TETON WESTWOOD FUNDS

Mighty Mites℠ Fund
SmallCap Equity Fund
Mid-Cap Equity Fund
Income Fund
Equity Fund
Balanced Fund
Intermediate Bond Fund

Commentary
March 31, 2016
The market volatility exhibited in 2015 continued into the first quarter as a

Commentary

Russell Microcap indices, respectively.

about interest rate increases and their

unchanged in their March meeting and

concerns (namely the Chinese economy

and oil production), and speculation

sharply negative January preceded a

1.5% and 5.4% for the Russell 2000 and

Fed left short term interest rates

tensions are uneven economic data, global

recovery. Driving much of these gyrations are uneven economic data, global

improve: GDP grew 1.4% in the fourth

quarter, manufacturing activity returned to expansion mode, and the unem-

ployment rate is at 5.0%. Particularly

around labor we see a steady

participation rate auguring for some

tightening of the labor force, which

would be a positive for the economy as

rising average weekly earnings support

consumer spending increases (which

still power more than two thirds of the

economy).

This data driven tension between

optimism and pessimism is evidenced not only in market volatility but also by

investors’ reaction to it: domestic equity mutual funds experienced $170 billion of

net outflows in 2015 (according to the

To Our Shareholders,

For the quarter ended March 31, 2016, the TETON Westwood Mighty Mites Fund’s net asset value (“NAV”) per Class AAA Share appreciated 0.4% versus losses of 1.5% and 5.4% for the Russell 2000 and Russell Microcap indices, respectively.

hikes this year. Fed Chairman Janet

Yellen did not convey expectations of a

recession nor a credit bubble.

Domestically, the economy continues to

improve: GDP grew 1.4% in the fourth

quarter, manufacturing activity returned to expansion mode, and the unem-

ployment rate is at 5.0%. Particularly

around labor we see a steady

participation rate auguring for some

tightening of the labor force, which

would be a positive for the economy as

rising average weekly earnings support

consumer spending increases (which

still power more than two thirds of the

economy).

This data driven tension between

optimism and pessimism is evidenced not only in market volatility but also by

investors’ reaction to it: domestic equity mutual funds experienced $170 billion of

net outflows in 2015 (according to the

investment returns and the principal value of an investment will fluctuate.

performances presented. Visit www.tetonadv.com for performance information as of the most recent month end. Teton Advisors, Inc., the Adviser, reimbursed expenses through September 30, 2005 to limit the expense ratios. Had such limitations not been in place, returns would have been lower. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date 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.tetonadv.com. Other share classes are available and have different performance characteristics. See page 23 for performance of other classes of shares. The Russell Microcap™ Index is an unmanaged indicator which measures the performance of the microcap segment of the U.S. equity market. The Russell 2000 Index is an unmanaged indicator which measures the performance of the small cap segment of the U.S. equity market. The Lipper Small Cap Value Fund Average reflects the average performance of mutual funds classified in this particular category. Investing in small capitalization securities involves special challenges because these securities may trade less frequently and experience more abrupt price movements than large capitalization securities. Dividends are considered reinvested. You cannot invest directly in an index.

(b) The Inception of the Russell Microcap™ Index was June 30, 2000.

(c) Lipper Small Cap Value Fund Average since inception performance is as of April 30, 1998.
opportunity! Even in an environment where the outlook for growth might be lower, mergers and acquisitions remain a viable area of activity for micro caps. Not only are interest rates low and corporate cash levels high, but acquisitions offset organic growth challenges for many companies. In the first quarter, our portfolio had 5 announced takeovers, putting us on pace with last year’s 24 takeovers. By virtue of their size, our portfolio companies are considered as bite-sized acquisition candidates for larger corporations.

Let’s Talk Stocks

Casella Waste Systems, Inc. (CWST – $6.70 – NASDAQ) (0.4% of net assets as of March 31, 2016), based in Rutland, Vermont, is a regional nonhazardous solid waste collection service provider, operating landfills and recycling facilities for commercial, industrial, municipal, and residential customers in six northeastern states. Management has pursued divesting non-core businesses (i.e. BioFuels Maine Energy, GreenFiber) and using the majority of free cash flow for debt repayment. The company believes its 2018 financial goals of EBITDA, free cash flow and leverage are achievable through implementation of strong pricing plans (fortified by the disposal capacity dynamics in the eastern region) and improved operational trends.

Hawkins Inc. (HWKN – $36.09 – NASDAQ) (0.6%) based in Roseville, Minnesota distributes, blends, and manufactures specialty chemicals for its customers in a wide variety of industries. In November 2015, Hawkins announced the acquisition of Stauber Performance Ingredients for $157 million in cash, making it the largest acquisition in Hawkins’ history. Its transformational nature is expected to accelerate their growth rate over the next several years partly by providing served markets which Hawkins had not been able to penetrate in the past.

ORBCOMM, Inc. (ORBC – $10.13 – NASDAQ) (0.5%) based in Rochelle Park, New Jersey is a global satellite data communications company focused on the M2M (machine to machine communications or telematics) market. Two-way data communications between machines is enabled by ORBCOMM’s constellation which tracks, monitors, and controls mobile and fixed assets. Over the last 3 years ORBC has launched 17 new satellites at a total cost of $180 million. This new constellation (referred to as OG2) will increase speed, reliability, and connectivity for their customers. We believe that ORBC will continue to differentiate itself from the competition with its proprietary product offerings, gaining market share in this burgeoning industry. ORBC is a formidable M2M company generating consistent revenue growth and expanding cash flow and earnings, all being attractive features for a company serving an industry which has begun to experience consolidation.

John Bean Technologies Corp. (JBT – $56.41 – NYSE) (0.6%) based in Chicago, Illinois manufactures, designs and services capital equipment for the food processing industry (freezers, chillers, protein and fruit/ juice processing at greater than 60% of revenues) and air transportation (airport jetway bridges, gateway and deicing equipment at 40% of revenue). In September 2013, new CEO Tom Giacomini took over and immediately outlined steps to improve the financial returns and performance through his “Next Level” strategy which included significant leadership changes, restructuring several poorly performing inherited acquisitions, and establishing clear operating margin targets for the two divisions. Over the last 2 years, operating margins have increased from 7% to over 12% and we believe they have potential to exceed 15% over time. In addition, we foresee John Bean as a candidate for financial engineering with the company either spinning or selling a division and becoming a single product focused company.

Ferro Corporation (FOE – $11.87 – NYSE) (1.4%) has transformed through a series of divestitures and acquisitions into a specialty materials company focused on glass technology and colors with end markets including consumer, electronics, construction, automotive, and appliances. After securing substantial cost savings, acquiring new products with margins solidly above corporate average, entering new markets, and building needed capacity, the leaner company now exhibits an attractive margin profile. However, this has also come at the cost of added debt levels which now constrain participation in further impactful acquisitions to boost the current growth profile. We believe these recent steps do form the building blocks by which the company should realize our out year PMV which is nearly 50% higher than the current stock price.

Rofin-Sinar Technologies Inc. (RSTI - $32.22 – NASDAQ) (0.3%) located in Detroit, Michigan engages in the design and manufacturing of laser sources and laser-based systems for industrial material processing applications worldwide. These tools have a broad spread of usages, from large-scale cutting and welding of metals in automotive to micro structuring/ablation and even the marking of semiconductors and electronics. On March 16, 2016 Rofin agreed to be acquired by competitor Coherent Inc. for $32.50 per share in cash, a 42% premium. Coherent plans to affect meaningful synergies through achieving scale in legacy CO2 lasers while gaining share in the fast growing market for fiber lasers, where IPG Photonics has established dominance.

Southfield, MI based Federal Mogul Corporation (FDM – $9.88 – NASDAQ) (0.4%) is a multifaceted manufacturer of automotive and machinery components. The company manufactures and sells a host of highly technical engine parts for
global original equipment manufacturers. Additionally, the company is a leading global manufacturer of branded and private label automotive aftermarket parts including brake pads, spark plugs, and chassis products. The company, which recently indefinitely delayed the tax free spin of its aftermarket parts division, was notified in late February of a $7 per share offer for the 19% of shares outstanding that FDML's parent, Icahn Enterprises, does not already own. The bid acted as a “wake up call” to investors regarding the underlying value of FDML's business — a value we believe is significantly higher than where shares currently trade.

<table>
<thead>
<tr>
<th>Top Ten Holdings (Percent of Net Assets)</th>
<th>March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerojet Rocketdyne Holdings Inc.</td>
<td>2.0%</td>
</tr>
<tr>
<td>Media General Inc.</td>
<td>1.9%</td>
</tr>
<tr>
<td>Astec Industries Inc.</td>
<td>1.5%</td>
</tr>
<tr>
<td>Ferro Corp.</td>
<td>1.4%</td>
</tr>
<tr>
<td>The EW Scripps Co.</td>
<td>1.4%</td>
</tr>
<tr>
<td>Superior Industries International Inc.</td>
<td>1.4%</td>
</tr>
<tr>
<td>Shenandoah Telecommunications Co.</td>
<td>1.3%</td>
</tr>
<tr>
<td>Flushing Financial Corp.</td>
<td>1.3%</td>
</tr>
<tr>
<td>Cantel Medical Corp.</td>
<td>1.2%</td>
</tr>
<tr>
<td>Marine Products Corp.</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

**Conclusion**

It is our belief that the portfolio is well positioned to deliver excellent risk adjusted returns over a complete market cycle. We appreciate your confidence and trust.

April 15, 2016
To Our Shareholders,

For the quarter ended March 31, 2016, The TETON Westwood SmallCap Equity Fund’s net asset value (“NAV”) per Class AAA Share appreciated 0.6% versus a loss of 1.5% for the Russell 2000 Index and a gain of 1.7% for the Russell 2000 Value Index.

Commentary

The first quarter of 2016 ended on a positive note as equities rebounded from the steep declines in January and February. After taking a battering during the first six weeks of the quarter, markets followed a V-shaped recovery as concerns over the global economy abated, with sentiment toward equities buoyed by accommodative central bank policy from Japan, Europe and the U.S. Federal Reserve. Playing a crucial role has been a stronger dollar, a weakening Chinese economy, collapsing oil prices, plus increasing wage pressures impacted corporate profits. As we exited 2015, markets appear to have stabilized against the backdrop of upwardly revised Q4 GDP growth of 1.4%, as well as multiple positive data points. The output revision reflects a 2.4% rate of consumer spending in the fourth quarter; moreover, near record low unemployment, along with robust housing demand (February pending home sales rose 3.5%) foreshadows stronger economic growth in the months ahead.

Investor fears have been reflected in mutual fund redemptions. According to the Investment Company Institute (ICI), domestic equity mutual funds experienced $170 billion of net outflows in 2015. Domestic exchange traded funds (ETFs), meanwhile garnered $61 billion in net inflows. Combined domestic and global institutional redemptions of equity portfolios totaled $72 billion in Q4, exacerbating market turmoil through forced liquidations. These massive redemptions, both retail and institutional, have pushed equity valuations down to reasonable levels.

Our portfolio remains focused on inefficiently priced small capitalization equities which offer tremendous return potential over a long term investment horizon. As the famous Ibbotson study has pointed out, small cap stocks have significantly outperformed large caps and bonds over virtually every complete market cycle (according to the Ibbotson Associates’ 2014 Stocks, Bonds, Bills, and Inflation Yearbook). We also believe active management is the best means of achieving outsized returns in small caps, given the research effort required as a screening mechanism and in calibrating risk-return parameters. We assess the risk-reward tradeoff against the time value of money.

Average Annual Returns Through March 31, 2016 (a)

<table>
<thead>
<tr>
<th>SmallCap Equity Fund Class AAA (WESCX)</th>
<th>Quarter</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>15 Year</th>
<th>Since Inception (4/15/97)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russell 2000 Index</td>
<td>(1.52)</td>
<td>(9.76)</td>
<td>6.84</td>
<td>7.20</td>
<td>5.26</td>
<td>7.65</td>
<td>7.86</td>
</tr>
<tr>
<td>Russell 2000 Value Index</td>
<td>1.70</td>
<td>(7.72)</td>
<td>5.73</td>
<td>6.67</td>
<td>4.42</td>
<td>8.22</td>
<td>8.79</td>
</tr>
</tbody>
</table>

In the current prospectus dated January 28, 2016, the gross expense ratio for Class AAA Shares is 1.66%, and the net expense ratio is 1.50%, after contractual reimbursements by Teton Advisors, Inc. (the “Adviser”) in place through January 31, 2017. Class AAA Shares do not have a sales charge.

(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.tetonadv.com for performance information as of the most recent month end. The Adviser reimbursed expenses to limit the expense ratio. Had such limitation not been in place, returns would have been lower. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date 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.tetonadv.com. Other share classes are available and have different performance characteristics. See page 23 for performance of other classes of shares. The Russell 2000 Index is an unmanaged indicator which measures the performance of the small cap segment of the U.S. equity market. The Russell 2000 Value Index measures the performance of the small-capitalization sector of the U.S. equity market. It is a subset of the Russell 2000 Index. Investing in small capitalization securities involves special challenges because these securities may trade less frequently and experience more abrupt price movements than large capitalization securities. Dividends are considered reinvested. You cannot invest directly in an index.
Among the catalysts for outsized gains in small cap stocks is an accelerating trend of merger and acquisition activity. Large companies are seeking strategic acquisitions to augment anemic organic growth, while private equity firms, with large war chests, are paying handsome premiums to take private the companies selling at a discount to their intrinsic value based on asset values, cash flow or earnings growth potential. In the TETON Westwood SmallCap Equity Fund, we had 12 companies acquired in 2015, with 5 takeouts in the fourth quarter. In this year's first quarter, Cascade Microtech, Inc. was acquired at a 38% premium by FormFactor, Inc.; Xenith Bankshares, Inc. was acquired at an 18% premium by Hampton Roads Bankshares, Inc.; Newport Corporation was acquired at a 53% premium by MKS Instruments, Inc.; and The Fresh Market, Inc. was acquired at a 24% premium by Apollo Global Management, LLC.

Let's Talk Stocks

Among the best performing stocks in the quarter were: Newport Corp., Cascade Microtech, Inc., and The Fresh Market, Inc.

Newport Corporation (NEWP – $23.00 – NASDAQ) builds photonics equipment to harness light for use in research, microelectronics, and micromachining applications. After an extended period of inconsistent results and an aim to grow profits through cost cutting, the company began a process (disclosed in a recent SEC filing) of seeking potential acquirers which culminated in a cash offer by MKS Instruments, Inc. at both a solid valuation and price. Though tangential to the laser industry in which Newport operates, MKS has embarked upon a strategy of growing its core semiconductor served market while broadening into adjacent markets as a way to ease customer concentration within a maturing industry. As long term holders of the stock, we see this as both a fitting and necessary end.

Cascade Microtech, Inc (CSCD – $20.62 – NASDAQ) designs and manufactures probe equipment for semiconductor wafers to test the circuit's integrity relative to design, particularly focusing upon radio frequency and across a wide range of temperatures. As another long term holding of ours which we established during the panic of the Great Recession, Cascade since executed a solid path of growth by acquiring its largest competitor, restructuring its business, shifting its mix towards higher margin consumables, and displaying better operational focus. As the company prepared for another leg of expected future growth—entering the large, adjacent market of mobile system-on-chip (SOC) probing with a product promising better scalability than the existing technologies—one of the largest incumbents in that market, FormFactor Inc. (1.2% of net assets as of March 31, 2016), proposed to acquire Cascade. As mobile SOC is considered a key growth market for FormFactor, we see the deal in the best interest of both parties: a larger incumbent parent presents Cascade with less new market entrance risk and FormFactor adds differentiating technology to its portfolio.

The Fresh Market, Inc (TFM – $28.53 – NASDAQ) is a specialty grocer focused on premium perishables, such as proteins and produce, with a domestic footprint concentrated in the southeast. As a category, we have been interested in scooping up positions in once highflying natural/organic food names as former growth investors become disillusioned by slowing growth, pressuring many stocks to levels beneath intrinsic value. As value investors, we believe that even low growth stocks have their proper price. And, despite the waning “story sizzle,” the underlying social trend towards perceived healthy eating remains established, even if nearing full penetration. Last summer, the company lowered guidance and a lack of top management guidance drove this stock down to a level which presented an attractive risk/reward outlook. After hiring an industry veteran to lead the retailer, some uncertainty lifted and the company disclosed a strategic review process of all business lines which concluded last month in an all-cash acquisition by public alternative investment manager Apollo Global Management LLC. Apollo cited a history of significant transformations of prior holdings in the space, including Sprouts Farmers Markets, Inc. and Smart & Final Stores, Inc., as a driving factor in the acquisition.

Among the worst performing stocks in the quarter were: Stifel Financial Corp. (SF – $29.60 – NYSE) is a financial conglomerate offering services such as wealth management, brokerage, investment banking and retail/commercial banking, many of which have come through a series of high profile acquisitions. Though sentiment soured on the stock in prior quarters, we maintained some optimism that the firm could demonstrate accelerating earnings as it was building an attractive franchise through consolidation. We have since become less convinced that during this period of weakening fixed income issuance and advisory activity that the cost structure is as flexible as we had once believed. Though we reduced our exposure to the name, we do retain a position as we note that the firm operates within cyclical end markets and should experience an outsized benefit in an up market.

LegacyTexas Financial Group, Inc. (LTXB – $19.65 – NASDAQ) a regional bank serving the Dallas, Texas metropolitan market. While Texas remains an attractive market for banks due to strong demographic and supportive economic trends, the near term aftershocks from the oil market implosion remains a source of perceived risk for many lenders (though the local economy is less concentrated on oil than in the 1980s). LegacyTexas stock began the year correlated to a steep dip in oil prices and the broader market decline. But after adding to energy loan loss reserves in the most recent quarterly earnings report, the stock did not join in the broader recovery as investors remained concerned that energy-related loan losses could expand. While we are cognizant of this risk, we believe the company has demonstrated that it is sufficiently managing the transition towards a growth-driven commercial bank. Additionally, we believe the bank’s long term goal is to be acquired.

Extreme Networks, Inc (EXTR – $3.11 – NASDAQ) provides network equipment for wireless and wireline networks, being formed through a merger of equals in recent years. Though the new
management team has made measured progress in transitioning the company from point products to solution sales, the company failed to meet heightened investor expectations for growth as the broader stock market swooned. Investors had rightly noted management’s improving tone over the past year from that of caution to one of optimism, yet they extrapolated that the company would show stronger growth sooner. When guidance implied stabilizing near term growth, instead, and a temporary drag on margins from obsolescence as new wireless product launches were accelerated for competitive reasons, investors were sorely disappointed and the stock was severely punished. Though the process has been a tedious one, we believe management is currently establishing a record of conservative forecasting and properly positioning the company for profitability, even at modest growth rates. For an improving company with valuable niche assets and regularly exhibiting modest profitability, a double digit free cash flow yield is clearly a disconnect and one we seek to exploit as value investors.

**Conclusion**

It is our belief that our portfolio is well diversified across a broad cross section of special situation equities attractively priced for handsome returns over the next market cycle.

We appreciate your confidence and trust.

April 15, 2016

---

**Top Ten Holdings (Percent of Net Assets)**

**March 31, 2016**

<table>
<thead>
<tr>
<th>Position</th>
<th>Company Name</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Patterson-UTI Energy Inc.</td>
<td>3.3%</td>
</tr>
<tr>
<td>2</td>
<td>Entegris Inc.</td>
<td>3.0%</td>
</tr>
<tr>
<td>3</td>
<td>Ethan Allen Interiors Inc.</td>
<td>2.9%</td>
</tr>
<tr>
<td>4</td>
<td>Patterson Cos Inc.</td>
<td>2.7%</td>
</tr>
<tr>
<td>5</td>
<td>Investors Bancorp Inc.</td>
<td>2.4%</td>
</tr>
<tr>
<td>6</td>
<td>ABM Industries Inc.</td>
<td>2.3%</td>
</tr>
<tr>
<td>7</td>
<td>FTI Consulting Inc.</td>
<td>2.3%</td>
</tr>
<tr>
<td>8</td>
<td>Gulfport Energy Corp.</td>
<td>2.2%</td>
</tr>
<tr>
<td>9</td>
<td>Cabot Microelectronics Corp.</td>
<td>2.2%</td>
</tr>
<tr>
<td>10</td>
<td>ON Semiconductor Corp.</td>
<td>2.2%</td>
</tr>
</tbody>
</table>
To Our Shareholders,

For the quarter ended March 31, 2016, the TETON Westwood Mid-Cap Equity Fund’s net asset value (“NAV”) per Class AAA Share depreciated 0.7% versus gains of 2.2% for the Russell Midcap Index and 0.6% for the Russell Midcap Growth Index.

Commentary

Like a long distance runner, the stock market traversed an "out-and-back" route during the first three months of the year, basically starting and finishing the quarter at nearly the same place. The first half of the course was a steep trek downhill, with many stocks entering bear market territory, defined as a 20% decline from recent highs. Fears of a pending recession in the U.S., weakening global growth (most notably in China), and geopolitical tensions weighed heavily on investors’ minds. The price of crude oil was in free-fall, while the Fed held fast to its plan to continue to raise interest rates four times in 2016. In mid-February, however, with U.S. stock market indices down between 10% and 16%, many of the same factors that had dragged stocks seemingly into the abyss turned around, providing a second wind and fueling a stock market dash into the end of the quarter. In fact, midcap stocks sprinted passed the starting point, with the Russell Midcap Index ending the quarter up 2.2%, outperforming both small and large capitalization stocks which delivered returns of -1.5% and +1.4%, respectively.

At the onset of the quarter, the backdrop for the U.S. equity market was of a slowing economy in the face of weak manufacturing activity and cautious consumer spending. Energy-related capital expenditures, in particular, remained weak as oil prices plunged below $27 a barrel (the lowest in 13 years) before rebounding 40% on news that OPEC was considering a production freeze to support the commodity’s price. Deteriorating economic growth in China, Japan and the Eurozone threatened business for U.S. multinational companies and reinforced doubts that the U.S. economy was, in fact, immune from the global slowdown. But then international central banks relieved some of these concerns when they announced further measures to ease monetary policy to jump start growth in their respective countries. In addition, the Federal Reserve, faced with the risk of an economic setback, held interest rates steady and reduced the targeted number of rate increases in 2016 from four to two. Meanwhile contrary to expectations, the dollar weakened 4% relative to a basket of global currencies, alleviating pressure on multinational company revenues which here-to-for were hampered by the strong dollar. Eventually, accommodative international central bank policies, higher oil prices and a weaker dollar injected confidence into the manufacturing sector as reflected in an improved March Purchasing Manager’s Index.

Despite headwinds from slowing overseas markets, the U.S. economy continued to grow (albeit at a slow pace), supported by job market strength and a healthy consumer. Monthly average job growth exceeded 200,000 with modest wage growth. Disposable personal income continued to climb, and consumer net worth as a share of income reached levels not seen since before the financial crisis. Consumer confidence remained high as gasoline prices at the pump held below $2.00 per gallon, and consumer balance sheets continued to be restored. Even...
with this solid backdrop, consumer outlays increased only modestly throughout the quarter, likely in reaction to the volatility in stock prices, as well as uncertainty around the timing and magnitude of future interest rate increases. Though retail sales picked up, overall personal consumption expenditures grew less than 3%, a historically low pace for this point in the cycle. The savings rate at 5.4% matched the highest level seen since 2012 and was evidence that consumers were cautious and remained reluctant to spend, keeping a lid on overall GDP growth in the first quarter.

The U.S. economy is poised for continued growth. The consumer, the backbone of the economy is healthy. Early indications point to a solid spring selling season for the housing market. And the latest purchasing manufacturers’ index implies manufacturing should pick up in the months ahead. Accommodative central bank policies around the world should stabilize global growth. To be sure, the recent recovery in crude prices is fragile and presents a wildcard for economies dependent upon the commodity for growth. Geopolitical risks also threaten to destabilize the global economy. Finally, the uncertainty of the outcome of our own presidential election, especially this late in the process is unsettling and will likely have a dampening effect on economic activity both here and abroad.

We believe economic conditions in the U.S. will outperform most other developed and emerging economies in 2016. Companies whose revenues are largely home-grown should have an advantage over multinationals. In this environment, more than ever, large companies will continue to seek opportunities to augment top line growth through strategic acquisitions. In the midcap portfolio, we saw ITC Holdings Corp. (+12% total return for the quarter; 2.7% of net assets as of March 31, 2016) acquired at a 33% premium. Midcap stocks are poised to benefit from both M&A and demand for investments in U.S. oriented businesses.

Continuing a trend that has largely been in place since the Great Recession, correlation between stocks remained high, and dispersion between “good” and “bad” stocks remained low, making it difficult for active managers to outperform the market. During the quarter, less than a third of active midcap managers outperformed the benchmark. In a reversal of last quarter’s performance dynamic, value stocks meaningfully outperformed growth, with a spread of nearly 350 basis points. Investors favored more bond like, defensive stocks. For example, the high dividend yielding utility stocks were standout performers, with the sector returning nearly 15% during the quarter. This preference for defensive, value stocks was a headwind for performance, as the portfolio skews towards growth-oriented companies and therefore has an underweight in utility stocks. ITC Holdings Corp. is an electric utility transmission company and the portfolio’s second largest position. After announcing in December that the company was exploring strategic alternatives, ITC reported they were being acquired by Fortis Inc., a Canadian utility company, in a cash and stock deal valued at $45 per share, a 33% premium to where the stock was trading prior to their original announcement.

Despite the roller coaster ride in energy prices, oil and gas exploration and production companies outperformed the overall market during the quarter. The portfolio’s investments in high quality E&P companies including Range Resources Corp. (+32%; 0.9%), Gulfport Energy Corp. (+15%; 0.6%), Pioneer Natural Resources Co. (+12%; 2.0%) and Cimarex Energy Co. (+9%; 1.5%) all outperformed the market and represent what we believe are the best positioned companies because of their strong balance sheets and attractive acreage, which both cushions them from soft commodity prices, but also positions them well to benefit from an eventual recovery in the industry.

The portfolio’s overweight in the industrial sector combined with good stock selection, positively impacted returns, as growing optimism towards the end of the quarter of a global economic recovery led to a rotation into more economically sensitive areas of the market. Winning industrial sector holdings in the quarter included engine manufacturer Cummins Inc. (+26%; 1.1%) and industrial distributor MSC Industrial Direct Co. Inc. (+37%; 1.7%). Another positive contributor in this sector was Nielsen Holdings plc (+14%; 2.4%), a leading provider of marketing information and analytics. Investors were optimistic about the new products Nielsen has developed that will measure audiences for advertising and media content across devices and distribution platforms. The information technology sector also fell victim to the rotation into more cyclical and value-oriented segments of the market. High growth software names were impacted the most, evidenced by the decline in big data software provider Splunk, Inc. (-17%; 1.4%).

Within the consumer discretionary sector, our investments delivered mixed returns, but were slightly additive to overall portfolio performance. Manchester United plc (-19%; 0.7%) fell due to concerns about the English football club’s mediocre results and its exit from Champions League play. Meanwhile, our underweight in Department Store Retailers which outperformed during the quarter was more than offset by our investments in Specialty Retailers. Burlington Stores, Inc. (+31%; 1.5%), an off-price retailer, and Urban Outfitters Inc. (+45%; 0.9%), a specialty apparel retailer, rose as investors began to appreciate the reasonable expectations both firms articulated for the year ahead, along with the fact that each company entered the year with relatively clean inventory levels. In addition, we believe select specialty retailers remain structurally attractive longer term relative to department stores given their more flexible business models.

The health care sector was the largest detractor from performance in the first quarter. A confluence of headwinds impacted sentiment on the sector, including investors rotating into more cyclical stocks, fears of government intervention on drug pricing, and negative headlines surrounding specialty pharmaceutical company Valeant Pharmaceuticals International, Inc. Biotech stocks were hit particularly hard as the NASDAQ Biotechnology Index (NBI) fell 23%, its worst quarter since 2002. Our three biotech holdings, Alexion Pharmaceuticals, Inc. (-27%; 1.4%), Incyte Corp. (-33%; 1.2%) and Vertex Pharmaceuticals Inc. (-37%; 1.2%) declined along with the group, hurting portfolio performance. We have been long term investors in the biotech sector, which has benefited portfolio returns for several years as the industry has outperformed the market each year since 2011. It is not unexpected that biotech stocks have taken a breather after sustained outperformance. Indeed, last year we took advantage of the run up to trim positions several times on all three stocks. However, negative returns in one quarter do not shake our conviction in our biotech holdings. While mindful of the risks presented by the furor of drug
pricing, we remain confident that companies which develop lifesaving drugs will be able to garner patients, maintain pricing power, and, eventually, be rewarded by investors.

**Let’s Talk Stocks**

Among the best performing stocks in the quarter were: ZELTIQ Aesthetics, Inc. (0.9% of net assets as of March 31, 2016) and Gaming and Leisure Properties, Inc. (1.1%).

ZELTIQ Aesthetics, Inc. (ZLTQ - $27.16 - NASDAQ) (+8%) is an aesthetics company focused on selling systems and consumables for the body contouring market. The company’s patented, FDA-approved method known as CoolSculpting is a non-invasive fat reduction solution which uses extreme cold temperatures applied to the exterior of the body in order to freeze fat cells (resulting in cell death) that are then naturally eliminated from the body. In addition to being noninvasive, this method is cheaper and less time consuming than liposuction. Though competitive methods exist, CoolSculpting is deemed the most effective. The estimated $10 billion global market is growing rapidly and is less than 5% penetrated. New indications for different body parts and additional medical indications, along with direct-to-consumer advertising and new initiatives to expand in international markets should provide a long runway for solid revenue growth.

Gaming and Leisure Properties, Inc. (GLPI - $30.92 - NASDAQ) (+14%) is the only publicly traded gaming Real Estate Investment Trust (REIT) focused on regional gaming properties. The company has a diverse real estate portfolio of 21 gaming facilities consisting of 3,200 acres of owned and leased land across 12 states. The company is currently in the process of acquiring the real estate portfolio of Pinnacle Entertainment, which once completed should enhance the geographic reach, diversify its tenant base and increase the scale of the company overall. We like the management team with its deep regional gaming and real estate acquisition experience. In addition, we believe its dividend is secure supported by long-term leases and fixed contracts with escalators. Finally, its valuation and dividend yield is attractive relative to peers.

Among the worst performing stocks in the quarter were: Hexcel Corp. (1.7%), and Manchester United plc (0.7%).

**Hexcel Corp. (HXL - $43.71 - NYSE) (-6%)** is a leading producer and manufacturer of composite materials, parts and structures. The company is one of three global firms capable of supplying aerospace-qualified carbon fiber for use in airplanes, helicopters and jet engines. Corporations such as Boeing, Airbus and GE are increasingly deploying carbon fiber in their planes and engines to reduce weight and lower fuel costs for their airline customers. Driven mainly by this secular trend toward use of composite materials, we believe Hxcel will post accelerating revenue and earnings growth over the next 3 to 5 years, and represents an attractive investment opportunity.

**Manchester United plc (MANU - $14.44 - NYSE) (-19%)** is one of the top soccer clubs in the world with substantial global brand appeal and a demonstrated track record of monetizing the brand’s value. The company’s growth has been fueled by the substantial increase in Premier League broadcasting rights, as well as the club’s expanding lineup of corporate sponsors and marketing partnerships. We believe Manchester United fits nicely within our investment theme of consumers favoring experiences over things.

**Conclusion**

During the quarter, we took advantage of the broad based correction in healthcare stocks to add to existing positions, as well as initiate positions in companies where valuations became more reasonable with the selloff. We did the same within the consumer discretionary and information technology sectors. Finally, within the energy sector, we profited from the completion of the Cameron acquisition by Schlumberger and reinvested proceeds back into our investments within the exploration and production industry.

We maintain our positive outlook for the economy; however, we are mindful of the potential impact of economic and geopolitical issues on global growth. We therefore continue to incorporate a balanced approach to portfolio positioning between cyclical and defensive investments. We believe that stock selection should matter most over the long run. Thus, we remain focused on investing in attractively valued companies with strong balance sheets, secular growth, seasoned management teams, sustainable earnings prospects, dominant market shares, and favorable long-term fundamentals. With an emphasis on growth, we continue to invest in innovative companies with above average revenue and earnings growth, trading at attractive valuations.

We appreciate your confidence and trust.

April 15, 2016

---

**Top Ten Holdings (Percent of Net Assets)**

**March 31, 2016**

<table>
<thead>
<tr>
<th>Company</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fortinet Inc.</td>
<td>3.3%</td>
</tr>
<tr>
<td>ITC Holdings Corp.</td>
<td>2.7%</td>
</tr>
<tr>
<td>Nielsen Holdings Plc</td>
<td>2.4%</td>
</tr>
<tr>
<td>Equinix Inc.</td>
<td>2.4%</td>
</tr>
<tr>
<td>Cornerstone OnDemand Inc.</td>
<td>2.2%</td>
</tr>
<tr>
<td>American Tower Corp.</td>
<td>2.2%</td>
</tr>
<tr>
<td>Fortune Brands Home &amp; Security Inc.</td>
<td>2.2%</td>
</tr>
<tr>
<td>CBRE Group Inc.</td>
<td>2.1%</td>
</tr>
<tr>
<td>Pioneer Natural Resources Co.</td>
<td>2.0%</td>
</tr>
<tr>
<td>Quanta Services Inc.</td>
<td>2.0%</td>
</tr>
</tbody>
</table>
To Our Shareholders,

For the quarter ended March 31, 2016, the net asset value (“NAV”) per Class AAA Share of the TETON Westwood Income Fund depreciated 1.0%, compared with a gain of 1.4% for the Standard and Poor’s (“S&P”) 500 Index and a gain of 2.5% for the Lipper Equity Income Fund Average.

Commentary

The S&P 500 and Dow Jones Industrials market averages closed out the quarter with returns of 1.4% and 2.2% respectively. But before reaching this level the markets took a 10% dive in the first six weeks of the year as investors became unnerved by concerns about the global economy. Evidence of slowing growth came from falling retail sales in January and February with a particular drop in spending on gasoline and autos, contrary to the expectation that the windfall from dramatically lower energy prices would boost other consumer spending. The markets recovered that lost ground in the second half of the quarter, as economic news consistent with slow but not slowing growth came through. On a positive note, the U.S. labor market showed firm gains, albeit at a low level.

Of the ten industry sectors in the S&P 500 eight rose. The strongest performers were those higher yielding sectors which are the most sensitive to the increased optimism over a more supportive Federal Reserve and lower rates, with the utility sector gaining 15%, and the telecommunications group gaining 16%. The top three contributors to performance in the Fund in the first quarter were our positions in Honeywell International Inc. (3.0% of net assets as of March 31, 2016), International Paper Co. (2.5%) and CME Group Inc. (3.5%), all of which benefited from the second half improvement in the outlook for the economy. The contribution, positively or negatively, of a position to performance is a function of the position’s size and its gains in the quarter.

The weakest sector was the financial sector, which declined 5.5%. The persistent very low rates erode the ability of financial institution such as banks and insurance companies to earn a meaningful return on their loans and premiums. The two positions which detracted most from performance in the quarter were part of our financial holdings: American International Group, Inc. (3.6%) and Citigroup Inc. (2.2%).

The Economy and Markets

Our baseline scenario is one of an uneasy balance between economic fundamentals and financial markets, with already overburdened central banks at the heart of the story. However, with firm consumer spending, subdued oil prices and expansionary monetary policy it is hard to see a recession materializing over the next year.

As the first quarter ended, we had solid evidence that the U.S. labor market continues to be firm, although at a low level. Employment gains continue to be steady at this low to moderate level, and there have been some gains in average hourly earnings. The quarter ended with two months of solid gains, with 215,000 jobs added in March and 245,000 in February. We have now had the best two year period for hiring since 1998-1999. Labor force participation, which had been falling for the past decade and steeply since 2007, now appears to have bottomed out in September of last year at 62.4%. This participation rate rose in March to 63%, back to where it was two years ago.

The healthcare, hospitality, professional, and business service sectors, and

<table>
<thead>
<tr>
<th>Average Annual Returns Through March 31, 2016 (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Fund Class AAA (WESRX)</strong></td>
</tr>
<tr>
<td>------------------------------------------</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
</tr>
<tr>
<td>Lipper Equity Income Fund Average</td>
</tr>
</tbody>
</table>

*In the current prospectus dated January 28, 2016, the gross expense ratio for Class AAA Shares is 2.40%, and the net expense ratio is 2.00%, after contractual reimbursements by Teton Advisors, Inc. (the “Adviser”) in place through January 31, 2017. Class AAA Shares do not have a sales charge.*
recently even construction, have added healthy job gains this year. However, while the manufacturing sector is recently showing signs of healthy growth in orders and production, manufacturing jobs continue to show no growth. This is due in part to the trend of lost manufacturing to lower cost countries over the past decade, and to increased substitution of automation and technology for people. Manufacturing jobs have been important to the ability of those without a college degree to support themselves and their families, and we have seen the frustration and anger over this loss in jobs and wages surface strongly in this year’s presidential campaigns.

Data from the Labor Department’s Job Openings and Labor Turnover Survey, or JOLTS, tracks underlying churn in the U.S. labor market, the millions of people who quit one job or start a new one each month. The latest report showed that more Americans were hired to start a new job in February than in any month recently even construction, have added 2007. Over the 12 months ending in March 29th, she said her expectation for core inflation in the U.S. economy is less than 2% for 2016, with the possibility that it could move higher in 2017. However, she said that the risks are to the downside in achieving the central bank’s objective of 2% inflation and in particular, she said that weakness abroad would probably require the Federal Reserve to adjust downward the outline for higher rates that the bank had outlined in December.

This year’s U.S. presidential election has shown that many voters are angry about the lack of wage and job growth are so are willing to support candidates with little experience. As a result some of the most experienced and qualified candidates were not able to compete in the primaries. Therefore, we have some extreme candidates now in the running, and if elected, they could have a dramatic effect on policies, would add to volatility in the market.

Let’s Talk Stocks
Pfizer Inc. (PFE – $29.64 – NYSE) (3.0%), headquartered in New York City, is one of the world’s largest research-based pharmaceutical companies, with sales of $48.9 billion in 2014. Pfizer’s recognized drugs include Lipitor, Celebrex, Lyrica, and Viagra. The company also offers consumer healthcare products, including Advil, Centrum, ChapStick, Emergen-C, and Robitussin. In April 2016, the company terminated its planned acquisition of Allergan plc following unfavorable tax regulations from the U.S. Treasury. Pfizer is now considering whether to split the company into two segments – one for high-growth innovative pharmaceuticals and one for lower-growth/declining established pharmaceuticals – with a decision expected by the end of 2016.

Apple Inc. (AAPL – $108.99 – NASDAQ) (6.0%) has emerged as the world’s most valuable corporation as a consequence of the unprecedented global success of its iPhone, iPad, and network of retail stores. Tim Cook, successor to Steve Jobs, has steered the firm through a massive new product cycle with the iPhone 6, the iWatch, Apple Pay and a refresh of iPads and iMacs. Apple’s brand strength allows it to lead in the high end of its market, avoiding the ruinous price competition and profit margin volatility that impede other firms in its sector. Future product cycles will upgrade the phones and other products, vastly improving their functionality (size, speed, battery life, etc.). The net effect will be to keep consumers in the AAPL ecosystem, enabling the company to collect high margin recurring revenue from the use of apps and commercial transactions enabled by the phone. This should enhance the multiple at which investors value AAPL’s growing cash flow.

American Express Co. (AXP – $61.40 – NYSE) (2.2%) is the largest closed loop credit card company in the world. The company operates its eponymous premiere branded payment network and lends to its largely affluent customer base. American Express has 118 million cards in force and over $59 billion in loans, while its customers charged nearly $1.0 trillion of spending on their cards in 2015. The company’s strong consumer brand has allowed American Express to enter the deposit gathering market as an alternate source of funding, while the company’s affluent customers have picked up spending. Longer term, American Express should capitalize on its higher spending customer base and continue to expand into other payment related businesses, such as corporate purchasing, while also growing in emerging markets. Similarly, the company is looking at the growing success of social media as an opportunity to expand its product base and payment options.

American International Group Inc. (AIG – $54.05 – NYSE) (3.6%) is a multi-line insurance company, offering property and casualty and life insurance, and serving customers in more than 130 countries and jurisdictions. AIG’s annuity and private mortgage insurance businesses have good growth prospects. The company is well positioned as it has excess capital, sophisticated products, and broad global distribution. In addition, the company is committed to returning capital to shareholders with dividends and share buybacks. We believe it can increase these capital returns to shareholders, given greater stability of the business lines.

Honeywell International Inc. (HON – $112.05 – NYSE) (3.0%) operates as a diversified technology company with highly engineered products, including turbine propulsion engines, auxiliary power units, turbochargers, brake pads, environmental and combustion controls, sensors, security and life safety products, resins and chemicals, nuclear services, and process technology for the petrochemical and refining industries. One of the key drivers of HON’s growth are acquisitions that increase the company’s growth profile globally, creating both organic and inorganic opportunities. The company recently acquired Elster Industries, a leading provider of thermal gas solutions, smart meters, software and
data analytics for the commercial, industrial and residential heating market. Elster's gas business offers products in high demand among natural gas customers and brings a strong, global distribution network and numerous cross-selling opportunities for existing HON technologies to new customers. Elster's gas, electric and water meters are highly valued for their reliability, safety and accuracy. The company maintains an installed base of more than 200 million meter modules deployed over the course of the last 10 years that generate significant recurring revenues. We believe acquisitions such as Elster should drive meaningful and sustained growth for HON spurred by global energy efficiency initiatives and natural resource management.

**Medtronic plc (MDT - $75.00 - NYSE) (1.5%)** cemented its position as the largest manufacturer of medical devices in the world with last year's $50 billion acquisition of Covidien. This deal, structured as a tax inversion, should both improve the company's growth rate and give it better access to its global cash flow. Meanwhile, Medtronic is accelerating its own growth rate through improved management execution and a full pipeline of new heart valves, drug coated balloons, and defibrillators. Medtronic will be the partner of choice for hospitals going forward, and the Covidien deal will allow the company to continue to return at least 50% of its cash flow to shareholders via share buybacks and dividends.

**Verizon Communications Inc. (VZ - $54.08 - NYSE) (1.3%)** is one of the world's leading telecommunications services companies. Its wholly-owned subsidiary, Verizon Wireless (VZW), is the largest mobile operator in the United States with 112 million retail customers. In June 2015, Verizon completed its acquisition of AOL Inc. in an all-cash transaction for $50 per share. AOL's key assets included its subscription business (i.e. dial-up internet business and additional services), portfolio of global content brands (including The Huffington Post, TechCrunch, AOL.com, as well as millennial-focused OTT (over-the-top), original video content), and its programmatic advertising platform (i.e. Ad-tech platform). Verizon's primary interest was in the ad-tech business as it sees it as complementary to its digital media services platform that it has been building organically and through acquisitions over the past several years. On October 1, 2015, Verizon launched Go90, a mobile-first OTT video service (leveraging AOL's assets and capabilities). The company expects to monetize this platform through an ad-supported model. It plans to add more premium content over time and will likely introduce a subscription model as well. On April 1, 2016, Verizon announced completion of its sale of its wireline assets in California, Florida, and Texas to Frontier Communications. The transaction is valued at approximately $10.5 billion (or approximately $7.5 billion net of taxes) and concentrates Verizon's landline operations in contiguous Northeast markets.

**Alphabet (GOOG - $744.95 - NASDAQ) (2.9%)** is the parent company of Google, which is widely recognized as the world's leading Internet search engine. Google's stated mission is to organize the world's information and make it universally accessible and useful. Google generates revenue by providing advertisers with the opportunity to deliver measurable, cost effective online advertising that is relevant to the information displayed on any given webpage. This makes the advertising useful to consumers as well as to the advertiser placing it. We believe this highly innovative and fast growing company is uniquely positioned to create new market opportunities while maintaining its lead in online search.

**JPMorgan Chase & Co. (JPM - $59.22 - NYSE) (2.7%)** is one of the oldest financial institutions in the U.S. The firm, with assets of over $2.4 trillion, provides services to millions of consumers, small businesses, and many of the world's largest corporate, institutional, and government clients. The bank is divided into several reporting segments, including investment banking, commercial banking, financial transaction processing, asset management, and private equity. CEO Jamie Dimon is well regarded among corporate leaders, and he has positioned the company for future growth, despite the recent challenges related to the financial crisis, increased regulations, and low interest rates.

**Citigroup Inc. (C - $41.75 - NYSE) (2.2%)** is a leading global bank, with approximately 100 million customer accounts. The firm conducts business in more than 100 countries and jurisdictions. Citigroup provides consumers, corporations, governments, and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management. The firm is well positioned to capitalize on the growth of global personal wealth.

**Looking Ahead**

Overall, corporate earnings estimates for 2016 continue to be revised down due to slowing global growth and the strong dollar. Corporate earnings, as represented by the S&P 500, were flat, showing no growth over 2014. Right now, the consensus estimate is for corporate earnings to gain 4% in 2017. Investors are unlikely to reward this sub-par earnings growth with higher valuations.

Oil prices may have bottomed, although we believe that prices will remain lower for longer. However, while the price of oil might remain low for another year or two, we do expect that prices will rise over the next five years and we expect some correlation between oil prices and inflation expectations over this time.

From a market perspective, the U.S. Federal Reserve will continue to take center stage, as Chair Janet Yellen and the Federal Open Market Committee face a delicate balancing act of expectations. On March 10th we got a strong reminder of how important it is for the central banks to manage expectations in this slow growth world, with the startling market reaction to the European Central Bank’s (ECB) aggressive stimulus package announced on that day.

As participants digested the bold mix of interest rate cuts, monthly asset purchases, corporate bond buying and a new series of targeted longer-term refinancing operations, stocks and government bond prices initially rose sharply and the Euro currency sank. But in the post-meeting press conference,
ECB president Mario Draghi said he did “not anticipate” cutting interest rates further, in part because of the impact of negative borrowing costs on the banking sector. His comments helped trigger an immediate sharp reversal of the market moves, with the euro rallying to a four week high against the dollar, European stocks sliding and government bond yields jumping.

Perhaps central bank policies appear to have reached the end of the road. In fact there is worry that the long period of central bank easing which has taken place in the U.S., Europe, and Japan has reached the end of its effectiveness. After optimism last year that “Abenomics”, the name given to Japan’s easing policies aimed at raising inflation and growth might work, Japan’s economy grew at a real rate of just 0.5% for the year. A nd perversely, against expectations the yen has risen this year, dampening further prospects for growth and inflation. Europe and Japan both introduced negative interest rates, as part of their easing policies, and concern has risen that the reason the markets will not react positively to this is that it is interpreted as an ominous sign from the European Central Bank that it has a direr outlook.

With monetary stimulus likely becoming less effective, we need fiscal policy and structural reforms to improve the macro outlook, and this is much harder to come by, requiring political will and unity.

China has become an important engine of the world economy. Factories and retailers in China put in weaker-than-expected performances in the first two months of the year, as anemic demand and excess capacity continued to bear down on the world’s second largest economy.

**Conclusion**

We have had a very disciplined value investing style since our founding in 1976. The past decade has been a period of underperformance for the value style, and unfortunately we have also experienced it. Value stocks have trailed the broad market as investors have preferred growth stocks.

For example, the Russell 1000 Growth Index posted a 5.5% return in 2015, as compared to a decline of 4.0% for the Russell 1000 Value Index. This difference of nine and a half percentage points is the widest since 2009. The Russell 1000 posted a gain of 1%, as did the S&P 500.

The same is true for the S&P 500, which had a total return of 1.3%. However, the S&P Value Index lost 3.1% for the year, while the S&P Growth Index gained 5.5%, a difference of almost 9%. Half of the return on the S&P 500 came from four growth stocks – Facebook, Amazon, Netflix and Google – without owning these the return of the S&P 500 would have been negative in 2015.

During periods of slow growth investors put a premium on any growth, and so growth stocks outperform. We are now in what appears to be the sixth year of slow, less than 2.5% growth in the U.S. economy. Growth oriented companies, like those four just mentioned, have delivered impressive growth during this period and investors bid them up. But profits of companies in the financial, industrial, retailing and energy sectors have disappointed.

As a value manager, we are encouraged that prior periods of growth outperformance, including the “Nifty Fifty” market of 1966 – 1972 and the more recent “TMT” - technology, media and telecom bubble of 1998-2000, were followed by strong periods for value investing, including seven straight years of outperformance by value from 2000 to 2006.

Over the two year period ended December 2015, growth greatly outperformed value (again using the Russell 1000 Growth and Value indices), with the Growth index posting a return of 16.4% versus a decline of 4.3% for the Value index. This trend began to reverse at the end of 2015.

The question is whether this trend will continue, and when the period will come again when the value of a stock is as or more important than its growth rate. We try to invest in companies at good values, some of which are noted in our “Commentary” and ”Let’s Talk Stocks” sections that have good value and the opportunity to grow their earnings and cash flow. We look for those companies that we believe will continue to return cash flow to shareholders through not only dividends but also through reinvestment in their businesses, resulting in greater cash flow and earnings, and higher share price valuation. We look to build a steady component of not only current return from dividend yields, but also a rising dividend pay-out from most of our portfolio in order to contribute to the performance of the Fund. As always, we thank you for your continued confidence in us.

April 15, 2016

---

**Top Ten Holdings (Percent of Net Assets)**

*March 31, 2016*

<table>
<thead>
<tr>
<th>Company</th>
<th>Percent of Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple Inc.</td>
<td>6.1%</td>
</tr>
<tr>
<td>American International Group Inc.</td>
<td>3.6%</td>
</tr>
<tr>
<td>CME Group Inc.</td>
<td>3.6%</td>
</tr>
<tr>
<td>The Home Depot Inc.</td>
<td>3.5%</td>
</tr>
<tr>
<td>Wells Fargo &amp; Co.</td>
<td>3.2%</td>
</tr>
<tr>
<td>Pfizer Inc.</td>
<td>3.0%</td>
</tr>
<tr>
<td>Best Buy Co Inc.</td>
<td>3.0%</td>
</tr>
<tr>
<td>Honeywell International Inc.</td>
<td>3.0%</td>
</tr>
<tr>
<td>Alphabet Inc.</td>
<td>3.0%</td>
</tr>
<tr>
<td>General Electric Co.</td>
<td>2.9%</td>
</tr>
</tbody>
</table>
To Our Shareholders,

For the quarter ended March 31, 2016, the TETON Westwood Equity Fund's net asset value (“NAV”) per Class AAA Share returned 1.4% versus a return of 1.4% for the S&P 500 Index.

Market Commentary

The S&P 500 ended the first quarter of 2016 with a slight gain after rallying in fourth quarter 2015. The year began with negative equity performance in January that flipped to a sharp move up in equities mid-February, continuing into March. The first half of the quarter was driven by an accelerated pace of depreciation in the Chinese Yuan and concerns over softening growth forecasts for the U.S. and China. The absence of strong global growth was evident as the Bank of Japan joined several other central banks in further easing monetary policy by moving into negative interest rate territory in January. The rally in equities from February 12 onward was driven by Chinese officials making an effort to provide stability in the Yuan, several major oil producing countries agreeing to freeze production and greater-than-expected monetary accommodation from the European Central Bank. As a result, commodities, such as oil, steel, copper and iron ore, rebounded from their lows while the U.S. Dollar weakened following a lower expected path for future rate hikes from the Federal Reserve in mid-March.

Additionally, the U.S. economy regained some steam with healthy labor force trends, consistent wage growth and higher levels of consumer spending.

After a bumpy start to the year, the S&P 500 index finished modestly higher at the end of the quarter. The Utilities, Consumer Staples and Producer Durables sectors outperformed in the quarter while the Financial Services and Health Care sectors underperformed.

Attribution

The portfolio’s relative performance was aided by strong security selection in the Health Care and Consumer Staples sectors along with an overweight position in the Utilities sector. Unfavorable security selection in Producer Durables and Energy sectors along with security selection and an overweight position in Financial Services weighed on the portfolio’s relative performance during the quarter.

Top and Bottom Equity Contributors

WEC Energy Group, Inc. (2.5% of net assets as of March 31, 2016) shares increased during the quarter as interest rates moved down and investors migrated to higher-yielding equities. From an operational standpoint, WEC Energy Group continues to execute well, announcing earnings per share growth of 13% in the quarter and reaffirming their 2016 profit guidance. Verizon Communications Inc. (2.0%) outperformed in the quarter as investors continue to favor assets with higher income streams in this low interest rate environment. Verizon also announced their openness to acquiring certain assets of Yahoo; a potential important addition as they build out their mobile advertising platform. McCormick & Co., Inc. (2.4%) outperformed in the quarter as the

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>15 Year</th>
<th>Since Inception (1/2/87)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Fund Class AAA (WESWX)</td>
<td>1.43%</td>
<td>(0.56)%</td>
<td>9.70%</td>
<td>9.25%</td>
<td>5.70%</td>
<td>5.51%</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
<td>1.35%</td>
<td>1.78%</td>
<td>11.82%</td>
<td>11.58%</td>
<td>7.01%</td>
<td>5.99%</td>
</tr>
</tbody>
</table>

In the current prospectus dated January 28, 2016, the expense ratio for Class AAA Shares is 1.59%. Class AAA Shares do not have a sales charge.

(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.tetonadv.com for performance information as of the most recent month end. 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.tetonadv.com. Other share classes are available and have different performance characteristics. See page 23 for performance of other classes 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. Dividends are considered reinvested. You cannot invest directly in an index.

(b) S&P 500 Index since inception performance is as of December 31, 1986.
company reported strong fourth quarter results and guided to steady growth in the year ahead. McCormick has benefited from improving trends in their highly profitable North American Consumer business, while continuing to acquire complementary niche brands in their international segment. Amdocs Ltd. (3.1%) contributed to the portfolio’s outperformance in the quarter. This billing software provider for the telecom industry reported steady growth in their backlog during the quarter and show impressive free cash flow conversion. Amdocs raised their dividend nearly 15% in the quarter, and we also expect the company to continue to repurchase shares with their strong free cash flow profile. NextEra Energy, Inc. (1.9%) reported strong earnings results in the quarter, driven by income at Florida Power & Light growing 22% year-over-year. Additionally, NextEra announced a 13% increase in their annual dividend, bringing the yield to an attractive 3% rate.

Bank of America Corp. (2.5%) shares fell in the quarter as earnings estimates were reduced due to the lower levels of interest rates and year-over-year declines in trading activity. The bank continues to focus on cost control as they weather a slower revenue environment. Shares of Marathon Petroleum Corp. underperformed in the quarter as management lowered their expectations for MPLX growth, adding to uncertainty around future cash flows from their midstream operations. This uncertainty increased the risk that future cash returns to shareholders will be delayed. Wells Fargo & Co. (3.1%) and JP Morgan Chase & Co. (3.2%) shares underperformed as investors try to gauge weakening trends in the oil patch and the impact on loan portfolios. American International Group, Inc. (2.3%) underperformed in the quarter as investors took profits following a successful campaign by activist investors to join the company’s board. There are significant cost takeout and efficiency opportunities that have been highlighted, enhancing the long-term investment case.

Changes in Equity Holdings

The portfolio purchased Microsoft Corp. (2.0%) and sold AMC Networks Inc., CIT Group Inc., eBay Inc., and Marathon Petroleum Corp.
To Our Shareholders,

For the quarter ended March 31, 2016, the TETON Westwood Balanced Fund’s net asset value (“NAV”) per Class AAA Share returned 1.6% versus a return of 2.2% for the benchmark: 60% S&P 500 Stock Index/40% Barclays Capital Government/Credit Bond Index (BCG/C).

Notes on the Fund

The Fund is designed to provide exposure to equities while reducing overall risk via the inclusion of short-to-intermediate fixed income securities. The bond portion typically invests in high quality notes of less interest-rate sensitivity than the typical bond index, with the objective of dampening the volatility of equity holdings. The Equity Fund strategy comments apply to the equity portion of the Balanced Fund; specific fixed income portion comments follow.

Fixed Income Commentary

We discussed in the commentary on the Intermediate Bond Fund that investment grade fixed income, as represented by the BCG/C, posted a nicely positive return in the fourth quarter as yields on U.S. Treasuries declined and prices correspondingly rallied. The 30-year Treasury bond yield rallied 0.40% over the quarter, producing a return of 9%. With credit spreads nearly unchanged, investment grade credit debt outperformed U.S. Government debt (U.S. Treasury or Agency) 3.92% to 3.12%. Lowest-rated Baa credit debt returned 4.33% versus 2.51% for Aaa-rated debt.

Attribution

The performance of the bond component of the Balanced Fund was impacted by our below-index duration (interest-rate sensitivity) during a period of outperformance by longer duration bonds relative to shorter. The outperformance of the U.S. Agency and Financial Institution sectors provided a partial offset: relative to corresponding index sectors, U.S. Agencies in the Fund had a longer duration, higher returns, and a considerable overweight; Financial Institutions in the Fund had higher returns and more than a double weight versus the BCG/C.

Average Annual Returns Through March 31, 2016 (a)

<table>
<thead>
<tr>
<th>Balanced Fund Class AAA (WEBAX)</th>
<th>Quarter</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>15 Year</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>60% S&amp;P 500 Index and 40% Barclays Government/Credit Bond Index</td>
<td>1.62%</td>
<td>(0.11)%</td>
<td>6.40%</td>
<td>6.66%</td>
<td>5.16%</td>
<td>5.18%</td>
<td>8.32%</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
<td>2.20</td>
<td>1.77</td>
<td>8.06</td>
<td>8.56</td>
<td>6.18</td>
<td>5.61</td>
<td>7.98</td>
</tr>
<tr>
<td>Barclays Government/Credit Bond Index</td>
<td>1.35</td>
<td>1.78</td>
<td>11.82</td>
<td>11.58</td>
<td>7.01</td>
<td>5.99</td>
<td>9.26(c)</td>
</tr>
<tr>
<td>3.47</td>
<td>1.75</td>
<td>2.42</td>
<td>4.04</td>
<td>4.93</td>
<td>5.03</td>
<td>6.05(c)</td>
<td></td>
</tr>
</tbody>
</table>

In the current prospectus dated January 28, 2016, the expense ratio for Class AAA Shares is 1.31%. Class AAA Shares do not have a sales charge.

(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.tetonadv.com for performance information as of the most recent month end. Teton Advisors, LLC, the Adviser, reimbursed expenses in years prior to 1998 to limit the expense ratio. Had such limitation not been in place, returns would have been lower. 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.tetonadv.com. Other share classes are available and have different performance characteristics. See page 23 for performance of other classes of shares. The Barclays Government/Credit Bond Index is a market value weighted index that tracks the performance of fixed rate, publicly placed, dollar denominated obligations. 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. Dividends are considered reinvested. You cannot invest directly in an index.

(b) The Blended Index consists of a 60% blend of each of the S&P 500 Index and 40% Barclays Government/Credit Bond Index.

(c) S&P 500 Index and Barclays Government/Credit Bond Index since inception performance are as of September 30, 1991.
Top and Bottom Fixed Income Contributors; Changes in Holdings

Top contributors to Fund performance included three U.S. Government notes: U.S. Treasury 2.25% due 15-Nov-2024 (1.5% of net assets as of March 31, 2016), Fannie Mae 2.625% due 06-Sep-2024 (1.7%), and Freddie Mac 2.375% due 13-Jan-2022 (1.6%) and two corporate credits: Intel Corp. 3.3% due 01-Oct-2021 (1.5%) and CVS Health Corp 3.375% due 12-Aug-2024 (0.9%). The sole detractor from Fund performance was Marathon Oil Corp 5.9% due 15-Mar-2018. The latter note was sold during the quarter and comprised the only trading during that period.

April 15, 2016

<table>
<thead>
<tr>
<th>Top Ten Issuers* (Percent of Net Assets)</th>
<th>March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freddie Mac Notes</td>
<td>4.8%</td>
</tr>
<tr>
<td>JPMorgan Chase &amp; Co.</td>
<td>3.2%</td>
</tr>
<tr>
<td>Wells Fargo &amp; Co.</td>
<td>3.0%</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>2.3%</td>
</tr>
<tr>
<td>Colgate-Palmolive Co.</td>
<td>2.1%</td>
</tr>
<tr>
<td>Aetna Inc.</td>
<td>2.1%</td>
</tr>
<tr>
<td>Abbott Laboratories</td>
<td>2.1%</td>
</tr>
<tr>
<td>Texas Instruments Inc.</td>
<td>2.0%</td>
</tr>
<tr>
<td>Amdocs Ltd</td>
<td>2.0%</td>
</tr>
<tr>
<td>Comcast Corp.</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

*Bond and equity positions have been combined.
To Our Shareholders,

During the quarter ended March 31, 2016, the TETON Westwood Intermediate Bond Fund’s net asset value (“NAV”) per Class AAA Share returned 2.5% versus a return of 3.5% for the Barclays Capital Government/Credit Bond Index (BCG/C).

Bond Market Commentary

Investment grade bond prices rallied sharply during the first quarter as the Barclays U.S. Government/Credit Bond Index (BCG/C) posted a 3.47% return: 2.45% for notes maturing in 1-10 years, and 7.30% for bonds of maturity greater than 10 years. A combination of foreign stock market weakness, global growth concerns, and increased monetary stimulus (accompanied by negative interest rates) from the European Central Bank (ECB) and Bank of Japan (BOJ) resulted in a strong bid for U.S. Treasuries. In addition, the Federal Reserve Open Markets Committee (FOMC) declined to raise interest rates at both the January and March meetings and scaled back expectations for the number of 2016 rate hikes. Treasury prices soared across the maturity spectrum as yields declined. The yield on the 2-year Treasury fell from 1.05% to 0.72%, while the yield on the 10-year Treasury fell from 2.27% to 1.77%.

Within the investment grade credit market, credit spreads (over comparable-maturity Treasury yields) were unchanged during the quarter; duration-matched corporate bonds therefore outperformed Treasuries 3.92% to 3.12%. Inflation expectations rose during the quarter causing TIPS to outperform nominal Treasuries. All else being equal, portfolios with the most duration, or interest rate exposure, outperformed during the quarter. Within investment grade credits, Utility and Industrial sector bonds were the strongest performers; Financial Institution bonds lagged U.S. Corporates as a whole. Bonds rated below Aaa returned 3.7-4.3%, above Aaa-rated bonds at 2.5%.

Attribution

The major detractor to relative performance was our underweight position in long maturity securities. The lower duration (interest rate sensitivity) of the Fund especially dampened the contribution of the underweight U.S. Treasury sector. Partially offsetting the difference in returns was our overweight and relative outperformance in the Financial Institution sector.

Top and Bottom Fixed Income Contributors

Top contributors to Fund performance included three U.S. Government notes: U.S. Treasury 2.0% due 15-Feb-2025 (4.1% of net assets as of March 31, 2016), U.S. Treasury 2.25% due 15-Nov-2024 (4.2%), and Fannie Mae 2.625% due 06-Sep-2024 (3.2%) and two corporate credits: Oracle Corporation 3.625% due 15-Jul-2024 (2.2%) and CVS Health Corp 3.375% due 12-Aug-2024 (sold). Sole detractors from Fund performance were two short-maturity Energy notes that were sold during the quarter: Marathon Oil Corp 5.9% due 15-Mar-2017 and Murphy Oil Corp 2.5% due 01-Dec-2017.

Changes in Fixed Income Holdings

In addition to the sales mentioned in the previous paragraph, we sold Arrow

---

Average Annual Returns Through March 31, 2016 (a)

<table>
<thead>
<tr>
<th>Intermediate Bond Fund Class AAA (WEIBX)</th>
<th>Quarter</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>15 Year</th>
<th>Since Inception (10/1/91)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barclays Government/Credit Bond Index</td>
<td>3.47</td>
<td>1.75</td>
<td>2.42</td>
<td>4.04</td>
<td>4.93</td>
<td>5.03</td>
<td>6.05(b)</td>
</tr>
</tbody>
</table>

In the current prospectus dated January 28, 2016, the gross expense ratio for Class AAA Shares is 1.37%, and the net expense ratio is 1.00%, after contractual reimbursements by Teton Advisors Inc. (the “Adviser”) in place through January 31, 2017. Class AAA Shares do not have a sales charge.

(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.tetonadv.com for performance information as of the most recent month end. The Adviser reimbursed expenses to limit the expense ratio. Had such limitation not been in place, returns would have been lower. 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.tetonadv.com. Other share classes are available and have different performance characteristics. See page 23 for performance of other classes of shares. The Barclays Government/Credit Bond Index is a market value weighted index that tracks the performance of fixed rate, publicly placed, dollar denominated obligations. Dividends are considered reinvested. You cannot invest directly in an index.

(b) The Barclays Government/Credit Bond Index since inception performance is as of September 30, 1991.
Electronics Inc. 6.0% due 01-Apr-2020 and bought outright Cisco Systems Inc. 1.65% due 15-Jun-2018 (2.6%). We executed three swaps from one note to another, purchasing: (1) Southwest Airlines Co 5.75% due 15-Dec-2016 (1.6%) to replace the Murphy Oil note, (2) CVS Health Corp 1.9% due 20-Jul-2018 (2.1%) to replace the 2024 CVS note, and (3) U.S. Treasury 0.5% due 31-Jan-2017 (4.0%) to replace U.S. Treasury 1.75% due 15-May-2023.

April 15, 2016
Minimum Initial Investment

For all Funds, except the Mighty Mites Fund, your minimum initial investment must be at least $1,000; there are no subsequent investment minimums; no initial minimum is required for those establishing an Automatic Investment Plan; and all of the TETON Westwood Funds are available through financial intermediaries including the no transaction fee programs at many major brokerage firms. The minimum initial investment for the Mighty Mites Fund is $10,000 for all accounts. There are no subsequent investment minimums. You may purchase Class AAA, A, C, and I Shares directly through registered broker-dealers or other financial intermediaries that have entered into appropriate selling agreements with the Funds’ Distributor.

www.tetonadv.com

Please visit us on the Internet. Our homepage at www.tetonadv.com contains information about the TETON Westwood Funds, with links to information about the Gabelli 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@tetonadv.com.

The Funds’ daily net asset values are available in the financial press and each evening after 7:00 PM (Eastern Time) by calling 800-WESTWOOD (800-937-8966). Please call us during the business day, between 8:00 AM – 7:00 PM (Eastern Time), for further information. Thank you for investing in the TETON Westwood Funds. We look forward to serving your investment objectives in the years ahead.

e-delivery

We are pleased to offer electronic delivery of fund documents. Direct shareholders of our open-end funds can now elect to receive their Annual and Semiannual Reports, Manager Commentaries, and Prospectuses via e-delivery. For more information, please visit our distributor’s website at www.gabelli.com. You may also sign up for our e-mail alerts and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance via our website. The TETON Westwood Mutual Funds are distributed by G.distributors, LLC., a registered broker-dealer and member of FINRA.

<table>
<thead>
<tr>
<th>Nasdaq Symbols Table</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TETON Westwood Funds</strong></td>
</tr>
<tr>
<td>Mighty Mites</td>
</tr>
<tr>
<td>SmallCap Equity</td>
</tr>
<tr>
<td>Mid-Cap Equity Fund</td>
</tr>
<tr>
<td>Income</td>
</tr>
<tr>
<td>Equity</td>
</tr>
<tr>
<td>Balanced</td>
</tr>
<tr>
<td>Intermediate Bond</td>
</tr>
</tbody>
</table>
**TETON Westwood Funds and Your Personal Privacy**

**Who are we?**
The TETON Westwood Funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Teton Advisors, Inc., which is an affiliate of GAMCO Investors, Inc., a publicly held company that has subsidiaries that provide investment advisory services for a variety of clients. Teton Advisors, Inc. is a publicly held company that provides investment advisory services to the TETON Westwood Funds.

**What kind of non-public information do we collect about you if you become a fund shareholder?**
If you apply to open an account directly with us, you will be giving us some non-public information about yourself. The non-public information we collect about you is:

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

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

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

### Average Annual Returns – March 31, 2016

<table>
<thead>
<tr>
<th>Class AAA Shares (a)</th>
<th>Class A Shares (a)(b)(d)</th>
<th>Class C Shares (a)(c)(d)</th>
<th>Class I Shares (a)(d)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Year</strong></td>
<td><strong>5 Year</strong></td>
<td><strong>10 Year</strong></td>
<td><strong>15 Year</strong></td>
</tr>
<tr>
<td>Mighty Mites&lt;sup&gt;SM&lt;/sup&gt;</td>
<td>(7.20)%</td>
<td>7.18%</td>
<td>8.19%</td>
</tr>
<tr>
<td>SmallCap Equity</td>
<td>(6.01)</td>
<td>3.53</td>
<td>5.11</td>
</tr>
<tr>
<td>Mid Cap</td>
<td>(6.55)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Income</td>
<td>(8.12)</td>
<td>5.89</td>
<td>3.53</td>
</tr>
<tr>
<td>Equity</td>
<td>(0.56)</td>
<td>9.25</td>
<td>5.70</td>
</tr>
<tr>
<td>Balanced</td>
<td>(0.11)</td>
<td>6.66</td>
<td>5.16</td>
</tr>
<tr>
<td>Intermediate Bond</td>
<td>1.73</td>
<td>1.88</td>
<td>3.38</td>
</tr>
</tbody>
</table>

(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.tetonadvc.com for performance information as of the most recent month end. For the SmallCap Equity, Mid-Cap Equity, Income, and Intermediate Bond Funds (and for the Mighty Mites Fund through September 30, 2005), Teton Advisors, Inc., “the Adviser”, reimbursed expenses to limit the expense ratio. Had such limitations not been in place, returns would have been lower. The contractual expense limitations are in effect through January 31, 2017, and are renewable annually by the Adviser. The Funds, except for the Equity, Balanced, and Intermediate Bond Funds, imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Investors should carefully consider the investment objectives, risks, charges, and expenses of a Fund before investing. The prospectuses contains information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.tetonadvc.com

(b) Includes the effect of the maximum 4.0% sales charge at the beginning of the period.

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

(d) The performance of the Class AAA Shares is used to calculate performance for the periods prior to the issuance of Class A Shares, Class C Shares, and Class I Shares, except for Mid-Cap Equity Fund. The performance for all share classes of Mid-Cap Equity Fund is based on the Fund’s inception date of May 31, 2013. The performance for 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 performance for the Class I Shares would have been higher due to the lower expenses associated with this class of shares. The inception dates for the Class AAA Shares and the initial issuance dates for the Class A Shares, Class C Shares, and Class I Shares after which shares remained continuously outstanding are listed below.
This report is submitted for the information of the shareholders of the TETON Westwood Funds. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.