

# The Gabelli Small Cap Growth Fund

## Shareholder Commentary

### June 30, 2018

#### **To Our Shareholders,**

For the quarter ended June 30, 2018, the net asset value (“NAV”) per Class AAA Share of The Gabelli Small Cap Growth Fund increased 3.0% compared with an increase of 7.8% for the Russell 2000 Index. Other classes of shares are available. See page 2 for performance information for all classes.

#### **Politics, the Economy and the Markets**

During the second quarter of 2018, markets recouped first quarter losses to finish the first half of the year modestly higher. Economic indicators, including the lowest unemployment rate since 2000, remain favorable. The Federal Reserve’s program of interest rate normalization is on track after two hikes this year. While the market appears to be taking the strong trade rhetoric from the Trump administration in stride, this global game of chicken could get out of control, with significant consequences for consumer prices and employment. The mere threat of a trade war may have already had a deleterious impact on planned investment. Attacks on free trade by a U.S. president aren’t novel, but the current tone is more strident than in the past; coming from the country that authored the systems governing post-WWII commerce, these attacks could have negative, albeit indeterminable, consequences for the market’s confidence in the free market.

Whether the presidential candidacy of Sen. Bernie Sanders, the June election of Andrés Manuel Lopez Obrador as president of Mexico, the rise of democratic socialist Jeremy Corbyn in the U.K., or the primary defeat of a powerful Democratic congressman by democratic socialist Alexandra Ocasio-Cortez in New York’s 14th congressional district, examples abound of dissatisfaction with the current state of affairs. Such tensions have likely been fueled by changing technology, demographics, and globalization. Capitalism has survived far worse. In fact, one of its beauties has been the ability to subsume these trends and ultimately raise the living standards of broad swaths of the population. We continue to closely monitor trade volleys, the rate cycle and the U.S. mid-term elections, while maintaining a diversified portfolio of strong companies trading at attractive discounts to their Private Market Values.

## Comparative Results

### Average Annual Returns through June 30, 2018 (a)(b)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (10/22/91)
<b>Class AAA (GABSX)</b> .....	2.96%	11.87%	10.38%	10.45%	11.27%	12.58%
Russell 2000 Index .....	7.75	17.57	12.46	10.60	10.50	10.07
<b>Class A (GCASX)</b> .....	2.97	11.85	10.37	10.45	11.27	12.58
With sales charge (c) .....	(2.95)	5.42	9.07	9.80	10.83	12.33
<b>Class C (GCCSX)</b> .....	2.77	11.03	9.55	9.63	10.47	12.13
With contingent deferred sales charge (d) .....	1.77	10.03	9.55	9.63	10.47	12.13
<b>Class I (GACIX)</b> .....	3.04	12.14	10.65	10.73	11.47	12.69
<b>Class T (GATIX)</b> .....	2.98	11.48	10.37	10.45	11.27	12.58
With sales charge (e) .....	0.41	8.69	9.82	10.17	11.08	11.84

**In the current prospectuses dated January 26, 2018, the expense ratios for Class AAA, A, C, I, and T Shares are 1.38%, 1.38%, 2.13%, 1.13%, and 1.38%, respectively. Class AAA and Class I Shares have no sales charge. The maximum sales charge for Class A Shares, Class C Shares, and Class T Shares is 5.75%, 1.00%, and 2.50%, 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. Returns would have been lower had Gabelli Funds, LLC, the Adviser not reimbursed certain expenses of the Fund. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. 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](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, Class I Shares on January 11, 2008, and Class T Shares on July 5, 2017. The actual performance of the Class A Shares, Class C Shares, and Class T 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. 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.
- (e) Performance results include the effect of the maximum 2.50% sales charge at the beginning of the period.

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. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, are available on our website at [www.gabelli.com](http://www.gabelli.com).

## The New “Nifty Fifty”?

Market returns so far this year have been dominated by the “FANG” – Facebook, Amazon, Netflix, and Google (now Alphabet). These four stocks accounted for 1.6 percentage points of the S&P 500’s 2.6% first half return; adding tech giants Apple and Microsoft (resulting in a group known by several acronyms, but we’ll use FANGMA) brings the total to 2.5 percentage points, or virtually the entire positive performance of the index. More broadly, the top ten contributors to the S&P’s return, which includes the six members of the FANGMA, accounted for over 3.1 percentage points, or 116% of the S&P’s return. 2015 played out similarly, with the FANGMA returning 2.3% vs the S&P 500’s 1.4% (172% of the total) and the top ten returning 3.3% or 244% of the S&P’s return.

Much has been written about this apparent level of return concentration – but is it truly unusual? The answer, it turns out, is that while 2015 and the first half of 2018 are outliers, the level of concentration in most other recent years has been run-of-the-mill. Since 1988, the best performing ten and 20 stocks have accounted for approximately 40% and 60% of the total returns of the index. For 2014, 2016, and 2017, the top ten stocks accounted for 28%, 29%, and 31% of returns. This should not be surprising considering that the concept of contribution to return has two components: price appreciation for the year and the average weight of the stock in the index for the year, the result of which is that large companies that are up a little can contribute far more to returns than small companies that are up a lot. What makes the last few years seem different is that the same companies (i.e. the FANGMA) dominate the top contributors list more than any other group of stocks has in the last thirty years. In the six years since CNBC personality Jim Cramer coined the moniker FANG, Facebook, Amazon, Alphabet, and Apple have appeared four times (notably, Amazon was among the largest detractors from the S&P in 2014) – Microsoft, the grizzled technology veteran left out of the FANG, appeared all six times.

Adding to the attention given the FANG is the dominance and growth of their respective platforms and the above average valuations that they garner. This has drawn some comparisons to the tech bubble of the late 1990s, but that comparison understates the cash generating power and genuine competitive advantages of the FANG. A more apt, though still imperfect, analogy may be to compare the 1990s tech bubble to the fads and extreme optimism of the mid-1960s “Go-Go stocks” which crashed in the 1970 bear market, only to give way to the “Nifty Fifty” list of stocks compiled by Morgan Guaranty Trust for institutional clients in the early 1970s. Like today’s FANGMA, this list included industry leaders with strong balance sheets and above average growth rates and P/E ratios (an average of 42x vs the S&P 500’s 19x in 1972) such as Disney, McDonald’s, and Xerox – one-decision stocks that should be bought and held forever. These stocks indeed led the market and were among the last to crash in the 1973-1974 bear market (one, incidentally, precipitated by the fall of the post-war monetary system and a U.S. president), but later ended up declining far more spectacularly than the S&P 500. In 1998, Wharton professor Jeremy Siegel showed that these Nifty Fifty stocks underperformed the S&P 500 in the subsequent 25 years, though the extent of the underperformance is up for methodological debate. Some of these stocks remain leaders today, while many were subsumed by others or ceased to exist. In any case, their times had passed and they turned out to be vulnerable.

Humans make sense of the present and seek insight into the future by examining the past. Fact patterns and outcomes may differ, but the Nifty Fifty episode offers some lessons. First, there are no such things as “can’t miss” stocks. Habits evolve, technologies change, and companies mature. It’s a cycle as old as capitalism itself. Wal-Mart encroaches upon Sears and Amazon attacks Wal-Mart. Some companies manage to cheat death, but the Apple story, for example, could have been much different if not for the return of Steve Jobs, and these nuances can be difficult to predict. Which brings us to the second point: valuation (and by extension, stock picking) matters. A company may have a very bright future, but the stock won’t shine if it already discounts that growth. And, in our view, the higher the growth rate, the less predictable/the higher the variability around that growth rate tends to be. Thus, we would require a greater discount to our appraisal of value to make that investment in growth.

### **Deals, Deals & More Deals**

In the first half of 2018, global deal making hit a record \$2.5 trillion (+61% year-on-year), including a record \$1 trillion (+79%) of activity in the U.S. The underpinnings for industry consolidation remain strong: historically low interest rates, improving business confidence, and scarce organic growth opportunities. Countervailing these dynamics are the prospects for a more assertive Department of Justice and heightened trade tensions. During the quarter, however, the Department of Justice was dealt a setback when U.S. District Court Judge Richard Leon rejected the government’s challenge to the AT&T/Time Warner merger, allowing that deal to close and easing the way for other vertical mergers. Elongated merger approvals by the Chinese government and collateral damage from the aforementioned trade war, are likely the main uncertainties going forward.

Your portfolio benefited from deal announcements. After a multi-year courtship, T-Mobile and Sprint (0.1% of net assets as of June 30, 2018) finally came to terms and are attempting a highly synergistic consolidation of U.S. wireless competitors from four to three. In addition, Vodafone agreed to acquire Liberty Global’s (0.7%) German and Eastern European assets for an attractive 11x+ EBITDA, leaving Liberty a little less global, but with enough cash to significantly shrink its market capitalization after closing next year.

The takeover battle for Twenty-First Century Fox (0.3%) has been a true summer blockbuster. In December 2017, the Walt Disney Company agreed to acquire the non-U.S. and entertainment assets of Fox for ~\$28 in stock (Fox’s remaining broadcast, cable news, and sports assets are likely worth another \$12). Seeing a regulatory opening with the closing of the Time Warner deal, in early June Comcast bid \$35 in cash. Disney subsequently countered with ~\$38 in cash and stock, and followed with the announcement that its deal had already been blessed by the Department of Justice. As of this writing, Comcast could walk away, increase its bid for Fox, or focus on acquiring specific parts of Fox, such as its European Sky distribution and content platform. At stake is global scale enabling Comcast and/or Disney to take their place among the Internet giants to become direct-to-consumer entertainment destinations of tomorrow. It’s likely that the entity that does not come away with Fox will look at other assets, ensuring that media will remain a focus for deal activity in the future.

## Conclusion

We continue to believe we are well positioned for almost any economic backdrop by focusing on companies possessing pricing power, skilled management, and flexible balance sheets that trade at meaningful discounts to the Private Market Values. Our investment environment remains catalyst rich with financial engineering, and still low borrowing costs driving acquisition activity.

## 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 share prices are listed first in United States dollars (USD) and second in the local currency, where applicable, and are presented as of June 30, 2018.

*EnPro Industries (0.2% of net assets as of June 30, 2018) (NPO – \$69.95 – NYSE)* based in Charlotte, North Carolina, is a manufacturer of proprietary industrial products across three segments: Sealing Products, Engineered Products, and Power Systems. Sealing Products makes gaskets, rotary seals, compression packing, hydraulic components, and expansion joints. Engineered Products makes bearing products, while Power Systems makes heavy duty, medium speed diesel, natural gas, and dual fuel reciprocating engines. Last year, EnPro settled decade-long asbestos litigation, thereby simplifying its balance sheet, lowering its cost of financing, and removing an overhang on its stock. It is currently launching a new two-stroke diesel engine product called Trident OP, which is best in class in terms of fuel efficiency and maintenance costs. Trident OP could potentially double the size of the Power Systems business over the next five to ten years, although for now is focused on finding a launch customer. With good conditions in almost all of its end markets and a good track record of bolt on acquisitions, the company should be able to grow earnings at a low double-digit rate over the next few years and move beyond some 1H'18 operating hiccups. We believe, the valuation is attractive even before giving consideration to the Trident OP option.

*HERC Holdings Inc. (0.3%) (HRI – \$56.34 – NYSE)* based in Bonita Springs, Florida, is the third largest equipment rental company in the United States after United Rentals and Sunbelt Rentals (owned by Ashtead). HRI was spun out of former parent Hertz on June 30, 2016. Underemphasized as part of a significantly larger car rental company, HRI now has the opportunity to improve profitability to levels more commensurate with peers as a standalone entity, which has the potential to create significant value for shareholders. Ultimately, we view HRI as an attractive acquisition candidate. We continue to see operating improvement at Herc, which will help drive stronger earnings, particularly in the context of a growing equipment rental market.

*MSG Networks, Inc. (0.2%) (MSGN – \$23.95 – NYSE)* located in New York City, operates the regional sports network (RSN) MSG and MSG+. These channels deliver live broadcasts of Knicks (NBA), Rangers, Islanders, Devils and Sabres (NHL), and Liberty (WNBA) games in addition to original content which includes: local sports

news, sports talk shows, sport & Madison Square Garden themed documentaries. Competition from over the top (OTT: Netflix, Amazon, Hulu, Sling, etc.) is putting pressure on the traditional pay-TV bundle. As a result, MSG Networks has been losing subscribers. While we expect this trend to continue, we do not expect subscriber losses to accelerate. Industry bias towards size should encourage continued consolidation within content and we expect that there could be a number of strategic acquirers for MSGN.

*Mueller Water Products (0.3%) (MWA – \$11.72 – NYSE)* is one of the most recognized brands for products used in the distribution and measurement of water in North America. The company possesses one of the largest installed bases of fire hydrants and iron gate valves in the United States, and is thus well-positioned to benefit from the expected increases in both water infrastructure spending and new residential construction. In addition, Mueller has a fast-growing water metering and leak detection business designed to take advantage of the large shift to advanced metering in the water industry. In early 2017, MWA announced the sale of its Anvil business for \$315 million as well as the appointment of J. Scott Hall as President and CEO. The cash generated from the sale and the company's consistent cash flow generation should enable Mueller to further expand its portfolio of industry-leading products for the water infrastructure market as well as increase returns of capital to shareholders.

*Nathan's Famous, Inc. (0.4%) (NATH – \$94.10 – NYSE)* based in Jericho, New York is a franchisor and operator of restaurants under the Nathan's and Arthur Treacher's brands, as well as licensor of its brands for retail food products. In fiscal 2018, the company generated nearly \$104 million of revenue from its company-owned restaurants, franchisee fees and royalties from restaurants, branded menus and license royalties from food products sold at retail. On December 11, 2012, Nathan's entered a definitive and binding letter agreement with John Morrell (JMC), a subsidiary of Smithfield Foods essentially making JMC the exclusive supplier, distributor and marketer of Nathan's branded hot dog, sausage and corned beef products to retailers starting March 2014. The contract includes more favorable terms for Nathan's, including an increase to the royalty received on net sales from 3%-5% under the previous contract to 10.8% which increased profits but also has further potential as JMC begins to enter product adjacencies using the Nathan's brand. In the short-term, we would expect earnings to improve significantly as the company refinanced its senior notes due 2020 at more favorable rates. Subsequent to the refinancing Nathan's paid a \$5 special dividend in January 2018 and is in the process of selling its Brooklyn restaurant and property for \$12.5 million, further improving its balance sheet.

*Skyline Champion – (0.1%) (SKY – \$35.04 – NYSE)* The combination of Skyline and Champion has created one of the largest manufactured home producers in the United States. At the time of merger, Skyline Champion Corporation trailing twelve months revenue and EBITDA were \$1.2 billion and \$72.4 million, respectively. We believe continued rising demand for housing combined with the affordability of manufactured homes will continue to support solid industry shipment growth. These dynamics should continue to drive solid revenue growth and improved profitability for the next several years. A flexible manufacturing process and low capital intensity will also enable the firm to continue to drive solid free cash flow, allowing for future flexibility and capital allocation opportunities.

*Surmodics Inc. (0.1%) (SRDX – \$55.20 – NASDAQ)* based in Eden Prairie, Minnesota, provides highly technical coatings that allow medical devices to better navigate the body. The company is gradually adding design and manufacturing capabilities in order to provide entire products to its customers, moving themselves further up the value chain. On February 27, Surmodics signed its largest partnership to date with Abbott Labs for a next generation drug coated balloon to treat vascular disease in the legs. Surmodics will receive \$25 million upfront, up to \$67 million in additional milestones, and a share of commercial profits when this product launches in 2020. Abbott is the best remaining partner for Surmodics and this deal validates both its technology and strategic direction.

July 27, 2018

<b>Top Ten Holdings (Percent of Net Assets)</b>			
<b><u>June 30, 2018</u></b>			
Kikkoman Corp.	1.7%	Ryman Hospitality Properties	1.2%
Kaman Corp.	1.6%	Ferro Corp.	1.2%
Navistar International Corp.	1.4%	Interpublic Group of Companies	1.2%
PNM Resources Inc.	1.3%	Live Nation Entertainment Inc.	1.2%
Tyler Technologies Inc.	1.3%	O'Reilly Automotive Inc.	1.2%

**Note:** The views expressed in this Shareholder Commentary reflect those of the Portfolio Manager only through the end of the period stated in this Shareholder Commentary. The Portfolio Manager's views are subject to change at any time based on market and other conditions. The information in this Portfolio Manager's Shareholder Commentary represents the opinions of the individual Portfolio Manager 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 Manager 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](http://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](mailto:info@gabelli.com).

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

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.

## **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](http://www.gabelli.com).

## **Multi-Class Shares**

The Gabelli Small Cap 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 Directors determined that expanding the types of Fund shares available through various distribution options will enhance the ability of the Fund to attract additional investors.



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## **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. GAMCO Investors, Inc. is a publicly held company that has subsidiaries 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.

### **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 Executive 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.

**Gabelli Equity Series Funds, Inc.**  
**THE GABELLI SMALL CAP GROWTH FUND**

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

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**GABELLI**  
FUNDS

# THE GABELLI SMALL CAP GROWTH FUND

*Shareholder Commentary*  
*June 30, 2018*

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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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## Third Quarter Report — June 30, 2018

### To Our Shareholders,

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Enclosed is the schedule of investments, as of June 30, 2018.

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#### Average Annual Returns through June 30, 2018 (a)(b) (Unaudited)

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(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.

(e) Performance results include the effect of the maximum 2.50% sales charge at the beginning of the period.

# The Gabelli Small Cap Growth Fund

## Schedule of Investments — June 30, 2018 (Unaudited)

Shares		Market Value	Shares		Market Value
	<b>COMMON STOCKS — 97.8%</b>				
	<b>Aerospace — 1.0%</b>				
1,240,000	Aerojet Rocketdyne Holdings Inc.†	\$ 36,567,600	23,300	Cogeco Inc.	\$ 1,030,081
20,000	Embraer SA, ADR	498,000	196,000	Corus Entertainment Inc., Cl. B	739,482
40,000	Innovative Solutions & Support Inc.†	116,400	25,000	Gray Television Inc.†	395,000
		<u>37,182,000</u>	72,000	Gray Television Inc., Cl. A†	1,051,200
	<b>Agriculture — 0.0%</b>		925,000	ITV plc	2,124,136
12,000	Cadiz Inc.†	157,200	20,000	Liberty Broadband Corp., Cl. A†	1,512,800
			48,000	Liberty Broadband Corp., Cl. C†	3,634,560
	<b>Automotive — 1.4%</b>		20,000	Liberty Media Corp.-Liberty Formula One, Cl. A†	706,200
1,316,000	Navistar International Corp.†	53,587,520	40,000	Liberty Media Corp.-Liberty Formula One, Cl. C†	1,485,200
15,000	PACCAR Inc.	929,400	78,000	Liberty Media Corp.-Liberty SiriusXM, Cl. A†	3,513,900
		<u>54,516,920</u>	85,000	Liberty Media Corp.-Liberty SiriusXM, Cl. C†	3,855,600
	<b>Automotive: Parts and Accessories — 4.8%</b>		360,000	MSG Networks Inc., Cl. A†	8,622,000
5,000	Adient plc	245,950	100,000	Nexstar Media Group Inc., Cl. A	7,340,000
236,000	BorgWarner Inc.	10,185,760	212,000	Pandora Media Inc.†	1,670,560
1,270,000	Brembo SpA	17,189,219	95,513	RLJ Entertainment Inc.†	442,225
90,022	China Automotive Systems Inc.†	392,496	572,000	Salem Media Group Inc.	2,945,800
300,000	Cooper Tire & Rubber Co.	7,890,000	169,000	Sinclair Broadcast Group Inc., Cl. A	5,433,350
1,185,000	Dana Inc.	23,925,150	450,000	Sirius XM Holdings Inc.	3,046,500
1,128,307	Federal-Mogul Holdings Corp.†(a)	11,283,070	62,000	Tribune Media Co., Cl. A	2,372,740
1,000	Lear Corp.	185,810			<u>55,104,675</u>
700,000	Modine Manufacturing Co.†	12,775,000		<b>Building and Construction — 3.6%</b>	
22,000	Monro Muffler Brake Inc.	1,278,200	213,000	Armstrong Flooring Inc.†	2,990,520
159,000	O'Reilly Automotive Inc.†	43,497,630	55,000	Beazer Homes USA Inc.†	811,250
45,000	Puradyn Filter Technologies Inc.†	761	287,000	D.R. Horton Inc.	11,767,000
185,000	SORL Auto Parts Inc.†	863,950	52,000	Gibraltar Industries Inc.†	1,950,000
85,375	Spartan Motors Inc.	1,289,163	472,906	Herc Holdings Inc.†	26,643,524
200,000	Standard Motor Products Inc.	9,668,000	700,000	Hovnanian Enterprises Inc., Cl. A†	1,141,000
207,600	Strattec Security Corp.(b)	6,342,180	2,000	JELD-WEN Holding Inc.†	57,180
385,000	Superior Industries International Inc.	6,891,500	135,000	Johnson Controls International plc	4,515,750
455,000	Tenneco Inc.	20,001,800	200,000	KB Home	5,448,000
24,000	Thor Industries Inc.	2,337,360	490,800	Lennar Corp., Cl. B	20,952,252
130,000	Uni-Select Inc.	2,067,699	600,000	Louisiana-Pacific Corp.	16,332,000
11,000	Visteon Corp.†	1,421,640	136,080	MDC Holdings Inc.	4,187,182
		<u>179,732,338</u>	150,000	Meritage Homes Corp.†	6,592,500
	<b>Aviation: Parts and Services — 4.4%</b>		2,700	NVR Inc.†	8,019,945
25,000	AAR Corp.	1,162,250	335,000	PulteGroup Inc.	9,631,250
9,500	Astronics Corp.†	341,715	35,000	Titan Machinery Inc.†	544,250
18,500	Astronics Corp., Cl. B†	661,560	370,000	Toll Brothers Inc.	13,686,300
9,300,000	BBA Aviation plc	41,902,286			<u>135,269,903</u>
361,500	Curtiss-Wright Corp.	43,025,730		<b>Business Services — 4.9%</b>	
44,000	Ducommun Inc.†	1,455,960	36,000	ACCO Brands Corp.	498,600
875,000	Kaman Corp.	60,978,750	68,200	Ascent Capital Group Inc., Cl. A†	191,642
61,000	KLX Inc.†	4,385,900	652,000	Clear Channel Outdoor Holdings Inc., Cl. A	2,803,600
90,000	Moog Inc., Cl. A	7,016,400	1,370,000	Diebold Nixdorf Inc.	16,371,500
16,200	Moog Inc., Cl. B	1,272,348	559,000	Edgewater Technology Inc.†	3,029,780
68,000	Woodward Inc.	5,226,480	95,000	GP Strategies Corp.†	1,672,000
		<u>167,429,379</u>	25,000	GSE Systems Inc.†	81,250
	<b>Broadcasting — 1.5%</b>		1,381,215	Internap Corp.†	14,392,260
240,000	Beasley Broadcast Group Inc., Cl. A	2,688,000	178,785	Internap Corp.†	1,862,940
10,000	Cogeco Communications Inc.	495,341			

See accompanying notes to schedule of investments.



# The Gabelli Small Cap Growth Fund

## Schedule of Investments (Continued) — June 30, 2018 (Unaudited)

Shares		Market Value	Shares		Market Value
	<b>COMMON STOCKS (Continued)</b>			<b>Energy and Utilities — 6.0%</b>	
	<b>Diversified Industrial (Continued)</b>			Andeavor .....	\$ 3,082,730
7,000	JSP Corp. ....	\$ 211,489	23,500	Avangrid Inc. ....	3,017,010
840,000	Katy Industries Inc.†(b) .....	2,646	120,000	Avista Corp. ....	6,319,200
184,000	Kimball International Inc., Cl. B .....	2,973,440	260,000	Black Hills Corp. ....	15,914,600
50,000	L.B. Foster Co., Cl. A† .....	1,147,500	700,000	Black Ridge Oil and Gas Inc.† .....	16,800
80,000	Lawson Products Inc.† .....	1,948,000	274,000	Callon Petroleum Co.† .....	2,942,760
94,000	Lincoln Electric Holdings Inc. ....	8,249,440	46,000	Chesapeake Utilities Corp. ....	3,677,700
59,000	Lindsay Corp. ....	5,722,410	5,000	Clean Energy Fuels Corp.† .....	18,450
27,000	Lydall Inc.† .....	1,178,550	38,000	CMS Energy Corp. ....	1,796,640
40,221	Matthews International Corp., Cl. A .....	2,364,995	21,000	Connecticut Water Service Inc. ....	1,371,720
990,076	Myers Industries Inc. ....	19,009,459	11,000	Consolidated Water Co. Ltd. ....	141,900
19,000	nVent Electric plc† .....	476,900	155,000	Covanta Holding Corp. ....	2,557,500
126,000	Oil-Dri Corp. of America .....	5,309,640	94,000	Diamondback Energy Inc. ....	12,367,580
120,000	Olin Corp. ....	3,446,400	25,000	Dril-Quip Inc.† .....	1,285,000
307,500	Park-Ohio Holdings Corp. ....	11,469,750	406,000	El Paso Electric Co. ....	23,994,600
19,000	Pentair plc .....	799,520	80,000	Energy Recovery Inc.† .....	646,400
98,000	Raven Industries Inc. ....	3,768,100	268,781	Evergy Inc. ....	15,092,053
27,000	Roper Technologies Inc. ....	7,449,570	20,000	Gamesa Corporacion Tecnologica SA .....	268,711
96,000	Sonoco Products Co. ....	5,040,000	110,000	Hawaiian Electric Industries Inc. ....	3,773,000
1,500	Spectrum Brands Holdings Inc. ....	122,430	40,000	Middlesex Water Co. ....	1,686,800
57,000	Standex International Corp. ....	5,825,400	95,000	National Fuel Gas Co. ....	5,031,200
470,042	Steel Connect Inc.† .....	1,015,291	15,000	Northwest Natural Gas Co. ....	957,000
285,046	Steel Partners Holdings LP† .....	4,817,277	76,000	NorthWestern Corp. ....	4,351,000
17,000	T Hasegawa Co. Ltd. ....	370,970	80,000	Oceaneering International Inc. ....	2,036,800
8,000	Terex Corp. ....	337,520	288,000	Otter Tail Corp. ....	13,708,800
390,000	Textron Inc. ....	25,704,900	12,000	Patterson-UTI Energy Inc. ....	216,000
538,000	Tredegar Corp. ....	12,643,000	1,245,000	PNM Resources Inc. ....	48,430,500
260,000	Trinity Industries Inc. ....	8,907,600	72,000	Rowan Companies plc, Cl. A† .....	1,167,840
		<u>248,227,568</u>	1,970,000	RPC Inc. ....	28,702,900
	<b>Educational Services — 0.0%</b>		98,000	SJW Group .....	6,489,560
59,000	Career Education Corp.† .....	954,030	175,500	Southwest Gas Holdings Inc. ....	13,385,385
100,000	Universal Technical Institute Inc.† .....	315,000	15,000	Spire Inc. ....	1,059,750
		<u>1,269,030</u>	100,000	SunEdison Inc.†(a) .....	1,010
	<b>Electronics — 1.8%</b>		41,000	The York Water Co. ....	1,303,800
192,000	Badger Meter Inc. ....	8,582,400	14,000	Vestas Wind Systems A/S .....	866,778
281,652	Bel Fuse Inc., Cl. A(b) .....	6,027,353			<u>227,679,477</u>
545,000	CTS Corp. ....	19,620,000		<b>Entertainment — 2.9%</b>	
500,000	Cypress Semiconductor Corp. ....	7,790,000	19,000	AMC Entertainment Holdings Inc., Cl. A .....	302,100
40,000	Daktronics Inc. ....	340,400	50,000	Discovery Inc., Cl. A† .....	1,375,000
57,000	Dolby Laboratories Inc., Cl. A .....	3,516,330	100,000	Discovery Inc., Cl. C† .....	2,550,000
1,167	Fortive Corp. ....	89,987	432,612	Dover Motorsports Inc. ....	973,377
240,000	Gentex Corp. ....	5,524,800	125,000	Entertainment One Ltd. ....	606,754
40,000	IMAX Corp.† .....	886,000	25,000	Eros International plc† .....	325,000
70,000	KEMET Corp.† .....	1,690,500	30,000	Inspired Entertainment Inc.† .....	187,500
350,000	Park Electrochemical Corp. ....	8,116,500	69,000	International Speedway Corp., Cl. A .....	3,084,300
60,000	Renesas Electronics Corp.† .....	588,538	6,814	International Speedway Corp., Cl. B .....	310,889
8,000	Sparton Corp.† .....	151,920	50,000	Liberty Media Corp.-	
185,000	Stoneridge Inc.† .....	6,500,900		Liberty Braves, Cl. A† .....	1,285,500
		<u>69,425,628</u>	255,000	Liberty Media Corp.-	
			14,000	Liberty Braves, Cl. C† .....	6,594,300
				Lions Gate Entertainment Corp., Cl. A .....	347,480

See accompanying notes to schedule of investments.



# The Gabelli Small Cap Growth Fund

## Schedule of Investments (Continued) — June 30, 2018 (Unaudited)

Shares		Market Value	Shares		Market Value
	<b>COMMON STOCKS (Continued)</b>				
	<b>Entertainment (Continued)</b>		7,875	Watsco Inc., Cl. B	\$ 1,401,750
36,000	Lions Gate Entertainment Corp., Cl. B	\$ 844,560	172,000	Watts Water Technologies Inc., Cl. A	13,484,800
30,000	Manchester United plc, Cl. A	618,000			<u>342,124,704</u>
235,000	Pinnacle Entertainment Inc.†	7,926,550		<b>Financial Services — 4.1%</b>	
110,000	Take-Two Interactive Software Inc.†	13,019,600	10,000	Alleghany Corp.	5,749,700
124,000	The Madison Square Garden Co, Cl. A†	38,463,560	33,674	Argo Group International Holdings Ltd.	1,958,143
260,000	Twenty-First Century Fox Inc., Cl. A	12,919,400	10,770	BKF Capital Group Inc.†	117,393
154,000	Universal Entertainment Corp.†	6,926,975	10,000	Canadian Imperial Bank of Commerce	869,200
150,000	World Wrestling Entertainment Inc., Cl. A	10,923,000	12,500	Capitol Federal Financial Inc.	164,500
		<u>109,583,845</u>	22,000	Crazy Woman Creek Bancorp Inc.	389,290
	<b>Environmental Services — 0.8%</b>		636,000	Energy Transfer Equity LP	10,971,000
41,500	Evoqua Water Technologies Corp.†	850,750	125	Farmers & Merchants Bank of Long Beach	1,020,000
400,000	Republic Services Inc.	27,344,000	79,000	FCB Financial Holdings Inc., Cl. A†	4,645,200
		<u>28,194,750</u>	30,000	Federated Investors Inc., Cl. B	699,600
	<b>Equipment and Supplies — 9.1%</b>		10,300	Fidelity Southern Corp.	261,723
85,000	A.O. Smith Corp.	5,027,750	500,093	Flushing Financial Corp.	13,052,427
510,000	AMETEK Inc.	36,801,600	64,800	FNB Corp.	869,616
50,000	AZZ Inc.	2,172,500	1,000,000	GAM Holding AG	13,834,192
10,000	Belden Inc.	611,200	155,000	Hilltop Holdings Inc.	3,420,850
60,000	Chart Industries Inc.†	3,700,800	310,000	Hope Bancorp Inc.	5,527,300
540,000	CIRCOR International Inc.	19,958,400	455,800	Huntington Bancshares Inc.	6,727,608
300,000	Core Molding Technologies Inc.	4,284,000	490,000	Janus Henderson Group plc	15,057,700
158,000	Crown Holdings Inc.†	7,072,080	90,000	KeyCorp.	1,758,600
2,335	Danaher Corp.	230,418	750,072	KKR & Co. Inc., Cl. A	18,639,289
175,000	Donaldson Co. Inc.	7,896,000	150,000	Legg Mason Inc.	5,209,500
208,000	Entegris Inc.	7,051,200	15,000	M&T Bank Corp.	2,552,250
820,000	Federal Signal Corp.	19,097,800	18,000	Manning & Napier Inc.	55,800
300,000	Flowserve Corp.	12,120,000	100,000	Medallion Financial Corp.†	548,000
320,000	Franklin Electric Co. Inc.	14,432,000	251,000	Och-Ziff Capital Management Group LLC, Cl. A	484,430
690,000	Graco Inc.	31,201,800	165,000	Oritani Financial Corp.	2,673,000
93,000	IDEX Corp.	12,692,640	120,000	PJT Partners Inc., Cl. A	6,406,800
390,000	Interpump Group SpA	12,132,989	56,000	Pzena Investment Management Inc., Cl. A	515,760
66,000	Itron Inc.†	3,963,300	3,000	Rafael Holdings Inc., Cl. B†	27,570
31,000	Littelfuse Inc.	7,073,580	843	South State Corp.	72,709
55,000	Maezawa Kyuso Industries Co. Ltd.	967,710	20,000	State Auto Financial Corp.	598,200
80,000	Minerals Technologies Inc.	6,028,000	21,056	State Bank Financial Corp.	703,270
6,000	MSA Safety Inc.	578,040	431,887	Sterling Bancorp	10,149,345
755,054	Mueller Industries Inc.	22,281,644	12,500	T. Rowe Price Group Inc.	1,451,125
825,000	Mueller Water Products Inc., Cl. A	9,669,000	24,000	TFS Financial Corp.	378,480
10,000	Plantronics Inc.	762,500	145,000	The Charles Schwab Corp.	7,409,500
4,000	Teleflex Inc.	1,072,840	15,000	Thomasville Bancshares Inc.	626,250
280,000	Tennant Co.	22,120,000	40,782	Value Line Inc.	966,533
878,000	The Gorman-Rupp Co.	30,730,000	470,000	Waddell & Reed Financial Inc., Cl. A	8,445,900
135,000	The Greenbrier Companies Inc.	7,121,250	10,000	Waterloo Investment Holdings Ltd.†(a)	1,900
290,056	The L.S. Starrett Co., Cl. A	1,856,358	510,000	Wright Investors' Service Holdings Inc.†	255,000
35,000	The Manitowoc Co. Inc.†	905,100			<u>155,264,653</u>
74,000	The Middleby Corp.†	7,727,080		<b>Food and Beverage — 10.6%</b>	
40,000	The Timken Co.	1,742,000	575,000	Arca Continental SAB de CV	3,530,733
48,000	The Toro Co.	2,892,000	112,500	Brown-Forman Corp., Cl. A	5,496,750
7,500	Valmont Industries Inc.	1,130,625	28,125	Brown-Forman Corp., Cl. B	1,378,406
49,000	Vicor Corp.†	2,133,950	21,000	Bull-Dog Sauce Co. Ltd.	411,597

See accompanying notes to schedule of investments.

# The Gabelli Small Cap Growth Fund

## Schedule of Investments (Continued) — June 30, 2018 (Unaudited)

Shares		Market Value	Shares		Market Value
	<b>COMMON STOCKS (Continued)</b>				
	<b>Food and Beverage (Continued)</b>				
5,000,000	China Tontine Wines Group Ltd.†	\$ 105,792	57,000	CONMED Corp.	\$ 4,172,400
222,000	Chr. Hansen Holding A/S	20,509,064	383,000	Cutera Inc.†	15,434,900
620,000	Cott Corp.	10,261,000	62,000	DexCom Inc.†	5,888,760
350,000	Crimson Wine Group Ltd.†	3,237,500	93,000	Evolent Health Inc., Cl. A†	1,957,650
3,800,000	Davide Campari-Milano SpA	31,263,211	11,500	Global Blood Therapeutics Inc.†	519,800
35,000	Dean Foods Co.	367,850	192,000	Globus Medical Inc., Cl. A†	9,688,320
225,000	Denny's Corp.†	3,584,250	86,000	Henry Schein Inc.†	6,247,040
300,000	Dr Pepper Snapple Group Inc.	36,600,000	4,000	Heska Corp.†	415,160
3,500,000	Dynasty Fine Wines Group Ltd.†(a)	321,199	41,600	ICU Medical Inc.†	12,215,840
110,000	Farmer Brothers Co.†	3,360,500	25,000	Integer Holdings Corp.†	1,616,250
510,000	Flowers Foods Inc.	10,623,300	75,000	K2M Group Holdings Inc.†	1,687,500
120,000	Ingredion Inc.	13,284,000	350,000	Kindred Healthcare Inc.†	3,150,000
180,000	ITO EN Ltd.	8,340,333	19,000	Lexicon Pharmaceuticals Inc.†	228,000
132,000	Iwatsuka Confectionery Co. Ltd.	6,080,477	30,000	LivaNova plc†	2,994,600
23,500	J & J Snack Foods Corp.	3,583,045	110,000	Masimo Corp.†	10,741,500
146,000	Kameda Seika Co. Ltd.	7,806,711	24,000	Melinta Therapeutics Inc.†	152,400
1,250,000	Kikkoman Corp.	63,112,496	192,000	Meridian Bioscience Inc.	3,052,800
221,100	Lifeway Foods Inc.†	1,112,133	25,733	Neogen Corp.†	2,063,529
1,220,000	Maple Leaf Foods Inc.	30,846,841	150,000	NuVasive Inc.†	7,618,000
6,000	MEIJI Holdings Co. Ltd.	506,164	25,500	Nuvectra Corp.†	523,515
50,000	MGP Ingredients Inc.	4,440,500	20,000	Ophthotech Corp.†	54,600
90,000	Morinaga Milk Industry Co. Ltd.	3,365,398	318,000	OPKO Health Inc.†	1,494,600
27,000	National Beverage Corp.†	2,886,300	163,000	Orthofix International NV†	9,261,660
85,000	Nissin Foods Holdings Co. Ltd.	6,149,573	76,000	Owens & Minor Inc.	1,269,960
25,000	Nutrisystem Inc.	962,500	5,000	Pain Therapeutics Inc.†	10,300
8,548,096	Parmalat SpA	28,849,362	100,000	Patterson Cos., Inc.	2,267,000
273,000	Post Holdings Inc.†	23,483,460	578,000	Quidel Corp.†	38,437,000
310,000	Rock Field Co. Ltd.	5,342,366	200,000	RTI Surgical Inc.†	920,000
24,500	The Boston Beer Co. Inc., Cl. A†	7,342,650	25,000	Seikagaku Corp.	335,772
392,000	The Hain Celestial Group Inc.†	11,681,600	53,500	STERIS plc	5,618,035
78,000	The J.M. Smucker Co.	8,383,440	2,100	Straumann Holding AG	1,601,030
800,000	Tingyi (Cayman Islands) Holding Corp.	1,855,817	3,000	Stryker Corp.	506,580
351,230	Tootsie Roll Industries Inc.	10,835,446	43,000	SurModics Inc.†	2,373,600
81,000	United Natural Foods Inc.†	3,455,460	32,000	Teladoc Inc.†	1,857,600
22,000	Vina Concha Y Toro SA, ADR	915,420	100,000	Tetraphase Pharmaceuticals Inc.†	357,000
1,400,000	Vitasoy International Holdings Ltd.	4,478,944	24,000	The Cooper Companies Inc.	5,650,800
20,000	Willamette Valley Vineyards Inc.†	171,000	45,000	United-Guardian Inc.	861,750
150,000	Yakult Honsha Co. Ltd.	10,025,742	404,500	Wright Medical Group NV†	10,500,820
		<u>400,348,330</u>			<u>235,313,864</u>
	<b>Health Care — 6.2%</b>			<b>Home Furnishings — 0.4%</b>	
150,000	Achaogen Inc.†	1,299,000	260,000	Bassett Furniture Industries Inc.	7,163,000
5,000	Align Technology Inc.†	1,710,700	30,000	Bed Bath & Beyond Inc.	597,750
21,000	Allergan plc	3,501,120	20,000	Ethan Allen Interiors Inc.	490,000
64,000	AngioDynamics Inc.†	1,423,360	172,000	La-Z-Boy Inc.	5,263,200
6,000	Anika Therapeutics Inc.†	192,000			<u>13,513,950</u>
11,000	Bio-Rad Laboratories Inc., Cl. A†	3,173,940	156,000	<b>Hotels and Gaming — 3.8%</b>	
18,000	Bruker Corp.	522,720	495,000	Belmond Ltd., Cl. A†	1,739,400
100,000	Cantel Medical Corp.	9,836,000	190,000	Boyd Gaming Corp.	17,156,700
35,500	Cardiovascular Systems Inc.†	1,148,070	74,200	Canterbury Park Holding Corp.	2,935,500
119,825	Chemed Corp.	38,560,883	170,000	Churchill Downs Inc.	22,000,300
				Dover Downs Gaming & Entertainment Inc.†	302,600

See accompanying notes to schedule of investments.

# The Gabelli Small Cap Growth Fund

## Schedule of Investments (Continued) — June 30, 2018 (Unaudited)

Shares		Market Value	Shares		Market Value
	<b>COMMON STOCKS (Continued)</b>				
	<b>Hotels and Gaming (Continued)</b>		60,000	Meredith Corp.	\$ 3,060,000
180,000	Formosa International Hotels Corp.	\$ 879,676	65,000	News Corp., Cl. A	1,007,500
540,000	Full House Resorts Inc.†	1,798,200	1,400,000	The E.W. Scripps Co., Cl. A	18,746,000
110,000	Gaming and Leisure Properties Inc., REIT	3,938,000			<u>26,254,608</u>
1,000,000	Genting Singapore Ltd.	895,413		<b>Real Estate — 1.4%</b>	
171,000	Golden Entertainment Inc.†	4,615,290	75,000	Capital Properties Inc., Cl. A	1,185,000
50,000	International Game Technology plc	1,162,000	180,000	Cohen & Steers Inc.	7,507,800
168,000	Las Vegas Sands Corp.	12,828,480	267,600	Griffin Industrial Realty Inc.(b)	11,771,724
3,000,000	Mandarin Oriental International Ltd.	6,990,000	6,967	Gyrodyne LLC†	141,918
30,000	Penn National Gaming Inc.†	1,007,700	19,500	Lamar Advertising Co., Cl. A, REIT	1,332,045
545,000	Ryman Hospitality Properties Inc., REIT	45,316,750	100,000	Morguard Corp.	12,732,666
2,950,000	The Hongkong & Shanghai Hotels Ltd.	4,211,278	32,000	New Senior Investment Group Inc., REIT	242,240
380,000	The Marcus Corp.	12,350,000	95,088	Reading International Inc., Cl. A†	1,516,654
22,000	Wynn Resorts Ltd.	<u>3,681,480</u>	2,337	Reading International Inc., Cl. B†	72,914
		<u>143,808,767</u>	24,000	Seritage Growth Properties, Cl. A, REIT	1,018,320
			190,000	Tejon Ranch Co.†	4,617,000
			620,000	The St. Joe Co.†	<u>11,129,000</u>
					<u>53,267,281</u>
	<b>Machinery — 1.8%</b>			<b>Retail — 5.0%</b>	
462,000	Astec Industries Inc.	27,627,600	300,000	Aaron's Inc.	13,035,000
1,700,000	CNH Industrial NV	17,901,000	200,000	AutoNation Inc.†	9,716,000
2,000	Disco Corp.	341,598	21,024	Barnes & Noble Education Inc.†	118,575
227,500	Kennametal Inc.	8,167,250	31,500	Barnes & Noble Inc.	200,025
6,000	Nordson Corp.	770,460	175,000	Big 5 Sporting Goods Corp.	1,330,000
171,800	The Eastern Co.	4,818,990	2,263	Biglari Holdings Inc., Cl. A†	2,149,850
200,000	Twin Disc Inc.†	4,964,000	22,639	Biglari Holdings Inc., Cl. B†	4,154,030
100,000	Welbilt Inc.†	<u>2,231,000</u>	147,000	Casey's General Stores Inc.	15,446,760
		<u>66,821,898</u>	164,000	Copart Inc.†	9,275,840
			2,500	Dunkin' Brands Group Inc.	172,675
	<b>Manufactured Housing and Recreational Vehicles — 0.7%</b>		190,000	GNC Holdings Inc., Cl. A†	668,800
91,000	Cavco Industries Inc.†	18,896,150	1,045,000	Hertz Global Holdings Inc.†	16,030,300
87,100	Nobility Homes Inc.	1,843,907	665,000	Ingles Markets Inc., Cl. A	21,147,000
85,000	Skyline Champion Corp.	2,978,400	615,000	J.C. Penney Co. Inc.†	1,439,100
59,000	Winnebago Industries Inc.	<u>2,395,400</u>	75,500	Lands' End Inc.†	2,106,450
		<u>26,113,857</u>	178,000	Macy's Inc.	6,662,540
			85,000	Movado Group Inc.	4,105,500
	<b>Metals and Mining — 0.9%</b>		17,000	Murphy USA Inc.†	1,262,930
275,000	Allegheny Technologies Inc.†	6,908,000	157,000	Nathan's Famous Inc.	14,773,700
52,003	Barrick Gold Corp.	682,799	100,000	Penske Automotive Group Inc.	4,685,000
154,000	Century Aluminum Co.†	2,425,500	70,000	Pets at Home Group plc	119,635
25,500	Constellation NV, Cl. A†	262,650	82,000	Pier 1 Imports Inc.	195,160
45,000	Ivanhoe Mines Ltd., Cl. A†	92,420	1,880,000	Rite Aid Corp.†	3,252,400
135,000	Kinross Gold Corp.†	507,600	290,000	Rush Enterprises Inc., Cl. B†	12,731,000
322,000	Materion Corp.	17,436,300	4,000	Salvatore Ferragamo SpA	97,628
375,000	TimkenSteel Corp.†	6,131,250	17,000	Sprouts Farmers Market Inc.†	375,190
230,000	Turquoise Hill Resources Ltd.†	653,200	396,000	The Cheesecake Factory Inc.	21,803,760
15,000	Yamana Gold Inc.	<u>43,499</u>	194,000	Tractor Supply Co.	14,839,060
		<u>35,143,218</u>	47,000	Village Super Market Inc., Cl. A	1,384,620
			100,000	Vitamin Shoppe, Inc.†	695,000
			57,600	Weis Markets Inc.	<u>3,072,384</u>
	<b>Paper and Forest Products — 0.0%</b>				
16,000	Schweitzer-Mauduit International Inc.	<u>699,520</u>			
	<b>Publishing — 0.7%</b>				
80,000	Cambium Learning Group Inc.†	892,000			
3,000	Graham Holdings Co., Cl. B	1,758,300			
50,000	II Sole 24 Ore SpA†	38,888			
12,000	John Wiley & Sons Inc., Cl. B	751,920			

See accompanying notes to schedule of investments.

# The Gabelli Small Cap Growth Fund

## Schedule of Investments (Continued) — June 30, 2018 (Unaudited)

Shares		Market Value	Shares		Market Value
	<b>COMMON STOCKS (Continued)</b>				
	<b>Retail (Continued)</b>		62,000	United States Cellular Corp.†	\$ 2,296,480
800	Winmark Corp.	\$ 118,760			8,497,948
		<u>187,164,672</u>		<b>TOTAL COMMON STOCKS</b>	<u>3,693,338,486</u>
	<b>Specialty Chemicals — 3.3%</b>			<b>CLOSED-END FUNDS — 0.2%</b>	
65,000	A. Schulman Inc.	2,892,500	104,000	MVC Capital Inc.	988,000
90,000	Albemarle Corp.	8,489,700	84,960	The Central Europe, Russia, and Turkey Fund Inc.	1,969,373
71,000	Ashland Global Holdings Inc.	5,550,780	31,977	The European Equity Fund Inc.	300,264
2,155,000	Ferro Corp.†	44,931,750	119,278	The New Germany Fund Inc.	2,175,631
115,000	GCP Applied Technologies Inc.†	3,329,250		<b>TOTAL CLOSED-END FUNDS</b>	<u>5,433,268</u>
91,200	General Chemical Group Inc.†	730		<b>PREFERRED STOCKS — 0.2%</b>	
305,000	H.B. Fuller Co.	16,372,400		<b>Automotive: Parts and Accessories — 0.1%</b>	
58,000	Hawkins Inc.	2,050,300	135,000	Jungheinrich AG.	5,007,065
138,000	Huntsman Corp.	4,029,600		<b>Financial Services — 0.1%</b>	
15,600	NewMarket Corp.	6,310,200	188,000	Steel Partners Holdings LP Ser. A, 6.000%(b)	3,833,320
300,000	OMNOVA Solutions Inc.†	3,120,000		<b>TOTAL PREFERRED STOCKS</b>	<u>8,840,385</u>
135,000	Platform Specialty Products Corp.†	1,566,000		<b>CONVERTIBLE PREFERRED STOCKS — 0.0%</b>	
12,000	Quaker Chemical Corp.	1,858,440		<b>Business Services — 0.0%</b>	
220,000	Sensient Technologies Corp.	15,741,000	14,747	Trans-Lux Pfd., Ser. B, 6.000%(b)	210,145
26,102	SGL Carbon SE†	280,739		<b>RIGHTS — 0.0%</b>	
10,000	Takasago International Corp.	320,191		<b>Entertainment — 0.0%</b>	
300,000	Valvoline Inc.	6,471,000		Media General Inc., CVR†(a)	2
		<u>123,314,580</u>		<b>Health Care — 0.0%</b>	
	<b>Telecommunications — 1.6%</b>			Sanofi, CVR, expire 12/31/20†	145,000
79,000	ATN International Inc.	4,168,830		<b>TOTAL RIGHTS</b>	<u>145,002</u>
560,000	Cincinnati Bell Inc.†	8,792,000		<b>U.S. GOVERNMENT OBLIGATIONS — 1.8%</b>	
61,000	Consolidated Communications Holdings Inc.	753,960	1,680,000	U.S. Treasury Bills, 1.737% to 2.097%††, 07/05/18 to 12/20/18	69,568,937
841,800	Gogo Inc.†	4,091,148		<b>TOTAL INVESTMENTS — 100.0%</b>	<u>\$3,777,536,223</u>
30,000	Harris Corp.	4,336,200			
250,000	HC2 Holdings Inc.†	1,462,500			
6,000	IDT Corp., Cl. B.	33,720			
120,000	Iridium Communications Inc.†	1,932,000			
120,000	Liberty Latin America Ltd., Cl. A†	2,294,400			
300,000	Liberty Latin America Ltd., Cl. C†	5,814,000			
55,000	Loral Space & Communications Inc.†	2,068,000			
130,000	Nuvera Communications Inc.	2,368,600			
40,000	Pharol SGPS SA†	11,117			
115,000	Rogers Communications Inc., Cl. B	5,457,900			
218,000	Shenandoah Telecommunications Co.	7,128,600			
850,000	Sprint Corp.†	4,624,000			
831,000	VEON Ltd., ADR	1,977,780			
22,781	Verizon Communications Inc.	1,146,112			
168,926	Windstream Holdings Inc.	890,240			
		<u>59,351,107</u>			
	<b>Transportation — 1.0%</b>				
490,000	GATX Corp.	36,372,700			
20,000	Irish Continental Group plc	121,451			
165,000	Navigator Holdings Ltd.†	2,087,250			
		<u>38,581,401</u>			
	<b>Wireless Communications — 0.2%</b>				
105,000	Millicom International Cellular SA, SDR	6,201,468			

- (a) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
- (b) Security considered an affiliated holding because the Fund owns at least 5% of its outstanding shares.
- † Non-income producing security.
- †† Represents annualized yields at dates of purchase.
- ADR American Depositary Receipt
- CVR Contingent Value Right
- REIT Real Estate Investment Trust
- SDR Swedish Depositary Receipt

See accompanying notes to schedule of investments.

## The Gabelli Small Cap Growth Fund

### Notes to Schedule of Investments (Unaudited)

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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 schedule of investments. 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 schedule of investments.

**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 Gabelli Funds, LLC (the “Adviser”).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt obligations for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price, unless the Board determines such amount does not reflect the securities’ fair value, in which case these securities will be fair valued as determined by the Board. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

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

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

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

## The Gabelli Small Cap Growth Fund

### Notes to Schedule of Investments (Unaudited) (Continued)

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 June 30, 2018 is as follows:

	Valuation Inputs			Total Market Value at 6/30/18
	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	\$ 168,449,268	—	\$11,283,070	\$ 179,732,338
Aviation: Parts and Services	166,157,031	\$ 1,272,348	—	167,429,379
Business Services	170,592,735	14,849,460	—	185,442,195
Consumer Services	65,027,155	133,560	—	65,160,715
Diversified Industrial	248,224,922	2,646	—	248,227,568
Energy and Utilities	227,678,467	—	1,010	227,679,477
Entertainment	109,272,956	310,889	—	109,583,845
Equipment and Supplies	340,722,954	1,401,750	—	342,124,704
Financial Services	153,874,820	1,387,933	1,900	155,264,653
Food and Beverage	400,027,131	—	321,199	400,348,330
Manufactured Housing and Recreational Vehicles	24,269,950	1,843,907	—	26,113,857
Real Estate	53,194,367	72,914	—	53,267,281
Specialty Chemicals	123,313,850	730	—	123,314,580
Telecommunications	56,982,507	2,368,600	—	59,351,107
Other Industries (a)	1,350,298,457	—	—	1,350,298,457
<b>Total Common Stocks</b>	<b>3,658,086,570</b>	<b>23,644,737</b>	<b>11,607,179</b>	<b>3,693,338,486</b>
Closed-End Funds	5,433,268	—	—	5,433,268
Preferred Stocks (a)	8,840,385	—	—	8,840,385
Convertible Preferred Stocks (a)	—	210,145	—	210,145
Rights (a)	145,000	—	2	145,002
U.S. Government Obligations	—	69,568,937	—	69,568,937
<b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b>	<b>\$3,672,505,223</b>	<b>\$93,423,819</b>	<b>\$11,607,181</b>	<b>\$3,777,536,223</b>

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

#### Additional Information to Evaluate Qualitative Information.

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

**Fair Valuation.** Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which

## The Gabelli Small Cap Growth Fund

### Notes to Schedule of Investments (Unaudited) (Continued)

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are restricted as to transfer. When fair valuing a security, factors to consider include 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 backtesting 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 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, 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 June 30, 2018, 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 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. At June 30, 2018, 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

## The Gabelli Small Cap Growth Fund

### Notes to Schedule of Investments (Unaudited) (Continued)

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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 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 traded securities, and accordingly the Board will monitor their liquidity. At June 30, 2018, the Fund held no restricted securities.

**Tax Information.** 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 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 Executive Chairman 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.

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

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Solutions, Inc.

**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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GABELLI  
FUNDS

# THE GABELLI SMALL CAP GROWTH FUND

*Third Quarter Report  
June 30, 2018*

