

GDL FUND  
Form N-CSRS  
September 03, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT**

**INVESTMENT COMPANIES**

Investment Company Act file number 811-21969

The GDL Fund

(Exact name of registrant as specified in charter)

One Corporate Center

Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)

Bruce N. Alpert

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-422-3554

Date of fiscal year end: December 31

Date of reporting period: June 30, 2015

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct

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comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Item 1. Reports to Stockholders.**

The Report to Shareholders is attached herewith.

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**The GDL Fund**
**Semiannual Report June 30, 2015**
**Mario J. Gabelli,  
CFA**
**Portfolio Manager**
**To Our Shareholders,**

For the six months ended June 30, 2015, the net asset value ( NAV ) total return of The GDL Fund was 3.5%, compared with a total return of 0.01% for the Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index. The total return for the Fund's publicly traded shares was 2.7%. The Fund's NAV per share was \$12.20, while the price of the publicly traded shares closed at \$10.19 on the New York Stock Exchange ( NYSE ). See below for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of June 30, 2015.

**Comparative Results**
**Average Annual Returns through June 30, 2015 (a) (Unaudited)**

	Year to Date	1 Year	3 Year	5 Year	Since Inception (01/31/07)
<b>GDL Fund</b>					
<b>NAV Total Return (b)</b>	3.49%	2.19%	4.40%	4.34%	2.89%
<b>Investment Total Return (c)</b>	2.69	(0.25)	3.84	4.31	1.24
Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index	0.01	0.02	0.06	0.08	0.86

(a) *Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. When shares are sold, 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.gabelli.com](http://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. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The 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 not reinvested 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)

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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.

**Summary of Portfolio Holdings (Unaudited)**

The following table presents portfolio holdings as a percent of total investments as of June 30, 2015:

**The GDL Fund****Long Positions**

U.S. Government Obligations	23.4%
Health Care	18.4%
Computer Software and Services	9.0%
Diversified Industrial	8.5%
Cable and Satellite	7.9%
Energy and Utilities	6.6%
Telecommunications	5.3%
Financial Services	4.3%
Retail	2.5%
Semiconductors	2.4%
Transportation	2.1%
Metals and Mining	1.9%
Electronics	1.4%
Food and Beverage	1.2%
Business Services	1.0%
Specialty Chemicals	0.7%
Automotive: Parts and Accessories	0.7%
Entertainment	0.6%
Wireless Communications	0.6%
Machinery	0.4%
Building and Construction	0.3%
Hotels and Gaming	0.2%
Consumer Products and Services	0.2%
Equipment and Supplies	0.2%
Publishing	0.2%
Real Estate	0.0%*
Aerospace and Defense	0.0%*
Computer Hardware	0.0%*
Educational Services	0.0%*
	100.0%

**Short Positions**

Telecommunications	(2.3)%
Metals and Mining	(1.1)%
Energy and Utilities	(0.6)%
Cable and Satellite	(0.2)%
Health Care	(0.1)%

Retail	(0.0)%*
	(4.3)%

\* Amount represents less than 0.05%.

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the SEC) for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at [www.gabelli.com](http://www.gabelli.com) or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

### Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

**The GDL Fund****Schedule of Investments June 30, 2015 (Unaudited)**

		<b>Market</b>	
<b>Shares</b>		<b>Cost</b>	<b>Value</b>
<b>COMMON STOCKS 76.1%</b>			
<b>Aerospace and Defense 0.0%</b>			
4,000	Kratos Defense & Security Solutions Inc.	\$ 34,776	\$ 25,200
<b>Automotive: Parts and Accessories 0.7%</b>			
200,000	The Pep Boys - Manny, Moe & Jack	2,415,808	2,454,000
<b>Building and Construction 0.3%</b>			
23,000	Fortune Brands Home & Security Inc.	282,741	1,053,860
3,303	Norbord Inc.	73,446	69,302
		356,187	1,123,162
<b>Business Services 1.0%</b>			
27,108	Blackhawk Network Holdings Inc.	632,159	1,116,850
92,138	Clear Channel Outdoor Holdings Inc., Cl. A	80,735	933,358
3,000	Funespana SA	27,182	24,415
190,000	GrainCorp Ltd., Cl. A	2,172,257	1,251,919
21,853	R. R. Donnelley & Sons Co.	425,047	380,903
200	Towers Watson & Co., Cl. A	27,067	25,160
		3,364,447	3,732,605
<b>Cable and Satellite 7.9%</b>			
9,000	AMC Networks Inc., Cl. A	371,666	736,650
30,000	Cablevision Systems Corp., Cl. A	499,900	718,200
145,000	DIRECTV	13,181,877	13,454,550
27,628	Liberty Global plc, Cl. A	1,162,171	1,493,846
60,000	Liberty Global plc, Cl. C	2,473,672	3,037,800
389,900	Sky Deutschland AG	3,383,394	2,933,661
200,000	Sky plc	2,223,582	3,258,752
4,700	Societe d Edition de Canal +	40,682	39,823
20,000	Time Warner Cable Inc.	3,225,426	3,563,400
4,000	Time Warner Inc.	302,738	349,640
		26,865,108	29,586,322
<b>Computer Hardware 0.0%</b>			
500	Data Modul AG	15,606	18,646



<b>Computer Software and Services</b>		<b>9.0%</b>	
200,000	Advent Software Inc.	8,826,820	8,842,000
10,000	Anite plc	20,165	19,955
224,600	BMC Software Stub	0	11,230
103,000	ClickSoftware Technologies Ltd.	1,292,266	1,294,710
19,905	Covisint Corp.	51,321	65,089
242,500	Dealertrack Technologies Inc.	15,226,217	15,226,575
50,000	IGATE Corp.	2,379,099	2,384,500
63,000	Informatica Corp.	3,015,979	3,053,610
200	InterXion Holding NV	6,505	5,530
53,000	Rally Software Development Corp.	1,030,739	1,030,850
1,700	Rocket Fuel Inc.	14,472	13,940
<b>Market</b>			
<b>Shares</b>		<b>Cost</b>	<b>Value</b>
40,000	Yahoo! Inc.	\$ 588,909	\$ 1,571,600
		32,452,492	33,519,589
<b>Consumer Products and Services</b>		<b>0.2%</b>	
100,000	Avon Products Inc.(a)	1,349,561	626,000
8,000	Blyth Inc.	84,802	50,800
10,000	Orbitz Worldwide Inc.	116,725	114,200
1	Reynolds American Inc.	3	3
		1,551,091	791,003
<b>Diversified Industrial</b>		<b>8.5%</b>	
15,000	ITT Corp.	329,299	627,600
45,000	Myers Industries Inc.	499,454	855,000
200,000	Pall Corp.	24,919,258	24,890,000
90,000	Polypore International Inc.	5,355,191	5,389,200
		31,103,202	31,761,800
<b>Educational Services</b>		<b>0.0%</b>	
44,000	Corinthian Colleges Inc.	51,384	308
<b>Electronics</b>		<b>1.4%</b>	
190,000	Alliance Semiconductor Corp.	934,838	142,500
85,900	Axis Communications AB	3,441,367	3,421,555
76,000	Bel Fuse Inc., Cl. A	1,999,055	1,570,160
		6,375,260	5,134,215
<b>Energy and Utilities</b>		<b>6.6%</b>	
170,000	Alvopetro Energy Ltd.	152,166	53,082
3,300	Baker Hughes Inc.	216,934	203,610
51,700	BG Group plc	944,404	860,665
153,800	Cleco Corp.	8,286,138	8,282,130

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60,000	Dragon Oil plc	372,175	684,432
98,000	Dresser-Rand Group Inc. (a)	8,032,856	8,347,640
72,000	Endesa SA	1,799,401	1,377,823
460,000	Gulf Coast Ultra Deep Royalty Trust	805,000	322,000
2,000	Hawaiian Electric Industries Inc.	64,862	59,460
10,000	NRG Energy Inc.	229,472	228,800
50,000	Pepco Holdings Inc.	1,338,180	1,347,000
97,000	Rosetta Resources Inc.	2,314,725	2,244,580
6,000	UIL Holdings Corp.	296,675	274,920
13,064	WEC Energy Group Inc.(a)	689,926	587,488
50,000	WesternZagros Resources Ltd.	120,491	9,207
		25,663,405	24,882,837
<b>Entertainment 0.6%</b>			
140,254	Media General Inc.	2,444,057	2,316,996
2,000	SFX Entertainment Inc.	8,719	8,980
		2,452,776	2,325,976
<b>Equipment and Supplies 0.2%</b>			
100,000	GrafTech International Ltd.	507,000	496,000
2,500	The Middleby Corp.	19,758	280,575
		526,758	776,575

See accompanying notes to financial statements.

**The GDL Fund****Schedule of Investments (Continued) June 30, 2015 (Unaudited)**

Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			
<b>Financial Services 4.3%</b>			
10,126	BB&T Corp.	\$ 418,406	\$ 408,179
1,000	City National Corp.	89,227	90,390
55,000	First Niagara Financial Group Inc.	766,121	519,200
8,000	HCC Insurance Holdings Inc.	618,048	614,720
10,000	Hilltop Holdings Inc.	215,837	240,900
500	Home Loan Servicing Solutions Ltd.	771	345
885,000	Hudson City Bancorp. Inc.	9,344,946	8,743,800
200	Montpelier Re Holdings Ltd.	7,848	7,900
109,449	National Interstate Corp.	3,260,600	2,990,147
60,000	Navient Corp.	645,152	1,092,600
7,000	PartnerRe Ltd.	905,297	899,500
60,000	SLM Corp.	378,899	592,200
		16,651,152	16,199,881
<b>Food and Beverage 1.2%</b>			
1,310,000	Parmalat SpA	4,593,967	3,420,388
3,200,000	Yashili International Holdings Ltd.	1,445,711	982,513
		6,039,678	4,402,901
<b>Health Care 18.2%</b>			
3,000	AbbVie Inc.	209,573	201,592
5,000	Alere Inc.	199,060	263,750
1	Alexion Pharmaceuticals Inc.	93	90
550,000	ArthroCare Corp. Stub	0	192,500
34,000	AstraZeneca plc, ADR	2,689,557	2,166,140
15,000	Audika Groupe	283,507	294,321
255,000	Catamaran Corp.	15,390,157	15,575,400
200,000	Hospira Inc.	17,563,839	17,742,000
1,000	ICU Medical Inc.	58,368	95,660
4,000	Illumina Inc.	186,867	873,440
52,000	KYTHERA Biopharmaceuticals Inc.	3,909,400	3,916,120
1,000	Laboratory Corp. of America Holdings	115,790	121,220
2,000	Mylan NV	136,822	135,720
100,000	Omnicare Inc.	9,589,800	9,425,000
500	Perrigo Co. plc	98,011	92,415

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20,000	Rhoen Klinikum AG	448,345	536,578
109,500	Sigma-Aldrich Corp.	15,006,059	15,258,825
15,000	Smith & Nephew plc	154,293	253,127
7,500	Smith & Nephew plc, ADR	275,034	254,625
1,000	Synergy Health plc	29,114	27,010
13,000	WuXi PharmaTech Cayman Inc., ADR	211,948	549,380
		66,555,637	67,974,913
<b>Hotels and Gaming 0.2%</b>			
28,000	Belmond Ltd., Cl. A	310,473	349,720
			<b>Market</b>
<b>Shares</b>		<b>Cost</b>	<b>Value</b>
30,000	International Game Technology plc	\$ 568,500	\$ 532,800
1,000	MGM Resorts International	2,620	18,250
		881,593	900,770
<b>Machinery 0.4%</b>			
3,000	CNH Industrial NV	26,836	27,358
42,000	Xylem Inc.	1,202,465	1,556,940
		1,229,301	1,584,298
<b>Metals and Mining 1.9%</b>			
160,000	AuRico Gold Inc.	1,272,585	454,400
3,000	Osisko Gold Royalties Ltd.	41,105	37,758
133,000	RTI International Metals Inc.	5,152,583	4,192,160
16,500	Vulcan Materials Co.	638,862	1,384,845
31,000	Whiting Petroleum Corp.	1,498,089	1,041,600
		8,603,224	7,110,763
<b>Publishing 0.2%</b>			
136,000	SCMP Group Ltd.	48,079	33,072
25,880	The E.W. Scripps Co., Cl. A	546,706	591,358
		594,785	624,430
<b>Real Estate 0.0%</b>			
1,000	Associated Estates Realty Corp.	28,470	28,630
3,000	Conwert Immobilien Invest SE	38,874	38,028
		67,344	66,658
<b>Retail 2.5%</b>			
13,000	Family Dollar Stores Inc.	1,038,749	1,024,530
12,000	Office Depot Inc.	114,093	103,920
33,500	World Duty Free SpA	364,493	375,343
380,557	Zale Corp.	7,961,908	7,991,697

		9,479,243	9,495,490
<b>Semiconductors 2.4%</b>			
95,000	Altera Corp.	4,922,016	4,864,000
71,000	Broadcom Corp., Cl. A	3,813,045	3,655,790
20,000	Integrated Silicon Solution Inc.	402,474	442,800
		9,137,535	8,962,590
<b>Specialty Chemicals 0.7%</b>			
2,000	Ashland Inc.	18,071	243,800
68,793	OM Group Inc.	2,306,053	2,311,445
7,200	SGL Carbon SE	187,149	116,230
		2,511,273	2,671,475
<b>Telecommunications 5.3%</b>			
690,000	Asia Satellite Telecommunications Holdings Ltd.	1,533,382	2,750,547
120,000	Colt Group SA	362,044	356,357
1	Harris Corp.	50	48
450,000	Jazztel plc	7,120,682	6,496,800
200,000	Koninklijke KPN NV	613,090	764,789

See accompanying notes to financial statements.

**The GDL Fund****Schedule of Investments (Continued) June 30, 2015 (Unaudited)**

Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			
<b>Telecommunications (Continued)</b>			
1,000	Loral Space & Communications Inc.	\$ 73,215	\$ 63,120
58,926	Sprint Corp.	338,472	268,703
150,000	Telenet Group Holding NV	6,810,999	8,159,045
67,914	Transmode AB	873,177	919,600
		17,725,111	19,779,009
<b>Transportation 2.1%</b>			
2,000	Norbert Dentressangle SA	484,562	485,072
852,050	TNT Express NV	8,210,132	7,227,865
		8,694,694	7,712,937
<b>Wireless Communications 0.3%</b>			
25,000	T-Mobile US Inc.	406,250	969,250
	<b>TOTAL COMMON STOCKS</b>	281,805,120	284,587,603
<b>RIGHTS 0.5%</b>			
<b>Energy and Utilities 0.0%</b>			
1,000,000	Fortune Oil plc, CVR	0	0
<b>Health Care 0.2%</b>			
187,200	Adolor Corp., CPR, expire 07/01/19	0	97,344
79,391	Ambit Biosciences Corp., CVR	0	47,635
201,600	American Medical Alert Corp.	0	2,016
18,000	Chelsea Therapeutics International Ltd., CVR	1,980	1,980
270,000	Durata Therapeutics Inc., CVR	0	43,200
3,800	Furiex Pharmaceuticals Inc., CVR	36,942	37,126
100	Omthera Pharmaceuticals Inc., expire 12/31/20	0	60
217,620	Prosensa Holding, CVR	215,674	215,444
346,322	Teva Pharmaceutical Industries Ltd., CPR, expire 02/20/23	164,073	183,551
186,000	Trius Therapeutics, CVR	0	24,180
		418,669	652,536
<b>Retail 0.0%</b>			

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400,000	Safeway Casa Ley, CVR, expire 01/30/19	70,942	190,000
400,000	Safeway PDC, CVR, expire 01/30/17	3,407	19,520
		74,349	209,520

**Wireless Communications 0.3%**

470,000	Leap Wireless International Inc., CVR, expire 03/14/16	1,102,230	1,184,400
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**TOTAL RIGHTS**

1,595,248 2,046,456

**Market**

<b>Shares</b>		<b>Cost</b>	<b>Value</b>
	<b>WARRANTS 0.0%</b>		
	<b>Energy and Utilities 0.0%</b>		
35,000	Kinder Morgan Inc., expire 05/25/17	\$ 66,675	\$ 94,500
	<b>Metals and Mining 0.0%</b>		
850	HudBay Minerals Inc., expire 07/20/18	962	776
	<b>TOTAL WARRANTS</b>	67,637	95,276

**Principal**