The Gabelli Dividend Growth Fund

Shareholder Commentary
March 31, 2018

(Y)our Portfolio Management Team

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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 page 2 for performance information for all classes.

In Review

In stock market terms, the first quarter of 2018 was a bit different from recent quarters. Previously, the U.S. stock market had been going up for many quarters in a row. In the first quarter, however, the stock market was actually down slightly, something we are not used to seeing. Another difference was that volatility has come back to the stock market. One way to measure volatility is to look at the number of days when the stock market, as measured by the S&P 500, was up or down by at least 1% in one trading day. During all of 2017, the S&P 500 only had eight such trading days, a very low number. During the first quarter of 2018, however, there were 23 daily moves of at least 1%. So, volatility is back, and as long term investors know well, the stock market does not always go up in the short term.

Absolute returns in (y)our portfolio were strong in 2017, and we look forward to an acceleration in earnings growth and deal activity in 2018. We expect volatility, as mentioned above, to stay with us. Market corrections and economic recessions are inevitable, and indeed necessary, for the proper functioning of our capitalist system. We remain alert and prepared for most eventualities, and believe our PMV with a Catalyst™ approach will continue to deliver superior risk-adjusted results over the long term.

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.

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, are available on our website at www.gabelli.com.

The Economy

The U.S. economy grew at an impressive rate of about 3.0% in real terms during 2017, and we expect that the economy will continue to grow by that same 3.0% rate during 2018. Inflation has started to move up ever so slightly, and we expect that this metric, as measured by the Consumer Price Index, will hover just above 2% for 2018, a level that central bankers should be comfortable with as they gradually raise short term rates. The unemployment rate, at approximately 4%, stands at a ten-year low. Housing starts of about 1.3 million units continue their steady increase, but remain comfortably below the prior peak of 2.2 million units.

The U.S. economic expansion has been going on since June 2009, according to the National Bureau of Economic Research. That means we are about to enter the second longest economic expansion in the U.S., beating the 106-month expansion of the 1960s. The longest economic expansion was from 1991-2001, and we will have to wait another year to see if we can beat that record to become the longest economic expansion recorded in U.S. history, with records going back to before the Civil War.

The State of Washington

Since late 2017, the rising stock market was based on a “Trump Bump,” consisting of (a) tax reform, (b) deregulation, and (c) fiscal stimulus. To date, the Trump administration has delivered on the first two objectives. Fiscal stimulus could become part of the picture in 2018 if an infrastructure bill gets passed and military spending goes up, both of which the administration would like to do. The new tax bill, which lowers the Federal corporate tax rate to 21%, will make U.S. corporate taxes competitive with other OECD countries, which is a major positive for the U.S. economy and the U.S. stock market. We believe (y)our portfolio is well positioned to capture the benefits of the lower corporate taxes, as it includes a disproportionate weighting of smaller and mid-size U.S. firms, who are currently paying higher effective rates and whose revenues are centered on domestic operations. Many individuals will see lower taxes with reduced rates and an increased standard deduction, but higher income households in higher state and local tax (SALT) geographies could see an increase. Deregulation in the energy, financial, and media/telecom sectors has already unleashed corporate animal spirits. We expect more deregulation to come from this administration.

The State of the Federal Reserve

Notwithstanding excitement about potential tax windfalls, the most powerful market force coming out of Washington during the past few years has come from the Federal Reserve. Through open market activity and three rounds of quantitative easing (QE), the Federal Reserve slashed short term interest rates from 4.5% before the 2008-2009 financial crisis to nearly zero, lifting assets prices everywhere. The Federal Reserve began tapping the brakes by tapering QE activity in October 2014, and has now raised rates six times, the latest of which took the Federal Reserve Funds rate to a range of 1.50% - 1.75%. The Federal Reserve started shrinking its balance sheet, with current expectations for two additional increases in 2018 and possibly three in 2019, which would ratchet the Federal Reserve Funds rate to 3.0%. Newly appointed Federal Reserve Chair Jerome H. (“Jay”) Powell, a centrist and former banker, will likely continue this path.

Over the long term, the Federal Reserve's "normalization" of rates is healthy for the economy, but the timing of this process has been the subject of debate, given the lack of inflation. The last two rate hike cycles ended in market dislocations in 2001 and 2007, but the circumstances in each were different from today. A future recession may be unavoidable, but it need not be triggered by the Federal Reserve anytime soon. What is clear, however, is that monetary policy has gone from being a tailwind to being a headwind for the economy and the market.

Dividends

Dividends are an important element in the historical returns of stocks. They provide current income and a growing income stream over time. During the first quarter of 2018, U.S. companies continued to increase their dividends. At the end of the quarter, the dividend yield on the S&P 500 was just below 2.0%, and 26% of the stocks in the S&P 500 had dividend yields greater than the 10-Year U.S. Treasury.

Investment Scorecard

During the first quarter of 2018, the S&P 500 was down about 1% on a total return basis. All of the eleven sectors that make up the S&P 500 index were down, with the exception of two sectors - Information Technology was up 3.5% and Consumer Discretionary was up 3.1%. The worst performing sector during the quarter was Telecom (down 7.5%), followed by Consumer Staples (down 7.1%).

Some of the stocks that helped performance the most in the Gabelli Dividend Growth Fund during the first quarter were Hewlett Packard Enterprise (1.5% of net assets as of March 31, 2018) and Zoetis (1.9%), both of which were up over 10%

Hewlett Packard Enterprise reported strong earnings during the quarter, and the stock hit an all-time high as a result. Zoetis is a health care company engaged in the discovery, development and commercialization of animal health medicines and vaccines. The company reported strong results for the fourth quarter with revenue up 14% to $1.5 billion.

A couple of the stocks that underperformed during the first quarter were DowDuPont (5.2%) and General Electric (2.4%), both of which were down by over 10%.

DowDuPont is the newly formed company from the combination of Dow Chemical and The DuPont Company. The company plans to split into three separate companies by the first half of 2019. Although all the details have not been worked out yet, which is causing some pressure on the stock, we feel the split up will enhance shareholder value. General Electric, under the new leadership of CEO John Flannery, has increased charges related to GE Capital's insurance portfolio, which has put pressure on the stock.

Let's Talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the share prices are listed first in United States dollars (USD) and second in the local currency, where applicable, and are presented as of March 31, 2018.

American Express Co. (3.1% of net assets as of March 31, 2018) (AXP – $93.28 – NYSE) is the largest closed loop credit card company in the world. The company operates its eponymous premiere branded payment network and lends to its largely affluent customer base. American Express has 113 million cards in force and nearly $70 billion in loans, while its customers charged over $1.1 trillion of spending on their cards in 2017. The company's strong consumer brand has allowed American Express to enter the deposit gathering market as an alternate source of funding, while the company's affluent customers have picked up spending. Longer term, American Express should capitalize on its higher spending customer base and continue to expand into other payment related businesses, such as corporate purchasing, while also growing in emerging markets. Similarly, the company is looking at the growing success of social media as an opportunity to expand its product base and payment options.

Citigroup Inc. (4.6%) (C – $67.50 – NYSE) is a leading global bank, with approximately 100 million customer accounts. The firm conducts business in more than 100 countries and jurisdictions. Citigroup provides consumers, corporations, governments, and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management. The firm is well positioned to capitalize on the growth of global personal wealth.

DowDuPont (5.2%) (DWDP – $63.71 – NYSE) is the newly formed company following the merger of Dow Chemical (DOW) and DuPont de Nemours (DD). The merger closed on August 31, 2017, and the new company, DowDuPont, started trading on September 1, 2017, under the ticker DWDP at around $67 per share. The combined entity now expects to generate $3.3 billion in cost synergies, $1 billion in growth synergies, and will pursue a tax-free separation into three independent companies. Management expects Materials Science to be separated by the end of Q1 2019, and Specialty Products will be formed when Ag separates by June 2019. The proposed portfolio for each entity should enhance competitive advantage, value creation, and growth (for the Specialty Products division in particular). The Agriculture Division will be named Corteva Agriscience; having generated revenues of $14 billion and EBITDA of $2.6 billion in 2017, it will have a balanced seed and crop protection portfolio and a strong pipeline of new products. The Materials Science Division will retain the Dow name; with revenues of $44 billion and EBITDA of $9.1 billion in 2017, it will be leveraging its integration and innovation strengths and focus on three high-growth verticals: packaging, infrastructure, and consumer care. The Specialty Products Division will become the new DuPont; with $21 billion of pro forma revenues and $5.3 billion of 2017 EBITDA, it will focus on technology-driven specialty businesses with highly differentiated products and solutions emphasizing customer collaboration. For 2018, management expects DowDuPont's revenue growth of "up mid-single digits" and EPS of "up mid-to-high teen; these compare with 2017 pro forma revenues of $79.5 billion and pro forma adjusted EPS of $3.40.

JPMorgan Chase & Co. (4.7%) (JPM – $109.97 – NYSE) is one of the oldest financial institutions in the U.S. The firm, with assets of over $2.5 trillion, provides services to millions of consumers, small businesses, and many of the world's largest corporate, institutional, and government clients. The bank is divided into several reporting segments, including investment banking, commercial banking, financial transaction processing, asset management, and private equity. CEO Jamie Dimon is well regarded among corporate leaders, and he has positioned the company for future growth, despite the recent challenges related to the financial crisis, increased regulations, and low interest rates.

Merck & Company, Inc. (4.5%) (MRK – $54.47 – NYS), headquartered in Whitehouse Station, New Jersey, is a major international drug and pharmaceutical manufacturing company with global revenue of $40.1 billion in 2017. The company's product portfolio includes seven blockbusters with over $1 billion of annual sales and is led by Keytruda, a breakthrough cancer drug in the emerging field of immuno-oncology. Merck is also a leading player in the markets for vaccines, diabetes treatments, and animal healthcare.

Mondelēz International Inc. (2.9%) (MDLZ – $41.73 – NASDAQ) headquartered in Deerfield, Illinois, is the renamed Kraft Foods Inc. following the tax-free spin-off to shareholders of the North American grocery business on October 1, 2012. On July 2, 2015 Mondelez combined its coffee business with D.E Master Blenders 1753 to form a new coffee company, Jacobs Douwe Egberts. Subsequently, MDLZ exchanged part of its stake in this coffee joint venture for 24% ownership in Keurig Green Mountain, which was acquired by an investor group led by JAB Holding Co. in March 2016. This narrows the company's product focus, as nearly 85% of Mondelez's $26 billion of revenue is derived from snacking, including leading brands such as Oreo, LU and Ritz biscuits, Trident gum, and Cadbury and Milk chocolates. The company continues to execute against its plan to accelerate growth and to improve margins, targeting 17% in 2018. In November, CEO Irene Rosenfeld was succeeded by Dirk Van de Put, who joined the company after eight years as CEO of McCain Foods.

National Fuel Gas Co. (1.6%) (NFG – $51.45 – NYSE) is a diversified natural gas company. NFG owns a regulated gas utility serving the region around Buffalo, New York, gas pipelines that move gas between the Midwest and Canada and from the Marcellus to the Northeast, gathering and processing systems, and an oil and gas exploration and production business. NFG's regulated utility and pipeline businesses, as well as its California oil production business, provide stable earnings and cash flows to support the dividend, while the natural gas production business offers significant upside potential. Natural gas prices have been depressed over the past few years, but NFG's net ownership of 785,000 acres in the Marcellus Shale, holds enormous natural gas reserve potential and the company has proven to be among the lower cost producers. We continue to expect above average long term earnings and cash flow growth from improving gas prices, growing gas production and strategically located pipeline expansion. The company has increased its dividend for 46 consecutive years.

Pfizer (4.0%) (PFE – $35.49 – NYSE), headquartered in New York, New York, is a leading global pharmaceutical company with revenue of $52.5 billion in 2017. The company's product portfolio includes nine blockbusters with over $1 billion of annual sales in therapeutic areas such as cancer, cardiovascular disease, immunology, neurology, and vaccines. Pfizer also has a $3.5 billion portfolio of consumer health products with top-selling brands including Advil, Centrum, ChapStick, and Robitussin.

Conclusion

While change is constant, the fundamental underpinnings of common stock value investing remain unchanged. Our stock selection process is based on the investment principles first articulated in 1934 by the fathers of security analysis, Benjamin Graham and David Dodd. Their work provided the framework for value investing. Our firm contributed to the academic and empirical research on value investing by introducing the concept of Private Market Value (PMV) with a Catalyst™. This is our proprietary research methodology that focuses on individual stock selection by identifying stocks of firms selling at a discount to intrinsic value per share with a reasonable probability of realizing their PMVs. We define PMV as the price a strategic acquirer would likely be willing to pay for the entire enterprise. Catalysts are specific events or circumstances with varying time horizons that can trigger a narrowing of the difference between the market price of a stock and its estimated PMV per share. Price appreciation can occur instantly, as in the case in an announced takeover, or more gradually over time. There are a variety of catalysts that can cause change. Some general categories include: company specific, industry, regulatory, demographic, political and economic. We continue to find good value in many companies that have some combination of long term growth prospects, strong cash flow generation, good balance sheets as well as shareholder friendly management teams. We thank you for your investment in the Fund and we look forward to serving you in the future.

April 25, 2018

Top Ten Holdings **(Percent of Net Assets)**
March 31, 2018

DowDuPont Inc.	5.2%	Microsoft Corp.	3.2%
JPMorgan Chase & Co.	4.7%	Honeywell International Inc.	3.2%
Citigroup Inc.	4.6%	Phillips 66	3.2%
Merck & Co Inc.	4.5%	American Express Co.	3.1%
Pfizer Inc.	4.0%	Mondelez International Inc.	2.9%

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Managers only through the end of the period stated in this Shareholder Commentary. The Portfolio Managers' views are subject to change at any time based on market and other conditions. The information in this Portfolio Managers' Shareholder Commentary represents the opinions of the individual Portfolio Managers and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Managers and may differ from those of other portfolio managers or of the Firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed.

Minimum Initial Investment – $1,000

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

www.gabelli.com

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

The Fund's daily NAVs are available in the financial press and each evening after 7:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554). Please call us during the business day, between 8:00 AM – 7:00 PM (Eastern Time), for further information.

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

e-delivery

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

Multi-Class Shares

Class AAA Shares are no-load shares offered directly through selected broker/dealers. Class A and Class C Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available directly through the Fund's distributor or brokers that have entered into selling agreements specifically with respect to Class I Shares. The Board of Trustees determined that expanding the types of Fund shares available through various distribution options will enhance the ability of the Fund to attract additional investors.

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Gabelli/GAMCO Funds and Your Personal Privacy

Who are we?

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

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

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

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

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

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

What do we do to protect your personal information?

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

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 Senior Vice President and the Food, Household and Personal Care products research analyst at Gabelli & Company and a portfolio manager for Gabelli Funds, LLC and the Fund. In 2013, she was named the Health & Wellness research platform leader. Ms. Donnelly received a B.S. 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 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, having rejoined Gabelli & Company in June 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. Mr. Bergner graduated cum laude from Yale University with a B.A. in Economics & Mathematics and received an MBA in Finance and Accounting from Wharton Business School.

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