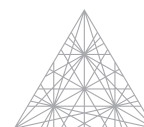


GDL

THE GDL FUND

4th Quarter - December 31, 2018



GABELLI
FUNDS

INVESTMENT OBJECTIVE

The GDL Fund is a diversified, closed-end management investment company. The Fund's investment objective is to achieve absolute returns in various market conditions without excessive risk of capital. Absolute returns are defined as positive total returns, regardless of the direction of securities markets. The Fund will seek to achieve its objective by investing primarily in merger arbitrage transactions and, to a lesser extent, in corporate reorganizations involving stubs, spin-offs, and liquidations.

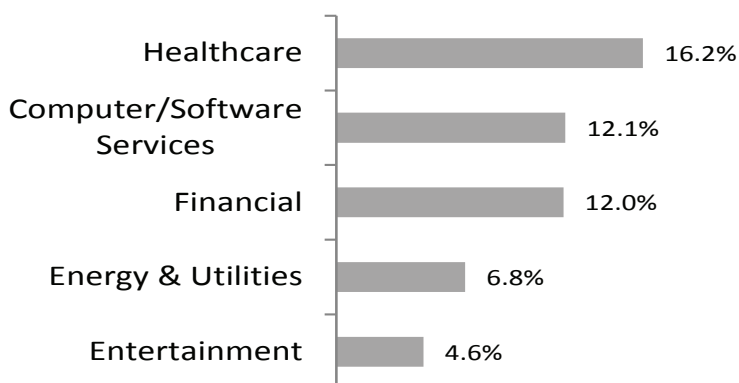
PORTFOLIO HIGHLIGHTS - 12/31/18

Total Net Assets:	\$315 Million
Number of Holdings:	115
Net Asset Value ("NAV") per share:	\$10.98
NYSE Market Price:	\$9.17
Premium (Discount):	(16.5)%
Expense Ratio ^(a) ^(b) :	3.7%
Turnover ^(b) :	205.0%
Inception Date:	1/31/2007
Cash & Equivalents:	29.3%

(a) Ratio of operating expenses to average net assets attributable to common shares and includes 1.69% of interest expense relating to the Fund's Series B preferred shares.

(b) As of 06/30/18

TOP SECTORS OF PORTFOLIO



Information regarding the Fund's distribution policy and the most recent quarterly report, which contains a more extensive list of holdings, is available by calling 800-GABELLI (800-422-3554). The distribution rate is not representative of dividend yield or the total return of the Fund and has historically included a return of capital.

To participate in the Dividend Reinvestment Cash Purchase Plan please contact American Stock Transfer (800) 937-5449.

NYSE: **GDL**
CUSIP: 361570104

CAPITAL STRUCTURE

17 Million Common Shares	\$184 Million (NAV)
4.00% Series C Cumulative Puttable & Callable Preferred Shares	\$131 Million

Leverage Risk. The use of leverage, which can be described as exposure to changes in price at a ratio greater than the amount of equity invested, through the issuance of preferred shares, magnifies both the favorable and unfavorable effects of price movements in the investments made by the Fund. The Fund's use of leverage in its investment operations subjects it to substantial risk of loss.

Merger Arbitrage Risk. The principal risk associated with the Fund's investment strategy is that certain of the proposed reorganizations in which the Fund invests may be renegotiated, terminated, or involve a longer time frame than originally contemplated, in which case losses may be realized. The investment policies of the Fund are expected to lead to frequent changes in investments, which increase transaction costs to the Fund, and may also result in accelerated recognition of short term capital gain, which will be taxable to shareholders when distributed by the Fund.

TOP TEN HOLDINGS

- Shire plc
- Imperva Inc.
- Navigators Group Inc.
- Valero Energy Partners LP
- Dun & Bradstreet Corp.
- Athenahealth Inc.
- Apptio Inc.
- Takeda Pharmaceutical Co. Ltd.
- Twenty-First Century Fox Inc.
- Esterline Technologies Corp.

The top ten holdings and top sectors listed are not necessarily representative of the entire portfolio and are subject to change.

PORTFOLIO MANAGEMENT



Mario J. Gabelli, CFA, is Chairman, Chief Executive Officer, and Chief Investment Officer – Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of the Board of Directors of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School, and Honorary Doctorates from Fordham University and Roger Williams University.



Ryan N. Kahn, CFA, is an analyst dedicated to the Gabelli merger arbitrage portfolios, specifically to our U.S. open and closed-end funds. He joined the team in 2013 after working as a generalist in the research department. Mr. Kahn earned a Bachelor of Science in Business Management from Babson College.



Gian Maria Magrini, CFA, is an analyst dedicated to the Gabelli merger arbitrage portfolios, specifically to our U.S. open and closed-end funds. He joined the team in 2013 after serving various roles in the Firm's operations and research departments. Mr. Magrini earned a BS in Finance from Fordham University.



Regina M. Pitaro is a Managing Director and Head of Institutional Marketing at GAMCO Investors, Inc. Ms. Pitaro joined the firm in 1984 and coordinates the organization's focus with consultants and plan sponsors. She also serves as a Managing Director and Director of GAMCO Asset Management, Inc. Ms. Pitaro holds an MBA in Finance from the Columbia University Graduate School of Business, a Master's degree in Anthropology from Loyola University of Chicago, and a Bachelor's degree from Fordham University

PERFORMANCE

Average Annual Returns through December 31, 2018 (a)

The GDL Fund	QTR	1 Year	3 Year	5 Year	10 Year	Since Inception (01/31/07)
NAV Total Return (b)	(1.60)%	(1.76)%	1.90%	2.12%	3.14%	2.56%
Investment Total Return (c)	1.97	(1.62)	2.58	2.35	4.49	1.64
ICE Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index	0.56	1.87	1.02	0.63	0.37	0.86

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Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.

The Fund's NAV per share will fluctuate with changes in the market value of the Fund's portfolio securities. Stocks are subject to market, economic, and business risks that cause their prices to fluctuate. Investors acquire shares of the Fund on a securities exchange at market value, which fluctuates according to the dynamics of supply and demand. When Fund shares are sold, they may be worth more or less than their original cost. Consequently, you can lose money by investing in the Fund.

(a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. The ICE Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into the outstanding Treasury Bill that matures closest to, but not beyond three months from the re-balancing date. To qualify for selection, an issue must have settled on or before the re-balancing (month end) date. Dividends are considered reinvested except for the Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index. You cannot invest directly in an index.

(b) Total returns and average annual returns reflect changes in the NAV per share and reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of \$19.06.

(c) Total returns and average annual returns reflect changes in closing market values on the NYSE and reinvestment of distributions. Since inception return is based on an initial offering price of \$20.00.