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Form ADV Part 2A - Brochure

June 18, 2018

This Brochure provides information about the qualifications and business practices of Teton Advisors, Inc. ("Teton"). If you have any questions about the contents of this brochure, please contact us at (914) 457-1070. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("Commission") or by any state securities authority.

Teton is an investment adviser registered with the Commission under the Investment Advisers Act of 1940. Registration with the Commission does not imply a certain level of skill or training.

Additional information about Teton is available on the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

Item 2. Material Changes

This Brochure was updated to reflect the annual update to Form ADV Part 1 and 2A/B.

Teton's Brochure may be requested free of charge by contacting Teton's Compliance Department at (914) 457-1070. Teton's Brochure is also available on the SEC's Investment Adviser Public Disclosure web site (www.adviserinfo.sec.gov) and http://www.keeleyteton.com.

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Item 4 Advisory Business

A. General Description of Teton

Teton Advisors, Inc. ("Teton") is a registered investment adviser that provides discretionary investment advisory services to The TETON Westwood Funds, an open-end diversified management investment company. The TETON Westwood Funds currently consist of the following separate investment portfolios:

TETON Westwood Mighty Mites℠ Fund
TETON Westwood SmallCap Equity Fund
TETON Westwood Mid-Cap Equity Fund
TETON Convertible Securities Fund
TETON Westwood Equity Fund
TETON Westwood Balanced Fund
TETON Westwood Intermediate Bond Fund

Teton also seeks to offer discretionary investment management services to, among others, the following types of clients: employee benefit plans, endowments, foundations, corporations, limited partnerships, trusts, and estates.

Teton has offered investment advisory services since 1994.

On March 20, 2009, GAMCO Investors, Inc. ("GBL") distributed its ownership in Teton to its shareholders. In connection with this distribution, Teton entered into a number of agreements with GBL. These agreements are as follows: a Separation and Distribution Agreement, a Transitional Administrative and Management Services Agreement ("Administrative Agreement"), Service Mark and Name License Agreement ("License Agreement"); and a Sub-Lease Agreement. Pursuant to the Administrative Agreement, GBL provides certain services to Teton, including general corporate management services; mutual fund administration services; operational and general administrative assistance including office space, office equipment, administrative personnel, procurement services and legal, regulatory and compliance advice, as needed. The License Agreement provides Teton and the funds that it manages (*i.e.*, The TETON Westwood Funds) the use of certain names and service marks. For providing services under the Administrative Agreement (other than the mutual fund administration services) and the License Agreement, GBL will be compensated by Teton at a rate of $12,500 per quarter, or $50,000 per year. For providing mutual fund administration services to Teton pursuant to the Administration Agreement, GBL will receive, on a monthly basis, an amount equal to 20 basis points on the first $370,000,000 of the average net assets managed by The TETON Westwood Funds, 12 basis points on the net assets of the Funds above $370,000,000 up through $1 billion and 10 basis points above $1 billion.

In providing the services pursuant to the Administration Agreement, GBL may, subject to the prior written consent of Teton, employ consultants and other advisers in addition to utilizing its own employees. GBL has the right to delegate all or a portion of the mutual fund administration services to be performed by it to another entity. The Administration Agreement is terminable by either party on 30 days' prior written notice to the other party.

Teton's Class A Common Stock trades over-the-counter under the symbol TETAA. Mario J. Gabelli is deemed to be the controlling person of Teton on the basis of his ownership of a majority of the stock of GGCP, Inc., a privately held Wyoming corporation, which owns a majority of the voting stock of Teton.

In 2017, Teton expanded its advisory business by forming Keeley-Teton Advisors, LLC ("Keeley-Teton"). Although Keeley-Teton is a wholly-owned subsidiary that shares certain resources with Teton, Keeley-Teton maintains its own investment adviser registration with the Commission. For more information on Keeley-Teton, please reference that Form ADV, which is available upon request.

B. Description of Advisory Services

The full-service discretionary investment management strategies offered by Teton are as follows:

The Teton Small Cap Select Value Strategy targets undervalued small-cap companies that have market capitalization between $100 million and $3 billion at the time of investment. The portfolio manager employs bottom-up fundamental research with an emphasis on balance sheets, asset values, cash flow and earnings growth potential. Nicholas Galluccio and Scott Butler serve as the portfolio managers.

The Teton Mid Cap Equity portfolio invests primarily in mid-cap companies that the portfolio manager believes are undervalued by the market and have above-average growth potential. Nicholas Galluccio serves as the portfolio manager.

The Teton Convertible Securities portfolio invests primarily in convertible securities that the portfolio manager believes will deliver an attractive asymmetric return. Teton has entered into a sub-advisory agreement with GBL for this strategy.

The TETON Westwood Funds consist of seven investment strategies specified in the prospectuses of the funds. More information can be

C. Availability of Tailored Services for Clients

For those clients who establish separately managed accounts, Teton will tailor an account to the needs of the client. The full-service discretionary investment management portfolios it offers include a small cap style which focuses on companies in the following four categories: unrecognized asset values, turnarounds, undervalued growth and emerging growth. The separate accounts to be managed in the small cap or small-to-mid cap style will combine these four elements in managing and structuring portfolios. Teton also offers a mid cap style which targets innovative and unique companies trading at reasonable valuations, relative to their growth prospects and intrinsic value.

Clients may furnish Teton with guidelines as to their investment policies and objectives. Clients may also impose restrictions on investing in certain securities or certain types of securities.

D. Wrap Fee Programs

From time-to-time, Teton may seek to be retained as the investment adviser under wrap fee or similar arrangements offered by unaffiliated broker-dealers or investment advisers wherein the broker-dealer or investment adviser may recommend retention of Teton as investment adviser and may provide the client with various services including trade execution without commission charge, all for a single fee paid by the client to the broker-dealer. Teton's separately paid advisory fee under such wrap fee arrangements may differ from that offered to other clients. However, in evaluating such an arrangement, clients should recognize that brokerage commissions for the execution of transactions in the client's account are not negotiated by Teton and that Teton may be limited in its ability to obtain best price and execution. Clients should be aware of the potential conflicts of interest arising from referral and directed brokerage practices.

Clients in these WRAP programs must look to the sponsor of the program to monitor best execution. Teton has entered into wrap fee arrangements for accounts that are model portfolios. That is, the selection of securities for the account and weighting of those holdings is based on the portfolio holdings and transactions of another account that is being actively managed.

As part of its willingness to tailor accounts to specific client needs, Teton may from time to time agree to provide investment management services on a basis that includes payment of all brokerage commissions by Teton. Such arrangements are atypical and will have fees that reflect the size of the account, and the degree of active management given to the portfolio.

E. Client Assets Under Management

As of December 31, 2017, Teton managed approximately $1.6 billion of client assets on a discretionary basis in 8 accounts.

Item 5 Fees and Compensation

A. Investment Management Fees

The stated investment management fee for new clients is generally one percent per year. Teton may negotiate its fees. Teton may also offer break points based on the level of assets under management for an account. As noted, Teton will customize management styles for accounts and fees for such accounts may vary. Advisory fees for new accounts often exceed those prevailing historically.

B. Payment of Fees

Clients may authorize Teton to debit its advisory fees directly from their accounts. Investment management fees are generally payable on the first day of each calendar quarter for that quarter and are based on the total market value of the assets in the client's account (including net realized appreciation or depreciation of the investments and cash, cash equivalents and accrued interest). For those clients that authorize Teton to debit fees from their accounts, Teton will typically deduct its fees in advance for a quarter based on the market value of the account on the last day of the previous quarter. Clients may request alternative arrangements to pay their fees. All clients will receive quarterly bills from Teton for its fees. If a new client account is established during a quarter or a client makes an addition to its account during a quarter, the investment management fee will be prorated for the number of days remaining in the quarter. If a client's investment management agreement is terminated or a withdrawal is made from a client account during a quarter, the fee payable to Teton will be calculated based on the value of the assets on the termination date or withdrawal date and prorated for the number of days during the quarter in which the investment management arrangement was in effect or such amount was in the account (except during the last 15 days of the quarter where the fee will be charged for the entire quarter).

C. Other Fees and Expenses

In addition to paying investment management fees, client accounts may also be subject to other expenses such as custodial charges, brokerage fees, commission and related costs, interest expenses, taxes, and other portfolio expenses.

D. Prepayment of Fees

As stated in Item 4B, a client may pay Teton's fee in advance. A client may obtain a refund of a pre-paid fee if their advisory agreement is terminated or a withdrawal is made from the account 15 days or more before the end of the billing period. Clients who withdraw assets from their accounts 15 days or more before the end of billing period will receive a credit for the advisory paid that will be applied to future advisory fees that will be paid to Teton.

E. Additional Compensation

Teton and its supervised persons may receive compensation from those clients that authorize Teton to effect account transactions though G.research, its affiliated broker-dealer. Clients that authorize Teton to place trades through G.research will pay commissions which are in addition to the management fee that is paid to Teton. G.research's commission schedule is set forth in Item 12.

Because of Teton's affiliation with G.research, Teton may have an incentive to use G.research to execute portfolio transactions for Teton's clients.

Current portfolio managers, relationship managers and/or professional staff of Teton and its affiliated persons may receive a portion of Teton's advisory fee on client accounts pursuant to incentive arrangements promulgated by Teton from time to time.

Item 6 Performance-Based Fees and Side-By-Side Management

Teton and its affiliates provide investment management services to multiple portfolios for multiple clients. Teton's affiliates are paid performance-based compensation by some of their clients. In addition, Teton and its affiliates, including investment personnel, are typically compensated on a basis that includes a performance-based component. Teton's affiliates, including investment personnel that share in performance-based compensation, manage both client accounts that are charged performance-based compensation and accounts that are charged an asset-based fee (which is a non-performance-based fee). In addition, certain client accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts. When Teton and its investment personnel manage more than one client account a potential exists for one client account to be favored over another client account. Teton and its investment personnel have a greater incentive to favor client accounts that pay Teton (and indirectly the portfolio manager) performance-based compensation or higher fees. The portfolio manager also may be motivated to favor accounts in which he has an investment interest, or in which Teton or its affiliates have investment interests.

Teton's affiliates operating in the interests of their shareholders and/or partners may seek to acquire majority interests in companies or acquire divisions of companies that are held by Teton on behalf of its clients. If such majority interest is sought by a Teton affiliated entity or entities, Teton will act on behalf of its clients in a manner which it, in its sole discretion, believes is in the best interest of its clients. In this regard, Teton may, among other alternatives, seek the advice of outside counsel, return shares to clients for them to vote their respective shares or remain neutral.

Teton has established various policies and procedures, which are designed to ensure that client accounts are treated in a manner which is equitable over time. These policies and procedures include:

1. It is Teton's policy to allocate investment opportunities among its clients in a manner that is equitable over time.

2. Under normal circumstances, the portfolio manager will assess a client's account and determine whether a particular security should be purchased or sold for the account before an order is placed for the account. Occasionally, a portfolio manager may buy a block of stock that is, for example, available at an advantageous price and make determinations about its appropriateness for particular accounts after placement of the order.

3. Ordinarily, Teton will attempt to place orders for clients with G.research in a manner that aggregates orders so as to ensure that clients purchasing the same securities on the same day do so at the average price realized by all similar clients. Teton orders will usually not be aggregated with orders for affiliated investment advisers or hedge funds except as part of a written plan to buy the same securities in specified amounts. As portfolio managers make buy and sell

decisions over the course of the day, those orders are usually added to aggregated orders already being worked. The result will often be that substantially all orders for accounts may be executed at the average price paid by Teton accounts purchasing the security on the same day through G.research.

This aggregation of trades generally will not include orders placed for: (1) investment companies for which Teton serves as investment adviser; (2) some institutional accounts; and (3) any accounts where the client has directed that trades be executed by a broker of its choosing. Each of these types of orders may be aggregated separately. For example, if several clients were to direct Teton to trade their accounts through a particular broker, those orders may be aggregated either by Teton or by the broker.

Where orders are aggregated and executed at an average price, all clients will share in the execution of that order. Moreover, all accounts participating in an aggregated order through G.research will pay the same commission rate, which under ordinary circumstances will be the standard commission rate. Where a different commission rate is being applied to the trade, all accounts participating in that order will be charged the lowest rate charged to any participating account. If an aggregated order is only partially filled, Teton may allocate shares so as to completely fill as many of the orders of participating accounts as possible, rather than on a pro-rata basis.

4. Teton, on behalf of its clients, may place a single aggregated buy or sell order with G.research before determining which client accounts should participate in the order. If the order is filled in whole or in part, the allocation will be done as soon as possible and no later than the opening of the market on the next business day. In such cases, Teton will allocate the securities bought or sold among its clients' accounts based on criteria, which Teton believes to be fair and equitable. Each Teton account is evaluated in light of these criteria that include: the cash available, the account's investment objectives, any investment guidelines or restrictions, and the amount and percentage of the securities or similar securities already in the account. This allocation policy generally results in securities first being allocated to new accounts and other accounts with available cash subject to the other stated criteria.

Teton's affiliates generally use different trading desks to effect transactions for its managed accounts, investment companies and investment partnerships. Generally, neither Teton nor its affiliates will bunch trades that are processed by different trading desks nor will they cross trades between accounts that trade through different desks which may in certain instances increase clients' transactions costs. Teton may aggregate orders of Teton clients with orders for the affiliated mutual funds or alternative investment partnerships, including those with incentive fees, pursuant to a written allocation plan. No account will be favored over any other account, and each account that participates in the order will participate at the average share price of the aggregated order and receive the same commission rate. Shares will be allocated as specified by the Investment Professional prior to entry of the aggregated order. Orders that are partially filled will be allocated pro rata based on the specified allocation. An order may be allocated on a basis different than specified as long as Teton believes that all clients will receive fair and equitable treatment and the reason for such different basis of the allocation is explained in writing and approved by the designated compliance officer.

A conflict of interest may arise where the financial or other benefits available to the portfolio manager for Teton or one of its affiliates differ among the accounts that he or she manages. If the structure of the management fee or the portfolio manager’s compensation differs among accounts (such as where certain funds or accounts pay higher management fees or performance-based management fees), the portfolio manager may be motivated to favor certain accounts over others.

The availability of shares of initial public offerings may be limited. To receive shares in an initial public offering (“IPO”), an account must qualify to do so under the applicable regulatory rules.

Teton generally apportions IPO shares among eligible Teton clients based on several factors including the size of each account in terms of assets under management, the particular investment objectives and guidelines of each account, the contemplated holding period, the risk characteristics of the security and the availability of cash for investment. Teton personnel generally are prohibited from purchasing IPOs for their own accounts under the Code of Ethics.

Sometimes, shares in IPOs are allocated by the lead underwriter for clients of Teton's affiliated investment advisers, the affiliated mutual funds and alternative investment products managed by Gabelli Securities, Inc. (“GSI”). In those instances, the shares are generally apportioned among the clients taking into account factors such as assets under management, investment objectives, risk characteristics, the contemplated holding period and the availability of cash. Occasionally, particular affiliates are able to obtain separate allocations of shares from other members of the syndicate. Depending on the circumstances, those shares may not be subject to allocation among all clients of Teton-affiliated entities.

Item 7 Types of Clients

As previously noted in Item 1, Teton offers investment management services to, among others, the following types of clients: employee benefit plans, endowments, foundations, corporations, limited partnerships, trusts, estates, domestic and offshore investment companies (generally as sub-adviser), and private investors. Teton may also act as manager for third-party wrap programs.

Unless otherwise specified in its portfolio description, Teton generally requires a minimum account size of one million dollars for its standard full service discretionary investment management account, which it may waive under certain circumstances, such as when Teton perceives the potential for additional business from a client. If a client account falls below the minimum requirement due to market fluctuations only, a client will not be required to invest additional funds with Teton to meet the minimum account size.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

A. Method of Analysis

Teton's approach to security analysis includes among other things fundamental research, industry research, personal visits with management and company published data. Teton also uses data published in the financial media. Some of the portfolio managers may make use of third party sell-side brokerage research.

Please see Item 4 for a full list of the investment strategies that Teton offers.

B. Material Risks Relating to Investment Strategies

Depending upon the strategy selected, Teton generally invests the entirety of a client's account in securities that bear risk and may fluctuate in price. When securities are sold from an account, they may be worth less than the prices that were paid to acquire them. Consequently, a client may lose money by investing in securities.

As part of its investment philosophy and methodology, Teton and its affiliates may hold for their clients significant equity ownership positions in an issuer's class of stock (5% or more). Any such position could be relatively illiquid if Teton were to determine or be required to sell a large portion of the position in a short period. Such activity could result in sizable losses. A list of these positions is available on request.

Teton and its affiliates may, in the ordinary course of their business, acquire for their own accounts or for the accounts of their investment advisory clients, significant (and possibly controlling) positions in the securities of companies that may also be suitable for investment by a client. The securities in which a client might be able to invest may therefore be limited to some extent. For instance, many companies have adopted so-called "poison pill" or other anti-takeover measures designed to discourage or prevent the completion of non-negotiated offers for control of the company. Such anti-takeover measures may have the affect of limiting the number of shares of the company which Teton might otherwise be able to purchase for a client if Teton or its affiliates have or acquire a significant position in the securities of the company.

C. Risks Associated with Types of Securities that are Primarily Recommended

Equity Risk. The principal risk of investing in Teton's advised products is equity risk. Equity risk is the risk that the prices of the securities held by a client will fall due to general market and economic conditions, perceptions regarding the industries in which the companies issuing the securities participate, and the issuer company's particular circumstances.

Foreign Securities Risk. Investments in foreign securities involve risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. These risks include expropriation, differing accounting and disclosure standards, currency exchange risks, settlement difficulties, market illiquidity, difficulties enforcing legal rights and greater transaction costs.

Issuer-Specific Risk. The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the market as a whole. An account could lose all of its investment in a company's securities.

Large-Capitalization Risk. Larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in technology and consumer tastes. Many larger companies also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

Mid-Capitalization Risk. Mid-Cap company risk is the risk that investing in securities of mid-cap companies could entail greater risks than investments in larger, more established companies. Mid-cap companies tend to have more narrow product lines, more limited financial resources and a more limited trading market for their stocks, as compared with larger companies. As a result, their stock prices may decline more significantly or more rapidly than stocks of larger companies as market conditions change.

Small-Capitalization Risk. Investing in securities of small capitalization companies may involve greater risks than investing in larger, more established issuers. Smaller capitalization companies typically have relatively lower revenues, limited product lines and lack of management depth, and may have a smaller share of the market for their products or services, than larger capitalization companies. The stocks of smaller capitalization companies tend to have less trading volume than stocks of larger capitalization companies. Less trading volume may make it more difficult for our portfolio managers to sell securities of smaller capitalization companies at quoted market prices. There are periods when investing in smaller capitalization stocks fall out of favor with investors and the stocks of smaller capitalization companies underperform.

Small- and Micro-Cap Company Risk. Although small-cap and micro-cap companies may offer greater potential for capital appreciation than larger companies, investing in securities of small-cap and micro-cap companies may involve greater risks than investing in larger, more established issuers. Small-cap and micro-cap companies generally have limited product lines, markets, and financial resources. Their securities may trade less frequently and in more limited volume than the securities of larger, more established companies. Also, small-cap and micro-cap companies are typically subject to greater changes in earnings and business prospects than larger companies. Consequently, small-cap and micro-cap company stock prices tend to rise and fall in value more than other stocks. The risks of investing in micro-cap stocks and companies are even greater than those of investing in small-cap companies.

Convertible Securities Risk. Convertible securities provide higher yields than the underlying common stock, but generally offer lower yields than nonconvertible securities of similar quality. The value of convertible securities fluctuates in relation to changes in interest rates and, in addition, fluctuates in relation to the underlying common stock.

High Yield Securities Risk. The Fund may invest in higher yielding, lower rated bonds, commonly called “junk bonds”. Bonds that are rated Ba or below by Moody’s, or BB or below by S&P or Fitch, or if unrated, determined by the Adviser to be of comparable quality, are generally considered to be high yield bonds. These high yield bonds are subject to greater risks than lower yielding, higher rated debt securities. As a result, the Fund may experience losses associated with its holdings of high yield securities.

Interest Rate Risk, Maturity Risk, and Credit Risk. When interest rates decline, the value of the portfolio’s debt securities generally rises. Conversely, when interest rates rise, the value of the portfolio’s debt securities generally declines. The magnitude of the decline will often be greater for longer-term debt securities than shorter-term debt securities. It is also possible that the issuer of a security will not be able to make interest and principal payments when due.

Currency Risk. Currencies and securities denominated in foreign currencies may be affected by changes in exchange rates between those currencies and the U.S. dollar. Currency exchange rates may be volatile and may fluctuate in response to interest rate changes, the general economic conditions of a country, the actions of the U.S. and foreign governments, central banks, or supranational entities such as the International Monetary Fund, the imposition of currency controls, other political or regulatory conditions in the U.S. or abroad, speculation, or other factors. A decline in the value of a foreign currency relative to the U.S. dollar reduces the value in U.S. dollars of the Fund’s investments in that foreign currency and investments denominated in that foreign currency.

Derivatives Risk. Derivatives may be riskier than other types of investments and may increase the Fund’s volatility. Derivatives may experience large, sudden or unpredictable changes in liquidity and may be difficult to sell or unwind. Derivatives can also create investment exposure that exceeds the initial amount invested (leverage risk) — consequently, derivatives may experience very large swings in value. The Fund may lose more money using derivatives than it would have lost if it had invested directly in the underlying security or asset on which the value of a derivative is based. Derivatives may not perform as expected, so the Fund may not realize the intended benefits. When used for hedging, the change in value of a derivative may not correlate as expected with the currency, security or other risk being hedged. Derivatives may be difficult to value and may expose the Fund to risks of mispricing. In addition, derivatives are subject to extensive government regulation, which may change frequently and impact the Fund significantly.

Emerging Markets Risk. Securities of companies in emerging markets may be more volatile than those of companies in more developed markets. Emerging market countries generally have less developed markets and economies and, in some countries, less mature governments and governmental institutions. Investing in securities of companies in emerging markets may entail special risks relating to potential economic, political or social instability and the risks of expropriation, nationalization, confiscation or the imposition of restrictions on foreign investment, the lack of hedging instruments, and on repatriation of capital invested.

Equity Market Risk. The price of equity securities may rise or fall because of changes in the broad market or changes in a company’s financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries selected for a Fund's portfolio or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk" meaning that stock prices in general (or in particular, the prices of the types of securities in which a Fund invests) may decline over short or extended periods of time. When the value of a Fund's securities goes down, your investment in that Fund decreases in value.

Management Risk. If the portfolio managers are incorrect in their assessment of the growth prospects of the securities a Fund holds, then the value of that Fund's shares may decline. In addition, a portfolio manager's strategy may produce returns that are different from other mutual funds that invest in similar securities.

Pre-Payment Risk. A Fund may experience losses when an issuer exercises its right to pay principal on an obligation held by that Fund (such as a mortgage-backed security) earlier than expected. This may happen during a period of declining interest rates. Under these circumstances, a Fund may be unable to recoup all of its initial investment and will suffer from having to invest in lower yielding securities. The loss of higher yielding securities and the reinvestment at lower interest rates can reduce a Fund's income, total return, and share price.

Cybersecurity Risk. Teton, like all companies, may be susceptible to operational and information security risks. Cyber security failures or breaches of Teton or its service providers or issuers of securities in which Teton invests, all have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability of Teton or its clients to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. Teton and its clients could be negatively impacted as a result.

The foregoing does not purport to be a complete enumeration or explanation of the general risks involved in investing with Teton. Investors in the TETON Westwood Funds should carefully review the risk set forth in the prospectuses of the Funds.

Item 9 Disciplinary Information

Teton does not have any material legal or disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Keeley-Teton is a Delaware limited liability company and wholly-owned subsidiary of Teton. Keeley-Teton provides discretionary investment advisory services to a broad spectrum of clients, including the KEELEY Funds, Inc. (the” KEELEY Funds”), an affiliated registered investment company that includes five fund series. In addition to the KEELEY Funds, Keeley-Teton’s clients include individuals, banking institutions, investment companies, pension and profit sharing plans, pooled investment vehicles, charitable organizations, and municipal government entities.

G.research, an affiliate of Teton, is a registered broker-dealer primarily clearing through First Clearing, LLC on a fully disclosed basis. Certain of Teton’s management persons are registered representatives of G.research.

G.research issues research reports which on occasion may be distributed to clients of GAMCO Asset Management Inc. (“GAMCO”). GAMCO does not charge its clients a separate fee for such research reports. The research reports that G.research issues may contain recommendations on securities that are held in client accounts. It is possible that the research reports may have recommendations that are inconsistent with transactions for clients of GAMCO or its affiliates.

Gabelli Funds, LLC is an affiliated registered investment adviser that provides investment management services to the Gabelli and GAMCO open and closed-end funds as well as a SICAV. GAMCO, a registered investment adviser and affiliate of Teton, provides discretionary managed account services to corporations, employee benefit plans, private investors, endowments and foundations. Gabelli Fixed Income LLC, (“GFI”) also a registered investment adviser and affiliate of Teton, provides fixed income securities and cash management services on a discretionary basis predominately for institutional and high net worth clients. GFI may provide the investment advisory services for the fixed income portion of a balanced account portfolio.

G.distributors distributes our open-end funds pursuant to distribution agreements with each fund. It also distributes the Gabelli Funds and the KEELEY Funds. Under each distribution agreement with an open-end fund, G.distributors offers and sells such open-end fund's shares on a continuous basis and pays the majority of the costs of marketing and selling the shares, including printing and mailing prospectuses and sales literature, advertising and maintaining sales and customer service personnel and sales and services fulfillment systems, and payments to the sponsors of third party distribution programs, financial intermediaries and G.distributors sales personnel. G.distributors receives fees for such services pursuant to distribution plans adopted under provisions of Rule 12b-1 (“12b-1”) of the Company Act.

Entities affiliated with Teton may manage alternative investments. Generally, Gabelli & Company Investment Advisers, Inc. (“GCIA”) a registered investment adviser that is affiliated with Teton, manages most of these investments. These investments may include offshore funds, partnerships and separate accounts. GCIA wholly owns Gabelli & Partners, LLC. Gabelli & Partners serves as the general partner to a number of the investment partnerships. For a list of all these investment partnerships and companies, please refer to the GCIA's ADV.

Additionally, certain officers, directors, or portfolio managers of Teton may from time to time act as general partners of limited partnerships for which GAMCO acts as investment adviser.

MJG Associates, Inc., an entity that is controlled by Mario Gabelli, is the investment manager of Gabelli International Limited and Gabelli Fund, LDC. Mario Gabelli also serves as the general partner of Gabelli Performance Partnership, LP. Please see GAMCO's ADV Part 1 for a full list of investment partnerships.

Mario J. Gabelli is registered as a commodity pool operator in connection with his role as general partner of Gabelli Performance Partnership, LP. For a list of all these investment partnerships and companies, please refer to the GSI's ADV.

Item 11 Code of Ethics, Participation or Interest in *Client* Transactions and Personal Trading

Teton, its affiliates (excluding Keeley-Teton which maintains its own Code of Ethics) and other related persons, including Mario J. Gabelli and other directors, officers and professional staff of Teton, may have direct or indirect interests in securities being bought or sold for clients of Teton. In addition, on any given day, securities being bought or sold for Teton's clients may also be simultaneously bought or sold for Teton, its affiliates or other related persons. Accordingly, Teton, its affiliates, or other related persons may sell or recommend the sale of a particular security for certain accounts, including accounts in which they have an interest, and Teton, its affiliates or other related persons may buy or recommend the purchase of such security for other accounts, including accounts in which they have an interest, and, thus, transactions in particular accounts may not be consistent with transactions in other accounts or with the recommendation of Teton, its affiliates or other related persons. It is therefore possible that the value of a security bought by an account that is managed by Teton, its affiliates or related persons may decrease if another account advised by Teton, its affiliates or related persons subsequently sells or shorts the same security. Furthermore, some of the accounts that Teton, its affiliates and other related persons manage may have special compensation. Teton has established various policies and procedures that are designed to minimize the possibility of conflicts of interest and, where such conflicts arise, to disclose their existence to ensure that they are appropriately resolved, taking into account the interests of Teton's clients without regard to their fee arrangements. However, there is no guarantee that the policies and procedures will be able to detect and address every situation in which an actual or potential conflict may arise.

A Code of Ethics is one of the policies that Teton has adopted to minimize the effects of potential conflicts of interest. The Code of Ethics among other things provides:

1. Teton's procedures are intended to ensure that client accounts are given the priority of economic opportunity over proprietary accounts, including professional staff accounts.

2. Staff of Teton and its affiliates, are required to maintain their securities brokerage accounts at G.research, unless an outside account is specifically approved by the designated compliance officer.

3. Staff of Teton and its affiliates, with certain limited exceptions, must receive prior approval from the designated compliance or legal officer before placing an order for their own account or for any other proprietary account.

4. Place limitations on personal trading by employees and impose certain preclearance requirements.

5. Staff of Teton and its affiliates must submit initial holding reports when they begin employment, annual holding reports and quarterly reports of their securities transactions.

The full text of the Code of Ethics is available upon request to Chief Compliance Officer, Teton Advisors, Inc., 401 Theodore Fremd, Rye, NY 10580.

Item 12 Brokerage Practices

Teton does not act as a broker-dealer for its clients. Teton, however, is affiliated with G.research, a registered broker-dealer, which may execute portfolio securities transactions for clients of Teton under certain circumstances. Because of Teton's affiliation with G.research and the indirect ownership of Teton's parent corporation in G.research, Teton may have an incentive to use G.research to execute portfolio transactions for Teton's clients.

Where clients elect to open a brokerage account with G.research, it generally acts as agent or broker rather than as principal or dealer in executing securities transactions for Teton's clients to reduce the potential for conflicts of interest. In this regard, G. research executes over-the-counter securities transactions on an agency basis for Teton's clients. G.research may occasionally act as dealer or principal in buying or selling securities for Teton's clients. In these principal transactions, purchases or sales are made for Teton's clients only with their prior consent.

On occasion, Teton's clients may benefit from buying or selling a security in an agency cross transaction involving another client of G.research that is not a client of Teton. Teton will effectuate such a transaction for a client only when the client has given prior written consent authorizing Teton to effect agency cross transactions, Teton has determined that the transaction is in the best interest of the client, and the transaction is done in compliance with the requirements of the Advisers Act and ERISA, if applicable. Teton may also facilitate transactions between clients by crossing positions through custodians without use of a broker-dealer.

In those instances when a client is referred to Teton by a broker-dealer, there is the potential for a conflict of interest between receiving best execution and low commissions for transactions effected through the referring broker-dealer and Teton's interest in receiving future referrals from the broker-dealer. Clients who direct brokerage to the referring broker-dealer may incur transaction costs and/or commissions that are higher than if such direction has not occurred as well as limiting their participation in aggregate orders and cross trades. Furthermore, Teton cannot assume responsibility for seeking best execution for trades done through the referring broker. Clients that are referred to Teton by a broker-dealer have the option of utilizing: (1) the referring broker; (2) any other broker-dealer the client desires; or (3) any firm retained generally by Teton to provide custody and execution services for its clients.

Depending upon the trade in question, Teton may pay a brokerage commission in excess of the lowest commission rate that another broker might have charged for effecting the same transaction. The principal factor Teton considers in selecting brokers and dealers and determining the reasonableness of their commissions is primarily best execution. Teton will select a broker-dealer for each specific transaction with the objective of negotiating a combination of the most favorable commission and the best price obtainable. The selection of a broker-dealer will vary depending upon the nature of the transaction. Other judgmental factors utilized in determining the broker-dealer to effect client transactions include: Teton's knowledge of negotiated commission rates currently available and other current transaction costs; the nature of the security being traded; the size of the transaction; the desired timing of the trade; the existing and expected market activity for the particular security; confidentiality; the execution, clearance and settlement capabilities of the broker-dealer; and the financial stability of the broker-dealer. Teton may also utilize a broker-dealer in recognition of a particular research idea or analysis. In addition, when in Teton's judgment several broker-dealers have equal execution capability, Teton from time to time may place orders with firms which have recommended or introduced Teton to prospective clients.

Teton believes that G.research, its affiliated registered broker-dealer, provides brokerage services that are consistent with the above criteria. Teton may place trades with G.research with its client's authorization. G. research evaluates its commission charges in light of its clients' total transaction costs. Teton clients that effect securities transactions through Gabelli and Company in listed equities that trade on domestic markets will generally pay the following commission rates: (1) $.03 (three cents) per share for most securities with a market price of $5.00 and above; and (2) $.02 (two cents) per share for most securities with a market price below $5.00. If G.research effects a trade for Teton clients in a listed equity security of 500,000 shares or more with a market price of $5.00 or more on a domestic market, the Teton clients that participated in that trade will generally pay no more than $.02 (two cents) per share. G.research may charge rates that are higher or lower on particular trades where there are special circumstances such as the difficulty of the trade. Executing trades on behalf of clients through G.research will not necessarily result in the lowest transaction costs available. These rates may change at any time and over time.

Agency cross or third market transactions (including transactions executed through Instinet), which are off-exchange transactions in listed securities, may be effected by G.research if it determines that such transactions are advantageous to clients. G.research charges commissions for agency cross or third market transactions that are comparable to those for exchange transactions. Teton may place substantially all orders through G.research when a client consents to the use of G.research.

Over-the-counter transactions effected by G.research are executed on an agency basis with a processing charge that includes the processing costs charged both by G.research's clearing broker (primarily First Clearing, LLC) and G.research. Depending on the estimated costs of G.research's execution of over-the-counter transactions (which varies over time with, among other things, the volume of transactions, the compensation of personnel and administrative expenses), the processing charge will be $.03 (three cents) per share subject to a minimum ticket charge of $25.00 per trade and a maximum ticket charge of $80.00. Other than this processing charge, G.research will not charge any commissions on the over-the counter trades that are cleared through First Clearing. Fixed income transactions effected by G.research on behalf of Teton clients are generally executed on an agency basis at a commission of $5.00 or less per $1,000 par value. These rates may change at any time or over time.

Clients may direct Teton to effect transactions through particular brokers-dealers in recognition of custodial or other arrangements. Such a direction may cause the client account to incur transaction costs and/or commissions that may be higher than if such direction had not occurred.

Clients may also direct that all trades be executed through brokers charging the lowest commissions or through means such as internet execution services that result in lower transaction fees. Such restrictions may limit Teton's ability to take into account the judgmental factors in determining broker-dealer selection discussed above as well as limiting such clients' participation in aggregate order purchases from a single broker-dealer. Absent express agreement to the contrary, Teton generally cannot assume responsibility for seeking best execution where a client instructs that trades be done through a particular broker-dealer. For client accounts subject to ERISA, directed broker arrangements must be for the exclusive benefit of participants and beneficiaries of the plan and must not constitute or cause the account to be engaged in a prohibited transaction as defined by ERISA. Clients may wish to compare the possible costs or disadvantages of such directed brokerage arrangements.

Where Teton is able to obtain best execution from multiple brokers, it may take into account the extent to which that broker provides research or brokerage services in deciding where to direct customer trades for execution. With respect to certain accounts, arrangements may exist with broker-dealers whereby Teton obtains brokerage and research services based on the amount of brokerage business that it directs to that firm. Services may include stock quotation and news services, portfolio analysis services and other research services (collectively, "soft dollar items"). Soft dollar items may be provided directly by brokers, by third parties at the direction of brokers or purchased by Teton with credits or rebates provided by brokers. In some instances the services may have non-research/execution application. In those instances, Teton pays for whatever portion of these "mixed use" items is not devoted to research or execution. Consistent with Teton's fiduciary duties to its clients, and the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, brokerage will be directed to such broker-dealers only when Teton believes the commissions charged are reasonable in relation to the value and overall quality of the brokerage and research services provided.

When Teton directs brokerage business to firms in recognition of research services, the commissions may exceed those that other firms would charge. Moreover, some of the research services furnished by broker-dealers through whom Teton effects securities transactions may be used in servicing accounts other than the account or accounts that placed the trades. Where Teton receives services from a broker that include research as well as other services, Teton only takes the research and execution services into account in determining whether to direct brokerage business and the volume of business directed.

Item 13 Review of Accounts

Teton assigns an investment professional to all client accounts and the investment professional has daily access to the portfolio. The assigned investment professional reviews the accounts on a regular basis and at least quarterly. In addition, the portfolio managers may review portfolios at their discretion. Portfolio reviews may result from client meetings, from pending cash flows, and from material developments relating to portfolio holdings. Some of the portfolios may be team managed with multiple manages having input into the portfolio review services. Each investment professional may be responsible for multiple accounts. Teton does not provide financial planning services.

At least each quarter, clients are provided with an account statement by Teton that includes the market value of the portfolio holding and a listing of the capital additions and withdrawals during the period. Clients may also receive analyses which include commentary about the securities markets in general.

Item 14 Client Referrals and Other Compensation

Teton has an arrangement with Tessera Capital Partners, LLC ("Tessera") under which Teton will pay Tessera a $125,000 annual retainer fee and an account fee of 20% of the management fee earned by Teton with respect to advisory clients obtained and maintained through the company's efforts. This arrangement will be fully disclosed to clients and is in accordance with Rule 206(4)-3 under the Advisers Act.

In addition, Teton has an arrangement for its Teton Convertible Securities Strategy and the Teton Convertible Securities Fund with Dakota Funds Group, LLC and Grandfund Investment Group, LLC under which Teton will pay an annual fee of 12.5% of the management fee, less any applicable platform fees, earned by Teton with respect to advisory clients obtained and maintained through the company's efforts. This arrangement will be fully disclosed to clients and is in accordance with Rule 206(4)-3 under the Advisers Act.

Registered representatives of G.research who refer potential investment company shareholders may be compensated by G.research with respect to customers' investments in such companies. Teton may enter into referral arrangements that comply with Rule 206(4)-3 under the Investment Advisers Act of 1940 with persons that solicit investment advisory services on Teton's behalf.

Additionally, Teton may pay to G.research or such other broker-dealers from its own resources a percentage of the average annual value of the net assets of certain no-load investment companies managed by Teton in recognition of their distribution or shareholder services with respect to such companies. Teton may place brokerage orders with brokers-dealers who have recommended or introduced clients to Teton.

Item 15 Custody

Teton does not serve as a custodian for its mutual funds and separately managed clients assets.

Item 16 Investment Discretion

Teton provides investment advisory services on a discretionary basis to clients. Please see Item 4 for a description of any limitations clients may place on Teton's advisory services. Prior to assuming discretion in managing a client's assets, Teton enters into an investment management agreement that sets forth the scope of its discretion.

Unless otherwise instructed or directed by a discretionary client, Teton has the authority to determine: (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the client account.

Teton submits an allocation statement to its trading desk describing the allocation of securities to (or from) client accounts for each trade/order submitted. Teton may consider the following factors, among others, in allocating securities among clients: (i) client investment objectives and strategies; (ii) tax status and restrictions placed on a client's portfolio by the client or by applicable law; (iii) size of the client account; (iv) nature and liquidity of the security to be allocated; (v) size of available position; (vi) current market conditions; and (vii) account liquidity, account requirements for liquidity and timing of cash flows.

Teton may effect cross transactions between discretionary client accounts, except as otherwise noted below. Cross transactions enable Teton to effect a trade between two clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. Teton has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions between client accounts are not permitted if they would constitute principal trades or trades for which Teton or its affiliates are compensated as a broker unless client consent has been obtained based upon written disclosure to the client of the capacity in which the Adviser or its affiliates will act. In addition, cross transactions are not permitted for benefit plan or other similar accounts that are subject to ERISA. Cross transactions involving client's that are registered investment company for which Teton serves as adviser are permitted only in accordance with the registered investment company's rule 17a-7 procedures.

If it appears that a trade error has occurred, Teton will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, Teton's error correction procedure is to ensure that clients are treated fairly. Teton will correct the error in a manner that seeks to put its clients in the same position they would have been if the error had not occurred. Teton has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy.

Item 17 Voting Client Securities

Teton, upon written authorization from the client, has the right to exercise any and all voting rights pertaining to the securities held in clients' accounts. If the client is subject to ERISA, decisions on voting of proxies will be made by Teton unless specifically reserved to the trustee or named fiduciary of the client's account. It is the policy of Teton to vote neither for nor against management, but for shareholders. To this effect, Teton and its affiliated investment advisers have published a "Magna Carta of Shareholders Rights", which is available upon written request. It has incorporated this Magna Carta into its proxy voting procedures, which are also available upon request.

Normally, Teton and its affiliates will exercise proxy-voting discretion on particular types of proposals in accordance with guidelines (the "Proxy Guidelines") set forth in the Proxy Voting Policy. The Proxy Guidelines address, for example, proposals to elect the board of directors, to classify the board of directors, to select auditors, to issue blank check preferred stock, to use confidential ballots, to eliminate cumulative voting, to require shareholder ratification of poison pills, to support fair price provisions, to require a supermajority shareholder vote for charter or bylaw amendments, to provide for director and officer indemnification and liability protection, to increase the number of authorized shares of common stock, to allow greenmail, to limit shareholders' rights to call special meetings, to consider non-financial effects of a merger, to limit shareholders' right to act by written consent, to approve executive and director compensation plans (including golden parachutes), to limit executive and director pay, to approve stock option plans, to opt in or out of state takeover statutes and to approve mergers, acquisitions, corporate restructuring, spin-offs, buyouts, assets sales or liquidations.

Proxy voting in certain countries requires "share-blocking." Shareholders wishing to vote their proxies must deposit their shares shortly before the date of the meeting with a designated depository. During the period in which the shares are held with a depository, shares that will be voted at the meeting cannot be sold until the meeting has taken place and the shares are returned to the client's custodian. Absent a compelling reason to the contrary, Teton believes that the benefit to the client of exercising the vote is outweighed by the cost of voting and therefore, Teton will not typically vote the securities of non-U.S. issuers that require share-blocking.

In addition, voting proxies of issuers in non-US markets may also give rise to a number of administrative issues to prevent Teton from voting such proxies. Although it is Teton's policy to vote the proxies for its clients for which it has voting authority, in the case of issuers in non-US markets, Teton will vote client proxies on a best efforts basis.

A Proxy Committee comprised of senior representatives of Teton and its affiliated investment advisers has the responsibility for the content, interpretation and application of the Proxy Guidelines. In general, the Director of Proxy Voting Services, using the Proxy Guidelines, recommendations of Institutional Shareholder Corporate Governance Service ("ISS"), other third-party services and the analysts of G.research, will determine how to vote on each issue. For non-controversial matters, the Director of Proxy Voting Services may vote the proxy if the vote is (1) consistent with the recommendations of the issuer's board of directors and not contrary to the Proxy Guidelines; (2) consistent with the recommendations of the issuer's board of directors and is a non-controversial issue not covered by the Proxy Guidelines; or (3) the vote is contrary to the recommendations of the issuer’s board of directors but is consistent with the Proxy Guidelines. In those instances, the Director of Proxy Voting Services or the Chairman of the Committee may sign and date the proxy statement indicating how each issue will be voted.

All matters identified by the Chairman of the Committee, the Director of Proxy Voting Services or the Adviser’s Legal Department as controversial, taking into account the recommendations of ISS or other third party services and the analysts of G.research, will be presented to the Proxy Voting Committee. If the Chairman of the Committee, the Director of Proxy Voting Services or Teton's Legal Department has identified the matter as one that: (1) is controversial; (2) would benefit from deliberation by the Proxy Voting Committee; or (3) may give rise to a conflict of interest between Teton and its clients, the Chairman of the Committee will initially determine what vote to recommend that TETON and its affiliates should cast and the matter will go before the Committee.

For matters submitted to the Committee, each member of the Committee will receive, prior to the meeting, a copy of the proxy statement, any relevant third party research, a summary of any views provided by the Chief Investment Officer and any recommendations by G.research analysts. The Chief Investment Officer or the G.research analysts may be invited to present their viewpoints. If the Legal Department believes that the matter before the Committee is one with respect to which a conflict of interest may exist between Teton and its clients or the clients of its affiliates, legal counsel will provide an opinion to the Committee concerning the conflict. If legal counsel advises that the matter is one in which the interests of some clients may diverge from those of other clients or of Teton, the Committee may make different recommendations as to different clients. For any matters where the recommendation may trigger appraisal rights, counsel will advise concerning the likely risks and merits of such an appraisal action.

Where a proxy proposal raises a material conflict between the interests of Teton on the one hand, and its clients the other, the conflict will be brought to the Committee to determine a resolution.

Each matter submitted to the Committee will be determined by the vote of a majority of the members present at the meeting. Should the vote concerning one or more recommendations be tied in a vote of the Committee, the Chairman of the Committee will break the tie. The Committee will notify the proxy department of its decisions and the proxies will be voted accordingly.

A full copy of Teton's proxy guidelines and procedures is available on written request to Proxy Department, Teton Advisors, Inc., 401 Theodore Fremd, Rye, NY 10580.

Item 18 Financial Information

This item is not applicable.

Teton's audited financial statements are available through its website www.tetonadv.com. Printed copies of Teton's recent audited financial statements documents are available upon written request.

PERSONAL PRIVACY:

What kind of non-public information do we collect about you if you become a client of Teton?

If you have engaged us to manage your money, you will be giving us some non-public information about yourself. The non-public information we collect about you is:

- *Information you give us.* This could include your name, address, telephone number, social security or tax identification number, your bank or brokerage 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 bought and sold for your account, and the deposits and withdrawals that you make. If we hire someone else to provide services—like a broker—we will also have information about the transactions that you conduct through them. We will also have access to the information they generate when they conduct those services relating to transactions in your account.

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 web site, *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 perform their jobs or provide services to you 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.