

# The Gabelli Small Cap Growth Fund

## Annual Report — September 30, 2016



**Mario J. Gabelli, CFA**  
**Portfolio Manager**

### **To Our Shareholders,**

For the year ended September 30, 2016, the net asset value (“NAV”) per Class AAA Share of The Gabelli Small Cap Growth Fund increased 14.3% compared with an increase of 15.5% for the Russell 2000 Index. See page 2 for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of September 30, 2016.

### **Performance Discussion**

The Fund invests primarily in small cap companies that, through bottom-up fundamental research, the portfolio manager believes are attractively priced relative to their earnings growth potential or private market value. The Fund characterizes small capitalization companies as those companies with a market capitalization at the time of the Fund’s initial investment of \$3 billion or less.

The market volatility exhibited in 2015 continued into the quarter ending March 31, 2016, as a sharply negative January preceded a flattish February, followed by a March recovery. Driving much of these rotations were uneven economic data, global concerns (namely the Chinese economy and oil production), and speculation about interest rate increases and their timing. Near the close of the quarter, the Federal Reserve left short term interest rates unchanged in its March meeting and suggested a cautious approach to rate hikes for the rest of the year.

During the quarter ended June 30, investors’ worries shifted from a collapse in China, to a recession in the U.S. and increasing oil prices, and finally, to Brexit; the United Kingdom’s vote to exit the European Union (EU). The vote to leave the EU sparked a market correction, amplifying economic uncertainty, increasing volatility, and driving down the pound. However, these events were quickly followed by a strong bounce back to earlier, more stable levels.

The quarter ending September 30 saw a mixed set of data, including an improvement in consumer spending. The overall market was up low single digits. However, core income growth, meaning wages and salaries, has been in a slowing trend for over a year. The long term slow growth in GDP has resulted in low sales growth for corporations, which has put downward pressure on profits and capital spending. This has been part of the cycle of low growth and more accommodative monetary and fiscal policies, not just in the U.S., but globally.

Among the better performing stocks for the fiscal year were: RPC Inc. (1.1% of net assets as of September 30, 2016), a provider of oil field services and equipment for oil and gas companies involved in the exploration, production, and development of oil and gas properties; Brembo SpA (1.0%), who together with its subsidiaries, designs, develops, and produces braking systems and components under the Brembo, Breco, AP, Bybre, and Marchesini brands for cars, motorbikes, and industrial vehicles and machinery; and Curtiss-Wright Corp. (1.3%),

who together with its subsidiaries, designs, manufactures, and overhauls precision components, and engineered products and services primarily to the aerospace, defense, power generation, and general industrial markets worldwide.

Our weaker performing stocks during the year were Waddell & Reed Financial Inc., Cl. A. (0.3%), which provides investment management and advisory, investment product underwriting and distribution, and shareholder services administration to mutual funds, and institutional and separately managed accounts in the U.S. Waddell & Reed's investment performance has been weaker which has led to outflows in their funds. The company has announced restructuring to cut costs.

Another detractor to performance was The Hain Celestial Group Inc. (0.4%), a manufacturer, marketer, distributor, and seller of organic and natural products in the U.S., the United Kingdom, Canada, and Europe; and GAM Holding AG (0.3%), a publicly owned asset management holding company.

We appreciate your confidence and trust.

## Comparative Results

<b>Average Annual Returns through September 30, 2016 (a)(b) (Unaudited)</b>					Since Inception (10/22/91)
	1 Year	5 Year	10 Year	15 Year	
<b>Class AAA (GABSX)</b> . . . . .	14.26%	14.59%	8.70%	10.95%	12.44%
Russell 2000 Index . . . . .	15.47	15.82	7.07	9.26	9.51
<b>Class A (GCASX)</b> . . . . .	14.26	14.60	8.70	10.95	12.44
With sales charge (c) . . . . .	7.69	13.25	8.05	10.51	12.17
<b>Class C (GCCSX)</b> . . . . .	13.41	13.74	7.89	10.25	12.02
With contingent deferred sales charge (d) . . . . .	12.41	13.74	7.89	10.25	12.02
<b>Class I (GACIX)</b> . . . . .	14.56	14.89	8.94	11.12	12.54

**In the current prospectuses dated January 28, 2016, the expense ratios for Class AAA, A, C, and I Shares are 1.38%, 1.38%, 2.13%, and 1.13%, respectively. See page 17 for the expense ratios for the year ended September 30, 2016. Class AAA and Class I Shares have no sales charge. The maximum sales charge for Class A and C Shares is 5.75% and 1.00%, respectively.**

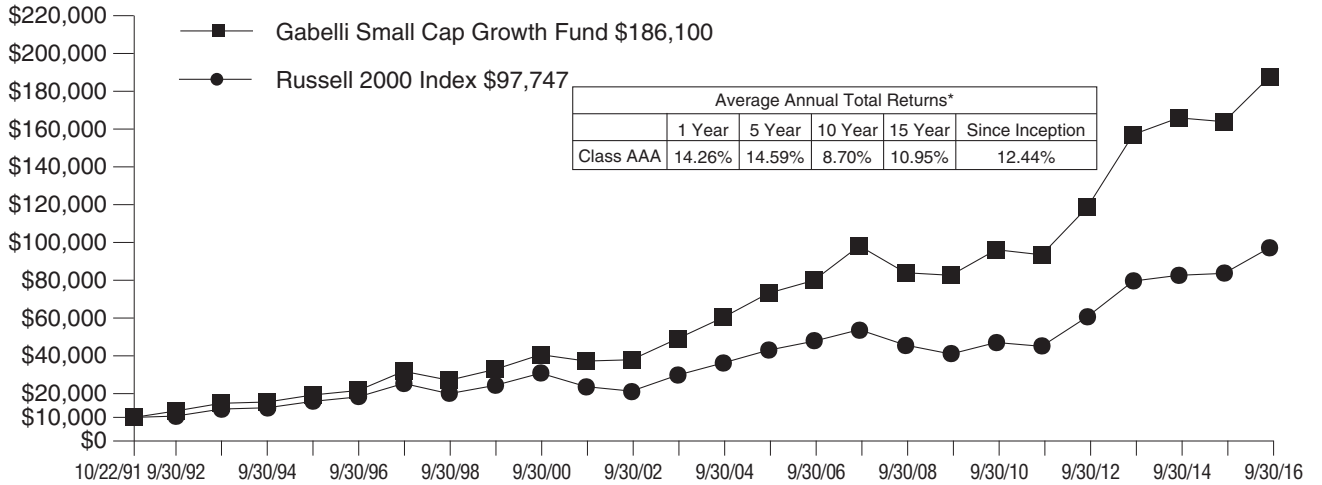
(a) *Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, 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](http://www.gabelli.com) for performance information as of the most recent month end. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date 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](http://www.gabelli.com). The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2003, and the Class I Shares on January 11, 2008. The actual performance of 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 actual performance of the Class I Shares would have been higher due to lower expenses associated with this class of shares. Investing in small capitalization securities involves special risks because these securities may trade less frequently and experience more abrupt price movements than large capitalization securities. The Russell 2000 Index is an unmanaged indicator which measures the performance of the small cap segment of the U.S. equity market. Dividends are considered reinvested. You cannot invest directly in an index.*

(b) The Fund's fiscal year ends September 30.

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

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

**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN  
THE GABELLI SMALL CAP GROWTH FUND CLASS AAA AND THE RUSSELL 2000 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 Small Cap Growth Fund

### Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from April 1, 2016 through September 30, 2016 **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 September 30, 2016.

	Beginning Account Value 04/01/16	Ending Account Value 09/30/16	Annualized Expense Ratio	Expenses Paid During Period*
<b><i>The Gabelli Small Cap Growth Fund</i></b>				
<b>Actual Fund Return</b>				
Class AAA	\$1,000.00	\$1,076.40	1.37%	\$ 7.11
Class A	\$1,000.00	\$1,076.50	1.37%	\$ 7.11
Class C	\$1,000.00	\$1,072.40	2.12%	\$10.98
Class I	\$1,000.00	\$1,077.80	1.12%	\$ 5.82
<b>Hypothetical 5% Return</b>				
Class AAA	\$1,000.00	\$1,018.15	1.37%	\$ 6.91
Class A	\$1,000.00	\$1,018.15	1.37%	\$ 6.91
Class C	\$1,000.00	\$1,014.40	2.12%	\$10.68
Class I	\$1,000.00	\$1,019.40	1.12%	\$ 5.65

\* 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 (183 days), then divided by 366.

## Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of September 30, 2016:

### The Gabelli Small Cap Growth Fund

Food and Beverage . . . . .	10.7%	Real Estate . . . . .	1.3%
Equipment and Supplies . . . . .	8.9%	Automotive . . . . .	0.9%
Energy and Utilities . . . . .	6.6%	Publishing . . . . .	0.8%
Automotive: Parts and Accessories . . . . .	6.4%	Transportation . . . . .	0.8%
Retail . . . . .	6.1%	Aerospace . . . . .	0.7%
Diversified Industrial . . . . .	5.7%	Environmental Services . . . . .	0.6%
Health Care . . . . .	5.6%	Metals and Mining . . . . .	0.5%
Business Services . . . . .	5.5%	Manufactured Housing and Recreational Vehicles . . . . .	0.4%
Specialty Chemicals . . . . .	4.8%	Home Furnishings . . . . .	0.4%
Financial Services . . . . .	3.9%	Wireless Communications . . . . .	0.1%
Aviation: Parts and Services . . . . .	3.8%	Communications Equipment . . . . .	0.1%
Hotels and Gaming . . . . .	3.3%	Closed-End Funds . . . . .	0.1%
Building and Construction . . . . .	3.1%	Closed-End Business Development Company . . . . .	0.0%*
Computer Software and Services . . . . .	2.9%	Educational Services . . . . .	0.0%*
Entertainment . . . . .	2.9%	Paper and Forest Products . . . . .	0.0%*
U.S. Government Obligations . . . . .	2.1%	Agriculture . . . . .	0.0%*
Telecommunications . . . . .	1.8%	Other Assets and Liabilities (Net) . . . . .	0.0%*
Machinery . . . . .	1.6%		<u>100.0%</u>
Broadcasting . . . . .	1.6%		
Electronics . . . . .	1.6%		
Consumer Products . . . . .	1.6%		
Cable . . . . .	1.5%		
Consumer Services . . . . .	1.3%		

\* 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](http://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](http://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](http://www.sec.gov).

# The Gabelli Small Cap Growth Fund

## Schedule of Investments — September 30, 2016

Shares		Cost	Market Value	Shares		Cost	Market Value
	<b>COMMON STOCKS — 97.7%</b>						
	<b>Aerospace — 0.7%</b>			44,000	Ducommun Inc.†	\$ 868,225	\$ 1,004,960
1,245,095	Aerojet Rocketdyne Holdings Inc.†	\$ 8,096,303	\$ 21,888,770	880,018	Kaman Corp.	16,923,967	38,650,391
25,000	Embraer SA, ADR	430,623	431,500	55,000	KLX Inc.†	2,110,685	1,936,000
20,000	Innovative Solutions & Support Inc.†	69,694	63,600	85,000	Moog Inc., Cl. A†	703,065	5,060,900
		<u>8,596,620</u>	<u>22,383,870</u>	16,200	Moog Inc., Cl. B†	471,841	966,168
				68,000	Woodward Inc.	1,052,020	4,248,640
						<u>60,442,748</u>	<u>130,897,891</u>
	<b>Agriculture — 0.0%</b>				<b>Broadcasting — 1.6%</b>		
500,000	Black Earth Farming Ltd., SDR†	547,399	241,292	520,836	ACME Communications Inc.†	10,417	17,188
12,000	Cadiz Inc.†	93,950	88,920	247,034	Beasley Broadcast Group Inc., Cl. A	1,430,627	1,341,395
		<u>641,349</u>	<u>330,212</u>	10,000	Cogeco Communications Inc.	340,851	493,616
				23,300	Cogeco Inc.	592,837	913,210
	<b>Automotive — 0.9%</b>			700,000	Crown Media Holdings Inc., Cl. A†	2,910,210	3,535,000
1,315,000	Navistar International Corp.†	36,011,392	30,100,350	25,000	Gray Television Inc.†	73,674	259,000
15,000	PACCAR Inc.	627,598	881,700	71,200	Gray Television Inc., Cl. A†	373,008	728,020
		<u>36,638,990</u>	<u>30,982,050</u>	420,000	ITV plc	1,355,190	1,019,079
				20,000	Liberty Broadband Corp., Cl. A†	124,003	1,403,200
321,651	Accuride Corp.†	834,040	823,427	52,362	Liberty Broadband Corp., Cl. C†	730,014	3,742,836
236,000	BorgWarner Inc.	1,330,291	8,302,480	119,800	Liberty Global plc LiLAC, Cl. A†	3,948,176	3,305,282
585,000	Brembo SpA	6,245,134	34,895,359	291,034	Liberty Global plc LiLAC, Cl. C†	9,539,889	8,163,504
90,022	China Automotive Systems Inc.†	447,666	373,591	20,000	Liberty Media Group, Cl. A†	66,962	573,000
332,000	Cooper Tire & Rubber Co.	8,686,929	12,622,640	40,000	Liberty Media Group, Cl. C†	139,035	1,125,600
1,185,000	Dana Inc.	10,629,525	18,474,150	80,000	Liberty SiriusXM Group, Cl. A†	271,567	2,718,400
1,353,507	Federal-Mogul Holdings Corp.†	16,327,905	13,007,202	160,000	Liberty SiriusXM Group, Cl. C†	541,505	5,345,600
756,000	Modine Manufacturing Co.†	9,525,533	8,966,160	360,000	MSG Networks Inc., Cl. A†	2,378,357	6,699,600
22,000	Monro Muffler Brake Inc.	150,657	1,345,740	150,000	Pandora Media Inc.†	2,027,795	2,149,500
195,000	O'Reilly Automotive Inc.†	5,172,356	54,621,450	594,500	Salem Media Group Inc.	2,056,752	3,495,660
45,000	Puradyn Filter Technologies Inc.†	11,732	1,276	170,000	Sinclair Broadcast Group Inc., Cl. A	1,335,314	4,909,600
185,000	SORL Auto Parts Inc.†	1,037,077	703,000	450,000	Sirius XM Holdings Inc.†	219,282	1,876,500
80,375	Spartan Motors Inc.	388,580	769,993	108,148	TiVo Corp.†	2,406,443	2,106,723
207,500	Standard Motor Products Inc.	1,627,780	9,910,200			<u>32,871,908</u>	<u>55,921,513</u>
207,000	Strattec Security Corp.(a)	4,420,973	7,307,100		<b>Building and Construction — 3.1%</b>		
393,000	Superior Industries International Inc.	6,477,904	11,459,880	22,905	Armstrong Flooring Inc.†	432,701	432,446
475,000	Tenneco Inc.†	4,109,505	27,678,250	55,000	Beazer Homes USA Inc.†	924,311	641,300
26,000	Thor Industries Inc.	240,934	2,202,200	265,000	CalAtlantic Group Inc.	4,303,397	8,861,600
15,000	Visteon Corp.	1,538,232	1,074,900	295,000	D.R. Horton Inc.	3,487,621	8,909,000
		<u>79,202,753</u>	<u>214,538,998</u>	52,000	Gibraltar Industries Inc.†	1,113,797	1,931,800
				299,200	Herc Holdings Inc.†	10,156,520	10,083,040
25,000	<b>Aviation: Parts and Services — 3.8%</b>			750,000	Hovnanian Enterprises Inc., Cl. A†	1,928,866	1,267,500
9,500	AAR Corp.	302,990	783,000	140,385	Johnson Controls International plc	2,752,473	6,532,114
15,000	Astronics Corp.†	18,095	427,975				
35,000	Astronics Corp., Cl. B†	27,720	677,850				
9,700,000	B/E Aerospace Inc.	1,869,544	1,808,100				
482,000	BBA Aviation plc	22,260,763	31,418,887				
	Curtiss-Wright Corp.	13,833,833	43,915,020				

See accompanying notes to financial statements.

# The Gabelli Small Cap Growth Fund

## Schedule of Investments (Continued) — September 30, 2016

Shares		Cost	Market Value	Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>				<b>Cable — 1.5%</b>			
<b>Building and Construction (Continued)</b>				<b>AMC Networks Inc., Cl. A†</b> \$ 2,124,059 \$ 8,660,620			
200,000	KB Home	\$ 2,123,861	\$ 3,224,000	4,000	Cable One Inc.	1,226,313	2,336,000
374,033	Layne Christensen Co.†	6,988,403	3,183,021	50,000	DISH Network Corp., Cl. A†	968,420	2,739,000
73,000	Lennar Corp., Cl. A	1,035,143	3,090,820	36,000	EchoStar Corp., Cl. A†	708,109	1,577,880
460,000	Lennar Corp., Cl. B	12,453,560	15,442,200	297,990	Liberty Global plc, Cl. A†	7,607,076	10,185,298
600,000	Louisiana-Pacific Corp.†	5,071,723	11,298,000	734,391	Liberty Global plc, Cl. C†	18,704,379	24,264,279
130,000	MDC Holdings Inc.	3,265,051	3,354,000			<u>31,338,356</u>	<u>49,763,077</u>
155,000	Meritage Homes Corp.†	3,454,885	5,378,500	<b>Closed-End Business Development Company — 0.0%</b>			
2,700	NVR Inc.†	1,908,453	4,427,649	108,000	MVC Capital Inc.	1,160,867	895,320
345,000	PulteGroup Inc.	2,447,273	6,913,800	<b>Closed-End Funds — 0.1%</b>			
380,000	Toll Brothers Inc.†	7,446,446	11,346,800	82,067	The Central Europe, Russia, and Turkey Fund Inc.	2,347,766	1,575,686
		<u>71,294,484</u>	<u>106,317,590</u>	31,977	The European Equity Fund Inc.	318,173	252,618
<b>Business Services — 5.5%</b>				104,826	The New Germany Fund Inc.	4,102,632	3,332,557
40,000	ACCO Brands Corp.†	363,855	385,600	<b>Communications Equipment — 0.1%</b>			
120,000	Ascent Capital Group Inc., Cl. A†	2,768,685	2,780,400	350,000	Communications Systems Inc.	2,900,232	1,666,000
125,000	Blackhawk Network Holdings Inc.†	2,894,657	3,771,250	52,000	Fortinet Inc.†	1,067,508	1,920,360
525,006	Clear Channel Outdoor Holdings Inc., Cl. A	1,909,003	3,066,035	290,000	Sycamore Networks Inc.	338,438	44,979
1,152,000	Diebold Inc.	37,345,482	28,558,080			<u>4,306,178</u>	<u>3,631,339</u>
559,953	Edgewater Technology Inc.†	2,770,733	4,759,601	<b>Computer Software and Services — 2.9%</b>			
95,000	GP Strategies Corp.†	791,180	2,338,900	190,000	Activision Blizzard Inc.	3,007,337	8,417,000
30,000	GSE Systems Inc.†	130,842	86,400	44,000	Avid Technology Inc.†	436,719	349,360
375,000	Internap Corp.†	2,434,703	618,750	10,000	CommerceHub Inc., Cl. A†	94,825	158,000
17,000	Landauer Inc.	443,034	756,160	14,000	CommerceHub Inc., Cl. C†	98,978	222,740
1,100,000	Live Nation Entertainment Inc.†	11,276,960	30,228,000	113,019	comScore Inc.†	3,922,306	3,465,163
210,000	Loomis AB, Cl. B	2,237,130	6,486,921	930,000	EarthLink Holdings Corp.	4,910,862	5,766,000
200,000	Macquarie Infrastructure Corp.	1,613,089	16,648,000	395,000	FalconStor Software Inc.†	1,110,933	410,800
94,000	McGrath RentCorp	2,555,092	2,980,740	253,231	Global Sources Ltd.†	1,641,060	2,147,399
370,000	Scientific Games Corp., Cl. A†	4,560,350	4,169,900	75,077	Guidance Software Inc.†	671,365	447,459
15,000	Sealed Air Corp.	362,982	687,300	42,000	InterXion Holding NV†	687,045	1,521,240
21,900	Sequential Brands Group Inc.†	211,008	175,200	60,000	Mentor Graphics Corp.	710,536	1,586,400
118,000	Sohgo Security Services Co. Ltd.	1,431,727	6,283,714	20,000	Mercury Systems Inc.†	303,410	491,400
40,000	Stamps.com Inc.†	377,584	3,780,400	20,187	MKS Instruments Inc.	367,981	1,003,900
179,392	Team Inc.†	5,345,577	5,867,912	440,000	NCR Corp.†	4,746,089	14,163,600
400,000	The Brink's Co.	9,807,432	14,832,000	3,996	NetScout Systems Inc.†	14,188	116,883
2,000,000	The Interpublic Group of Companies Inc.	15,460,476	44,700,000	65,000	Quantum Corp.†	204,798	47,853
33,050	TransAct Technologies Inc.	168,459	243,579	12,000	Rocket Internet SE†	305,549	257,878
403,000	Trans-Lux Corp.†(a)	3,940,122	1,098,175	100,000	Rockwell Automation Inc.	2,731,906	12,234,000
47,000	United Rentals Inc.†	587,456	3,689,030	10,000	SecureWorks Corp., Cl. A†	127,406	125,100
14,444	Vectrus Inc.†	306,666	219,982	125,000	Stratasys Ltd.†	3,600,213	3,011,250
		<u>112,094,284</u>	<u>189,212,029</u>	250,000	Tyler Technologies Inc.†	1,023,442	42,807,500
				2,000	Zedge Inc., Cl. B†	7,168	6,840
						<u>30,724,116</u>	<u>98,757,765</u>

See accompanying notes to financial statements.

The Gabelli Small Cap Growth Fund  
Schedule of Investments (Continued) — September 30, 2016

Shares		Cost	Market Value	Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>							
<b>Consumer Products — 1.6%</b>							
295,000	1-800-FLOWERS.COM Inc.,			402,000	Crane Co. ....	\$ 9,587,092	\$ 25,330,020
	Cl. A† .....	\$ 1,342,595	\$ 2,705,150	120,000	EnPro Industries Inc. ....	6,570,400	6,818,400
74,000	Brunswick Corp. ....	1,881,888	3,609,720	115,000	Greif Inc., Cl. A. ....	2,267,516	5,702,850
33,500	Chofu Seisakusho Co. Ltd. ....	484,644	872,146	117,970	Greif Inc., Cl. B. ....	5,709,954	7,147,802
100,000	Church & Dwight Co. Inc. ....	266,314	4,792,000	1,245,000	Griffon Corp. ....	13,703,772	21,177,450
90,000	Ginko International Co. Ltd. ....	1,156,197	892,951	30,000	Handy & Harman Ltd.† .....	778,029	631,200
2,000	Harley-Davidson Inc. ....	4,713	105,180	35,000	Haynes International Inc. ....	1,705,221	1,298,850
25,000	Harman International			190,000	Jardine Strategic Holdings		
	Industries Inc. ....	1,186,027	2,111,250		Ltd. ....	3,487,637	6,213,000
143,812	Hunter Douglas NV. ....	6,182,682	7,959,668	491,000	Katy Industries Inc.†(a) .....	652,646	233,225
2,800	Kobayashi Pharmaceutical Co			48,000	Key Technology Inc.† .....	678,183	518,880
	Ltd. ....	115,862	145,239	205,018	Kimball International Inc.,		
491,085	Marine Products Corp. ....	1,506,990	4,405,032		Cl. B. ....	2,084,730	2,652,933
10,000	National Presto Industries			27,000	L.B. Foster Co., Cl. A. ....	340,898	324,270
	Inc. ....	300,897	877,900	80,000	Lawson Products Inc.† .....	1,171,587	1,418,400
12,000	Newell Brands Inc. ....	112,731	631,920	95,000	Lincoln Electric Holdings Inc. ....	2,555,503	5,948,900
420,000	Sally Beauty Holdings Inc.† .....	2,845,224	10,785,600	61,000	Lindsay Corp. ....	1,511,197	4,512,780
220,000	Samick Musical Instruments			34,000	Lydall Inc.† .....	383,806	1,738,420
	Co. Ltd. ....	299,584	551,323	31,000	Matthews International Corp.,		
13,000	Shimano Inc. ....	1,500,919	1,912,726		Cl. A. ....	738,675	1,883,560
9,750	Steven Madden Ltd.† .....	36,466	336,960	592,576	Myers Industries Inc. ....	6,667,772	7,697,562
150,000	Swedish Match AB .....	2,992,162	5,504,266	126,000	Oil-Dri Corp. of America. ....	1,382,128	4,742,640
87,425	Syrtech Corp.† .....	17,426	262	125,000	Olin Corp. ....	2,446,749	2,565,600
25,000	The Scotts Miracle-Gro Co.,			310,000	Park-Ohio Holdings Corp. ....	3,082,761	11,299,500
	Cl. A. ....	771,996	2,081,750	19,000	Pentair plc. ....	727,134	1,220,560
22,000	WD-40 Co. ....	606,916	2,473,460	99,000	Raven Industries Inc. ....	2,453,433	2,279,970
105,000	Wolverine World Wide Inc. ....	542,857	2,418,150	32,000	Roper Technologies Inc. ....	620,029	5,839,040
		24,155,090	55,172,653	313,000	Sevcon Inc.†(a) .....	1,981,995	2,770,050
				140,000	Sevcon Inc.†(a)(b) .....	1,081,886	1,239,000
				96,000	Sonoco Products Co. ....	2,940,089	5,071,680
				200	Spectrum Brands Holdings		
53,000	<b>Consumer Services — 1.3%</b>				Inc. ....	22,606	27,538
2,750	Bowlin Travel Centers Inc.† .....	53,947	78,175	58,000	Standex International Corp. ....	1,563,076	5,386,460
18,000	Collectors Universe Inc. ....	1,420	50,958	264,446	Steel Partners Holdings LP† .....	4,477,060	3,794,800
265,017	IAC/InterActiveCorp. ....	199,991	1,124,460	7,000	T Hasegawa Co. Ltd. ....	105,119	128,534
100,000	KAR Auction Services Inc. ....	3,573,437	11,438,134	8,000	Terex Corp. ....	190,480	203,280
	Liberty Interactive Corp. QVC			390,000	Textron Inc. ....	2,523,213	15,502,500
	Group, Cl. A† .....	1,487,382	2,001,000	539,036	Tredegar Corp. ....	9,222,799	10,020,679
37,000	Liberty TripAdvisor Holdings			244,000	Trinity Industries Inc. ....	3,786,904	5,899,920
	Inc., Cl. A† .....	393,577	808,450			106,369,248	192,446,939
50,000	Liberty Ventures, Cl. A† .....	586,245	1,993,500				
900,000	Rollins Inc. ....	2,281,581	26,352,000				
		8,577,580	43,846,677				
				59,000	<b>Educational Services — 0.0%</b>		
17,500	<b>Diversified Industrial — 5.6%</b>			125,000	Career Education Corp.† .....	416,169	400,610
30,000	Acuity Brands Inc. ....	255,011	4,630,500	265,125	Corinthian Colleges Inc.† .....	209,899	119
101,000	Aegion Corp.† .....	561,304	572,100		Universal Technical Institute		
	Albany International Corp.,				Inc. ....	4,059,067	471,923
	Cl. A. ....	2,239,244	4,280,380			4,685,135	872,652
216,000	Ampco-Pittsburgh Corp. ....	2,987,828	2,395,440				
6,000	Anixter International Inc.† .....	57,120	387,000	196,000	<b>Electronics — 1.6%</b>		
50,000	Burnham Holdings Inc., Cl. A. ....	963,334	854,500	284,000	Badger Meter Inc. ....	2,797,399	6,567,960
40,076	Covisint Corp.† .....	103,328	87,366	550,000	Bel Fuse Inc., Cl. A(a) .....	6,448,441	5,722,600
					CTS Corp. ....	5,306,161	10,230,000

See accompanying notes to financial statements.





# The Gabelli Small Cap Growth Fund

## Schedule of Investments (Continued) — September 30, 2016

Shares	Cost	Market Value	Shares	Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			131,000		
<b>Equipment and Supplies (Continued)</b>					
40,500	AZZ Inc. .... \$ 1,280,665	\$ 2,643,435	12,500	Calamos Asset Management Inc., Cl. A. .... \$ 1,566,158	\$ 893,420
10,000	Belden Inc. .... 119,356	689,900	22,000	Capitol Federal Financial Inc. .... 125,000	175,875
536,000	CIRCOR International Inc. .... 15,598,243	31,924,160		Crazy Woman Creek Bancorp Inc. .... 343,564	290,180
222,000	CLARCOR Inc. .... 1,449,019	14,430,000	636,000	Energy Transfer Equity LP .... 1,235,930	10,678,440
325,000	Core Molding Technologies Inc.† ..... 638,902	5,492,500	80,000	FCB Financial Holdings Inc., Cl. A† ..... 2,298,603	3,074,400
165,000	Crown Holdings Inc.† ..... 666,877	9,419,850	9,967	Fidelity Southern Corp. .... 63,366	183,293
2,335	Danaher Corp. .... 15,131	183,041	500,093	Flushing Financial Corp. .... 8,835,466	11,862,206
178,000	Donaldson Co. Inc. .... 1,577,779	6,644,740	305,064	Fortress Investment Group LLC, Cl. A ..... 1,650,314	1,507,016
215,000	Entegris Inc.† ..... 1,209,536	3,745,300	1,148,300	GAM Holding AG ..... 14,898,731	10,968,836
830,063	Federal Signal Corp. .... 5,906,469	11,006,635	250,000	Hilltop Holdings Inc.† ..... 5,543,303	5,615,000
300,000	Flowserve Corp. .... 2,954,946	14,472,000	310,000	Hope Bancorp Inc. .... 3,512,655	5,384,700
315,500	Franklin Electric Co. Inc. .... 1,601,373	12,844,005	455,800	Huntington Bancshares Inc. ... 4,363,341	4,494,188
244,000	Graco Inc. .... 8,720,951	18,056,000	1,350,000	Janus Capital Group Inc. .... 13,871,453	18,913,500
93,000	IDEX Corp. .... 705,777	8,702,010	156,400	KeyCorp. .... 2,428,474	1,903,388
455,000	Interpump Group SpA. .... 2,802,617	7,753,794	750,072	KKR & Co. LP. .... 4,155,605	10,696,027
68,000	Itron Inc.† ..... 2,820,377	3,791,680	180,000	Legg Mason Inc. .... 4,136,892	6,026,400
38,000	Littelfuse Inc. .... 745,492	4,894,780	15,000	M&T Bank Corp. .... 1,294,650	1,741,500
55,000	Maezawa Kyuso Industries Co. Ltd. .... 359,609	730,585	11,500	Manning & Napier Inc. .... 117,859	81,535
100,000	Manitowoc Foodservice Inc.† ..... 513,586	1,622,000	60,024	Medallion Financial Corp. .... 453,245	253,301
81,000	Minerals Technologies Inc. ... 4,034,941	5,725,890	280,000	Och-Ziff Capital Management Group LLC, Cl. A. .... 1,871,733	1,215,200
6,000	MSA Safety Inc. .... 179,592	348,240	165,000	Oritani Financial Corp. .... 1,685,540	2,593,800
688,000	Mueller Industries Inc. .... 18,450,507	22,304,960	32,000	PrivateBancorp Inc. .... 541,949	1,469,440
530,000	Mueller Water Products Inc., Cl. A ..... 3,997,254	6,651,500	56,000	Pzena Investment Management Inc., Cl. A .... 532,967	431,200
10,000	Plantronics Inc. .... 262,977	519,600	1,155	Southeastern Bank Financial Corp. .... 62,147	62,133
2,000	Regal Beloit Corp. .... 59,351	118,980	12,000	State Auto Financial Corp. .... 284,397	285,720
4,000	Teleflex Inc. .... 60,933	672,200	431,887	Sterling Bancorp ..... 4,773,930	7,558,023
282,000	Tennant Co. .... 5,860,985	18,273,600	14,000	T. Rowe Price Group Inc. .... 603,780	931,000
870,000	The Gorman-Rupp Co. .... 14,653,416	22,280,700	14,000	TFS Financial Corp. .... 205,115	249,340
155,000	The Greenbrier Companies Inc. .... 2,327,736	5,471,500	150,000	The Charles Schwab Corp. .... 2,404,087	4,735,500
259,100	The L.S. Starrett Co., Cl. A. ... 3,190,006	2,544,362	454	Thomasville Bancshares Inc. ... 14,991	14,766
100,000	The Manitowoc Co. Inc. .... 153,409	479,000	10,000	Universal American Corp. .... 68,617	76,500
75,000	The Middleby Corp.† ..... 1,121,311	9,271,500	40,782	Value Line Inc. .... 570,979	662,300
40,000	The Timken Co. .... 1,374,376	1,405,600	31,209	Virtu Financial Inc., Cl. A ..... 581,067	467,199
48,000	The Toro Co. .... 845,248	2,248,320	465,000	Waddell & Reed Financial Inc., Cl. A. .... 8,782,517	8,444,400
7,500	Valmont Industries Inc. .... 172,236	1,009,275	10,121	Waterloo Investment Holdings Ltd.† ..... 1,390	405
149,000	Vicor Corp.† ..... 1,299,938	1,728,400	572,300	Wright Investors' Service Holdings Inc.† ..... 1,177,469	400,610
7,875	Watsco Inc., Cl. B ..... 23,627	1,124,904	30,000	Yadkin Financial Corp. .... 648,150	788,700
176,500	Watts Water Technologies Inc., Cl. A. .... 4,730,803	11,444,260		<u>98,867,397</u>	<u>132,875,388</u>
		<u>113,824,271</u>			
		<u>302,530,486</u>			
<b>Financial Services — 3.9%</b>			<b>Food and Beverage — 10.7%</b>		
10,800	Alleghany Corp.† ..... 1,858,237	5,670,216	575,000	Arca Continental SAB de CV .. 1,132,490	3,422,169
29,282	Argo Group International Holdings Ltd. .... 724,275	1,652,090			
24,000	Astoria Financial Corp. .... 369,433	350,400			
107,700	BKF Capital Group Inc.† ..... 210,018	73,241			

See accompanying notes to financial statements.

# The Gabelli Small Cap Growth Fund

## Schedule of Investments (Continued) — September 30, 2016

Shares	Cost	Market Value	Shares	Cost	Market Value
<b>COMMON STOCKS (Continued)</b>					
<b>Food and Beverage (Continued)</b>					
3,000			22,000	Vina Concha Y Toro SA, ADR . \$	820,659 \$ 766,920
			1,400,000	Vitasoy International Holdings Ltd. ....	1,028,189 2,822,959
			20,000	Willamette Valley Vineyards Inc.† .....	73,225 159,000
113,000	Brown-Forman Corp., Cl. A ...	1,092,699 5,621,750	150,000	Yakult Honsha Co. Ltd. ....	3,747,741 6,715,645
15,000	Brown-Forman Corp., Cl. B ...	144,052 711,600			183,211,117 365,231,085
21,000	Bull-Dog Sauce Co. Ltd. ....	120,234 423,500	<b>Health Care — 5.6%</b>		
5,000,000	China Tontine Wines Group Ltd.† .....	960,438 156,000	40,000	Achaogen Inc.† .....	409,599 191,600
220,000	Chr. Hansen Holding A/S .....	9,205,103 13,078,049	10,000	Akorn Inc.† .....	313,132 272,600
575,000	Cott Corp. ....	4,350,426 8,193,750	25,000	Alerie Inc.† .....	645,066 1,081,000
350,000	Crimson Wine Group Ltd.† ...	3,112,381 3,027,500	13,200	Align Technology Inc.† .....	95,890 1,237,500
1,800,000	Davide Campari-Milano SpA ..	11,746,861 20,281,064	22,000	Allergan plc† .....	6,783,480 5,066,820
55,000	Dean Foods Co. ....	656,947 902,000	78,000	AngioDynamics Inc.† .....	856,768 1,368,120
265,000	Denny's Corp.† .....	868,404 2,832,850	7,000	Anika Therapeutics Inc.† .....	63,228 334,950
302,000	Dr Pepper Snapple Group Inc. ....	6,135,751 27,575,620	43,000	Biolase Inc.† .....	38,708 75,250
3,500,000	Dynasty Fine Wines Group Ltd.† .....	1,246,520 649,786	12,400	Bio-Rad Laboratories Inc., Cl. A† .....	883,151 2,031,244
110,000	Farmer Brothers Co.† .....	1,983,969 3,910,500	18,000	Brucker Corp. ....	164,975 407,700
510,000	Flowers Foods Inc. ....	1,347,594 7,711,200	186,000	Cantel Medical Corp. ....	2,155,559 14,504,280
145,000	Ingredion Inc. ....	3,043,782 19,293,700	160,000	Cempra Inc.† .....	2,392,808 3,872,000
180,000	ITO EN Ltd. ....	3,741,497 6,354,716	218,000	Cepheid† .....	2,991,037 11,486,420
89,200	Iwatsuka Confectionery Co. Ltd. ....	5,078,214 3,078,744	180,000	Chemed Corp. ....	4,982,598 25,392,600
23,500	J & J Snack Foods Corp. ....	531,096 2,799,320	59,000	CONMED Corp. ....	1,505,771 2,363,540
143,000	Kameda Seika Co. Ltd. ....	5,790,287 7,939,352	385,000	Cutera Inc.† .....	4,034,485 4,589,200
1,300,000	Kikkoman Corp. ....	13,674,730 41,280,016	83,000	DexCom Inc.† .....	714,427 7,275,780
240,892	Lifeway Foods Inc.† .....	2,490,576 4,080,710	210,024	Exactech Inc.† .....	3,283,169 5,676,949
1,200,000	Maple Leaf Foods Inc. ....	21,546,913 27,540,684	175,000	Globus Medical Inc., Cl. A† ...	4,095,135 3,949,750
6,000	MEIJI Holdings Co. Ltd. ....	117,526 591,095	43,000	Henry Schein Inc.† .....	844,050 7,008,140
72,000	MGP Ingredients Inc. ....	382,002 2,917,440	4,500	Heska Corp.† .....	36,434 244,935
450,000	Morinaga Milk Industry Co. Ltd. ....	1,808,850 3,581,184	46,500	ICU Medical Inc.† .....	2,163,255 5,876,670
21,000	National Beverage Corp.† .....	818,085 925,050	99,000	Integer Holdings Corp.† .....	2,270,116 2,147,310
85,000	NISSIN FOODS HOLDINGS CO. LTD. ....	2,907,986 5,138,307	6,500	K2M Group Holdings Inc.† ...	113,793 115,570
30,000	Nutrisystem Inc. ....	382,707 890,700	122,019	Kindred Healthcare Inc. ....	1,725,121 1,247,034
6,500,000	Parmalat SpA .....	17,935,803 17,217,673	17,600	Lexicon Pharmaceuticals Inc.† .....	230,556 318,032
277,000	Post Holdings Inc.† .....	9,829,762 21,376,090	35,000	LivaNova plc† .....	1,851,986 2,103,850
320,000	Rock Field Co. Ltd. ....	2,505,527 4,746,117	122,000	Masimo Corp.† .....	3,191,918 7,257,780
889,236	Snyder's-Lance Inc. ....	20,473,780 29,860,545	204,000	Meridian Bioscience Inc. ....	4,152,151 3,935,160
25,000	The Boston Beer Co. Inc., Cl. A† .....	535,992 3,881,500	19,853	Neogen Corp.† .....	576,800 1,110,577
427,000	The Hain Celestial Group Inc.† .....	3,735,408 15,192,660	145,000	NuVasive Inc.† .....	4,284,884 9,665,700
76,000	The J.M. Smucker Co. ....	2,608,859 10,301,040	25,500	Nuvector Corp.† .....	174,575 176,460
185,000	The WhiteWave Foods Co.† ...	2,425,256 10,069,550	18,000	Ophthotech Corp.† .....	726,750 830,340
800,000	Tingyi (Cayman Islands) Holding Corp. ....	1,806,272 926,203	319,500	OPKO Health Inc.† .....	1,967,486 3,383,505
337,001	Tootsie Roll Industries Inc. ...	6,483,394 12,411,747	163,444	Orthofix International NV† ...	4,090,071 6,990,500
95,000	United Natural Foods Inc.† ...	2,727,489 3,803,800	69,678	Owens & Minor Inc. ....	1,452,849 2,419,917
			160,000	Pain Therapeutics Inc.† .....	516,921 159,984
			50,000	Patterson Companies Inc. ....	1,908,401 2,297,000
			636,000	Quidel Corp.† .....	7,144,104 14,049,240
			205,000	RTI Surgical Inc.† .....	1,010,145 641,650
			25,000	Seikagaku Corp. ....	292,810 407,524

See accompanying notes to financial statements.

# The Gabelli Small Cap Growth Fund

## Schedule of Investments (Continued) — September 30, 2016

Shares		Cost	Market Value	Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>				<b>Machinery — 1.6%</b>			
<b>Health Care (Continued)</b>				<b>Manufactured Housing and Recreational Vehicles — 0.4%</b>			
54,084	STERIS plc.....	\$ 4,031,421	\$ 3,953,540	470,000	Astec Industries Inc.....	\$ 17,146,572	\$ 28,138,900
2,300	Straumann Holding AG.....	206,988	899,048	3,000	Capstone Turbine Corp.†.....	4,212	4,110
3,000	Stryker Corp.....	142,188	349,230	1,700,000	CNH Industrial NV.....	5,782,380	12,274,000
43,000	SurModics Inc.†.....	892,751	1,293,870	2,000	Disco Corp.....	156,366	234,505
14,000	Syneron Medical Ltd.†.....	116,750	100,240	300,000	Kennametal Inc.....	6,569,742	8,706,000
104,000	Tetraphase Pharmaceuticals Inc.†.....	649,903	398,320	6,000	Nordson Corp.....	107,171	597,780
26,500	The Cooper Companies Inc. ...	1,018,432	4,750,390	166,500	The Eastern Co.....	3,243,577	3,334,995
45,500	United-Guardian Inc.....	411,719	662,480	182,900	Twin Disc Inc.....	3,346,951	2,191,142
70,000	Vascular Solutions Inc.†.....	528,293	3,376,100	10,000	Xylem Inc.....	362,059	524,500
404,500	Wright Medical Group NV†... ..	8,320,598	9,922,385			36,719,030	56,005,932
19,000	Zeltiq Aesthetics Inc.†.....	485,205	745,180				
		<u>93,938,410</u>	<u>190,014,964</u>				
<b>Home Furnishings — 0.4%</b>				<b>Metals and Mining — 0.5%</b>			
212,050	Bassett Furniture Industries Inc.....	2,326,401	4,930,164	15,500	Allegheny Technologies Inc. ...	274,648	280,085
35,000	Bed Bath & Beyond Inc.....	992,346	1,508,850	52,003	Barrick Gold Corp.....	1,522,648	921,493
62,700	Ethan Allen Interiors Inc.....	1,540,490	1,960,629	174,750	Century Aluminum Co.†.....	1,916,670	1,214,514
210,000	La-Z-Boy Inc.....	4,169,516	5,157,600	20,000	Constellium NV, Cl. A†.....	134,975	144,000
		<u>9,028,753</u>	<u>13,557,243</u>	45,000	Ivanhoe Mines Ltd., Cl. A†....	117,783	78,204
<b>Hotels and Gaming — 3.3%</b>				135,000	Kinross Gold Corp.†.....	796,824	568,350
152,000	Belmond Ltd., Cl. A†.....	1,430,860	1,931,920	345,000	Materion Corp.....	7,808,783	10,594,950
500,000	Boyd Gaming Corp.†.....	4,146,653	9,890,000	52,100	Stillwater Mining Co.†.....	477,514	696,056
190,000	Canterbury Park Holding Corp.....	1,954,657	1,995,000	90,000	TimkenSteel Corp.†.....	1,319,196	940,500
221,300	Churchill Downs Inc.....	9,336,286	32,387,255	245,000	Turquoise Hill Resources Ltd.†.....	1,368,145	727,650
170,000	Dover Downs Gaming & Entertainment Inc.†.....	728,732	187,000	45,000	United States Steel Corp.....	448,111	848,700
148,000	Formosa International Hotels Corp.....	1,300,083	847,522	15,000	Yamana Gold Inc.....	50,671	64,650
116,000	Gaming and Leisure Properties Inc.....	1,267,163	3,880,200			16,235,968	17,079,152
1,000,000	Genting Singapore plc.....	969,758	549,974				
165,000	Golden Entertainment Inc.....	1,406,273	2,057,550	<b>Paper and Forest Products — 0.0%</b>			
70,000	International Game Technology plc.....	1,325,186	1,706,600	16,000	Schweitzer-Mauduit International Inc.....	373,701	616,960
173,000	Las Vegas Sands Corp.....	908,003	9,954,420	<b>Publishing — 0.8%</b>			
3,150,000	Mandarin Oriental International Ltd.....	4,525,377	4,110,750	80,000	Cambium Learning Group Inc.†.....	261,134	434,400
94,500	Morgans Hotel Group Co.†... ..	642,826	190,890	3,100	Graham Holdings Co., Cl. B... ..	1,435,776	1,492,247
30,000	Penn National Gaming Inc.†... ..	131,625	407,100	1,075,000	Il Sole 24 Ore SpA†.....	1,242,777	611,653
560,000	Ryman Hospitality Properties Inc.....	16,389,148	26,969,600	12,000	John Wiley & Sons Inc., Cl. B.....	46,500	646,080
2,900,000	The Hongkong & Shanghai Hotels Ltd.....	3,109,105	2,878,913	57,000	Meredith Corp.....	1,779,993	2,963,430
385,057	The Marcus Corp.....	4,939,900	9,641,827	65,000	News Corp., Cl. A.....	91,837	908,700
24,000	Wynn Resorts Ltd.....	199,481	2,338,080	1,300,000	The E.W. Scripps Co., Cl. A†... ..	12,675,118	20,670,000
		<u>54,711,116</u>	<u>111,924,601</u>			17,533,135	27,726,510
				<b>Real Estate — 1.3%</b>			
				60,000	Capital Properties Inc., Cl. A†... ..	683,966	645,000
				160,000	Cohen & Steers Inc.....	3,637,458	6,840,000

See accompanying notes to financial statements.

# The Gabelli Small Cap Growth Fund

## Schedule of Investments (Continued) — September 30, 2016

Shares		Cost	Market Value	Shares		Cost	Market Value
	<b>COMMON STOCKS (Continued)</b>						
	<b>Real Estate (Continued)</b>			194,000	Tractor Supply Co. ....	\$ 1,774,881	\$ 13,065,900
235,000	Griffin Industrial Realty Inc. ..	\$ 4,084,962	\$ 7,447,150	44,073	Village Super Market Inc., Cl. A .....	1,147,845	1,410,777
6,967	Gyrodyne LLC.....	201,352	131,676	130,000	Vitamin Shoppe, Inc.†.....	4,259,266	3,490,500
20,000	Lamar Advertising Co., Cl. A..	184,258	1,306,200	56,000	Weis Markets Inc.....	1,772,705	2,968,000
103,000	Morguard Corp.....	1,314,900	13,425,054	1,054	Winmark Corp.....	72,976	111,218
43,747	New Senior Investment Group Inc. ....	496,047	504,840	12,000	Yoox Net-A-Porter Group SpA†.....	295,129	371,516
5,500	Seritage Growth Properties, Cl. A .....	278,127	278,740			121,082,824	208,039,975
130,000	Tejon Ranch Co.† .....	3,608,091	3,161,600		<b>Specialty Chemicals — 4.8%</b>		
505,060	The St. Joe Co.† .....	8,182,966	9,283,003	55,000	A. Schulman Inc.....	1,316,740	1,601,600
		22,672,127	43,023,263	98,000	Albemarle Corp.....	3,367,963	8,378,020
				72,000	Ashland Global Holdings Inc. .	2,304,412	8,348,400
	<b>Retail — 6.1%</b>			1,450,000	Chemtura Corp.†.....	31,620,144	47,574,500
330,000	Aaron's Inc.....	3,379,591	8,388,600	2,307,100	Ferro Corp.† .....	15,212,349	31,861,051
200,000	AutoNation Inc.† .....	3,399,442	9,742,000	305,000	H.B. Fuller Co. ....	4,074,383	14,173,350
20,224	Barnes & Noble Education Inc.† .....	151,401	193,544	91,000	Hawkins Inc. ....	3,325,886	3,943,030
32,000	Barnes & Noble Inc.....	293,897	361,600	1,050,000	Huntsman Corp. ....	7,984,216	17,083,500
320,700	Big 5 Sporting Goods Corp. . .	4,271,391	4,367,934	16,000	NewMarket Corp. ....	1,655,130	6,869,120
22,639	Biglari Holdings Inc.† .....	6,366,435	9,871,057	300,000	OMNOVA Solutions Inc.†.....	574,864	2,532,000
193,000	Casey's General Stores Inc....	7,490,852	23,188,950	37,000	Platform Specialty Products Corp.† .....	347,769	300,070
50,000	Coldwater Creek Inc.† .....	71,495	735	12,000	Quaker Chemical Corp. ....	196,457	1,271,160
82,000	Copart Inc.† .....	1,407,742	4,391,920	250,000	Sensient Technologies Corp... .	5,092,725	18,950,000
1,000	Cracker Barrel Old Country Store Inc. ....	59,645	132,220	7,500	Takasago International Corp. .	201,942	199,916
455,000	CST Brands Inc.....	15,649,819	21,880,950	2,500	Valvoline Inc.† .....	55,000	58,725
443,000	Dominion Diamond Corp. ....	6,310,531	4,314,820			77,329,980	163,144,442
2,500	Dunkin' Brands Group Inc. ....	47,500	130,200		<b>Telecommunications — 1.8%</b>		
13,000	Fairway Group Holdings Corp.† .....	2,760	91	86,200	ATN International Inc. ....	3,953,387	5,606,448
105,000	GNC Holdings Inc., Cl. A.....	3,084,494	2,144,100	2,800,000	Cincinnati Bell Inc.† .....	9,218,908	11,424,000
20,000	Hertz Global Holdings Inc.†... .	938,438	803,200	64,000	Consolidated Communi- cations Holdings Inc. ....	632,706	1,615,360
80,000	HSN Inc.....	2,423,032	3,184,000	898,079	Gogo Inc.† .....	14,743,591	9,914,792
665,000	Ingles Markets Inc., Cl. A.....	11,051,587	26,294,100	33,000	Harris Corp.....	2,613,407	3,023,130
665,000	J.C. Penney Co. Inc.† .....	8,094,551	6,131,300	250,000	HC2 Holdings Inc.† .....	1,000,923	1,362,500
61,000	Lands' End Inc.† .....	1,236,183	884,500	6,000	IDT Corp., Cl. B .....	40,619	103,440
180,000	Macy's Inc. ....	2,590,692	6,669,000	12,000	Iridium Communications Inc.† .....	96,080	97,320
80,000	Movado Group Inc.....	1,353,733	1,718,400	342,000	Ixia† .....	4,801,104	4,275,000
77,000	Murphy USA Inc.† .....	2,994,428	5,494,720	39,000	Loral Space & Communi- cations Inc.† .....	1,527,120	1,525,290
157,000	Nathan's Famous Inc.† .....	262,984	8,249,565	140,000	New ULM Telecom Inc.....	1,294,046	1,043,000
1,500	Neff Corp., Cl. A† .....	13,803	14,250	40,000	Pharol SGPS SA .....	16,517	10,784
100,000	Penske Automotive Group Inc. ....	1,476,842	4,818,000	115,000	Rogers Communications Inc., Cl. B .....	555,319	4,878,300
492,498	Pier 1 Imports Inc.....	5,556,441	2,088,192	232,010	Shenandoah Telecommuni- cations Co. ....	982,995	6,312,992
290,000	Rush Enterprises Inc., Cl. B† .	3,282,048	7,049,900	705,000	Sprint Corp.† .....	3,684,619	4,674,150
4,000	Salvatore Ferragamo SpA.....	78,673	101,551	6,629	Straight Path Communi- cations Inc., Cl. B†.....	122,880	169,769
3,100	Sprouts Farmers Market Inc.† .....	57,829	64,015	37,584	Verizon Communications Inc..	846,702	1,953,616
255,000	SUPERVALU Inc.† .....	2,199,484	1,272,450				
380,000	The Bon-Ton Stores Inc.....	2,705,213	649,800				
440,000	The Cheesecake Factory Inc....	13,457,066	22,026,400				

See accompanying notes to financial statements.

# The Gabelli Small Cap Growth Fund

## Schedule of Investments (Continued) — September 30, 2016

Shares		Cost	Market Value	Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>				<b>WARRANTS — 0.0%</b>			
<b>Telecommunications (Continued)</b>				<b>Diversified Industrial — 0.0%</b>			
808,000	VimpelCom Ltd., ADR .....	\$ 2,333,746	\$ 2,811,840	70,000	Sevcon Inc., expire 07/11/21†(a) .....	\$ 194,914	\$ 257,049
		<u>48,464,669</u>	<u>60,801,731</u>				
<b>Transportation — 0.8%</b>				<b>Principal Amount</b>			
490,000	GATX Corp. ....	15,218,669	21,829,500	\$ 300,000	<b>CORPORATE BONDS — 0.0%</b>		
20,000	Irish Continental Group plc ...	14,688	99,529		<b>Automotive — 0.0%</b>		
415,000	ModusLink Global Solutions Inc.† .....	1,509,095	680,600		Navistar International Corp., 8.250%, 11/01/21 .....	205,115	298,500
127,000	Navigator Holdings Ltd.† .....	1,862,107	913,130	58,838	<b>Real Estate — 0.0%</b>		
133,332	Providence and Worcester Railroad Co. ....	1,892,820	3,303,967		Capital Properties Inc., 5.000%, 12/31/22 .....	58,838	58,800
		<u>20,497,379</u>	<u>26,826,726</u>		<b>TOTAL CORPORATE BONDS ..</b>	<u>263,953</u>	<u>357,300</u>
<b>Wireless Communications — 0.1%</b>				73,112,000	<b>U.S. GOVERNMENT OBLIGATIONS — 2.1%</b>		
62,000	Millicom International Cellular SA, SDR .....	4,443,283	3,216,068		U.S. Treasury Bills, 0.120% to 0.451%††, 10/13/16 to 03/09/17 .....	73,050,344	73,064,153
50,000	United States Cellular Corp.† ..	1,991,054	1,817,000		<b>TOTAL INVESTMENTS — 100.0% ..</b>	<u>\$ 1,800,199,478</u>	<u>3,416,611,186</u>
		<u>6,434,337</u>	<u>5,033,068</u>		<b>Other Assets and Liabilities (Net) — 0.0%</b>		<u>(1,352,396)</u>
<b>TOTAL COMMON STOCKS ....</b>					<b>NET ASSETS — 100.0%</b>		<u>\$ 3,415,258,790</u>
		<u>1,720,755,094</u>	<u>3,335,222,732</u>				
<b>PREFERRED STOCKS — 0.1%</b>							
<b>Automotive: Parts and Accessories — 0.1%</b>							
138,000	Jungheinrich AG .....	948,781	4,666,970				
<b>CONVERTIBLE PREFERRED STOCKS — 0.1%</b>							
<b>Business Services — 0.0%</b>							
14,747	Trans-Lux Pfd., Ser. B(a) .....	2,949,400	870,492				
<b>Diversified Industrial — 0.1%</b>							
60,098	Sevcon Inc., 4.000%, Ser. A(a) .....	1,292,107	1,588,390				
<b>TOTAL CONVERTIBLE PREFERRED STOCKS .....</b>							
		<u>4,241,507</u>	<u>2,458,882</u>				
<b>RIGHTS — 0.0%</b>							
<b>Health Care — 0.0%</b>							
58,000	Durata Therapeutics Inc., CVR, expire 12/31/20† .....	0	0				
300,000	Sanofi, CVR, expire 12/31/20† .....	280,936	80,100				
		<u>280,936</u>	<u>80,100</u>				
<b>Wireless Communications — 0.0%</b>							
200,000	Leap Wireless International Inc., CVR, expire 03/14/17† .....	463,949	504,000				
<b>TOTAL RIGHTS .....</b>							
		<u>744,885</u>	<u>584,100</u>				

- (a) Security considered an affiliated holding because the Fund owns at least 5% of its outstanding shares.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2016, the market value of the Rule 144A security amounted to \$1,239,000 or 0.04% of total net assets.
- † Non-income producing security.
- †† Represents annualized yield at date of purchase.
- ADR American Depositary Receipt
- CVR Contingent Value Right
- SDR Swedish Depositary Receipt

See accompanying notes to financial statements.

## The Gabelli Small Cap Growth Fund

### Statement of Assets and Liabilities September 30, 2016

<b>Assets:</b>	
Investments, at value (cost \$1,777,236,994) ..	\$3,395,525,105
Investments in affiliates, at value (cost \$22,962,484) .....	21,086,081
Foreign currency, at value (cost \$898,786) .....	903,024
Cash .....	68,772
Receivable for Fund shares sold .....	2,947,437
Receivable for investments sold .....	2,542,938
Dividends and interest receivable .....	3,089,000
Prepaid expenses .....	58,792
<b>Total Assets</b> .....	<u>\$3,426,221,149</u>
<b>Liabilities:</b>	
Payable for Fund shares redeemed .....	5,991,122
Payable for investments purchased .....	718,431
Payable for investment advisory fees .....	2,775,903
Payable for distribution fees .....	606,251
Payable for accounting fees .....	7,500
Payable for shareholder services fees .....	549,547
Other accrued expenses .....	313,605
<b>Total Liabilities</b> .....	<u>10,962,359</u>
<b>Net Assets</b> (applicable to 68,215,556 shares outstanding) .....	<u>\$3,415,258,790</u>
<b>Net Assets Consist of:</b>	
Paid-in capital .....	\$1,688,408,905
Accumulated net investment loss .....	(817,977)
Accumulated net realized gain on investments and foreign currency transactions .....	111,262,052
Net unrealized appreciation on investments ...	1,616,411,708
Net unrealized depreciation on foreign currency translations .....	(5,898)
<b>Net Assets</b> .....	<u>\$3,415,258,790</u>
<b>Shares of Capital Stock, each at \$0.001 par value:</b>	
<b>Class AAA:</b>	
Net Asset Value, offering, and redemption price per share (\$1,779,332,793 ÷ 35,492,950 shares outstanding; 150,000,000 shares authorized) .....	<u>\$50.13</u>
<b>Class A:</b>	
Net Asset Value and redemption price per share (\$270,163,006 ÷ 5,391,330 shares outstanding; 50,000,000 shares authorized) ..	<u>\$50.11</u>
Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price) .....	<u>\$53.17</u>
<b>Class C:</b>	
Net Asset Value and offering price per share (\$227,464,135 ÷ 5,050,094 shares outstanding; 50,000,000 shares authorized) ..	<u>\$45.04(a)</u>
<b>Class I:</b>	
Net Asset Value, offering, and redemption price per share (\$1,138,298,856 ÷ 22,281,182 shares outstanding; 50,000,000 shares authorized) .....	<u>\$51.09</u>

(a) Redemption price varies based on the length of time held.

### Statement of Operations For the Year Ended September 30, 2016

<b>Investment Income:</b>	
Dividends - unaffiliated (net of foreign withholding taxes of \$584,746) .....	\$ 46,498,721
Dividends - affiliated .....	305,131
Interest .....	276,080
<b>Total Investment Income</b> .....	<u>47,079,932</u>
<b>Expenses:</b>	
Investment advisory fees .....	33,157,903
Distribution fees - Class AAA .....	4,397,010
Distribution fees - Class A .....	685,948
Distribution fees - Class C .....	2,237,675
Shareholder services fees .....	3,032,616
Shareholder communication expenses .....	574,125
Custodian fees .....	330,838
Legal and audit fees .....	142,124
Registration expenses .....	124,597
Directors' fees .....	113,211
Accounting fees .....	45,000
Interest expense .....	3,479
Miscellaneous expenses .....	177,554
<b>Total Expenses</b> .....	<u>45,022,080</u>
Less:	
Advisory fee reduction on unsupervised assets (See Note 3) .....	(9,671)
Expenses paid indirectly by broker (See Note 6) .....	(20,537)
Reimbursement for custody fees .....	(430,403)
<b>Total Credits, Reductions, and Reimbursements</b> .....	<u>(460,611)</u>
<b>Net Expenses</b> .....	<u>44,561,469</u>
<b>Net Investment Income</b> .....	<u>2,518,463</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:</b>	
Net realized gain on investments - unaffiliated ..	135,951,848
Net realized loss on investments - affiliated .....	(97,871)
Net realized gain on foreign currency transactions .....	58,808
Net realized gain on investments and foreign currency transactions .....	<u>135,912,785</u>
Net change in unrealized appreciation/depreciation: on investments .....	298,631,344
on foreign currency translations .....	764
Net change in unrealized appreciation/ depreciation on investments and foreign currency translations .....	<u>298,632,108</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency</b> .....	<u>434,544,893</u>
<b>Net Increase in Net Assets Resulting from Operations</b> .....	<u>\$437,063,356</u>

\* The Fund received a one time reimbursement of custody expenses paid in prior years.

See accompanying notes to financial statements.

## The Gabelli Small Cap Growth Fund

### Statement of Changes in Net Assets

	<u>Year Ended</u> <u>September 30, 2016</u>	<u>Year Ended</u> <u>September 30, 2015</u>
<b>Operations:</b>		
Net investment income/(loss) .....	\$ 2,518,463	\$ (2,633,265)
Net realized gain on investments and foreign currency transactions .....	135,912,785	125,584,801
Net change in unrealized appreciation/depreciation on investments and foreign currency translations .....	<u>298,632,108</u>	<u>(159,185,970)</u>
<b>Net Increase/(Decrease) in Net Assets Resulting from Operations</b> .....	<u>437,063,356</u>	<u>(36,234,434)</u>
<b>Distributions to Shareholders:</b>		
Net realized gain		
Class AAA .....	(66,085,582)	(40,491,589)
Class A .....	(10,407,406)	(5,714,487)
Class C .....	(9,096,124)	(4,769,460)
Class I .....	<u>(38,921,755)</u>	<u>(17,578,191)</u>
<b>Total Distributions to Shareholders</b> .....	<u>(124,510,867)</u>	<u>(68,553,727)</u>
<b>Capital Share Transactions:</b>		
Class AAA .....	(171,884,032)	(275,000,296)
Class A .....	(32,204,148)	(7,559,787)
Class C .....	(12,335,617)	7,660,328
Class I .....	<u>(4,204,959)</u>	<u>184,769,629</u>
<b>Net Decrease in Net Assets from Capital Share Transactions</b> .....	<u>(220,628,756)</u>	<u>(90,130,126)</u>
<b>Redemption Fees</b> .....	<u>8,589</u>	<u>10,209</u>
<b>Net Increase/(Decrease) in Net Assets</b> .....	<u>91,932,322</u>	<u>(194,908,078)</u>
<b>Net Assets:</b>		
Beginning of year .....	<u>3,323,326,468</u>	<u>3,518,234,546</u>
End of year (including undistributed net investment income of \$0 and \$0, respectively) .....	<u>\$3,415,258,790</u>	<u>\$3,323,326,468</u>

See accompanying notes to financial statements.



# The Gabelli Small Cap Growth Fund

## Financial Highlights

Selected data for a share of capital stock outstanding throughout each year:

Year Ended September 30	Income (Loss) from Investment Operations				Distributions		Ratio to Average Net Assets/ Supplemental Data						
	Net Asset Value, Beginning of Year	Net Investment Income (Loss) (a)(b)	Net Realized Gain (Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gain on Investments	Total Distributions	Redemption Fees (b)(c)	Net Asset Value, End of Year	Total Return †	Net Investment Income (Loss) (a)	Operating Expenses (d)	Portfolio Turnover Rate
<b>Class AAA</b>													
2016	\$45.47	\$ 0.02	\$ 6.36	\$ 6.38	—	\$(1.72)	\$(1.72)	\$0.00	\$50.13	14.26%	\$ 1,779,333	1.39%(e)(f)	4%
2015	46.91	(0.05)	(0.47)	(0.52)	—	(0.92)	(0.92)	0.00	45.47	(1.25)	1,784,050	1.38(e)	9
2014	45.82	(0.14)	2.65	2.51	—	(1.42)	(1.42)	0.00	46.91	5.47	2,103,544	1.38	5
2013	35.84	0.20	10.87	11.07	\$(0.25)	(0.84)	(1.09)	0.00	45.82	31.82	2,171,213	1.39	5
2012	29.16	(0.03)	7.46	7.43	—	(0.75)	(0.75)	0.00	35.84	25.98	1,535,477	1.41	7
<b>Class A</b>													
2016	\$45.45	\$ 0.02	\$ 6.36	\$ 6.38	—	\$(1.72)	\$(1.72)	\$0.00	\$50.11	14.26%	\$ 270,163	1.39%(e)(f)	4%
2015	46.89	(0.05)	(0.47)	(0.52)	—	(0.92)	(0.92)	0.00	45.45	(1.25)	276,603	1.38(e)	9
2014	45.80	(0.14)	2.65	2.51	—	(1.42)	(1.42)	0.00	46.89	5.47	292,796	1.38	5
2013	35.84	0.17	10.89	11.06	\$(0.26)	(0.84)	(1.10)	0.00	45.80	31.80	305,617	1.39	5
2012	29.15	(0.03)	7.47	7.44	—	(0.75)	(0.75)	0.00	35.84	26.02	169,823	1.41	7
<b>Class C</b>													
2016	\$41.31	\$(0.30)	\$ 5.75	\$ 5.45	—	\$(1.72)	\$(1.72)	\$0.00	\$45.04	13.41%	\$ 227,464	2.14%(e)(f)	4%
2015	43.01	(0.38)	(0.40)	(0.78)	—	(0.92)	(0.92)	0.00	41.31	(1.98)	220,763	2.13(e)	9
2014	42.43	(0.46)	2.46	2.00	—	(1.42)	(1.42)	0.00	43.01	4.68	222,684	1.03	5
2013	33.27	(0.12)	10.12	10.00	—	(0.84)	(0.84)	0.00	42.43	30.80	186,540	2.14	5
2012	27.31	(0.26)	6.97	6.71	—	(0.75)	(0.75)	0.00	33.27	25.08	102,214	2.16	7
<b>Class I</b>													
2016	\$46.19	\$ 0.13	\$ 6.49	\$ 6.62	—	\$(1.72)	\$(1.72)	\$0.00	\$51.09	14.56%	\$ 1,138,299	1.14%(e)(f)	4%
2015	47.52	0.08	(0.49)	(0.41)	—	(0.92)	(0.92)	0.00	46.19	(1.00)	1,041,910	1.13(e)	9
2014	46.29	(0.01)	2.66	2.65	—	(1.42)	(1.42)	0.00	47.52	5.72	899,211	1.13	5
2013	36.29	0.29	10.99	11.28	\$(0.44)	(0.84)	(1.28)	0.00	46.29	32.14	568,573	0.71	5
2012	29.44	0.08	7.52	7.60	—	(0.75)	(0.75)	0.00	36.29	26.31	344,869	1.16	7

† 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) Due to capital share activity throughout the period, net investment income (loss) per share and the ratio to average net assets are not necessarily correlated among the different classes of shares.

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

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

(d) The ratios do not include a reduction of advisory fee on unsupervised assets for the year ended September 30, 2012. Including such advisory fee reduction on unsupervised assets, the ratios of operating expenses to average net assets would have been 1.40% (Class AAA and Class A), 2.15% (Class C), and 1.15% (Class I), respectively. For the years ended September 30, 2016, 2015, 2014, and 2013, the effect was minimal.

(e) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the years ended September 30, 2016 and 2015, there was no impact on the expense ratios.

(f) During the year ended September 30, 2016, the Fund received a one time reimbursement 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 this period, the expense ratios would have been 1.38% (Class AAA and Class A), 2.13% (Class C), and 1.13% (Class I).

See accompanying notes to financial statements.

## The Gabelli Small Cap Growth Fund

### Notes to Financial Statements

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**1. Organization.** The Gabelli Small Cap Growth Fund is a series of the Gabelli Equity Series Funds, Inc. (the “Corporation”). The Corporation was incorporated on July 25, 1991 in Maryland. The Fund is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), and one of three separately managed portfolios of the Corporation. The Fund seeks to provide a high level of capital appreciation. Gabelli Funds, LLC (the “Adviser”) currently characterizes small capitalization companies for the Fund as those with total common stock market values of \$3 billion or less at the time of investment. The Fund commenced investment operations on October 22, 1991.

**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.

**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 Directors (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 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 business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, 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. Debt instruments having a maturity greater than sixty days 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. U.S. government obligations with maturities greater than sixty days are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. 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.

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.

## The Gabelli Small Cap Growth Fund

### Notes to Financial Statements (Continued)

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 September 30, 2016 is as follows:

	Valuation Inputs			Total Market Value at 9/30/16
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
<b>INVESTMENTS IN SECURITIES:</b>				
<b>ASSETS (Market Value):</b>				
Common Stocks:				
Automotive: Parts and Accessories	\$ 214,537,722	\$ 1,276	—	\$ 214,538,998
Broadcasting	56,371,925	4,263,020	—	60,634,945
Business Services	188,113,854	1,098,175	—	189,212,029
Consumer Products	55,172,391	—	\$ 262	55,172,653
Consumer Services	43,768,502	78,175	—	43,846,677
Diversified Industrial	190,974,714	1,472,225	—	192,446,939
Educational Services	872,533	—	119	872,652
Entertainment	92,738,299	228,405	—	92,966,704
Equipment and Supplies	301,405,582	1,124,904	—	302,530,486
Financial Services	132,724,843	150,140	405	132,875,388
Food and Beverage	364,581,299	—	649,786	365,231,085
Manufactured Housing and Recreational Vehicles	12,956,698	1,202,370	—	14,159,068
Retail	208,039,149	—	826	208,039,975
Other Industries (a)	1,462,695,133	—	—	1,462,695,133
<b>Total Common Stocks</b>	<b>3,324,952,644</b>	<b>9,618,690</b>	<b>651,398</b>	<b>3,335,222,732</b>
Preferred Stocks (a)	4,666,970	—	—	4,666,970
Convertible Preferred Stocks (a)	—	2,458,882	—	2,458,882
Rights (a)	80,100	—	504,000	584,100
Warrants (a)	—	257,049	—	257,049
Corporate Bonds (a)	—	357,300	—	357,300
U.S. Government Obligations	—	73,064,153	—	73,064,153
<b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b>	<b>\$3,329,699,714</b>	<b>\$85,756,074</b>	<b>\$1,155,398</b>	<b>\$3,416,611,186</b>

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

The Fund did not have material transfers among Level 1, Level 2, and Level 3 during the year ended September 30, 2016. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

## The Gabelli Small Cap Growth Fund

### Notes to Financial Statements (Continued)

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#### 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 is 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 and preferred equities, warrants, options, rights, and 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. A significant change in the unobservable inputs could result in a lower or higher value in Level 3 securities. 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 back testing the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

**Derivative Financial Instruments.** The Fund may engage in various portfolio investment strategies by investing in a number of derivative financial instruments for the purposes of increasing the income of the Fund, hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase, or hedging against a specific transaction with respect to either the currency in which the transaction is denominated or another currency. Investing in certain derivative financial instruments, including participation in the options, futures, or swap markets, entails certain execution, liquidity, hedging, tax, and securities, interest, credit, or currency market risks. Losses may arise if the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate. Losses may also arise if the counterparty does not perform its duties under a contract, or that, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

The Fund's derivative contracts held at September 30, 2016, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments together with the related counterparty.

**Futures Contracts.** The Fund may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Upon entering into

## The Gabelli Small Cap Growth Fund

### Notes to Financial Statements (Continued)

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a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the “initial margin.” Subsequent payments (“variation margin”) are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, and are included in unrealized appreciation/depreciation on futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. During the year ended September 30, 2016, the Fund held no investments in futures contracts.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

**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.

**Restricted Securities.** The Fund may invest up to 15% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly

## The Gabelli Small Cap Growth Fund

### Notes to Financial Statements (Continued)

traded securities, and accordingly the Board will monitor their liquidity. At September 30, 2016, the Fund held no restricted securities.

**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 the 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.

**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 and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. 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 the tax treatment of currency gains and losses, reclassification of REIT distributions, and basis adjustments on investments in partnerships and on investments no longer deemed passive foreign investment companies. These reclassifications have no impact on the NAV of the Fund. For the year ended September 30, 2016, reclassifications were made to increase accumulated net investment loss by \$228,485 and increase accumulated net realized gain on investments and foreign currency transactions by \$230,989, with an offsetting adjustment to paid-in capital.

The tax character of distributions paid during the years ended September 30, 2016 and 2015 was as follows:

	Year Ended September 30, 2016	Year Ended September 30, 2015
<b>Distributions paid from:</b>		
Net long term capital gains .....	\$124,510,867	\$68,553,727
Total distributions paid .....	<u>\$124,510,867</u>	<u>\$68,553,727</u>

**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

## The Gabelli Small Cap Growth Fund

### Notes to Financial Statements (Continued)

substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

At September 30, 2016, the components of accumulated earnings/losses on a tax basis were as follows:

Undistributed ordinary income .....	\$ 3,961,662
Undistributed long term capital gains .....	131,215,883
Net unrealized appreciation on investments .....	<u>1,591,672,340</u>
Total .....	<u>\$1,726,849,885</u>

At September 30, 2016, the temporary differences between book basis and tax basis unrealized appreciation on investments were due to deferral of losses from wash sales for tax purposes, mark-to-market adjustments on investments in passive foreign investment companies, and basis adjustments on investments in partnerships.

The following summarizes the tax cost of investments and the related net unrealized appreciation at September 30, 2016:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments . . .	\$1,824,932,948	\$1,733,294,068	\$(141,615,830)	\$1,591,678,238

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 year ended September 30, 2016, the Fund did not incur any income tax, interest, or penalties. As of September 30, 2016, 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 Directors of the Fund who are affiliated persons of the Adviser.

There was a reduction in the advisory fee paid to the Adviser relating to certain portfolio holdings, i.e., unsupervised assets of the Fund with respect to which the Adviser transferred dispositive and voting control to the Fund's Proxy Voting Committee. During the year ended September 30, 2016, the Fund's Proxy Voting Committee exercised control and discretion over all rights to vote or consent with respect to such securities, and the Adviser reduced its fee with respect to such securities by \$9,671.

The Corporation pays each Director who is not considered an affiliated person an annual retainer of \$18,000 plus \$2,000 for each Board meeting attended, and they are reimbursed for any out of pocket expenses incurred

## The Gabelli Small Cap Growth Fund

### Notes to Financial Statements (Continued)

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in attending meetings. All Board committee members receive \$1,000 per meeting attended. The Chairman of the Audit Committee receives a \$3,000 annual fee, and the Lead Director receives an annual fee of \$2,000. A Director may receive a single meeting fee, allocated among the participating funds, for attending certain meetings held on behalf of multiple funds. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Corporation.

**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 September 30, 2016, other than short term securities and U.S. Government obligations, aggregated \$130,862,726 and \$283,134,814, respectively.

**6. Transactions with Affiliates and Other Arrangements.** During the year ended September 30, 2016, the Fund paid \$159,767 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser. Additionally, the Distributor retained a total of \$102,430 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

During the year ended September 30, 2016, 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 \$20,537.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. During the year ended September 30, 2016, the Fund paid or accrued \$45,000 to the Adviser in connection with the cost of computing the Fund's NAV.

During the year ended September 30, 2016, the Fund engaged in sale transactions with funds that have a common investment adviser. These sale transactions complied with Rule 17a-7 under the Act and amount to \$417,560.

**7. Line of Credit.** The Fund participates in an unsecured line of credit, which expires on March 9, 2017 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 bears interest at a floating rate equal to the higher of the overnight Federal Funds rate plus 125 basis points or the 30 day 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. During the year ended September 30, 2016, there were no borrowings under the line of credit.

**8. Capital Stock.** 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 Gabelli Small Cap Growth Fund

### Notes to Financial Statements (Continued)

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 years ended September 30, 2016 and 2015, if any, can be found in the Statement of Changes in Net Assets under Redemption Fees.

Transactions in shares of capital stock were as follows:

	Year Ended September 30, 2016		Year Ended September 30, 2015	
	Shares	Amount	Shares	Amount
<b>Class AAA</b>				
Shares sold.....	2,409,898	\$ 111,806,739	3,319,959	\$ 162,417,991
Shares issued upon reinvestment of distributions.....	1,366,459	64,729,142	809,664	39,560,198
Shares redeemed.....	<u>(7,521,289)</u>	<u>(348,419,913)</u>	<u>(9,736,323)</u>	<u>(476,978,485)</u>
Net decrease.....	<u>(3,744,932)</u>	<u>\$(171,884,032)</u>	<u>(5,606,700)</u>	<u>\$(275,000,296)</u>
<b>Class A</b>				
Shares sold.....	917,514	\$ 42,933,050	1,117,567	\$ 54,900,120
Shares issued upon reinvestment of distributions.....	198,812	9,413,748	101,724	4,968,185
Shares redeemed.....	<u>(1,811,015)</u>	<u>(84,550,946)</u>	<u>(1,377,817)</u>	<u>(67,428,092)</u>
Net decrease.....	<u>(694,689)</u>	<u>\$( 32,204,148)</u>	<u>(158,526)</u>	<u>\$ ( 7,559,787)</u>
<b>Class C</b>				
Shares sold.....	649,485	\$ 27,265,851	889,352	\$ 39,843,004
Shares issued upon reinvestment of distributions.....	196,038	8,396,317	96,136	4,294,403
Shares redeemed.....	<u>(1,139,350)</u>	<u>(47,997,785)</u>	<u>(818,494)</u>	<u>(36,477,079)</u>
Net increase/(decrease).....	<u>(293,827)</u>	<u>\$ (12,335,617)</u>	<u>166,994</u>	<u>\$ 7,660,328</u>
<b>Class I</b>				
Shares sold.....	5,922,484	\$ 281,871,627	9,409,515	\$ 472,777,435
Shares issued upon reinvestment of distributions.....	720,229	34,693,416	311,616	15,434,375
Shares redeemed.....	<u>(6,917,731)</u>	<u>(320,770,002)</u>	<u>(6,086,578)</u>	<u>(303,442,181)</u>
Net increase/(decrease).....	<u>(275,018)</u>	<u>\$ (4,204,959)</u>	<u>3,634,553</u>	<u>\$ 184,769,629</u>

## The Gabelli Small Cap Growth Fund

### Notes to Financial Statements (Continued)

**9. Transactions in Securities of Affiliated Issuers.** The 1940 Act defines affiliated issuers as those in which a Fund's holdings of an issuer represent 5% or more of the outstanding voting securities of the issuer. A summary of the Fund's transactions in the securities of these issuers during the year ended September 30, 2016 is set forth below:

	Beginning Shares	Shares Purchased	Shares Sold/Closed	Ending Shares	Dividends	Realized Loss	Value at September 30, 2016	Percent Owned of Shares Outstanding
Bel Fuse Inc., Cl. A.....	281,368	3,632	(1,000)	284,000	\$ 68,084	\$(17,266)	\$ 5,722,600	13.06%
Katy Industries Inc. ....	500,000	—	(9,000)	491,000	—	(66,527)	233,225	6.18%
Sevcon Inc. ....	300,000	13,000	—	313,000	—	—	2,770,050	5.86%
Sevcon Inc., 144A .....	—	140,000	—	140,000	—	—	1,239,000	—
Sevcon Inc., 4.000%, Ser. A ...	60,098	—	—	60,098	57,694	—	1,588,390	—
Sevcon Inc., expire 07/11/21 ...	—	70,000	—	70,000	—	—	257,049	—
Strattec Security Corp. ....	207,000	—	—	207,000	109,710	—	7,307,100	5.65%
Trans-Lux Corp. ....	404,180	70	(1,250)	403,000	—	(14,078)	1,098,175	23.56%
Trans-Lux Pfd., Ser. B .....	—	14,747	—	14,747	69,643	—	870,492	—
Total .....					<u>\$305,131</u>	<u>\$(97,871)</u>	<u>\$21,086,081</u>	

**10. 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.

**11. 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 Small Cap Growth Fund Report of Independent Registered Public Accounting Firm

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To the Shareholders and Board of Directors of  
The Gabelli Small Cap Growth Fund

We have audited the accompanying statement of assets and liabilities of The Gabelli Small Cap Growth Fund (the "Fund"), a series of Gabelli Equity Series Funds, Inc., including the schedule of investments, as of September 30, 2016, 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 and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of September 30, 2016, by correspondence with the Fund's custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of The Gabelli Small Cap Growth Fund, a series of Gabelli Equity Series Funds, Inc., at September 30, 2016, 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 the financial highlights for each of the five years in the period then ended in conformity with U.S. generally accepted accounting principles.

*Ernst + Young LLP*

New York, New York  
November 23, 2016

## The Gabelli Small Cap Growth Fund

### Additional Fund Information (Unaudited)

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

<u>Name, Position(s) Address<sup>1</sup> and Age</u>	<u>Term of Office and Length of Time Served<sup>2</sup></u>	<u>Number of Funds in Fund Complex Overseen by Director</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Director<sup>4</sup></u>
<b>INTERESTED DIRECTORS<sup>3</sup>:</b>				
<b>Mario J. Gabelli, CFA</b> Director and Chief Investment Officer Age: 74	Since 1991	30	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.; Chief Executive Officer and Chairman of the Board of Associated Capital Group, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICIT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications); Director of RLJ Acquisition Inc. (blank check company) (2011-2012)
<b>John D. Gabelli</b> Director Age: 72	Since 1991	10	Senior Vice President of G.research, LLC	—
<b>INDEPENDENT DIRECTORS<sup>5</sup>:</b>				
<b>Anthony J. Colavita</b> Director Age: 80	Since 1991	36	President of the law firm of Anthony J. Colavita, P.C.	—
<b>Vincent D. Enright</b> Director Age: 72	Since 1991	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 LGL Group, Inc. (diversified manufacturing) (2011-2014)
<b>Robert J. Morrissey</b> Director Age: 77	Since 1991	6	Partner in the law firm of Morrissey, Hawkins & Lynch	Chairman of the Board, Belmont Savings Bank
<b>Kuni Nakamura</b> Director Age: 48	Since 2009	19	President of Advanced Polymer, Inc. (chemical manufacturing company); President of KEN Enterprises, Inc. (real estate)	—
<b>Anthony R. Pustorino</b> Director Age: 91	Since 1991	13	Certified Public Accountant; Professor Emeritus, Pace University	Director of The LGL Group, Inc. (diversified manufacturing) (2004-2011)
<b>Anthonie C. van Ekris</b> Director Age: 82	Since 1991	22	Chairman and Chief Executive Officer of BALMAC International, Inc. (global import/export company)	—
<b>Salvatore J. Zizza</b> Director Age: 70	Since 2001	30	President of Zizza & Associates Corp. (private holding company); Chairman of Harbor Diversified, Inc. (pharmaceuticals); Chairman of BAM (semiconductor and aerospace manufacturing); Chairman of Bergen Cove Realty Inc.; Chairman of Metropolitan Paper Recycling Inc. (recycling) (2005-2014)	Director and Vice Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor Diversified Inc. (pharmaceuticals); Director, Chairman, and CEO of General Employment Enterprises (staffing services) (2009-2012)

## The Gabelli Small Cap Growth Fund Additional Fund Information (Continued) (Unaudited)

<u>Name, Position(s) Address<sup>1</sup> and Age</u>	<u>Term of Office and Length of Time Served<sup>2</sup></u>	<u>Principal Occupation(s) During Past Five Years</u>
<b>OFFICERS:</b>		
<b>Bruce N. Alpert</b> President Age: 64	Since 1991	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; Director of Teton Advisors, Inc., 1998-2012; Chairman of Teton Advisors, Inc., 2008-2010; President of Teton Advisors, Inc., 1998-2008
<b>Andrea R. Mango</b> Secretary Age: 44	Since 2013	Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of all registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of all 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; Vice President and Counsel of Deutsche Bank, 2006-2011
<b>Agnes Mullady</b> Treasurer Age: 58	Since 2006	President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2010; 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; Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex
<b>Richard J. Walz</b> Chief Compliance Officer Age: 57	Since 2013	Chief Compliance Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013; Chief Compliance Officer of Cutwater Asset Management, 2004-2011

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

<sup>2</sup> Each Director 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 Director and until the election and qualification of his or her successor, if any, elected at such meeting, or (ii) the date a Director resigns or retires, or a Director is removed by the Board of Directors or shareholders, in accordance with the Fund's By-Laws and Articles of Incorporation. 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.

<sup>3</sup> "Interested person" of the Fund as defined in the 1940 Act. Messrs. Gabelli are each considered an "interested person" because of their affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser. Mario J. Gabelli and John D. Gabelli are brothers.

<sup>4</sup> 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.

<sup>5</sup> Directors who are not interested persons are considered "Independent" Directors.

### 2016 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the year ended September 30, 2016, the Fund paid to shareholders long term capital gains totaling \$124,510,867, or the maximum allowable. The distribution of long term capital gains has been designated as a capital gain dividend by the Fund's Board of Directors.

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.

## **Gabelli/GAMCO Funds and Your Personal Privacy**

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### **Who are we?**

The Gabelli/GAMCO Funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC and GAMCO Asset Management Inc., which are affiliated with GAMCO Investors, Inc. that is 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](http://www.sec.gov).

### **What do we do to protect your personal information?**

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

**THE GABELLI SMALL CAP GROWTH FUND**  
**One Corporate Center**  
**Rye, NY 10580-1422**

**Portfolio Manager Biography**

**Mario J. Gabelli, CFA**, is Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer - Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Chief Executive Officer and Chairman of the Board of Directors of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School and Honorary Doctorates from Fordham University and Roger Williams University.

We have separated the portfolio manager's 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 manager's 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](http://www.gabelli.com).

Gabelli Equity Series Funds, Inc.

THE GABELLI SMALL CAP GROWTH FUND

One Corporate Center

Rye, New York 10580-1422

t 800-GABELLI (800-422-3554)

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.

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**BOARD OF DIRECTORS**

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

John D. Gabelli  
Senior Vice President,  
G.research, LLC

Robert J. Morrissey  
Partner,  
Morrissey, Hawkins & Lynch

Kuni Nakamura  
President,  
Advanced Polymer, Inc.

Anthony R. Pustorino  
Certified Public Accountant,  
Professor Emeritus,  
Pace University

Anthonie C. van Ekris  
Chairman,  
BALMAC International, Inc.  
Salvatore J. Zizza  
Chairman,  
Zizza & Associates Corp.

**OFFICERS**

Bruce N. Alpert  
President  
Andrea R. Mango  
Secretary

Agnes Mullady  
Treasurer

Richard J. Walz  
Chief Compliance Officer

**DISTRIBUTOR**

G.distributors, LLC

**CUSTODIAN, TRANSFER  
AGENT, AND DIVIDEND  
DISBURSING AGENT**

State Street Bank and Trust  
Company

**LEGAL COUNSEL**

Skadden, Arps, Slate, Meagher &  
Flom LLP

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

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FUNDS

# THE GABELLI SMALL CAP GROWTH FUND

*Annual Report  
September 30, 2016*

