Teton Advisors

TETON WESTWOOD FUNDS

Mighty Mites℠ Fund

SmallCap Equity Fund

Mid-Cap Equity Fund

Convertible Securities Fund

Equity Fund

Balanced Fund

Intermediate Bond Fund

Commentary
June 30, 2017

TETON Westwood Mighty Mites℠ Fund

To Our Shareholders,

For the quarter ended June 30, 2017, the TETON Westwood Mighty Mites Fund's net asset value ("NAV") per Class AAA share appreciated 3.3% vs a gain of 2.5% for the Russell 2000 Index and a gain of 3.4% for the Dow Jones U.S. Micro-Cap Total Stock Market Index. Year to date, the Fund appreciated 5.4% versus gains of 5.0% and 5.9% for the respective indices.

Commentary

Despite U.S. government dysfunction tamping down what were originally very high hopes for President Trump's agenda, the Russell 2000 Index yielded a 2.5% return in the second quarter of 2017, similar to the performance of the first quarter. Revision or repeal of the Affordable Care Act now appears uncertain, despite a Republican majority in Congress and significant campaign rhetoric. Lack of progress on this item foreshadows a potential lack of movement in other legislative arenas that could have a more immediate impact on small businesses, such as tax reform. While economic trends and global events shape the macro environment for equities, we have always been individual stock pickers.

Domestically and globally, we do expect a tightening monetary environment, with the Federal Reserve's addition of a quarter point to the Federal Funds rate in June being the most recent example. Forward indications are for another quarter point rise at the end of the year, coupled with the initial unwinding of the Fed's $4.5 trillion balance sheet, most likely though attrition of existing securities. These rate increases, implemented through explicit tightening and balance sheet reductions, point to the Federal Reserve's relative strength of the economy.

Mario J. Gabelli, CFA

Laura S. Linehan, CFA

Sarah Donnelly

Paul D. Sonkin

Importantly, the domestic economy continues at a slow and steady rate. The

Average Annual Returns Through June 30, 2017 (a)

	Quarter	Year-to-Date	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception (5/11/98)
Mighty Mites℠ Fund Class AAA (WEMMX)	3.34%	5.37%	22.62%	6.52%	13.71%	8.33%	10.66%	11.53%
Dow Jones U.S. Micro-Cap Total Stock Market Index	3.36	5.85	28.79	3.99	12.26	5.28	9.56	8.43
Russell 2000 Index	2.46	4.99	24.60	7.36	13.70	6.92	9.19	7.27
Lipper Small Cap Value Fund Average	0.57	0.79	22.99	5.35	12.53	6.05	9.22	8.25(b)

In the current prospectuses dated January 27, 2017, the expense ratio for Class AAA Shares is 1.42%. 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. Visit www.tetonadv.com for performance information as of the most recent month end. 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. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.tetonadv.com.* Other share classes are available and have different performance characteristics. See page 23 for performance of other classes of shares. The Dow Jones U.S. Micro-Cap Total Stock Market Index is designed to provide a comprehensive measure of the micro-cap segment of the U.S. stock market. 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) Lipper Small Cap Value Fund Average since inception performance is as of April 30, 1998.

Purchasing Managers' Index (PMI) registered 57.8 in June, the highest indication of manufacturing expansion since August 2014. Unemployment rates continue to be low, with the most recent reading at 4.4% for the month of June. The labor force participation rate edged up slightly to 62.8% in June, a positive indication of discouraged workers gradually reentering the job market and keeping concerning levels of wage inflation at bay.

We view this economic backdrop as conducive for our companies, which operate well in a steady, growing environment. Shareholders should also continue to benefit from the continuing "Fifth Wave" of merger and acquisition (M&A) activity in the U.S., where larger companies are using strong balance sheets to augment growth through acquisitions. Building on over 24 announced takeovers in 2016, the Mighty Mites Fund had six announced takeovers in the second quarter, and eight total year-to-date. A growing economy, a pro-business administration, and relative international strength (notably in Europe), should fuel accelerating M&A activity throughout the year.

Let's Talk Stocks

Ferro Corp. (FOE – $18.29 – NYSE) (1.7%) is a specialty chemicals company that has concentrated on coatings, color and glass science following several divestitures and accretive acquisitions. With an upgraded product portfolio and a leaner cost structure, the company has shifted towards operational optimization which should provide added headway on margin improvement. Furthermore, a conservative balance sheet allows for acceleration by adhering to a strategy of accretive acquisitions. We look for out-year earnings of $1.35 and a PMV of $23 per share.

Flushing Financial Corp. (FFIC – $28.19 – NASDAQ) (1.4% of net assets as of June 30, 2017) is a New York State chartered commercial bank serving the New York City metro area with an emphasis on multifamily lending. The bank has historically demonstrated credit outperformance and we see an opportunity for the bank to take share as larger competitors face disruption, particularly from the prolonged sale process for rival Astoria Financial. Post this deal, Flushing will also present scarcity value to potential acquirers, further boosting its profile.

Global Sources Ltd. (GSOL – $20.00 – NASDAQ) (0.8%) is a business-to-business media company, facilitating trade with China through online marketplaces, apps, trade shows and magazines. In May, the company agreed to be acquired by Expo Holdings, an affiliate of the Blackstone Group. A subsequent proposal from a third party prompted Expo to raise its bid by 11% to $20 per share in cash.

Las Vegas-based *Golden Entertainment, Inc. (GDEN – $20.71 – NASDAQ) (0.8%)* is the result of the merger of publicly-traded casino operator Lakes Entertainment (formerly LACO) and Golden Gaming, a private gaming company. In its Distributed Gaming segment, the company operates approximately 7,700 gaming machines in 690 retail stores, restaurants, bars and gas stations throughout Nevada. Approximately 760 of the segment's gaming machines are located within 48 owned and operated taverns. Golden also owns and operates three casinos in Pahrump, Nevada and Rocky Gap Casino in Flintstone, Maryland through its Casino segment. Under the new organizational structure, the company will seek to grow via organic expansion of its slots route and tavern businesses. In June, Golden announced the acquisition of American Casino & Entertainment for $850 million. With this transformative acquisition, Golden further increases its exposure to the attractive local gaming markets of southern Nevada. The company also continues to expand its distributed gaming business into new jurisdictions, recently announcing that it has obtained a license to operate in Illinois.

MOCON, Inc., (formerly MOCO – NASDAQ) was a leading provider of instruments for analyzing gasses and microbes within production and research environments for a variety of industrial, food and pharmaceutical markets. In April, the company announced it would be acquired by AMETEK for $30 per share in cash and this transaction closed June 22. As AMETEK is a large cap global manufacturer of measurement instruments, this bolt-on acquisition serves to underscore our "Fifth Wave" thesis, as larger players seek acquisition-driven growth through industry consolidation.

Myers Industries, Inc. (MYE – $17.95– NYSE) (0.9%) is an Akron, Ohio based multi-industry manufacturer and distributor of a variety of consumable products. The company's leading portfolio of branded products is in two segments: Material Handling and Distribution. After a series of acquisitions and divestitures over the past several years, Myers should thrive as new CEO David Banyard sets a new strategy to increase market share and optimize operations in both segments. Ultimately, we see a potential separation of Material Handling and Distribution as a way to surface value for investors.

Conclusion

We believe the portfolio is well positioned to deliver excellent risk adjusted returns over a complete market cycle. We appreciate your confidence and trust.

July 14, 2017

Top Ten Holdings (Percent of Net Assets)
June 30, 2017

Aerojet Rocketdyne Holdings Inc.	2.0%	The E.W. Scripps Co.	1.3%
Ferro Corp.	1.7%	Shenandoah Telecommunications Co.	1.2%
Steel Partners Holdings LP	1.5%	Nathan's Famous Inc.	1.1%
Astec Industries Inc.	1.4%	Federal Signal Corp.	1.0%
Flushing Financial Corp.	1.3%	Marine Products Corp.	1.0%

TETON Westwood SmallCap Equity Fund

To Our Shareholders,

For the quarter ended June 30, 2017, The TETON Westwood SmallCap Equity Fund's net asset value ("NAV") per Class AAA share appreciated 0.2% versus a gain of 2.5% for the Russell 2000 Index and a gain of 0.7% for the Russell 2000 Value Index. Year to date, the Fund appreciated 2.8% versus gains of 5.0% and 0.5% for the respective indices.

Commentary

While not at a pace that would be described as "surging", the domestic economy continues to grow steadily, supporting the equity market's upwards bias. As it reaches the eight year mark, this economic expansion is among the longest in U.S. history, prompting many to express concern that the economic cycle must be approaching maturity. However, several contemporary indicators confound these pessimists by their suggestion of optimism: earnings, rates and credit. After a brief decline the prior year, earnings for the S&P 500 have been accelerating year-on-year since the fourth quarter, an event not equated with a late economic cycle. Plus, expansions typically mark their end with "overheating" wages or rising inflation and central banks responding with excessive tightening. Though the Federal Funds target rate has been increasing, the pace is measured as data have proved inconclusive. Core inflation remains below the Federal Reserve's 2% long-term goal. Unemployment is at a 17-year low but the labor force participation rate for prime-earning individuals (those aged 24-54) is still two percentage points below the pre-crisis level of 83.5%, suggesting available slack in the labor market. While the yield curve has moved in a flattening direction (the difference between future and current rates, with steepness reflecting higher future prospects), it has only returned to levels slightly above where they were prior to last fall's presidential election surprise, which quickly led to a surge of economic optimism. We believe the recent flattening of yields is more reflective of political turmoil having spawned negligible traction to-date on Candidate Trump's signature calls for reform (tax, healthcare, infrastructure spending, and regulation, to name a few topics). Though impatience reigns, we believe there is still time to marshal Congressional support and unveil legitimate proposals to benefit the economy and small companies, in particular. Lastly, the credit picture remains healthy for the consumer. Delinquency rates for the biggest-ticket debt items—mortgage, credit card, and home equity lending—have all, generally, returned to pre-crisis levels, though auto and student loans remain elevated. Reflecting the passage of time spent repairing personal finances, the peak period of mortgage foreclosures in 2009 and 2010 is now beginning to lapse off consumer credit records, improving the ability for individuals to access credit as scores improve. This scenario could serve as a continuing support of consumer demand. Altogether the economic outlook contains many cross-currents, yet it represents anything but a grim certainty. Rather, it suggests the current upward

Nicholas F. Galluccio

Average Annual Returns Through June 30, 2017 (a)

	Quarter	Year-to-Date	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception (4/15/97)
SmallCap Equity Fund Class AAA (WESCX)	0.15%	2.81%	28.06%	7.54%	13.23%	6.34%	7.83%	7.75%
Russell 2000 Index	2.46	4.99	24.60	7.36	13.70	6.92	9.19	8.73
Russell 2000 Value Index	0.67	0.54	24.86	7.02	13.39	5.92	8.75	9.65

In the current prospectuses dated January 27, 2017, the gross expense ratio for Class AAA Shares is 1.79%, and the net expense ratio is 1.25-% after contractual reimbursements by Teton Advisors, Inc. (the "Adviser") in place through January 31, 2018. Class AAA Shares do not have a sales charge.

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cycle will continue for at least another year or two.

This past quarter, the portfolio performed about even with the benchmark. Our solid holdings in technology continued to provide a strong basis for our returns as we leveraged several themes, most prominently that of a maturing semiconductor industry which exhibits less cyclicality, greater free cash flow generation, and expansion into new markets like auto. Share buybacks and high levels of merger and acquisition activity within the tech sector serve to confirm this thesis. As mentioned in prior commentaries, the portfolio has benefited from over half a dozen such acquisitions in the past two years, alone, most notably Intersil Corp., Newport Corp., Cascade Microsystems, and Ultratech. On a relative basis within various sectors, our holdings in healthcare and consumer discretionary marked the greatest outperformance to their peers as a few key names with attractive risk/reward ratios (Myriad Genetics, Inc (0.8% of net assets as of June 30, 2017) and RH (0.9%)) saw our investment thesis of stabilizing returns begin to play out. Once fleeing investors returned as results now suggest that the stocks overcorrected on the downside, an event that led to our opportunistic identification of value. Energy, on the other hand, continued to be a sector under pressure. Crude oil weakened below $50 per barrel as ever growing shale production offset much of the incremental benefit of curtailed OPEC production. Unlike the sharp OPEC induced downturn of two years ago, the U.S. producers currently have a better cost position as significant productivity gains have recently lowered service costs. In addition, the U.S. is beginning to accept its newfound role as a global swing producer and capitalistic companies are maturing towards business models that treat resource production as a "manufacturing process", optimizing well development for lifetime returns and ensuring corporate sustainability by matching development plans to cash flows. We believe the energy sector presents an attractive opportunity on a relative basis and we remain focused on holding and establishing positions in the best operators whose stocks have reached value territory, being swept along in a broad downdraft.

Though part of our idea generation process involves examining relative sector performance and its impact upon the portfolio is measured, sector weightings are not a primary focus of ours in portfolio construction. We are led, instead, by market opportunity in sourcing names trading at a discount to intrinsic value and employing our perceived areas of expertise in discerning catalysts to unlock that value. Specifically, our constant overweight of the technology sector stems from the team's lengthy tenure of investing within the space. This experience shapes an ability to more readily identify mispriced value opportunities created by a rapid pace of industry change, itself a source of market inefficiency. We are active managers who build the investment portfolio through the examination of companies from a bottom-up, fundamental basis. With the Ibbotson study as support, we believe small caps provide the greatest opportunity over time and we witness growing inefficiencies within this space as Wall Street research focuses elsewhere and passive investments swell, causing both pricing distortions and mismatched expectations. There will continue to be regular sources of change – operational, ownership, financial model, or marketplace based – which are impactful, yet difficult to evaluate. Our paramount goal as we screen and evaluate these opportunities is to implement the same investment discipline which has served us well for many years as we form a portfolio that we believe will persevere and deliver attractive risk-adjusted returns over a complete market cycle.

Let's Talk Stocks

Among the best performing stocks in the quarter were: Extreme Networks, Inc. (1.4%), RH, and Nutanix, Inc. (1.1%).

Extreme Networks, Inc (EXTR – $9.22 – NASDAQ) provides network equipment for wireless and wireline networks. A new management team brought stability to the organization and swiftly capitalized on several unanticipated opportunities to accelerate revenue growth. Beginning last fall, the company acquired the non-core wireless assets of Zebra Technologies Corp, which also happened to be the original OEM partner for Extreme. The team demonstrated a swift and successful integration and even posted a few cross-selling gains. Then, a pair of distressed events dislodged two other valuable competing assets for Extreme at minimal cost. The first included the networking business extracted from Avaya Inc's bankruptcy proceedings. The second was the networking IP portion of Brocade Communications Systems, Inc, as that segment was deemed non-core to the acquisition by Broadcom Ltd. Though it provides a dizzying number of headlines and the perception of integration risk, we note that these acquisitions are structured as carve-outs and are expected to be more quickly integrated, as was the Zebra wireless deal. In June, the company held its first Analyst Day and investors were given a glimpse of the improved growth and margin profile of the consolidated company. In addition, this rapid consolidation has catapulted the company past a billion dollars in revenue, a significant milestone for technology companies. As such, Extreme now reports it is being included as a third vendor, against the two primary heavyweights, in customer RFP (request for proposal) processes, which has the potential of creating a virtuous cycle for the company. Having achieved much of our target thesis, we have trimmed back our exposure but will retain a portion to benefit from this new, unexpected dynamic.

Nutanix, Inc (NTNX – $20.15 – NASDAQ) is the leader of a nascent but rapidly growing industry called hyper converged infrastructure (HCI), which combines formerly discrete hardware resources, like servers and storage, into a single box all managed by software. Though not our typical value case, we opportunistically invested in the company when Nutanix reached a "busted IPO" level as a sales force reorganization drove a hiccup in deal activity, sorely disappointing short-term investors. We saw downside protection to our investment price coming from two areas. First, strategic value had been established as Cisco Systems, Inc. attempted to acquire the company prior to its public offering. Secondly, end market activity for cloud computing is ramping at an explosive rate as it represents a significant reordering of enterprise networks, much as virtualization did to client-server environments. Industry giants Amazon.com, Inc., Microsoft Corporation, and Alphabet Inc. have demonstrated the benefit of efficiency, accessibility, and new business models with their "public cloud" utility model. Nutanix enables enterprises to replicate much of this, quickly building their own "private cloud" via incremental purchases of network capacity (due to the radical structure of HCI) while still enabling workloads to be shifted between this private cloud and the public ones. We believe this secular shift towards cloud computing is a significant one and are pleased to have exposure at an attractive cost basis.

RH (RH – $64.52 – NYSE) is the luxury furniture retailer formerly known as Restoration Hardware. A once high flying growth darling, the stock imploded early last year as the company employed a novel solution to negotiate a brutal retail environment. Intending to decouple from the industry cycle of driving volume through large discount events, RH turned to an annual paid membership program which entitles members to regular discounts. It was hoped that this "everyday" pricing would smooth out sales while allowing the retailer to evolve away from traditional brick-and-mortar into being a high-end lifestyle and design firm. Early efforts were met with stumbles and investor shock as comparable store growth turned negative and margins eroded. Working through the timeline and isolating the discrete parts of this turnaround plan, we formed a bounded downside valuation for "broken luxury" and an upside case of confidence returning with business stabilization. Our thesis has been unfolding at a faster pace than expected, starting with reported earnings at the beginning of the year. There, investors began to see the encouraging promise of progress towards a retained long-term goal of doubling revenue from current levels.

Among the worst performing stocks in the quarter were: Patterson-UTI Energy, Inc. (2.5%), Carrizo Oil & Gas, Inc. (0.9%), and United Natural Foods, Inc.

Carrizo Oil & Gas, Inc. (CRZO – $17.42 – NASDAQ) is an exploration and production company, developing oil and gas assets in the Eagle Ford and Permian shale regions. We took advantage of the last downturn to establish a position in Carrizo, attracted to its primary focus upon low-cost wells in the Eagle Ford. Since then, however, the broader Permian region has received more investor focus because of its geology (stacked zones) and resource potential, a geography that the company had a modest exposure to. The stock suffered more than the overall declines in energy as investors feared the company might pursue a significantly dilutive deal, potentially impairing the balance sheet. At quarter end, Carrizo did announce a deal within the Permian to strategically reposition itself towards being a two-basin company, with the deal being funded partly through asset sales. This announcement was well received by investors but our position remains under review as we determine if a better return profile may be found elsewhere.

Patterson-UTI Energy, Inc. (PTEN – $20.19 – NYSE) is a leading service provider to the energy industry, with an acquisition having boosted its fleet of high-specification drilling rigs and market share in pressure pumping. As with any business dependent upon the price of oil, the stock slid sharply in the quarter. Yet, we remain long term holders, citing three points of support: first, the U.S. has matured to the position of global swing producer of oil, with a resource potential rivalling Saudi Arabia. Secondly, Patterson management exhibited considerable restraint and acumen negotiating the serious declines of two years ago, while a competitor was driven into bankruptcy; we see the current supply/demand imbalance as less severe and are confident management can negotiate this, as well. Most importantly, the story has changed into that of a diversified drilling and services company tied to shale activity, following the acquisition of Seventy Seven Energy, Inc. Formerly the services division of Chesapeake Energy Corp., the acquisition both grows the company's market share in a tight services market (much industry equipment was stacked in the prior downturn, incurring notable reactivation costs) and allows for the upwards repricing of the remaining low margin contracts tied to the prior structural relationship with Chesapeake.

United Natural Foods, Inc. (UNFI – $36.70 – NASDAQ) is the leading distributor of natural and organic foods to various food retailers. We were first attracted to the name as the stock was hit by a pair of headwinds, bringing it into value territory: the rate of growth in the organic category began to slow and the company then lost a key customer in an uneconomic contract renewal process. As growth investors exited their position, pressuring the stock, we believed there was a pathway in which a new set of investors would come to properly value the improving cash flows and steady growth rate. Though the fundamentals played out as anticipated, the stock proved more erratic over our holding period. But, it was a surprise acquisition by Amazon.com, Inc. of the activist-embattled Whole Foods Markets, Inc. that changed our risk/reward outlook. At more than a third of revenue, Whole Foods is the largest customer for United Natural and the distributor now faced an unforecastable business risk should Amazon move to take any portion of that business in-house to lever its own renowned warehousing and distribution capabilities. While we still see value in United Natural's distribution assets (particularly on the produce and protein side), the event has inserted controversy in the place of clarity. Lacking a sufficient edge and now gaining exposure to a significant earnings deleverage scenario, we exited the position at cost.

Conclusion

We believe our portfolio is well diversified across a broad cross section of special situation equities attractively priced for handsome returns over the next market cycle.

We appreciate your confidence and trust.

July 14, 2017

Top Ten Holdings **(Percent of Net Assets)**
June 30, 2017

Entegris Inc.	3.2%	Investors Bancorp Inc.	1.8%
Patterson-UTI Energy Inc.	2.5%	NetScout Systems Inc.	1.8%
LegacyTexas Financial Group Inc.	2.3%	Patterson Companies Inc.	1.8%
Rush Enterprises Inc.	2.0%	Cabot Microelectronics Corp.	1.8%
Cypress Semiconductor Corp.	2.0%	C&J Energy Services Inc.	1.7%

TETON Westwood Mid-Cap Equity Fund

To Our Shareholders,

For the quarter ended June 30, 2017, The TETON Westwood Mid-Cap Equity Fund's net asset value ("NAV") per Class AAA share appreciated 1.0% versus a gain of 2.7% for the Russell Midcap Index and a gain of 4.2% for the Russell Midcap Growth Index. Year to date, the Fund appreciated 12.5% versus gains of 8.0% and 11.4% for the respective indices.

Commentary

This past quarter, the portfolio performed below the benchmark, weighed down by our energy holdings and those industrial names expected to be beneficiaries of future infrastructure spending. Energy continued to be a sector under pressure. Crude oil weakened below $50 per barrel as ever-growing shale production offset much of the incremental benefit of curtailed OPEC production. Unlike the sharp OPEC-induced downturn of two years ago, the U.S. producers currently have a better cost position as significant productivity gains have recently lowered service costs. In addition, the U.S. is beginning to accept its newfound role as a global swing producer and capitalistic companies are maturing towards business models that treat resource production as a "manufacturing process", optimizing well development for lifetime returns and ensuring corporate sustainability by matching development plans to cash flows. We believe the energy sector presents an attractive opportunity on a relative basis and we remain focused on holding and establishing positions in the best operators whose stocks have reached value territory, being swept along in a broad downdraft. Our healthcare holdings, on the other hand, outperformed their comparable sector as several positive company-specific events unfolded.

We continue a process of rotating fully-valued portions of the portfolio into stocks which are more characteristically "value", providing an acceptable level of downside support. Though not unwarranted, valuations across the market remain generally high and this process has been slow. We are led by market opportunity in sourcing names trading at a discount to intrinsic value and employ our perceived areas of expertise in discerning catalysts to unlock that value. Our paramount goal, as we screen and evaluate these opportunities, is to implement the same investment discipline which has served us well for many years as we form a portfolio that will persevere and deliver attractive risk-adjusted returns over a complete market cycle.

Nicholas F. Galluccio

Let's Talk Stocks

Among the best performing stocks in the quarter were: Mettler-Toledo International Inc. (1.9% of net assets as of June 30, 2017) and Exact Sciences Corp.

Average Annual Returns Through June 30, 2017 (a)

	Quarter	Year-to-Date	1 Year	3 Year	Since Inception (5/31/13)
Mid-Cap Equity Fund Class AAA (WMCEX)	1.01%	12.51%	18.68%	5.28%	8.38%
Russell Midcap Index	2.70	7.99	16.48	7.69	11.26(b)
Russell Midcap Growth Index	4.21	11.40	17.05	7.83	11.18(b)

In the current prospectuses dated January 27, 2017, the gross expense ratio for Class AAA Shares is 3.26%, and the net expense ratio is 1.05%, after contractual reimbursements by Teton Advisors, Inc. (the "Adviser") in place through January 31, 2018. Class AAA Shares do not have a sales charge.

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(b) Russell Midcap and Russell Midcap Growth Indices since inception performance is from May 30, 2013.

Exact Sciences Corp. (EXAS – $35.37 – NASDAQ) is a molecular diagnostics company focused on early cancer detection, most identifiable by its "Cologuard" colorectal cancer test. During the quarter, the company added the nation's largest private health insurer, and the last major payor outstanding, to its coverage roster for Cologuard. The stock, rightly, responded positively, being spurred further upwards as part of the short argument against the company was defused. With new highs being marked, Exact announced a public share offering, planning to use the proceeds to accelerate the growth of the sales efforts and to establish financial flexibility should another product opportunity present itself for acquisition or funding. With nearly all insurers now covering the test and an outsized valuation underscoring the lofty expectations for returns in coming years, we chose to exit the position at a healthy gain, de-risking part of the portfolio along the way.

Mettler-Toledo International Inc. (MTD – $588.54 – NYSE) is the leading global supplier of precision instruments, such as laboratory balances for weighing, used predominantly in life science and industrial end markets. The company is one of the best executing in the life sciences tools space, having capitalized on the last economic downturn to improve both the cost structure of the company and competitive positioning. A resilient biopharma sector and a rebound in industrial end markets drove upside to earnings last quarter as growth rates tracked significantly ahead of annual targets. The company has been a consistent performer owing to a culture of internal initiatives. We see continued operating leverage from new productivity improvement initiatives and added growth drivers from geographies like China, which have become less cyclical.

Among the worst performing stocks in the quarter were: Pioneer Natural Resources Co. (2.9%) and O'Reilly Automotive, Inc. (1.5%).

O'Reilly Auto Parts, Inc. (ORLY – $218.74 – NASDAQ) is one of the largest domestic specialty retailers of auto aftermarket parts and equipment. After a prolonged stretch of steady, mid-single digits comparable sales growth, the company negatively surprised investors with a report of a low single digit figure last quarter, largely blaming weather. Set against a backdrop, spread across the whole retail sector, which sees the specter of online retailers wreaking creative destruction upon traditional brick-and-mortar business model, investors chose to exit instead of waiting for further confirmation; we believe this is only occurring at the margin. Though impressed by the strong returns in O'Reilly's business model, we are reviewing the position as the stock's valuation remains above its ten-year average.

Pioneer Natural Resources Co. (PXD – $159.58 – NYSE) is an exploration and production company primarily focused on oil extraction within the Permian Basin. Like all other energy names in the quarter, the stock performed poorly as global supply continues to work towards balancing demand and commodity prices sank in response. The company maintains a portfolio of assets market amongst the industry's best and commits to a strategy of predictable high margin growth undergirded by employing new technology. As the U.S. settles into the role as global swing producer and the industry normalizes, we are attracted to the company's ten-year vision of cash flow growth in the 20% compounded range, backed by responsible debt levels.

Conclusion

We believe our portfolio is well diversified across a broad cross section of special situation equities attractively priced for handsome returns over the next market cycle.

We appreciate your confidence and trust.

July 14, 2017

Top Ten Holdings **(Percent of Net Assets)**
June 30, 2017

MercadoLibre Inc.	3.7%	Pioneer Natural Resources Co.	2.9%
Fortinet Inc.	3.3%	Laboratory Corp Of America Holdings	2.8%
CBRE Group Inc.	3.3%	BankUnited Inc.	2.7%
Equinix Inc.	3.1%	Fortune Brands Home & Security Inc.	2.7%
American Tower Corp.	3.0%	Zions Bancorporation	2.7%

TETON Convertible Securities Fund

To Our Shareholders,

For the quarter ended June 30, 2017, the net asset value (“NAV”) per Class AAA share of the TETON Convertible Securities Fund appreciated 2.2%, compared with a gain of 2.5% for the Bank of America Merrill Lynch All U.S. Convertibles Index (“VXAO”) and a gain of 3.1% for the Standard and Poor’s (“S&P”) 500 Index. Year to date, the Fund appreciated 8.5% versus gains of 7.9% and 9.3% for the respective indices.

Commentary

We are now half way through 2017 and convertibles have continued to climb, albeit more slowly than during the first quarter. After rallying nicely through March, the VXAO is up 7.9% year to date through June 30. We saw the second 25 basis point increase this year for the Federal Funds rate in June and the Fed has indicated a stable and predictable path for monetary policy. Inflation appears to be weakening and oil prices have dropped significantly. We saw an extension for the Federal Budget as legislators struggle with health care reform and promise tax reform this year. Some regulatory relief has already been signed into law which is likely to help corporate earnings. There are also hopes that lower corporate tax rates will pass which should also add to earnings for many companies, especially those in the small to mid-cap size.

During the second quarter, a re-acceleration in biotech helped the healthcare sector lead performance with information technology also performing well. Energy was the lagging performer during the quarter as prices fell.

The second quarter continued the trend that started late last year with the issuance of attractive new convertible securities offerings. We expect this trend to strengthen as rates rise and companies refinance or raise new capital while rates are still lower than

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Jane O’Keeffe

James Dinsmore, CFA

they expect. Further, there are some proposals to limit or exclude the deduction of interest for corporate tax purposes in the U.S. Corporate tax code. Such a change is very likely to increase the probability of corporations issuing convertible securities due to their lower yields. The weighted average coupon for new convertible issues in the U.S. so far this year has been 2.71% and the

Average Annual Returns Through June 30, 2017 (a)

	Quarter	Year-to-Date	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception (9/30/97)
Convertible Securities Fund Class AAA	2.22%	8.54%	13.82%	2.23%	8.74%	3.79%	7.28%	7.20%
S&P 500 Index	3.09	9.34	17.90	9.61	14.63	7.18	8.34	6.86
Bank of America Merrill Lynch U.S. All Convertibles Index	2.46	7.89	16.79	4.92	11.25	6.53	8.05	6.98

In the current prospectuses dated January 27, 2017, the gross expense ratio for Class AAA Shares is 2.74%, and the net expense ratio is 1.15%, after contractual reimbursements by Teton Advisors, Inc. (the "Adviser") in place through January 31, 2018. 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. Visit www.tetonadv.com for performance information as of the most recent month end. The Adviser reimbursed expenses to limit the expense ratio. Had such limitation not been in place, returns would have been lower. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.tetonadv.com.* Other share classes are available and have different performance characteristics. See page 23 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 Bank of America Merrill Lynch U.S. Convertibles Index is a market value weighted index of all dollar denominated convertible securities that are exchangeable into U.S. equities that have a market value of more than $50 million. Dividends are considered reinvested. You cannot invest directly in an index.

average conversion premium was 30.72%. The technology sector was the greatest issuer. Primary use of proceeds has been for refinancing outstanding debt, general corporate purposes and some merger and acquisition.

Convertibles as an asset class should do well in 2017 as their performance is generally more closely correlated to equity prices than interest rates. The convertible market's average current yield is 3.3%, the average premium is 32.4% and the duration (a measure of interest rate sensitivity) is just 2.3 years. Convertibles should participate in more than half of the upside of their underlying equities as the markets rise, but, if there is a correction, the yield advantage over the dividend yield of the underlying common shares and the relatively short duration of the index should provide support.

The Teton Convertible portfolio has a current yield of 3.24% with a median premium of 27%. Convertible bonds comprise about 80% of the holdings with mandatories and convertible preferred stocks at 17% and 3% respectively.

Let's Talk Investments

Becton Dickinson & Co. (BDX) (Cv., 6.13%, 5/1/20) (2.4% of net assets as of June 30, 2017) Becton Dickinson is a global medical device and life sciences supply company headquartered in Franklin Lakes, New Jersey. They make injection systems primarily used in diabetes care, but have been expanding in oncology and surgical devices. They have developed safety enhanced products for injectables and blood collection, pre-fillable syringes, auto-injection needles and catheters. The life sciences division has several systems for automating slide prep and imaging for screening and they are expanding in genomics sequencing libraries with their prep system. Last year's acquisition of Carefusion helped BDX broaden its addressable universe to help hospitals manage medications from end to end. This year BDX has announced the acquisition of C.R. Bard which is expected to help in the expansion outside of diabetes care. We have purchased the mandatory convertible preferred for total return. The dividend provides an attractive yield and there is good potential for capital appreciation as they close the acquisition of C.R. Bard.

Kaman Corp. (Cv., 3.25%, 5/1/24) (2.0%) is in the aerospace and industrial distribution business. Headquartered in Bloomfield, Connecticut, the company is divided into five segments: Industrial Distribution, Aerostructures, Precision Products, Helicopters, and Specialty Bearings. Industrial Distribution sells over 4 million items through 240 centers in the U.S. and Puerto Rico to virtually every industry. This convertible bond matures in seven years, has a 3.25% coupon and a premium to conversion value of 32%. We expect that the significant yield will provide considerable downside protection while the modest premium will allow for significant upside participation.

Lumentum Holdings Inc. (Cv. 0.25%, 3/15/24) (2.5%) is headquartered in Milpitas, California, and was formed as a spinoff from JDS Uniphase in August 2015. The company operates two business segments, Optical Communications and Commercial Lasers. Over time, we expect to see growth in the Optical Communications business as demand for faster connectivity in data centers and across broader networks continues to increase globally. The commercial lasers segment has many applications, but one in particular that we believe will have strong growth is the 3D sensing business. These sensors allow devices such as smartphones, tablets or game consoles to accurately sense and interpret depth and movement allowing for greater interactivity and security. These sensors are only beginning to be included in smartphones and we anticipate that they will become a necessary component for most devices in the future. These convertibles offer a modest yield and will allow us to participate in the upside that we believe we will see from the 3D sensing business over the next 6+ years to maturity.

RealPage, Inc. (Cv. 1.5%, 11/15/22) (1.9%) is headquartered in Richardson, Texas, and offers cloud based software and data analytics for rental property managers. The company offers a full suite of products including marketing, applicant screening, revenue, property, spend and utility management, renters insurance, resident services, and contact center. The combination of these products can help property managers run their operations more efficiently, attract better tenants and reduce delinquencies. This is an attractive value proposition for property managers, and we believe that RealPage will continue to grow its revenues and cash flow as a result. This convertible offers a good combination of current yield and upside participation, while the cash flow generation of the business should help limit any downside.

Stanley Black & Decker, Inc. (Cv., 5.38%, 5/15/20) (2.2%) is a leading global provider of power and hand tools for the construction and D-I-Y markets. It also provides hardware, security systems, locks and other products for industrial and construction applications. Based in New Britain, Connecticut, its brands include Stanley, DeWalt, Black & Decker, Craftsman, MAC Tools, Bostitch and many others. The mandatory convertible provides a good current yield of 4.9% compared to a yield of 1.6% on the common stock.

Conclusion

U.S. convertibles remain a strong asset class, with 473 securities and a market capitalization of $215 billion at quarter end. In the first half of 2017 there were 58 new convertible issues with an aggregate market capitalization of $23 billion issued domestically. This continues the strong issuance during the last quarter of 2016 and projects out to over 100 new issues worth over $40 billion for the year.

The first half of 2017 has provided the reduced volatility equity returns these instruments are known for. It is our expectation that their convertibility combined with their yield advantage over their underlying common shares will continue to offset the pressure to be expected from rising interest rates.

July 14, 2017

Top Ten Holdings (Percent of Net Assets)
June 30, 2017

Alibaba Group Holding Ltd., Mandatory Exchangeable Trust	3.2%
InterDigital Inc., Cv., 1.5%, 3/1/20	3.0%
CSG Systems International Inc., Cv., 4.25%, 3/15/36	2.7%
Aerojet Rocketdyne Holdings Inc., Cv., 2.25%, 12/15/23	2.6%
Atlas Air Worldwide Holdings Inc., Cv., 2.25%, 6/1/22	2.6%
Carriage Services Inc., Cv., 2.75%, 3/15/21	2.6%
SunPower Corp., Cv., 4.00%, 1/15/23	2.6%
Proofpoint Inc., Cv., 0.75%, 6/15/20	2.5%
Lumentum Holdings Inc., Cv., 0.25%, 3/15/24	2.5%
Becton Dickinson And Co., 6.13%, 5/1/20	2.4%

TETON Westwood Equity Fund

To Our Shareholders,

For the quarter ended June 30, 2017, the TETON Westwood Equity Fund's net asset value ("NAV") per Class AAA share returned 3.3% versus a return of 3.1% for the S&P 500 Index. Year to date, the Fund returned 7.6% versus 9.3% for the benchmark.

Market Commentary

Looking back, the stock market produced another solid gain for the second quarter. Large-caps continued beating small-caps and growth stocks outperformed value, which has been the case for both since the beginning of the year. The Federal Reserve (Fed) raised the benchmark rate in June by 25 basis points as expected, but also indicated an intent to reduce the size of its balance sheet later this year by not reinvesting the proceeds as bond holdings mature. Taken together, these actions to unwind the Fed's asset purchases, shrinking its balance sheet, and raising extremely low rates put in place after the 2008-2009 financial crisis will continue to shift monetary policy back to a more "normalized" levels. Global markets moved higher as economic conditions appeared stable to improving in many areas of the world. Political noise remained high and investors continued to discount meaningful legislative impacts on businesses given the discourse so far this year. Noteworthy, most companies' outlooks were positive as their fundamentals came through strongly during the most recent quarterly earnings season.

Looking forward, companies both domestically and abroad are seeing improvements in their fundamental prospects even as political uncertainty remains elevated. While Washington headline noise appears unlikely to abate in the near-term, the more important regime change continues to be progressing as monetary policy becomes less accommodative in conjunction with improving economic indicators.

Fundamentally, investors continue to forecast strong earnings growth; the upcoming 2Q17 earnings season for the S&P 500 is expected to be the fourth consecutive quarter of year-over-year improvement after a streak of four declines. Given the changes underway from both fiscal and monetary policies, dispersion remains a key watch item as different companies are better situated to cope with the changing landscape. Higher levels of inflation and interest rates should further help to reduce correlations within the equity markets. This should also raise the cost of capital, with high-quality business models being better able to offset the

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rising costs versus their lesser peers. We continue to focus on identifying high-quality businesses with undervalued growth prospects and strong downside protection to protect client capital should

Average Annual Returns Through June 30, 2017 (a)

	Quarter	Year-to-Date	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception (1/2/87)
Equity Fund Class AAA (WESWX)	3.29%	7.59%	13.61%	7.32%	12.78%	5.23%	7.42%	9.99%
S&P 500 Index	3.09	9.34	17.90	9.61	14.63	7.18	8.34	10.31(b)

In the current prospectuses dated January 27, 2017, the expense ratio for Class AAA Shares is 1.63%. Class AAA Shares do not have a sales charge.

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(b) S&P 500 Index since inception performance is as of December 31, 1986.

volatility increase from the low levels seen so far this year.

The best-performing sector in the S&P 500 was health care which has rebounded from being the worst performing sector last year to nearly the best, trailing only information technology so far this year, led by the turn in performance for the pharmaceutical and biotechnology industries. Potential uncertainty arising from efforts in Washington to repeal or replace the Affordable Care Act subsided as policies took shape and details appeared largely better than feared. Broadly, the more growth-oriented sectors again performed better for the quarter as did larger market capitalization names. Energy remained the worst performer as both crude oil and natural gas declined for the second straight quarter. Fears of rising U.S. shale production creating supply/demand imbalances remains on the forefront for investors and weighed on the sector. Given the strong absolute gains seen by the S&P 500, the more defensive, yield-oriented sectors also trailed the broader index return during the second quarter.

Performance Drivers

Health care was the top contributor driven by stock selection. Two managed care companies were top performers including Aetna Inc. (2.0% of net assets as of June 30, 2017), which moved higher on strong enrollment performance for its Medicare Advantage offerings and a decision to exit healthcare exchanges next year which had been generating losses. Cigna Corp. (2.0%) shares rallied on strong enrolment results as well, stemming from its commercial segment and overall better growth. The company recently hosted a positive analyst day where it discussed its strategic long-term growth initiatives and capital deployment priorities. Other top performers included PayPal Holdings, Inc. where additional partnerships and continued execution on their strategic growth initiatives like monetizing Venmo and in-store payments drove shares higher. Oracle Corp. (2.5%) shares gained as cloud revenues again outgrew the declines in legacy on-premise business and continued to validate the shift in its revenue model to focus on cloud offerings. The Sherwin-Williams Co. (2.0%) shares moved up as the company saw strong same-store sales in its paint store segment, though with modest gross margin declines from higher input costs. The company also closed its deal to acquire The Valspar Corp., creating a premier global paints and coatings company in the process.

Energy was the top detractor driven by a modest overweight and stock selection as commodity prices continued to fall during the quarter. Both natural gas and crude oil have fallen over 10% year-to-date on investor concerns over production growth driving supply growth in excess of demand growth. EOG Resources, Inc. (2.1%) and RSP Permian, Inc. (1.7%) moved lower in sympathy with this decline, despite the best-in-class nature of both companies in terms of their ability to generate cash flow and grow production in lower oil price environments. These companies have the financial strength to weather lower commodity price environments while continuing to execute towards their strategic goals. Halliburton (1.5%) shares continued to be pressured by the decision to ramp the reactivation of pressure pumping equipment. The company's efforts are in response to the increased rig count and expectations for pricing to recover in this segment. Dr Pepper Snapple Group, Inc. (2.2%) declined as the company lowered growth expectations for its recent acquisition. AT&T Inc. (2.9%) fell as increased competition in several of its business segments, notably wireless, continues to create headwinds to topline growth.

July 14, 2017

Top Ten Holdings **(Percent of Net Assets)**
June 30, 2017

JPMorgan Chase & Co.	3.9%	AT&T Inc.	2.9%
Bank of America Corp.	3.8%	Abbott Laboratories	2.5%
Wells Fargo & Co.	3.4%	CVS Health Corp.	2.5%
Johnson & Johnson	3.3%	Oracle Corp.	2.5%
Becton Dickinson And Co.	3.2%	FedEx Corp.	2.3%

TETON Westwood Balanced Fund

To Our Shareholders,

For the quarter ended June 30, 2017, the TETON Westwood Balanced Fund's net asset value ("NAV") per Class AAA share returned 2.6% versus a return of 2.5% for the benchmark: 60% S&P 500 Stock Index/40% Bloomberg Government/Credit Bond Index (BB G/C). Year to date, the Fund returned 5.6% versus 6.7% for the benchmark.

Notes on the Fund

The Fund is designed to provide exposure to equities while reducing overall risk through investment in investment grade fixed income securities. The bond portion typically invests in high-quality notes with lower interest rate sensitivity — and generally a shorter maturity — than the BB G/C, with the objective of dampening the volatility of equity holdings. Please note that the performance commentary for the Equity Fund also applies to the Equity portion of the Balanced Fund and the Bond Market Commentary for the Intermediate Bond Fund applies to the Bond portion, whereas any specific attribution factors unique to performance of the fixed income portion are discussed below.

Quarterly Fixed Income Drivers

As was the case for the TETON Westwood Intermediate Bond Fund, relative to the BB G/C, Fund performance benefited from our security selection in U.S. Treasury and U.S. Agency bond segments. The duration of the Fund's U.S. Treasury and U.S. Agency allocation was significantly higher than the benchmark which caused sector investments to outperform. The portfolio is significantly underweight duration versus our benchmark as we believe inflation and growth expectations are significantly underpriced and that interest rates will end the year higher than where they are today. Given this view, our corporate bond exposure is concentrated on short maturity high quality issues that offer a compelling yield pick-up over duration matched

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Average Annual Returns Through June 30, 2017 (a)

	Quarter	Year-to-Date	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception (10/1/91)
Balanced Fund Class AAA (WEBAX)	2.56%	5.62%	8.37%	5.11%	8.44%	4.81%	6.18%	8.34%
60% S&P 500 Index and 40% Bloomberg Barclays Government/Credit Bond Index (b)	2.53	6.67	10.58	6.81	9.69	6.14	6.85	8.09
S&P 500 Index	3.09	9.34	17.90	9.61	14.63	7.18	8.34	9.59(c)
Bloomberg Barclays Government/Credit Bond Index	1.69	2.66	(0.41)	2.62	2.29	4.57	4.61	5.84(c)

In the current prospectuses dated January 27, 2017, the expense ratio for Class AAA Shares is 1.35%. Class AAA Shares do not have a sales charge.

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(b) The Blended Index consists of a blend of 60% of the S&P 500 Index and 40% Bloomberg Barclays Government/Credit Bond Index.

(c) S&P 500 Index and Bloomberg Barclays Government/Credit Bond Index since inception performances are as of September 30, 1991.

Treasuries. Furthermore, we believe longer-dated corporate credit spreads are not compelling at current levels as their valuations appear stretched in a historical context.

Considering both percentage of Fund and total return, the lowest contributors to Fund performance were three short-dated positions, a Treasury and two corporates: Treasury 2.125% due 15-Jan-2019 (1.6% of net assets as of June 30, 2017), GlaxoSmithKline plc 1.5% due 08-May-2017, and McDonald's Corp. 2.1% due 07-Dec-2018 (0.9%). Our top contributor for the period was Fannie Mae 2.625% due 06-Sep-2024 (1.7%). Other top contributors were intermediate maturities: Treasury 2.25% due 15-Nov-2024 (1.5%) and The Goldman Sachs Group, Inc. 3.8% due 08-Jul-2024 (0.9%).

Quarterly Equity Drivers

As was the case for the TETON Westwood Equity Fund, health care was the top contributor driven by stock selection. Two managed care companies were top performers including Aetna Inc. (1.6%), which moved higher on strong enrollment performance for its Medicare Advantage offerings and a decision to exit healthcare exchanges next year which had been generating losses. Cigna Corp. (1.6%) shares rallied on strong enrolment results as well, stemming from its commercial segment and overall better growth. The company recently hosted a positive analyst day where it discussed its strategic long-term growth initiatives and capital deployment priorities. Other top performers included PayPal, where additional partnerships and continued execution on their strategic growth initiatives like monetizing Venmo and in-store payments drove shares higher. Oracle Corp. (1.7%) shares gained as cloud revenues again outgrew the declines in the legacy on-premise business and continued to validate the shift in their revenue model to focus on cloud offerings. The Sherwin-Williams Co. (1.4%) shares moved up as the company saw strong same-store sales in its paint store segment though with modest gross margin declines from higher input costs. The company also closed their deal to acquire Valspar, creating a premier global paints and coatings company in the process.

Energy was the top detractor driven by a modest overweight and stock selection as commodity prices continued to fall during the quarter. Both natural gas and crude oil have fallen over 10% year-to-date on investor concerns over production growth driving supply growth in excess of demand growth. EOG Resources, Inc. (1.4%) and RSP Permian, Inc. (1.1%) moved lower in sympathy with this decline, despite the best-in-class nature of both companies in terms of their ability to generate cash flow and grow production in lower oil price environments. These companies have the financial strength to weather lower commodity price environments while continuing to execute towards their strategic goals. Halliburton Co. (1.0%) shares continued to be pressured by the decision to ramp the reactivation of pressure pumping equipment. The company's efforts are in response to the increased rig count and expectations for pricing to recover in this segment. Dr Pepper Snapple Group, Inc. (1.4%) declined as the company lowered growth expectations for its recent acquisition. AT&T Inc. (1.9%) fell as increased competition in several of its business segments, notably wireless, continues to create headwinds to topline growth.

Changes in Holdings

Two positions matured during the quarter; Burlington Northern Sante Fe 5.65% due 01-May-2017 and GlaxoSmithKline plc 1.5% due 08-May-2017. Proceeds from these two maturities were reinvested into a short-dated corporate position, McDonald's Corp. 2.1% due 07-Dec-2018.

Equity purchases included one in financial services, Western Alliance Bancorporation (0.7%), and one in producer durables, Motorola Solutions, Inc (1.2%). Equity sales included one in energy, Exxon Mobil Corporation, and one in technology, PayPal Holdings Inc.

July 14, 2017

Top Ten Issuers* (Percent of Net Assets)
June 30, 2017

JPMorgan Chase & Co.	3.4%	CVS Health Corp.	2.5%
Abbott Laboratories	2.9%	Aetna Inc.	2.5%
Wells Fargo & Co.	2.8%	Colgate-Palmolive Co.	2.3%
AT&T Inc.	2.8%	Johnson & Johnson	2.3%
Freddie Mac Notes	2.6%	Bank of America Corp.	2.1%

*Bond and equity positions have been combined.

TETON Westwood Intermediate Bond Fund

To Our Shareholders,

During the quarter ended June 30, 2017, the TETON Westwood Intermediate Bond Fund's net asset value ("NAV") per Class AAA share returned 0.7% versus a return of 1.7% for the Bloomberg Government/ Credit Bond Index (BB G/C). Year to date, the Fund returned 1.4% versus 2.7% for the benchmark.

Market Commentary

Investment grade bonds posted strong gains in the second quarter. Treasury market strength was caused by several developments: disappointing economic data (specifically inflation and retail sales readings), further delays in tax and healthcare reform, falling energy prices, and continued monetary stimulus from foreign central banks (specifically the Bank of Japan, European Central Bank, and Bank of England). U.S. Inflation data (via the Consumer Price Index) came in weaker than expected in April, May, and June. In June, the Federal Reserve increased short-term interest rates citing continued labor market strength and confidence that inflation will reach its 2% goal over the medium term. This marks the Fed's third rate increase in seven months. The Fed also released plans at the June meeting to reduce its Treasury and Mortgage holdings at the June meeting by tapering reinvestments of maturing positions. Implementation of this plan will be announced at a later date.

The yield on the 10-year Treasury fell from 2.39% to 2.31% during the quarter. investment grade credit spreads tightened by roughly 7 basis points during the quarter causing duration matched corporate bonds to outperform Treasuries. The U.S. Treasury yield curve flattened as the yield differential between 10-year and 2-year Treasuries continued to narrow. Inflation expectations fell during the quarter causing nominal Treasuries to outperform TIPs (Treasury Inflation Protected Securities). Within corporates, utility sector bonds outperformed while financial sector bonds underperformed (posting smaller gains).

Mark R. Freeman, CFA

Triple B rated bonds were the best performer while AAA rated bonds posted smaller gains. 10+ year maturing bonds were the best performer while 1-3 year maturing bonds underperformed.

Quarterly Performance Drivers

Relative to the BB G/C, Fund performance benefited from our security selection in U.S. Treasury and U.S. Agency bond segments. The duration of the fund's U.S. Treasury and U.S. Agency positions was significantly higher than the benchmark which caused our sector investments to outperform.

Average Annual Returns Through June 30, 2017 (a)

	Quarter	Year-to-Date	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception (10/1/91)
Intermediate Bond Fund Class AAA (WEIBX)	0.74%	1.40%	(1.45)%	1.10%	0.69%	2.98%	3.05%	4.55%
Bloomberg Barclays Government/Credit Bond Index	1.69	2.66	(0.41)	2.62	2.29	4.57	4.61	5.84(b)

In the current prospectuses dated January 27, 2017, the gross expense ratio for AAA Shares is 1.44%, and the net expense ratio is 1.02%, after contractual reimbursements by Teton Advisors Inc. (the "Adviser") in place through January 31, 2018. 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. Visit www.tetonadv.com for performance information as of the most recent month end. The Adviser reimbursed expenses 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. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.tetonadv.com.* Other share classes are available and have different performance characteristics. See page 23 for performance of other classes of shares. The Bloomberg Barclays Government/Credit Bond Index is a market value weighted index that tracks the performance of fixed rate, publicly placed, dollar denominated obligations. Dividends are considered reinvested. You cannot invest directly in an index.

(b) The Bloomberg Barclays Government/Credit Bond Index since inception performance is as of September 30, 1991.

Considering both percentage of Fund and total return, the lowest contributors to Fund performance was a floating rate position and two short-term corporates: Citigroup floaters due 01-September-2023, Aetna 1.7% due 07-June-2018 (3.0% of net assets as of June 30, 2017), and Harris Corporation 1.999% due 27-April-2018 (3.0%). Our top contributor for the period was Fannie Mae 2.125% due 24-Apr-2026 (4.7%). Other top contributors were a longer-dated and an intermediate Treasury position: Treasury 2.5% due 15-Feb-2045 (3.9%) and Treasury 2.25% due 15-Nov-2024.

Portfolio Structure Comments

Portfolio structure (in terms of duration, level of credit risk, corporate bond weighting, government bond weighting, etc.) was little changed from the first quarter. The portfolio is significantly underweight duration versus our benchmark as we believe inflation and growth expectations are significantly underpriced and that interest rates will end the year higher than where they are today. Given this view, our corporate bond exposure is concentrated on short-dated (1-3 year), high quality issues that offer a compelling yield pick-up over duration matched Treasuries. Furthermore, we believe intermediate corporate credit spreads are not compelling at current levels as their valuations appear stretched in a historical context.

Changes in Fixed Income Holdings

The Fund had a significant redemption in June causing pro-rata sales across most of the Fund's positions. Aside from these trades, portfolio structure (duration, weighting in corporates, weighting in government securities) was little changed from the first quarter.

July 14, 2017

Top Ten Issuers **(Percent of Net Assets)**
June 30, 2017

U.S. Treasury Notes	17.9%	Mondelez International Inc., 5.375%, 02/10/20	3.2%
Fannie Mae Notes	12.9%	United Technologies Corp., 3.1%, 06/01/22	3.1%
Bank of New York Mellon Corp., 2.2%, 05/15/19	4.8%	AT&T Inc., 3.9%, 03/11/24	3.1%
Federal Home Loan Mortgage Corp., 1.75%, 05/30/19	4.2%	General Motors Co., 3.5%, 10/02/18	3.1%
Apple Inc., 1.422%, 05/03/18	3.6%	Arrow Electronics Inc., 3%, 03/01/18	3.0%

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Minimum Initial Investment

There are no subsequent investment minimums; no initial minimum is required for those establishing an Automatic Investment Plan; and all of the TETON Westwood Funds are available through financial intermediaries including the no transaction fee programs at many major brokerage firms. There are no subsequent investment minimums. You may purchase Class AAA, A, C, and I Shares directly through registered broker-dealers or other financial intermediaries that have entered into appropriate selling agreements with the Funds' distributor.

www.tetonadv.com

Please visit us on the Internet. Our homepage at www.tetonadv.com contains information about the TETON 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 TETON 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 funds can now elect to receive their Annual and Semiannual Reports, Manager Commentaries, and Prospectuses via e-delivery. For more information, please visit our distributor's website at www.gabelli.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. The TETON Westwood Mutual Funds are distributed by G.distributors, LLC., a registered broker-dealer and member of FINRA.

Nasdaq Symbols Table

TETON Westwood Funds	Class AAA	Class A	Class C	Class I	Class T
Mighty Mites	WEMMX	WMMAX	WMMCX	WEIMX	WETMX
SmallCap Equity	WESCX	WWSAX	WWSCX	WWSIX	WWSTX
Mid-Cap Equity Fund	WMCEX	WMCAX	WMCCX	WMCRX	
Convertible Securities Fund	WESRX	WEIAX	WEICX	WESIX	
Equity	WESWX	WEECX	WEQCX	WEEIX	
Balanced	WEBAX	WEBCX	WBCCX	WBBIX	
Intermediate Bond	WEIBX	WEAIX	WECIX	WEIIX	

TETON Westwood Funds and Your Personal Privacy

Who are we?

The TETON 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 services for a variety of clients. Teton Advisors, Inc. is a publicly held company that provides investment advisory services to the TETON 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.

TETON WESTWOOD FUNDS

Average Annual Returns – June 30, 2017

Class AAA Shares (a)

	1 Year	5 Year	10 Year	15 Year	Since Inception	Gross Expense Ratio	Expense Ratio after Adviser Reimburse-ments	Maximum Sales Charge
Mighty Mites℠	22.62%	13.71%	8.33%	10.66%	11.53%	1.42%	1.42%	None
SmallCap Equity	28.06	13.23	6.34	7.83	7.75	1.79	1.25	None
Mid-Cap Equity	18.68	—	—	—	8.38	3.26	1.05	None
Convertible Securities	13.82	8.74	3.79	7.28	7.20	2.74	1.15	None
Equity	13.61	12.78	5.23	7.42	9.99	1.63	1.63	None
Balanced	8.37	8.44	4.81	6.18	8.34	1.35	1.35	None
Intermediate Bond	(1.45)	0.69	2.98	3.05	4.55	1.44	1.02	None

Class A Shares (a)(b)(c)

	1 Year	5 Year	10 Year	15 Year	Since Inception	Gross Expense Ratio	Expense Ratio after Adviser Reimburse-ments	Maximum Sales Charge
Mighty Mites℠	17.43%	12.49%	7.64%	10.11%	11.07%	1.67%	1.67%	4.00%
SmallCap Equity	22.59	12.02	5.66	7.30	7.36	2.04	1.50	4.00%
Mid-Cap Equity	13.62	—	—	—	7.04	3.44	1.30	4.00%
Convertible Securities	9.05	7.58	3.12	6.73	6.77	2.99	1.40	4.00%
Equity	8.80	11.60	4.56	6.87	9.62	1.88	1.88	4.00%
Balanced	3.78	7.29	4.12	5.64	7.91	1.60	1.60	4.00%
Intermediate Bond	(5.52)	(0.24)	2.45	2.67	4.32	1.54	1.12	4.00%

Class C Shares (a)(c)(d)

	1 Year	5 Year	10 Year	15 Year	Since Inception	Gross Expense Ratio	Expense Ratio after Adviser Reimburse-ments	Maximum Sales Charge
Mighty Mites℠	20.66%	12.85%	7.53%	9.84%	10.84%	2.17%	2.17%	1.00%
SmallCap Equity	26.14	12.38	5.56	6.97	7.09	2.54	2.00	1.00
Mid-Cap Equity	16.83	—	—	—	7.59	3.98	1.80	1.00
Convertible Securities	12.02	7.94	3.02	6.56	6.64	3.49	1.90	1.00
Equity	11.74	11.92	4.45	6.63	9.48	2.38	2.38	1.00
Balanced	6.55	7.63	4.02	5.39	7.77	2.10	2.10	1.00
Intermediate Bond	(3.21)	(0.08)	2.39	2.30	4.08	2.19	1.77	1.00

Class I Shares (a)(c)

	1 Year	5 Year	10 Year	15 Year	Since Inception	Gross Expense Ratio	Expense Ratio after Adviser Reimburse-ments	Maximum Sales Charge
Mighty Mites℠	22.94%	13.98%	8.59%	10.83%	11.66%	1.17%	1.17%	None
SmallCap Equity	28.36	13.51	6.60	8.00	7.87	1.54	1.00	None
Mid-Cap Equity	19.05	—	—	—	8.71	3.00	0.80	None
Convertible Securities	14.19	9.02	4.05	7.46	7.33	2.49	0.90	None
Equity	13.84	13.01	5.47	7.59	10.07	1.38	1.38	None
Balanced	8.60	8.70	5.05	6.35	8.44	1.10	1.10	None
Intermediate Bond	(1.29)	0.92	3.20	3.20	4.64	1.19	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, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.tetenadv.com for performance information as of the most recent month end. For the SmallCap Equity, Mid-Cap Equity, Convertible Securities, and Intermediate Bond Funds (and for the Mighty Mites Fund through September 30, 2005), Teton Advisors, Inc.,"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, 2018, and are renewable annually by the Adviser. The Funds, except for the Equity, Balanced, and Intermediate Bond Funds, imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Investors should carefully consider the investment objectives, risks, charges, and expenses of a Fund before investing. The prospectuses contains information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.tetonadv.com.*

(b) Includes the effect of the maximum 4% sales charge at the beginning of the period.

(c) The performance of the Class AAA Shares is used to calculate performance for the periods prior to the issuance of Class A Shares, Class C Shares, and Class I Shares, except for Mid-Cap Equity Fund. The performance for all share classes of Mid-Cap Equity Fund is based on the Fund's inception date of May 31, 2013. The performance for the Class A Shares and Class C Shares would have been lower due to the additional fees and 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 C Shares, and Class I Shares after which shares remained continuously outstanding are listed below.

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

	Class AAA Shares	Class A Shares	Class C Shares	Class I Shares	Class T Shares
Mighty Mites℠	05/11/98	11/26/01	08/03/01	01/11/08	07/05/17
SmallCap Equity	04/15/97	11/26/01	11/26/01	01/11/08	07/05/17
Mid-Cap Equity	05/31/13	05/31/13	05/31/13	05/31/13	
Convertible Securities	09/30/97	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	09/25/01	01/11/08	
Intermediate Bond	10/01/91	07/26/01	10/22/01	01/11/08	

TETON WESTWOOD FUNDS

TETON Westwood Mighty Mites^{SM} Fund
TETON Westwood SmallCap Equity Fund
TETON Westwood Mid-Cap Equity Fund
TETON Convertible Securities Fund
TETON Westwood Equity Fund
TETON Westwood Balanced Fund
TETON Westwood Intermediate Bond Fund

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We have separated the portfolio managers' commentaries 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' commentaries is unrestricted. Both the commentaries and the financial statements are available on our website at www.tetonadv.com.

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