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The GDL Fund

April 27, 2012

Dear Common Shareholder:

A **Corrected** Form 1099-DIV has been issued that reflects the amended 2011 distribution allocations pertaining to your investment in the common shares of the GDL Fund.

The information that was provided to you on the previous 2011 Form 1099-DIV did not take into account the effect of the taxable distribution of rights issued to Series A preferred shareholders in a 2011 rights offering enabling them to acquire Series B preferred shares. Please retain this Corrected Form 1099-DIV for your records.

Your Corrected Form 1099-DIV may be summarized in the following manner:

- The Corrected Form reflects lower than previously reported ordinary dividends (Box 1a), qualified dividends (Box 1b), and total capital gain distribution (Box 2a) and higher than previously reported nondividend distributions (Box 3).

The proper classification of ordinary income, long-term capital gains, and any non-taxable return of capital (nondividend distributions) for the Fund is available on the Fund's website (www.gabelli.com) via the following link:

- http://www.gabelli.com/Gab_pdf/clef_div/2011_GDL.pdf

Please be advised that the corrected distribution allocations will be included in any applicable tax reporting forwarded to the IRS. **The discussion set forth herein does not constitute tax advice. You are urged to consult your tax adviser to determine the tax consequences of the Corrected Form 1099-DIV in relation to your investment in the Fund.**

Please contact the Fund's ombudsmen, David Schachter or Laurissa Martire, at 800-422-3554 if you need further assistance.

Sincerely,

David Schachter & Laurissa Martire

AMENDMENT
ATTENTION: IMPORTANT TAX INFORMATION!
2011 DISTRIBUTION ALLOCATIONS
Common Shares

To All Shareholders:

Set forth below is an **amended** allocation of net investment income, short-term capital gains, long-term capital gains and non-taxable return of capital for the 2011 distributions of the Common Shares of **The GDL Fund**.

Please contact Laurissa Martire at (914) 921-5070 with any inquiries.

		\$ PER SHARE				
		1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
Record Date		03/17/11	06/16/11	09/16/11	12/13/11	
Payment Date		03/24/11	06/23/11	09/23/11	12/16/11	
SOURCE						
Net Investment Income (a)		\$0.00062	\$0.00062	\$0.00062	\$0.00061	\$0.00247
Short-Term Capital Gains (a)		\$0.03704	\$0.03704	\$0.03704	\$0.03667	\$0.14779
Long-Term Capital Gains (b)		\$0.00000	\$0.00000	\$0.00000	\$0.00038	\$0.00038
Return of Capital (c)		\$0.28234	\$0.28234	\$0.28234	\$0.28234	\$1.12936
TOTAL		\$0.32000	\$0.32000	\$0.32000	\$0.32000	\$1.28000

		PERCENTAGES				
		1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
SOURCE						
Net Investment Income (a)		0.1938%	0.1938%	0.1938%	0.1906%	0.1930%
Short-Term Capital Gains (a)		11.5750%	11.5750%	11.5750%	11.4594%	11.5461%
Long-Term Capital Gains (b)		0.0000%	0.0000%	0.0000%	0.1188%	0.0297%
Return of Capital (c)		88.2312%	88.2312%	88.2312%	88.2312%	88.2312%
TOTAL		100.0000%	100.0000%	100.0000%	100.0000%	100.0000%

Ordinary Dividends and Capital Gains:

17.28% of the ordinary income (net investment income and short-term capital gains) paid by the Fund in 2011 was classified as "Qualified Dividends" subject to a maximum Federal tax rate of 15% for individual taxable accounts (or zero depending on an individual's tax bracket). Ordinary income is reported in box 1a and qualified income is reported in box 1b of Form 1099-DIV. Capital gain distributions are subject to a maximum Federal tax rate of 15% for individual taxable accounts (or zero depending on an individual's tax bracket). Capital gain distributions are reported in box 2a of Form 1099-DIV.

Corporate Dividends Received Deduction and U.S. Government Securities Income:

The percentage of the ordinary income paid by the Fund in 2011 that qualifies for the dividends received deduction available to corporations is 0.00%. The percentage of the ordinary income paid by the Fund in 2011 that was derived from U.S. Government Securities was 0.07%. The percentage of U.S. Government Securities held by the Fund as of December 31, 2011 was 37.74%. (d)

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- (a) Distributions from net investment income and short-term capital gains are taxable as ordinary income and will appear on Form 1099-DIV under Total ordinary dividends in box 1a.
 - (b) Taxable as long-term capital gains reportable in column (h), line 13 on Form 1040, Schedule D. Since there were no retained capital gains in 2011, Form 2439 will not be necessary.
 - (c) Non-taxable distribution of capital which will appear on Form 1099-DIV under Nondividend distributions in box 3. The tax basis of a shareholder's investment should be reduced by the same amount.
 - (d) Certain states require that 50% of the Fund's portfolio be invested in U.S. Government Securities at the end of each calendar quarter to allow "pass-through" treatment of income derived from U.S. Government Securities. The Fund did not meet this strict requirement in 2011.