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The GDL Fund

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PRESS RELEASE

FOR IMMEDIATE RELEASE
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NYSE – GDL PrB
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THE GDL FUND DECLARES INITIAL DIVIDEND OF \$0.6902778 PER SHARE FOR ITS SERIES B CUMULATIVE PUTTABLE AND CALLABLE PREFERRED SHARES

Rye, NY -- The Board of Trustees of The GDL Fund (NYSE:GDL) (the “Fund”) (formerly named The Gabelli Global Deal Fund) declared a \$0.6902778 per share initial cash distribution payable on June 27, 2011 to Series B preferred shareholders of record on June 20, 2011.

The Series B Preferred Shares will pay distributions quarterly and have an annual dividend rate of 7.00% for the dividend periods ending on or prior to March 26, 2012 and thereafter will be reset by the Fund’s Board of Trustees and publicly announced in a notice at least 60 days prior to March 26, 2012 for the four dividend periods ending March 26, 2013, at least 60 days prior to March 26, 2013 for the eight dividend periods ending March 26, 2015, and at least 60 days prior to March 26, 2015 for all remaining dividend periods prior to the mandatory redemption date of March 26, 2018. The Series B Preferred Shares may be put back to the Fund during a period after announcement of the new rate, and may be redeemed by the Fund at any time three years after the issuance date of the Series B Preferred Shares. Each reset date will take into account interest rates for debt securities with similar timeframes to put or maturity and may be substantially lower than 7.00% annually, but not less than 3.00% annually.

The Series B Preferred Shares, which trade on the New York Stock Exchange under the symbol “GDL Pr B”, have an annual dividend rate of \$3.50 per share (which equates to \$0.875 per share on a quarterly basis) for the dividend periods ending on or prior to March 26, 2012. The 2,879,758 Series B Preferred Shares were issued on April 15, 2011 at \$50.00 per share and will pay distributions quarterly. This initial distribution represents the dividend accumulation period from April 15, 2011 to June 26, 2011.

A portion of the distribution may be treated as qualified dividend income for individuals, subject to the maximum federal income tax rate, which is currently 15% in taxable accounts for individuals. Short-term capital gains, qualified dividend income, and ordinary income, if any, will be allocated on a pro-rata basis to all distributions to preferred shareholders for the year. Based on the accounting records of the Fund as of May 16, 2011, the initial distribution would be deemed 100% from net capital gains. The estimated components of each distribution are

updated and provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). The final determination of the sources of all distributions in 2011 will be made after year end and can vary from the quarterly estimates. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2011 distributions in early 2012 via Form 1099-DIV.

The GDL Fund is a non-diversified, closed-end management investment company with \$469 million in total net assets whose investment objective is to achieve absolute returns in various market conditions without excessive risk of capital. The Fund is managed by Gabelli Funds, LLC, a subsidiary of GAMCO Investors, Inc. (NYSE:GBL), which is a publicly traded NYSE listed company.