



GAMCO WESTWOOD FUNDS

Mighty MitesSM Fund

SmallCap Equity Fund

Income Fund

Equity Fund

Balanced Fund

Intermediate Bond Fund

Commentary

September 30, 2011

GAMCO WESTWOOD FUNDS

Westwood Mighty MitesSM Fund



Morningstar[®] rated the GAMCO Westwood Mighty MitesSM Fund Class AAA Shares 5 stars overall and 5 stars for the three, five and ten year periods ended September 30, 2011 among 578, 578, 493, and 289 Small Blend funds, respectively.†

To Our Shareholders,

In the third quarter of 2011, the GAMCO Westwood Mighty MitesSM Fund's net asset value ("NAV") per Class AAA Share was down 16.4% versus a decline of 21.9% for the Russell 2000 and 22.7% for the Russell Microcap Indices. Year to date, the Fund is down 14.4% versus 17.0% and 20.3% respectively for the benchmarks.

Commentary

In the third quarter of 2011, markets were down, with small-caps underperforming the broader market. Investors have been reacting to a steady stream of distressing news. Here at home, untenable and growing budget deficits prompted Standard & Poor's to downgrade the United States government bond AAA credit rating for the first time. The usual infighting between Republicans, who want large spending cuts and entitlement reform, and Democrats, who want to raise taxes and continue spending, is causing a dangerous stalemate regarding the debt ceiling. The Federal Reserve, which has pledged to keep interest rates at historically low levels into 2013, also seems to be running out of tools to rekindle economic expansion and jobs growth. Overseas, the European Union



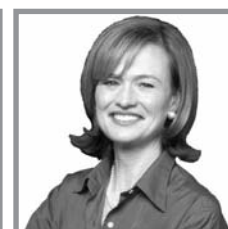
Mario J. Gabelli, CFA



Walter K. Walsh



Laura S. Linehan, CFA



Elizabeth M. Lilly, CFA

is dealing with its own debt problems, with Greece on the precipice of default, and Portugal, Italy, Ireland, and Spain also at risk. The EU member countries are struggling with how to tackle this

Average Annual Returns Through September 30, 2011 (a) (Unaudited)

	Quarter	Six Months	1 Year	5 Year	10 Year	Since Inception (5/11/98)
Mighty Mites SM Fund Class AAA	(16.43)%	(18.41)%	(3.32)%	4.75%	8.84%	10.11%
Russell Microcap TM Index	(22.68)	(25.37)	(4.83)	(4.36)	5.28	3.12(b)
Russell 2000 Index	(21.87)	(23.12)	(3.53)	(1.02)	6.12	3.61
Lipper Small Cap Value Fund Average	(21.50)	(23.66)	(5.23)	(0.99)	7.57	5.52(c)

In the current prospectus dated January 31, 2011, the expense ratio for Class AAA Shares is 1.58%. 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, 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. Teton Advisors, Inc., the Adviser, reimbursed expenses through September 30, 2005 to limit the expense ratios. Had such limitations not been in place, returns would have been lower. Current performance may be higher or lower than the performance data presented. Performance returns for periods of less than one year are not annualized. Visit www.tetonado.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 information about these and other matters and should be read carefully before investing. Other shares classes are available and have different performance characteristics. See page 18 for performance of other classes of shares. The Russell MicrocapTM Index and the Russell 2000 Index are unmanaged indicators of stock market performance. The Russell 2000 Index is an unmanaged indicator which measures the performance of the small-cap segment of the U.S. equity market. 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) Russell MicrocapTM Index since inception performance is as of June 30, 2000; the inception of the Index.

(c) Lipper Small Cap Value Fund Average since inception performance is as of April 30, 1998.

† Morningstar RatingTM is based on risk-adjusted returns.

mess. If Greece were to default, Italy, Portugal, Spain, and Ireland could soon follow, forcing thinly capitalized European banks to write down loans to these countries. The ripple effects of such a scenario are daunting. Meanwhile, consumer confidence remains in the doldrums as global economic growth grinds to a halt. Investors have fled stocks for the perceived safety of U.S. Treasuries. Fear and panic are ruling the markets. We, however, see this as an opportunity as we are not market timers, but rather, fundamental, bottom-up stock pickers. With the markets down, there are more bargains than ever. Growth may slow for economically sensitive companies in this environment, but indiscriminate selling is re-pricing very solid, excellent companies to decade low valuations. The Russell 2000's forward price earnings ratio, P/E, stands at 12.6x versus its long term average of 15.4x. The Russell 2000 is trading at 9x EV/EBITDA (enterprise value/earnings before interest and taxes plus depreciation) and 20 plus percent below its 15-year long-term average. Currently, about 18% of that index sits in cash and almost 20% trades at under 3x cash. In our Mighty MitesSM Fund, we own stocks even cheaper than these general metrics for the benchmark.

In our constant search for hidden assets, we continue to examine companies' earnings and cash flow. We look for companies with excellent growth prospects, and new products, entering new markets and taking market share. We look for companies trading at a discount to their private market value (PMV), the value an informed industrialist would be willing to pay to acquire companies with similar characteristics. This is evidenced by the fact that 18 companies in our Fund announced that they were being acquired last year. And the trend continued this year with 9 announced deals. In the Russell 2000, 74 companies have been or are in the process of being acquired thus far this year. M&A activity combined with buybacks by small-cap company executives and lack of initial public offerings (IPOs) should tighten supply of small-caps. We also seek a catalyst:

something happening in the company's industry or business model that will surface value. Examples of such catalysts are a change in management, sale or spin-off of a division, the development of a profitable new business or changes in government regulations, political climate or competitive conditions.

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 September 30, 2011.

IRIS International, Inc., (0.97% of net assets as of September 30, 2011) (*IRIS* - \$8.97 - *Nasdaq*), makes automated urinalysis systems and sample processing products that are used in hospitals, labs, and research facilities. The company continues to grow its install base, and enjoys a recurring revenue stream from high margin consumables. The value of this core business has been masked by the company's investment in new, groundbreaking products. Years of R&D spend appear to be closer to paying off, as the company just received FDA 510(k) clearance for its NADiA ProsVueTM molecular diagnostics assay. This test is used on patients who have had prostate cancer surgery in order to determine if they are at low risk of recurrence. It would thereby reduce unnecessary adjuvant treatments, which are expensive and have side effects. The company can now bring NADiA to a large market. In addition, the company is restructuring its money-losing Arista Lab. We believe the company is undervalued based on its core business alone, and that new products should begin to contribute meaningfully to earnings in 2012 and beyond.

A. T. Cross Co. (0.44%) (*ATX* - \$11.28 - *Nasdaq*), is known for its manufacturing of fine writing instruments (Cross pens). However, future growth is expected to come mainly from its optical business, namely its Costa brand of sunglasses for water sports and fishermen. Costa continues to grab greater share of the premium sunglass market and is poised to expand into other geographies and more retail outlets. At the beginning of 2011 Costa was in approximately 4,600 retail "doors," such as Bass Pro Shops and Dick's Sporting Goods. The company expects to get that number up to 7,000 and it could go to as high as 9,000. In addition, Costa was launched in the prescription sunglass market this year. As more high-margin Costa products are sold, the company's overall margins should be favorably impacted.

Cantel Medical Corp. (0.97%) (*CMN* - \$21.12 - *NYSE*), is a pure-play infection control company, with products in endoscopy, water purification, dental disposables, and dialysis. This market is somewhat recession resistant, as medical providers need to continue to invest in infection control or be at reimbursement risk. Beginning next year, Medicare will stop reimbursing hospitals for certain "preventable readmissions" and will reduce payments for hospital acquired infections. So this is one area hospitals cannot afford to cut. Cantel makes brushes, cleaners, disinfectants, wipes, disposable medical products, face masks, goggles, gloves, aprons, and hand sanitizers, all of which are critical for infection prevention and control. They also make specialized medical device reprocessing systems for renal dialysis and endoscopy. Importantly, 70% of Cantel's revenues are recurring, as they provide disposables and equipment with consumables.

Steinway Musical Instruments, Inc. (0.25%) (*LVB* - \$21.56 - *NYSE*), is a manufacturer of pianos and band instruments. On April 29th, the company's two controlling shareholders Dan Messina and Kyle Kirkland agreed to sell their Class A super voting shares to Samick Musical Instruments, thereby eliminating the super voting structure.

On July 5th, some members of management proposed to acquire the band business. Then, on July 21st, the company announced it would be exploring strategic options. The company owns valuable real estate on 57th St. in Manhattan (the location of its "flagship store") and a factory in Long Island City, whose value could be unlocked in any transaction that materializes. We believe the premium luxury Steinway brand is a sought after asset, and that the sum-of-the-parts valuation of the company is greater than its recent stock price.

Lawson Products, Inc. (0.31%) (LAWS - \$13.52 - Nasdaq), is an industrial distributor of fasteners, cutting tools, specialty chemicals, hydraulic and aftermarket automotive supplies.

Management has repositioned the sales force by eliminating underperforming agents, changing sales managers' incentives to hit territorial sales goals along with a new focus on larger national accounts, which should drive revenue growth. Lawson has spent many millions over the last several years implementing a new enterprise resource planning, ERP, system. This investment has masked the company's underlying profitability. In addition to those expenses not repeating going forward, the company expects to save \$6 million a year in productivity from the ERP system. Lawson's thin share float is about to expand, as a family trust is dissolving, and 13.7% which was owned by one trustee, is being sold to the public.

Conclusion

Just as we can take advantage of these lower valuations by buying inefficiently priced stocks, corporations who still have cash in their arsenals can go bargain hunting as well. According to Bloomberg, the 1,000 biggest corporations have \$3 trillion in cash on their balance sheets and are seeking opportunities to boost growth and establish strategic advantages. In this environment, distressed assets and strong franchises are both attractive. We believe consolidation will continue, and in that environment, bite-sized micro caps are often the targets.

We appreciate your confidence and trust.

Sincerely,



Mario J. Gabelli, CFA
Co-Portfolio Manager



Walter K. Walsh
Co-Portfolio Manager



Laura S. Linehan, CFA
Co-Portfolio Manager



Elizabeth M. Lilly, CFA
Co-Portfolio Manager

October 15, 2011

Top Ten Holdings (Percent of Net Assets)			
<u>September 30, 2011</u>			
Schiff Nutrition International Inc.	1.8%	IRIS International Inc.	1.0%
Ascent Capital Group Inc.	1.7%	Continucare Corp.	0.9%
ADPT Corp.	1.7%	GenCorp Inc.	0.9%
Epoch Holding Corp.	1.1%	Stamps.com Inc.	0.9%
Cantel Medical Corp.	1.0%	Biglari Holdings Inc.	0.9%

Westwood SmallCap Equity Fund



Morningstar® rated the GAMCO Westwood SmallCap Equity Fund Class AAA Shares 2 stars overall and 2 stars for the three year period, 3 stars for the five year period, and 1 star for the ten year period ended September 30, 2011 among 578, 578, 493, and 289 Small Blend funds, respectively.†

To Our Shareholders,

For the quarter ended September, the GAMCO Westwood SmallCap Equity Fund's NAV per Class AAA Share declined 24.9% versus a decline of 21.9% for the Russell 2000 Index. Year to date, the Fund was down 19.9% versus a decline of 17.0% for the benchmark.

Commentary

Following an extended period of exuberant performance from the depths of the 2008-2009 financial crisis, global stock markets tumbled during the September quarter, reflecting recession fears and worries over European sovereign debt contagion. Given their relative illiquidity, small capitalization stocks bore the brunt of the correction. A moderating economic climate earlier in 2011 gave way to a tumultuous

September quarter which began with protracted political wrangling over the U.S. federal debt ceiling, a downgrade of U.S. debt by Standard & Poor's, followed by disappointing employment numbers. The quarter ended in a panic-induced irrational market sell-off over potential liquidity problems within the European Union (EU).

The calm which followed last summer's attempted solution to sovereign debt and fiscal spending levels in Greece proved to have only been temporary. A contentious Greek debt refinancing and angry public protests, in response to Greek fiscal austerity measures, sparked a broad realization that significantly more aid was needed to stem a budding solvency problem across the entire EU. If Greece were to default, Italy, Portugal, Spain, and Ireland could soon follow and prompt a "Lehman scenario" among the European banks still holding this debt. Any preventive solution hinged upon the leadership of Germany, the only EU country with the financial clout to stem such potential losses. However, rising nationalism and resistance among German voters placed the prospect of a revised European Financial Stability Facility (EFSF: the vehicle by which aid might be delivered) into question. Sensing

a solution to the crisis was no longer a foregone conclusion, global markets contemplated a "contagion" scenario of default and probable recession in the EU and U.S.



Nicholas F. Galluccio

These fears were most clearly shown in the movement of the VIX volatility index, which spiked to levels not seen since the crisis of fall 2008. Exhibiting a strong inverse correlation to the VIX, the Russell 2000 Index set new lows for the year as investors abandoned small-cap stocks and fled to defensive sectors such as utilities and consumer staples. Any asset class perceived to positively correlate with global economic growth saw merciless selling pressure during the quarter, particularly within the energy and cyclical industrial sectors.

While this sentiment is understandable, we believe the sudden panic has re-priced a number of leading business franchises to attractive valuations not witnessed since the market bottom in early 2009. In addition, these business models have withstood the hottest fires of a steep recession and financial crisis. We have seen downward re-pricing of excellent companies to decade-low

Average Annual Returns Through September 30, 2011 (a) (Unaudited)

	Quarter	Six Months	1 Year	5 Year	10 Year	Since Inception (4/15/97)
SmallCap Equity Fund Class AAA	(24.90)%	(27.89)%	(3.82)%	0.77%	3.91%	5.07%
Russell 2000 Index	(21.87)	(23.12)	(3.53)	(1.02)	6.12	5.86

In the current prospectus dated January 31, 2011, the gross expense ratio for Class AAA Shares is 1.99%. The net expense ratio is 1.50%, after contractual reimbursements by Teton Advisors, Inc. (the "Adviser") in place through January 31, 2012. 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, 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. Performance returns for periods of less than one year are not annualized. Visit www.tetonadv.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 information about these and other matters and should be read carefully before investing. Other shares classes are available and have different performance characteristics. See page 18 for performance of other classes of shares. The Russell 2000 Index is an unmanaged indicator which measures the performance of the small-cap segment of the U.S. equity market. 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.

† Morningstar Rating™ is based on risk-adjusted returns.

valuations due to the carnage inflicted by the market's recent steep decline, attributable to Europe, recession worries and lack of jobs growth. As we look through the valley to the next market recovery cycle, patient investors stand to reap windfall gains from today's depressed stock prices.

This brings me to my favorite topic: small-capitalization stocks and whether this is a good time to invest in this asset class. Retail investors have already fled small-caps with negative flows for 20 consecutive weeks totaling \$9 billion. Large-caps are attractive with the Standard & Poor's 500 today selling for 12.1x forward 12-month earnings and a dividend yield of 2.17%. But small-caps have faster rates of earnings growth and the reduction in Wall Street sell-side research coverage, caused by the consolidation in financial services has created natural pricing inefficiencies which have been amplified. The Russell 2000's forward price earnings ratio, P/E, stands at 12.6x versus its long-term average of 15.4x. The Russell 2000 is trading at 9x EV/EBITDA (enterprise value/earnings before interest and taxes plus depreciation), 20 plus percent below its 15-year long-term average. Its price-to-book comes in at 1.5x, below its average of 2.2x. Currently, about 18% of the Russell 2000's market cap sits in cash and almost 20% of the universe trades under 3x cash. Given its 25% decline from the recent peak, the small-cap benchmark is already priced for a big decline in growth expectations or even recession.

Another powerful reason to own small-caps is the wave of merger and acquisition activity sweeping up smaller companies. Deal activity is back with a vengeance thanks to an improving economy accompanied by easy money and near record low interest rates. And, unlike prior periods, where mega-deals made headlines, the current wave of corporate buyouts is targeting small- to mid-size companies. To give you an idea of the surge in deal activity among small-caps, through the first half of this year there have been \$1.5 trillion of deals globally, up 22% from the same

period in 2010, according to Dealogic. And \$573 billion of those deals belong to U.S. companies, an increase of 38% from last year. Some 70% of the transactions last year were less than \$5 billion, so smaller companies are increasingly becoming acquisition targets.

In our small-cap portfolio, we had 14 takeovers last year and 8 so far this year. In the Russell 2000, 74 companies have been or are in the process of being acquired thus far this year, and 32 in the Russell Midcap. Not to mention, insider buying by small-cap company managements is at record levels: for Russell 2000 companies, there have been buybacks totaling \$19 billion this year. The far larger S&P 500 companies have authorized \$225 billion in buybacks. Moreover, M&A activity, combined with the buybacks and lack of initial public offerings (IPOs), should tighten supply of small-caps. So far this year, \$34 billion in IPO deals have been shelved due to market conditions.

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 September 30, 2011.

Among the best performing stocks in the quarter were: *Petrohawk Energy Corp.*, *S-1 Corp.*, and *Arch Chemicals, Inc.*

Petrohawk Energy Corp. is an oil and gas exploration and production (E&P) company with holdings concentrated in Northern Louisiana and Eastern Texas. In accordance with a strategy to increase U.S. exposure and diversify resource production, BHP Billiton Ltd. acquired Petrohawk in an all-cash deal. This move highlighted the value of the assets found within the Permian Basin and the shales of the Eagle Ford and Haynesville, while demonstrating the

capability of a large entity to deploy greater amounts of capital in a more cost-effective manner to derive added returns. We believe this trend will continue for our other small-cap E&P holdings.

S-1 Corp. provides transaction software platforms which form the backbone of community and regional banks, large financial institutions and ATM networks. Exiting the late stage of a turnaround based on a core product redesign, S-1 proposed a merger with Fundtech Ltd., a vendor of complementary corporate banking software. This plan was derailed by a hostile bid from arch competitor ACI Worldwide, Inc. who, itself, had lost customers during a mishandled refresh of a dominant, legacy product. We determined ACI's bid as fair and inline with our original price target, prompting a sale of our holding.

Arch Chemicals, Inc. manufactures and sells chemical biocides for use in water treatment, personal care products and wood protection. Swiss pharmaceutical ingredient manufacturer, Lonza Group AG, acquired Arch in a cash deal to create a complementary supplier of antimicrobial agents to the growing life sciences industry.

Among the worst performing stocks in the quarter were: *AAR Corp.* (1.32% of net assets as of September 30, 2011), *General Cable Corp.* (1.27%), and *Pioneer Drilling Co.* (0.84%).

AAR Corp. (AIR - \$16.67 - NYSE), serves the aviation market, primarily by providing aftermarket and supply chain services to airlines. On top of the weak performance of stocks within the industrial sector, AAR reported a softer than expected quarter as high airline utilization rates reduced down time for maintenance, which eroded margins at the company. We view this to be a temporary impact and anticipate the company will return to capitalizing upon a number of ramping contracts as it continues to demonstrate its position as the leading outsourced maintenance service provider for the airline industry.

General Cable Corp. (BGC - \$23.35 - NYSE), provides electrical transmission and distribution cables for use in the electric utility and power industry. With a majority of sales driven by activity in emerging economies, the market swoon of the third quarter of 2011 had an exaggerated impact on those companies perceived as sensitive to global economic growth. However, we see a longer term growth cycle for the company as the future of middle class growth in emerging economies hinges, in part, upon pervasive access to electricity.

Pioneer Drilling Co. (PDC - \$7.18 - NYSE Amex), provides contract land drilling services to oil and gas exploration and production companies. Despite reporting good earnings results, economic fears drove investors to dump economically sensitive energy companies in anticipation of a domestic

recession. Despite this near term perturbation, the longer term fundamentals of energy consumption remain positive and are evidenced by the acquisition activity of drilling service providers in 2011, alone: Pride International, Inc., Bronco Drilling Company, Inc., and select assets of Rowan Companies, Inc. for over \$9 billion collectively, to name a few.

Conclusion

There have been 14 business cycles since 1927 with an average expansion lasting 48 months. The start of 2011 marked 18 months into this recovery, which implies the recovery is still young and likely to continue. Small-cap managers generally have an inherently better chance at outperforming the overall market by taking advantage of inefficiencies in under-researched and misunderstood companies. As

bottom up, research driven portfolio managers with a long-term investment time horizon, we believe the current environment affords investors one of the best risk-reward opportunities of the past decade. Our portfolio is well positioned to deliver excellent risk-adjusted returns over the next market recovery cycle.

We appreciate your confidence and trust.

Sincerely,



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

October 15, 2011

Top Ten Holdings (Percent of Net Assets)			
September 30, 2011			
Patterson Cos. Inc.	2.3%	ATMI Inc.	1.6%
QLogic Corp.	2.0%	Electro Scientific Industries Inc.	1.5%
Hexcel Corp.	2.0%	Woodward Inc.	1.5%
Heartland Payment Systems Inc.	1.7%	MYR Group Inc.	1.5%
FTI Consulting Inc.	1.7%	ABM Industries Inc.	1.4%

Westwood Income Fund



Morningstar® rated the GAMCO Westwood Income Fund Class AAA Shares 4 stars overall and 4 stars for the three, five, and ten year periods ended September 30, 2011 among 1114, 1114, 964, and 545 Large Value funds, respectively.†

To Our Shareholders,

The markets fell in the third quarter, pricing in dual threats of slowing global economies and the growing likelihood of a default by Greece on its debt. The range of potential outcomes and consequences, the unknown connections and contagions to financial institutions and economies, as well as the wide range of possible policy or reactions from governments helped to create an incredibly volatile quarter.

Slow economic growth, extraordinary volatility, uncertain policy responses, and the Federal Reserve pledging to keep its benchmark interest rate at a record low through 2013 all point investors strongly in the direction of a focus on steady dividend payments. For one thing, there are few alternatives for investors trying to earn a current return in the form of interest rates or constant

payments. In addition, dividends are the strongest evidence of good cash flow and of management's confidence in future cash flows and earnings.

This is the eighth consecutive quarter of dividend increases that started in the fourth quarter of 2009, and since that time the total dividends paid by the companies that comprise the S&P 500 have increased 22%. This is a powerful reminder of what can be achieved by investing in stocks of companies that grow their dividends over time. An investor who had purchased a basket of stocks at the beginning of the fourth quarter of 2009, yielding 3% would now be earning almost 3.7%.

According to long term studies by Ibbotson Associates, since 1926 the S&P 500 has risen approximately 9.5% annually with 45% of that return coming from dividends and 55% coming from capital appreciation. However, this does not take into account the impact of reinvested dividends. If dividends are reinvested year after year, their contribution over time to the total return is much higher. This is the power of compound interest or, in this case, dividends, and makes the case for the long term power of reinvested dividends.

The key to dividend investing is to concentrate on those companies that not only can afford their current payouts but also will be able to boost them regularly over time. Solid and increasing dividends help cushion volatile quarters such as this one. According to Standard and Poor's, dividend increase announcements rose 17% in the third quarter, resulting in a rise in the average yield of the approximately 7,000 publicly owned companies to 2.99% from 2.51% as of June 30 and 2.39% at the end of March.

The dividend is a concrete reflection of the real strength of earnings. It is the compounding effect of these growing dividends, reinvested year after year, that has comprised almost half the long term return on the stock market, and we believe that these dividends are critical to long term future returns. We expect dividend policies to continue to trend back toward a longer term average, so this trend has a way to go.

We believe that the economic and earnings cycles continue to favor



Barbara G. Marcin, CFA

Average Annual Returns Through September 30, 2011 (a)(c) (Unaudited)

	Quarter	Six Months	1 Year	5 Year	10 Year	Since Inception (9/30/97)
Income Fund Class AAA	(11.16)%	(10.01)%	2.60%	(1.39)%	6.89%	6.09%
S&P 500 Index	(13.87)	(13.78)	1.14	(1.18)	2.82	3.08
Lipper Equity Income Fund Average	(14.04)	(13.59)	0.27	(1.64)	3.24	3.21
Blended Index (b)	(26.47)	(29.04)	(11.21)	(8.64)	(2.73)	(2.42)
10 Year Treasury Note Index	(39.08)	(44.30)	(23.56)	(16.10)	(8.29)	(7.91)

In the current prospectus dated January 31, 2011, the gross expense ratio for Class AAA is 3.19%. The net expense ratio is 2.00%, after contractual reimbursements by Teton Advisors, Inc. (the "Adviser") in place through January 31, 2012. 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, 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. Performance returns for periods of less than one year are not annualized. Visit www.tetonadv.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 information about these and other matters and should be read carefully before investing. Other shares classes are available and have different performance characteristics. See page 18 for performance of other classes 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 Lipper Equity Income Fund Average includes the 30 largest equity funds tracked by Lipper, Inc. The 10 Year Treasury Note Index is an unmanaged index tracking U.S. Treasury Notes with a 10 year maturity. Dividends are considered reinvested. You cannot invest directly in an index.*

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

(c) *As per the January 31, 2011 prospectus, the fund's benchmarks are the S&P 500 Index and the Lipper Equity Income Fund Average.*

† Morningstar Rating™ is based on risk-adjusted returns.

dividend payors and dividend growers over non dividend stocks, and we shall continue to try to invest in those that offer the best total return. Our objective is to convert the returns from the dividends and appreciation of the companies in the Fund into both a current return and long term appreciation for our investors.

Performance

The GAMCO Westwood Income Fund's net asset value ("NAV") per Class AAA Share declined 11.2% in the third quarter compared with a decline of 13.9% for the S&P 500 and 14.0% for the Lipper Equity Income Fund Average. The S&P 500 Index is divided into ten sectors, and all sectors fell except for the utility sector whose dividend yield helped it eke out a positive total return of 1.5%. Those sectors with most leverage to the economy fell the most, with the four cyclical sectors of materials, industrials, energy, and financials all declining more than 20%.

A Volatile Quarter

The word volatile hardly does justice to the third quarter, in which the S&P 500 rose or fell by more than 2% on 14 days. The damage was all done in the first month and a half; by August 10, the S&P 500 had fallen 15%. During the second half of the quarter, the market held head snapping sharp declines and rallies within a tight range and closed out the quarter down 14%. Looking just at days in which the market rose or fell more than 4% starts on August 4, when stocks plummeted 4.8% on rumors of an imminent downgrade of the U.S. credit rating, which had been widely feared as Congress missed its August 2 deadline to raise the debt ceiling. Then, four days later on August 8, the S&P 500 fell another 6.7% for the biggest one day decline of the year as Standard and Poor's did indeed downgrade our debt, saying the downgrade was due to a lack of a credible plan by Washington to address the nation's huge long term debt. At this point, the market was down 18% from the high in May and proceeded to see-saw back and forth as investors tried to price in the huge uncertainties of global macro issues and their wide range of possible outcomes. On the following day, August 9, the S&P

500 rose 4.7%, for its biggest day of the year, driven by the Federal Reserve's announcement that it would keep interest rates exceptionally low until at least 2013, an extraordinary statement that can only be interpreted as an admission of a very weak economy.

However, on August 10, the market fell again, down 4.4%, unnerved this time by rumors of a downgrade of French sovereign debt due to its banks' exposure to Greek debt, and fears of a Lehman type of meltdown event triggered by this. Once burned, twice shy of the events of 2008, investors hit U.S. bank stocks hard, and stocks of Bank of America, Goldman Sachs, Morgan Stanley, and Citibank plunged and remained there at quarter end.

But we were not done yet! On August 11, the market again reversed course, as strong earnings from Cisco systems reminded investors to look at bottom up stock fundamentals and allowed investors a brief respite from the macro picture. A week later, on August 18, the market took it back with a drop of 4.5%, as U.S. economic news showed weakness, with the Philadelphia Federal Reserve manufacturing index showing a severe contraction in July, dropping to a catastrophic minus 30.7, a shockingly weak number for what had been the one bright spot in the economy.

The market continued to move back and forth over worries about the debt crisis in Europe, a slowing economy in the United States, recession in the Eurozone, and occasional optimism regarding good earnings and a belief in decent valuations. This volatile stock market drove investors to the safety of U.S. Treasuries, and the ten year U.S. Treasury note yield fell to record lows. On September 21, a day after the Federal Reserve announced a new plan to hold longer rates low by buying long bonds and selling shorter maturities, the yield on the ten year Treasury note fell to an all time low of 1.7%. It had fallen below 2% for the first time in history in mid August and drifted around that level for the rest of the quarter.

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 September 30, 2011.

ConocoPhillips (3.02% of net assets as of September 30, 2011) (COP - \$63.32 - NYSE) is the third largest U.S. integrated energy company based on market capitalization, as well as proved reserves and production of oil and natural gas. It is also the largest refiner in the United States, as of December 31, 2010. Worldwide, ConocoPhillips is the seventh largest holder of proven reserves and the fourth largest refiner of nongovernment controlled companies. Headquartered in Houston, the company had approximately 29,600 employees, \$160 billion of assets, and \$226 billion of annualized revenues, as of March 31, 2011.

E.I. du Pont de Nemours & Co. (3.05%) (DD - \$39.97 - NYSE) continues to benefit from the improved global economy as well as the restructuring of its businesses to concentrate upon those with a higher return on capital. The company is experiencing broad based gains in volumes across its products and geographies, and its agricultural products are continuing to gain market share. The company has a high dividend yield which we believe is well supported by its cash flow and growth outlook, as well as evidence of management's commitment to return earnings to shareholders.

General Electric Co. (1.74%) (GE - \$15.24 - NYSE) is an industrial conglomerate based in Fairfield, CT, with leading positions in energy, healthcare, and aviation equipment, services, and financing. In addition, the company has a 49% interest in NBC Universal. GE Capital, GE's commercial and consumer lending business, suffered losses during the financial crisis, but should provide uplift to GE's operating profits, as the credit and financing environment continues to improve. Over the next three to five years, we expect GE can grow its earnings per share by at least 10% annually, and dividends to increase in line with earnings. Further, given the strong cash flow from its

businesses, we expect the company to continue to buy back its stock and make acquisitions, particularly within the energy and infrastructure sectors.

Home Depot Inc. (1.25%) (HD - \$32.87 - NYSE) is world's largest home improvement retailer, with fiscal 2010 revenues of \$68 billion and EBITDA of \$7.5 billion. Home Depot has 2,245 retail stores and sells a range of building materials, home improvement products, and lawn and garden products to do-it-yourself, do-it-for-me, and professional customers. We expect an improvement in the housing market fundamentals and the general economy to provide uplift to Home Depot's business. Notably, the company generates significant cash flow, has a strong balance sheet, and is attractively valued. To make use of its available cash flow, we expect Home Depot to continue buying back its stock.

International Paper Co. (2.22%) (IP - \$23.25 - NYSE) has undergone a dramatic transformation over the past few years. Management has done as promised, executing on its plan to improve return on capital and margins, exit non-core businesses to deliver a higher return on capital, pay down debt, and return cash to shareholders. The company has reduced capacity and lowered fixed costs to improve margins. In the first quarter of 2011, the company announced that it would acquire the majority of the leading paper manufacturer in India, which is the fastest growing paper market in the world. International Paper has paid dividends without interruption since 1946, but cut its dividend in March of 2009 to reduce debt. The company increased its dividend three times in the past twelve months, now to an annual rate of \$1.05, which is above its pre recession level, indicating its commitment to return cash to shareholders.

Newmont Mining Corp. (1.20%) (NEM - \$62.90 - NYSE), based in Denver, CO, is one of the largest gold mining companies in the world. Founded in 1921 and publicly traded since 1925,

NEM is the only gold company included in the S&P 500 Index and Fortune 500. With operations on five continents, Newmont is focused on developing its pipeline of long life, low cost projects. The company produced 5.4 million ounces of gold and 325 million pounds of copper in 2010, and we expect these numbers to grow over the next few years as the company develops large scale projects in Ghana and Peru, and expands its operations in Nevada. The company acquired Nevada focused Fronteer Gold in April, 2011 in order to bolster its operations in the state. In 2010, approximately one third of Newmont's production came from its Nevada operations.

Verizon Communications Inc. (2.11%) (VZ - \$36.80 - NYSE) is one of the world's leading telecommunications services companies, serving over 25 million access lines and 8.5 million broadband connections. VZ also owns a controlling 55% interest in Verizon Wireless, the largest wireless carrier in the United States with 104 million mobile connections. In January 2011, the company announced that the Apple iPhone 4 would become available on Verizon Wireless CDMA network in early February. In 2011, the company expects to achieve revenue growth of 4% - 8% and EPS growth of 5% - 8%. Verizon's forecasts assume that Verizon Wireless activates eleven million iPhones in 2011. The company also expects the percentage of smart phones in its retail postpaid base to rise from 26% at the end of 2010 to 50% or more by the end of 2011. In April 2011, Verizon completed its acquisition of Terremark Worldwide, a global provider of IT infrastructure and cloud services. Verizon acquired Terremark for \$19 per share in cash, valuing the company at \$1.8 billion or 13.5x 2011 projected EBITDA.

Looking Ahead

As we begin the fourth quarter, attention is focused on earnings, as investors look for clues that the United States is muddling along or sliding into a recession. The U.S. economy appears

to be slowing, and the debt crisis in Europe, with the problems of sovereign bankruptcies and undercapitalized banks looks unsolvable at the moment. The clearly slowing overseas economies will drag globally focused U.S. corporate earnings. Consensus third quarter earnings growth had come down from about 17% at the beginning of the quarter to 13% at the end, but still reflects a very positive double digit increase.

Recent economic data has shown that economic growth is flat at best. Housing and financials are large sectors that, in retrospect, were clearly artificially inflated and supported by low interest rates and federal regulations, which allowed them to expand and flourish well beyond their place in our economy. Housing is still working this excess capacity off, and while this industry has bottomed out, it is still a good way away from starting to rise or contribute jobs. The financial industry has clearly not yet bottomed out and has layoffs, downsizing, and perhaps bankruptcies or mergers ahead in order to right size.

However, while the macro issues take center stage, on a fundamental and longer term outlook we continue to monitor the progress of the companies in the portfolio, their management teams, and their products and position in the market place, and believe strongly that there is good value in these companies. We remain optimistic about the U.S. economy after we get through the next few years, and especially about the prospects for the companies in the Fund, which we believe have a combination of good cash flow generation, the ability to return cash to shareholders, and good long term growth prospects.

Sincerely,



Barbara G. Marcin, CFA
Portfolio Manager

October 15, 2011

Top Ten Holdings (Percent of Net Assets) September 30, 2011

Bank One Capital Trust VI, 7.200% Pfd.	5.9%	Mead Johnson Nutrition Co.	3.3%
General Mills Inc.	4.8%	Intel Corp.	3.3%
Kraft Foods Inc.	3.8%	ConAgra Foods Inc.	3.2%
American Water Works Co. Inc.	3.7%	E.I. du Pont de Nemours & Co.	3.1%
Apple Inc.	3.6%	ConocoPhillips	3.0%

Westwood Equity Fund



Morningstar® rated the GAMCO Westwood Equity Fund Class AAA Shares 3 stars overall and 1 star for the three year period, 3 stars for the five year period, and 4 stars for the ten year period ended September 30, 2011 among 1652, 1652, 1408, and 832 Large Blend funds, respectively.†

To Our Shareholders,

For the twelve months ended September 30, 2011, the GAMCO Westwood Equity Fund's net asset value ("NAV") per Class AAA Share declined 3.8% versus a gain of 3.7% for the Lipper Large Cap Value Fund Average and 1.1% for the S&P 500.

The major detractors (considering both percentage of the portfolio and total return) to fiscal year performance were Bank of America Corp. (1.9% of net assets as of September 30, 2011), General Motors Co. (1.9%), Newfield Exploration Co. (1.9%), and MetLife, Inc. (2.1%). Top contributors to fund performance were EQT Corp. (2.0%), IBM Corp., and Chevron Corp. (2.3%).

Through June 30, the fund earned a competitive 5.9% compared to 6.0% for the S&P 500 index. For the third quarter, the Fund underperformed the S&P 500, which is disappointing as we

expect to outperform in a down market. Although equity markets were negative in each month of the quarter, the underperformance occurred in September – primarily in the third week of that month – when growing fears of a global recession driven by sovereign debt issues in Europe had an especially dramatic effect on U.S. stock prices (the S&P 500 return was -7.03% for the month of September). During the quarter we worked hard to identify the causes of our underperformance and made moves in the portfolio to address potential issues. The key detractors to our performance in the quarter included:

- Greater exposure to companies that are more leveraged to global economic growth
- Underexposure to defensive companies/sectors: e.g., Consumer Staples
- An underestimation of the potential impact on the financial holdings of macro-driven fears of a European financial crisis

We continue to find value in companies with a large percentage of foreign exposure and believe that the sell-off in many of these names was far too severe. Because the strong fundamental aspects of many of these companies were being ignored, we used the sell-off in the market as an opportunity to allocate more capital to companies that we find the most compelling and where

fundamentals were being undervalued.

The portfolio's financial services exposure also was negatively impacted by our global tilt. High quality companies such as MetLife, Inc., Aflac, Inc. (1.9%), JPMorgan Chase & Co. (2.0%), and Franklin Resources, Inc. (1.9%) all suffered as investors aggressively sold financial stocks with global exposure, seemingly without consideration of these companies' fundamental merits. Although we did underestimate the impact that macro fears could have on many of our financial services holdings, we remain confident that each of these firms is adequately capitalized, which was at odds with the market's view as reflected in historically low valuations on their stocks. However, we must acknowledge that the expected operating environment for many financials is more challenging today than it was a few months ago; we have re-evaluated and reduced our expected upside for some of these companies. Accordingly, we have reallocated capital to companies offering growth opportunities that are less dependent on loan growth and on large interest rate spreads between loans and short-term deposits.



Susan M. Byrne

Average Annual Returns Through September 30, 2011 (a) (Unaudited)

	Quarter	Six Months	1 Year	5 Year	10 Year	Since Inception (1/2/87)
Equity Fund Class AAA	(17.79)%	(17.88)%	(3.84)%	(2.63)%	3.23%	8.89%
S&P 500 Index	(13.87)	(13.78)	1.14	(1.18)	2.82	8.89(b)
Lipper Large Cap Value Fund Average	1.58	3.67	3.66	5.78	5.22	8.05(b)

In the current prospectus dated January 31, 2011, the expense ratio for Class AAA Shares is 1.54%. 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, 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. Performance returns for periods of less than one year are not annualized. Visit www.tetonadv.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 information about these and other matters and should be read carefully before investing. Other shares classes are available and have different performance characteristics. See page 18 for performance of other classes 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 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.

(b) S&P 500 Index and the Lipper Large Cap Value Fund Average since inception performance are as of December 31, 1986.

† Morningstar Rating™ is based on risk-adjusted returns.

Market Commentary

While equity performance results in the Equity and Balanced Funds were strong on an absolute basis through June, the third quarter (and specifically the last 2 weeks of September) was especially challenging for our value style; the growth subset of the S&P 500 Index – and thus the index as a whole – markedly outperformed the value component. The best market performers were: defensive stocks (in Consumer Staples and Utilities), and companies with predominately domestic revenue sources. Our fundamental research had led us to own a greater percentage of companies leveraged to foreign economic growth than is represented in the S&P 500 Index, and this was a negative for relative performance in the third quarter. Despite the continued good operating results of many companies in Energy, Producer Durables, and Materials & Processing these economically sensitive parts of the market were crushed by the extreme macro-economic fears. However, the Financial Services sector bore the brunt of selling by investors fearing European contagion. There was little in the way of company-specific information that explains the sell-off of the underperforming stocks in the funds.

Fiscal Year Market Review

During the twelve months ended September 30, 2011, both stock and bond markets remained volatile, most notably in September: the S&P 500 stock index marked a 5-month streak of negative returns and U.S. Treasury securities – despite the ratings downgrade in August – remained the “safe” choice versus stocks for both domestic and foreign investors, driving Treasury yields to lows of the year.

As the fiscal year opened, a key factor in the double digit gain of stocks during the fourth quarter of 2010 had been the belief that continued stimulus from the Federal Reserve’s commitment to buy an additional \$600 billion in government debt (QE2) would lead to stronger economic growth. Also driving the rotation out of

bonds and into stocks was an extension of the Bush tax cuts, a reduction in the payroll tax, and the strongest holiday retail sales in 5 years. Sectors tied to global economic growth led performance, while lagging sectors were those perceived as defensive. Security selection was the largest contributor to relative performance for the Funds. Treasury yields moved sharply higher – and prices lower – as investors raised their expectations for future inflation amidst rapidly rising commodity costs.

January started 2011 well with strong earnings and economic reports; bond yields moved sharply higher. By month end, however, protests in Egypt helped push stock markets lower and prompted a bid for bonds and a concomitant sharp decline in interest rates. Violence in Libya and crude oil’s price surge kept the pressure on in early February, but corporate earnings reports and improving employment conditions strengthened investor positive sentiment. With Middle East protests and the potential economic impact from the Japanese Tsunami weighing on investors, March returns – though positive – lagged those of January and February. The best performing sectors during the first quarter of 2011 were those tied to higher commodity prices and economic optimism; lagging sectors were Financial Services and Consumer Staples, amidst investor concern about rising food costs. The largest contributor to equity relative performance was again security selection. The flight-to-safety Treasury bid dissipated near the end of March amidst a steady stream of economic data supporting a U.S. recovery being on track.

The key driver of market performance during the second quarter of 2011 was a significant decline in investor risk appetite. Renewed fears of a Greek debt default, slower economic growth in the U.S. and China, and the impact of Japanese production interruptions all conspired to reduce demand for equities in favor of U.S. Treasury debt. Benefitting the funds was the continued demonstration of investor

preference for high quality companies; stock selection continued to be the major explanatory factor in fund performance. The best performing groups were the traditionally defensive sectors. Hints of sentiment to come arose from the worst performing sectors: Financial Services – based on concerns about bank capital levels and the lack of loan growth, Technology – based on fears of slowing economic growth, and Energy, which declined along with a drop in oil prices.

Risk tolerance plummeted in the closing quarter of the fiscal year, the third quarter of 2011, as a number of events conspired to reduce investor optimism about future economic growth and confidence in the decision-making of politicians in the U.S. and Europe: for example, U.S. fiscal deficit wrangling, heightened concerns about a possible Greek debt default and the resulting potential for a financial crisis in Europe, weakening economic data – including a lack of job creation during August. Volatility-weary investors sold stocks and riskier bonds in favor of U.S. Treasury securities, which – further supported by the Federal Reserve’s announced decision on September 21st to purchase longer-maturity Treasuries – experienced one of their sharpest yield declines in history.

Outlook

We expect volatility to continue and macro fears to be a meaningful driver of stock prices and bond yields in the near term. Importantly, we believe that the funds are positioned to weather the current volatile climate and to benefit from an environment in which company fundamentals play a larger role in the valuation of stocks and lower sensitivity to rising interest rates benefits shorter duration bonds.

Sincerely,



Susan M. Byrne
Portfolio Manager
October 15, 2011

Top Ten Holdings (Percent of Net Assets) September 30, 2011

Johnson & Johnson	3.2%	Occidental Petroleum Corp.	2.8%
Pfizer Inc.	3.1%	Chevron Corp.	2.3%
ITT Corp.	3.0%	Wal-Mart Stores Inc.	2.2%
AT&T Inc.	3.0%	Time Warner Inc.	2.1%
Dell Inc.	3.0%	Sempra Energy	2.1%

Westwood Balanced Fund



Morningstar® rated the GAMCO Westwood Balanced Fund Class AAA Shares 3 stars overall, 2 stars for the three year period, and 3 stars for the five and ten year periods ended September 30, 2011 among 847, 847, 711, and 386 Moderate Allocation funds, respectively.†

To Our Shareholders,

For twelve months ending September 30, 2011, the GAMCO Westwood Balanced Fund's net asset value ("NAV") per Class AAA Share declined 1.0% versus a decline of 0.3% for the Lipper Mixed Asset Target Allocation

Moderate Fund Average. A common balanced benchmark comprised of 60% S&P 500 Stock Index and 40% Barclays Capital Government/Credit Bond Index (BCG/C) returned 2.7%.

The fund is designed to provide exposure to equities while reducing overall risk through investment in short-to-intermediate fixed income securities. The Equity Fund strategy comments also apply to the equity portion of the Balanced Fund. Here, too, we used the sharp sell-off as an opportunity to add new companies to the stock portfolio and increase weights in companies which we believe offer the most compelling reward-to-risk trade off.



Susan M. Byrne Mark R. Freeman, CFA

Top and Bottom Contributors

The bond portion typically invests in high quality notes with lower interest rate sensitivity (and generally a shorter maturity) than the typical bond index, with the objective of dampening the volatility of equity holdings. Top five contributing fixed income holdings for

Average Annual Returns Through September 30, 2011 (a)(d) (Unaudited)

	Quarter	Six Months	1 Year	5 Year	10 Year	Since Inception (10/1/91)
Balanced Fund Class AAA	(10.50)%	(9.97)%	(0.96)%	0.73%	4.19%	7.95%
Barclays Capital Government/Credit Bond Index...	4.74	7.18	5.14	6.52	5.74	6.78(c)
S&P 500 Index.....	(13.87)	(13.78)	1.14	(1.18)	2.82	7.64(c)
60% S&P 500 Index and 40% Barclays Capital Government/Credit Bond Index (b)	(6.43)	(5.40)	2.74	1.90	3.99	7.30
Lipper Mixed Asset Target Allocation Moderate Fund Average	(9.70)	(9.01)	(0.33)	1.15	4.03	6.72(c)
Barclays Capital Government/Corporate Bond Index	4.84	7.18	5.15	6.48	5.69	4.80(e)
60% S&P 500 Index and 40% Barclays Capital Government/Corporate Bond Index (f).....	(6.39)	(5.40)	2.74	1.88	3.97	6.50

In the current prospectus dated January 31, 2011, the expense ratio for Class AAA Shares is 1.24%. 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. Teton Advisors, Inc., 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. Performance returns for periods of less than one year are not annualized. Visit www.tetonadv.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 information about these and other matters and should be read carefully before investing.** Other shares classes are available and have different performance characteristics. See page 18 for performance of other classes 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 Barclays Capital Government/Credit Bond Index and Barclays Capital Government/Corporate Bond Index are market value weighted indices that track the 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.
- (b) The Blended Index consists of a 60% blend of each of the S&P 500 Index and 40% Barclays Capital Government/Credit Bond Index.
- (c) S&P 500 Index, Barclays Capital Government/Credit Bond Index and the Lipper Mixed Asset Target Allocation Moderate Fund Average since inception performance are as of September 30, 1991.
- (d) As per the January 31, 2011 prospectus, the fund's benchmarks are the 60% S&P 500 and the 40% Barclays Capital Government/Credit Bond Blended Index.
- (e) The Barclays Capital Government/Corporate Bond Index since inception performance is as of December 31, 1998.
- (f) The Blended Index consists of a 60% blend of each of the S&P 500 Index and 40% Barclays Capital Government/Corporate Bond Index.

† Morningstar Rating™ is based on risk-adjusted returns.

the fiscal year (a function of percentage of fund and security total return) were intermediate term notes issued by Freddie Mac: 3.75% due 03-27-2019 (1.9% of net assets as of September 30, 2011) and Anadarko Petroleum 5.95% due 09-15-2016 (1.3%), U.S. Treasury 3.625% due 8-15-19 (1.3%), and two U.S. Treasury Inflation-Indexed (TIP) notes 2.500% due 07-15-2016 (1.8%) and 2.125% due 01-15-19 (1.3%). The only securities with negative returns were Barclays Bank 5.000% due 09-22-16 (0.9%) and Bank of America Corp 5.375% due 06-15-14 (1.4%). Three very

short maturity notes complete the list of bottom five performers: Fannie Mae 5.375% due 11-15-11 (1.7%), Philips Electronics 4.625% due 03-11-13 (0.9%), and Freddie Mac 2.125% due 03-23-12 (1.7%).

Sincerely,



Susan M. Byrne
Co-Portfolio Manager



Mark R. Freeman, CFA
Co-Portfolio Manager
October 15, 2011

Top Ten Issuers* (Percent of Net Assets)			
September 30, 2011			
FNMA	6.2%	Anadarko Petroleum Corp.	2.3%
FHLMC	5.2%	JPMorgan Chase & Co.	2.2%
AT&T Inc.	2.6%	Oracle Corp.	2.1%
Bank of America Corp.	2.5%	Johnson & Johnson	1.9%
Apache Corp.	2.3%	ITT Corp.	1.8%

* Bond and equity positions have been combined.

Westwood Intermediate Bond Fund



Morningstar® rated the GAMCO Westwood Intermediate Bond Fund Class AAA Shares 2 stars overall and 2 stars for the three, five, and ten year periods ended September 30, 2011 among 1026, 1026, 862, and 568 Intermediate-Term funds, respectively.†

To Our Shareholders,

For the twelve months ending September 30, 2011, the GAMCO Westwood Intermediate Bond Fund's net asset value ("NAV") per Class AAA Share posted an increase of 2.7% versus a return of 3.7% for the Lipper Intermediate Investment Grade Debt Fund Average. The Barclays Capital Government/Credit Bond Index (BCG/C) returned 5.1%. Much of the return differential is attributable to the shorter duration (lower interest rate sensitivity) of the fund during the recent third quarter extraordinary flight to quality. Unlike stocks, investment grade bonds received the upside of contagion and recession fears. The

shorter duration of the fund reflected the view that bond yields in general, and long maturity yields in particular, were at extreme low levels and not attractive on a longer term basis.

Commentary

In the previous Fiscal Year Market Review, we indicated whether Treasury yields rose or fell during each quarter. For the year as a whole, Treasury yields declined to 2.92% on the 30-year bond, to 1.93% on the 10-year note, and to 0.97% on the 5-year note, with yields on shorter term notes near 0%, reflecting the flight to quality amidst concerns about growth in the developed world as well as in China, and about Euro-area stability. The decline in yields during the July-September quarter was astounding. Long maturity bonds (longer than 10 years) are generally the most price-sensitive to a decline in yields and therefore trounced the returns of intermediate notes (10 years or shorter) in this plummeting rate environment. Representative long- vs. intermediate-maturity fiscal year returns for the BCG/C in-

clude: U.S. Treasury 27.5% vs. 6%, U.S. Agency 19% vs. 3%, U.S. Corporate 12% vs. 4%, and for the BCG/C as a whole 12.7% vs. 3.4%.



Mark R. Freeman, CFA

The significant flight-to-quality during the last three months resulted in higher quality Aaa- and Aa- rated debt outperforming Baa during the period. For the twelve months as a whole, however, yield-seeking investors slightly favored Baa-rated debt to A- or better. The Utilities sector led the fiscal year performance of the BCG/C at 8%, followed by U.S. Treasuries at 6%; Financial Institutions lagged at 1%.

Top and Bottom Contributors

The sectors of the fund that were over weighted with respect to their BCG/C counterparts, industrial notes and agency notes, contributed the most to the total return of the fund during the fiscal year. The top contributing segment within all fund sectors

Average Annual Returns Through September 30, 2011 (a)(c) (Unaudited)

	Quarter	Six Months	1 Year	5 Year	10 Year	Since Inception (10/1/91)
Intermediate Bond Fund Class AAA	2.03%	3.95%	2.72%	5.07%	4.33%	5.59%
Barclays Capital Government/Credit Bond Index...	4.74	7.18	5.14	6.52	5.74	6.78(b)
Lipper Intermediate Investment Grade Debt Fund Average	1.58	3.67	3.66	5.78	5.22	6.25(b)
Barclays Capital Government/Corporate Bond Index	4.84	7.18	5.15	6.48	5.69	4.80(d)

In the current prospectus dated January 31, 2011, the gross expense ratio for AAA Shares is 1.49%. The net expense ratio is 1.02%, after contractual reimbursements, by Teton Advisors Inc. (the "Adviser") in place through January 31, 2012.

(a) **Returns represent past performance and do not guarantee future results.** Total returns and average annual returns reflect changes in share price, investment 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. Performance returns for periods of less than one year are not annualized. Visit www.tetonadv.com for performance information as of the most recent month end. The Fund is subject to interest rate and credit risks. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the fund before investing. The prospectus contains information about these and other matters and should be read carefully before investing.** Other shares classes are available and have different performance characteristics. See page 18 for performance of other classes of shares. The Barclays Capital Government/Credit Bond Index and Barclays Capital Government/Corporate Bond Index are market value weighted indices that track the performance of fixed rate, publicly placed, dollar denominated obligations. 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.

(b) The Barclays Capital Government/Credit Bond Index and the Lipper Intermediate Investment Grade Debt Fund Average since inception performance are as of September 30, 1991.

(c) As per the January 31, 2011 prospectus, the fund's benchmark is the Barclays Capital Government/Credit Bond Index.

(d) The Barclays Capital Government/Corporate Bond Index since inception performance is as of December 31, 1998.

† Morningstar Rating™ is based on risk-adjusted returns.

continued to be TIPs (U.S. Treasury Inflation-Indexed securities), returning 10.46% for the twelve months. The five top contributing securities were Treasury issues: U.S. Treasury Inflation-Indexed 2.500% due 01-15-29 (2.4% of net assets as of September 30, 2011) was the top contributor, followed by U.S. Treasury 7.125% due 02-15-23 (1.9%), U.S. Treasury 3.375% due 11-15-19 (2.0%), and two additional

Inflation-Indexed notes: 2.125% due 01-15-19 (1.7%) and 1.375% due 07-15-18 (1.7%). Notes issued by three financial institutions had the only negative returns for the year: Merrill Lynch 5.000% due 01-15-15 (1.3%), Bank of America 5.375% due 06-15-14 (1.5%), and Barclays Bank 5.000% due 09-22-16 (1.1%). Two very short maturity U.S. Treasury notes were also among the bottom five contributors:

0.625% due 07-31-12 (1.5%) and 1.375% due 01-15-13 (1.0%).

Sincerely,



Mark R. Freeman, CFA
Portfolio Manager

October 15, 2011

Top Ten Holdings (Percent of Net Assets)
September 30, 2011

U.S. Treasury Notes	17.0%	GNMA	1.7%
FNMA	16.4%	International Bank for Reconstruction & Development, 8.625%, 10/15/16	1.7%
FHLMC	8.5%	Dominion Resources Inc., 6.400%, 06/15/18	1.7%
U.S. Treasury Bonds	5.3%	Berkshire Hathaway Inc., 5.125%, 09/15/12	1.6%
Intel Corp., 3.300%, 10/01/21	1.8%	Bank of America Corp., 5.375%, 06/15/14	1.5%

Minimum Initial Investment

Each fund, other than the Mighty MitesSM 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 MitesSM 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 G.distributors, LLC, the fund's distributor, or brokers that have entered

into selling agreements with the distributor specifically with respect to Class I Shares.

www.tetonadv.com

Please visit us on the Internet. Our homepage at www.tetonadv.com contains information about the GAMCO Westwood Funds, with links to information about 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@tetonadv.com.

The funds' daily net asset values are available in the financial press and each evening after 7:00 PM (Eastern Time) by calling 800-WESTWOOD (800-937-8966). Please call us during the business day, between 8:00 AM – 7:00 PM (Eastern Time), 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 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.tetonadv.com. You may also sign up for our e-mail alerts and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance via our website.

Nasdaq Symbols Table

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

Morningstar RatingTM 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. ©2011 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

GAMCO WESTWOOD FUNDS

Average Annual Returns – September 30, 2011 (Unaudited)

Class AAA Shares (a)

	1 Year	5 Year	10 Year	Since Inception	Gross Expense Ratio	Current Expense Ratio after Adviser Reimburse-ments	Maximum Sales Charge
Mighty Mites SM	(3.32)%	4.75%	8.84%	10.11%	1.58%	1.58%	None
SmallCap Equity	(3.82)	0.77	3.91	5.07	1.99	1.50	None
Income	2.60	(1.39)	6.89	6.09	3.19	2.00	None
Equity	(3.84)	(2.63)	3.23	8.89	1.54	1.54	None
Balanced	(0.96)	0.73	4.19	7.95	1.24	1.24	None
Intermediate Bond	2.72	5.07	4.33	5.59	1.49	1.02	None

Class A Shares (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 SM	(7.37)%	3.69%	8.18%	9.59%	1.83%	1.83%	4.00%
SmallCap Equity	(7.86)	(0.29)	3.31	4.65	2.24	1.75	4.00
Income	(1.80)	(2.45)	6.18	5.58	3.44	2.25	4.00
Equity	(7.87)	(3.64)	2.55	8.49	1.79	1.79	4.00
Balanced	(5.12)	(0.36)	3.52	7.47	1.49	1.49	4.00
Intermediate Bond	(1.52)	4.13	3.81	5.32	1.59	1.12	4.00

Class B Shares (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 SM	(8.91)%	3.61%	8.02%	9.47%	2.33%	2.33%	5.00%
SmallCap Equity	Class B Shares have been discontinued.						
Income	Class B Shares have been discontinued.						
Equity	Class B Shares have been discontinued.						
Balanced	(6.59)	(0.46)	3.39	7.42	1.99	1.99	5.00
Intermediate Bond	(3.03)	3.97	3.56	5.17	2.24	1.77	5.00

Class C Shares (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 SM	(4.96)%	4.01%	8.04%	9.50%	2.33%	2.33%	1.00%
SmallCap Equity	(5.45)	0.03	3.07	4.48	2.74	2.25	1.00
Income	0.78	(2.14)	6.24	5.63	3.94	2.75	1.00
Equity	(5.38)	(3.35)	2.47	8.46	2.29	2.29	1.00
Balanced	(2.68)	(0.05)	3.41	7.45	1.99	1.99	1.00
Intermediate Bond	0.89	4.68	3.55	5.20	2.24	1.77	1.00

Class I Shares (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 SM	(3.01)%	4.97%	8.95%	10.19%	1.33%	1.33%	None
SmallCap Equity	(3.64)	0.94	4.00	5.13	1.74	1.25	None
Income	2.85	(1.21)	6.99	6.16	2.94	1.75	None
Equity	(3.56)	(2.41)	3.34	8.93	1.29	1.29	None
Balanced	(0.69)	0.91	4.29	8.00	0.99	0.99	None
Intermediate Bond	2.97	5.25	4.42	5.64	1.24	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 MitesSM 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, 2012 and are renewable annually by the Adviser. Current performance may be lower or higher than the performance data presented. Visit www.tetonado.com for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the funds before investing. The prospectus contains information about these 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) Assuming payment of the maximum contingent deferred sales charge ("CDSC"). The maximum CDSC for Class B Shares is 5% and is gradually reduced to 0% after six years.

(d) Assuming payment of the 1% maximum CDSC imposed on redemptions made within one year of purchase.

(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 SM	05/11/98	11/26/01	06/06/01	08/03/01	01/11/08
SmallCap Equity	04/15/97	11/26/01	—	11/26/01	01/11/08
Income	09/30/87	05/09/01	—	11/26/01	01/11/08
Equity	01/02/87	01/28/94	—	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 and Your Personal Privacy

Who are we?

The GAMCO Westwood Funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Teton Advisors, Inc., which is an affiliate of GAMCO Investors, Inc., a publicly held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients. Teton Advisors, Inc. is a publicly held company that provides investment advisory services to the GAMCO Westwood Funds.

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.

GAMCO WESTWOOD FUNDS

GAMCO Westwood Mighty MitesSM Fund
GAMCO Westwood SmallCap Equity Fund
GAMCO Westwood Income Fund
GAMCO Westwood Equity Fund
GAMCO Westwood Balanced Fund
GAMCO Westwood Intermediate Bond Fund

One Corporate Center
Rye, New York 10580-1422
General and Account Information:
800-WESTWOOD [800-937-8966]
fax: 914-921-5118
website: www.tetonadv.com
e-mail: info@tetonadv.com

Board of Trustees

ANTHONY J. COLAVITA
President
Anthony J. Colavita, P.C.

WERNER J. ROEDER, MD
Medical Director
Lawrence Hospital

JAMES P. CONN
Former Chief Investment Officer
Financial Security Assurance
Holdings Ltd.

SALVATORE J. ZIZZA
Chairman
Zizza & Co., Ltd.

Officers

BRUCE N. ALPERT
President and Secretary

PETER D. GOLDSTEIN
Chief Compliance Officer

AGNES MULLADY
Treasurer

Investment Adviser
Teton Advisors, Inc.

Custodian
The Bank of New York Mellon

Distributor
G.distributors, LLC

Legal Counsel
Paul Hastings LLP

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

This report is submitted for the information of the shareholders of the GAMCO Westwood Funds. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.