,073,559</u>       |
| <b>Net Increase in Net Assets Resulting from Operations</b> . . . . .  | <u>\$ 15,751,309</u>         | <u>\$ 1,589,659</u>             | <u>\$216,204</u>               | <u>\$1,229,409</u>     |

See accompanying notes to financial statements.

**TETON Westwood Funds**  
**Statements of Operations (Continued)**  
**For the Year Ended September 30, 2014**

|  | Equity<br>Fund      | Balanced<br>Fund    | Intermediate<br>Bond Fund |
|--|---------------------|---------------------|---------------------------|
| <b>Investment Income:</b>  |                     |                     |                           |
| Dividends - unaffiliated (net of foreign withholding taxes of \$0, \$0, and \$0, respectively) . . . . . | \$ 1,407,342        | \$ 1,050,985        | \$ 528                    |
| Dividends - affiliated. . . . .  | —                   | —                   | —                         |
| Interest. . . . .  | —                   | 923,641             | 510,816                   |
| <b>Total Investment Income.</b> . . . . .  | <u>1,407,342</u>    | <u>1,974,626</u>    | <u>511,344</u>            |
| <b>Expenses:</b>   |                     |                     |                           |
| Investment advisory fees . . . . .   | 717,376             | 633,570             | 132,511                   |
| Distribution fees - Class AAA . . . . .  | 164,053             | 178,283             | 15,525                    |
| Distribution fees - Class A. . . . .   | 16,451              | 32,134              | 3,292                     |
| Distribution fees - Class C. . . . .   | 7,499               | 53,520              | 6,825                     |
| Accounting fees . . . . .  | 45,000              | 45,000              | —                         |
| Custodian fees . . . . .   | 17,737              | 19,595              | 7,048                     |
| Interest expense . . . . .   | 303                 | —                   | —                         |
| Legal and audit fees . . . . .   | 28,039              | 28,933              | 29,373                    |
| Offering expenses . . . . .  | —                   | —                   | —                         |
| Payroll expenses . . . . .   | —                   | —                   | —                         |
| Registration expenses . . . . .  | 52,340              | 52,952              | 46,317                    |
| Shareholder communications expenses . . . . .  | 28,547              | 26,531              | 10,868                    |
| Shareholder services fees . . . . .  | 58,060              | 54,866              | 12,450                    |
| Trustees' fees . . . . .   | 4,111               | 4,836               | 1,267                     |
| Miscellaneous expenses . . . . .   | 11,179              | 11,916              | 9,070                     |
| <b>Total Expenses</b> . . . . .  | <u>1,150,695</u>    | <u>1,142,136</u>    | <u>274,546</u>            |
| <b>Less:</b>   |                     |                     |                           |
| Fees waived or expenses reimbursed by Adviser (See Note 3). . . . .                                      | —                   | —                   | (83,262)                  |
| Advisory fee reduction on unsupervised assets (Note 3). . . . .  | —                   | —                   | —                         |
| Custodian fee credits. . . . .   | —                   | (19,595)            | —                         |
| <b>Total Reimbursements and Credits</b> . . . . .  | <u>—</u>            | <u>(19,595)</u>     | <u>(83,262)</u>           |
| <b>Net Expenses</b> . . . . .  | <u>1,150,695</u>    | <u>1,122,541</u>    | <u>191,284</u>            |
| <b>Net Investment Income</b> . . . . .   | <u>256,647</u>      | <u>852,085</u>      | <u>320,060</u>            |
| <b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:</b>                      |                     |                     |                           |
| Net realized gain on investments - unaffiliated . . . . .  | 11,429,623          | 8,096,441           | 1,843                     |
| Net realized gain on investments - affiliated . . . . .  | —                   | —                   | —                         |
| Net realized loss on foreign currency transactions . . . . .   | —                   | —                   | —                         |
| Net realized gain on investments transactions . . . . .  | <u>11,429,623</u>   | <u>8,096,441</u>    | <u>1,843</u>              |
| Net change in unrealized appreciation/depreciation: on investments . . . . .                             | (1,366,101)         | (1,069,693)         | (162,532)                 |
| on foreign currency translations . . . . .   | —                   | —                   | —                         |
| Net change in unrealized appreciation/depreciation on investments . . . . .                              | <u>(1,366,101)</u>  | <u>(1,069,693)</u>  | <u>(162,532)</u>          |
| <b>Net Realized and Unrealized Gain/Loss on Investments</b> . . . . .                                    | <u>10,063,522</u>   | <u>7,026,748</u>    | <u>(160,689)</u>          |
| <b>Net Increase in Net Assets Resulting from Operations</b> . . . . .                                    | <u>\$10,320,169</u> | <u>\$ 7,878,833</u> | <u>\$ 159,371</u>         |

See accompanying notes to financial statements.

**TETON Westwood Funds**  
**Statements of Changes in Net Assets**

|  | Mighty Mites Fund   |                     | SmallCap Equity Fund |                    | Mid-Cap Equity Fund |                  |
|--|---------------------|---------------------|----------------------|--------------------|---------------------|------------------|
|  | 2014                | 2013                | 2014                 | 2013               | 2014                | 2013(a)          |
| <b>Operations:</b>   |                     |                     |                      |                    |                     |                  |
| Net investment income/(loss) . . . . .   | \$ (12,522,096)     | \$ 626,045          | \$ (162,332)         | \$ (23,125)        | \$ (10,632)         | \$ (1,342)       |
| Net realized gain/(loss) on investments and foreign<br>currency transactions . . . . .                           | 28,580,653          | 65,848,252          | 2,853,146            | 651,363            | 51,231              | 289              |
| Net change in unrealized appreciation/depreciation on<br>investments and foreign currency translations . . . . . | (307,248)           | 158,288,013         | (1,101,155)          | 9,335,713          | 175,605             | 79,006           |
| <b>Net Increase/(Decrease) in Net Assets Resulting from<br/>Operations . . . . .</b>                             | <b>15,751,309</b>   | <b>224,762,310</b>  | <b>1,589,659</b>     | <b>9,963,951</b>   | <b>216,204</b>      | <b>77,953</b>    |
| <b>Distributions to Shareholders:</b>  |                     |                     |                      |                    |                     |                  |
| Net investment income  |                     |                     |                      |                    |                     |                  |
| Class AAA . . . . .  | —                   | (1,163,541)         | —                    | —                  | —                   | —                |
| Class A . . . . .  | —                   | (182,178)           | —                    | —                  | —                   | —                |
| Class B* . . . . .   | —                   | —                   | —                    | —                  | —                   | —                |
| Class C . . . . .  | —                   | —                   | —                    | —                  | —                   | —                |
| Class I . . . . .  | —                   | (1,213,298)         | —                    | (18,250)           | (836)               | —                |
|  | —                   | (2,559,017)         | —                    | (18,250)           | (836)               | —                |
| Net realized gain  |                     |                     |                      |                    |                     |                  |
| Class AAA . . . . .  | (28,607,652)        | (5,789,706)         | —                    | —                  | (205)               | —                |
| Class A . . . . .  | (8,971,292)         | (1,631,680)         | —                    | —                  | (54)                | —                |
| Class B* . . . . .   | (301)               | (81)                | —                    | —                  | —                   | —                |
| Class C . . . . .  | (11,292,276)        | (2,128,714)         | —                    | —                  | (22)                | —                |
| Class I . . . . .  | (17,271,524)        | (2,772,247)         | —                    | —                  | (348)               | —                |
|  | (66,143,045)        | (12,322,428)        | —                    | —                  | (629)               | —                |
| <b>Total Distributions to Shareholders . . . . .</b>   | <b>(66,143,045)</b> | <b>(14,881,445)</b> | <b>—</b>             | <b>(18,250)</b>    | <b>(1,465)</b>      | <b>—</b>         |
| <b>Shares of Beneficial Interest Transactions:</b>   |                     |                     |                      |                    |                     |                  |
| Proceeds from shares issued  |                     |                     |                      |                    |                     |                  |
| Class AAA . . . . .  | 127,362,664         | 160,798,060         | 1,265,433            | 3,851,325          | 1,069,627           | 635,749          |
| Class A . . . . .  | 68,894,121          | 54,834,902          | 732,091              | 650,454            | 508,794             | 189,126          |
| Class B* . . . . .   | 2,760               | —                   | —                    | —                  | —                   | —                |
| Class C . . . . .  | 78,226,583          | 54,048,432          | 250,511              | 343,040            | 156,348             | 73,990           |
| Class I . . . . .  | 343,011,332         | 135,506,181         | 5,987,464            | 3,225,462          | 1,076,761           | 1,101,734        |
|  | 617,497,460         | 405,187,575         | 8,235,499            | 8,070,281          | 2,811,530           | 2,000,599        |
| Proceeds from reinvestment of distributions  |                     |                     |                      |                    |                     |                  |
| Class AAA . . . . .  | 28,170,975          | 6,694,144           | —                    | —                  | 205                 | —                |
| Class A . . . . .  | 7,544,617           | 1,521,531           | —                    | —                  | 54                  | —                |
| Class B* . . . . .   | 302                 | 81                  | —                    | —                  | —                   | —                |
| Class C . . . . .  | 8,388,483           | 1,647,595           | —                    | —                  | 22                  | —                |
| Class I . . . . .  | 10,456,110          | 2,307,004           | —                    | 6,057              | 1,184               | —                |
|  | 54,560,487          | 12,170,355          | —                    | 6,057              | 1,465               | —                |
| Cost of shares redeemed  |                     |                     |                      |                    |                     |                  |
| Class AAA . . . . .  | (253,544,484)       | (67,722,877)        | (6,095,587)          | (4,651,260)        | (129,214)           | —                |
| Class A . . . . .  | (33,455,166)        | (22,483,171)        | (1,305,181)          | (2,608,488)        | (32,293)            | —                |
| Class B* . . . . .   | (6,131)             | (1,486)             | —                    | —                  | —                   | —                |
| Class C . . . . .  | (27,914,687)        | (19,392,541)        | (651,867)            | (2,254,817)        | —                   | —                |
| Class I . . . . .  | (92,388,557)        | (42,109,849)        | (2,830,578)          | (5,689,423)        | —                   | —                |
|  | (407,309,025)       | (151,709,924)       | (10,883,213)         | (15,203,988)       | (161,507)           | —                |
| <b>Net Increase/(Decrease) in Net Assets from Shares of<br/>Beneficial Interest Transactions . . . . .</b>       | <b>264,748,922</b>  | <b>265,648,006</b>  | <b>(2,647,714)</b>   | <b>(7,127,650)</b> | <b>2,651,488</b>    | <b>2,000,599</b> |
| Redemption Fees . . . . .  | 7,859               | 3,305               | 206                  | 489                | —                   | —                |
| <b>Net Increase/(Decrease) in Net Assets . . . . .</b>   | <b>214,365,045</b>  | <b>475,532,176</b>  | <b>(1,057,849)</b>   | <b>2,818,540</b>   | <b>2,866,227</b>    | <b>2,078,552</b> |
| <b>Net Assets:</b>   |                     |                     |                      |                    |                     |                  |
| Beginning of period . . . . .  | 1,054,019,035       | 578,486,859         | 42,391,657           | 39,573,117         | 2,078,552           | —                |
| End of period . . . . .  | \$1,268,384,080     | \$1,054,019,035     | \$ 41,333,808        | \$ 42,391,657      | \$4,944,779         | \$2,078,552      |
| Undistributed net investment income . . . . .  | —                   | —                   | —                    | —                  | \$ 296              | \$ 789           |

(a) The Mid-Cap Equity Fund commenced investment operations on May 31, 2013.

\* Class B Shares were fully redeemed and closed on January 27, 2014 for the Mighty Mites Fund, Balanced Fund, and Intermediate Bond Fund.

See accompanying notes to financial statements.



**TETON Westwood Funds**  
**Statements of Changes in Net Assets (Continued)**

| Income Fund         |                     | Equity Fund          |                      | Balanced Fund        |                      | Intermediate Bond Fund |                      |
|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|------------------------|----------------------|
| 2014                | 2013                | 2014                 | 2013                 | 2014                 | 2013                 | 2014                   | 2013                 |
| \$ 155,850          | \$ 46,665           | \$ 256,647           | \$ 381,600           | \$ 852,085           | \$ 1,013,181         | \$ 320,060             | \$ 310,685           |
| 653,324             | 282,210             | 11,429,623           | 8,927,942            | 8,096,441            | 6,790,222            | 1,843                  | (4,459)              |
| 420,235             | 852,498             | (1,366,101)          | 4,268,428            | (1,069,693)          | 2,582,764            | (162,532)              | (761,956)            |
| <u>1,229,409</u>    | <u>1,181,373</u>    | <u>10,320,169</u>    | <u>13,577,970</u>    | <u>7,878,833</u>     | <u>10,386,167</u>    | <u>159,371</u>         | <u>(455,730)</u>     |
| (113,919)           | (46,737)            | (224,436)            | (586,885)            | (762,439)            | (920,053)            | (80,310)               | (123,229)            |
| (15,373)            | (2,916)             | (2,454)              | (21,453)             | (51,219)             | (53,325)             | (11,391)               | (18,235)             |
| —                   | —                   | —                    | —                    | (1)                  | (18)                 | (6)                    | (24)                 |
| (17,119)            | (1,136)             | —                    | (1,694)              | (16,208)             | (21,428)             | (3,735)                | (5,793)              |
| (5,185)             | (1,703)             | (11,148)             | (52,873)             | (26,644)             | (13,524)             | (224,667)              | (168,457)            |
| <u>(151,596)</u>    | <u>(52,492)</u>     | <u>(238,038)</u>     | <u>(662,905)</u>     | <u>(856,511)</u>     | <u>(1,008,348)</u>   | <u>(320,109)</u>       | <u>(315,738)</u>     |
| —                   | —                   | —                    | —                    | (4,993,471)          | —                    | —                      | (11,127)             |
| —                   | —                   | —                    | —                    | (418,931)            | —                    | —                      | (2,177)              |
| —                   | —                   | —                    | —                    | (72)                 | —                    | —                      | (5)                  |
| —                   | —                   | —                    | —                    | (363,637)            | —                    | —                      | (1,949)              |
| —                   | —                   | —                    | —                    | (215,697)            | —                    | —                      | (9,741)              |
| —                   | —                   | —                    | —                    | (5,991,808)          | —                    | —                      | (24,999)             |
| <u>(151,596)</u>    | <u>(52,492)</u>     | <u>(238,038)</u>     | <u>(662,905)</u>     | <u>(6,848,319)</u>   | <u>(1,008,348)</u>   | <u>(320,109)</u>       | <u>(340,737)</u>     |
| 1,108,013           | 2,391,019           | 1,649,660            | 3,161,295            | 5,761,575            | 6,066,643            | 945,719                | 1,225,024            |
| 64,620              | 529,953             | 282,199              | 208,950              | 1,995,064            | 1,100,436            | 234,913                | 1,301,024            |
| —                   | —                   | —                    | —                    | —                    | —                    | —                      | —                    |
| 188,020             | 243,251             | 32,091               | 32,176               | 452,031              | 2,033,264            | 243,159                | 286,380              |
| 121,172             | 100,221             | 2,014,865            | 270,386              | 3,500,327            | 212,282              | 6,140,869              | 5,162,576            |
| <u>1,481,825</u>    | <u>3,264,444</u>    | <u>3,978,815</u>     | <u>3,672,807</u>     | <u>11,708,997</u>    | <u>9,412,625</u>     | <u>7,564,660</u>       | <u>7,975,004</u>     |
| 107,093             | 44,097              | 211,867              | 554,580              | 5,581,690            | 886,356              | 76,690                 | 128,739              |
| 14,770              | 2,658               | 2,358                | 20,692               | 399,032              | 43,395               | 8,696                  | 15,113               |
| —                   | —                   | —                    | —                    | 73                   | 18                   | 4                      | 29                   |
| 16,786              | 1,113               | —                    | 1,454                | 341,143              | 18,839               | 3,305                  | 7,099                |
| 5,159               | 1,634               | 6,205                | 11,674               | 237,178              | 12,907               | 150,457                | 2,294                |
| <u>143,808</u>      | <u>49,502</u>       | <u>220,430</u>       | <u>588,400</u>       | <u>6,559,116</u>     | <u>961,515</u>       | <u>239,152</u>         | <u>153,274</u>       |
| (1,908,982)         | (2,267,542)         | (15,134,334)         | (20,612,357)         | (13,953,031)         | (23,231,904)         | (4,538,021)            | (3,527,680)          |
| (94,076)            | (99,368)            | (669,010)            | (797,465)            | (1,922,839)          | (980,644)            | (374,422)              | (1,557,515)          |
| —                   | —                   | —                    | —                    | (1,063)              | (6,502)              | (5,141)                | (15)                 |
| (389,163)           | (655,948)           | (152,653)            | (263,906)            | (783,550)            | (2,321,691)          | (542,141)              | (1,222,092)          |
| (49,418)            | (67,424)            | (935,016)            | (3,153,115)          | (2,231,067)          | (130,611)            | (3,394,712)            | (2,201,117)          |
| <u>(2,441,639)</u>  | <u>(3,090,282)</u>  | <u>(16,891,013)</u>  | <u>(24,826,843)</u>  | <u>(18,891,550)</u>  | <u>(26,671,352)</u>  | <u>(8,854,437)</u>     | <u>(8,508,419)</u>   |
| (816,006)           | 223,664             | (12,691,768)         | (20,565,636)         | (623,437)            | (16,297,212)         | (1,050,625)            | (380,141)            |
| 476                 | 208                 | —                    | —                    | —                    | —                    | —                      | —                    |
| 262,283             | 1,352,753           | (2,609,637)          | (7,650,571)          | 407,077              | (6,919,393)          | (1,211,363)            | (1,176,608)          |
| 8,325,527           | 6,972,774           | 70,748,480           | 78,399,051           | 83,011,285           | 89,930,678           | 22,521,252             | 23,697,860           |
| <u>\$ 8,587,810</u> | <u>\$ 8,325,527</u> | <u>\$ 68,138,843</u> | <u>\$ 70,748,480</u> | <u>\$ 83,418,362</u> | <u>\$ 83,011,285</u> | <u>\$ 21,309,889</u>   | <u>\$ 22,521,252</u> |
| \$ 4,261            | \$ 4,785            | \$ 189,835           | \$ 171,874           | —                    | \$ 4,833             | \$ 99                  | —                    |

See accompanying notes to financial statements.

# TETON Westwood Funds Financial Highlights

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

| Year Ended<br>September 30 | Income (Loss) from Investment Operations    |   |  |  |                             | Distributions to Shareholders             |                        |                       |                                       | Ratios to Average Net Assets/Supplemental Data |   |  |  |   |                               |
|----------------------------|---|---|--|--|-----------------------------|---|------------------------|-----------------------|---------------------------------------|--|---|--|--|---|-------------------------------|
|                            | Net Asset<br>Value,<br>Beginning<br>of Year | Net<br>Investment<br>Income<br>(Loss)(a)(b) | Net<br>Realized and<br>Unrealized<br>Gain (Loss) on<br>Investments | Total from<br>Investment<br>Operations | Net<br>Investment<br>Income | Net<br>Realized<br>Gain on<br>Investments | Total<br>Distributions | Redemption<br>Fees(c) | Net Asset<br>Value,<br>End of<br>Year | Total<br>Return†                               | Net Assets,<br>End of<br>Year<br>(in 000's) | Net<br>Investment<br>Income<br>(Loss)(b) | Operating<br>Expenses<br>Net of<br>Waivers/<br>Reimbursements/<br>Reductions | Operating<br>Expenses<br>Before<br>Waivers/<br>Reimbursements/<br>Reductions(d) | Portfolio<br>Turnover<br>Rate |
| <b>Mighty Mites Fund</b>   |   |   |  |  |                             |   |                        |                       |                                       |  |   |  |  |   |                               |
| <b>Class AAA</b>           |   |   |  |  |                             |   |                        |                       |                                       |  |   |  |  |   |                               |
| 2014                       | \$23.81                                     | \$(0.22)                                    | \$ 0.80  | \$ 0.58                                | —                           | \$(1.38)                                  | \$(1.38)               | \$0.00                | \$23.01                               | 2.2%   | \$365,022                                   | (0.90)%                                  | 1.42%  | 14%   |                               |
| 2013                       | 17.94                                       | 0.04  | 6.29   | 6.33                                   | \$(0.08)                    | (0.38)                                    | (0.46)                 | 0.00                  | 23.81                                 | 36.2   | 476,112                                     | 0.19                                     | 1.43   | 15  |                               |
| 2012                       | 14.85                                       | (0.10)                                      | 3.54   | 3.44                                   | —                           | (0.35)                                    | (0.35)                 | 0.00                  | 17.94                                 | 23.6   | 277,666                                     | (0.62)                                   | 1.46   | 12  |                               |
| 2011                       | 15.81                                       | (0.14)                                      | (0.34)   | (0.48)                                 | (0.06)                      | (0.42)                                    | (0.48)                 | 0.00                  | 14.85                                 | (3.3)  | 344,800                                     | (0.79)                                   | 1.48   | 20  |                               |
| 2010                       | 13.49                                       | (0.10)                                      | 2.42   | 2.32                                   | —                           | (0.00)(c)                                 | (0.00)(c)              | 0.00                  | 15.81                                 | 17.2   | 261,810                                     | (0.67)                                   | 1.58   | 27  |                               |
| <b>Class A</b>             |   |   |  |  |                             |   |                        |                       |                                       |  |   |  |  |   |                               |
| 2014                       | \$23.32                                     | \$(0.27)                                    | \$ 0.78  | \$ 0.51                                | —                           | \$(1.38)                                  | \$(1.38)               | \$0.00                | \$22.45                               | 2.0%   | \$175,108                                   | (1.16)%                                  | 1.67%  | 14%   |                               |
| 2013                       | 17.59                                       | (0.02)                                      | 6.17   | 6.15                                   | \$(0.04)                    | (0.38)                                    | (0.42)                 | 0.00                  | 23.32                                 | 35.8   | 139,464                                     | (0.08)                                   | 1.68   | 15  |                               |
| 2012                       | 14.61                                       | (0.14)                                      | 3.47   | 3.33                                   | —                           | (0.35)                                    | (0.35)                 | 0.00                  | 17.59                                 | 23.2   | 77,803                                      | (0.87)                                   | 1.71   | 12  |                               |
| 2011                       | 15.57                                       | (0.18)                                      | (0.32)   | (0.50)                                 | (0.04)                      | (0.42)                                    | (0.46)                 | 0.00                  | 14.61                                 | (3.5)  | 64,457                                      | (1.04)                                   | 1.73   | 20  |                               |
| 2010                       | 13.32                                       | (0.13)                                      | 2.38   | 2.25                                   | —                           | (0.00)(c)                                 | (0.00)(c)              | 0.00                  | 15.57                                 | 16.9   | 48,464                                      | (0.91)                                   | 1.83   | 27  |                               |
| <b>Class C</b>             |   |   |  |  |                             |   |                        |                       |                                       |  |   |  |  |   |                               |
| 2014                       | \$21.46                                     | \$(0.36)                                    | \$ 0.72  | \$ 0.36                                | —                           | \$(1.38)                                  | \$(1.38)               | \$0.00                | \$20.44                               | 1.4%   | \$208,795                                   | (1.66)%                                  | 2.17%  | 14%   |                               |
| 2013                       | 16.25                                       | (0.10)                                      | 5.69   | 5.59                                   | —                           | (0.38)                                    | (0.38)                 | 0.00                  | 21.46                                 | 35.3   | 160,852                                     | (0.57)                                   | 2.18   | 15  |                               |
| 2012                       | 13.59                                       | (0.21)                                      | 3.22   | 3.01                                   | —                           | (0.35)                                    | (0.35)                 | 0.00                  | 16.25                                 | 22.6   | 92,012                                      | (1.37)                                   | 2.21   | 12  |                               |
| 2011                       | 14.55                                       | (0.25)                                      | (0.29)   | (0.54)                                 | —                           | (0.42)                                    | (0.42)                 | 0.00                  | 13.59                                 | (4.0)  | 79,827                                      | (1.57)                                   | 2.23   | 20  |                               |
| 2010                       | 12.51                                       | (0.19)                                      | 2.23   | 2.04                                   | —                           | (0.00)(c)                                 | (0.00)(c)              | 0.00                  | 14.55                                 | 16.3   | 40,297                                      | (1.41)                                   | 2.33   | 27  |                               |
| <b>Class I</b>             |   |   |  |  |                             |   |                        |                       |                                       |  |   |  |  |   |                               |
| 2014                       | \$24.02                                     | \$(0.16)                                    | \$ 0.79  | \$ 0.63                                | —                           | \$(1.38)                                  | \$(1.38)               | \$0.00                | \$23.27                               | 2.4%   | \$519,459                                   | (0.67)%                                  | 1.17%  | 14%   |                               |
| 2013                       | 18.13                                       | 0.08  | 6.35   | 6.43                                   | \$(0.16)                    | (0.38)                                    | (0.54)                 | 0.00                  | 24.02                                 | 36.6   | 277,588                                     | 0.40                                     | 1.18   | 15  |                               |
| 2012                       | 14.98                                       | (0.06)                                      | 3.56   | 3.50                                   | —                           | (0.35)                                    | (0.35)                 | 0.00                  | 18.13                                 | 23.8   | 131,003                                     | (0.38)                                   | 1.21   | 12  |                               |
| 2011                       | 15.92                                       | (0.10)                                      | (0.33)   | (0.43)                                 | (0.09)                      | (0.42)                                    | (0.51)                 | 0.00                  | 14.98                                 | (3.0)  | 53,767                                      | (0.57)                                   | 1.23   | 20  |                               |
| 2010                       | 13.55                                       | (0.06)                                      | 2.43   | 2.37                                   | —                           | (0.00)(c)                                 | (0.00)(c)              | 0.00                  | 15.92                                 | 17.5   | 23,406                                      | (0.41)                                   | 1.33   | 27  |                               |

+ Total return represents aggregate total return of a hypothetical \$1,000 investment at the beginning of the year and sold at the end of the year including reinvestment of distributions and does not reflect applicable sales charges.

(a) Per share data is calculated using the average shares outstanding method.

(b) Due to capital share activity, net investment income (loss), per share and the ratio to average net assets are not necessarily correlated among the different classes of shares.

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

(d) Before advisory fee reduction on unsupervised assets totaling 0.01%, 0.02%, 0.02%, 0.02%, and 0.03% of net assets for the years ended September 30, 2014, 2013, 2012, 2011, and 2010, respectively.

## TETON Westwood Funds Financial Highlights

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

| Year Ended<br>September 30  | Income (Loss) from Investment Operations    |  |  |  | Distributions to Shareholders |   |                        | Ratios to Average Net Assets/Supplemental Data |                 |   |                                       |   |  |                               |
|-----------------------------|---|--|--|--|-------------------------------|---|------------------------|--|-----------------|---|---------------------------------------|---|--|-------------------------------|
|                             | Net Asset<br>Value,<br>Beginning<br>of Year | Net<br>Investment<br>Income<br>(Loss)(a) | Net<br>Realized and<br>Unrealized<br>Gain (Loss) on<br>Investments | Total From<br>Investment<br>Operations | Net<br>Investment<br>Income   | Net<br>Realized<br>Gain on<br>Investments | Total<br>Distributions | Net Asset<br>Value,<br>End of<br>Year          | Total<br>Return | Net Assets,<br>End of<br>Year<br>(in 000's) | Net<br>Investment<br>Income<br>(Loss) | Operating<br>Expenses<br>Net of<br>Waivers/<br>Reimbursements | Operating<br>Expenses<br>Before Waivers/<br>Reimbursements | Portfolio<br>Turnover<br>Rate |
| <b>SmallCap Equity Fund</b> |   |  |  |  |                               |   |                        |  |                 |   |                                       |   |  |                               |
| <b>Class AAA</b>            |   |  |  |  |                               |   |                        |  |                 |   |                                       |   |  |                               |
| 2014                        | \$19.83                                     | \$(0.07)                                 | \$ 0.76  | \$ 0.69                                | —                             | —   | —                      | \$20.52  | 3.5%            | \$15,649                                    | (0.35)%                               | 1.50%   | 1.57%  | 13%                           |
| 2013                        | 15.32                                       | (0.01)                                   | 4.52   | 4.51                                   | —                             | —   | —                      | 19.83  | 29.4            | 19,576                                      | (0.05)                                | 1.50  | 1.63   | 12                            |
| 2012                        | 12.85                                       | (0.03)                                   | 2.87   | 2.84                                   | —                             | \$(0.37)                                  | \$(0.37)               | 15.32  | 22.5            | 16,170                                      | (0.21)                                | 1.50  | 1.65   | 39                            |
| 2011                        | 13.36                                       | (0.12)                                   | (0.39)   | (0.51)                                 | —                             | —   | —                      | 12.85  | (3.8)           | 28,843                                      | (0.73)                                | 1.50  | 1.69   | 52                            |
| 2010                        | 11.60                                       | (0.10)                                   | 1.86   | 1.76                                   | —                             | —   | —                      | 13.36  | 15.2            | 10,435                                      | (0.81)                                | 1.50  | 1.99   | 28                            |
| <b>Class A</b>              |   |  |  |  |                               |   |                        |  |                 |   |                                       |   |  |                               |
| 2014                        | \$19.41                                     | \$(0.12)                                 | \$ 0.76  | \$ 0.64                                | —                             | —   | —                      | \$20.05  | 3.3%            | \$ 4,269                                    | (0.60)%                               | 1.75%   | 1.82%  | 13%                           |
| 2013                        | 15.03                                       | (0.04)                                   | 4.42   | 4.38                                   | —                             | —   | —                      | 19.41  | 29.1            | 4,668                                       | (0.22)                                | 1.75  | 1.88   | 12                            |
| 2012                        | 12.65                                       | (0.06)                                   | 2.81   | 2.75                                   | —                             | \$(0.37)                                  | \$(0.37)               | 15.03  | 22.1            | 5,390                                       | (0.42)                                | 1.75  | 1.90   | 39                            |
| 2011                        | 13.18                                       | (0.16)                                   | (0.37)   | (0.53)                                 | —                             | —   | —                      | 12.65  | (4.0)           | 4,965                                       | (0.98)                                | 1.75  | 1.94   | 52                            |
| 2010                        | 11.47                                       | (0.13)                                   | 1.84   | 1.71                                   | —                             | —   | —                      | 13.18  | 14.9            | 3,509                                       | (1.06)                                | 1.75  | 2.24   | 28                            |
| <b>Class C</b>              |   |  |  |  |                               |   |                        |  |                 |   |                                       |   |  |                               |
| 2014                        | \$18.06                                     | \$(0.21)                                 | \$ 0.71  | \$ 0.50                                | —                             | —   | —                      | \$18.56  | 2.8%            | \$ 4,186                                    | (1.10)%                               | 2.25%   | 2.32%  | 13%                           |
| 2013                        | 14.06                                       | (0.11)                                   | 4.11   | 4.00                                   | —                             | —   | —                      | 18.06  | 28.4            | 4,460                                       | (0.72)                                | 2.25  | 2.38   | 12                            |
| 2012                        | 11.91                                       | (0.13)                                   | 2.65   | 2.52                                   | —                             | \$(0.37)                                  | \$(0.37)               | 14.06  | 21.5            | 5,261                                       | (0.92)                                | 2.25  | 2.40   | 39                            |
| 2011                        | 12.47                                       | (0.22)                                   | (0.34)   | (0.56)                                 | —                             | —   | —                      | 11.91  | (4.5)           | 5,406                                       | (1.50)                                | 2.25  | 2.44   | 52                            |
| 2010                        | 10.91                                       | (0.18)                                   | 1.74   | 1.56                                   | —                             | —   | —                      | 12.47  | 14.3            | 911   | (1.55)                                | 2.25  | 2.74   | 28                            |
| <b>Class I</b>              |   |  |  |  |                               |   |                        |  |                 |   |                                       |   |  |                               |
| 2014                        | \$20.09                                     | \$(0.02)                                 | \$ 0.78  | \$ 0.76                                | —                             | —   | —                      | \$20.85  | 3.8%            | \$17,230                                    | (0.09)%                               | 1.25%   | 1.32%  | 13%                           |
| 2013                        | 15.50                                       | 0.04                                     | 4.57   | 4.61                                   | \$(0.02)                      | —   | \$(0.02)               | 20.09  | 29.8            | 13,688                                      | 0.22                                  | 1.25  | 1.38   | 12                            |
| 2012                        | 12.96                                       | 0.04                                     | 2.87   | 2.91                                   | —                             | \$(0.37)                                  | (0.37)                 | 15.50  | 22.8            | 12,752                                      | 0.23                                  | 1.25  | 1.40   | 39                            |
| 2011                        | 13.45                                       | (0.07)                                   | (0.42)   | (0.49)                                 | —                             | —   | —                      | 12.96  | (3.6)           | 759   | (0.46)                                | 1.25  | 1.44   | 52                            |
| 2010                        | 11.65                                       | (0.08)                                   | 1.88   | 1.80                                   | —                             | —   | —                      | 13.45  | 15.5            | 1,123                                       | (0.59)                                | 1.25  | 1.74   | 28                            |

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

(a) Per share data is calculated using the average shares outstanding method.

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

See accompanying notes to financial statements.

## TETON Westwood Funds Financial Highlights

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

| Period Ended<br>September 30 | Income (Loss) from Investment Operations      |                                       |   |  | Distributions to Shareholders                  |                        |   | Ratios to Average Net Assets/Supplemental Data |   |                               |   |  |                               |
|------------------------------|---|---------------------------------------|---|--|--|------------------------|---|--|---|-------------------------------|---|--|-------------------------------|
|                              | Net Asset<br>Value,<br>Beginning<br>of Period | Net<br>Investment<br>Income (Loss)(a) | Net<br>Unrealized<br>Gain on<br>Investments | Total From<br>Investment<br>Operations | Net<br>Realized<br>Gain on<br>Investments/Loss | Total<br>Distributions | Net Asset<br>Value,<br>End of<br>Period | Total<br>Return†                               | Net Assets,<br>End of<br>Period<br>(in 000's) | Net Investment<br>Income/Loss | Operating<br>Expenses<br>Net of<br>Waivers/<br>Reimbursements | Operating<br>Expenses<br>Before Waivers/<br>Reimbursements | Portfolio<br>Turnover<br>Rate |
| <b>Mid-Cap Equity Fund</b>   |   |                                       |   |  |  |                        |   |  |   |                               |   |  |                               |
| <b>Class AAA</b>             |   |                                       |   |  |  |                        |   |  |   |                               |   |  |                               |
| 2014                         | \$10.48                                       | \$(0.04)                              | \$1.10                                      | \$1.06                                 | —  | \$(0.00)(b)            | \$11.54                                 | \$1,679  | (0.39)%                                       | 1.51%(c)                      | 4.27%   | 22%  |                               |
| 2013(d)                      | 10.00   | (0.01)                                | 0.49  | 0.48                                   | —  | —                      | 10.48                                   | 661  | (0.42)(e)                                     | 1.50(e)                       | 3.88(e)(f)  | 3  |                               |
| <b>Class A</b>               |   |                                       |   |  |  |                        |   |  |   |                               |   |  |                               |
| 2014                         | \$10.47                                       | \$(0.08)                              | \$1.12                                      | \$1.04                                 | —  | \$(0.00)(b)            | \$11.51                                 | \$ 682   | (0.69)%                                       | 1.76%(c)                      | 4.52%   | 22%  |                               |
| 2013(d)                      | 10.00   | 0.03                                  | 0.44  | 0.47                                   | —  | —                      | 10.47                                   | 188  | 0.81(e)                                       | 1.75(e)                       | 4.13(e)(f)  | 3  |                               |
| <b>Class C</b>               |   |                                       |   |  |  |                        |   |  |   |                               |   |  |                               |
| 2014                         | \$10.45                                       | \$(0.13)                              | \$1.11                                      | \$0.98                                 | —  | \$(0.00)(b)            | \$11.43                                 | \$ 239   | (1.17)%                                       | 2.26%(c)                      | 5.02%   | 22%  |                               |
| 2013(d)                      | 10.00   | (0.02)                                | 0.47  | 0.45                                   | —  | —                      | 10.45                                   | 74   | (0.65)(e)                                     | 2.25(e)                       | 4.63(e)(f)  | 3  |                               |
| <b>Class I</b>               |   |                                       |   |  |  |                        |   |  |   |                               |   |  |                               |
| 2014                         | \$10.48                                       | \$(0.01)                              | \$1.11                                      | \$1.10                                 | \$(0.01)                                       | \$(0.01)               | \$11.57                                 | \$2,345  | (0.09)%                                       | 1.26%(c)                      | 4.02%   | 22%  |                               |
| 2013(d)                      | 10.00   | (0.01)                                | 0.49  | 0.48                                   | —  | —                      | 10.48                                   | 1,155  | (0.20)(e)                                     | 1.25(e)                       | 3.63(e)(f)  | 3  |                               |

† 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 the applicable sales charges. Total return for a period of less than one year is not annualized.

(a) Per share data is calculated using the average shares outstanding method.

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

(c) The Fund incurred interest expense during the year ended September 30, 2014. If interest expense had not been incurred, the ratio of operating expenses to average net assets would have been 1.50% (Class AAA), 1.75% (Class A), 2.25% (Class C), and 1.25% (Class I), respectively.

(d) From the commencement of offering of Fund Shares on May 31, 2013 through September 30, 2013.

(e) Annualized.

(f) Certain non-recurring expenses incurred by the Fund were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 10.11% (Class AAA), 10.36% (Class A), 10.86% (Class C), and 9.86% (Class I).

# TETON Westwood Funds

## Financial Highlights

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

| Year Ended<br>September 30 | Income from Investment Operations     |                             |   |  | Distributions to Shareholders |                        |                       | Ratios to Average Net Assets/Supplemental Data |               |  |                             |   |  |                               |
|----------------------------|---------------------------------------|-----------------------------|---|--|-------------------------------|------------------------|-----------------------|--|---------------|--|-----------------------------|---|--|-------------------------------|
|                            | Net Asset Value,<br>Beginning of Year | Net Investment<br>Income(a) | Net<br>Unrealized<br>Gain on<br>Investments | Total From<br>Investment<br>Operations | Net<br>Investment<br>Income   | Total<br>Distributions | Redemption<br>Fees(a) | Net Asset<br>Value,<br>End of Year             | Total Return† | Net Assets,<br>End of Year<br>(in 000's) | Net<br>Investment<br>Income | Operating<br>Expenses<br>Net of<br>Waivers/<br>Reimbursements | Operating<br>Expenses<br>Before Waivers/<br>Reimbursements | Portfolio<br>Turnover<br>Rate |
| <b>Income Fund</b>         |                                       |                             |   |  |                               |                        |                       |  |               |  |                             |   |  |                               |
| <b>Class AAA</b>           |                                       |                             |   |  |                               |                        |                       |  |               |  |                             |   |  |                               |
| 2014                       | \$10.40                               | \$0.21                      | \$1.38                                      | \$1.59                                 | \$(0.20)                      | \$(0.20)               | \$0.00(b)             | \$11.79  | 15.5%         | \$6,240                                  | 1.86%                       | 2.00%   | 2.42%  | 31%                           |
| 2013                       | 8.96                                  | 0.07                        | 1.45  | 1.52                                   | (0.08)                        | (0.08)                 | 0.00(b)               | 10.40  | 17.0          | 6,147                                    | 0.73                        | 2.00  | 2.57   | 13                            |
| 2012                       | 7.65                                  | 0.10                        | 1.31  | 1.41                                   | (0.10)                        | (0.10)                 | 0.00(b)               | 8.96   | 18.5          | 5,151                                    | 1.22                        | 2.00  | 2.82   | 11                            |
| 2011                       | 7.53                                  | 0.09                        | 0.11  | 0.20                                   | (0.08)                        | (0.08)                 | 0.00(b)               | 7.65   | 2.6           | 4,665                                    | 1.08                        | 1.84  | 2.74   | 14                            |
| 2010                       | 6.96                                  | 0.13                        | 0.56  | 0.69                                   | (0.12)                        | (0.12)                 | —                     | 7.53   | 9.9           | 4,822                                    | 1.73                        | 1.50  | 3.19   | 10                            |
| <b>Class A</b>             |                                       |                             |   |  |                               |                        |                       |  |               |  |                             |   |  |                               |
| 2014                       | \$10.75                               | \$0.19                      | \$1.43                                      | \$1.62                                 | \$(0.19)                      | \$(0.19)               | \$0.00(b)             | \$12.18  | 15.2%         | \$1,013                                  | 1.63%                       | 2.25%   | 2.67%  | 31%                           |
| 2013                       | 9.26                                  | 0.05                        | 1.49  | 1.54                                   | (0.05)                        | (0.05)                 | 0.00(b)               | 10.75  | 16.7          | 907                                      | 0.44                        | 2.25  | 2.82   | 13                            |
| 2012                       | 7.91                                  | 0.07                        | 1.37  | 1.44                                   | (0.09)                        | (0.09)                 | 0.00(b)               | 9.26   | 18.3          | 389                                      | 0.78                        | 2.25  | 3.07   | 11                            |
| 2011                       | 7.79                                  | 0.08                        | 0.10  | 0.18                                   | (0.06)                        | (0.06)                 | 0.00(b)               | 7.91   | 2.2           | 47                                       | 0.98                        | 1.89  | 3.15   | 14                            |
| 2010                       | 7.20                                  | 0.10                        | 0.59  | 0.69                                   | (0.10)                        | (0.10)                 | —                     | 7.79   | 9.7           | 341                                      | 1.29                        | 1.75  | 3.44   | 10                            |
| <b>Class C</b>             |                                       |                             |   |  |                               |                        |                       |  |               |  |                             |   |  |                               |
| 2014                       | \$11.54                               | \$0.17                      | \$1.50                                      | \$1.67                                 | \$(0.17)                      | \$(0.17)               | \$0.00(b)             | \$13.04  | 14.6%         | \$1,045                                  | 1.30%                       | 2.75%   | 3.17%  | 31%                           |
| 2013                       | 9.94                                  | 0.00(b)                     | 1.61  | 1.61                                   | (0.01)                        | (0.01)                 | 0.00(b)               | 11.54  | 16.2          | 1,086                                    | 0.01                        | 2.75  | 3.32   | 13                            |
| 2012                       | 8.49                                  | 0.03                        | 1.46  | 1.49                                   | (0.04)                        | (0.04)                 | 0.00(b)               | 9.94   | 17.6          | 1,307                                    | 0.36                        | 2.75  | 3.57   | 11                            |
| 2011                       | 8.36                                  | 0.02                        | 0.13  | 0.15                                   | (0.02)                        | (0.02)                 | 0.00(b)               | 8.49   | 1.8           | 437                                      | 0.19                        | 2.62  | 3.47   | 14                            |
| 2010                       | 7.70                                  | 0.08                        | 0.62  | 0.70                                   | (0.04)                        | (0.04)                 | —                     | 8.36   | 9.1           | 97                                       | 1.04                        | 2.25  | 3.94   | 10                            |
| <b>Class I</b>             |                                       |                             |   |  |                               |                        |                       |  |               |  |                             |   |  |                               |
| 2014                       | \$10.40                               | \$0.24                      | \$1.39                                      | \$1.63                                 | \$(0.23)                      | \$(0.23)               | \$0.00(b)             | \$11.80  | 15.8%         | \$ 290                                   | 2.15%                       | 1.75%   | 2.17%  | 31%                           |
| 2013                       | 8.96                                  | 0.10                        | 1.44  | 1.54                                   | (0.10)                        | (0.10)                 | 0.00(b)               | 10.40  | 17.3          | 185                                      | 0.99                        | 1.75  | 2.32   | 13                            |
| 2012                       | 7.65                                  | 0.12                        | 1.31  | 1.43                                   | (0.12)                        | (0.12)                 | 0.00(b)               | 8.96   | 18.8          | 126                                      | 1.43                        | 1.75  | 2.57   | 11                            |
| 2011                       | 7.53                                  | 0.10                        | 0.12  | 0.22                                   | (0.10)                        | (0.10)                 | 0.00(b)               | 7.65   | 2.9           | 92                                       | 1.26                        | 1.61  | 2.48   | 14                            |
| 2010                       | 6.97                                  | 0.14                        | 0.56  | 0.70                                   | (0.14)                        | (0.14)                 | —                     | 7.53   | 10.1          | 54                                       | 1.97                        | 1.25  | 2.94   | 10                            |

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

(a) Per share data is calculated using the average shares outstanding method.

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

See accompanying notes to financial statements.

## TETON Westwood Funds Financial Highlights

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

| Year Ended<br>September 30 | Income (Loss) from Investment Operations |                                    |   |  | Distributions to Shareholders |                     |                                    | Ratios to Average Net Assets/Supplemental Data |                        |                                    |                           |                            |
|----------------------------|--|------------------------------------|---|--|-------------------------------|---------------------|------------------------------------|--|------------------------|------------------------------------|---------------------------|----------------------------|
|                            | Net Asset Value,<br>Beginning of Year    | Net Investment<br>Income (Loss)(a) | Net Realized and<br>Unrealized<br>Gain (Loss) on<br>Investments | Total From<br>Investment<br>Operations | Net Investment<br>Income      | Total Distributions | Net Asset<br>Value,<br>End of Year | Total Return                                   | End of Year (in 000's) | Net<br>Investment<br>Income (Loss) | Operating<br>Expenses†(b) | Portfolio<br>Turnover Rate |
| <b>Equity Fund</b>         |  |                                    |   |  |                               |                     |                                    |  |                        |                                    |                           |                            |
| <b>Class AAA</b>           |  |                                    |   |  |                               |                     |                                    |  |                        |                                    |                           |                            |
| 2014                       | \$11.88                                  | \$ 0.05                            | \$ 1.76   | \$ 1.81                                | \$(0.04)                      | \$(0.04)            | \$13.65                            | 15.3%  | \$60,587               | 0.37%                              | 1.59%                     | 51%                        |
| 2013                       | 9.92                                     | 0.06                               | 1.99  | 2.05                                   | (0.09)                        | (0.09)              | 11.88                              | 20.9   | 64,595                 | 0.53                               | 1.62                      | 53                         |
| 2012                       | 7.81                                     | 0.08                               | 2.11  | 2.19                                   | (0.08)                        | (0.08)              | 9.92                               | 28.3   | 70,017                 | 0.84                               | 1.59                      | 41                         |
| 2011                       | 8.17                                     | 0.07                               | (0.38)  | (0.31)                                 | (0.05)                        | (0.05)              | 7.81                               | (3.8)  | 79,328                 | 0.73                               | 1.54                      | 38                         |
| 2010                       | 7.72                                     | 0.04                               | 0.48  | 0.52                                   | (0.07)                        | (0.07)              | 8.17                               | 6.8  | 99,986                 | 0.55                               | 1.56                      | 52                         |
| <b>Class A</b>             |  |                                    |   |  |                               |                     |                                    |  |                        |                                    |                           |                            |
| 2014                       | \$11.84                                  | \$ 0.02                            | \$ 1.76   | \$ 1.78                                | \$(0.01)                      | \$(0.01)            | \$13.61                            | 15.0%  | \$ 3,329               | 0.12%                              | 1.84%                     | 51%                        |
| 2013                       | 9.89                                     | 0.03                               | 1.99  | 2.02                                   | (0.07)                        | (0.07)              | 11.84                              | 20.5   | 3,256                  | 0.27                               | 1.87                      | 53                         |
| 2012                       | 7.78                                     | 0.05                               | 2.11  | 2.16                                   | (0.05)                        | (0.05)              | 9.89                               | 27.9   | 3,221                  | 0.60                               | 1.84                      | 41                         |
| 2011                       | 8.13                                     | 0.04                               | (0.37)  | (0.33)                                 | (0.02)                        | (0.02)              | 7.78                               | (4.0)  | 3,445                  | 0.44                               | 1.79                      | 38                         |
| 2010                       | 7.69                                     | 0.02                               | 0.48  | 0.50                                   | (0.06)                        | (0.06)              | 8.13                               | 6.5  | 6,616                  | 0.31                               | 1.81                      | 52                         |
| <b>Class C</b>             |  |                                    |   |  |                               |                     |                                    |  |                        |                                    |                           |                            |
| 2014                       | \$11.51                                  | \$(0.05)                           | \$ 1.72   | \$ 1.67                                | —                             | —                   | \$13.18                            | 14.5%  | \$ 676                 | (0.38)%                            | 2.34%                     | 51%                        |
| 2013                       | 9.62                                     | (0.02)                             | 1.93  | 1.91                                   | \$(0.02)                      | \$(0.02)            | 11.51                              | 19.9   | 693                    | (0.22)                             | 2.37                      | 53                         |
| 2012                       | 7.56                                     | 0.01                               | 2.05  | 2.06                                   | —                             | —                   | 9.62                               | 27.3   | 784                    | 0.10                               | 2.34                      | 41                         |
| 2011                       | 7.91                                     | (0.00)(c)                          | (0.35)  | (0.35)                                 | —                             | —                   | 7.56                               | (4.4)  | 816                    | (0.02)                             | 2.29                      | 38                         |
| 2010                       | 7.49                                     | (0.02)                             | 0.46  | 0.44                                   | (0.02)                        | (0.02)              | 7.91                               | 5.9  | 999                    | (0.19)                             | 2.31                      | 52                         |
| <b>Class I</b>             |  |                                    |   |  |                               |                     |                                    |  |                        |                                    |                           |                            |
| 2014                       | \$11.89                                  | \$ 0.08                            | \$ 1.74   | \$ 1.82                                | \$(0.07)                      | \$(0.07)            | \$13.64                            | 15.4%  | \$ 3,547               | 0.60%                              | 1.34%                     | 51%                        |
| 2013                       | 9.93                                     | 0.09                               | 1.99  | 2.08                                   | (0.12)                        | (0.12)              | 11.89                              | 21.2   | 2,204                  | 0.84                               | 1.37                      | 53                         |
| 2012                       | 7.83                                     | 0.09                               | 2.12  | 2.21                                   | (0.11)                        | (0.11)              | 9.93                               | 28.5   | 4,377                  | 0.96                               | 1.34                      | 41                         |
| 2011                       | 8.19                                     | 0.10                               | (0.39)  | (0.29)                                 | (0.07)                        | (0.07)              | 7.83                               | (3.6)  | 1,258                  | 1.07                               | 1.29                      | 38                         |
| 2010                       | 7.73                                     | 0.06                               | 0.49  | 0.55                                   | (0.09)                        | (0.09)              | 8.19                               | 7.1  | 1,043                  | 0.81                               | 1.31                      | 52                         |

+ Total return represents aggregate total return of a hypothetical \$1,000 investment at the beginning of the year and sold at the end of the year including reinvestment of distributions and does not reflect applicable sales charges.

†† The ratios do not include a reduction for custodian fee credits on cash balances maintained with the custodian ("Custodian Fee Credits"). Including such Custodian Fee Credits, the ratios for the years ended September 30, 2013, 2012, 2011, and 2010 would have been 1.60%, 1.56%, 1.52%, and 1.54% (Class AAA), 1.85%, 1.81%, 1.77%, and 1.79% (Class A), 2.35%, 2.31%, 2.27%, and 2.29% (Class C), and 1.35%, 1.31%, 1.27%, and 1.29% (Class I), respectively. For the year ended September 30, 2014, there were no Custodian Fee Credits.

(a) Per share data is calculated using the average shares outstanding method.

(b) The Fund incurred interest expense during the years ended September 30, 2014, 2013, 2012, 2011, and 2010. This interest expense was paid for by prior years Custodian Fee Credits. The effect of interest expense was minimal.

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

## TETON Westwood Funds Financial Highlights

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

| Year Ended<br>September 30 | Income (Loss) from Investment Operations |                             |  |  | Distributions to Shareholders |   |                        | Ratios to Average Net Assets/Supplemental Data |              |             |                                     |                                     |                            |
|----------------------------|--|-----------------------------|--|--|-------------------------------|---|------------------------|--|--------------|-------------|-------------------------------------|-------------------------------------|----------------------------|
|                            | Net Asset Value,<br>Beginning of Year    | Net Investment<br>Income(a) | Net<br>Unrealized<br>Gain (Loss) on<br>Investments | Total From<br>Investment<br>Operations | Net Investment<br>Income      | Net<br>Realized<br>Gain on<br>Investments | Total<br>Distributions | Net Asset<br>Value,<br>End of Year             | Total Return | End of Year | Net Assets,<br>Investment<br>Income | Operating<br>Expenses <sup>††</sup> | Portfolio<br>Turnover Rate |
| <b>Balanced Fund</b>       |  |                             |  |  |                               |   |                        |  |              |             |                                     |                                     |                            |
| <b>Class AAA</b>           |  |                             |  |  |                               |   |                        |  |              |             |                                     |                                     |                            |
| 2014                       | \$12.76                                  | \$0.14                      | \$ 1.07  | \$ 1.21                                | \$(0.14)                      | \$(0.92)                                  | \$(1.06)               | \$12.91  | 9.9%         | \$ 69,187   | 1.07%                               | 1.29%                               | 39%                        |
| 2013                       | 11.48                                    | 0.15                        | 1.28   | 1.43                                   | (0.15)                        | —   | (0.15)                 | 12.76  | 12.5         | 70,824      | 1.21                                | 1.30                                | 36                         |
| 2012                       | 9.86                                     | 0.16                        | 1.62   | 1.78                                   | (0.16)                        | —   | (0.16)                 | 11.48  | 18.2         | 78,999      | 1.47                                | 1.30                                | 34                         |
| 2011                       | 10.13                                    | 0.18                        | (0.27)   | (0.09)                                 | (0.18)                        | —   | (0.18)                 | 9.86   | (1.0)        | 76,941      | 1.65                                | 1.24                                | 24                         |
| 2010                       | 9.65                                     | 0.14                        | 0.49   | 0.63                                   | (0.15)                        | —   | (0.15)                 | 10.13  | 6.5          | 106,782     | 1.45                                | 1.26                                | 33                         |
| <b>Class A</b>             |  |                             |  |  |                               |   |                        |  |              |             |                                     |                                     |                            |
| 2014                       | \$12.82                                  | \$0.11                      | \$ 1.07  | \$ 1.18                                | \$(0.11)                      | \$(0.92)                                  | \$(1.03)               | \$12.97  | 9.5%         | \$ 6,443    | 0.83%                               | 1.54%                               | 39%                        |
| 2013                       | 11.53                                    | 0.12                        | 1.29   | 1.41                                   | (0.12)                        | —   | (0.12)                 | 12.82  | 12.3         | 5,869       | 0.95                                | 1.55                                | 36                         |
| 2012                       | 9.90                                     | 0.13                        | 1.64   | 1.77                                   | (0.14)                        | —   | (0.14)                 | 11.53  | 17.9         | 5,121       | 1.21                                | 1.55                                | 34                         |
| 2011                       | 10.17                                    | 0.15                        | (0.26)   | (0.11)                                 | (0.16)                        | —   | (0.16)                 | 9.90   | (1.2)        | 4,298       | 1.40                                | 1.49                                | 24                         |
| 2010                       | 9.69                                     | 0.12                        | 0.48   | 0.60                                   | (0.12)                        | —   | (0.12)                 | 10.17  | 6.2          | 5,136       | 1.20                                | 1.51                                | 33                         |
| <b>Class C</b>             |  |                             |  |  |                               |   |                        |  |              |             |                                     |                                     |                            |
| 2014                       | \$12.95                                  | \$0.04                      | \$ 1.09  | \$ 1.13                                | \$(0.04)                      | \$(0.92)                                  | \$(0.96)               | \$13.12  | 9.0%         | \$ 5,350    | 0.32%                               | 2.04%                               | 39%                        |
| 2013                       | 11.64                                    | 0.05                        | 1.31   | 1.36                                   | (0.05)                        | —   | (0.05)                 | 12.95  | 11.7         | 5,257       | 0.43                                | 2.05                                | 36                         |
| 2012                       | 9.99                                     | 0.08                        | 1.65   | 1.73                                   | (0.08)                        | —   | (0.08)                 | 11.64  | 17.4         | 4,932       | 0.72                                | 2.05                                | 34                         |
| 2011                       | 10.26                                    | 0.10                        | (0.27)   | (0.17)                                 | (0.10)                        | —   | (0.10)                 | 9.99   | (1.7)        | 4,318       | 0.90                                | 1.99                                | 24                         |
| 2010                       | 9.78                                     | 0.07                        | 0.48   | 0.55                                   | (0.07)                        | —   | (0.07)                 | 10.26  | 5.7          | 4,975       | 0.70                                | 2.01                                | 33                         |
| <b>Class I</b>             |  |                             |  |  |                               |   |                        |  |              |             |                                     |                                     |                            |
| 2014                       | \$12.76                                  | \$0.17                      | \$ 1.06  | \$ 1.23                                | \$(0.17)                      | \$(0.92)                                  | \$(1.09)               | \$12.90  | 10.0%        | \$ 2,438    | 1.35%                               | 1.04%                               | 39%                        |
| 2013                       | 11.48                                    | 0.18                        | 1.28   | 1.46                                   | (0.18)                        | —   | (0.18)                 | 12.76  | 12.8         | 1,060       | 1.44                                | 1.05                                | 36                         |
| 2012                       | 9.85                                     | 0.19                        | 1.63   | 1.82                                   | (0.19)                        | —   | (0.19)                 | 11.48  | 18.4         | 872         | 1.74                                | 1.05                                | 34                         |
| 2011                       | 10.12                                    | 0.21                        | (0.27)   | (0.06)                                 | (0.21)                        | —   | (0.21)                 | 9.85   | (0.7)        | 1,834       | 1.92                                | 0.99                                | 24                         |
| 2010                       | 9.64                                     | 0.17                        | 0.48   | 0.65                                   | (0.17)                        | —   | (0.17)                 | 10.12  | 6.8          | 1,769       | 1.70                                | 1.01                                | 33                         |

+ Total return represents aggregate total return of a hypothetical \$1,000 investment at the beginning of the year and sold at the end of the year including reinvestment of distributions and does not reflect applicable sales charges.

†† The ratios do not include a reduction for custodian fee credits on cash balances maintained with the custodian ("Custodian Fee Credits"). Including such Custodian Fee Credits, the ratios for the years ended September 30, 2014, 2013, 2012, 2011, and 2010 would have been 1.27%, 1.28%, 1.27%, 1.22%, and 1.24% (Class AAA), 1.52%, 1.53%, 1.47%, and 1.49% (Class A), 2.02%, 2.03%, 2.02%, 1.97%, and 1.99% (Class C), and 1.02%, 1.03%, 1.02%, 0.97%, and 0.99% (Class I), respectively.

(a) Per share data is calculated using the average shares outstanding method.

See accompanying notes to financial statements.

# TETON Westwood Funds Financial Highlights

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

| Year Ended<br>September 30    | Income (Loss) from Investment Operations    |                                |  |  | Distributions to Shareholders |   |                        | Ratios to Average Net Assets/Supplemental Data |                  |  |                             |   |   |                               |
|-------------------------------|---|--------------------------------|--|--|-------------------------------|---|------------------------|--|------------------|--|-----------------------------|---|---|-------------------------------|
|                               | Net Asset<br>Value,<br>Beginning<br>of Year | Net<br>Investment<br>Income(a) | Net<br>Realized and<br>Unrealized<br>Gain (Loss) on<br>Investments | Total From<br>Investment<br>Operations | Net<br>Investment<br>Income   | Net<br>Realized<br>Gain on<br>Investments | Total<br>Distributions | Net Asset<br>Value,<br>End of Year             | Total<br>Return† | Net Assets,<br>End of Year<br>(in 000's) | Net<br>Investment<br>Income | Operating<br>Expenses<br>Net of<br>Waivers/<br>Reimbursements†† | Operating<br>Expenses<br>Before Waivers/<br>Reimbursements††† | Portfolio<br>Turnover<br>Rate |
| <b>Intermediate Bond Fund</b> |   |                                |  |  |                               |   |                        |  |                  |  |                             |   |   |                               |
| <b>Class AAA</b>              |   |                                |  |  |                               |   |                        |  |                  |  |                             |   |   |                               |
| 2014                          | \$11.68                                     | \$0.15                         | \$(0.09)   | \$ 0.06                                | \$(0.15)                      | —   | \$(0.15)               | \$11.59  | 0.5%             | \$ 5,174                                 | 1.29%                       | 1.00%   | 1.38%   | 16%                           |
| 2013                          | 12.06                                       | 0.14                           | (0.36)   | (0.22)                                 | (0.15)                        | \$(0.01)                                  | (0.16)                 | 11.68  | (1.9)            | 8,737                                    | 1.21                        | 1.00  | 1.36  | 20                            |
| 2012                          | 11.91                                       | 0.19                           | 0.22   | 0.41                                   | (0.19)                        | (0.07)                                    | (0.26)                 | 12.06  | 3.5              | 11,230                                   | 1.56                        | 1.00  | 1.33  | 15                            |
| 2011                          | 11.90                                       | 0.29                           | 0.03   | 0.32                                   | (0.29)                        | (0.02)                                    | (0.31)                 | 11.91  | 2.7              | 16,959                                   | 2.45                        | 1.00  | 1.39  | 16                            |
| 2010                          | 11.52                                       | 0.27                           | 0.46   | 0.73                                   | (0.27)                        | (0.08)                                    | (0.35)                 | 11.90  | 6.5              | 17,038                                   | 2.32                        | 1.02  | 1.49  | 14                            |
| <b>Class A</b>                |   |                                |  |  |                               |   |                        |  |                  |  |                             |   |   |                               |
| 2014                          | \$11.66                                     | \$0.14                         | \$(0.08)   | \$ 0.06                                | \$(0.14)                      | —   | \$(0.14)               | \$11.58  | 0.5%             | \$ 928                                   | 1.21%                       | 1.10%   | 1.48%   | 16%                           |
| 2013                          | 12.04                                       | 0.13                           | (0.37)   | (0.24)                                 | (0.13)                        | \$(0.01)                                  | (0.14)                 | 11.66  | (2.0)            | 1,066                                    | 1.06                        | 1.10  | 1.46  | 20                            |
| 2012                          | 11.91                                       | 0.18                           | 0.20   | 0.38                                   | (0.18)                        | (0.07)                                    | (0.25)                 | 12.04  | 3.1              | 1,365                                    | 1.46                        | 1.10  | 1.43  | 15                            |
| 2011                          | 11.90                                       | 0.27                           | 0.04   | 0.31                                   | (0.28)                        | (0.02)                                    | (0.30)                 | 11.91  | 2.6              | 842                                      | 2.33                        | 1.10  | 1.49  | 16                            |
| 2010                          | 11.51                                       | 0.26                           | 0.47   | 0.73                                   | (0.26)                        | (0.08)                                    | (0.34)                 | 11.90  | 6.4              | 487                                      | 2.23                        | 1.12  | 1.59  | 14                            |
| <b>Class C</b>                |   |                                |  |  |                               |   |                        |  |                  |  |                             |   |   |                               |
| 2014                          | \$11.09                                     | \$0.06                         | \$(0.08)   | \$(0.02)                               | \$(0.06)                      | —   | \$(0.06)               | \$11.01  | (0.2)%           | \$ 503                                   | 0.55%                       | 1.75%   | 2.13%   | 16%                           |
| 2013                          | 11.46                                       | 0.05                           | (0.36)   | (0.31)                                 | (0.05)                        | \$(0.01)                                  | (0.06)                 | 11.09  | (2.7)            | 803                                      | 0.43                        | 1.75  | 2.11  | 20                            |
| 2012                          | 11.32                                       | 0.09                           | 0.21   | 0.30                                   | (0.09)                        | (0.07)                                    | (0.16)                 | 11.46  | 2.7              | 1,772                                    | 0.80                        | 1.75  | 2.08  | 15                            |
| 2011                          | 11.32                                       | 0.17                           | 0.04   | 0.21                                   | (0.19)                        | (0.02)                                    | (0.21)                 | 11.32  | 1.9              | 2,234                                    | 1.51                        | 1.75  | 2.14  | 16                            |
| 2010                          | 10.96                                       | 0.17                           | 0.44   | 0.61                                   | (0.17)                        | (0.08)                                    | (0.25)                 | 11.32  | 5.7              | 1,716                                    | 1.50                        | 1.77  | 2.24  | 14                            |
| <b>Class I</b>                |   |                                |  |  |                               |   |                        |  |                  |  |                             |   |   |                               |
| 2014                          | \$11.68                                     | \$0.18                         | \$(0.08)   | \$ 0.10                                | \$(0.18)                      | —   | \$(0.18)               | \$11.60  | 0.9%             | \$14,705                                 | 1.58%                       | 0.75%   | 1.13%   | 16%                           |
| 2013                          | 12.06                                       | 0.17                           | (0.36)   | (0.19)                                 | (0.18)                        | \$(0.01)                                  | (0.19)                 | 11.68  | (1.6)            | 11,910                                   | 1.45                        | 0.75  | 1.11  | 20                            |
| 2012                          | 11.92                                       | 0.22                           | 0.21   | 0.43                                   | (0.22)                        | (0.07)                                    | (0.29)                 | 12.06  | 3.6              | 9,326                                    | 1.82                        | 0.75  | 1.08  | 15                            |
| 2011                          | 11.91                                       | 0.32                           | 0.03   | 0.35                                   | (0.32)                        | (0.02)                                    | (0.34)                 | 11.92  | 3.0              | 125                                      | 2.68                        | 0.75  | 1.14  | 16                            |
| 2010                          | 11.52                                       | 0.30                           | 0.47   | 0.77                                   | (0.30)                        | (0.08)                                    | (0.38)                 | 11.91  | 6.8              | 125                                      | 2.58                        | 0.77  | 1.24  | 14                            |

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

†† The ratios do not include a reduction for custodian fee credits on cash balances maintained with the custodian ("Custodian Fee Credits"). Including such Custodian Fee Credits, the ratios for the year ended September 30, 2010 would have been 1.00% (Class AAA), 1.10% (Class C), and 0.75% (Class I), respectively. For the years ended September 30, 2014, 2013, 2012, and 2011, there were no Custodian Fee Credits.

††† The ratios do not include a reduction for Custodian Fee Credits. Including such Custodian Fee Credits, the ratios for the year ended September 30, 2010 would have been 1.47% (Class AAA), 1.57% (Class A), 2.22% (Class C), and 1.22% (Class I), respectively. For the years ended September 30, 2014, 2013, 2012, and 2011, there were no Custodian Fee Credits.

(a) Per share data is calculated using the average shares outstanding method.



## TETON Westwood Funds

### Notes to Financial Statements

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**1. Organization.** The TETON Westwood Funds (the “Trust”) was organized as a Massachusetts business trust on June 12, 1986. The Trust is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as a diversified open-end management investment company and currently consists of seven active separate investment portfolios: TETON Westwood Mighty Mites Fund (“Mighty Mites Fund”), TETON Westwood SmallCap Equity Fund (“SmallCap Equity Fund”), TETON Westwood Mid-Cap Equity Fund (“Mid-Cap Equity Fund”), TETON Westwood Income Fund (“Income Fund”), TETON Westwood Equity Fund (“Equity Fund”), TETON Westwood Balanced Fund (“Balanced Fund”), and TETON Westwood Intermediate Bond Fund (“Intermediate Bond Fund”), (individually, a “Fund” and collectively, the “Funds”), each with four classes of shares. Each class of shares outstanding bears the same voting, dividend, liquidation, and other rights and conditions, except that the expenses incurred in the distribution and marketing of such shares are different for each class.

The investment objectives of each Fund are as follows:

- Mighty Mites Fund seeks to provide long term capital appreciation by investing primarily in micro-capitalization equity securities.
- SmallCap Equity Fund seeks to provide long term capital appreciation by investing primarily in smaller capitalization equity securities.
- Mid-Cap Equity Fund seeks to provide long term growth of capital and future income by investing primarily in mid-cap equity securities.
- Income Fund seeks to provide a high level of current income as well as long term capital appreciation.
- Equity Fund seeks to provide capital appreciation. The Equity Fund’s secondary goal is to produce current income.
- Balanced Fund seeks to provide capital appreciation and current income resulting in a high total investment return consistent with prudent investment risk and a balanced investment approach.
- Intermediate Bond Fund seeks to maximize total return, while maintaining a level of current income consistent with the maintenance of principal and liquidity.

**2. Significant Accounting Policies.** The Trust’s financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (“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 Funds 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 Teton Advisors, Inc. (the “Adviser”).

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

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities,

## TETON Westwood Funds

### Notes to Financial Statements (Continued)

including a comparison of foreign securities with the equivalent U.S. dollar value American Depositary Receipt securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The inputs and valuation techniques used to measure fair value of the Funds' 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 a Board's determinations as to the fair value of investments).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Funds' investments in securities by inputs used to value the Funds' investments as of September 30, 2014 is as follows:

|   | Valuation Inputs         |  |  | Total Market Value<br>at 9/30/14 |
|---|--------------------------|--|--|----------------------------------|
|   | Level 1<br>Quoted Prices | Level 2 Other Significant<br>Observable Inputs | Level 3 Significant<br>Unobservable Inputs |                                  |
| <b>MIGHTY MITES FUND</b>                        |                          |  |  |                                  |
| <b>INVESTMENTS IN SECURITIES:</b>               |                          |  |  |                                  |
| <b>ASSETS (Market Value):</b>                   |                          |  |  |                                  |
| Common Stocks:                                  |                          |  |  |                                  |
| Airlines  | \$ 4,435,000             | \$ 337,500                                     | —  | \$ 4,772,500                     |
| Consumer Products                               | 19,528,733               | —  | \$ 31                                      | 19,528,764                       |
| Diversified Industrial                          | 91,124,001               | 223,840  | —  | 91,347,841                       |
| Financial Services                              | 58,558,165               | 495,600  | —  | 59,053,765                       |
| Health Care                                     | 93,870,059               | —  | 28,640                                     | 93,898,699                       |
| Real Estate                                     | 16,662,354               | —  | 203,063                                    | 16,865,417                       |
| Transportation                                  | 2,324,825                | —  | 465  | 2,325,290                        |
| Other Industries(a)                             | 644,178,130              | —  | —  | 644,178,130                      |
| <b>Total Common Stocks</b>                      | <b>930,681,267</b>       | <b>1,056,940</b>                               | <b>232,199</b>                             | <b>931,970,406</b>               |
| Preferred Stocks(a)                             | 1,127,278                | —  | —  | 1,127,278                        |
| Convertible Preferred Stocks(a)                 | —                        | 2,188,810                                      | —  | 2,188,810                        |
| Rights(a)                                       | 186,000                  | —  | 452,000                                    | 638,000                          |
| Warrants(a)                                     | 31,099                   | —  | 0  | 31,099                           |
| Corporate Bonds(a)                              | —                        | 40,281   | 106,090                                    | 146,371                          |
| U.S. Government Obligations                     | —                        | 334,246,726                                    | —  | 334,246,726                      |
| <b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b> | <b>\$932,025,644</b>     | <b>\$337,532,757</b>                           | <b>\$790,289</b>                           | <b>\$1,270,348,690</b>           |
| <b>SMALLCAP EQUITY FUND</b>                     |                          |  |  |                                  |
| <b>INVESTMENTS IN SECURITIES:</b>               |                          |  |  |                                  |
| <b>ASSETS (Market Value):</b>                   |                          |  |  |                                  |
| Common Stocks(a)                                | \$ 40,299,657            | —  | —  | \$ 40,299,657                    |
| U.S. Government Obligations                     | —                        | \$ 1,094,967                                   | —  | 1,094,967                        |
| <b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b> | <b>\$ 40,299,657</b>     | <b>\$ 1,094,967</b>                            | <b>—</b>                                   | <b>\$ 41,394,624</b>             |
| <b>MID-CAP EQUITY FUND</b>                      |                          |  |  |                                  |
| <b>INVESTMENTS IN SECURITIES:</b>               |                          |  |  |                                  |
| <b>ASSETS (Market Value):</b>                   |                          |  |  |                                  |
| Common Stocks(a)                                | \$ 4,669,169             | —  | —  | \$ 4,669,169                     |
| U.S. Government Obligations                     | —                        | \$ 344,981                                     | —  | 344,981                          |
| <b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b> | <b>\$ 4,669,169</b>      | <b>\$ 344,981</b>                              | <b>—</b>                                   | <b>\$ 5,014,150</b>              |
| <b>INCOME FUND</b>                              |                          |  |  |                                  |
| <b>INVESTMENTS IN SECURITIES:</b>               |                          |  |  |                                  |
| <b>ASSETS (Market Value):</b>                   |                          |  |  |                                  |
| Common Stocks(a)                                | \$ 8,504,550             | —  | —  | \$ 8,504,550                     |
| <b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b> | <b>\$ 8,504,550</b>      | <b>—</b>                                       | <b>—</b>                                   | <b>\$ 8,504,550</b>              |
| <b>EQUITY FUND</b>                              |                          |  |  |                                  |
| <b>INVESTMENTS IN SECURITIES:</b>               |                          |  |  |                                  |
| <b>ASSETS (Market Value):</b>                   |                          |  |  |                                  |
| Common Stocks(a)                                | \$ 66,747,745            | —  | —  | \$ 66,747,745                    |
| Short Term Investments                          | 1,502,210                | —  | —  | 1,502,210                        |
| <b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b> | <b>\$ 68,249,955</b>     | <b>—</b>                                       | <b>—</b>                                   | <b>\$ 68,249,955</b>             |

**TETON Westwood Funds**  
**Notes to Financial Statements (Continued)**

|   | Valuation Inputs         |  |  | Total Market Value<br>at 9/30/14 |
|---|--------------------------|--|--|----------------------------------|
|   | Level 1<br>Quoted Prices | Level 2 Other Significant<br>Observable Inputs | Level 3 Significant<br>Unobservable Inputs |                                  |
| <b>BALANCED FUND</b>                            |                          |  |  |                                  |
| <b>INVESTMENTS IN SECURITIES:</b>               |                          |  |  |                                  |
| <b>ASSETS (Market Value):</b>                   |                          |  |  |                                  |
| Common Stocks(a)                                | \$ 52,025,298            | —  | —  | \$ 52,025,298                    |
| Corporate Bonds(a)                              | —                        | \$14,051,844                                   | —  | 14,051,844                       |
| U.S. Government Agency Obligations              | —                        | 7,840,889                                      | —  | 7,840,889                        |
| U.S. Government Obligations                     | —                        | 5,662,974                                      | —  | 5,662,974                        |
| Short Term Investments                          | 4,262,082                | —  | —  | 4,262,082                        |
| <b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b> | <b>\$ 56,287,380</b>     | <b>\$27,555,707</b>                            | <b>—</b>                                   | <b>\$ 83,843,087</b>             |
| <b>INTERMEDIATE BOND FUND</b>                   |                          |  |  |                                  |
| <b>INVESTMENTS IN SECURITIES:</b>               |                          |  |  |                                  |
| <b>ASSETS (Market Value):</b>                   |                          |  |  |                                  |
| Corporate Bonds(a)                              | —                        | \$ 9,199,974                                   | —  | \$ 9,199,974                     |
| U.S. Government Agency Obligations              | —                        | 6,815,524                                      | —  | 6,815,524                        |
| U.S. Government Obligations                     | —                        | 3,756,842                                      | —  | 3,756,842                        |
| Short Term Investments                          | \$ 1,740,090             | —  | —  | 1,740,090                        |
| <b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b> | <b>\$ 1,740,090</b>      | <b>\$19,772,340</b>                            | <b>—</b>                                   | <b>\$ 21,512,430</b>             |

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

The Funds did not have material transfers among Level 1, Level 2, and Level 3 during the year ended September 30, 2014. The Funds' policy is to recognize transfers among Levels as of the beginning of the reporting period.

There were no Level 3 investments held at September 30, 2014 or September 30, 2013 for SmallCap Equity Fund, Mid-Cap Equity Fund, Income Fund, Equity Fund, Balanced Fund, and Intermediate Bond Fund.

The following table reconciles Level 3 investments for Mighty Mites Fund for which significant unobservable inputs were used to determine fair value:

|  | Balance<br>as of<br>9/30/13 | Accrued<br>discounts/<br>(premiums) | Realized<br>gain/<br>(loss) | Change in<br>unrealized<br>appreciation/<br>depreciation† | Purchases        | Sales      | Transfers<br>into<br>Level 3†† | Transfers<br>out of<br>Level 3†† | Balance<br>as of<br>9/30/14 | Net change in<br>unrealized<br>appreciation/<br>depreciation<br>on Level 3<br>investments<br>still held<br>at 9/30/14† |
|--|-----------------------------|-------------------------------------|-----------------------------|---|------------------|------------|--------------------------------|----------------------------------|-----------------------------|--|
| <b>MIGHTY MITES FUND</b>               |                             |                                     |                             |   |                  |            |                                |                                  |                             |  |
| <b>INVESTMENTS IN SECURITIES:</b>      |                             |                                     |                             |   |                  |            |                                |                                  |                             |  |
| <b>ASSETS (Market Value):</b>          |                             |                                     |                             |   |                  |            |                                |                                  |                             |  |
| Common Stocks:                         |                             |                                     |                             |   |                  |            |                                |                                  |                             |  |
| Health Care                            | \$ 640                      | \$—                                 | \$ —                        | \$27,997  | \$ —             | \$—        | \$ 3                           | \$ —                             | \$ 28,640                   | \$27,997   |
| Real Estate                            | 983                         | —                                   | —                           | 421   | 201,659          | —          | —                              | —                                | 203,063                     | 421  |
| Other Industries                       | 24,256                      | —                                   | (274)                       | (2,817)   | —                | —          | 31                             | (20,700)                         | 496                         | —  |
| <b>Total Common Stocks</b>             | <b>25,879</b>               | <b>—</b>                            | <b>(274)</b>                | <b>25,601</b>   | <b>201,659</b>   | <b>—</b>   | <b>34</b>                      | <b>(20,700)</b>                  | <b>232,199</b>              | <b>28,418</b>  |
| Rights                                 | 346,000                     | —                                   | —                           | 2,409   | 103,591          | —          | —                              | —                                | 452,000                     | 2,409  |
| Warrants                               | 0                           | —                                   | —                           | 0   | —                | —          | —                              | —                                | 0                           | 0  |
| Corporate Bonds                        | 40,860                      | —                                   | —                           | —   | 106,090          | —          | —                              | (40,860)                         | 106,090                     | —  |
| <b>TOTAL INVESTMENTS IN SECURITIES</b> | <b>\$412,739</b>            | <b>\$—</b>                          | <b>\$(274)</b>              | <b>\$28,010</b>   | <b>\$411,340</b> | <b>\$—</b> | <b>\$34</b>                    | <b>\$(61,560)</b>                | <b>\$790,289</b>            | <b>\$30,827</b>  |

† Net change in unrealized appreciation/depreciation on investments is included in the related amounts in the Statement of Operations.

†† The Fund's policy is to recognize transfers into and transfers out of Level 3 as of the beginning of the reporting period.

## TETON Westwood Funds

### Notes to Financial Statements (Continued)

The following tables summarize the valuation techniques used and unobservable inputs utilized to determine the value of certain of the Fund's Level 3 investments as of September 30, 2014.

| Description                       | Balance at 9/30/14 | Valuation Technique                 | Unobservable Input | Range |
|-----------------------------------|--------------------|-------------------------------------|--------------------|-------|
| <b>MIGHTY MITES FUND</b>          |                    |                                     |                    |       |
| <b>INVESTMENTS IN SECURITIES:</b> |                    |                                     |                    |       |
| <b>ASSETS (Market Value):</b>     |                    |                                     |                    |       |
| Common Stocks:                    |                    |                                     |                    |       |
| Health Care                       | \$ 28,640          | Last Price                          | Discount Range     | 0%    |
| Real Estate                       | 203,063            | Restructure Plan/Cash Flow Analysis | Discount Range     | 0%    |
| Total Common Stocks               | 231,703            |                                     |                    |       |
| Rights                            | 452,000            | Last Price                          | Discount Range     | 0%    |
| Corporate Bonds                   | 106,090            | Restructure Plan                    | Discount Range     | 0%    |
| All Other Investments (a)         | 496                |                                     |                    |       |
|                                   | <u>\$790,289</u>   |                                     |                    |       |

(a) Includes fair valued securities of investments developed using various valuation techniques and unobservable inputs.

| Unobservable Input | Impact to Value if Input Increases | Impact to Value if Input Decreases |
|--------------------|------------------------------------|------------------------------------|
| Discount Range     | Decrease                           | Increase                           |

#### Additional Information to Evaluate Qualitative Information.

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

**Fair Valuation.** Fair valued securities may be common and preferred equities, warrants, options, rights, and fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. Among the factors to be considered to fair value a security are recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. A significant change in the unobservable inputs could result in a lower or higher value in Level 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

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

**Foreign Currency Translations.** The books and records of the Funds are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Funds and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

**Foreign Securities.** The Funds 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

## TETON Westwood Funds

### Notes to Financial Statements (Continued)

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political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.

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

**Restricted Securities.** Each Fund may invest up to 10% (except for the Mighty Mites Fund, SmallCap Equity Fund, and Income Fund which may invest up to 15%) of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity.

**Investments in other Investment Companies.** All Funds may invest, from time to time, in shares of other investment companies (or entities that would be considered investment companies but are excluded from the definition pursuant to certain exceptions under the 1940 Act) (the "Acquired Funds") in accordance with the 1940 Act and related rules. Shareholders in these Funds would bear the pro rata portion of the periodic expenses of the Acquired Funds in addition to the Fund's expenses. For the year ended September 30, 2014, both the Mighty Mites Fund's and Intermediate Bond Fund's pro rata portion of the periodic expenses charged by the Acquired Funds was 1 basis point. For the year ended September 30, 2014, the Equity Fund's and Balanced Fund's pro rata portion of the periodic expenses charged by the Acquired Funds was less than one basis point. During the year ended September 30, 2014, the SmallCap Equity Fund, Mid-Cap Equity Fund, and Income Fund held no investments in other investment companies.

**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 from foreign securities that are recorded as soon after the ex-dividend date as a Fund becomes aware of such dividends.

**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.

In calculating the 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 a Fund's custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under each custody arrangement are included in custodian fees in the Statements of Operations with the corresponding expense offset, if any, shown as "Custodian fee credits." When cash balances are overdrawn, a Fund is charged an overdraft fee equal to 90% of the current Treasury Bill rate on outstanding balances. These amounts, if any, would be included in the Statements of Operations.

**Distributions to Shareholders.** Distributions from net investment income are declared and paid annually for the Mighty Mites Fund, SmallCap Equity Fund, Mid-Cap Equity Fund, and Equity Fund, and quarterly for the Income Fund and Balanced Fund. The Intermediate Bond Fund declares dividends daily and pays those dividends monthly. Distributions of net realized gain on investments are normally declared and paid at least annually by each Fund. Distributions to shareholders 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 GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Funds, timing differences, and differing characterizations of distributions made by the Funds. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. 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 adjustments on the sale of securities no longer deemed passive foreign investment companies and reclassifications of

## TETON Westwood Funds

### Notes to Financial Statements (Continued)

distributions (Mighty Mites Fund), current year write-off of net operating loss (Mighty Mites Fund and SmallCap Equity Fund), disallowed offering expenses (Mid-Cap Equity Fund), and reclassifications of paydown loss (Intermediate Bond Fund). These reclassifications have no impact on the NAV of the Funds.

For the year ended September 30, 2014, the following reclassifications were made to increase/decrease such amounts with offsetting adjustments to paid-in capital:

|                              | Accumulated<br>Net<br>Investment<br>Income (Loss) | Accumulated Net<br>Realized Gain<br>(Loss) on<br>Investments | Paid-in<br>Capital |
|------------------------------|---|--|--------------------|
| Mighty Mites Fund .....      | \$7,605,099                                       | \$(3,161,573)  | \$(4,443,526)      |
| SmallCap Equity Fund .....   | 153,863   | —  | (153,863)          |
| Mid-Cap Equity Fund .....    | 10,975  | (190)  | (10,785)           |
| Income Fund .....            | (4,778)   | 238  | 4,540              |
| Equity Fund .....            | (648)   | 648  | —                  |
| Balanced Fund .....          | (407)   | 407  | —                  |
| Intermediate Bond Fund ..... | 163   | (163)  | —                  |

The tax character of distributions paid during the years ended September 30, 2014 and 2013 was as follows:

|   | Year Ended<br>September 30, |                     | Year Ended<br>September 30, |                    | Year Ended<br>September 30,       |                  | Year Ended<br>September 30, |                 |
|---|-----------------------------|---------------------|-----------------------------|--------------------|-----------------------------------|------------------|-----------------------------|-----------------|
|   | 2014                        | 2013                | 2014                        | 2013               | 2014                              | 2013             | 2014                        | 2013            |
|   | <u>Mighty Mites Fund</u>    |                     | <u>SmallCap Equity Fund</u> |                    | <u>Mid-Cap Equity Fund</u>        |                  | <u>Income Fund</u>          |                 |
| Ordinary Income (inclusive of short term capital gains) ..... | \$ 1,522,516                | \$ 4,504,664        | \$ —                        | \$ 18,250          | \$ 1,460                          | \$ —             | \$151,596                   | \$52,492        |
| Net long term capital gains .....                             | <u>64,620,529</u>           | <u>10,376,781</u>   | <u>—</u>                    | <u>—</u>           | <u>5</u>                          | <u>—</u>         | <u>—</u>                    | <u>—</u>        |
| Total distributions paid .....                                | <u>\$66,143,045</u>         | <u>\$14,881,445</u> | <u>\$ —</u>                 | <u>\$ 18,250</u>   | <u>\$ 1,465</u>                   | <u>\$ —</u>      | <u>\$151,596</u>            | <u>\$52,492</u> |
|   | <u>Equity Fund</u>          |                     | <u>Balanced Fund</u>        |                    | <u>Intermediate<br/>Bond Fund</u> |                  |                             |                 |
| Ordinary Income (inclusive of short term capital gains) ..... | \$ 238,038                  | \$ 662,905          | \$ 856,511                  | \$1,008,348        | \$320,109                         | \$316,469        |                             |                 |
| Net long term capital gains .....                             | <u>—</u>                    | <u>—</u>            | <u>5,991,808</u>            | <u>—</u>           | <u>—</u>                          | <u>24,268</u>    |                             |                 |
| Total distributions paid .....                                | <u>\$ 238,038</u>           | <u>\$ 662,905</u>   | <u>\$6,848,319</u>          | <u>\$1,008,348</u> | <u>\$320,109</u>                  | <u>\$340,737</u> |                             |                 |

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

At September 30, 2014, the components of accumulated earnings/losses on a tax basis were as follows:

|   | <u>Mighty<br/>Mites<br/>Fund</u> | <u>SmallCap<br/>Equity<br/>Fund</u> | <u>Mid-Cap<br/>Equity<br/>Fund</u> | <u>Income<br/>Fund</u> | <u>Equity<br/>Fund</u> | <u>Balanced<br/>Fund</u> | <u>Intermediate<br/>Bond Fund</u> |
|---|----------------------------------|-------------------------------------|------------------------------------|------------------------|------------------------|--------------------------|-----------------------------------|
| Undistributed ordinary income (inclusive of short term capital gains) ..... | \$ —                             | \$ —                                | \$ 37,639                          | \$ —                   | \$ 189,835             | \$ 773,211               | \$ 608                            |
| Undistributed long term capital gain .....                                  | 23,955,794                       | 1,896,343                           | 15,777                             | —                      | 6,321,139              | 5,205,708                | —                                 |
| Accumulated capital loss carryforward .....                                 | —                                | —                                   | —                                  | (1,598,033)            | —                      | —                        | (3,259)                           |
| Unrealized appreciation .....   | 271,896,772                      | 7,921,483                           | 252,192                            | 2,099,106              | 12,658,084             | 12,212,098               | 650,576                           |
| Qualified late year loss deferral* .....                                    | (10,591,777)                     | (113,892)                           | —                                  | (9,419)                | —                      | —                        | —                                 |
| Other temporary differences** .....   | —                                | —                                   | —                                  | —                      | —                      | —                        | (508)                             |
| Total accumulated earnings .....  | <u>\$285,260,789</u>             | <u>\$9,703,934</u>                  | <u>\$305,608</u>                   | <u>\$ 491,654</u>      | <u>\$19,169,058</u>    | <u>\$18,191,017</u>      | <u>\$647,417</u>                  |

\* Qualified late year losses related to passive foreign investment companies, ordinary losses, and losses on sales of securities and foreign currency realized after October 31(certain ordinary losses incurred after December 31) and prior to the Funds' year end may be elected as occurring on the first day of the following year.

\*\* Other temporary differences are due to distributions payable.

At September 30, 2014, the below Funds had net capital loss carryforwards for federal income tax purposes which are available to reduce future required distributions of net capital gains to shareholders. Under the Regulated Investment Company Modernization Act of 2010, the Funds are permitted to carry forward for an unlimited period capital losses incurred in years beginning after December 22, 2010. In addition, these losses must be utilized prior to the losses incurred in pre-enactment taxable years. As a result of the rule, pre-enactment capital loss carryforwards may have an increased likelihood of expiring unused. Additionally,

## TETON Westwood Funds

### Notes to Financial Statements (Continued)

post-enactment capital losses that are carried forward will retain their character as either short term or long term capital losses rather than being considered all short term as under previous law.

The following summarizes capital loss carryforwards and expiration dates for each Fund at September 30, 2014:

| Expiring in Fiscal Year               | Mighty Mites Fund | SmallCap Equity Fund | Mid-Cap Equity Fund | Income Fund        | Equity Fund | Balanced Fund | Intermediate Bond Fund |
|---------------------------------------|-------------------|----------------------|---------------------|--------------------|-------------|---------------|------------------------|
| 2017 .....                            | \$—               | \$—                  | \$—                 | \$ 31,941          | \$—         | \$—           | \$ —                   |
| 2018 .....                            | —                 | —                    | —                   | 1,503,326          | —           | —             | —                      |
| 2019 .....                            | —                 | —                    | —                   | 62,766             | —           | —             | —                      |
| Short term with no expiration .....   | —                 | —                    | —                   | —                  | —           | —             | 3,259                  |
| Total capital loss carryforwards..... | <u>\$—</u>        | <u>\$—</u>           | <u>\$—</u>          | <u>\$1,598,033</u> | <u>\$—</u>  | <u>\$—</u>    | <u>\$3,259</u>         |

During the year ended September 30, 2014, the Small Cap Equity Fund, Income Fund, Equity Fund, and Intermediate Bond Fund utilized capital loss carryforwards of \$916,852, \$662,722, \$5,066,097, and \$1,680, respectively.

At September 30, 2014, the temporary differences between book basis and tax basis unrealized appreciation/depreciation on investments was primarily due to deferral of losses from wash sales for tax purposes, mark-to-market adjustments on investments in passive foreign investment companies, and basis adjustments in partnerships.

The following summarizes the tax cost of investments and the related net unrealized appreciation at September 30, 2014:

|                                     | Mighty Mites Fund    | SmallCap Equity Fund | Mid-Cap Equity Fund | Income Fund        | Equity Fund         | Balanced Fund       | Intermediate Bond Fund |
|-------------------------------------|----------------------|----------------------|---------------------|--------------------|---------------------|---------------------|------------------------|
| Aggregate cost of investments ..... | <u>\$998,451,151</u> | <u>\$33,473,141</u>  | <u>\$4,761,958</u>  | <u>\$6,405,444</u> | <u>\$55,591,871</u> | <u>\$71,630,989</u> | <u>\$20,861,854</u>    |
| Gross unrealized appreciation ..... | \$314,375,868        | \$10,369,041         | \$ 374,170          | \$2,301,126        | \$13,113,559        | \$12,598,971        | \$ 671,220             |
| Gross unrealized depreciation ..... | <u>(42,478,329)</u>  | <u>(2,447,558)</u>   | <u>(121,978)</u>    | <u>(202,020)</u>   | <u>(455,475)</u>    | <u>(386,873)</u>    | <u>(20,644)</u>        |
| Net unrealized appreciation .....   | <u>\$271,897,539</u> | <u>\$ 7,921,483</u>  | <u>\$ 252,192</u>   | <u>\$2,099,106</u> | <u>\$12,658,084</u> | <u>\$12,212,098</u> | <u>\$ 650,576</u>      |

The Funds are required to evaluate tax positions taken or expected to be taken in the course of preparing the Funds' 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 Funds as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. As of September 30, 2014, the Adviser has reviewed all open tax years and concluded that there was no impact to the Funds' net assets or results of operations. The Funds' federal and state tax returns for the prior three fiscal years remain open, subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Adviser will monitor the Funds' tax positions to determine if adjustments to this conclusion are necessary.

**3. Investment Advisory Agreements and Other Transactions.** The Funds have entered into investment advisory agreements (the "Advisory Agreements") with the Adviser which provide that the Funds will pay the Adviser a fee, computed daily and paid monthly, at the annual rate of 1.00% for the Mighty Mites Fund, SmallCap Equity Fund, Mid-Cap Equity Fund, Income Fund, and Equity Fund, 0.75% for the Balanced Fund, and 0.60% for the Intermediate Bond Fund, of the value of a Fund's average daily net assets. In accordance with the Advisory Agreements, the Adviser provides a continuous investment program for the Funds' portfolios, oversees the administration of all aspects of the Funds' business and affairs, and pays the compensation of all Officers and Trustees of the Funds who are affiliated persons of the Adviser.

There was a reduction in the advisory fee paid to the Adviser relating to certain portfolio holdings, i.e., unsupervised assets, of the Funds with respect to which the Adviser transferred dispositive and voting control to the Funds' Proxy Voting Committee. During the year ended September 30, 2014, the Mighty Mites Fund's Proxy Voting Committee exercised control and discretion over all rights to vote or consent with respect to such securities, and the Adviser reduced its fee with respect to such securities by \$76,140.

The Adviser has contractually agreed to waive investment advisory fees and/or to reimburse expenses to the SmallCap Equity Fund, Mid-Cap Equity Fund, Income Fund, and Intermediate Bond Fund in the event annual expenses of such Funds exceed certain prescribed limits. Such fee waiver/reimbursement arrangements continue at least until January 31, 2015. For the year ended September 30, 2014, the Adviser waived fees or reimbursed expenses in the amounts of \$32,802, \$92,134, \$36,616, and \$83,262 for the SmallCap Equity Fund, Mid-Cap Equity Fund, Income Fund, and Intermediate Bond Fund, respectively. In addition, the SmallCap Equity Fund, Mid-Cap Equity Fund, Income Fund, and Intermediate Bond Fund are obliged to repay the Adviser for a period of two fiscal years following the fiscal year in which the Adviser reimbursed the Funds only to the extent that

## TETON Westwood Funds

### Notes to Financial Statements (Continued)

the operating expenses of the Funds fall below the applicable expense limitation for Class AAA of 1.50%, 1.50%, 2.00%, and 1.00%, respectively, and for Class A of 1.75%, 1.75%, 2.25%, and 1.10%, respectively, and for Class C of 2.25%, 2.25%, 2.75%, and 1.75%, respectively, and for Class I of 1.25%, 1.25%, 1.75%, and 0.75%, respectively, of average daily net assets, the annual limitation under the Advisory Agreements. As of September 30, 2014, the cumulative unreimbursed amounts which may be recovered by the Adviser within the next two fiscal years are as follows:

|                             | For the year ended<br>September 30, 2013,<br>expiring<br>September 30, 2015 | For the year ended<br>September 30, 2014,<br>expiring<br>September 30, 2016 | Total     |
|-----------------------------|---|---|-----------|
| SmallCap Equity Fund.....   | \$50,965  | \$32,802  | \$ 83,767 |
| Mid-Cap Equity Fund.....    | 45,488  | 92,134  | 137,622   |
| Income Fund.....            | 44,065  | 36,616  | 80,681    |
| Intermediate Bond Fund..... | 87,322  | 83,262  | 170,584   |

The Adviser has a Subadvisory Agreement with Westwood Management Corp. (the "Subadviser") for the Equity Fund, Balanced Fund, and Intermediate Bond Fund. The Adviser paid the Subadviser out of its advisory fees with respect to these three Funds a fee, computed daily and payable monthly, in an amount equal on an annualized basis to the greater of (i) \$150,000 per year on an aggregate basis for all applicable Funds or (ii) 35% of the net revenues to the Adviser from the applicable Funds.

The Adviser has a sub-administration agreement for each of the Funds with Gabelli Funds, LLC, an affiliate. Gabelli Funds, LLC has entered into an agreement with BNY Mellon Investment Servicing (US) Inc. to provide certain administrative services to the Funds.

As per the approval of the Board, the Mid-Cap Equity Fund compensates officers of the Fund, who are employed by the Fund and are not employed by the Adviser (although the officers may receive incentive based variable compensation from affiliates of the Adviser). For the year ended September 30, 2014, the Fund paid or accrued \$1,481 in payroll expenses in the Statement of Operations.

The Trust pays each Trustee who is not considered an affiliated person an annual retainer of \$9,000 plus \$2,000 for each Board meeting attended, and they are reimbursed by the Trust for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$1,000 per meeting attended, the Chairman of the Audit Committee receives a \$3,000 annual fee, and the Lead Trustee receives an annual fee of \$2,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for attending 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 Trust.

**4. Distribution Plan.** The Trust's Board has adopted a distribution plan (the "Plan") for each class of shares, except Class I Shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Class AAA, Class A, and Class C Share Plans, payments are authorized to G.distributors, LLC (the "Distributor"), an affiliate of the Adviser, at annual rates of 0.25%, 0.50% (for the Intermediate Bond Fund's Class A Shares at an annual rate of 0.35%), 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 (including maturities) of securities during the year ended September 30, 2014, other than short term securities, are as follows:

|                             | Purchases<br>(excluding U.S.<br>Government<br>Securities) | Sales<br>(excluding U.S.<br>Government<br>Securities) | Purchases<br>of U.S.<br>Government<br>Securities | Sales of U.S.<br>Government<br>Securities |
|-----------------------------|---|---|--|---|
| Mighty Mites Fund.....      | \$247,976,361   | \$133,676,577   | —  | —   |
| SmallCap Equity Fund.....   | 5,455,828   | 8,202,346   | —  | —   |
| Mid-Cap Equity Fund.....    | 3,138,969   | 688,335   | —  | —   |
| Income Fund.....            | 2,591,957   | 2,601,181   | —  | —   |
| Equity Fund.....            | 35,881,172  | 48,568,746  | —  | —   |
| Balanced Fund.....          | 27,711,926  | 36,713,753  | \$2,999,399                                      | \$1,000,000                               |
| Intermediate Bond Fund..... | 1,763,363   | 1,086,819   | 1,370,908  | 2,600,000                                 |

**6. Significant Shareholders.** As of September 30, 2014, 61.2% of the Mid-Cap Equity Fund was beneficially owned by the Adviser and other affiliates, for which the affiliates and the Adviser have voting control, and 66.5% of the Intermediate Bond Fund and 8.6% of the SmallCap Equity Fund were beneficially owned by the Subadviser and other affiliates, for which the affiliates and the Subadviser have voting control.



## TETON Westwood Funds

### Notes to Financial Statements (Continued)

**7. Transactions with Affiliates.** During the year ended September 30, 2014, the Mighty Mites Fund and Income Fund paid brokerage commissions on security trades of \$131,479 and \$2,077, respectively, to G.research, Inc., an affiliate of the Adviser. Additionally, the Distributor retained a total of \$183,025 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

The cost of calculating each Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. During the year ended September 30, 2014, the Mighty Mites Fund, Equity Fund, and Balanced Fund each paid or accrued \$45,000 to the Adviser in connection with the cost of computing these Funds' NAVs. This expense was not charged during the year ended September 30, 2014 for the SmallCap Equity Fund, Mid-Cap Equity Fund, Income Fund, and Intermediate Bond Fund.

**8. Shares of Beneficial Interest.** The Funds offer four classes of shares – Class AAA Shares, Class A 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 the Distributor, through selected broker/dealers, or the transfer agent. Class I Shares are offered without a sales charge, directly through the Distributor, or brokers that have entered into selling agreements specifically with respect to Class I Shares. Class A Shares are subject to a maximum front-end sales charge of 4.00%. Class C Shares are subject to a 1.00% contingent deferred sales charge for one year after purchase. Class B Shares were fully redeemed and closed on January 27, 2014 for the Mighty Mites Fund, Balanced Fund, and Intermediate Bond Fund.

The Mighty Mites Fund, SmallCap Equity Fund, Mid-Cap Equity Fund, and Income Fund impose a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before the seventh day of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the respective Fund as an increase in paid-in capital. The redemption fees retained by the Fund during the years ended September 30, 2014 and 2013, if any, can be found in the Statement of Changes in Net Assets under Redemption Fees.

Transactions in shares of beneficial interest were as follows:

|   | Year Ended<br>September 30, |                  | Year Ended<br>September 30, |                  | Year Ended<br>September 30, |                | Year Ended<br>September 30, |                 |
|---|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|----------------|-----------------------------|-----------------|
|   | 2014                        | 2013             | 2014                        | 2013             | 2014                        | 2013           | 2014                        | 2013            |
|   | Mighty Mites Fund           |                  | SmallCap Equity Fund        |                  | Mid-Cap Equity Fund         |                | Income Fund                 |                 |
| <b>Class AAA</b>                                      |                             |                  |                             |                  |                             |                |                             |                 |
| Shares sold.....                                      | 5,284,081                   | 7,502,160        | 60,394                      | 220,341          | 94,193                      | 63,098         | 100,837                     | 239,994         |
| Shares issued upon reinvestment of distributions..... | 1,177,716                   | 381,989          | —                           | —                | 19                          | —              | 9,695                       | 4,627           |
| Shares redeemed.....                                  | (10,590,878)                | (3,371,539)      | (285,204)                   | (288,756)        | (11,820)                    | —              | (172,467)                   | (228,479)       |
| Net increase/(decrease) in Class AAA Shares .....     | <u>(4,129,081)</u>          | <u>4,512,610</u> | <u>(224,810)</u>            | <u>(68,415)</u>  | <u>82,392</u>               | <u>63,098</u>  | <u>(61,935)</u>             | <u>16,142</u>   |
| <b>Class A</b>  |                             |                  |                             |                  |                             |                |                             |                 |
| Shares sold.....                                      | 2,923,626                   | 2,614,975        | 35,414                      | 38,137           | 44,298                      | 17,957         | 5,624                       | 52,518          |
| Shares issued upon reinvestment of distributions..... | 322,557                     | 88,833           | —                           | —                | 5                           | —              | 1,297                       | 271             |
| Shares redeemed.....                                  | (1,426,681)                 | (1,148,097)      | (62,842)                    | (156,259)        | (2,985)                     | —              | (8,173)                     | (10,411)        |
| Net increase/(decrease) in Class A Shares .....       | <u>1,819,502</u>            | <u>1,555,711</u> | <u>(27,428)</u>             | <u>(118,122)</u> | <u>41,318</u>               | <u>17,957</u>  | <u>(1,252)</u>              | <u>42,378</u>   |
| <b>Class B*</b>                                       |                             |                  |                             |                  |                             |                |                             |                 |
| Shares sold.....                                      | 124                         | —                | —                           | —                | —                           | —              | —                           | —               |
| Shares issued upon reinvestment of distributions..... | 14                          | 5                | —                           | —                | —                           | —              | —                           | —               |
| Shares redeemed.....                                  | (287)                       | (70)             | —                           | —                | —                           | —              | —                           | —               |
| Net decrease in Class B Shares .....                  | <u>(149)</u>                | <u>(65)</u>      | <u>—</u>                    | <u>—</u>         | <u>—</u>                    | <u>—</u>       | <u>—</u>                    | <u>—</u>        |
| <b>Class C</b>  |                             |                  |                             |                  |                             |                |                             |                 |
| Shares sold.....                                      | 3,628,556                   | 2,786,543        | 13,065                      | 21,567           | 13,765                      | 7,114          | 15,461                      | 22,728          |
| Shares issued upon reinvestment of distributions..... | 392,169                     | 104,797          | —                           | —                | 2                           | —              | 1,374                       | 114             |
| Shares redeemed.....                                  | (1,304,569)                 | (1,056,009)      | (34,427)                    | (148,837)        | —                           | —              | (30,784)                    | (60,184)        |
| Net increase/(decrease) in Class C Shares .....       | <u>2,716,156</u>            | <u>1,835,331</u> | <u>(21,362)</u>             | <u>(127,270)</u> | <u>13,767</u>               | <u>7,114</u>   | <u>(13,949)</u>             | <u>(37,342)</u> |
| <b>Class I</b>  |                             |                  |                             |                  |                             |                |                             |                 |
| Shares sold.....                                      | 14,155,431                  | 6,279,203        | 277,271                     | 192,986          | 92,389                      | 110,168        | 10,683                      | 10,300          |
| Shares issued upon reinvestment of distributions..... | 432,965                     | 130,100          | —                           | 381              | 109                         | —              | 464                         | 171             |
| Shares redeemed.....                                  | (3,825,732)                 | (2,078,323)      | (132,160)                   | (334,566)        | —                           | —              | (4,372)                     | (6,672)         |
| Net increase/(decrease) in Class I Shares .....       | <u>10,762,664</u>           | <u>4,330,980</u> | <u>145,111</u>              | <u>(141,199)</u> | <u>92,498</u>               | <u>110,168</u> | <u>6,775</u>                | <u>3,799</u>    |

## TETON Westwood Funds

### Notes to Financial Statements (Continued)

Transactions in shares of beneficial interest (continued):

|  | Year Ended<br>September 30, |             | Year Ended<br>September 30, |             | Year Ended<br>September 30, |           |
|--|-----------------------------|-------------|-----------------------------|-------------|-----------------------------|-----------|
|  | 2014                        | 2013        | 2014                        | 2013        | 2014                        | 2013      |
|  | Equity Fund                 |             | Balanced Fund               |             | Intermediate<br>Bond Fund   |           |
| <b>Class AAA</b>                                       |                             |             |                             |             |                             |           |
| Shares sold .....                                      | 128,429                     | 292,231     | 452,969                     | 492,830     | 81,083                      | 102,467   |
| Shares issued upon reinvestment of distributions ..... | 16,882                      | 56,590      | 450,647                     | 73,366      | 6,572                       | 10,817    |
| Shares redeemed .....                                  | (1,143,844)                 | (1,970,199) | (1,093,801)                 | (1,897,920) | (389,550)                   | (296,417) |
| Net decrease in Class AAA Shares .....                 | (998,533)                   | (1,621,378) | (190,185)                   | (1,331,724) | (301,895)                   | (183,133) |
| <b>Class A</b>   |                             |             |                             |             |                             |           |
| Shares sold .....                                      | 21,284                      | 20,145      | 156,771                     | 90,076      | 20,155                      | 108,199   |
| Shares issued upon reinvestment of distributions ..... | 188                         | 2,114       | 32,083                      | 3,575       | 746                         | 1,269     |
| Shares redeemed .....                                  | (51,900)                    | (73,053)    | (150,088)                   | (79,773)    | (32,150)                    | (131,358) |
| Net increase/(decrease) in Class A Shares .....        | (30,428)                    | (50,794)    | 38,766                      | 13,878      | (11,249)                    | (21,890)  |
| <b>Class B*</b>  |                             |             |                             |             |                             |           |
| Shares issued upon reinvestment of distributions ..... | —                           | —           | 6                           | 1           | 0(a)                        | 2         |
| Shares redeemed .....                                  | —                           | —           | (85)                        | (522)       | (441)                       | (1)       |
| Net increase/(decrease) in Class B Shares .....        | —                           | —           | (79)                        | (521)       | (441)                       | 1         |
| <b>Class C</b>   |                             |             |                             |             |                             |           |
| Shares sold .....                                      | 2,647                       | 3,029       | 35,389                      | 169,289     | 21,908                      | 25,183    |
| Shares issued upon reinvestment of distributions ..... | —                           | 152         | 27,183                      | 1,562       | 298                         | 624       |
| Shares redeemed .....                                  | (11,556)                    | (24,437)    | (60,672)                    | (188,419)   | (48,941)                    | (107,987) |
| Net increase/(decrease) in Class C Shares .....        | (8,909)                     | (21,256)    | 1,900                       | (17,568)    | (26,735)                    | (82,180)  |
| <b>Class I</b>   |                             |             |                             |             |                             |           |
| Shares sold .....                                      | 147,696                     | 25,901      | 267,169                     | 16,870      | 526,597                     | 431,571   |
| Shares issued upon reinvestment of distributions ..... | 495                         | 1,192       | 19,192                      | 1,063       | 12,901                      | 193       |
| Shares redeemed .....                                  | (73,527)                    | (282,527)   | (180,484)                   | (10,837)    | (291,093)                   | (185,355) |
| Net increase/(decrease) in Class I Shares .....        | 74,664                      | (255,434)   | 105,877                     | 7,096       | 248,405                     | 246,409   |

(a) Amount represents less than 0.5 Shares.

\* Mighty Mites Fund, Balanced Fund, and Intermediate Bond Fund Class B Shares were fully redeemed and closed on January 27, 2014.

**9. Transactions in Securities of Affiliated Issuers.** The 1940 Act defines affiliated issuers as those in which a Fund's holdings of an issuer represent 5% or more of the outstanding voting securities of the issuer. A summary of the Mighty Mites Fund's transactions in the securities of these issuers during the year ended September 30, 2014 is set forth below:

|   | Beginning<br>Shares | Shares<br>Purchased | Shares<br>Sold | Ending<br>Shares | Dividend<br>Income | Realized<br>Gain | Market<br>Value at<br>September 30, 2014 | Percent<br>Owned of<br>Shares<br>Outstanding |
|---|---------------------|---------------------|----------------|------------------|--------------------|------------------|--|--|
| Beasley Broadcast Group Inc., Cl. A ..... | 574,282             | 8,511               | —              | 582,793          | \$104,459          | —                | \$ 3,123,770                             | 9.03%  |
| Bel Fuse, Cl. A .....                     | 112,300             | 20,047              | —              | 132,347          | 30,524             | —                | 3,119,419                                | 6.08%  |
| Burnham Holdings Inc., Cl. A .....        | 168,000             | 21,342              | —              | 189,342          | 144,312            | —                | 3,483,893                                | 6.25%  |
| Edgewater Technology Inc. ....            | 672,189             | 20,083              | —              | 692,272          | —                  | —                | 4,755,909                                | 6.09%  |
| General Chemical Group Inc. ....          | 267,226             | —                   | —              | 267,226          | —                  | —                | 5,345                                    | 8.59%  |
| MOCON Inc.* .....                         | 140,360             | 189,273             | —              | 329,633          | 132,131            | —                | 4,921,421                                | 5.82%  |
| Sevcon Inc. ....                          | 391,235             | 76,329              | (2,000)        | 465,564          | —                  | \$ 5,022         | 3,794,347                                | 13.02%                                       |
| SL Industries Inc. ....                   | 263,788             | 12,094              | (5,282)        | 270,600          | —                  | 137,624          | 13,210,692                               | 6.53%  |
| Strattec Security Corp. ....              | 188,796             | 12,500              | (4,296)        | 197,000          | 90,097             | 302,265          | 16,025,950                               | 5.51%  |
| The L.S. Starrett Co., Cl. A .....        | 315,443             | 3,572               | (315)          | 318,700          | 127,471            | 182              | 4,410,808                                | 5.16%  |
| Total                                     |                     |                     |                |                  | \$628,994          | \$445,093        | \$56,851,554                             |  |

\* Security was not affiliated at September 30, 2013.

**10. Indemnifications.** The Funds enter into contracts that contain a variety of indemnifications. The Funds' maximum exposure under these arrangements is unknown. However, the Funds have not had prior claims or losses pursuant to these contracts. Management has reviewed the Funds' existing contracts and expects the risk of loss to be remote.

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

## **Report of Independent Registered Public Accounting Firm**

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To the Board of Trustees and Shareholders of  
The TETON Westwood Funds:

In our opinion, the accompanying statements of assets and liabilities, including the schedules 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 TETON Westwood Mighty Mites<sup>SM</sup> Fund, TETON Westwood SmallCap Equity Fund, TETON Westwood Income Fund, TETON Westwood Equity Fund, TETON Westwood Balanced Fund, TETON Westwood Intermediate Bond Fund and TETON Westwood Mid-Cap Equity Fund (hereafter referred to as the "Funds") at September 30, 2014, the results of each of their operations, the changes in each of their net assets and the financial highlights for each of the periods presented, 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 Funds' 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 September 30, 2014 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

**PricewaterhouseCoopers LLP**

**New York, NY**

**November 28, 2014**

## 2014 Tax Notice to Shareholders (Unaudited)

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**U.S. Government Income** – The percentage of the ordinary income dividend paid by the Balanced Fund and Intermediate Bond Fund (collectively, the “Funds”) during the year ended September 30, 2014 which was derived from U.S. Treasury securities was 8.41% and 0.57%, respectively. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund’s fiscal year in U.S. Government securities. The Funds did not meet this strict requirement during the year ended September 30, 2014. Due to the diversity in state and local tax law, it is recommended that you consult your personal tax adviser for the applicability of the information provided as to your specific situation.

**Mighty Mites Fund** – During the year ended September 30, 2014, the Fund paid to shareholders ordinary income dividends (comprised of short term capital gains) totaling \$0.032, \$0.032, \$0.032, and \$0.032 per share for Class AAA, Class A, Class C, and Class I Shares, respectively, and long term capital gains totaling \$64,620,529. The distributions of long term capital gains have been designated as a capital gain dividend by the Fund’s Board of Trustees. For the year ended September 30, 2014, 100% of the ordinary income dividend qualifies for the dividends received deduction available to corporations. The Fund designates 100% of the ordinary income distribution as qualified dividend income, pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund designates 100% of the ordinary income distribution as qualified short term gain.

**SmallCap Equity Fund** – During the year ended September 30, 2014, the Fund paid no dividends to shareholders.

**Mid-Cap Equity Fund** – During the year ended September 30, 2014, the Fund paid to shareholders ordinary income dividends (comprised of net investment income and short term capital gains) totaling \$0.003, \$0.003, \$0.003, and \$0.010 per share for Class AAA, Class A, Class C, and Class I Shares, respectively, and long term capital gains totaling \$5. The distributions of long term capital gains have been designated as a capital gain dividend by the Fund’s Board of Trustees. For the year ended September 30, 2014, 78.51% of the ordinary income dividend qualifies for the dividends received deduction available to corporations. The Fund designates 82.17% of the ordinary income distributions as qualified dividend income, pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund designates 11.83% of the ordinary income distributions as qualified interest income, pursuant to the American Jobs Creation Act of 2004. The Fund designates 45.53% of the ordinary income distribution as qualified short term gain.

**Income Fund** – During the year ended September 30, 2014, the Fund paid to shareholders ordinary income dividends (comprised of net investment income) totaling \$0.204, \$0.188, \$0.171, and \$0.226 per share for Class AAA, Class A, Class C, and Class I Shares, respectively. For the year ended September 30, 2014, 100% of the ordinary income dividend qualifies for the dividends received deduction available to corporations. The Fund designates 100% of the ordinary income distributions as qualified dividend income, pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund designates 0.06% of the ordinary income distributions as qualified interest income, pursuant to the American Jobs Creation Act of 2004.

**Equity Fund** – During the year ended September 30, 2014, the Fund paid to shareholders ordinary income dividends (comprised of net investment income) totaling \$0.042, \$0.009 and \$0.073 per share for Class AAA, Class A, and Class I Shares, respectively. For the year ended September 30, 2014, 100% of the ordinary income dividend qualifies for the dividends received deduction available to corporations. The Fund designates 100% of the ordinary income distribution as qualified dividend income, pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund designates 0.01% of the ordinary income distribution as qualified interest income, pursuant to the American Jobs Creation Act of 2004.

**Balanced Fund** – During the year ended September 30, 2014, the Fund paid to shareholders ordinary income dividends (comprised of net investment income) totaling \$0.139, \$0.105, \$0.040, and \$0.171 per share for Class AAA, Class A, Class C, and Class I Shares, respectively, and long term capital gains totaling \$5,991,808. The distributions of long term capital gains have been designated as a capital gain dividend by the Fund’s Board of Trustees. For the year ended September 30, 2014, 56.83% of the ordinary income dividend qualifies for the dividends received deduction available to corporations. The Fund designates 61.68% of the ordinary income distributions as qualified dividend income, pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund designates 64.13% of the ordinary income distributions as qualified interest income, pursuant to the American Jobs Creation Act of 2004. The Fund designates 100% of the ordinary income distribution as qualified short term gain.

**Intermediate Bond Fund** – During the year ended September 30, 2014, the Fund paid to shareholders ordinary income dividends (comprised of net investment income) totaling \$0.154, \$0.142, \$0.063, and \$0.183 per share for Class AAA, Class A, Class C, and Class I Shares, respectively. The Fund designates 89.74% of the ordinary income distributions as qualified interest income, pursuant to the American Jobs Creation Act of 2004.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

## TETON Westwood Funds

### Board Consideration and Re-Approval of Investment Advisory and Subadvisory Agreements (Unaudited)

In determining whether to approve the continuance of each of the Agreements, the Board considered the following information:

**1) The nature, extent, and quality of services provided by the Adviser and the Subadviser.**

The Board reviewed in detail the nature and extent of the services provided by the Adviser and the Subadviser under the Agreements and the quality of those services over the past year. The Board noted that these services included managing the investment program of the Funds, including the purchase and sale of portfolio securities, as well as the provision of general corporate services. The Board considered that the Adviser also provided, at its expense, office facilities for use by the Funds and supervisory personnel responsible for supervising the performance of administrative, accounting, and related services including, for each Fund, monitoring to assure compliance with stated investment policies and restrictions under the 1940 Act and related securities regulations. The Board noted that, in addition to managing the investment program for the Funds, the Adviser provided certain non-advisory and compliance services, including services under the Funds' Rule 38a-1 compliance program.

The Board also considered that the Adviser paid for all compensation of officers and Board Members of the Funds that were affiliated with the Adviser and that the Adviser further provided services to shareholders of the Funds who had invested through various programs offered by third party financial intermediaries. The Board evaluated these factors based on its direct experience with the Adviser and Subadviser and in consultation with Fund Counsel. The Board noted that the Adviser had engaged, at its expense, BNY Mellon Investment Servicing (US) Inc. (BNY), to assist it in performing certain of its administrative functions. The Board concluded that the nature and extent of the services provided was reasonable and appropriate in relation to the advisory fee, that the level of services provided by the Adviser, either directly or through BNY, and by the Subadviser, had not diminished over the past year and that the quality of service continued to be high.

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

**2) The performance of the Funds, the Adviser, and the Subadviser.**

The Board reviewed the investment performance of each Fund, on an absolute basis, as compared with its Lipper peer group of other SEC registered funds, and against each Fund's broad based securities market benchmarks as reflected in each Fund's prospectuses and annual report. The Board also considered rankings and ratings of the Funds issued by Lipper over the short, intermediate, and long term. The Board considered each Fund's one, three, five, and, ten year average annual total return for the periods ended June 30, 2014, but placed greatest emphasis on a Fund's longer term performance. The peer groups considered by the Board were developed by Lipper and were comprised of funds within the same Lipper peer group category (the "Peer Group"), regardless of asset size or primary channel of distribution. Each Fund's performance against the performance Peer Group (the "Performance Peer Group") was considered by the Board as providing an objective comparative benchmark against which each Fund's performance could be assessed. In general, the Board considered these comparisons helpful in their assessment as to whether the Adviser was obtaining for the Funds' shareholders the total return performance that was available in the marketplace, given each Fund's investment objectives, strategies, limitations, and restrictions. In reviewing the Funds' performance, the Board noted that the Equity Fund's performance was below the median for the one year, three year, and five year periods and above the median for the ten year period; the Balanced Fund's performance was below the median for the one year and five year periods and above the median for the three year and ten year periods; the SmallCap Equity Fund's performance was above the median for the one year, five year, and ten year periods and below the median for the three year period; the Mighty Mites Fund's performance was below the median for the one year and five year periods and above the median for the three year and ten year periods; the Income Fund's performance was below the median for the one year, three year, and five year periods; the Mid-Cap Equity Fund's performance was below the median for the one year period; and the Intermediate Bond Fund's performance was below the median for the one year, three year, five year and ten year periods. The Board also noted that the Income Fund had changed its investment objective in 2005 and therefore only had nine years of Peer Group performance data for comparison purposes. The Board Members concluded that the Funds' performance was reasonable in comparison with that of the Performance Peer Groups.

In connection with its assessment of the performance of the Adviser and the Subadviser, the Board considered the Adviser's and Subadviser's financial condition and whether they had the resources necessary to continue to carry out their responsibilities

under the Agreements. The Board concluded that the Adviser and Subadviser had the financial resources necessary to continue to perform their obligations under the Agreements and to continue to provide the high quality services that they have provided to the Funds to date.

**3) *The cost of the advisory services and the profits to the Adviser and Subadviser and their affiliates from the relationship with the Funds.***

In connection with the Board's consideration of the cost of the advisory and sub-advisory services and the profits to the Adviser, Subadviser and their affiliates from their relationships with the Fund, the Board considered a number of factors. First, the Board compared the level of the advisory fee for each Fund against comparative Lipper expense peer groups ("Expense Peer Group"). The Board also considered comparative non-management fee expenses and comparative total fund expenses of the Funds and each Expense Peer Group. The Board considered this information as useful in assessing whether the Adviser and Subadviser were providing services at a cost that was competitive with other similar funds. In assessing this information, the Board considered both the comparative contract rates as well as the level of the advisory fees after waivers and/or reimbursements. The Board noted that the SmallCap Equity Fund, the Income Fund, and the Intermediate Bond Fund operated pursuant to a Fee Waiver and Expense Deferral Agreement with the Adviser wherein the Adviser had agreed to waive a portion of its fee or reimburse a Fund for a portion of its expenses necessary to limit the Fund's total operating expenses to the level set forth in the respective Fund's prospectus. The Board noted that the Mid-Cap Equity Fund operated pursuant to an Expense Limitation Agreement with the Adviser wherein the Adviser had agreed to limit a portion of its fee or reimburse that Fund for a portion of its expenses necessary to limit the Fund's total operating expenses to the level set forth in the Fund's prospectus. The Board noted that the advisory fees and expense ratios for the Equity Fund, the SmallCap Equity Fund, and the Mighty Mites Fund were higher than average when compared with those of their Expense Peer Groups. The Board noted that with respect to the Balanced Fund, the advisory fee was lower than average and expense ratios were higher than average when compared with its Expense Peer Group. Finally, the Board noted that although the Intermediate Bond Fund's, Mid-Cap Equity Fund's, and Income Fund's net advisory fees were lower than average, after considering their fee waivers, their expense ratios were higher than average when compared with their Expense Peer Groups. The Board also reviewed the fees charged by the Adviser and Subadviser to provide similar advisory services to other registered investment companies with similar investment objectives and to separate accounts, noting that in some cases the fees charged by the Adviser or Subadviser were higher and, in other cases lower, than the fees charged to the Funds. In evaluating this information, the Board considered the difference in services provided by the Adviser and Subadviser to these other accounts. In particular, the Board considered the differences in risks involved in managing separate accounts and the Funds from a compliance and regulatory perspective.

The Board also considered an analysis prepared by the Adviser of the estimated profitability to the Adviser of its relationship with the Funds and reviewed with the Adviser its cost allocation methodology in connection with its profitability. In this regard, the Board reviewed Proforma Income Statements of the Adviser for the year ended December 31, 2013. The Board considered one analysis for the Adviser as a whole, and a second analysis for the Adviser with respect to each of the Funds. With respect to the Fund analysis, the Board received an analysis based on each Fund's average net assets during the period as well as a proforma analysis of profitability at higher and lower asset levels. The Board concluded that the profitability of the Funds to the Adviser under either analysis was not excessive.

**4) *The extent to which economies of scale will be realized as the Funds grow and whether fee levels reflect those economies of scale.***

With respect to the Board's consideration of economies of scale, the Board discussed whether economies of scale would be realized by the Funds at higher asset levels. The Board also reviewed data from the Expense Peer Groups to assess whether the Expense Peer Group funds had advisory fee breakpoints and, if so, at what asset levels. The Board also assessed whether certain of the Adviser's costs would increase if asset levels rise. The Board concluded that under foreseeable conditions, they were unable to assess at this time whether economies of scale would be realized if the Funds were to experience significant asset growth. In the event there were to be significant asset growth in the Funds, the Board determined to reassess whether the advisory fee appropriately took into account any economies of scale that had been realized as a result of that growth.

**5) *Other Factors.***

In addition to the above factors, the Board also discussed other benefits received by the Adviser and Subadviser from their management of the Funds. The Board considered that the Adviser and Subadviser do use soft dollars in connection with their management of the Funds.

Based on a consideration of all these factors in their totality, the Board Members, including all of the Independent Board Members, determined that each Fund's advisory fee and, with respect to the Equity Fund, the Balanced Fund, and the Intermediate Bond Fund, the sub-advisory fee, was fair and reasonable with respect to the quality of services provided and in light of the other factors described above that the Board deemed relevant. Accordingly, the Board Members determined to approve the continuation of each Fund's Advisory Agreement and, with respect to the Equity Fund, the Balanced Fund, and the Intermediate Bond Fund, the Subadvisory agreements. The Board based its decision on evaluations of all these factors as a whole and did not consider any one factor as all important or controlling.

## TETON Westwood Funds

### Additional Fund Information (Unaudited)

The business and affairs of the Trust are managed under the direction of its Board of Trustees. Information pertaining to the Trustees and officers of the Trust is set forth below. The Trust's Statement of Additional Information includes additional information about the TETON Westwood Funds' Trustees and is available, without charge, upon request, by calling 800-WESTWOOD (800-937-8966) or by writing to the TETON Westwood Funds at One Corporate Center, Rye, NY 10580-1422.

| <u>Name, Position(s),<br/>Address<sup>1</sup> and Age</u>     | <u>Term of<br/>Office and<br/>Length of<br/>Time Served<sup>2</sup></u> | <u>Number of<br/>Funds in<br/>Fund<br/>Complex<br/>Overseen<br/>by Trustee</u> | <u>Principal Occupation(s)<br/>During Past Five Years</u>   | <u>Other Directorships<br/>Held by Trustee<sup>3</sup></u>  |
|---|---|--|---|---|
| <b>INDEPENDENT TRUSTEES<sup>4</sup>:</b>                      |   |  |   |   |
| <b>Anthony J. Colavita</b><br>Trustee<br>Age: 78              | Since 1994  | 37   | President of the law firm of<br>Anthony J. Colavita, P.C.   | —   |
| <b>James P. Conn</b><br>Trustee<br>Age: 76                    | Since 1994  | 21   | Former Managing Director and Chief Investment<br>Officer of Financial Security Assurance Holdings<br>Ltd. (1992-1998)   | Director of First Republic<br>Bank (banking) through<br>January 2008  |
| <b>Werner J. Roeder, MD</b><br>Trustee<br>Age: 74             | Since 1994  | 23   | Medical Director of Lawrence Hospital and<br>practicing private physician   | —   |
| <b>Salvatore J. Zizza</b><br>Trustee<br>Age: 68               | Since 2004  | 31   | Chairman of Zizza & Associates Corp. (financial<br>consulting); Chairman of Metropolitan Paper<br>Recycling, Inc. (recycling) (since 2005); Chairman of<br>Harbor Diversified, Inc. (biotechnology) (since<br>1999); Chairman of BAM (semiconductor and<br>aerospace manufacturing) (since 2000); Chairman of<br>Bergen Cove Realty Inc. (since 2002)   | Director and Vice Chairman<br>of Trans-Lux Corporation<br>(business services); Director<br>and Chairman of Harbor<br>Diversified Inc.<br>(pharmaceuticals); Chairman<br>of Bion Environmental<br>Technologies (technology);<br>Director, Chairman, and CEO<br>of General Employment<br>Enterprises (staffing services)<br>(2009-2012) |
| <b>OFFICERS:</b>  |   |  |   |   |
| <b>Bruce N. Alpert</b><br>President<br>Age: 62                | Since 1994  | —  | Executive Vice President and Chief Operating<br>Officer of Gabelli Funds, LLC since 1988; and an<br>Officer of registered investment companies in the<br>Gabelli/GAMCO Funds complex; Director of Teton<br>Advisors, Inc. 1998-2012; Chairman of Teton<br>Advisors, Inc. 2008-2010; President of Teton<br>Advisors, Inc., 1998-2008; Senior Vice President of<br>GAMCO Investors, Inc. since 2008 | —   |
| <b>Andrea R. Mango</b><br>Secretary<br>Age: 42                | Since November 2013   | —  | Counsel of Gabelli Funds, LLC; Corporate Vice<br>President within the Corporate Compliance<br>Department of New York Life Insurance Company<br>2011-2013; Vice President and Counsel of Deutsche<br>Bank 2006-2011  | —   |
| <b>Agnes Mullady</b><br>Treasurer<br>Age: 56                  | Since 2006  | —  | President and Chief Operating Officer of the<br>Open-End Fund Division of Gabelli Funds, LLC<br>since 2010; Senior Vice President of GAMCO<br>Investors, Inc. since 2009; Vice President of Gabelli<br>Funds, LLC since 2007; Officer of registered<br>investment companies in the Gabelli/GAMCO<br>Funds Complex   | —   |
| <b>Richard J. Walz</b><br>Chief Compliance Officer<br>Age: 55 | Since November 2013   | —  | Chief Compliance Officer of the Gabelli/GAMCO<br>Funds Complex; Chief Compliance Officer of<br>AEGON USA Investment Management LLC<br>2011-2013; Chief Compliance Officer of Cutwater<br>Asset Management 2004-2011   | —   |

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 Trust's Amended By-Laws and Amended and Restated 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 This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, i.e., public companies, or other investment companies registered under the Investment Company Act of 1940.

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

# TETON WESTWOOD FUNDS

**TETON Westwood Mighty Mites<sup>SM</sup> Fund**  
**TETON Westwood SmallCap Equity Fund**  
**TETON Westwood Mid-Cap Equity Fund**  
**TETON Westwood Income Fund**  
**TETON Westwood Equity Fund**  
**TETON Westwood Balanced Fund**  
**TETON Westwood Intermediate Bond Fund**

One Corporate Center  
Rye, New York 10580-1422  
**General and Account Information:**  
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fax: 914-921-5118  
website: [www.tetonadv.com](http://www.tetonadv.com)  
e-mail: [info@tetonadv.com](mailto:info@tetonadv.com)

## Board of Trustees

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*President,*  
*Anthony J. Colavita, P.C.*

JAMES P. CONN  
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*Financial Security Assurance Holdings Ltd.*

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*Medical Director,*  
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RICHARD J. WALZ  
*Chief Compliance Officer*

AGNES MULLADY  
*Treasurer*

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Custodian  
The Bank of New York Mellon

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G.distributors, LLC

Legal Counsel  
Paul Hastings LLP

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

This report is submitted for the information of the shareholders of the TETON Westwood Funds. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.