

# Gabelli Small Cap Growth Fund

Quarter End – Dec. 31, 2011

## FUND CHARACTERISTICS

- The investment objective of The Gabelli Small Cap Growth Fund is to provide a high level of capital appreciation.
- The Portfolio Manager looks for companies which appear to have favorable, yet undervalued, prospects for earnings growth and price appreciation.
- The Fund focuses on securities of companies that the Fund's Adviser believes are likely to have rapid growth in revenue potential and above average rates of earnings growth.

### Share Classes

#### Class AAA

Symbol GABSX

Cusip 36239T103

#### Class A

Symbol GCASX

Cusip 36239T871

#### Class C

Symbol GCCSX

Cusip 36239T855

#### Class I

Symbol GACIX

Cusip 36239T830

## PORTFOLIO MANAGEMENT



**Mario J. Gabelli, CFA**, is Chairman, Chief Executive Officer and Chief Investment Officer of Value Products for GAMCO Investors, Inc., which he founded in 1977. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia University Graduate School of Business, and an Honorary Doctorate Degree from Roger Williams University in Rhode Island.

## PORTFOLIO HIGHLIGHTS 12/31/11

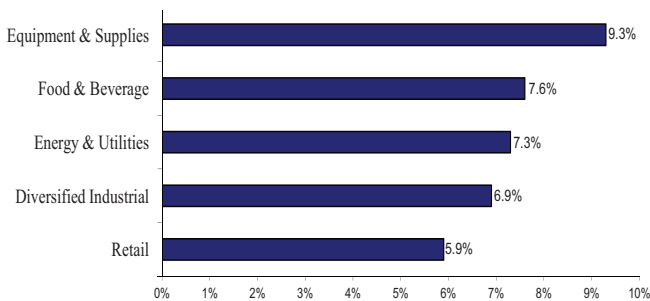
Total Net Assets	\$1.9 billion
Number of Holdings:	580
NAV (Class AAA)	\$31.48
Expense Ratio (Class AAA)	1.44%
Turnover	14%
Inception Date	10/22/91

### Overall Morningstar Rating™



Morningstar rated this Fund (Class AAA) 5 stars for the overall period out of 580 Funds. Morningstar rated this Fund 4 stars for the 3 year, and 5 stars for the 5 year and 10 year periods, among 580, 485, and 296 Small Cap Blend Funds, respectively, based on risk-adjusted return. The Overall Morningstar Rating for this Fund is derived from a weighted average of the performance figures associated with its 3, 5 and 10 year, if applicable, Morningstar Rating metrics.

## TOP SECTORS % OF PORTFOLIO



## TOP TEN HOLDINGS

O'Reilly Automotive Inc.	1.8%
RPC Inc.	1.3
Kaman Corp.	1.1
PNM Resources Inc.	1.1
GATX Corp.	1.0
Crane Co.	0.9
Thomas & Betts Corp.	0.9
Casey's General Stores Inc.	0.9
CIRCOR International Inc.	0.9
The Interpublic Group of Cos Inc.	0.9

The top ten holdings and sectors listed are not necessarily representative of the entire portfolio and are subject to change. The most recent quarterly report, which contains a more extensive list of holdings, is available from your financial advisor or by visiting [www.gabelli.com](http://www.gabelli.com).

The Fund's share price will fluctuate with changes in the market value of the Fund's portfolio securities. Stocks are subject to market, economic and business risks that cause their prices to fluctuate. When you sell Fund shares, they may be worth less than what you paid for them. Consequently, you can lose money by investing in the Fund.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. The prospectus, which contains more complete information about this and other matters, should be read carefully before investing.

Important information including performance history on reverse.

# Gabelli Small Cap Growth Fund

## PERFORMANCE

### Average Annual Returns through December 31, 2011

	1 Yr	5 Yr	10 Yr	Inception	Gross Expense Ratio <sup>1</sup>	Maximum Sales Charge
<b>At NAV</b>						
<b>Class AAA</b>	-4.88%	3.09%	8.82%	12.32%	1.44%	None
<b>Class A</b>	-4.88%	3.09%	8.82%	12.32%	1.44%	5.75%
<b>Class C</b>	-5.58%	2.33%	8.18%	11.99%	2.19%	1.00%
<b>Class I</b>	-6.96%	2.80%	8.66%	12.24%	1.19%	None
<b>Load Adjusted</b>						
<b>Class A</b>	-10.45%	1.85%	8.18%	11.99%		
<b>Class C</b>	-6.53%	2.33%	8.18%	11.99%		
<b>Russell 2000 Index</b>						
<b>Russell 2000 Index</b>	-4.18%	0.15%	5.62%	5.98%		

<sup>1</sup> Expense ratio based on prospectus dated January 31, 2011.

### Total Return Performance History

	Class AAA Shares	Russell 2000 Index
2011	-4.9%	-4.2%
2010	27.5	26.9
2009	29.7	27.2
2008	-31.0	-33.8
2007	7.3	-1.6
2006	19.2	18.4
2005	5.9	4.6
2004	21.7	18.3
2003	37.6	47.3
2002	-5.3	-20.5
2001	4.7	2.5
2000	11.3	-3.0
1999	14.2	21.3
1998	0.0	-2.6
1997	36.5	22.4
1996	11.9	16.5
1995	25.2	28.4
1994	-2.9	-1.8
1993	22.8	18.9
1992	20.3	18.4
1991*	22.9	5.4

\* From inception on 10/22/91

Past performance is no guarantee of future results. Total return and average annual returns are historical and reflect changes in share price, reinvestment of dividends and capital gains and are net of expenses. Due to market volatility, current performance may be lower or higher than the figures shown. Investment return and principal value will fluctuate so, upon redemption, shares may be worth more or less than their original cost. To obtain the most recent month end performance information and a prospectus, please call 800-GABELLI or visit [www.gabelli.com](http://www.gabelli.com).

The inception date of the Fund was October 22, 1991. The Class AAA Shares' net asset values are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2003, and Class I Shares on January 11, 2008. The actual performance for Class C Shares would have been lower and Class I Shares higher due to the different expenses associated with those classes of shares. Other share classes may have different performance characteristics. Performance for periods less than one year is not annualized. Class A Shares (load adjusted) includes the effect of the maximum 5.75% sales charge at the beginning of the period. Class C Shares (load adjusted) includes the effect of the applicable 1% contingent deferred sales charge at the end of the one year period. The Fund imposes a 2% redemption fee on shares sold or exchanged in seven days or less after the date of purchase. The Russell 2000 Index is an unmanaged index of 2,000 small cap U.S. stocks that is generally considered to be representative of small capitalization issues in the U.S. stock market and is adjusted for reinvestment of dividends. The Russell 2000 Index is not available for direct investment and its returns do not reflect expenses that are deducted from the Fund's returns.

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of 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.) The Overall Morningstar Rating for a fund is derived from a weighted-average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. Morningstar Ratings are for the share classes cited only; other classes may have different performance characteristics and different Morningstar ratings. The Fund offers four classes of shares, each with a different combination of sales charges, ongoing fees and other features.

Small capitalization stocks are subject to significant price fluctuations and business risks. The stocks of smaller companies may trade less frequently and experience more abrupt price movements than stocks of larger companies; therefore, investing in this sector involves special challenges.

Not FDIC Insured. Not Bank Guaranteed. May Lose Value.

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For a prospectus, current performance and additional information, visit our website at [www.gabelli.com](http://www.gabelli.com) or call 800-GABELLI

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