Teton Advisors, Inc.

GAMCO WESTWOOD FUNDS

MIGHTY MITES[SM] FUND

SMALLCAP EQUITY FUND

INCOME FUND

EQUITY FUND

BALANCED FUND

INTERMEDIATE BOND FUND

COMMENTARY

December 31, 2009

Westwood Mighty Mites℠ Fund

Morningstar® rated The GAMCO Westwood Mighty Mites℠ Fund Class AAA Shares 5 stars overall and 5 stars for the three and five year periods and 4 stars for the ten year period ended December 31, 2009 among 566, 566, 467, and 243 Small Blend funds, respectively.

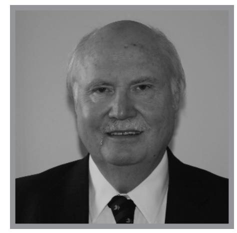
To Our Shareholders,

The GAMCO Westwood Mighty Mites℠ Fund's Class AAA Shares rose 3.3% for the quarter ended December 31, 2009 versus 3.9% for the Russell 2000 Index. For the 2009 calendar year, Mighty Mites℠ appreciated 27.5% versus a gain of 27.2% for the Russell 2000 and a gain of 27.5% for the Russell Microcap Indices.

COMMENTARY

Improved bookings and rising corporate profits led stocks higher in 2009 as global economies recovered from the most severe recession since the Great Depression. Our outlook is for a continued economic expansion, albeit with some bumps in the road. One big bright spot: the manufacturing sector expanded for the fifth straight month in December, and at an accelerated pace. Strong new order growth certainly bodes well for the economy, though high unemployment continues to pose a drag on the consumer.

Mario J. Gabelli, CFA



Walter K. Walsh

Laura Linehan

Manufacturers have spent the last two years shedding headcount and slashing overhead. They are enjoying their new leanness and have been able to increase the productivity of the workers they still employ. How do we get U.S. small businesses, the lifeblood of our economy, to start hiring? Housing is another question dogging the consumer and financial institutions.

Average Annual Returns Through December 31, 2009 (a)

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (5/11/98)
Mighty Mites℠ Fund Class AAA	3.29%	27.48%	1.38%	6.00%	8.11%	10.82%
Russell Microcap Index	(0.47)	27.48	(10.95)	(3.33)	N/A(b)	N/A(b)
Russell 2000 Index	3.87	27.17	(6.07)	0.51	3.51	3.65
Lipper Small Cap Value Average	3.96	32.57	(6.05)	0.91	8.11	5.10

The Fund's Class AAA expense ratio is 1.67% in the current prospectus. The Fund's 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 and 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. The Adviser reimbursed expenses through September 30, 2005 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. Current performance may be higher or lower than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end.* ***Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.*** *See page 15 for further details about additional classes of shares.*

The Russell Microcap™ Index and the Russell 2000 Index are unmanaged indicators of stock market performance, while 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) *Inception date for the Russell Microcap™ Index is July 1, 2000.*

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.

Although the housing market has shown some stabilization, what happens when currently low mortgage rates rise? Also, what effect does the expiration of the first-time buyer tax credit have? If prices drop significantly, we can possibly expect another massive wave of foreclosures.

Give the fragile nature of this economic recovery, the U.S. Federal Reserve Board is unlikely to raise short-term rates over the near term and will likely maintain an accommodative monetary policy well into 2010. Moreover, we are encouraged by signs of improvement among a host of leading economic indicators. Take the ISM Manufacturing Index, which rose in December to 55.9 from 53.6, the highest reading since April 2006. Residential real estate is showing signs of recovery with improving housing starts, and new home sales are up 5.1% year to year, the first annual increase since November 2005. Single family permits are up 12.1% year to year, the first increase since February 2006. Despite these encouraging signs, a sustained improvement in the labor market and a recovery in bank lending are necessary preconditions for a change to a more restrictive monetary policy. The combination of robust economic growth and an accommodative Fed should provide benign conditions for further equity market gains in 2010.

Meantime, we are enjoying a new wave of merger and acquisition activity. Strategic corporate buyers are aiming to get stronger by targeting acquisitions that will add to growth, market share, and profits. Our portfolio of smaller companies are chock full of potential merger targets. Along those lines, on November 11, "Mighty Mite" Youbet.com, Inc. (1.0% of net assets as of December 31, 2009) agreed to merge with Churchill Downs for 0.0598 of a share of Churchill common stock and $0.97 in cash. California Micro Devices (0.8%) was also being acquired by ON Semiconductor Corp. in a cash tender offer announced on December 14 for $4.70 per share. The acquisition is expected to directly complement ON's protection and lighting solutions portfolios. In addition, on December 24, AMICAS (1.4%), a provider of image IT solutions to the healthcare industry, agreed to be acquired by private equity firm Thoma Bravo for $217 million, or $5.35 per share in cash, representing a 22% premium over AMICAS' December 23 closing price of $4.38 per share. The deal is expected to close in the first quarter of 2010.

Our bottom up, value oriented research process seeks to identify companies with strong business models, selling at a discount to their Private Market Value (PMV) or companies selling at a discount to cash flow or earnings growth prospects, attributable to misperception by the market. Through diligent research, we are working to uncover inefficiently priced equities selling at bargain prices.

Let's Talk Investments

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 percentage of net assets and their share prices are presented in U.S. dollar equivalents as of December 31, 2009.

Among the better performing stocks this quarter were: *AMICAS, Inc., Continucare, Inc. (1.0%), GenCorp, Inc. (1.7%)* and *Youbet.com, Inc.*

Continucare, Inc. (CNU - $4.37 - AMEX) provides primary care physician services on an outpatient basis in the United States. It provides medical services to patients through physicians, nurse practitioners, and physician assistants, as well as practice management services. CNU has a strong balance sheet with no debt; the company also has a low valuation versus its peers, and has posted double digit growth in earnings over the past three and five year periods.

GenCorp, Inc. (GY - $7.00 - NYSE) manufactures aerospace and defense products and systems in the United States. In the past quarter, GenCorp, Inc. issued $200 million in convertible subordinated debentures carrying a 4.065% interest rate. The money will be used to pay off older, more expensive debt and for general corporate purposes. These funds should provide management the means to grow its business. We continue to view GenCorp, Inc. as an attractive investment.

Youbet.com, Inc. (UBET - $2.87 - Nasdaq) is an online pari-mutuel horse race wagering company. The company's website enables its customers to wager on horse races at approximately 150 racetracks. On November 11, 2009, UBET agreed to merge with Churchill Downs.

Among the underperforming stocks for the quarter ended December 31, 2009 were: *Ferro Corp. (2.0%), Media General Inc. (1.3%),* and *Sonesta International Hotels, Inc. (0.6%).*

Ferro Corp. (FOE - $8.23 - NYSE) produces specialty materials and chemicals for a range of manufacturers worldwide. It produces organic and inorganic, engineered plastic compounds, pigment dispersions, high potency pharmaceutical ingredients, and electronic materials. FOE's products are used in a variety of industries including appliance manufacturing, transportation, construction, electronics, industrial products, packaging, and pharmaceuticals. For the quarter ended September 30, 2009, the company earned $0.04 per share as opposed to the $0.07 it posted for the same period last year, far surpassing analyst estimates of a $0.04 loss. The better than anticipated earnings were a result of cost cutting rather than improvement in pricing or volume. During the past quarter, FOE took steps to improve its balance sheet, raising $200 million in equity by selling 35.75 million shares at $5.60 per share. Now that the company has taken steps to improve its balance sheet, the company should exhibit considerable operating leverage once end-market demand picks up.

Media General Corp. (MEG - $7.84 - NYSE) is a communications company operating in three segments: broadcast, publishing, and interactive media. Media General has made substantial progress in the restructuring of its businesses, expanding the array of products and services provided via digital media, and reducing staffing levels. In its release dealing with the results for the quarter ended September 30, 2009, Media General pointed to a strengthening in advertising spending. With restructuring completed, Media General should be able to capitalize on any improvements in the economy and advertising spending.

Sonesta International Hotels Corp. (SNSTA - $10.52 - Nasdaq) operates and leases exclusive hotels in Boston and New Orleans. It operates hotels under lease agreements in Egypt, Mexico and Costa Rica. It has franchise agreements for hotels in St. Maarten, Brazil and Peru. It also operates five Nile Cruise vessels. Concern about the economic recovery and the level of business and vacation occupancy in its venues depressed SNSTA's stock price. We continue to believe that the current price represents a discount to its intrinsic value.

Conclusion

In 2010, we continue to invest in companies with strong balance sheets and solid growth prospects, and those that are good bite-sized takeover candidates for larger companies.

We appreciate your confidence and trust.

Sincerely,

Mario J. Gabelli

Mario Gabelli, CFA
Co-Portfolio Manager and
Chief Investment Officer – Value Portfolios

Walter K Walsh

Walter K. Walsh
Co-Portfolio Manager

Laura Linehan

Laura S. Linehan
Co-Portfolio Manager

January 29, 2010

Top Ten Holdings **(Percent of Net Assets)**
December 31, 2009

Ferro Corp. 2.0%	AMICAS Inc. 1.4%
The Steak n Shake Co. 1.6%	Media General Inc. 1.3%
Journal Communications Inc., Cl. A 1.7%	Herley Industries Inc. 1.2%
GenCorp. Inc. 1.7%	Ascent Media Corp., Cl. A 1.0%
Epoch Holding Corp. 1.4%	Zep Inc. 1.0%

Westwood SmallCap Equity Fund

To Our Shareholders,

The GAMCO Westwood SmallCap Equity Fund Class AAA Shares appreciated 5.6% for the quarter ended December 31, 2009 versus a gain of 3.9% for the Russell 2000 Index. For the calendar year 2009, GAMCO Westwood SmallCap Equity gained 52.4% versus 27.2% for the benchmark.

COMMENTARY

During the December quarter, the Fund continued to benefit from portfolio companies reporting improved bookings as the economic recovery gained momentum. The positive impact on business activity from the unprecedented monetary and fiscal stimulus is reflected in a host of economic indicators. Take, for example, the Conference Board's Index of Leading Economic Indicators "LEI", which rose for the eighth consecutive month in November with a gain of 0.9%. The LEI is up at a 9.6% annual rate during the past six months. Not surprisingly, the U.S. Federal Reserve gave a more upbeat economic assessment in its December statement, suggesting that economic activity has continued to improve and that unemployment is stabilizing. Moreover, residential real estate continues to show signs of recovery with housing starts up in November from October. New home sales are up 5.1% year to year, the first annual increase since November 2005. Single family permits are up 12.1% year to year, the first annual rise since February 2006. Industrial production, meanwhile, has risen at a 6.7% annual rate over the last six months, with retail sales rising at a 7.2% annual rate, the fastest increase since March 2007. A steepening yield curve should vastly improve the profitability of banks and encourage a resumption of lending to small and medium sized companies. We would expect the Fed to refrain from reigning in the excess liquidity until late 2010, unless inflation reignites.

Against this economic backdrop, we expect liquidity conditions to remain favorable for equities, with small caps the beneficiaries of inventory restocking and a recovery in end demand brought on by an eventual reacceleration in industrial production and rehiring of laid off workers. While equities have appreciated mightily from their bear market lows, we believe valuations are reasonable among companies held in our portfolio. Our bottom up, value oriented investment process seeks to uncover the inefficiently priced equities of excellent companies selling at discounts to their private market value (PMV), cash flow, or normalized earnings. Many of our portfolio companies are debt free with excess balance sheet cash; they typically generate enough free cash flow to fund operations, pay out dividends, repurchase shares, or make acquisitions.

Nicholas F. Galluccio

While we posted excellent performance this past year, the challenge for 2010 will be to remain focused on stock picking in an effort to uncover the best possible bargains on a risk adjusted basis. Our portfolio is diversified among many special situation equities, across a broad array of industry sectors including financials, healthcare, technology, industrials, energy, and the like. Our technology overweight relative to our benchmark reflects the self funding characteristics and cash rich balance sheets typical of this sector. Moreover, we expect an increasing portion of corporate budgets and capital expenditures to be allocated to technology goods and services as a means of increasing productivity. Many of the recent merger and acquisition candidates have been technology companies, as the sector is undergoing consolidation. We continue to find attractive bargain priced equities consistent with the strict valuation metrics of our four investment categories: Undervalued Assets, Turnarounds, Undervalued Growth, and Emerging Growth.

As we enter 2010, our portfolio weightings show an increase in undervalued assets as we have built positions in energy and financials. Within energy,

Average Annual Returns Through December 31, 2009*

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (4/15/97)
SmallCap Equity Fund Class AAA	**5.60%**	**52.36%**	**(3.92)%**	**3.55%**	**(1.82)%**	**5.39%**
Russell 2000 Index	3.87	27.17	(6.07)	0.51	3.51	6.27

The Fund's Class AAA gross expense ratio is 2.80% in the current prospectus. The net expense ratio is 1.50%, after contractual reimbursements by the Adviser in place through January 31, 2011. The Fund's Class AAA Shares do not have a sales charge.

* ***Returns represent past performance and do not guarantee future results.*** *Total returns and average annual returns reflect changes in share price and reinvestment of dividends 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. The Adviser reimbursed expenses to limit the expense ratio. Had such limitation not been in place, returns would have been lower. 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. 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 prospectus contains more information about this and other matters and should be read carefully before investing.*** *See page 15 for further details about additional classes of shares. The Russell 2000 Index is an unmanaged index of the 2,000 smallest common stocks in the Russell 3000 Index, which contains the 3,000 largest stocks in the U.S. based on total market capitalization. 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.*

we maintain core positions among offshore drillers, but have also added to domestic natural gas exploration and production companies. In financials, we have recently increased our exposure to overcapitalized regional banks, many of which have recently strengthened their balance sheets with secondary equity offerings. We would expect these super regionals to benefit from FDIC assisted accretive acquisitions of weaker competitors, significantly bolstering their earnings power.

Let's Talk Investments

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 percentage of net assets and their share prices are presented as of December 31, 2009.

Among the better performing stocks this quarter were: *Brigham Exploration Co. (1.0%)*, *Bucyrus International (0.7%)*, *First Niagara Financial Group (2.5%)*, and *Nara Bancorp, Inc. (1.4%)*.

Brigham Exploration Co. (BEXP - $13.55 - Nasdaq) is a domestic natural gas exploration and production company with significant acreage in the Anadarko Basin, Gulf Coast, Willison Basin, and West Texas. The stock appreciated 60% during the quarter.

Bucyrus International, Inc. (BUCY - $56.37 - Nasdaq) is a manufacturer of surface mining equipment and supplies as well as replacement parts. The products are sold primarily to companies and government entities engaged in the mining of copper, coal, oil sands, and iron ore. The company recently acquired complementary product lines from Terex Corp. which is expected to be accretive to earnings. The stock appreciated 62% during the quarter.

First Niagara Financial Group (FNFG - $13.91 - Nasdaq) is a regional bank holding company with major lending operations in upstate New York. The company successfully completed a $460 million stock offering in September that strengthened its regulatory capital and financed a recent acquisition. The stock appreciated 17% during the quarter.

Nara Bancorp, Inc. (NARA - $11.34 - Nasdaq), a California based bank with emphasis on lending to small businesses, in addition to underwriting commercial and residential mortgages, improved its balance sheet with a $82 million secondary equity offering in October. Nara intends to use the proceeds to make accretive FDIC assisted acquisitions. The stock appreciated 65% during the quarter.

Among the portfolio's disappointments were: *Clarient, Inc. (0.3%)*, *Electro Scientific Industries (0.4%)*, *Merix Corp.* (no longer held in portfolio), and *THQ, Inc. (0.3%)*.

Clarient, Inc. (CLRT - $2.65 - Nasdaq) provides a series of oncological testing services to community pathologists, biopharmaceutical companies, and researchers. The stock declined 38% during the quarter as its bad debt expense increased and the company adjusted its revenue recognition to better reflect customer payment history. In December, Clarient purchased Applied Genomics in a stock deal valued at $17.6 million in an effort to broaden its cancer test offerings. We believe the company is well positioned to benefit from growth in oncological diagnostics.

Electro Scientific Industries (ESIO - $10.82 - Nasdaq) a manufacturer of capital equipment to the global semiconductor industry, declined 19% during the quarter as customers delayed purchases pending better visibility of end customer demand. We believe a capital equipment spending cycle should lift the shares over the next eighteen months.

Merix Corp. (MERX - $2.45 - Nasdaq) a manufacturer of technologically advanced printed circuit boards, for a broad array of electronic products, incurred a major debt load from a Chinese acquisition as end markets weakened. Given its precarious financial condition, we sold the stock at a loss.

THQ, Inc. (THQI - $5.04 - Nasdaq) is a producer of home video games with its titles ranging from action, adventure, fighting, racing and sports. Its portfolio of licensed properties includes games based on popular fighting brands such as World Wrestling Entertainment and the Ultimate Fighting Championship. The company sustained losses as its cost structure was too high for the fall off in consumer end demand. A new management turnaround team has been improving operations. The company is debt free with cash on its balance sheet. We believe the company has the potential to demonstrate meaningful profit in 2010.

Conclusion

While our portfolio demonstrated strong performance over the past year, we believe it is well positioned for continued appreciation as we enter the next market recovery cycle.

We appreciate your confidence and trust.

Sincerely,

Nicholas F. Galluccio
Portfolio Manager
President and CEO
Teton Advisors, Inc.

January 6, 2010

Top Ten Holdings **(Percent of Net Assets)**
December 31, 2009

First Niagara Financial Group Inc. 2.5%	Entegris, Inc. 1.4%
Vishay Intertechnology Inc. 1.7%	Molex Inc. 1.2%
International Rectifier Corp. 1.6%	Ultra Clean Holdings Inc. 1.1%
Nara Bancorp Inc. 1.4%	Littlefuse Inc. 1.1%
Zebra Technologies Corp. 1.4%	Pride International Inc. 1.0%

Westwood Income Fund

To Our Shareholders,

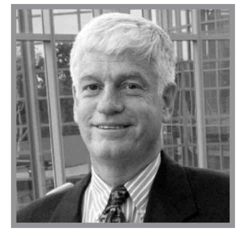
The stock market closed 2009 with a strong finish after three consecutive quarterly gains, more than making up for the freefall in the markets that concluded in the first quarter. The Standard & Poor's ("S&P") 500 gained 42% in those three quarters and closed out the year with a 26% gain, at a level last seen in October of 2008. It was a tumultuous year with many twists and turns. Investors had to figure out the effects of a frozen and then a strongly recovering economy; a financial system that was on the verge of collapse and then was bailed out by the government; our largest banks almost failing and then posting strong profits at year end; the bailout of our automobile industry; and a dizzying array of government programs and subsidies designed to stabilize and stimulate the economy.

Every asset class, including stocks, bonds, and commodities, and markets in virtually all countries concluded on a strong note and posted solid gains for the year.

Performance

The GAMCO Westwood Income Fund Class AAA total return was 4.81% during the fourth quarter of 2009, compared with gains of 6.04% and 8.1% for the S&P 500 Index and the Dow Jones Industrial Average, respectively. The S&P 500 is divided into ten industry sectors. Technology stocks continued to lead performance in the fourth quarter, posting an 11% gain, with a full year gain of 61%. For the quarter, all ten sectors had positive returns except for the financial stocks, which declined 3% in the quarter, although they gained 16% for the year.

After the technology sector, the two best performing sectors during the year were consumer discretionary and materials, with gains of more than 40% each, benefiting from the improved outlook for the economy. All ten industry groups had positive performance for the year; the three with the lowest returns were telecommunications, utilities, and energy.



Mario J. Gabelli, CFA   Barbara G. Marcin, CFA

Major contributors to yearly performance from our larger positions of more than 1%, which rose more than 25%, included American Express (4.8%), Halliburton (2.9%), and Intel (3.2%).

The Year In Review

The first quarter of 2009 began with weak economic and corporate earnings news, accompanied by dismal forecasts

Top Ten Holdings (Percent of Net Assets)
December 31, 2009

Bank One Capital Trust VI, 7.200% Pfd. 5.8%	Spectra Energy Corp. 3.4%
General Mills Inc. 5.2%	Apple Inc. 3.3%
American Express Credit Corp., Mtn, 3.925%, 06/16/11 4.8%	E.I. du Pont de Nemours and Co. 3.3%
Verizon Communications Inc. 3.8%	AT&T Inc. 3.3%
Kraft Foods Inc., Cl. A 3.7%	Intel Corp. 3.2%

Average Annual Returns Through December 31, 2009*

	Quarter	1 Year	5 Year	10 Year	Since Inception (9/30/97)
Income Fund Class AAA	**4.81%**	**17.89%**	**(0.22)%**	**9.46%**	**6.35%**
Blended Index**	1.25	8.38	2.32	2.53	4.32
10 Year Treasury Note Index	(3.55)	(9.71)	4.23	6.01	5.53
S&P 500 Index	6.04	26.47	0.42	(0.95)	3.11

The Fund's Class AAA gross expense ratio is 2.93% in the current prospectus. The net expense ratio is 1.50%, after contractual reimbursements by the Adviser in place through January 31, 2011. The Fund's Class AAA Shares do not have a sales charge.

* ***Returns represent past performance and do not guarantee future results.*** *Total returns and average annual returns reflect changes in share price and 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. The Adviser reimbursed expenses to limit the expense ratio. Had such limitation not been in place, returns would have been lower. 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. 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 prospectus contains more information about this and other matters and should be read carefully before investing.*** *See page 15 for further details about additional classes of shares. The Standard & Poor's ("S&P") 500 Index is an unmanaged indicator of stock market performance. The 10 Year Treasury Note Index is unmanaged index tracking U.S. Treasury Notes with a 10 year maturity. Dividends are considered reinvested. You cannot invest directly in an index.*

*** The Blended Index consists of a 50% blend of each of the 10 Year Treasury Note Index and the S&P 500 Index.*

and the apparent lack of an effective plan by our government. This was evident on February 10, when Treasury Secretary Timothy Geithner gave his highly anticipated address to Congress. His lack of detail failed to impress investors and the Dow fell 382 points.

The freeze in credit markets made financing virtually unavailable to even creditworthy borrowers. This exacerbated the decline in many durable goods, none more so than automobiles, as evidenced by the 36% plunge in auto sales in the first quarter to levels not seen in twenty-six years. By early March, the economy appeared to be deteriorating at an alarming rate. The Congressional Budget Office said that this recession, which officially started in December of 2007, "will probably be the longest and deepest since World War II," eclipsing the two longest postwar downturns, which began in November of 1973 and July of 1981, each lasting sixteen months. At this point, comparisons with our own Great Depression and with the "Lost Decade" in Japan were common.

Congressional committees held publicly televised hearings in which they grilled and embarrassed the heads of eight of our largest banks and brokerage firms. The three large auto manufacturers and their suppliers were in danger of going bankrupt and came to Washington where they applied for federal rescue funds and were similarly questioned. Appearing both insensitive and out of touch, they flew in on their private planes and unwittingly helped bring the outrage upon themselves.

On March 9, the stock market hit the low for the year and for this bear market, which started in October of 2007. By the end of the quarter, faint signs were appearing that economic prospects might be bottoming.

Tremendous government stimulus and spending programs put a floor under the economy, and stock and bond markets worldwide rallied broadly for the rest of the year. In addition to government stimulus spending under the American Recovery and Reinvestment Act, the U.S. Treasury established the "TARP," or Troubled Asset Relief Program, to purchase assets and equity from financial institutions to strengthen the financial sector and the Federal Reserve created the "TALF," or Term Asset-Backed Securities Loan Facility, to restart the issuance of securities backed by assets such as student loans, auto loans, credit cards, and loans guaranteed by the Small Business Administration.

Also, the Car Allowance Rebate System, colloquially known as "Cash for Clunkers," provided economic incentives to consumers to purchase a new, more fuel efficient vehicle when trading in a less fuel efficient vehicle, and thus provide stimulus to the economy by boosting auto sales. The Housing and Economic Recovery Act of 2008 established a tax credit for first time homebuyers.

The country now has a tremendous amount of debt, which will have to be paid back some day and which will carry an annual cost to service until then. The energy "cap and trade" and universal healthcare plans address good long-term goals. However, the efforts to sell them are accompanied by unrealistic long-term projections of what they will cost.

Last but not least, and perhaps most effective, are the low interest rates which the government is helping to engineer with its massive purchases of mortgage backed securities and Treasury Bills, helping to restore the quality of bank balance sheets.

Looking Ahead

By 2009 year end, estimates for gross domestic product for 2010 were rising every week as the snap back from the frozen first quarter, as well as the subsequent strength from inventory build in the fourth quarter, were extrapolated to a full year's worth of growth. The stock and bond markets continued to rally strongly heading into the new year, and investors' recent aversion to extreme risk ended. Prices rallied and lower quality stock and bond issuance regained full strength.

The job market losses have been abating, and the economy may even begin to generate new jobs in the next several months. However, there are a few forces at work that will keep unemployment relatively high over the next few quarters. For one, the high unemployment now reflects a structural change, whereby many jobs lost in one industry, real estate, will take a long time to be absorbed within the broad economy. The real estate industry accounted for a quarter of all the jobs created in the last recovery, from 2003 to 2007. Jobs in construction and design of commercial and residential real estate, as well as real estate agents and suppliers of home goods and office building products, will not be created over the next year or so as the real estate inventory oversupply is worked off through sales of new and foreclosed properties. What industry can create substantial jobs to re-absorb these housing related workers?

Other forces holding back employment are the terrific technology and management systems, which automate jobs and allow management of larger geographic areas. This was made plain just after the end of the year when United Parcel Service reported a much better quarter than expected. It said that the economy and outlook for its business was improving, but that it would still lay off more workers simply because it could use technology. Rising profit margins and large productivity gains over the past year are also evidence of this trend.

A new commission has been established to examine "what caused the crisis," and these are publicly televised hearings. The list of witnesses testifying before the commission makes clear that the hearings are for the purpose of venting populist anger at the banks. This inquiry seeks to determine the causes and process of the mortgage meltdown and ensuing financial crisis that led to a government bailout of the system. Notably absent from televised hearings are any representatives from Fannie Mae, Freddie Mac, even AIG or members of Congress or the administration, people who oversaw anything or even who aggressively pushed irresponsible home ownership programs. The commission questioned the chief executive officers of the four largest investment banks, JPMorgan Chase, Bank of America, Goldman Sachs, and Morgan Stanley. In fact, most news reports used words like "public flogging" to describe the questioning.

The frustration of the administration and Congress is palpable and public. As we start the new year, there is fresh anger and pain as it becomes clear that these large banks are making good profits again and, particularly irritating to the administration, are still paying their executives princely sums. We have had no progress on financial reforms that would regulate the derivatives that allowed securitized mortgages to be sliced and sold all over the world. Even Alan Greenspan, when he was head of the Federal Reserve, believed that slicing them up had lowered their risk. There is talk of taxing large investment banks and or taxing compensation, both very blunt tools of anger which do not address needed reform.

We expect bond yields to rise this year, as the Federal Reserve starts to drain the excess liquidity that kept rates artificially low. In addition, government programs to purchase mortgage backed securities, along with support facilities such as TALF are expected to conclude at the end of the first quarter, which may pressure yields. Last but not least, as we start 2010, investors are beginning to move away from the safe haven of high quality bonds and into riskier assets to improve returns. This may be another catalyst for U.S. Treasury yields to rise as they compete against other asset classes.

Conclusion

Overall, the 2000s, or the Terrible 2000s we might say, were the worst calendar decade for stocks since records began in the 1820s. We expect the economy to grow at a slow and maybe even recessionary rate for some period. Eventually, the economy will have real growth and when it surfaces, we believe that the stock market can deliver returns closer to the long-term average of 9.5% to 10% over the next decade. We believe that the best values in the stock market are found in many of the stocks that we own in the Fund. They have global brands, years of investment in building those brands, solid distributions systems through which they sell, strong balance sheets, good cash generation and, often, a history of paying dividends.

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 percentage of net assets and their share prices are presented as of December 31, 2009.

Kraft (3.7%) (KFT - $27.18 - NYSE) continues to invest in its portfolio in order to reinvigorate sales growth. Its purchase of Cadbury will add both depth and breadth to its product line, as Cadbury adds a chocolate and gum footprint in China and India. Kraft will continue to struggle to expand margins in key categories as it absorbs higher input costs and spends heavily to support its brands through marketing and new product development, and has to manage through weaker consumer spending. We think the company has a good long-term growth profile and that the combination of growth and income from a solid dividend make Kraft a good investment for the next few years.

American Water Works (2.8%) (AWK - $22.41 - NYSE) is a water utility with unique growth opportunities. The shares offer investors a 4.6% dividend yield and the likelihood of consistent annual dividend increases. We expect solid growth in earnings over the near-term due to increases in rates as American Water Works is allowed to recognize and earn a return on its past investments. This company was purchased by RWE in 2003, and as a result during the 2003 to 2006 period, little rate increases were requested. Now, subsidiaries currently have $300 million in revenue requests pending decisions, creating a greater certainty of rate base growth than typically achieved in the regulated electric and gas utility sector. We also believe the company has as greater opportunity for customer growth through consolidation and privatization opportunities.

PepsiCo (2.4%) (PEP - $60.80 - NYSE) could experience double digit earnings growth over the next few years. With its global blue chip brands in Pepsi and Frito Lay, the longer-term growth outlook is compelling. Earlier this year, the company made an offer for the balance of the Pepsi Bottling Group that it does not own, and as a result, Pepsi is trading at a historically high discount to the market. However, this deal could produce tremendous cost savings and therefore higher earnings growth and we believe the company could experience double digit earnings growth over the next few years. Pepsi offers a good dividend yield and we believe there is considerable upside to the shares over the next few years.

Sincerely,

Barbara G. Marcin

Barbara G. Marcin, CFA
Portfolio Manager

Mario J. Gabelli

Mario J. Gabelli, CFA
Portfolio Manager &
Chief Investment Officer –
Value Portfolios

January 29, 2010

Westwood Equity Fund

Morningstar® rated The GAMCO Westwood Equity Fund Class AAA Shares 4 stars overall and 4 stars for the three year period and 5 stars for the five year period and 4 stars for the ten year period ended December 31, 2009 among 1,757; 1,757; 1,376; and 710 Large Blend funds, respectively.

To Our Shareholders,

For the twelve months ended December 31, 2009, the Equity Fund Class AAA Shares posted a return of 12.62% versus an average of 23.09% for Large Cap Value funds tracked by Lipper Analytical Services, Inc. The S&P 500 returned 26.47%.

Market Commentary

Continued signs that the economy is recovering, coupled with better than expected third quarter corporate earnings, buoyed the investor optimism that has been in place for much of the year and led to a solid gain for the equity markets in the fourth quarter. Economic improvement was seen on a variety of fronts, including consumer spending, manufacturing, and industrial production. In addition, inflationary pressures remained tame while the key economic indicators, housing and employment, both showed signs of sustainable recovery. The Fed recommitted to maintaining a 0% Fed Funds rate for an extended period, while strong growth in emerging economies aided U.S. corporate earnings. The composition of the market rally changed in the fourth quarter when investor risk appetites fell as they began to price in the potential for lower liquidity levels and higher interest rates in 2010. Specifically, leadership began to rotate out of high beta, lower quality, and smaller market cap securities and into higher quality, larger market cap securities that have sustainable earnings growth potential. The best performing sectors included those with a large percentage of high quality companies, such as Health Care and Technology. Financial Services was the worst performing sector as investors grew concerned about the impact of lower liquidity on these companies.

Susan M. Byrne

Performance Drivers

The Westwood Equity Fund performed in line with the benchmark S&P 500 Index during the fourth quarter. Relative performance was aided by security selection in the Producer Durables, Financial Services, and Energy sectors. In contrast to the second and third quarters of 2009, the portfolio's focus on high quality companies was positive for performance during the fourth quarter. The better performing securities included Corning, Inc. (2.5% of net assets as of December 31, 2009), which reported better than expected third quarter earnings and projects strong 2010 sales of LCD TVs. Other good

Average Annual Returns Through December 31, 2009*

	Quarter	1 Year	3 Year	5 Year	10 Year	15 Year	20 Year	Since Inception (1/2/87)
Equity Fund Class AAA	**5.33%**	**12.62%**	**(5.41)%**	**2.63%**	**2.65%**	**8.98%**	**8.86%**	**9.71%**
S&P 500 Index	6.04	26.47	(5.62)	0.42	(0.95)	8.04	8.20	9.35
Lipper Large Cap Value Average	4.55	23.09	(7.59)	(0.25)	2.04	7.51	7.93	8.69

The Fund's Class AAA expense ratio is 1.57% in the current prospectus. The Fund's Class AAA Shares do not have a sales charge.

* ***Returns represent past performance and do not guarantee future results.*** *Total returns and average annual returns reflect changes in share price and reinvestment of dividends 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. 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 prospectus contains more information about this and other matters and should be read carefully before investing.*** *See page 15 for further details about additional classes of shares. The S&P 500 Index is an unmanaged indicator of stock market performance. 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.*

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.

performers included Deere & Co. (2.5%), which continued to benefit from solid global agriculture trends, and DIRECTV (2.0%), which reported good revenue/subscriber growth and managed costs well. Finally, MasterCard (1.1%) was bid higher after reporting good transaction volume growth, while Apache Corp. (2.5%) rose along with crude oil prices.

Relative performance was hindered by security selection in the Utilities and Consumer Staples sectors as well as by an underweight to Technology stocks. The worst performing securities included CVS Caremark (1.2%), which issued poor 2010 guidance for its pharmacy benefit management business, and FPL Group (1.2%), which reported weaker than expected third quarter earnings due to substandard results in its Texas merchant wind and gas generation business. ACE Ltd. (2.6%), JPMorgan Chase (3.1%), and Bank of America (2.0%) all traded down in line with the Financial Services sector, while Bank of America was also affected by its struggle to attract a new CEO.

Sincerely,

Susan M. Byrne
Portfolio Manager

January 29, 2010

Top Ten Holdings **(Percent of Net Assets)**
December 31, 2009

JPMorgan Chase & Co. 3.1%	ACE Ltd. 2.6%
Chevron Corp. 3.0%	Wells Fargo & Co. 2.6%
AT&T Inc. 3.0%	Occidental Petroleum Corp. 2.5%
Exxon Mobil Corp. 3.0%	Corning Inc. 2.5%
Pfizer Inc. 2.7%	Apache Corp. 2.5%

Westwood Balanced Fund

Morningstar® rated The GAMCO Westwood Balanced Fund Class AAA Shares 4 stars overall and 4 stars for the three, five and ten year periods ended December 31, 2009 among 953, 953, 786, and 441 Moderate Allocation funds, respectively.

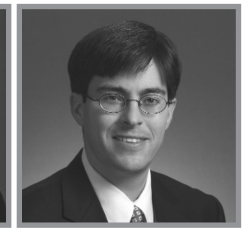
To Our Shareholders,

For the three months ended December 31, 2009, the Balanced Fund Class AAA Shares posted a return of 3.2%, slightly lagging the return of 3.4% for the 505 balanced funds tracked by Lipper Analytical Services. A common balanced benchmark comprised of 60% S&P 500 Stock Index and 40% Barclays Government/Corporate Bond Index returned 3.5%.

The Fund is designed to provide exposure to equities with reduced overall risk through investment in short-to-intermediate fixed income securities. The Equity Fund strategy comments apply to the equity portion of the Balanced Fund. The bond portion typically invests in high quality notes with lower interest rate sensitivity than the typical bond index, with the objective of dampening the volatility of equity holdings.

Recall that the contribution of a security (or a sector) is the product of its percentage of the portfolio times its return. Top contributors were identical to those of the Intermediate Bond Fund; Corning, Inc. (1.6% of net assets as of December 31, 2009), Deere & Co. (1.5%), DIRECTV (1.3%), MasterCard, Inc. (0.6%), and Apache Corp. (1.7%). Because the Balanced Fund invests primarily in intermediate-maturity debt securities, the detractors included notes maturing in 2014 through 2019 and issued by: U.S. Treasury (3.1%), BHP Finance (0.6%), and Freddie Mac (2.3%). The Fund used cash from maturing U.S. Agency securities and the sale of Occidental Petroleum 4.25% due 03-15-10 to purchase two new holdings maturing in 2018 and 2019 issued by: XTO Energy (0.4%) and U.S. Treasury (0.9%). This swap took advantage of the steeper yield curves, indicating the potential for increased compensation for extending maturity.


Susan M. Byrne


Mark Freeman, CFA

Sincerely,

Susan M. Byrne
Co-Portfolio Manager

Mark Freeman, CFA
Co-Portfolio Manager

January 29, 2010

Top Ten Holdings (Percent of Net Assets)
December 31, 2009

FNMA 8.2%	Anadarko Petroleum Corp. 2.3%
FHLMC 3.4%	Bank of America Corp. 2.1%
Apache Corp. 2.5%	General Electric Co. 2.1%
JPMorgan Chase & Co. 2.4%	Chevron Corp. 2.0%
AT&T Inc. 2.3%	Exxon Mobil Corp. 1.7%

Average Annual Returns Through December 31, 2009*

	Quarter	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception (10/1/91)
Balanced Fund Class AAA	**3.22%**	**9.77%**	**(0.79)%**	**3.71%**	**4.12%**	**7.97%**	**8.61%**
60% S&P 500 and 40% Barclays Capital Indices	3.54	17.69	(1.05)	2.14	1.97	7.53	7.53
Barclays Capital Government/Corporate Bond Index	(0.21)	4.52	5.81	4.71	6.34	6.76	6.65
Lipper Mixed-Asset Target Allocation Moderate Fund Average	3.38	22.83	(1.35)	2.14	2.44	6.49	6.75

The Fund's Class AAA expense ratio is 1.25% in the current prospectus. The Fund's Class AAA Shares do not have a sales charge.

* ***Returns represent past performance and do not guarantee future results.*** *Total returns and average annual returns reflect changes in share price and reinvestment of dividends 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. 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. 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. 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 prospectus contains more information about this and other matters and should be read carefully before investing.*** *See page 15 for further details about additional classes of shares. The S&P 500 Index is an unmanaged indicator of stock market performance and the Barclays Capital Government/Corporate Bond Index is a market value weighted index that tracks the total return performance of fixed rate, publicly placed, dollar denominated obligations. The Lipper Mixed-Asset Target Allocation Moderate 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.*

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.

Westwood Intermediate Bond Fund

To Our Shareholders,

For the twelve months ended December 31, 2009, the Intermediate Bond Fund shares posted, net of all fees and expenses, a return of 3.76% for the Class AAA versus an average return of 12.89% for the intermediate bond funds tracked by Lipper Analytical Services. The Barclays Capital Government/ Corporate Bond Index (BCG/C) returned 4.52%.

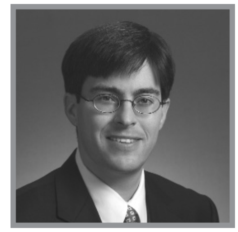
Market Commentary

Aside from a brief rally in the second half of November, Treasury yields moved steadily higher throughout the fourth quarter. Serving as catalysts for rising interest rates were both the growing signs of an improving economy and a steady supply of newly issued Treasury debt. However, yields in the short end, or short maturities, of the yield curve remained largely unchanged, anchored to the largely unchanged Federal Reserve zero interest rate policy. As a result, the yield curve steepened dramatically, producing a record yield spread between short- and longer-term Treasury interest rates. While Treasury rates reversed course in the fourth quarter, risk premiums on other debt continued to grind tighter as investors search far and wide for additional yield. As a result, corporate bonds and other spread products (MBS, CMBS, and ABS) significantly outperformed Treasuries in the fourth quarter.

Although most fixed income index benchmarks posted basically flat returns in the fourth quarter, there was a wide range of returns for the component asset classes. As was the case in the third quarter, commercial mortgage backed securities (CMBS) were once again the top performing asset class, followed by corporate bonds issued by financial corporations and the corporate subset of BBB-rated debt. Just as for 2009 as a whole, lower rated issues sharply outperformed higher quality in the final quarter as investors aggressively bid for those securities that offered high yields. At the other end of the return and credit risk spectrum, long maturity Treasury and U.S. Agency securities were the clear losers, with losses approaching 10% for the quarter.

Fund Performance Analysis

The Fund's fourth quarter return of 0.1%, net of all fees and expenses, nicely exceeded the (0.21)% return of the Barclays Capital Government/ Corporate Bond Index (BCGC). Recall that the contribution to fund return by a security or a sector is the product of both the weight of the position and its total return. Every sector except financial corporate debt contributed more to fourth quarter return than did its comparable BCGC sector. As to the financial sector, although BHP Finance (1.3% of net assets as of December 31, 2009) earned a negative return, the overwhelming differentiator was the higher quality notes held in the Fund compared with the many BBB-rated holdings in the BCGC. The greatest positive difference in relative contribution was in U.S. Treasuries, reflecting the low percentage of long-maturity debt in the Fund compared with the index.



Mark Freeman, CFA

Top individual contributors included two corporate issues maturing in 2014 and 2016, Citigroup (1.5%) and Anadarko (1.3%), as well as three Treasury Inflation-Protected securities (7.1%), known as TIPS, maturing in 2013 through 2018.

Detractors to relative performance included three U.S. Treasury bonds (4.5%) maturing in 2018 through 2031, and two corporate notes issued by BHP Finance (1.3%) and Boeing Corp. (1.3%).

The Fund used cash from a maturing security and a security sale to take advantage of the significant backup in interest rates. Purchases were a U.S. TIPS due in 2029 (2.3%), a U.S. Treasury (2.0%) and Freddie Mac security (2.1%) due in 2019, XTO Energy (1.4%) due 2018 and Dr Pepper Snapple (1.2%) due 2012.

Sincerely,

Mark Freeman, CFA
Portfolio Manager

January 29, 2010

Top Ten Holdings (Percent of Net Assets)
December 31, 2009

U.S. Treasury Notes 22.1%	FHLB 2.7%
FNMA 17.2%	International Bank For Reconstruction and Development, Cv., 8.625%, 10/15/16 2.0%
FHLMC 11.1%	Berkshire Hathaway, Cv., 5.125%, 9/15/12 1.9%
GNMA, Pools 3.0%	Bank Of America Corp., Cv., 5.375%, 6/15/14 1.9%
U.S. Treasury Bonds 2.9%	Merrill Lynch & Co. Inc., Cv., 5.000%, 1/15/15 1.7%

Average Annual Returns Through December 31, 2009*

	Quarter	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception (10/1/91)
Intermediate Bond Fund Class AAA	**0.07%**	**3.76%**	**5.17%**	**4.07%**	**5.35%**	**8.26%**	**5.63%**
Barclays Capital Government/Corporate Bond Index	(0.21)	4.52	5.81	4.71	6.34	6.76	6.65
Lipper Intermediate Investment Grade Debt Fund Average	1.11	12.89	4.60	3.90	5.51	6.06	6.16

The Fund's Class AAA gross expense ratio is 1.56% in the current prospectus. The net expense ratio is 1.02%, after contractual reimbursements by the Adviser in place through January 31, 2011. The Fund's Class AAA Shares do not have a sales charge.

* ***Returns represent past performance and do not guarantee future results.*** *Total returns and average annual returns reflect changes in share price and 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. The Adviser reimbursed expenses to limit the expense ratio. Had such limitation not been in place, returns would have been lower. 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. 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 prospectus contains more information about this and other matters and should be read carefully before investing.*** *See page 15 for further details about additional classes of shares. The Barclays Capital Government/Corporate Bond Index is a market value weighted index that tracks the performance of fixed rate, publicly placed, dollar denominated obligations, while the Lipper Intermediate Investment Grade Debt 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.*

Minimum Initial Investment

Each Fund, other than the Mighty Mites℠ Fund, has a minimum initial investment requirement for regular accounts of $1,000; there are no subsequent investment minimums; no initial minimum is required for those establishing an Automatic Investment Plan; and all of the GAMCO 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. The minimum investment for each Fund's Class I Shares is $500,000, which shares are purchased by institutions directly through Gabelli & Company, Inc., the Fund's distributor, or brokers that have entered into selling agreements with the distributor specifically with respect to Class I Shares.

www.gabelli.com

Please visit us on the Internet. Our homepage at www.gabelli.com contains information about GAMCO Investors, Inc., 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@gabelli.com.

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.

The Funds' daily net asset values are available in the financial press and each evening after 6:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554). Please call us during the business day for further information. Thank you for investing in the GAMCO Westwood Funds. We look forward to serving your investment objectives in the years ahead.

e-delivery

We are pleased to offer electronic delivery of Gabelli fund documents. Direct shareholders of our open-end mutual funds can now elect to receive their Annual, Semiannual, and Quarterly Fund 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.

Nasdaq Symbols (Cusip) Table

GAMCO Westwood Funds	Class AAA	Class A	Class B	Class C	Class I
Mighty Mites℠	WEMMX	WMMAX	WMMBX	WMMCX	WEIMX
SmallCap Equity	WESCX	WESAX	361439821	WWSCX	WWSIX
Income	WESRX	WEIAX	—	WEICX	WESIX
Equity	WESWX	WEECX	361439300	WEQCX	WEEIX
Balanced	WEBAX	WEBCX	WBCBX	WBCCX	WBBIX
Intermediate Bond	WEIBX	WEAIX	WEBIX	WECIX	WEIIX

GAMCO WESTWOOD FUNDS

(Unaudited)

Class AAA Shares

Average Annual Returns – December 31, 2009 (a)

	1 Year	5 Year	10 Year	Since Inception	Gross Expense Ratio	Current Expense Ratio after Adviser Reimburse-ments	Maximum Sales Charge
Mighty Mites℠	27.48%	6.00%	8.11%	10.82%	1.67%	1.67%	None
SmallCap Equity	52.36	3.55	(1.82)	5.39	2.80	1.50	None
Income	17.89	(0.22)	9.46	6.35	2.93	1.50	None
Equity	12.62	2.63	2.65	9.71	1.57	1.57	None
Balanced	9.77	3.71	4.12	8.61	1.25	1.25	None
Intermediate Bond	3.76	4.07	5.35	5.63	1.56	1.02	None

Class A Shares

Average Annual Returns – December 31, 2009 (a)(b)(e)

	1 Year	5 Year	10 Year	Since Inception	Gross Expense Ratio	Current Expense Ratio after Adviser Reimburse-ments	Maximum Sales Charge
Mighty Mites℠	22.14%	4.93%	7.48%	10.27%	1.92%	1.92%	4.00%
SmallCap Equity	45.75	2.47	(2.35)	4.94	3.05	1.75	4.00
Income	12.71	(1.28)	8.78	5.81	3.18	1.75	4.00
Equity	7.84	1.52	1.96	9.30	1.82	1.82	4.00
Balanced	5.13	2.60	3.44	8.11	1.50	1.50	4.00
Intermediate Bond	(0.41)	3.13	4.83	5.34	1.66	1.12	4.00

Class B Shares

Average Annual Returns – December 31, 2009 (a)(c)(e)

	1 Year	5 Year	10 Year	Since Inception	Gross Expense Ratio	Current Expense Ratio after Adviser Reimburse-ments	Maximum Sales Charge
Mighty Mites℠	21.54%	4.89%	7.43%	10.22%	2.42%	2.42%	5.00%
SmallCap Equity	46.24	2.42	(2.44)	4.86	3.55	2.25	5.00
Income	Class B Shares have been discontinued						
Equity	6.72	1.46	1.98	9.31	2.32	2.32	5.00
Balanced	3.83	2.55	3.44	8.11	2.00	2.00	5.00
Intermediate Bond	(2.00)	2.94	4.65	5.24	2.31	1.77	5.00

Class C Shares

Average Annual Returns – December 31, 2009 (a)(d)(e)

	1 Year	5 Year	10 Year	Since Inception	Gross Expense Ratio	Current Expense Ratio after Adviser Reimburse-ments	Maximum Sales Charge
Mighty Mites℠	25.63%	5.23%	7.45%	10.24%	2.42%	2.42%	1.00%
SmallCap Equity	50.32	2.39	(2.48)	4.82	3.55	2.25	1.00
Income	16.00	(0.96)	8.94	5.94	3.68	2.25	1.00
Equity	10.68	1.84	1.97	9.31	2.32	2.32	1.00
Balanced	7.99	2.93	3.49	8.14	2.00	2.00	1.00
Intermediate Bond	2.07	3.28	4.72	5.28	2.31	1.77	1.00

Class I Shares

Average Annual Returns – December 31, 2009 (a)(e)

	1 Year	5 Year	10 Year	Since Inception	Gross Expense Ratio	Current Expense Ratio after Adviser Reimburse-ments	Maximum Sales Charge
Mighty Mites℠	27.74%	6.12%	8.17%	10.88%	1.42%	1.42%	None
SmallCap Equity	52.61	3.63	(1.78)	5.42	2.55	1.25	None
Income	18.01	(0.13)	9.51	6.39	2.68	1.25	None
Equity	12.89	2.74	2.71	9.74	1.32	1.32	None
Balanced	10.17	3.82	4.17	8.64	1.00	1.00	None
Intermediate Bond	4.02	4.17	5.40	5.66	1.31	0.77	None

(a) ***Returns represent past performance and do not guarantee future results.*** *Total returns and average annual returns reflect changes in share price and 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. For the SmallCap Equity, Income, and Intermediate Bond Funds, (and for the Mighty Mites℠ Fund through September 30, 2005), 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, 2011 and are renewable annually by the Adviser. 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.* ***Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.***

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

(c) *Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the one year and five year periods of 5% and 2%, respectively, of the Fund's net asset values ("NAV") per share at the time of purchase or sale, whichever is lower. Class B Shares are not available for new purchases.*

(d) *Performance results include the deferred sales charge for the Class C Shares upon redemption at the end of the one year period of 1% of the Fund's NAV per share at the time of purchase or sale, whichever is lower.*

(e) *The performance of the Class AAA Shares is used to calculate performance for the periods prior to the issuance of Class A Shares, Class B Shares, Class C Shares, and Class I Shares. The performance for the Class B Shares and Class C Shares would have been lower due to the additional 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 B Shares, Class C Shares, and Class I Shares after which shares remained continuously outstanding are listed below.*

	Class AAA Shares	Class A Shares	Class B Shares	Class C Shares	Class I Shares
Mighty Mites℠	05/11/98	11/26/01	06/06/01	08/03/01	01/11/08
SmallCap Equity	04/15/97	11/26/01	03/27/01	11/26/01	01/11/08
Income	09/30/97	05/09/01	11/26/01	11/26/01	01/11/08
Equity	01/02/87	01/28/94	03/27/01	02/13/01	01/11/08
Balanced	10/01/91	04/06/93	03/27/01	09/25/01	01/11/08
Intermediate Bond	10/01/91	07/26/01	03/27/01	10/22/01	01/11/08

GAMCO WESTWOOD FUNDS

GAMCO Westwood Mighty Mites℠ Fund
GAMCO Westwood SmallCap Equity Fund
GAMCO Westwood Income Fund
GAMCO Westwood Equity Fund
GAMCO Westwood Balanced Fund
GAMCO Westwood Intermediate Bond Fund

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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/funds.