

The Gabelli Dividend Growth Fund

First Quarter Report — March 31, 2018



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To Our Shareholders,

For the quarter ended March 31, 2018, the net asset value (“NAV”) per Class AAA Share of The Gabelli Dividend Growth Fund decreased 2.5% compared with a decrease of 0.8% for the Standard & Poor’s (“S&P”) 500 Index. Other classes of shares are available. See below for performance information for all classes of shares.

Enclosed is the schedule of investments as of March 31, 2018.

Comparative Results

Average Annual Returns through March 31, 2018 (a) (Unaudited)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (8/26/99)
Class AAA (GABBX)	(2.50)%	4.98%	7.43%	6.48%	8.88%	5.66%
S&P 500 Index	(0.76)	13.99	13.31	9.49	10.10	5.64
Lipper Large Cap Value Fund Average	(2.34)	9.43	11.06	7.68	9.07	5.40
Class A (GBCAX)	(2.50)	5.00	7.45	6.49	8.91	5.68
With sales charge (b)	(8.11)	(1.04)	6.18	5.86	8.48	5.35
Class C (GBCCX)	(2.72)	4.16	6.63	5.69	8.11	5.06
With contingent deferred sales charge (c)	(3.70)	3.16	6.63	5.69	8.11	5.06
Class I (GBCIX)	(2.25)	6.06	7.95	6.87	9.22	5.93

In the current prospectuses dated April 30, 2018, the expense ratios for Class AAA, A, C, and I Shares are 2.01%, 2.01%, 2.76%, and 1.76%, respectively, and the net expense ratios for these share classes after contractual reimbursements by Gabelli Funds, LLC, (the “Adviser”) are 2.00%, 2.00%, 2.75% and 1.00%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75% and 1.00%, respectively.

(a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Returns would have been lower had the Adviser not reimbursed certain expenses of the Fund. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus please visit our website at www.gabelli.com. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Lipper Large Cap Value Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2003 and the Class I Shares on June 30, 2004. The actual performance of the Class A and Class C Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance for the Class I Shares would have been higher due to the lower expenses related to this class of shares.

(b) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.

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

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Schedule of Investments — March 31, 2018 (Unaudited)

Shares		Market Value	Shares		Market Value
	COMMON STOCKS — 98.7%			Food and Beverage — 6.3%	
	Agriculture — 0.6%				
2,300	Bunge Ltd.	\$ 170,062	3,000	Diageo plc, ADR	\$ 406,260
			18,500	Mondelēz International Inc., Cl. A	772,005
			8,000	The Kraft Heinz Co.	498,320
					<u>1,676,585</u>
	Automotive: Parts and Accessories — 2.3%			Health Care — 16.6%	
6,000	Aptiv plc	509,820	3,700	Allergan plc	622,673
2,000	Delphi Technologies plc.	95,300	5,487	Bristol-Myers Squibb Co.	347,053
		<u>605,120</u>	6,500	Gilead Sciences Inc.	490,035
			2,500	Medtronic plc	200,550
	Business Services — 0.7%		22,000	Merck & Co. Inc.	1,198,340
1,500	Visa Inc., Cl. A	179,430	30,000	Pfizer Inc.	1,064,700
			6,000	Zoetis Inc.	501,060
					<u>4,424,411</u>
	Cable and Satellite — 0.9%			Media — 1.5%	
6,500	DISH Network Corp., Cl. A†	246,285	14,000	TEGNA Inc.	159,460
			6,000	Tribune Media Co., Cl. A	243,060
					<u>402,520</u>
	Computer Software and Services — 10.8%			Metals and Mining — 1.9%	
600	Alphabet Inc., Cl. C†	619,074	13,250	Newmont Mining Corp.	517,677
3,200	Apple Inc.	536,896			
23,000	Hewlett Packard Enterprise Co.	403,420	14,000	Retail — 3.1%	
9,500	Microsoft Corp.	867,065	7,000	Macy's Inc.	416,360
10,000	Oracle Corp.	457,500		Starbucks Corp.	405,230
		<u>2,883,955</u>			<u>821,590</u>
				Semiconductors — 1.5%	
	Consumer Products — 0.6%		3,400	NXP Semiconductors NV†	397,800
1,500	Kimberly-Clark Corp.	165,195		Specialty Chemicals — 5.2%	
			21,820	DowDuPont Inc.	1,390,152
	Diversified Industrial — 7.5%			Telecommunications — 1.6%	
1,800	Acuity Brands Inc.	250,542	7,000	T-Mobile US Inc.†	427,280
48,000	General Electric Co.	647,040		Transportation — 0.8%	
6,000	Honeywell International Inc.	867,060	600	AMERCO	207,060
4,000	Textron Inc.	235,880		TOTAL COMMON STOCKS	<u>26,359,881</u>
		<u>2,000,522</u>			
				Principal Amount	
	Energy — 8.1%			U.S. GOVERNMENT OBLIGATIONS — 1.3%	
6,750	Anadarko Petroleum Corp.	407,767	\$ 345,000	U.S. Treasury Bills,	
17,000	Baker Hughes, a GE Company.	472,090		1.460% to 1.686%††, 05/03/18 to 06/21/18.	344,131
8,500	National Fuel Gas Co.	437,325			
9,000	Phillips 66	863,280		TOTAL INVESTMENTS — 100.0%	
		<u>2,180,462</u>		(Cost \$21,613,484)	<u>\$ 26,704,012</u>
	Energy Services — 1.9%			† Non-income producing security.	
11,000	Halliburton Co.	516,340		†† Represents annualized yield at date of purchase.	
				ADR American Depositary Receipt	
	Financial Services — 26.8%				
9,000	American Express Co.	839,520			
12,000	American International Group Inc.	653,040			
15,000	Bank of America Corp.	449,850			
18,400	Citigroup Inc.	1,242,000			
11,500	JPMorgan Chase & Co.	1,264,655			
15,500	Legg Mason Inc.	630,075			
14,000	Morgan Stanley	755,440			
8,000	PayPal Holdings Inc.†	606,960			
2,500	State Street Corp.	249,325			
3,000	Willis Towers Watson plc	456,570			
		<u>7,147,435</u>			

See accompanying notes to schedule of investments.

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Notes to Schedule of Investments (Unaudited)

As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (“GAAP”) that may require the use of management estimates and assumptions in the preparation of its schedule of investments. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its schedule of investments.

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

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt obligations for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price, 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. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

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

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

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

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Notes to Schedule of Investments (Unaudited) (Continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of March 31, 2018 is as follows:

	Valuation Inputs		
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Total Market Value at 03/31/18
INVESTMENTS IN SECURITIES:			
ASSETS (Market Value):			
Common Stocks(a)	\$26,359,881	—	\$26,359,881
U.S. Government Obligations	—	\$344,131	344,131
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$26,359,881	\$344,131	\$26,704,012

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

Additional Information to Evaluate Qualitative Information.

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

Fair Valuation. Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. 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. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

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

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

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Notes to Schedule of Investments (Unaudited) (Continued)

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

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

Tax Information. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

THE GABELLI DIVIDEND GROWTH FUND
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Portfolio Management Team Biographies

Sarah Donnelly joined Gabelli in 1999 as a junior research analyst working with the consumer staples and media analysts. Currently she is a Portfolio Manager of Gabelli Funds, LLC, a Senior Vice President and the Food, Household and Personal Care products research analyst for Gabelli & Company. In 2013, she was named the Health & Wellness research platform leader. Ms. Donnelly received a BS in Business Administration with a concentration in Finance and minor in History from Fordham University.

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

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

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

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