

The Gabelli Dividend Growth Fund

Annual Report — December 31, 2018

(Y)our Portfolio Management Team



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To Our Shareholders,

For the year ended December 31, 2018, the net asset value (NAV) per Class AAA Share of The Gabelli Dividend Growth Fund decreased 11.0% compared with a decrease of 4.4% for the Standard & Poor's (S&P) 500 Index. Other classes of shares are available. See page 3 for performance information for all classes of shares.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2018.

Performance Discussion (Unaudited)

The Fund's primary investment objective is to provide long term growth of capital. Current income is a secondary objective of the Fund.

The Fund's strategy is to invest at least 80% of its net assets in dividend paying stocks. In addition to seeking out stocks that pay a dividend, the Fund will focus on stocks that the portfolio managers believe are well positioned to increase their dividend over the long term. In selecting investments, the portfolio managers will consider, among other things, the market price of the issuer's securities, earnings expectations, dividend paying and other earnings and price histories, balance sheet characteristics, and perceived management skills. The portfolio managers will also consider changes in economic and political outlooks as well as individual corporate developments.

The first quarter of 2018 was the first of many quarters in a row to see a fall in the stock market. Volatility had also returned to the stock market, with 23 daily moves of at least 1%. U.S. companies continued to increase their dividends. Dividends are an important element in the historical returns of stocks. They provide current income and a growing income stream over time. At the end of the quarter, the dividend yield on the S&P 500 was just below 2.0%, and 26% of the stocks in the S&P 500 had dividend yields greater than the 10-Year U.S. Treasury.

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's annual and semiannual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website (www.gabelli.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report. If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. To elect to receive all future reports in paper free of charge, please contact your financial intermediary, or, if you invest directly with the Fund, you may call 800-422-3554 or send an email request to info@gabelli.com.

The stock market returned to its upward trajectory in the second quarter of 2018. By June, the S&P 500 was up about 3.4% on a total return basis. U.S. companies continued to increase their dividends and the dividend payout ratio stood at about 39%. At the end of the quarter, the dividend yield on the S&P 500 was approximately 1.9%, while the 10-Year U.S. Treasury yielded just over 2.8%.

Through the third quarter of 2018, the overall market, as measured by the S&P 500, was up by over 10% on a total return basis, with growth stocks leading the market. U.S. companies continued to increase their dividends, and the dividend payout ratio stood at about 40%. At the end of the quarter, the dividend yield on the S&P 500 was approximately 2%, while the 10-Year U.S. Treasury yielded just over 3%.

During the fourth quarter of 2018, the S&P 500 was down about 13.5% on a total return basis, and all but one of the eleven sectors that make up the S&P 500 Index were down. For all of 2018, growth stocks, as measured by the S&P/Citigroup Growth Index, were flat on a total return basis. Value stocks, on the other hand, were down by 9% for 2018, as measured by the S&P 500/Citigroup Value Index. During the last three months of the year, U.S. companies continued to increase their dividends, and by the end of the quarter, the dividend yield on the S&P 500 was just over 2%, while the 10-Year U.S. Treasury yielded approximately 2.7%.

One of the biggest contributors to the Fund's performance was Merck & Co. Inc. (7.3% of net assets as of December 31, 2018). Merck is a major pharmaceutical company with a wide portfolio of products, including the breakthrough cancer drug Keytruda. Keytruda sales grew by 80% during the first three quarters of 2018, providing a key driver for Merck's strong performance. Pfizer Inc. (5.5%), another pharmaceutical company, saw 2018 revenues of \$53.6 billion, and returned \$20.2 billion directly to shareholders through share repurchases and dividends. In July, Pfizer announced plans in the second half of 2018 to reorganize into three business structures: innovative health, essential health, and consumer health. Microsoft Corp (2.6%), the world's largest software company was also a contributor this year. It has started to move into the world of e-commerce and cloud servicing, which has resulted in a growth in users, average revenue per user, and recurring revenue.

Some of our weaker performers were General Electric (1.3%), Citigroup (3.2%), and Kraft Heinz (1.0%). General Electric experienced problems within its Power Division during 2018. In the third quarter of 2018, Citigroup continued to buy back their own stock and started to lower spending by closing U.S. branches, aiming to move to a digital bank in the future. Kraft struggled with slow top line growth throughout the year.

Thank you for your investment in The Gabelli Dividend Growth Fund.

We appreciate your confidence and trust.

Comparative Results

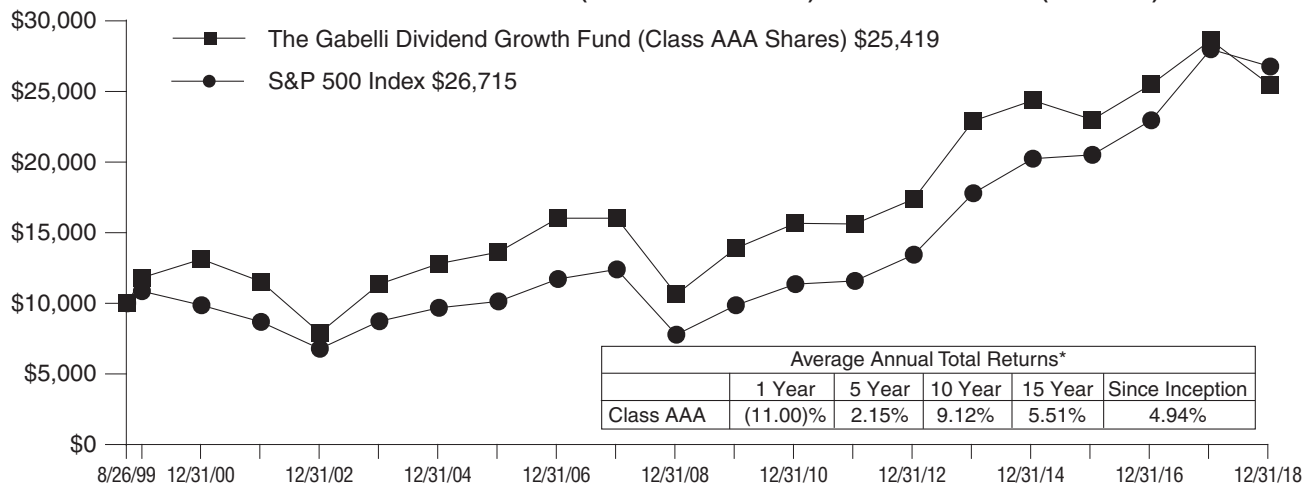
Average Annual Returns through December 31, 2018 (a) (Unaudited)

	1 Year	5 Year	10 Year	15 Year	Since Inception (8/26/99)
Class AAA (GABBX)	(11.00)%	2.15%	9.12%	5.51%	4.94%
S&P 500 Index	(4.38)	8.49	13.12	7.77	5.21
Lipper Large Cap Value Fund Average	(7.58)	5.95	11.03	6.54	4.88
Class A (GBCAX)	(11.03)	2.15	9.12	5.54	4.96
With sales charge (b)	(16.14)	0.94	8.47	5.12	4.64
Class C (GBCCX)	(11.70)	1.39	8.30	4.73	4.34
With contingent deferred sales charge (c)	(12.59)	1.39	8.30	4.73	4.34
Class I (GBCIX)	(10.16)	2.74	9.57	5.89	5.23

In the current prospectuses dated April 30, 2018, the expense ratios for Class AAA, A, C, and I Shares are 2.01%, 2.01%, 2.76%, and 1.76%, respectively, and the net expense ratios for these classes after contractual reimbursements by Gabelli Funds, LLC, (the Adviser) are 2.00%, 2.00%, 2.75%, and 1.00%, respectively. See page 10 for the expense ratios for the year ended December 31, 2018. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A and C Shares is 5.75% and 1.00%, respectively.

- (a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Returns would have been lower had the Adviser not reimbursed certain expenses of the Fund. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Lipper Large Cap Value Fund Average reflects the average performance of mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2003 and the Class I Shares on June 30, 2004. The actual performance of the Class A and Class C Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance for the Class I Shares would have been higher due to the lower expenses related to this class of shares.
- (b) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.
- (c) Assuming payment of the 1% maximum contingent deferred sales charge imposed on redemptions made within one year of purchase.

COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN THE GABELLI DIVIDEND GROWTH FUND (CLASS AAA SHARES) AND S&P 500 INDEX (Unaudited)



* Past performance is not predictive of future results. The performance tables and graph do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

The Gabelli Dividend Growth Fund

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from July 1, 2018 through December 31, 2018

Expense Table

We believe it is important for you to understand the impact of fees and expenses regarding your investment. All mutual funds have operating expenses. As a shareholder of a fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund's gross income, directly reduce the investment return of a fund. When a fund's expenses are expressed as a percentage of its average net assets, this figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The Expense Table below illustrates your Fund's costs in two ways:

Actual Fund Return: This section provides information about actual account values and actual expenses. You may use this section to help you to estimate the actual expenses that you paid over the period after any fee waivers and expense reimbursements. The "Ending Account Value" shown is derived from the Fund's **actual** return during the past six months, and the "Expenses Paid During Period" shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Fund. You may use this information, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your Fund under the heading "Expenses Paid During Period" to estimate the expenses you paid during this period.

Hypothetical 5% Return: This section provides information about hypothetical account values and

hypothetical expenses based on the Fund's actual expense ratio. It assumes a hypothetical annualized return of 5% before expenses during the period shown. In this case – because the hypothetical return used is **not** the Fund's actual return – the results do not apply to your investment and you cannot use the hypothetical account value and expense to estimate the actual ending account balance or expenses you paid for the period. This example is useful in making comparisons of the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which are described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. The "Annualized Expense Ratio" represents the actual expenses for the last six months and may be different from the expense ratio in the Financial Highlights which is for the year ended December 31, 2018.

	Beginning Account Value 07/01/18	Ending Account Value 12/31/18	Annualized Expense Ratio	Expenses Paid During Period*
<i>The Gabelli Dividend Growth Fund</i>				
Actual Fund Return				
Class AAA	\$1,000.00	\$ 901.50	2.00%	\$ 9.59
Class A	\$1,000.00	\$ 901.30	2.00%	\$ 9.58
Class C	\$1,000.00	\$ 897.80	2.75%	\$13.15
Class I	\$1,000.00	\$ 905.80	1.00%	\$ 4.80
Hypothetical 5% Return				
Class AAA	\$1,000.00	\$1,015.12	2.00%	\$10.16
Class A	\$1,000.00	\$1,015.12	2.00%	\$10.16
Class C	\$1,000.00	\$1,011.34	2.75%	\$13.94
Class I	\$1,000.00	\$1,020.16	1.00%	\$ 5.09

* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (184 days), then divided by 365.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of December 31, 2018:

The Gabelli Dividend Growth Fund

Financial Services	22.8%	Media	1.6%
Health Care	21.5%	Hotels and Gaming	1.5%
Food and Beverage	10.9%	Semiconductors	1.2%
Computer Software and Services	9.1%	Automotive: Parts and Accessories	1.1%
Energy	7.1%	Energy Services	1.1%
Diversified Industrial	6.7%	Cable and Satellite	0.9%
Specialty Chemicals	4.3%	U.S. Government Obligations	0.9%
Consumer Products	2.4%	Electronics	0.0%*
Retail	2.3%	Other Assets and Liabilities (Net)	<u>(1.9)%</u>
Business Services	2.3%		<u>100.0%</u>
Metals and Mining	2.1%		
Telecommunications	2.1%		

* Amount represents less than 0.05%.

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the SEC) for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at www.gabelli.com or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at www.sec.gov and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at www.sec.gov.

The Gabelli Dividend Growth Fund

Schedule of Investments — December 31, 2018

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS — 101.0%			2,700	Willis Towers Watson plc.....	\$ 357,474	\$ 410,022
	Automotive: Parts and Accessories — 1.1%					<u>4,196,686</u>	<u>4,928,208</u>
4,000	Aptiv plc.....	\$ 246,891	\$ 246,280				
	Business Services — 2.3%						
8,000	Macquarie Infrastructure Corp.....	343,975	292,480	10,000	Conagra Brands Inc.	365,167	213,600
1,500	Visa Inc., Cl. A.....	<u>137,987</u>	<u>197,910</u>	2,400	Diageo plc, ADR	272,592	340,320
		<u>481,962</u>	<u>490,390</u>	10,000	Molson Coors Brewing Co., Cl. B	632,744	561,600
				19,500	Mondelēz International Inc., Cl. A....	689,743	780,585
	Cable and Satellite — 0.9%			15,000	The Hain Celestial Group Inc.†	378,529	237,900
8,000	DISH Network Corp., Cl. A†	<u>341,803</u>	<u>199,760</u>	5,000	The Kraft Heinz Co.	<u>309,102</u>	<u>215,200</u>
						<u>2,647,877</u>	<u>2,349,205</u>
	Computer Software and Services — 9.1%						
400	Alphabet Inc., Cl. C†	216,133	414,244				
1,700	Apple Inc.	126,415	268,158	2,500	Health Care — 21.5%		
23,000	Hewlett Packard Enterprise Co.....	326,847	303,830	5,487	Allergan plc.....	477,315	334,150
5,500	Microsoft Corp.....	155,782	558,635	6,500	Bristol-Myers Squibb Co.	172,421	285,214
7,500	Oracle Corp.....	336,330	338,625	2,700	Gilead Sciences Inc.	464,546	406,575
500	Palo Alto Networks Inc.†	<u>87,213</u>	<u>94,175</u>	2,700	Medtronic plc.....	220,741	245,592
		<u>1,248,720</u>	<u>1,977,667</u>	20,500	Merck & Co. Inc.	1,116,232	1,566,405
				11,000	Patterson Cos. Inc.	262,067	216,260
	Consumer Products — 2.4%			27,000	Pfizer Inc.	846,010	1,178,550
4,500	Kimberly-Clark Corp.....	467,256	512,730	5,000	Zoetis Inc.	<u>153,382</u>	<u>427,700</u>
						<u>3,712,714</u>	<u>4,660,446</u>
	Diversified Industrial — 6.7%						
2,000	Acuity Brands Inc.	289,573	229,900				
38,000	General Electric Co.	675,891	287,660	13,000	Hotels and Gaming — 1.5%		
6,000	Honeywell International Inc.	201,664	792,720		MGM Resorts International.....	<u>385,579</u>	<u>315,380</u>
3,000	Textron Inc.....	<u>145,700</u>	<u>137,970</u>				
		<u>1,312,828</u>	<u>1,448,250</u>	16,000	Media — 1.6%		
				4,000	TEGNA Inc.	228,537	173,920
	Electronics — 0.0%				Tribune Media Co., Cl. A.....	<u>148,178</u>	<u>181,520</u>
500	Resideo Technologies Inc.†	<u>3,372</u>	<u>10,275</u>			<u>376,715</u>	<u>355,440</u>
	Energy — 7.1%			13,000	Metals and Mining — 2.1%		
4,000	Anadarko Petroleum Corp.....	240,130	175,360		Newmont Mining Corp.	<u>431,278</u>	<u>450,450</u>
17,000	Baker Hughes, a GE Company.....	795,724	365,500				
1,400	Chevron Corp.....	162,991	152,306	10,000	Retail — 2.3%		
8,000	National Fuel Gas Co.	426,506	409,440	3,000	Macy's Inc.	272,588	297,800
5,000	Phillips 66.....	<u>391,627</u>	<u>430,750</u>		Starbucks Corp.	<u>169,452</u>	<u>193,200</u>
		<u>2,016,978</u>	<u>1,533,356</u>			<u>442,040</u>	<u>491,000</u>
	Energy Services — 1.1%			3,700	Semiconductors — 1.2%		
9,000	Halliburton Co.	<u>409,181</u>	<u>239,220</u>		NXP Semiconductors NV.....	<u>400,314</u>	<u>271,136</u>
	Financial Services — 22.8%			17,410	Specialty Chemicals — 4.3%		
10,000	American Express Co.....	641,338	953,200		DowDuPont Inc.	<u>689,732</u>	<u>931,087</u>
12,000	American International Group Inc....	653,747	472,920	7,000	Telecommunications — 2.1%		
15,000	Bank of America Corp.....	382,775	369,600		T-Mobile US Inc.†.....	<u>423,327</u>	<u>445,270</u>
13,000	Citigroup Inc.	704,787	676,780				
9,000	JPMorgan Chase & Co.	474,830	878,580				
9,500	Legg Mason Inc.....	313,204	242,345				
8,000	Morgan Stanley.....	130,348	317,200				
4,000	PayPal Holdings Inc.†.....	143,102	336,360				
4,300	State Street Corp.....	395,081	271,201				
					TOTAL COMMON STOCKS	<u>20,235,253</u>	<u>21,855,550</u>

See accompanying notes to financial statements.

The Gabelli Dividend Growth Fund
Schedule of Investments (Continued) — December 31, 2018

<u>Principal Amount</u>		<u>Cost</u>	<u>Market Value</u>
	U.S. GOVERNMENT OBLIGATIONS — 0.9%		
\$ 190,000	U.S. Treasury Bill, 2.378%††, 03/07/19	\$ 189,189	\$ 189,197
	TOTAL INVESTMENTS — 101.9%	<u>\$20,424,442</u>	22,044,747
	Other Assets and Liabilities (Net) — (1.9)%		<u>(413,623)</u>
	NET ASSETS — 100.0%		<u>\$21,631,124</u>

† Non-income producing security.

†† Represents annualized yield at date of purchase.

ADR American Depositary Receipt

See accompanying notes to financial statements.

The Gabelli Dividend Growth Fund

Statement of Assets and Liabilities December 31, 2018

Assets:

Investments, at value (cost \$20,424,442)	\$22,044,747
Cash	5,699
Receivable for Fund shares sold	108,953
Receivable from Adviser	4,234
Dividends receivable	41,275
Prepaid expenses	19,813
Total Assets	<u>22,224,721</u>

Liabilities:

Payable for Fund shares redeemed	495,462
Payable for investment advisory fees	19,862
Payable for distribution fees	5,118
Other accrued expenses	73,155
Total Liabilities	<u>593,597</u>

Net Assets

(applicable to 1,589,876 shares outstanding) ... \$21,631,124

Net Assets Consist of:

Paid-in capital	\$20,158,050
Total distributable earnings(a)	<u>1,473,074</u>
Net Assets	<u>\$21,631,124</u>

**Shares of Beneficial Interest, each at \$0.001 par value;
unlimited number of shares authorized:**
Class AAA:

Net Asset Value, offering, and redemption price per share (\$13,532,940 ÷ 987,376 shares outstanding)

\$13.71

Class A:

Net Asset Value and redemption price per share (\$2,297,555 ÷ 168,115 shares outstanding)

\$13.67

Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price)

\$14.50

Class C:

Net Asset Value and offering price per share (\$1,514,425 ÷ 122,946 shares outstanding)

\$12.32(b)

Class I:

Net Asset Value, offering, and redemption price per share (\$4,286,204 ÷ 311,439 shares outstanding)

\$13.76

- (a) Effective December 31, 2018, the Fund has adopted disclosure requirements conforming to SEC Rule 6-04.17 of Regulation S-X and discloses total distributable earnings. See Note 2 for further details.
- (b) Redemption price varies based on the length of time held.

Statement of Operations For the Year Ended December 31, 2018

Investment Income:

Dividends (net of foreign withholding taxes of \$289)	\$ 555,323
Interest	13,009
Total Investment Income	<u>568,332</u>

Expenses:

Investment advisory fees	265,836
Distribution fees - Class AAA	40,065
Distribution fees - Class A	8,442
Distribution fees - Class C	20,143
Shareholder communications expenses	55,754
Legal and audit fees	50,632
Registration expenses	50,106
Shareholder services fees	32,647
Trustees' fees	30,000
Custodian fees	6,838
Interest expense	2,241
Miscellaneous expenses	16,341
Total Expenses	<u>579,045</u>

Less:

Expenses paid indirectly by broker (See Note 6)	(1,499)
Expenses reimbursed by Adviser (See Note 3)	<u>(80,192)</u>

Total Credits and Reimbursements

(81,691)

Net Expenses

497,354

Net Investment Income

70,978

Net Realized and Unrealized Gain/(Loss) on Investments:

Net realized gain on investments	<u>2,534,775</u>
Net change in unrealized appreciation/depreciation on investments	<u>(5,425,639)</u>

Net Realized and Unrealized Gain/(Loss) on Investments

(2,890,864)

Net Decrease in Net Assets Resulting from Operations

\$(2,819,886)

See accompanying notes to financial statements.

The Gabelli Dividend Growth Fund

Statement of Changes in Net Assets

	<u>Year Ended</u> <u>December 31, 2018</u>	<u>Year Ended</u> <u>December 31, 2017</u>
Operations:		
Net investment income.....	\$ 70,978	\$ 208,398
Net realized gain on investments.....	2,534,775	4,403,232
Net change in unrealized appreciation/depreciation on investments.....	<u>(5,425,639)</u>	<u>(1,226,569)</u>
Net Increase/(Decrease) in Net Assets Resulting from Operations.....	<u>(2,819,886)</u>	<u>3,385,061</u>
Distributions to Shareholders:		
Accumulated earnings		
Class AAA.....	(1,440,880)	(2,483,969)
Class A.....	(295,662)	(558,098)
Class C.....	(177,810)	(294,733)
Class I.....	<u>(503,727)</u>	<u>(898,008)</u>
Total Distributions to Shareholders(a).....	<u>(2,418,079)</u>	<u>(4,234,808)(b)</u>
Shares of Beneficial Interest Transactions:		
Class AAA.....	(473,444)	175,057
Class A.....	(743,492)	136,355
Class C.....	(13,292)	(602,759)
Class I.....	<u>(188,263)</u>	<u>568,631</u>
Net Increase/(Decrease) in Net Assets from Shares of Beneficial Interest Transactions.....	<u>(1,418,491)</u>	<u>277,284</u>
Redemption Fees.....	<u>19</u>	<u>—</u>
Net Decrease in Net Assets.....	<u>(6,656,437)</u>	<u>(572,463)</u>
Net Assets:		
Beginning of year.....	<u>28,287,561</u>	<u>28,860,024</u>
End of year.....	<u><u>\$21,631,124</u></u>	<u><u>\$28,287,561</u></u>

(a) Effective December 31, 2018, the Fund has adopted disclosure requirements conforming to SEC Rule 6-04.17 of Regulation S-X. See Note 2 for further details.

(b) For the year ended December 31, 2017, the distributions to shareholders from net investment income were \$81,434 (Class AAA), \$18,783 (Class A), and \$85,109 (Class I) and net realized gain were \$2,402,535 (Class AAA), \$539,315 (Class A), \$294,733 (Class C), and \$812,899 (Class I).

See accompanying notes to financial statements.

The Gabelli Dividend Growth Fund

Financial Highlights

Selected data for a share of beneficial interest outstanding throughout each year:

Year Ended December 31	from Investment Operations				Distributions				Ratios to Average Net Assets/ Supplemental Data							
	Net Asset Value Beginning of Year	Net Investment Income (Loss)(a)	Net Unrealized Gain(Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gain on Investments	Total Distributions	Redemption Fees (b)	Net Asset Value End of Year	Total Return	Net Assets End of Year (in 000 \$)	Net Investment Income (Loss)	Operating Expenses Before Reimbursement	Operating Expenses Net of Reimburse- ment and Credits (c)	Portfolio Turnover Rate	
Class AAA																
2018	\$17.23	\$ 0.02	\$(1.93)	\$(1.91)	\$(0.00)(b)	\$(1.61)	\$(1.61)	\$0.00	\$13.71	(11.0)%	\$13,533	0.13%	2.01%	2.01%(d)	25%	
2017	17.93	0.11	2.07	2.18	(0.09)	(2.79)	(2.88)	—	17.23	12.1	17,155	0.58	2.01	2.00	60	
2016	17.12	0.07	1.82	1.89	(0.08)	(1.00)	(1.08)	0.00	17.93	11.0	17,454	0.40	2.00	2.00(e)	14	
2015	18.74	0.06	(1.11)	(1.05)	(0.06)	(0.51)	(0.57)	0.00	17.12	(5.6)	19,536	0.32	1.91	1.91(d)	15	
2014	19.10	0.28	0.98	1.26	(0.27)	(1.35)	(1.62)	0.00	18.74	6.4	23,476	1.40	1.89	1.89(f)	23	
Class A																
2018	\$17.89	\$ 0.02	\$(1.93)	\$(1.91)	\$(0.00)(b)	\$(1.61)	\$(1.61)	\$0.00	\$13.67	(11.0)%	\$ 2,298	0.13%	2.16%	2.01%(d)	25%	
2017	17.89	0.11	2.08	2.19	(0.10)	(2.79)	(2.89)	—	17.19	12.2	3,683	0.58	2.01	2.00	60	
2016	17.09	0.07	1.81	1.88	(0.08)	(1.00)	(1.08)	0.00	17.89	10.9	3,673	0.41	2.00	2.00(e)	14	
2015	18.70	0.06	(1.10)	(1.04)	(0.06)	(0.51)	(0.57)	0.00	17.09	(5.6)	3,432	0.33	1.91	1.91(d)	15	
2014	19.07	0.27	0.98	1.25	(0.27)	(1.35)	(1.62)	0.00	18.70	6.4	3,805	1.35	1.89	1.89(f)	23	
Class C																
2018	\$15.79	\$(0.10)	\$(1.76)	\$(1.86)	—	\$(1.61)	\$(1.61)	\$0.00	\$12.32	(11.7)%	\$ 1,514	(0.63)%	2.91%	2.76%(d)	25%	
2017	16.68	(0.04)	1.94	1.90	—	(2.79)	(2.79)	—	15.79	11.3	1,969	(0.21)	2.76	2.75	60	
2016	16.05	(0.06)	1.69	1.63	—	(1.00)	(1.00)	0.00	16.68	10.1	2,620	(0.36)	2.75	2.75(e)	14	
2015	17.67	(0.07)	(1.04)	(1.11)	—	(0.51)	(0.51)	0.00	16.05	(6.3)	1,616	(0.42)	2.66	2.66(d)	15	
2014	18.11	0.11	0.95	1.06	\$(0.15)	(1.35)	(1.50)	0.00	17.67	5.7	1,654	0.59	2.64	2.64(f)	23	
Class I																
2018	\$17.33	\$ 0.20	\$(1.97)	\$(1.77)	\$(0.19)	\$(1.61)	\$(1.80)	\$0.00	\$13.76	(10.2)%	\$ 4,286	1.13%	1.91%	1.01%(d)	25%	
2017	18.01	0.31	2.09	2.40	(0.29)	(2.79)	(3.08)	—	17.33	13.3	5,481	1.61	1.76	1.00	60	
2016	17.19	0.15	1.83	1.98	(0.16)	(1.00)	(1.16)	0.00	18.01	11.4	5,110	0.85	1.75	1.55(e)	14	
2015	18.82	0.11	(1.12)	(1.01)	(0.11)	(0.51)	(0.62)	0.00	17.19	(5.4)	4,597	0.57	1.65	1.65(d)	15	
2014	19.17	0.31	1.01	1.32	(0.32)	(1.35)	(1.67)	0.00	18.82	6.7	5,870	1.53	1.64	1.64(f)	23	

† Total return represents aggregate total return of a hypothetical \$1,000 investment at the beginning of the year and sold at the end of the year including reinvestment of distributions and does not reflect the applicable sales charges.

(a) Per share amounts have been calculated using the average shares outstanding method.

(b) Amount represents less than \$0.005 per share.

(c) The Fund incurred interest expense during the year ended December 31, 2018. If interest expense had not been incurred, the ratio of operating expenses to average net assets would have been 2.00% (Class AAA and Class A), 2.75% (Class C), and 1.00% (Class I). For the years ended December 31, 2017, 2016, 2015, and 2014, the effect of interest expense was minimal.

(d) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the years ended December 31, 2018 and 2015, there was no impact on the expense ratios.

(e) During the years ended December 31, 2017 and 2016, the Fund received reimbursements of custody expenses paid in prior years. Had such reimbursement (allocated by relative net asset values of the Fund's share classes) been included in the 2016 calculation, the annualized expense ratios would have been 1.83% (Class AAA), 1.83% (Class A), 2.59% (Class C), and 1.39% (Class I). The 2017 reimbursement had no effect on the expense ratio.

(f) Under an expense deferral agreement with the Adviser, the Adviser recovered from the Fund \$10,696 for the year ended December 31, 2014, representing the balance outstanding of previously reimbursed expenses from the Adviser. Had such payments not been made, the expense ratios would have been 1.86% (Class AAA and Class A), 2.61% (Class C), and 1.61% (Class I).

See accompanying notes to financial statements.

The Gabelli Dividend Growth Fund

Notes to Financial Statements

1. Organization. The Gabelli Dividend Growth Fund was organized on May 13, 1999 as a Delaware statutory trust and commenced operations on August 26, 1999. The Fund is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund's primary objective is long term growth of capital with current income as a secondary objective.

2. Significant Accounting Policies. As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (GAAP) that may require the use of management estimates and assumptions in the preparation of its financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

New Accounting Pronouncements. The SEC recently adopted changes to Regulation S-X to simplify the reporting of information by registered investment companies in financial statements. The amendments require presentation of the total, rather than the components, of distributable earnings on the Statement of Assets and Liabilities and also require presentation of the total, rather than the components, of distributions to shareholders, except for tax return of capital distributions, if any, on the Statement of Changes in Net Assets. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statement of Changes in Net Assets. These Regulation S-X amendments are reflected in the Fund's financial statements for the fiscal year ended December 31, 2018. As a result of adopting these amendments, the distributions to shareholders in the December 31, 2017 Statement of Changes in Net Assets presented herein have been reclassified to conform to the current year presentation.

To improve the effectiveness of fair value disclosure requirements, the Financial Accounting Standards Board recently issued Accounting Standard Update (ASU) 2018-13, Fair Value Measurement Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13), which adds, removes, and modifies certain aspects relating to fair value disclosure. ASU 2018-13 is effective for interim and annual reporting periods beginning after December 15, 2019; early adoption of the additions relating to ASU 2018-13 is not required, even if early adoption is elected for the removals under ASU 2018-13. Management has early adopted the removals set forth in ASU 2018-13 in these financial statements and has not early adopted the additions set forth in ASU 2018-13.

Security Valuation. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Trustees (the Board) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the Adviser).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of

The Gabelli Dividend Growth Fund

Notes to Financial Statements (Continued)

business on the day the securities are being valued. Debt obligations for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value American Depositary Receipt securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

- Level 1 — quoted prices in active markets for identical securities;
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 — significant unobservable inputs (including the Board's determinations as to the fair value of investments).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of December 31, 2018 is as follows:

	Valuation Inputs		Total Market Value at 12/31/18
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	
INVESTMENTS IN SECURITIES:			
ASSETS (Market Value):			
Common Stocks(a)	\$21,855,550	—	\$21,855,550
U.S. Government Obligations	—	\$189,197	189,197
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$21,855,550	\$189,197	\$22,044,747

(a) Please refer to the Schedule of Investments for the industry classifications of these portfolio holdings.

There were no Level 3 investments held at December 31, 2018 or 2017.

The Gabelli Dividend Growth Fund

Notes to Financial Statements (Continued)

Additional Information to Evaluate Qualitative Information.

General. The Fund uses recognized industry pricing services – approved by the Board and unaffiliated with the Adviser – to value most of its securities, and uses broker quotes provided by market makers of securities not valued by these and other recognized pricing sources. Several different pricing feeds are received to value domestic equity securities, international equity securities, preferred equity securities, and fixed income securities. The data within these feeds are ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

Fair Valuation. Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. Among the factors to be considered to fair value a security are recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

The Adviser reports quarterly to the Board the results of the application of fair valuation policies and procedures. These may include backtesting the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

Foreign Securities. The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.

Foreign Taxes. The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

Securities Transactions and Investment Income. Securities transactions are accounted for on the trade date with realized gain/(loss) on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on an accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

The Gabelli Dividend Growth Fund

Notes to Financial Statements (Continued)

Determination of Net Asset Value and Calculation of Expenses. Certain administrative expenses are common to, and allocated among, various affiliated funds. Such allocations are made on the basis of each fund's average net assets or other criteria directly affecting the expenses as determined by the Adviser pursuant to procedures established by the Board.

In calculating the NAV per share of each class, investment income, realized and unrealized gains and losses, redemption fees, and expenses other than class specific expenses are allocated daily to each class of shares based upon the proportion of net assets of each class at the beginning of each day. Distribution expenses are borne solely by the class incurring the expense.

Distributions to Shareholders. Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. These book/ tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to utilization of equalization. These reclassifications have no impact on the NAV of the Fund. For the fiscal year ended December 31, 2018, reclassifications were made to increase paid-in capital by \$194,070, with an offsetting adjustment to total distributable earnings.

The tax character of distributions paid during the years ended December 31, 2018 and 2017 was as follows:

	<u>Year Ended</u> <u>December 31, 2018</u>	<u>Year Ended</u> <u>December 31, 2017</u>
Distributions paid from:*		
Ordinary income (inclusive of short term capital gains)	\$ 98,986	\$ 522,519
Net long term capital gains	2,513,164	4,195,605
Total distributions paid	<u>\$2,612,150</u>	<u>\$4,718,124</u>

* Total distributions paid differs from the Statement of Changes in Net Assets due to the utilization of equalization.

Provision for Income Taxes. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

As of December 31, 2018, the components of accumulated earnings/losses on a tax basis were as follows:

Undistributed ordinary income	\$ 8,856
Net unrealized appreciation on investments	1,464,218
Total	<u>\$1,473,074</u>

At December 31, 2018, the temporary differences between book basis and tax basis unrealized appreciation on investments were primarily due to deferral of losses from wash sales for tax purposes.

The Fund is permitted to carry capital losses forward for an unlimited period. Capital losses that are carried forward will retain their character as either short term or long term capital losses.

The Gabelli Dividend Growth Fund

Notes to Financial Statements (Continued)

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2018:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$20,580,529	\$4,360,740	\$(2,896,522)	\$1,464,218

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. For the fiscal year ended December 31, 2018, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2018, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. The Fund's federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

3. Investment Advisory Agreement and Other Transactions. The Fund has entered into an investment advisory agreement (the Advisory Agreement) with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, at the annual rate of 1.00% of the value of its average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio, oversees the administration of all aspects of the Fund's business and affairs, and pays the compensation of all Officers and Trustees of the Fund who are affiliated persons of the Adviser.

Through May 1, 2019, the Adviser has agreed to waive its advisory fee and/or reimburse expenses of the Fund to the extent necessary to maintain the Fund's annualized total operating expenses (exclusive of brokerage fees, interest, taxes, acquired fund fees and expenses, and extraordinary expenses) at no more than 2.00%, 2.00%, 2.75%, and 1.00%, respectively, of Class AAA, Class A, Class C, and Class I Shares' average daily net assets. During the year ended December 31, 2018, the Adviser reimbursed expenses in the amount of \$80,192. The Fund has agreed, during the two year period following any waiver or reimbursement by the Adviser, to repay such amount to the extent, that after giving effect to the repayment, such adjusted annualized total operating expenses of the Fund would not exceed the foregoing respective percentage limitations, after giving effect to the recovery by the Adviser. At December 31, 2018, the cumulative amount which the Fund may repay the Adviser is \$124,877. The amended agreement is renewable annually.

For the year ended December 31, 2017, expiring December 31, 2019	\$ 44,685
For the year ended December 31, 2018, expiring December 31, 2020	<u>80,192</u>
	<u>\$124,877</u>

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$3,000 plus \$500 for each Board meeting attended, and they are reimbursed for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended and the Chairman of the Audit Committee and the Lead Trustee each receive a \$1,000 annual fee. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

The Gabelli Dividend Growth Fund

Notes to Financial Statements (Continued)

4. Distribution Plan. The Fund's Board has adopted a distribution plan (the Plan) for each class of shares, except for Class I Shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Class AAA, Class A, and Class C Share Plans, payments are authorized to G.distributors, LLC (the Distributor), an affiliate of the Adviser, at annual rates of 0.25%, 0.25%, and 1.00%, respectively, of the average daily net assets of those classes, the annual limitations under each Plan. Such payments are accrued daily and paid monthly.

5. Portfolio Securities. Purchases and sales of securities during the year ended December 31, 2018, other than short term securities and U.S. Government obligations, aggregated \$5,918,468 and \$9,953,189, respectively.

6. Transactions with Affiliates and Other Arrangements. During the year ended December 31, 2018, the Fund paid \$4,270 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser. Additionally, the Distributor retained a total of \$821 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

During the fiscal year ended December 31, 2018, the Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. The amount of such expenses paid through this directed brokerage arrangement during this period was \$1,499.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. The Adviser did not seek a reimbursement during the year ended December 31, 2018.

7. Line of Credit. The Fund participates in an unsecured line of credit, which expires on March 6, 2019 and may be renewed annually, of up to \$75,000,000 under which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bear interest at a floating rate equal to the higher of the overnight Federal Funds rate plus 125 basis points or the 30 day ICE LIBOR plus 125 basis points in effect on that day. This amount, if any, would be included in "Interest expense" in the Statement of Operations. At December 31, 2018, there were no borrowings outstanding under the line of credit.

The average daily amount of borrowings outstanding under the line of credit during the fiscal year ended December 31, 2018 was \$66,814 with a weighted average interest rate of 2.85%. The maximum amount borrowed at any time during the fiscal year ended December 31, 2018 was \$955,000.

8. Shares of Beneficial Interest. The Fund offers four classes of shares – Class AAA Shares, Class A Shares, Class C Shares, and Class I Shares. Class AAA and Class I Shares are offered without a sales charge. Class A Shares are subject to a maximum front-end sales charge of 5.75%, and Class C Shares are subject to a 1.00% contingent deferred sales charge for one year after purchase.

The Fund imposes a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before the seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund as an increase in paid-in capital. The redemption fees retained by the Fund during the fiscal years ended December 31, 2018 and 2017, if any, can be found in the Statement of Changes in Net Assets under Redemption Fees.

The Gabelli Dividend Growth Fund

Notes to Financial Statements (Continued)

Transactions in shares of beneficial interest were as follows:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Class AAA				
Shares sold	52,825	\$ 920,429	56,207	\$ 1,063,102
Shares issued upon reinvestment of distributions	102,032	1,389,666	138,285	2,392,336
Shares redeemed	(162,843)	(2,783,539)	(172,903)	(3,280,381)
Net increase/(decrease)	<u>(7,986)</u>	<u>\$ (473,444)</u>	<u>21,589</u>	<u>\$ 175,057</u>
Class A				
Shares sold	9,441	\$ 147,438	25,092	\$ 475,006
Shares issued upon reinvestment of distributions	21,673	294,320	31,929	551,095
Shares redeemed	(77,173)	(1,185,250)	(48,157)	(889,746)
Net increase/(decrease)	<u>(46,059)</u>	<u>\$ (743,492)</u>	<u>8,864</u>	<u>\$ 136,355</u>
Class C				
Shares sold	62,433	\$ 969,620	30,219	\$ 534,295
Shares issued upon reinvestment of distributions	14,479	177,232	18,480	292,912
Shares redeemed	(78,614)	(1,160,144)	(81,133)	(1,429,966)
Net decrease	<u>(1,702)</u>	<u>\$ (13,292)</u>	<u>(32,434)</u>	<u>\$ (602,759)</u>
Class I				
Shares sold	37,547	\$ 662,970	71,449	\$ 1,375,373
Shares issued upon reinvestment of distributions	34,014	464,977	48,261	839,740
Shares redeemed	(76,316)	(1,316,210)	(87,263)	(1,646,482)
Net increase/(decrease)	<u>(4,755)</u>	<u>\$ (188,263)</u>	<u>32,447</u>	<u>\$ 568,631</u>

9. Indemnifications. The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

10. Subsequent Events. Management has evaluated the impact on the Fund of all subsequent events occurring through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

The Gabelli Dividend Growth Fund

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of
The Gabelli Dividend Growth Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of The Gabelli Dividend Growth Fund (the “Fund”), including the schedule of investments, as of December 31, 2018, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund at December 31, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of the Fund’s internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2018, by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more Gabelli/GAMCO Funds investment companies since 1992.

Philadelphia, Pennsylvania
February 28, 2019

The Gabelli Dividend Growth Fund

Additional Fund Information (Unaudited)

The business and affairs of the Fund are managed under the direction of the Fund's Board of Trustees. Information pertaining to the Trustees and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Trustees and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Dividend Growth Fund at One Corporate Center, Rye, NY 10580-1422.

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Number of Funds in Fund Complex Overseen by Trustee</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Trustee³</u>
INTERESTED TRUSTEES⁴:				
Mario J. Gabelli, CFA Trustee Age: 76	Since 1999	35	Chairman, Chief Executive Officer, and Chief Investment Officer— Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer— Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/ Trustee or Chief Investment Officer of other registered investment companies within the Gabelli/GAMCO Fund Complex; Chief Executive Officer of GGCP, Inc.; Executive Chairman of Associated Capital Group, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICOT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications)
INDEPENDENT TRUSTEES⁵:				
Anthony J. Colavita Trustee Age: 83	Since 1999	20	President of the law firm of Anthony J. Colavita, P.C.	—
Vincent D. Enright Trustee Age: 75	Since 1999	17	Former Senior Vice President and Chief Financial Officer of KeySpan Corp. (public utility) (1994-1998)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics) (2008-2014); Director of The LGL Group, Inc. (diversified manufacturing) (2011-2014)
Mary E. Hauck Trustee Age: 76	Since 2000	11	Retired Senior Manager of the Gabelli-O'Connor Fixed Income Mutual Funds Management Company	—
Kuni Nakamura⁶ Trustee Age: 50	Since 2009	37	President of Advanced Polymer, Inc. (chemical manufacturing company); President of KEN Enterprises, Inc. (real estate)	—
Werner J. Roeder Trustee Age: 78	Since 1999	23	Retired physician; Former Vice President of Medical Affairs (Medical Director) of New York Presbyterian/Lawrence Hospital (1999-2014)	—

The Gabelli Dividend Growth Fund Additional Fund Information (Continued) (Unaudited)

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Principal Occupation(s) During Past Five Years</u>
OFFICERS:		
Bruce N. Alpert President Age: 67	Since 1999	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of registered investment companies within the Gabelli/GAMCO Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008
John C. Ball Treasurer Age: 42	Since 2017	Treasurer of funds within the Gabelli/GAMCO Fund Complex since 2017; Vice President and Assistant Treasurer of AMG Funds, 2014-2017; Vice President of State Street Corporation, 2007-2014
Agnes Mullady Vice President Age: 60	Since 2006	Officer of registered investment companies within the Gabelli/GAMCO Fund Complex since 2006; President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2015; Chief Executive Officer of G.distributors, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Executive Vice President of Associated Capital Group, Inc. since 2016
Andrea R. Mango Secretary Age: 46	Since 2013	Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of closed-end funds within the Gabelli/GAMCO Fund Complex since 2014; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company, 2011-2013
Richard J. Walz Chief Compliance Officer Age: 59	Since 2013	Chief Compliance Officer of registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013

¹ Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.

² Each Trustee will hold office for an indefinite term until the earliest of (i) the next meeting of shareholders, if any, called for the purpose of considering the election or re-election of such Trustee and until the election and qualification of his or her successor, if any, elected at such meeting, or (ii) the date a Trustee resigns or retires, or a Trustee is removed by the Board of Trustees or shareholders, in accordance with the Fund's By-Laws and Agreement and Declaration of Trust. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified. For Officers, includes time served in other officer positions with the Fund.

³ This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended, i.e., public companies, or other investment companies registered under the 1940 Act.

⁴ "Interested person" of the Fund as defined in the 1940 Act. Mr. Gabelli is considered an "interested person" because of his affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser.

⁵ Trustees who are not interested persons are considered "Independent" Trustees.

⁶ Mr. Nakamura is a director of Gabelli Merger Plus+ Trust Plc, which may be deemed to be controlled by Mario J. Gabelli and/or affiliates and, in that event, would be deemed to be under common control with the Fund's Adviser.

Gabelli/GAMCO Funds and Your Personal Privacy

Who are we?

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

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

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

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

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

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

What do we do to protect your personal information?

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

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THE GABELLI DIVIDEND GROWTH FUND
One Corporate Center
Rye, NY 10580-1422

Portfolio Management Team Biographies

Sarah Donnelly joined Gabelli in 1999 as a junior research analyst working with the consumer staples and media analysts. Currently she is a portfolio manager of Gabelli Funds, LLC, a Senior Vice President, and the Food, Household, and Personal Care products research analyst for Gabelli & Company. In 2013, she was named the Health & Wellness research platform leader. Ms. Donnelly received a BS in Business Administration with a concentration in Finance and minor in History from Fordham University.

Robert D. Leininger, CFA, joined GAMCO Investors, Inc. in 1993 as an equity analyst. Subsequently, he was a partner and portfolio manager at Rorer Asset Management before rejoining GAMCO in 2010 where he currently serves as a portfolio manager of Gabelli Funds, LLC. Mr. Leininger is a magna cum laude graduate of Amherst College with a degree in Economics and holds an MBA degree from the Wharton School at the University of Pennsylvania.

Justin Bergner, CFA, is a Vice President at Gabelli & Company and a portfolio manager for Gabelli Funds LLC, the Adviser. Justin rejoined Gabelli & Company in 2013 as a research analyst covering Diversified Industrials, Home Improvement, and Transport companies. He began his investment career at Gabelli & Company in 2005 as a metals and mining analyst, and subsequently spent five years at Axiom International Investors as a senior analyst focused on industrial and healthcare stocks. Prior to business school, Mr. Bergner worked in management consulting at both Bain & Company and Dean & Company. A Chartered Financial Analyst, Mr. Bergner graduated cum laude from Yale University with a BA in Economics & Mathematics and received an MBA in Finance and Accounting from the Wharton School at the University of Pennsylvania.

2018 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the year ended December 31, 2018, the Fund paid to shareholders ordinary income distributions (comprised of net investment income and short term capital gains) totaling \$0.0255, \$0.0248, \$0.0228, and \$0.2093 per share for Class AAA, Class A, Class C, and Class I Shares, respectively and long term capital gains totaling \$2,513,164, or the maximum allowable. For the year ended December 31, 2018, 100% of the ordinary income distribution qualifies for the dividends received deduction available to corporations. The Fund designates 100% of the ordinary income distribution as qualified dividend income and 100% of ordinary income distribution was qualified short term capital gain pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund designates 3.27% of the ordinary income distribution as qualified interest income pursuant to the Tax Relief, Unemployment Reauthorization, and Job Creation Act of 2010.

U.S. Government Income:

The percentage of the ordinary income distribution paid by the Fund during the year ended December 31, 2018 which was derived from U.S. Treasury securities was 1.51%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The Fund did not meet this strict requirement in 2018. The percentage of U.S. Government securities held as of December 31, 2018 was 0.9%. Due to the diversity in state and local tax law, it is recommended that you consult your personal tax adviser as to the applicability of the information provided to your specific situation.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

We have separated the portfolio managers' commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio managers' commentary is unrestricted. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

THE GABELLI DIVIDEND GROWTH FUND

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f 914-921-5118

e info@gabelli.com

GABELLI.COM

Net Asset Value per share available daily
by calling 800-GABELLI after 7:00 P.M.

BOARD OF TRUSTEES

Mario J. Gabelli, CFA
Chairman and Chief
Executive Officer,
GAMCO Investors, Inc.
Executive Chairman,
Associated Capital Group Inc.

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

Vincent D. Enright
Former Senior Vice
President and Chief
Financial Officer,
KeySpan Corp.

Mary E. Hauck
Former Senior Portfolio
Manager,
Gabelli-O'Connor Fixed
Income Mutual Fund
Management Co.

Kuni Nakamura
President,
Advanced Polymer, Inc.

Werner J. Roeder
Former Medical Director,
Lawrence Hospital

OFFICERS

Bruce N. Alpert
President

John C. Ball
Treasurer

Agnes Mullady
Vice President

Andrea R. Mango
Secretary

Richard J. Walz
Chief Compliance Officer

DISTRIBUTOR

G.distributors, LLC

CUSTODIAN

State Street Bank and Trust
Company

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT

DST Asset Manager
Solutions, Inc.

LEGAL COUNSEL

Skadden, Arps, Slate, Meagher &
Flom LLP

This report is submitted for the general information of the shareholders of The Gabelli Dividend Growth Fund. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.



GABELLI
FUNDS

THE GABELLI DIVIDEND GROWTH FUND

Annual Report
December 31, 2018