

GDL FUND  
Form N-Q  
November 29, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANY**

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: September 30, 2017

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q

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unless the Form displays a currently valid Office of Management and Budget ( OMB ) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Item 1. Schedule of Investments.**

The Schedule(s) of Investments is attached herewith.

**The GDL Fund****Third Quarter Report September 30, 2017****(Y)our Portfolio Management Team**

<b>Mario J. Gabelli, CFA</b> <i>Chief Investment Officer</i>	<b>Ryan N. Kahn, CFA</b> <i>Analyst</i> <i>BS, Babson College</i>	<b>Gian Maria Magrini, CFA</b> <i>Analyst</i> <i>BS, Fordham University</i>	<b>Geoffrey P. Astle</b> <i>Analyst</i> <i>BS, Fairfield University</i>
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**To Our Shareholders,**

For the quarter ended September 30, 2017, the net asset value ( NAV ) total return of The GDL Fund was 0.3%, compared with a total return of 0.3% 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 1.1%. The Fund's NAV per share was \$11.62, while the price of the publicly traded shares closed at \$10.21 on the New York Stock Exchange ( NYSE ). See below for additional performance information.

Enclosed is the schedule of investments as of September 30, 2017.

**Comparative Results****Average Annual Returns through September 30, 2017 (a) (Unaudited)**

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (01/31/07)
<b>GDL Fund</b>						
<b>NAV Total Return (b)</b>	0.34%	3.34%	3.87%	3.89%	2.73%	2.97%
<b>Investment Total Return (c)</b>	1.07	9.31	5.37	4.89	3.67	2.36
Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index	0.26	0.66	0.32	0.22	0.47	0.76

(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

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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) 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.

**The GDL Fund****Schedule of Investments September 30, 2017 (Unaudited)**

Shares		Market Value
	<b>COMMON STOCKS 55.7%</b>	
	<b>Aerospace 0.8%</b>	
20,500	Orbital ATK Inc.	\$ 2,729,780
1,500	Rockwell Collins Inc.	196,065
		2,925,845
	<b>Automotive: Parts and Accessories 0.8%</b>	
15,100	Federal-Mogul Holdings Corp. (a)	151,000
200,000	Haldex AB	2,473,941
		2,624,941
	<b>Building and Construction 1.6%</b>	
1,400	ASH Grove Cement Co.	714,000
37,000	Cadus Corp.	45,880
20,000	Fortune Brands Home & Security Inc.	1,344,600
47,750	Johnson Controls International plc	1,923,847
35,414	Lennar Corp., Cl. B	1,596,463
2,800	Norbord Inc., Toronto	106,614
7,000	Polaris Materials Corp.	18,850
		5,750,254
	<b>Business Services 0.7%</b>	
92,138	Clear Channel Outdoor Holdings Inc., Cl. A	428,442
87,000	exactEarth Ltd.	76,001
3,000	Funespana SA	26,061
511,000	Gerber Scientific Inc., Escrow (a)	0
175,000	GrainCorp Ltd., Cl. A	1,120,123
8,000	Landauer Inc.	538,400
23,100	MaxPoint Interactive Inc.	320,859
100	Patriot National Inc.	135

500	SAVE SpA	12,404
		2,522,425
<b>Cable and Satellite 4.5%</b>		
27,628	Liberty Global plc, Cl. A	936,865
60,000	Liberty Global plc, Cl. C	1,962,000
14,000	Liberty Global plc LiLAC, Cl. A	332,640
31,000	Liberty Global plc LiLAC, Cl. C	722,300
5,000	Scripps Networks Interactive Inc., Cl. A	429,450
220,000	Sky plc	2,697,415
85,000	Time Warner Inc.	8,708,250
		15,788,920
<b>Computer Hardware 1.2%</b>		
335,000	Brocade Communications Systems Inc.	4,003,250
500	Data Modul AG	51,619
		4,054,869
<b>Computer Software and Services 0.8%</b>		
8,000	Affecto OYJ	42,737
7,500	Dalenys	74,929
1,671	Dell Technologies Inc., Cl. V	129,018
21,000	Digi International Inc.	222,600
35,170	Exa Corp.	850,411
		<b>Market</b>
<b>Shares</b>		<b>Value</b>
200	InterXion Holding NV	\$ 10,186
90,000	Silver Spring Networks Inc.	1,455,300
200	Synchronoss Technologies Inc.	1,866
		2,787,047
<b>Consumer Products and Services 0.0%</b>		
100	Accell Group	3,091
20,000	Avon Products Inc.	46,600
1,000	Bang & Olufsen A/S	21,600
		71,291

**Diversified Industrial 0.5%**

2,000	Handy & Harman Ltd.	65,100
15,000	ITT Inc.	664,050
45,000	Myers Industries Inc.	942,750
3,200	SLM Solutions Group AG	134,641
		1,806,541

**Electronics 1.8%**

19,000	Alimco Financial Corp.	231,420
85,900	Axis Communications AB	3,579,474
75,000	Bel Fuse Inc., Cl. A	1,995,000
17,000	Hitachi Kokusai Electric Inc.	465,319
		6,271,213

**Energy and Utilities 2.9%**

170,000	Alvopetro Energy Ltd.	29,974
3,500	Avangrid Inc.	165,970
1,000	Avista Corp.	51,770
41,000	Calpine Corp.	604,750
72,000	Endesa SA	1,623,212
1,000	Enduro Royalty Trust	4,350
500	Etablissements Maurel et Prom	2,222
460,000	Gulf Coast Ultra Deep Royalty Trust	20,700
43,000	Noble Energy Inc.	1,219,480
10,000	NRG Energy Inc.	255,900
7,000	Rice Energy Inc.	202,580
10,000	TerraForm Global Inc., Cl. A	47,500
120,000	Westar Energy Inc.	5,952,000
200	WGL Holdings Inc.	16,840
24,700	Whiting Petroleum Corp.	134,862
		10,332,110

**Entertainment 0.4%**

2,000	SFX Entertainment Inc. (a)	0
30,000	Tribune Media Co., Cl. A	1,225,800
		1,225,800



<b>Equipment and Supplies 0.1%</b>		
2,500	The Middleby Corp.	320,425
<b>Financial Services 3.9%</b>		
35,000	Astoria Financial Corp.	752,500
60,100	Bankrate Inc.	838,395
8,000	BB&T Corp.	375,520

See accompanying notes to schedule of investments.

**The GDL Fund****Schedule of Investments (Continued) September 30, 2017 (Unaudited)**

Shares		Market Value
<b>COMMON STOCKS (Continued)</b>		
<b>Financial Services (Continued)</b>		
13,800	Fidelity & Guaranty Life	\$ 428,490
975,000	Fortress Investment Group LLC, Cl. A	7,770,750
16,000	MoneyGram International Inc.	257,760
60,000	Navient Corp.	901,200
63,500	Nets A/S	1,643,915
8,000	Nordnet AB, Cl. B (a)	37,324
500	Novae Group plc	4,784
60,000	SLM Corp.	688,200
900	Topdanmark A/S	35,407
		13,734,245
<b>Food and Beverage 4.1%</b>		
40,000	Bob Evans Farms Inc.	3,100,400
2,619,000	Parmalat SpA	9,595,674
1,500,000	Premier Foods plc	844,198
10,000	Snyder s-Lance Inc.	381,400
1,000	The Hershey Co.	109,170
2,500,000	Yashili International Holdings Ltd.	531,261
		14,562,103
<b>Health Care 19.3%</b>		
150,000	Akorn Inc.	4,978,500
335,000	Alere Inc.	17,081,650
3,500	Allergan plc	717,325
71,000	AstraZeneca plc, ADR	2,405,480
5,500	Cigna Corp.	1,028,170
10,000	CR Bard Inc.	3,205,000
3,000	Depomed Inc.	17,370
2,200	Humana Inc.	535,986
1,000	ICU Medical Inc.	185,850
40,000	Idorsia Ltd.	714,618

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4,000	Illumina Inc.	796,800
75,500	Kite Pharma Inc.	13,575,655
6,000	Mylan NV	188,220
1,000	NxStage Medical Inc.	27,600
160,000	PAREXEL International Corp.	14,092,800
16,000	Rhoen Klinikum AG	538,754
200	SciClone Pharmaceuticals Inc.	2,240
15,000	Smith & Nephew plc.	270,947
7,500	Smith & Nephew plc, ADR	273,000
230,000	VWR Corp.	7,615,300
		68,251,265

**Hotels and Gaming 0.2%**

27,000	Belmond Ltd., Cl. A	368,550
1,000	MGM Resorts International	32,590
168,000	NYX Gaming Group Ltd.	317,756
		718,896

**Machinery 0.8%**

19,000	CNH Industrial NV	228,153
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**Market**

**Shares**

**Value**

38,000	Xylem Inc.	\$ 2,379,940
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2,608,093

**Metals and Mining 0.6%**

75,001	Alamos Gold Inc., Cl. A	507,007
35,504	AuRico Metals Inc.	35,853
338	Dominion Diamond Corp.	4,793
3,000	Osisko Gold Royalties Ltd.	38,710
12,000	Vulcan Materials Co.	1,435,200

2,021,563

**Paper and Forest Products 0.0%**

35,000	Tembec Inc.	128,471
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**Publishing 0.0%**

10,000	Telegraaf Media Groep NV	65,004
4,000	tronc Inc.	58,120
		123,124

**Real Estate 0.4%**

50,000	First Potomac Realty Trust	557,000
15,500	Forestar Group Inc. (a)	266,600
136,000	Great Wall Pan Asia Holdings Ltd.	33,427
25,184	Parkway Inc.	579,988
		1,437,015

**Retail 0.5%**

78,000	Jimmy Choo plc	239,873
840,000	Rite Aid Corp.	1,646,400
		1,886,273

**Semiconductors 1.0%**

33,800	AIXTRON SE	455,008
23,500	IXYS Corp.	556,950
3,000	KLA-Tencor Corp.	318,000
20,000	NXP Semiconductors NV	2,261,800
		3,591,758

**Specialty Chemicals 2.0%**

2,000	Ashland Global Holdings Inc.	130,780
159,000	Calgon Carbon Corp.	3,402,600
1,500	Linde AG	312,818
6,000	Monsanto Co.	718,920
8,900	SGL Carbon SE	150,472
5,000	Syngenta AG	2,301,595
5,490	Valvoline Inc.	128,741
		7,145,926

**Telecommunications 5.2%**

690,000	Asia Satellite Telecommunications Holdings Ltd.	648,343
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200,000	Koninklijke KPN NV	686,680
58,000	Level 3 Communications Inc.	3,090,820
1,000	Loral Space & Communications Inc.	49,500
10,000	Lumos Networks Corp.	179,200
58,000	Sprint Corp.	451,240

See accompanying notes to schedule of investments.

**The GDL Fund****Schedule of Investments (Continued) September 30, 2017 (Unaudited)**

Shares		Market Value
<b>COMMON STOCKS (Continued)</b>		
<b>Telecommunications (Continued)</b>		
15,000	Straight Path Communications Inc., Cl. B	\$ 2,710,050
130,000	Telenet Group Holding NV	8,601,111
77,100	West Corp.	1,809,537
		18,226,481
<b>Transportation 1.2%</b>		
190,000	Abertis Infraestructuras SA	3,839,972
2,000	XPO Logistics Europe SA	526,238
		4,366,210
<b>Wireless Communications 0.4%</b>		
1,000	DGC One AB (a)	30,694
24,000	T-Mobile US Inc.	1,479,840
		1,510,534
	<b>TOTAL COMMON STOCKS</b>	<b>196,793,638</b>
<b>CLOSED-END FUNDS 0.8%</b>		
42,000	Altaba Inc.	2,782,080
<b>RIGHTS 0.2%</b>		
<b>Entertainment 0.0%</b>		

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225,000 Media General Inc., expire 12/31/17 (a) 0

**Health Care 0.1%**

187,200 Adolor Corp., CPR, expire 07/01/19 (a) 48,672  
 79,391 Ambit Biosciences Corp., CVR (a) 47,635  
 201,600 American Medical Alert Corp., CPR (a) 2,016  
 18,000 Chelsea Therapeutics International Ltd., CVR (a) 0  
 229,178 Dyax Corp., CVR, expire 12/31/19 (a) 254,388  
 300,000 Innocoll, CVR (a) 180,000  
 100 Omthera Pharmaceuticals Inc., expire 12/31/20 (a) 60  
 206,000 Synergetics USA Inc., CVR (a) 20,600  
 346,322 Teva Pharmaceutical Industries Ltd., CCCP, expire 02/20/23 (a) 0  
 11,000 Tobira Therapeutics Inc. (a) 660

554,031

**Retail 0.1%**

400,000 Safeway Casa Ley, CVR, expire 01/30/19 214,000  
 400,000 Safeway PDC, CVR, expire 01/30/18 6,000

220,000

**TOTAL RIGHTS**

774,031

**WARRANTS 0.0%**

**Metals and Mining 0.0%**

850 Hudbay Minerals Inc., expire 07/20/18 238

**Principal  
Amount**

**Market  
Value**

**CORPORATE BONDS 0.0%**

**Health Care 0.0%**

\$ 17,000 Constellation Health Promissory Note, PIK, 5.000%, 01/31/24(a) \$ 7,310

**U.S. GOVERNMENT OBLIGATIONS 43.3%**

153,073,000 U.S. Treasury Bills,  
0.972% to 1.177% ,  
10/19/17 to 03/29/18(b) 152,762,063

**TOTAL INVESTMENTS 100.0%**  
(Cost \$351,743,526) \$ 353,119,360

Aggregate tax cost \$ 352,954,564

Gross unrealized appreciation \$ 14,735,099

Gross unrealized depreciation (14,570,303)

Net unrealized appreciation \$ 164,796

**Market**

**Shares**

**Value**

**SECURITIES SOLD SHORT (0.7)%**

**Building and Construction (0.5)%**

35,414 Lennar Corp., Cl. A \$ 1,869,859

**Cable and Satellite 0.0%**

2,300 Sinclair Broadcast Group Inc., Cl. A 73,715

**Energy and Utilities 0.0%**

1,480 EQT Corp. 96,556

**Health Care Equipment and Supplies (0.2)%**

2,538 Becton Dickinson and Co. 497,321

**TOTAL SECURITIES SOLD SHORT**

(Proceeds received \$2,426,771)(c) \$ 2,537,451

Aggregate proceeds \$ (2,426,771)

Gross unrealized appreciation \$ 11,974

Gross unrealized depreciation (122,654)

Net unrealized depreciation \$ (110,680)



See accompanying notes to schedule of investments.

**The GDL Fund****Schedule of Investments (Continued) September 30, 2017 (Unaudited)**

- (a) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
- (b) At September 30, 2017, \$47,250,000 of the principal amount was pledged as collateral for securities sold short, equity contract for difference swap agreements, and forward foreign exchange contracts.
- (c) At September 30, 2017, these proceeds were being held at Pershing LLC.  
 Non-income producing security.  
 Represents annualized yield at date of purchase.

ADR American Depositary Receipt  
 CCCP Contingent Cash Consideration Payment  
 CVR Contingent Value Right  
 CPR Contingent Payment Right

<b>Geographic Diversification</b>	<b>% of Total Investments</b>	<b>Market Value</b>
<b>Long Positions</b>		
North America	83.8%	\$ 296,034,330
Europe	15.3	53,918,006
Latin America	0.5	1,581,582
Asia/Pacific	0.3	1,120,123
Japan	0.1	465,319
<b>Total Investments</b>	<b>100.0%</b>	<b>\$ 353,119,360</b>
<b>Short Positions</b>		
North America	(0.7)%	\$ (2,537,451)

As of September 30, 2017, forward foreign exchange contracts outstanding were as follows:

<b>Currency Purchased</b>	<b>Currency Sold</b>	<b>Counterparty</b>	<b>Settlement Date</b>	<b>Unrealized Appreciation/ (Depreciation)</b>
USD 3,756,046	GBP 2,800,000	State Street Bank and Trust Co.	10/27/17	\$ 530

					530
USD 5,937,428	SEK 48,300,000	State Street Bank and Trust Co.	10/27/17	(2,117)	
USD 26,126,736	EUR 22,200,000	State Street Bank and Trust Co.	10/27/17	(151,880)	
USD 1,855,706	CHF 1,800,000	State Street Bank and Trust Co.	10/27/17	(6,626)	
					(160,623)
<b>TOTAL FORWARD FOREIGN EXCHANGE CONTRACTS</b>					<b>\$(160,093)</b>

As of September 30, 2017, equity contract for difference swap agreements outstanding were as follows:

**One Month LIBOR**

**Plus 90 bps**

**plus Market Value**

<b>Depreciation Paid</b>	<b>Counterparty</b>	<b>Payment Frequency</b>	<b>Termination Date</b>	<b>Notional Amount</b>	<b>Value</b>	<b>Upfront Payments/ Receipts</b>	<b>Unrealized Depreciation</b>
	Gulf Keystone Petroleum Ltd. The Goldman Sachs Group, Inc.	1 month	06/28/2018	\$ 1,199	\$ (299)		\$
	Premier Foods plc The Goldman Sachs Group, Inc.	1 month	04/02/2018	242,124	5,789		\$

See accompanying notes to schedule of investments.