The GAMCO Growth Fund

Shareholder Commentary
December 31, 2018

Howard F. Ward, CFA
Portfolio Manager

Christopher D. Ward, CFA
Associate Portfolio Manager

To Our Shareholders,

Thank you for your investment in the GAMCO Growth Fund.

For the quarter ended December 31, 2018, the net asset value (NAV) per Class I Share of The GAMCO Growth Fund decreased 17.0% compared with a decrease of 13.5% for the Standard & Poor's (S&P) 500 Index and a decrease of 15.9% for the Russell 1000 Growth Index. Other classes of shares are available. See page 2 for additional performance information for all classes.

On December 19 at 2:29 pm, 29 minutes after markets signaled their initial distaste for the release of the FOMC statement, Federal Reserve chairman Jerome Powell approached the podium to deliver the most anticipated Federal Reserve press conference in recent history.

It was the culmination of an eventful year for the market. The exuberant reaction to the passage of the Tax Cuts and Jobs Act resulted in the best January market return in over 20 years, as January marked a new high of 2872 for the S&P 500. The remainder of the year can best be summarized as strong corporate earnings and broad U.S. economic strength, a sharp contrast to most major international economies which saw decelerating growth. U.S. GDP growth peaked at 4.2% in the second quarter and followed up with a solid 3.5% in the third quarter. Fourth quarter growth is tracking somewhat weaker. The stronger U.S. economy, relative to other developed economies, and divergent global central bank policies resulted in a steadily increasing U.S. dollar over the course of the year. Despite increasing uncertainty around trade and tariff disputes, the relatively robust economic backdrop in 2018 gave the Federal Reserve cover to raise rates in March, June and September, as expected and with little resistance.

But this time, Powell had a bigger challenge in front of him. Even though the S&P would reach a new high water mark of 2930 in September, the market indices were showing signs of fatigue, with certain market internals showing outright signs of distress. There was political pressure from the President, calling out the Federal Reserve for being too aggressive. What's more, the ongoing trade negotiations with China created the

Average Annual Returns through December 31, 2018 (a)

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (4/10/87)
Class I (GGCIX)	(16.98)%	2.09%	10.96%	9.64%	14.40%	10.06%
S&P 500 Index	(13.52)	(4.38)	9.26	8.49	13.12	9.43(b)
Russell 1000 Growth Index.	(15.89)	(1.51)	11.15	10.40	15.29	9.22(b)
Class AAA (GABGX)	(17.03)	1.83	10.68	9.37	14.12	9.97
Class A (GGCAX)	(17.02)	1.83	10.69	9.38	14.12	9.97
With sales charge (c)	(21.80)	(4.02)	8.52	8.09	13.44	9.77
Class C (GGCCX)	(17.20)	1.08	9.86	8.55	13.26	9.58
With contingent deferred sales charge (d)	(18.02)	0.08	9.86	8.55	13.26	9.58

In the current prospectuses dated April 30, 2018, the expense ratios for Class AAA, A, C, and I Shares are 1.41%, 1.41%, 2.16%, and 1.16%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75% and 1.00%, respectively.

(a) *Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.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 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 related to this class of shares. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Russell 1000 Growth Index measures the performance of the large cap growth segment of the U.S. equity market. Dividends are considered reinvested. You cannot invest directly in an index.

(b) S&P 500 Index and Russell 1000 Growth Index since inception performance results are as of March 31,1987.

(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.

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

overhang of a potential binary event with the March 1 deadline fast approaching. This is where Powell found himself, a week before Christmas, attempting to justify another 25 basis point increase with global markets hanging on his every enunciation. Just minutes into Powell's prepared remarks, investors had heard enough and headed for the exits. Despite some "crosscurrents," namely slower global growth and increased financial market volatility, the FOMC continued to see healthy levels of growth and falling unemployment. Two more hikes were expected in 2019, and another in 2020.

The Economy

Despite a slightly reduced outlook for the Federal Reserve funds rate, Powell's commentary was not dovish enough for the markets. In defense of the FOMC, by most measures the economy is on solid footing. Though inflation (PCE deflator) remains near the Federal Reserve's medium term objective of 2%, the Federal Reserve likely views the near record low unemployment rate of 3.7% as the precursor to higher inflation and, given its dual mandate of employment and price stability, is trying to get ahead of an overheating economy. Hence, the ninth hike in three years.

What may not be fully appreciated by the Federal Reserve are the second order effects of capital spending. Capex has been constrained for most of this expansion, due to the buildup of excess capacity in the previous business cycle. Corporate America has since favored buybacks and dividends over capital investment. However, with the new tax code, aging capital stock, and high CEO confidence, corporations are investing again. U.S. real capex is growing about 7%. Capex carries a healthy multiplier, which is encouraging for economic growth. Capex drives job gains and improved productivity, an important component of economic growth that has been absent most of this expansion. As productivity improves output per worker, unit labor costs (cost of labor per unit of output) should remain subdued, containing wage pressure and inflation. This is all to say, low rates of unemployment may yet continue without necessarily breeding higher inflation. That is, if business confidence isn't shaken by tariff uncertainty.

So, nine hikes in three years. Eight hikes in two. That is a lot. Optimists argue that rates remain low relative to history. Unfortunately, this view fails to consider a few things that make today's monetary tightening cycle more delicate than it may appear. U.S. real GDP trend growth is approximately 2.5%, much lower than the 3.5% average GDP of the 2000s and 4%-plus GDP growth of the 1980s. Consequently, a 2.5% Federal Reserve funds rate will have a greater tightening impact on our economy than it would have had in prior business cycles. But even more important than the absolute levels of interest rates is the rate of change. And the rate of change has been drastic, from effectively zero to 2.5% in three years. To translate this into real world ramifications, consider the change in mortgage rates in the U.S. In just the past year, the mortgage payment on a median priced home in the U.S has increased 13%, more than twice the 6% increase in the median sale price. Borrowers feel this.

It takes 18 to 24 months for changes in interest rates to be fully absorbed by the economy, and it typically takes a full 24 months from the first hike for market volatility to increase. The Federal Reserve began its tightening cycle in earnest with its second rate hike on December 14, 2016. From this perspective, the fourth quarter correction appears to be right on cue. While the markets may cheer a Federal Reserve pause in 2019, there is still a significant amount of tightening in the pipeline that is yet to be digested by the economy, with or without another hike.

The Markets

We've written ad nauseam about the headwinds to growth, which include higher rates, a strong U.S. dollar, tariffs, and domestic weakness in China and Europe. Additionally, earnings will face difficult year-over-year comparisons as we lap the tax cut benefit in early 2019. But the most important factor weighing on markets is the drastic change in the liquidity environment. Asset prices are recalibrating to a new era of tighter monetary policy. In addition to rising interest rates, the Federal Reserve is running off its balance sheet at a cadence of $50 billion per month, the economic impact of which is more difficult to quantify. Asset prices are now reflecting the expectation for slower growth in 2019 given the tighter monetary backdrop. This was sniffed out by the "early cyclical" parts of the market that one would expect: homebuilders and autos. In 2018, the S&P 500 Homebuilders Select index and S&P 500 Automobiles and Components index lost 26% and 32%, respectively. Other cyclical areas of the market, including some of the biggest beneficiaries of tax reform and deregulation, haven't fared much better. The S&P 500 Banks and S&P 500 Energy indices declined 16% and 18%, respectively.

Since the beginning of 2018, the S&P 500 price-to-earnings multiple has contracted nearly 25%, from 18.5x to 14.5x. Multiple contraction is consistent with Federal Reserve tightening cycles of the past. Historically, multiple compression does not abate until the Federal Reserve officially completes its tightening cycle. To be sure, increased risks from slower global growth and tariffs are also weighing on the market multiple. These concerns have also been reflected in 2019 S&P earnings growth estimates, which have decreased modestly since last quarter, from +10.1% to +8.8% year-over-year.

We continue to monitor the yield curve (spread between 2-year and 10-year Treasuries), which has predicted 9 of the last 9 recessions. The yield curve reached a low of 11 basis points (bps) on December 19, down from 78bps in February and 291bps in 2010. While the yield curve does have a track record of predictive power, the timing of subsequent recessions has been inconsistent. Historically, recessions have commenced between 6 and 24 months after the yield curve inverts. So an inversion tomorrow is not cause for immediate panic. Nonetheless, if the yield curve were to invert, we would expect a short-term emotional reaction from the market, and we would be preparing for a more severe intermediate-term slowdown.

Portfolio Observations

In anticipation of late cycle market behavior, we've maintained a defensive posture throughout 2018. We've emphasized organic secular growers with high level of profitability, free cash flow and limited foreign exposure. We've also held a number of stocks that can best be described as counter-cyclicals, such as wireless tower companies and utilities. These sectors outperformed in the fourth quarter.

The current correction has provided an attractive entry point for many unique assets that have historically sold at premium valuations. We have taken advantage of recent market volatility by adding to these positions, whose growth opportunities remain intact. Despite our expectation for continued stock price volatility, we expect these companies to sustain their top-line growth as their products will remain in high demand, even if the economy slows.

We established a new position in Xilinx (0.6% of net assets as of December 31, 2018), which develops highly flexible programmable silicon. The company has exposure to several secular growth drivers, which give us comfort in owning a semiconductor business at this stage of the business cycle. Xilinx is benefitting from growth in data centers, autonomous vehicles and the development of 5G wireless technology.

We added to our position in Netflix (2.7%), which continues to add subscribers at an astonishing rate. The company expects 8 million paid net additions in the fourth quarter, which would bring its paid subscriber base to about 140 million. Comcast, by comparison, has 22 million video subs. With each passing quarter, Netflix is able to spread its formidable content costs across its ever wider subscriber base. We expect the company to more than double its subscriber base over the next decade as it more deeply penetrates international markets. The company continues to build out its library of original content, which decreases its dependence on licensed content and creates even more exclusivity. Investors should benefit from material growth in free cash flow over the next few years.

We increased our positions in ServiceNow (2.2%), Salesforce.com (1.0%) and Tableau (1.1%). IT spending intentions for 2019 suggest continued healthy demand for enterprise software, as companies prioritize digital transformation projects, which result in better customer and employee experiences, improved efficiencies and lower total cost of ownership. Many customers view these companies as highly strategic in their effort to modernize their tech stack. Further, our enterprise software vendors have an ever increasing mix of subscription revenue, which results in larger and more predictable revenue streams and is generally accretive to margins.

We increased our stake in Illumina (2.5%), the leader in next-generation DNA sequencing. The cost to sequence an entire human genome has dropped from $100 million in 2002 to under $1,000 today. Illumina believes its recently launched NovaSeq instrument will one day enable the $100 genome. As costs decline, Illumina is benefitting from an explosion of use cases for sequencing, such as noninvasive prenatal testing, rare and undiagnosed disease, oncology, population genomics, and consumer genomics, such as 23andMe and Ancestry. Many of these end markets are seeing inflection points. In 2017, Illumina processed 7 million samples for the consumer market – more than the previous 10 years combined.

We added to our position in Nike (2.1%). Nike's investments in digital and direct-to-consumer channels are widening their lead against competitors. In the most recent quarter, Nike's digital business grew 41%. The digital business is allowing Nike to drive deeper engagement with consumers. Nike uses its valuable insights on purchasing behavior to inform innovation, which is currently driving 80% of Nike's incremental growth. An increasing mix of direct-to-consumer business has positive implications for the company's long-term margin profile.

Given our expectation for monetary tightening to continue to take a toll on the economy, we shored up our defensive stance this quarter by adding to American Tower (2.6%), Crown Castle International (2.5%), and Nextera Energy (2.6%). We also initiated a new position in American Water Works (2.5%). These companies benefit from annuity-like revenue streams, high barriers to entry in the form of regulation, and high dividend yields.

Other names we added to in the quarter, based on recent business performance and attractive valuations, were Abbott Laboratories (2.3%), Boeing (2.5%), Intuitive Surgical (1.5%), and Thermo Fisher Scientific (1.7%).

Several positions were eliminated in order to reduce cyclical exposure including Blackstone, Honeywell, KKR, and Sherwin Williams. We sold two retailers, TJX companies and Ulta Beauty. While these businesses maintain differentiated retail models, the most recent quarterly results were disappointing in the context of their valuation. Other companies that were eliminated due to growth concerns were Accenture, Align Technology, Broadridge, and S&P Global.

We continued to reduce exposure to Facebook (2.6%) in the fourth quarter after a significant reduction in the third quarter. Ongoing security and corporate governance issues have the potential to impact earnings as Facebook continues to spend aggressively to fortify the platform. Meanwhile, the company continues to manage the transition from News Feed to Stories. We expect political scrutiny to continue heading in to the 2020 election. When regulation, similar to GDPR in Europe, is inevitably implemented in the U.S., we view Facebook as the most vulnerable of the big tech platforms. While we have concerns regarding underlying user engagement, there is currently little hard evidence to support that. Despite these headwinds, we continue to own the stock given the company's unique ecosystem of 2.6 billion monthly average users, the potential for improved monetization, and an undemanding valuation.

We reduced Home Depot (1.6%) given our outlook for the housing market, as we expect tighter financial conditions to impact housing turnover. However, we maintain a favorable view on the company's long-term prospects. Home Depot's business is difficult for ecommerce players to disintermediate and the company is run by a highly competent management team.

Lastly, we reduced NVIDIA (0.9%) after quarterly results and guidance missed our expectations. However, the company's long-term growth opportunity in gaming, data center, and autonomous vehicles remains largely intact. We expect to get more visibility on NVIDIA's growth outlook in the weeks ahead.

At quarter's end, we were overweight (relative to the Russell 1000 Growth Index) technology, health care, financial services and utilities. We were underweight consumer discretionary, consumer staples, energy, materials, and producer durables.

Performance Commentary

Holdings with the most positive impact on performance for the quarter (based upon price change and the size of the holding) were, in order, Tableau (1.1% of net assets as of December 31, 2018), American Tower (2.6%), Xilinx (0.6%), NextEra Energy (2.6%), Abbott Laboratories (2.3%), Danaher (0.9%), Honeywell*, Crown Castle (2.5%), Blackstone*, and KKR*. The largest detractors from performance were, in order, Apple (5.9%), Amazon (6.4%), NVIDIA (0.9%), Microsoft (7.2%), Alphabet (6.3%), Mastercard (5.0%), Netflix (2.7%), Facebook (2.6%), Adobe (3.6%), and Align Technology*.

For the full year, the stocks with the most positive impact on performance were, in order, Amazon (6.4%), Microsoft (7.2%), Adobe (3.6%), Mastercard (7.2%), UnitedHealth (5.1%), Zoetis (3.4%), Visa (2.9%), IAC (2.1%), Illumina (2.5%), and Edwards Lifesciences (2.0%). The most negative contributors for the year were, in order, NVIDIA (0.9%), Comcast*, Apple (5.9%), PepsiCo*, Ulta Beauty*, Charter Communications*, 3M Company*, Facebook (2.6%), Activision Blizzard*, and TJX*.

**No longer held.*

In Conclusion

In volatile times like these, it is helpful to revisit first principles. The S&P 500 is trading at 14.5x forward earnings, below its 35 year mean of 15x. At 14.5x, the S&P 500 offers an earnings yield of 7%, a dividend yield of 2.25% and the potential for long-term capital appreciation. In contrast, the 10-year Treasury yields a fixed 2.65%, with limited prospects for long-term capital appreciation. So stocks remain attractive relative to bonds. Bullish sentiment, a contrarian indicator, was ubiquitous at the beginning of the year but has largely retracted; this is a healthy development for stocks. Consumer sentiment remains elevated; historically, consumer sentiment drops about a year prior to a recession. Earnings growth remains healthy and employment remains at a near record; typically, a recession is accompanied with earnings, employment and an economy that are all in decline. And at the company level, the market is offering a window of opportunity to buy special businesses at attractive valuations.

One of the most important competitive edges that we retain as fundamental stock pickers is time arbitrage – the ability to maintain a long-term outlook amid the short-term noise. Our long-term investment horizon allows us to buy businesses with competitive moats that will enable their earnings to compound over many years. For those with a similar investment horizon, stocks remain attractive relative to bonds and cash. However, this is a time to be selective. Dispersion has increased. Breadth has narrowed. An emphasis on fundamentals is warranted. Market corrections shake out the weak hands. Those who can weather the storm will be rewarded.

Let's Talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the percentages of net assets, and their share prices are stated as of December 31, 2018.

Adobe Systems (3.6% of net assets as of December 31, 2018) (ADBE – $226.24 – NASDAQ) is the global leader in digital marketing and digital media solutions. Adobe has the most comprehensive end-to-end solution for digital marketing. Its tools allow customers to create digital content, deploy it across media and devices, and measure and optimize it over time. Adobe has successfully transitioned from a product-based desktop business to a cloud-based subscription business. Over 90% of total revenue is now recurring. The demand for design capabilities continues to rise at a dramatic pace, as reflected in Adobe's large and growing total addressable market of $64 billion in 2019.

Alphabet (6.3%) (GOOG/GOOGL – $1,035.61/$1,044.96 – NASDAQ) is the parent company of Google, the world's leading Internet search engine. The company benefits from a powerful competitive moat in one of the best secular markets, digital advertising, in which Google maintains approximately 40% market share. The company generates revenue by providing advertisers the opportunity to deliver targeted and measurable advertising. Alphabet's healthy core search business has allowed the company to pursue a variety of "moonshot" projects such as streaming video (YouTube), life sciences (Verily), and autonomous driving (Waymo).

Amazon.com (6.4%) (AMZN – $1,501.97 – NASDAQ) launched in 1995 as an online book retailer and has evolved into a dominant e-commerce platform and public cloud provider. Amazon is benefitting from the secular trend of e-commerce and the transition from on-premise to public cloud data centers. Amazon's competitive advantage within e-commerce is Amazon Prime, which benefits from a virtuous cycle as the continuously expanding selection of inventory drives traffic, which attracts more sellers, who add yet more selection. Amazon continues to invest in the Prime value proposition (free and faster shipping, free video and music streaming, libraries of free books and magazines, and a host of other benefits). Prime members spend more than non-Prime customers and their purchasing volume tends to increase over time. In addition to its retailing operations, Amazon pioneered the concept of hyperscale public cloud with its Amazon Web Services (AWS) and continues to be the dominant market share leader within that rapidly growing industry.

Apple (5.9%) (AAPL – $157.74 – NASDAQ) designs integrated hardware and operating systems. Apple inspired the digital music revolution with the iPod and iTunes, redefined the mobile phone with the iPhone and App Store, invented an entirely new category (tablets) with the iPad, and continues to be at the forefront of mobile technology with the Apple Watch, Apple Pay, and Apple Music. Perhaps Apple's greatest innovation has been its integrated ecosystem, which retains customers and produces a "halo effect" for other Apple devices. Apple's less cyclical Services business is growing ~20%, is accretive to margins, and should command a higher multiple for the stock as the company becomes less dependent on hardware sales.

Mastercard (5.0%) (MA – $188.65 – NYSE) operates a card payments network, connecting consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. Mastercard benefits from the secular trend of cash-to-card conversion and the displacement of cash and checks with digital forms of payment. Global card payment penetration is less than 50%, increasing approximately 2 percentage points per year. Card payment penetration is substantially lower in emerging markets, such as Brazil (35%), Mexico (16%), and India (15%).

Microsoft (7.2%) (MSFT – $101.57 – NASDAQ) is the world's largest software company. CEO Satya Nadella has pivoted the company away from its legacy Windows business, prioritizing cloud applications and services. The transition from Office to cloud-based Office 365 is resulting in growth in users, average revenue per user, and recurring revenue. Microsoft's Azure has emerged as a rapidly growing public cloud competitor to Amazon's AWS. Azure stands to benefit from Microsoft's existing enterprise customer base and distribution channel. The company's legacy assets position it as the hybrid cloud vendor of choice. In contrast to its cloud competition, Microsoft is free of conflict of interest with its customers.

Netflix (2.7%) (NFLX – $267.66 – NASDAQ) continues to rapidly add subscribers to its leading streaming media service. With growth in subscribers, Netflix is able to spread its formidable content costs across its ever wider customer base. Netflix's unique window into viewing behavior allows the company to optimize content investment. The company's focus on evergreen content allows the cumulative value of the Netflix library to grow over time, attracting more subscribers and fueling the virtuous cycle of content spend and customer acquisition. The company continues to build out its library of originally produced content, decreasing their dependence on licensed content and creating exclusivity. We expect the company to more than double its its subscriber base over the next decade as it more deeply penetrates international markets. Investors should benefit from material free cash flow improvement over the next few years.

UnitedHealth Group (5.1%) (UNH – $249.12 – NYSE) is one of the largest and most diversified managed care companies in the United States. Its high growth Optum services business provides wellness and care management programs, financial services, information technology solutions, and pharmacy benefit management (PBM) services to approximately 115 million customers.

Visa (2.9%) (V – $131.94 – NYSE) operates a card payments network, connecting consumers, financial institutions, merchants, governments, and businesses in more than 200 countries. Visa benefits from the secular trend of cash-to-card conversion and the displacement of cash and checks with digital forms of payment. Global card payment penetration is less than 50%, increasing approximately 2 percentage points per year. Card payment penetration is substantially lower in emerging markets, such as Brazil (35%), Mexico (16%) and India (15%).

Zoetis (3.4%) (ZTS – $85.54 – NYSE) maintains a leadership position in animal health medicines and vaccines, with a focus on livestock and companion animals. Zoetis benefits from secular trends such as increasing animal protein consumption and rising standard of care for pets. Zoetis holds a unique position within the healthcare space as it has low exposure to third-party payers and generics.

January 15, 2018

Top Ten Holdings **(Percent of Net Assets)**
December 31, 2018

Microsoft Corp.	7.2%	Mastercard Inc.	5.0%
Amazon.com Inc.	6.4%	Adobe Inc.	3.6%
Alphabet Inc.	6.3%	Zoetis Inc.	3.4%
Apple Inc.	5.9%	Visa Inc.	2.9%
UnitedHealth Group Inc.	5.1%	Netflix Inc.	2.7%

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Managers only through the end of the period stated in this Shareholder Commentary. The Portfolio Managers' views are subject to change at any time based on market and other conditions. The information in this Portfolio Managers' Shareholder Commentary represents the opinions of the Portfolio Managers and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Managers and may differ from those of other portfolio managers or of the Firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed.

Minimum Initial Investment – $1,000

The Fund's minimum initial investment for regular accounts is $1,000. There are no subsequent investment minimums. No initial minimum is required for those establishing an Automatic Investment Plan. Additionally, the Fund and other Gabelli/GAMCO Funds are available through the no-transaction fee programs at many major brokerage firms. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. See the prospectuses for more details.

www.gabelli.com

Please visit us on the Internet. Our homepage at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Mutual Funds, IRAs, 401(k)s, current and historical quarterly reports, closing prices, and other current news. We welcome your comments and questions via e-mail at info@gabelli.com.

The Fund's daily NAVs are available in the financial press and each evening after 7:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554). Please call us during the business day, between 8:00 AM – 7:00 PM (Eastern Time), for further information.

You may sign up for our e-mail alerts at www.gabelli.com and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance.

e-delivery

We are pleased to offer electronic delivery of Gabelli fund documents. Direct shareholders of our mutual funds can elect to receive their Annual and Semiannual Reports, Manager Commentaries, and Prospectuses via e-delivery. For more information or to sign up for e-delivery, please visit our website at www.gabelli.com.

Multi-Class Shares

The GAMCO Growth Fund began offering additional classes of Fund shares on December 31, 2003. Class AAA Shares are no-load shares offered directly through selected broker/dealers. Class A and Class C Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available directly through the Fund's distributor or brokers that have entered into selling agreements specifically with respect to Class I Shares. The Board of Trustees determined that expanding the types of Fund shares available through various distribution options should enhance the ability of the Fund to attract additional investors.

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

Portfolio Management Team Biographies

Howard F. Ward, CFA, joined Gabelli Funds in 1995 and currently serves as GAMCO's Chief Investment Officer of Growth Equities as well as a Gabelli Funds, LLC portfolio manager for several funds within the Gabelli/GAMCO Funds Complex. Prior to joining Gabelli, Mr. Ward served as Managing Director and Lead Portfolio Manager for several Scudder mutual funds. He also was the Investment Officer in the Institutional Investment Department with Brown Brothers, Harriman & Co. for four years. Mr. Ward received his BA in Economics from Northwestern University.

Christopher D. Ward, CFA, joined the GAMCO Growth Team in 2015 as Vice President and Research Analyst. Prior to joining Gabelli Funds, Mr. Ward spent five years at Morgan Stanley Private Wealth Management where he served as Director of Business Strategy for The Apollo Group. Before joining Morgan Stanley, he was with the GFI Group, Inc., a wholesale institutional brokerage firm. Mr. Ward is a Chartered Financial Analyst and a member of the New York Society of Security Analysts. He graduated from Boston College with a BA in Economics.

THE GAMCO GROWTH FUND
One Corporate Center
Rye, NY 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.

GAB406Q418SC

GABELLI FUNDS

THE GAMCO GROWTH FUND

Shareholder Commentary
December 31, 2018