# The GAMCO Growth Fund

## Shareholder Commentary
## June 30, 2018


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**Portfolio Manager**


**Christopher D. Ward, CFA**
**Associate Portfolio Manager**

**To Our Shareholders,**

Thank you for your investment in the GAMCO Growth Fund.

For the quarter ended June 30, 2018, the net asset value ("NAV") per Class I Share of The GAMCO Growth Fund increased 7.7% compared with increase of 3.4% for the Standard & Poor's ("S&P") 500 Index and an increase of 5.8% Russell 1000 Growth Index. Other classes of shares are available. See page 2 for performance information for all classes.

The S&P 500 peaked on Friday, January 26, 2018 at 2872. Exactly two weeks later, on Friday, February 9, 2018, the S&P 500 sat at 2532, a 12% drop in only nine trading sessions. Hopefully, those who had hoped for a quick retest of January highs weren't holding their breath; the market remains range bound as investors continue to digest the Federal Reserve's tightening, a rising dollar and, increasingly, global trade tensions.

At the start of the year, investors were not fully appreciating Trump's determination in addressing the U.S.-China trade imbalance, which reached a record $375 billion deficit in 2017. Market commentators talked down the prospect of a trade war, with statements like "cooler heads will prevail," "both sides have too much to lose," or "this is just posturing." But consider the hardliners, Robert Lighthizer and Peter Navarro, advising Trump on trade policy. Lighthizer is an international trade lawyer whose track record includes negotiating trade deals under the Reagan administration. He's accused China of unfair trade practices, and intellectual property theft. Navarro is an economist and academic who has dedicated most of his career to China's nefarious trade policy. He's authored several provocative books, including "The Coming China Wars" and "Death by China: Confronting the Dragon - A Global Call to Action." The titles tell you all you need to know. These men were hired specifically because their protectionist vision aligned with Trump's agenda. They have Trump's ear.

Sure, there are political interests at stake. But if all Trump wanted was a political victory, he would have accepted China's offer, in June, to purchase $70 billion in additional U.S. goods. Instead, he rejected it. While the trade deficit is an important part of the debate, Trump's advisers are more concerned with effecting structural changes to China's industrial policy.

**Average Annual Returns through June 30, 2018 (a)**

| | Quarter | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception (4/10/87) |
|---|---|---|---|---|---|---|
| **Class I (GGCIX)** | 7.69% | 26.07% | 15.02% | 15.71% | 9.58% | 10.54% |
| S&P 500 Index | 3.43 | 14.37 | 11.93 | 13.42 | 10.17 | 9.84(b) |
| Russell 1000 Growth Index | 5.76 | 22.51 | 14.98 | 16.36 | 11.83 | 9.67(b) |
| **Class AAA (GABGX)** | 7.61 | 25.75 | 14.73 | 15.42 | 9.31 | 10.45 |
| **Class A (GGCAX)** | 7.63 | 25.76 | 14.73 | 15.42 | 9.31 | 10.45 |
| With sales charge (c) | 1.44 | 18.53 | 12.49 | 14.06 | 8.66 | 10.25 |
| **Class C (GGCCX)** | 7.43 | 24.84 | 13.88 | 14.56 | 8.49 | 10.06 |
| With contingent deferred sales charge (d) | 6.43 | 23.84 | 13.88 | 14.56 | 8.49 | 10.06 |
| **Class T (GGGTX)** | 7.61 | 25.73 | 14.73 | 15.41 | 9.31 | 10.45 |
| With sales charge (e) | 4.92 | 22.58 | 13.76 | 14.83 | 9.03 | 10.34 |

**In the current prospectuses dated April 30, 2018, the expense ratios for Class AAA, A, C, I, and T Shares are 1.41%, 1.41%, 2.16%, 1.16%, and 1.41%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares, Class C Shares, and Class T Shares is 5.75%, 1.00%, and 2.50%, 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. 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 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, Class I Shares on January 11, 2008, and Class T Shares on July 5, 2017. The actual performance of the Class A Shares, Class C Shares, and Class T Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Russell 1000 Growth Index measures the performance of the large cap growth segment of the U.S. equity market. Dividends are considered reinvested. You cannot invest directly in an index.

(b) S&P 500 Index and Russell 1000 Growth Index since inception performance results are as of March 31,1987.

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

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

(e) Performance results include the effect of the maximum 2.50% sales charge at the beginning of the period.

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. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

Dubbed Made in China 2025, China's state-sponsored industrial policy aims to capture leading market shares in strategically important industries, such as robotics, aerospace, and clean-energy. This is an important milestone in President Xi Jinping's longer-term vision to turn China into a global power by 2050. China's GDP will exceed that of the United States much sooner than that. Meanwhile, its growth is being subsidized by the trade surplus provided by the United States.

Indeed, China does not abide by free trade principles. It does violate WTO rules. It steals our intellectual property and imposes tariffs on our goods. China's surging global influence is, in fact, a threat to our national security. There is logic in addressing these issues and leveling the playing field. Those familiar with Thucydides' Trap could argue that confrontation was inevitable. The question remains: can the U.S. effect change while minimizing collateral damage to the global economy?

**The Economy**

Fueled by historic fiscal stimulus in the form of tax cuts and government spending, coupled with a resurgent consumer, coincident indicators of the economy remain very strong. According to the Bloomberg economic survey, real gross domestic product ("GDP") growth is now pegged at 2.9% for this year, compared to expectations of 2.8% three months ago and 2.6% at the beginning of the year. Unemployment in May reached 3.8%, a level not reached since December of 2000, though labor force participation remains relatively low. Business and consumer confidence remain elevated; historically, consumer confidence falls sharply about a year prior to a recession.

Certain leading indicators of the economy send more mixed messages. After a period of synchronous global growth, which fueled healthy market returns in 2017, trends have softened year-to-date as the Global PMI for manufacturing has declined five out of the last six months, with Japan and the Eurozone being the notable detractors. As we outlined last quarter, we maintain an out-of-consensus view that long-term rates will remain muted due to subdued inflation and deteriorating global growth prospects, which result in a flight to safety in U.S. Treasuries. Indeed, the 10-year yield peaked at 3.12% in May and finished the second quarter at 2.85%. A retreating 10-year yield, in combination with short-term rates being elevated by the Federal Reserve, has flattened the yield curve (10-year/2-year spread) from 135 basis points at the end of 2016 to 47 basis points at the end of March, and just 32 basis points at the end of June. This is the flattest reading since July 2005. We are paying close attention to this dynamic as an inverted yield curve tightens credit and has preceded seven out of the last seven recessions. Expectations are for an additional Federal Reserve hike in September.

U.S. BAA corporate credit spreads have clearly inflected. A proxy for corporate credit risk, BAA spreads declined from 364 basis points in February 2016 to 149 basis points in February 2018 – a level not reached since June 2007. This reduction in perceived market risk coincided with a robust 35% total return for the S&P 500. However, late January marked the peak in the markets and the trough in spreads, which have widened to 196 basis points at the time of this writing.

Lastly, while business confidence remains elevated, it has tapered from its peak at the beginning of the year as trade has become top of mind for CEOs. Anecdotally, Federal Reserve Chair Powell has heard businesses complain that the Trade War is hurting activity. Harley-Davidson, for example, plans to shift production out of the U.S. to avoid retaliatory tariffs from the E.U. Expect more stories of trade disruption.

## The Markets

S&P 500 earnings for 2018 are now expected to reach $160 per share, or +22% year-over-year. Tax cuts are amplifying some of the strength in earnings. Sales growth is expected to reach a more typical +5% for the year. So far this year, stock returns have failed to keep pace with earnings growth as multiples have contracted. As we mentioned last quarter, price-to-earnings multiples have contracted eight of the last eight Federal Reserve tightening cycles. The S&P 500 is now trading at 16.5 times forward earnings expectations, down from 18.5 times in December. We don't expect P/E multiple expansion to contribute to stock returns for the balance of the year. Multiples face ongoing headwinds in the form of declining expectations, continued Federal Reserve tightening and overall higher levels of volatility fueled by trade tensions.

If earnings forecasts for 2019 are to be believed, the expected +10% growth next calendar year should provide some downside protection from further multiple contraction. However, we must be prepared for potential negative earnings revisions as we are late in the cycle and rates have been rising for two years.

## Portfolio Observations

We eliminated 13 holdings during the quarter and added six for a net decrease of seven, resulting in a portfolio of 55 companies. In an effort to reduce our cyclical exposure, we sold Applied Materials, BlackRock, Blackstone, Cognex, Honeywell, Parker-Hannifin, Rockwell Automation, and Roper Technologies. PepsiCo was sold due to disappointing pricing trends resulting in anemic top line growth. Johnson & Johnson was sold due to the disruption from challenger brands it is facing in its Consumer business and evolving customer behavior. Charter Communications was sold due to continued deterioration in cable subscriptions. Bristol-Myers was sold due to disappointing clinical trials for its Opdivo anti-cancer drug. Broadcom was sold after achieving a full valuation.

New positions were established in software names ServiceNow (0.7 % of net assets as of June 30, 2018), the leader in cloud-hosted IT service management, and Tableau (0.6%), the gold standard in business intelligence and analytics. We initiated a position in TJX Companies (0.7%), the leader in off-price retail, as business trends in their flagship Marshalls and TJ Maxx stores have accelerated. TJX's off-price model continues to take share from department stores and offers a value proposition that cannot be replicated online, insulating the company from e-commerce disruption. We purchased Activision Blizzard (1.0%), a video game publisher with valuable intellectual property, as the company is benefitting from strong engagement, a shift to digital downloads, and is well positioned to benefit from the growth in eSports through its Overwatch League. We purchased IAC/Interactive (1.5%), which owns 81% of Match Group (parent company of Tinder), 87% of ANGI Homeservices, and the video platform, Vimeo. Lastly, we added NextEra Energy (2.6%), a leading utility in renewable energy with above-market growth rates.

We increased a number of positions with the biggest increases in Broadridge (0.9%), Square (0.5%), Charles Schwab (0.9%), Intuitive Surgical (1.0%), and NVIDIA (1.6%). We also reduced a number of positions, including Starbucks (0.5%), Cognizant (0.5%), Abbott Laboratories (0.7%), Comcast (1.0%), and Walt Disney (1.1%).

At quarter's end we were overweight (relative to the Russell 1000 Growth Index) technology, health care, financial services, and utilities. We were underweight consumer discretionary, consumer staples, energy, materials, and producer durables. Our 15 largest holdings represent about 58% of total assets.

## Performance Commentary

Our top contributor to performance for the quarter (based upon price change and the size of the holding), was Facebook (5.7% of net assets as of June 30, 2018). Facebook shares were under pressure in the first quarter following the Cambridge Analytica scandal. Our intra-quarter calls with marketing agencies suggested that despite the bad PR, user growth and ad spend on the platform remained strong. This view was confirmed with Facebook's first quarter earnings release, which showed no visible impact from the fallout.

Other holdings with the most positive impact on performance for the quarter were, in order, Amazon (6.4%), Apple (6.2), UnitedHealth (4.5%), Mastercard (4.6%), Microsoft (6.2%), Alphabet (6.0%), Adobe (3.4%), and Netflix (1.8%).

The biggest detractor in the second quarter was Starbucks which, while one of the most successful restaurant growth stories in history, has struggled to deliver on their same-store-sales targets and most recently pre-announced disappointing second quarter results. Management has lost some credibility by habitually revising guidance lower. Exacerbating issues has been high turnover at the executive level, including the retirements of visionary founder Howard Schultz and CFO Scott Maw. We have significantly trimmed our position and will remain cautious until same-store sales stabilize and management can demonstrate a better grasp of the business outlook.

Other detractors for the quarter were, in order, 3M (0.9%), Bristol-Myers Squibb*, PepsiCo*, Constellation Brands*, Charles Schwab (0.9%), Charter Communications*, Comcast (1.0%), Applied Materials* and Cognex.*

## In Conclusion

Escalating trade tensions will have significant consequences for the markets. The $250 billion in announced tariffs amounts to only 0.20% of U.S. and China GDPs. However, the second-order ramifications across the global economy are potentially much more significant. Global supply chains may be disrupted, U.S. consumers may face higher prices on goods and domestic businesses may lose jobs and global competitiveness. One of the most immediate near-term impacts to portfolios will be currency exposure. At the time of this writing, the trade-weighted U.S. dollar is up 10% from its February low and has multiple tailwinds, including fiscal stimulus and Federal Reserve tightening in the U.S., deteriorating growth prospects in Europe and Japan and weakening currencies in the emerging markets. China is allowing the yuan to weaken in an attempt to offset tariffs. Many other emerging market countries, whose economies are tightly integrated with China's supply chain, will also suffer from fewer Chinese exports.

Trump believes trade wars are easy to win. China is the one with the trade surplus, and therefore, should have more to lose. Unfortunately, this rationale doesn't consider the full arsenal at China's disposal: boycotting U.S. goods, subsidizing local competition, yuan weakening, aggressive fiscal and monetary policy response, and broader and steeper tariffs. The market continues to discount a relatively benign outcome. But with two headstrong leaders, unwilling to accept political defeat, fighting for what they believe to be in their people's best interest, we don't see either side blinking any time soon.

**No longer held as of June 30, 2018*

We don't practice or recommend market timing. We believe our behavioral edge lies within our long term orientation and ability to emotionally detach from quarterly volatility. Our companies remain secular winners and are uniquely positioned in the evolution of the Information Age. The digital consumption of goods and services, the collection and application of big data, the transformative innovation in health care and the rising middle class in emerging markets are multiyear secular forces that will endure short term market disruption. Meanwhile, our companies are investing at unprecedented scale to entrench their competitive moats. We maintain a relatively defensive posture by favoring companies with strong secular tailwinds, pristine balance sheets, high profitability and high earnings visibility. We remain underweight cyclical areas like industrials, materials, and energy. We are cautious on companies with high levels of indebtedness which may feel strain from tighter financial conditions. The portfolio is positioned to weather continued strength in the U.S. dollar as we have emphasized companies with high domestic revenues. Lastly, we maintain a healthy paranoia around the potential for China to interfere with the operations of multinational companies. However, it is hard to discount second and third order consequences resulting from the trade dispute.

The bull market that began in March of 2009 will become the longest in history come September. It would not have seemed possible in the summer of 2008 as the Great Recession took hold and stocks collapsed into the fall and winter. Keep the faith.

**Let's Talk Stocks**

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the percentages of net assets and their share prices are stated as of June 30, 2018.

*Adobe Systems (3.4% of net assets as of June 30, 2018) (ADBE – $243.81 – NASDAQ)* is the global leader in digital marketing and digital media solutions. Adobe has the most comprehensive end-to-end solution for digital marketing. Its tools allow customers to create digital content, deploy it across media and devices, and measure and optimize it over time. Adobe has successfully transitioned from a product-based desktop business to a cloud-based subscription business. Over 80% of total revenue is now recurring and that number is poised to climb higher as 7 million customers worldwide are yet to migrate. The demand for design capabilities continues rising at a dramatic pace, as reflected in Adobe's large and growing total addressable market of $64 billion in 2019.

*Alphabet (6.0%) (GOOG/GOOGL – $1,115.65/$1,129.19 – NASDAQ)* is the parent company of Google, the world's leading Internet search engine. The company benefits from a powerful competitive moat in one of the best secular markets, digital advertising, in which Google maintains ~45% market share. The company generates revenue by providing advertisers the opportunity to deliver targeted and measurable advertising. Alphabet's healthy core search business has allowed the company to pursue new market opportunities such as streaming video (YouTube Red), life sciences (Verily), autonomous driving (Waymo) and a variety of other "moonshot" projects.

*Amazon.com (6.4%) (AMZN – $1,699.80 – NASDAQ)* launched in 1995 as an online book retailer and has evolved into a dominant e-commerce platform and public cloud provider. Amazon's competitive advantage within e-commerce is Amazon Prime, which benefits from a virtuous cycle as the continuously expanding selection of inventory drives traffic, which attracts more sellers, who add yet more selection. Amazon continues to invest in the Prime value proposition (free and faster shipping, free video and music streaming, libraries of free books and magazines, and a host of other benefits). Prime members spend more than non-Prime customers and their purchasing volume tends to increase over time. In addition to its retailing operations, Amazon pioneered the concept of hyperscale public cloud with its Amazon Web Services (AWS) and continues to be the dominant market share leader within that rapidly growing industry. Amazon is benefitting from the secular trend of e-commerce (still only 13% of U.S. retail ex-gas, food, and autos) and the transition from on-premise to public cloud data centers (only 10% of workloads have transition to the cloud).

*Apple (6.2%) (AAPL – $185.11 – NASDAQ)* designs computers, mobile phones and other hardware, along with personal and professional software. Apple inspired the digital music revolution with the iPod and iTunes, redefined the mobile phone with the iPhone and App Store, invented an entirely new category (tablets) with the iPad, and continues to be at the forefront of mobile technology with the Apple Watch, Apple Pay, and Apple Music. Perhaps Apple's greatest innovation has been its integrated ecosystem, which retains customers and produces a "halo effect" for other Apple devices. At about 13% of total revenue, Apple's less cyclical Services business is growing ~20%, is accretive to margins, and the stock should command a higher multiple as Services becomes a bigger portion of overall revenue.

*Facebook's (5.7%) (FB – $194.32 – NASDAQ)* mission is to give people the power to share and make the world more open and connected. Facebook's unique cache of user profiles creates a powerful targeted advertising platform. Facebook has over 2.1 billion monthly active users (MAUs) worldwide. Facebook continues to grow its worldwide user base largely driven by the proliferation of mobile devices in the emerging markets. Facebook is able to drive pricing power by continuously improving the effectiveness of its ads. Meanwhile, there remains runway to further monetize Facebook properties Instagram, Messenger, and WhatsApp.

*Home Depot (2.8%) (HD – $195.10 – NYSE)* is the world's largest home improvement retailer with approximately 2,300 stores in North America. Home Depot is a best-in-class retail operator and continues to take market share from its chief competitor, Lowe's. Home Depot's addressable market includes the $300 billion home improvement retail category, as well as the MRO and services markets which collectively result in a total $550 billion total addressable U.S. market. Home Depot benefits from housing macro tailwinds, such as improving household formation and an aging U.S. housing stock. Home improvement remains a defensible category in the face of e-commerce disruption.

*Mastercard (4.6%) (MA – $196.52 – NYSE)* operates a card payments network, connecting consumers, financial institutions, merchants, governments, and businesses in more than 210 countries and territories. Mastercard benefits from the secular trend of cash-to-card conversion, the displacement of cash and checks with digital forms of payment. Global card payment penetration is only 42%, increasing 2 percentage points per year. Card payment penetration is substantially lower in emerging markets, such as Brazil (35%), Mexico (16%), and India (<10%).

*Microsoft (4.6%) (MSFT – $98.61 – NASDAQ)* is the world's largest software company and develops software products for computing devices ranging from PC's to servers to its Xbox game console. Microsoft is transitioning to a subscription business with high recurring revenue. The transition from Office to cloud-based Office 365 is resulting in user base growth and per user pricing lift. Microsoft's Azure is emerging as a rapidly growing public cloud winner behind Amazon's AWS. The recent acquisition of LinkedIn will allow Microsoft to integrate data from LinkedIn's economic graph with Microsoft's professional cloud.

*UnitedHealth Group (4.5%) (UNH – $245.34 – NYSE)* is one of the largest and most diversified managed care companies in the United States. It's high growth Optum services business provides wellness and care management programs, financial services, information technology solutions, and pharmacy benefit management (PBM) services to an additional 115 million customers.

*Zoetis (3.0%) (ZTS – $85.19 – NYSE)* maintains a leadership position in animal health medicines and vaccines, with a focus on livestock and companion animals. Zoetis benefits from secular trends such as increasing animal protein consumption and rising standard of care for pets. Zoetis holds a unique position within the healthcare space as it has low exposure to third-party payers and generics.

July 27, 2018

**Top Ten Holdings (Percent of Net Assets)**
**June 30, 2018**

| | | | |
|---|---|---|---|
| Amazon.com Inc. | 6.4% | Mastercard Inc. | 4.6% |
| Microsoft Corp. | 6.2% | UnitedHealth Group Inc. | 4.5% |
| Apple Inc. | 6.2% | Adobe Systems Inc. | 3.4% |
| Alphabet Inc. | 6.0% | Zoetis Inc. | 3.0% |
| Facebook Inc. | 5.7% | Home Depot Inc. | 2.8% |

**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 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**

The GAMCO Growth Fund began offering additional classes of Fund shares on December 31, 2003. 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 Directors determined that expanding the types of Fund shares available through various distribution options will enhance the ability of the Fund to attract additional investors.

## 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.

## THE GAMCO GROWTH FUND
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### Portfolio Management Team Biographies

**Howard F. Ward, CFA,** joined Gabelli Funds in 1995 and currently serves as GAMCO's Chief Investment Officer of Growth Equities as well as a Gabelli Funds, LLC portfolio manager for several funds within the Gabelli/GAMCO Funds Complex. Prior to joining Gabelli, Mr. Ward served as Managing Director and Lead Portfolio Manager for several Scudder mutual funds. He also was the Investment Officer in the Institutional Investment Department with Brown Brothers, Harriman & Co. for four years. Mr. Ward received his BA in Economics from Northwestern University.

**Christopher D. Ward, CFA,** joined the GAMCO Growth Team in 2015 as Vice President and Research Analyst. Prior to joining Gabelli Funds, Mr. Ward spent five years at Morgan Stanley Private Wealth Management where he served as Director of Business Strategy for The Apollo Group. Before joining Morgan Stanley, he was with the GFI Group, Inc., a wholesale institutional brokerage firm. Mr. Ward is a Chartered Financial Analyst and a member of the New York Society of Security Analysts. He graduated from Boston College with a BA in Economics.

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Net Asset Value per share available daily
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# THE GAMCO GROWTH FUND

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