

# GAMCO GROWTH FUND

*A Large-Cap Growth Fund Seeking Favorable, Yet Undervalued, Prospects for Earnings Growth and Price Appreciation*

Quarter End – September 30, 2018



## PORTFOLIO MANAGEMENT



Howard F. Ward, CFA  
Chief Investment Officer

- B.A. Northwestern University
- Manager since 1995



Christopher D. Ward, CFA  
Associate Portfolio Manager

- B.A. Boston College
- Manager since 2018

## INVESTMENT THEMES

- **New Media**  
Digital Advertising, Content, Distribution
- **Connectivity**  
Cloud, Cyber Security, Semiconductors
- **Digital Consumer**  
E-commerce, Electronic Payments
- **Rising EM Middle Class**  
Consumer Goods, Infrastructure, Healthcare
- **Aging Population**  
Healthcare Services and Equipment

## STRATEGY OVERVIEW

- The GAMCO Growth Fund is a diversified Fund whose investment objective is to seek capital appreciation. Current income is a secondary investment objective.
- The Portfolio Manager looks for companies which appear to have favorable, yet undervalued, prospects for earnings growth and price appreciation.
- The Fund invests primarily in a broad range or readily marketable equity securities consisting of common stock and preferred stock.

## PORTFOLIO HIGHLIGHTS

Total Net Assets	\$725 million	Share Class	<b>Symbol</b>
NAV (Class AAA)	\$69.64	Class AAA	<a href="#">GABGX</a>
Turnover (yr. ending 12/31/17)	50%	Class A	<a href="#">GGCAX</a>
Inception Date	4/10/87	Class C	<a href="#">GGCCX</a>
Minimum initial investment is \$1,000.		Class I	<a href="#">GGCIX</a>

## PERFORMANCE STATISTICS (April 1987 - September 2018)

	Annualized Return	Std Dev	Beta	Alpha	Capture Ratio	R-Squared
GABGX	10.71%	17.17%	0.98	0.95%	100.6↑ 97.6↓	89.60
Russell 1000 Growth	9.89%	16.52%	-	-	-	-

## SECTOR BREAKDOWN

Computer Software & Svcs.	26.7%
Health Care	20.7%
Consumer Discretionary (ex-Media)	18.2%
Financial Services	17.2%
Technology (Semis & Components)	10.6%
Producer Durables	3.4%
Materials & Processing	1.5%
Consumer Discretionary (Media)	1.4%
Cash	0.3%

## TOP TEN HOLDINGS

Amazon.com Inc.	6.9%
Apple Inc.	6.9%
Microsoft Corp.	6.6%
Alphabet Inc.	5.9%
MasterCard Inc.	4.7%
UnitedHealth Group Inc.	4.4%
NVIDIA Corp.	3.7%
Adobe Systems Inc.	3.5%
Zoetis Inc.	3.0%
Facebook Inc.	2.8%
<b>Total % of Top Ten</b>	<b>48.4%</b>

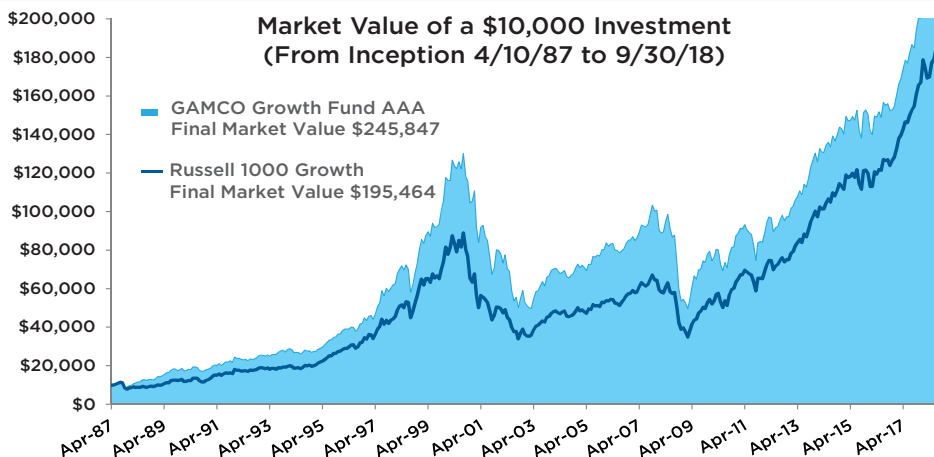
The top ten holdings and sectors listed are not necessarily representative of the entire portfolio and are subject to change. The most recent semiannual report, which contains a more extensive list of holdings, is available from your financial adviser or by contacting the distributor, G. distributors, LLC.

The Fund's share price will fluctuate with changes in the market value of the Fund's portfolio securities. Stocks are subject to market, economic and business risks that cause their prices to fluctuate. When you sell Fund shares, they may be worth less than what you paid for them. Consequently, you can lose money by investing in the Fund.

Standard deviation is a statistical measure of the volatility of a fund's returns. Beta measures a fund's risk relative to the S&P 500 Index which, by definition, has a beta of 1.00. If a fund's beta is less than 1.00, the fund is considered less risky than the market. Alpha is a measure of a fund's actual returns and expected performance, given its level of risk (as measured by beta). Upside/downside capture ratio show you whether a given fund has outperformed, gained more or less than, a broad market benchmark during periods of market strength and weakness, and if so, by how much. R-squared is a statistic that indicates how much of a fund's fluctuations were attributable to movements of the fund's benchmark index.

**Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus, which contains more complete information about these and other matters, should be read carefully before investing. To obtain a prospectus, please call 800-GABELLI or visit [www.gabelli.com](http://www.gabelli.com).**

## MARKET VALUE OF A \$10,000 INVESTMENT (CLASS AAA)



The chart above reflects an investment of \$10,000 from April 10, 1987 to September 30, 2018 and assumes that all dividends and capital gains were reinvested. The chart does not reflect the impact of any taxes. Based on The GAMCO Growth Fund's prospectus dated April 30, 2018, the Fund's expense ratio was 1.41%.

## TOTAL RETURN PERFORMANCE HISTORY

	Class AAA Shares	S&P 500 Index	Russell 1000 Growth Index
2018 YTD	22.7%	10.6%	17.1%
2017	29.5%	21.8%	30.2%
2016	2.8%	12.0%	7.1%
2015	5.1%	1.4%	5.7%
2014	9.8%	13.7%	13.1%
2013	34.0%	32.4%	33.5%
2012	15.8%	16.0%	15.3%
2011	-3.8%	2.1%	2.6%
2010	10.1%	15.1%	16.7%
2009	45.7%	26.5%	37.2%
2008	-45.9%	-37.0%	-38.4%
2007	18.1%	5.5%	11.8%
2006	6.3%	15.8%	9.1%
2005	10.3%	4.9%	5.3%
2004	4.7%	10.9%	6.3%
2003	31.4%	28.7%	29.8%
2002	-33.8%	-22.1%	-27.9%
2001	-24.1%	-11.9%	-20.4%
2000	-10.6%	-9.1%	-22.4%
1999	46.3%	21.0%	33.2%
1998	29.8%	28.6%	38.7%
1997	42.6%	33.4%	30.5%
1996	19.4%	23.0%	23.1%
1995	32.7%	37.6%	37.2%
1994	-3.4%	1.3%	2.6%
1993	11.3%	10.1%	2.9%
1992	4.5%	7.6%	5.0%
1991	34.3%	30.5%	41.3%
1990	-2.0%	-3.1%	-0.3%
1989	40.1%	31.6%	35.9%
1988	39.2%	16.6%	11.3%
1987*	-4.9%	-15.6%	5.3%

## AVERAGE ANNUAL RETURNS AS OF 9/30/18

	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Class AAA	32.95%	21.17%	15.89%	12.58%	10.71%
Class A	32.96%	21.17%	15.90%	12.58%	10.71%
Class C	31.98%	20.27%	15.03%	11.74%	10.32%
Class I	33.28%	21.47%	16.18%	12.86%	10.80%
S&P 500 Index	17.91%	17.31%	13.95%	11.97%	10.02%
Russell 1000 Growth Index	26.30%	20.55%	16.58%	14.31%	9.89%
Load Adjusted					
Class A	25.32%	18.80%	14.53%	11.92%	10.51%
Class C	30.98%	20.27%	15.03%	11.74%	10.32%
Gross Expense Ratio <sup>1</sup>					
	Class AAA	Class A	Class C	Class I	
	1.41%	1.41%	2.16%	1.16%	
Maximum Sales Charge					
	None	5.75%	1.00%	None	

<sup>1</sup>Expense ratio based on prospectus dated April 30, 2018.

*Returns represent past performance and do not guarantee future results. Due to market volatility, current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so, upon redemption, shares may be worth more or less than their original cost. To obtain the most recent month end performance information and a prospectus, please call 800-GABELLI or visit [www.gabelli.com](http://www.gabelli.com).*

The inception date of the Fund was April 10, 1987. The Class AAA Shares' net asset values 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 Class I Shares on January 11, 2008. The actual performance for Class A and Class C Shares would have been lower and Class I Shares higher due to the different expenses associated with those classes of shares. Performance for periods less than one year is not annualized. Class A Shares (load adjusted) includes the effect of the maximum 5.75% sales charge at the beginning of the period. Class C Shares (load adjusted) includes the effect of the applicable 1% contingent deferred sales charge within the first year. The Fund imposes a 2% redemption fee on shares sold or exchanged in seven days or less after the date of purchase. The S&P 500 Index & the Russell 1000 are unmanaged indicators of stock market performance, their returns do not reflect any fees, expenses, or sales charges, and they are not available for direct deposit. The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. Investing in foreign securities involves risks not ordinarily associated with investments in domestic issues including currency fluctuations, economic and political risks.

Not FDIC Insured. Not Bank Guaranteed. May Lose Value.

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\*From Inception 4/10/87