

GDL FUND
Form N-Q
November 21, 2018

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, 2018

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, 2018
(Y)our Portfolio Management Team

| | | | | |
|---------------------------------|---------------------------|--------------------------------|---------------------------------|---------------------------|
| Mario J. Gabelli, CFA | | Gian Maria Magrini, CFA | Geoffrey P. Astle | Regina M. Pitaro, |
| <i>Chief Investment Officer</i> | Ryan N. Kahn, CFA | <i>Analyst</i> | <i>Analyst</i> | <i>Managing Director,</i> |
| | <i>Analyst</i> | <i>BS, Fordham University</i> | <i>BS, Fairfield University</i> | <i>MBA, Columbia,</i> |
| | | | | <i>Business School</i> |
| | <i>BS, Babson College</i> | | | |

To Our Shareholders,

For the quarter ended September 30, 2018, the net asset value (NAV) total return of The GDL Fund was 1.7%, compared with a total return of 0.5% for the ICE Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index. The total return for the Fund's publicly traded shares was 0.1%. The Fund's NAV per share was \$11.27, while the price of the publicly traded shares closed at \$9.09 on the New York Stock Exchange (NYSE). See below for additional performance information.

Enclosed is the schedule of investments as of September 30, 2018.

Comparative Results

| | <u>Average Annual Returns through September 30, 2018 (a) (Unaudited)</u> | | | | | Since Inception (01/31/07) |
|--|---|--------|--------|--------|---------|----------------------------|
| | Quarter | 1 Year | 3 Year | 5 Year | 10 Year | |
| GDL Fund | | | | | | |
| NAV Total Return (b) | 1.70% | 0.45% | 3.20% | 2.82% | 3.08% | 2.75% |
| Investment Total Return (c) | 0.09 | (7.12) | 3.18 | 2.06 | 3.93 | 1.51 |
| ICE Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index | 0.49 | 1.59 | 0.84 | 0.52 | 0.34 | 0.83 |

(a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. The Fund's use of leverage may magnify the volatility of net asset value changes versus funds that don't employ leverage. 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 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 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 not reinvested for the ICE 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, 2018 (Unaudited)**

| | | Market |
|---|--|---------------|
| Shares | | Value |
| COMMON STOCKS 80.2% | | |
| Aerospace 0.1% | | |
| 1,500 | Rockwell Collins Inc. | \$ 210,705 |
| Automotive: Parts and Accessories 0.6% | | |
| 15,100 | Federal-Mogul Holdings Corp. (a) | 151,000 |
| 200,000 | Haldex AB | 1,962,329 |
| | | 2,113,329 |
| Aviation: Parts and Services 1.7% | | |
| 90,000 | KLX Inc. | 5,650,200 |
| Building and Construction 1.5% | | |
| 35,000 | Johnson Controls International plc | 1,225,000 |
| 40,000 | Lennar Corp., Cl. B | 1,540,000 |
| 50,000 | USG Corp. | 2,165,500 |
| | | 4,930,500 |
| Business Services 1.2% | | |
| 170,000 | APN Outdoor Group Ltd. | 818,412 |
| 92,138 | Clear Channel Outdoor Holdings Inc., Cl. A | 548,221 |
| 87,000 | exactEarth Ltd. | 20,880 |
| 1,000 | Technopolis OYJ | 5,416 |
| 80,000 | XO Group Inc. | 2,758,400 |
| | | 4,151,329 |
| Cable and Satellite 2.3% | | |
| 27,628 | Liberty Global plc, Cl. A | 799,278 |
| 60,000 | Liberty Global plc, Cl. C | 1,689,600 |
| 14,000 | Liberty Latin America Ltd., Cl. A | 291,760 |
| 31,000 | Liberty Latin America Ltd., Cl. C | 639,530 |
| 200,000 | Sky plc | 4,507,182 |
| | | 7,927,350 |

| | | |
|--|-------------------------------|------------|
| Computer Software and Services 7.6% | | |
| 10,000 | Business & Decision | 90,794 |
| 214,000 | CA Inc. | 9,448,100 |
| 1,671 | Dell Technologies Inc., Cl. V | 162,288 |
| 70,000 | Gemalto NV | 4,079,927 |
| 3,300 | Rockwell Automation Inc. | 618,816 |
| 250,000 | Syntel Inc. | 10,245,000 |
| 35,000 | Web.com Group Inc. | 976,500 |
| | | 25,621,425 |

| | | |
|-------------------------------|-------------------------------|-----------|
| Consumer Products 2.7% | | |
| 65,000 | SodaStream International Ltd. | 9,300,200 |

| | | |
|-------------------------|------------------------|-----------|
| Electronics 1.5% | | |
| 6,000 | Alimco Financial Corp. | 61,500 |
| 85,900 | Axis Communications AB | 3,334,552 |
| 73,000 | Bel Fuse Inc., Cl. A | 1,542,490 |
| | | 4,938,542 |

| | | |
|----------------------------------|-----------------------|------------|
| Energy and Utilities 8.5% | | |
| 35,000 | Alvopetro Energy Ltd. | 12,736 |
| 74,000 | Andeavor | 11,359,000 |

Market

| Shares | | Value |
|---------|-------------------------------------|--------------|
| 60,000 | Avista Corp. | \$ 3,033,600 |
| 6,000 | Connecticut Water Service Inc. | 416,220 |
| 45,000 | Endesa SA | 972,321 |
| 70,000 | Energen Corp. | 6,031,900 |
| 100,000 | Energy Transfer Partners LP | 2,226,000 |
| 920,000 | Gulf Coast Ultra Deep Royalty Trust | 50,600 |
| 25,000 | Noble Energy Inc. | 779,750 |
| 10,000 | NRG Energy Inc. | 374,000 |
| 100,000 | Ocean Rig UDW Inc., Cl. A | 3,462,000 |
| | | 28,718,127 |

| | | |
|---------------------------|--------------------------------------|-----------|
| Entertainment 1.4% | | |
| 150,000 | Pandora Media Inc. | 1,426,500 |
| 2,000 | SFX Entertainment Inc. (a) | 0 |
| 40,000 | Tribune Media Co., Cl. A | 1,537,200 |
| 5,000 | Twenty-First Century Fox Inc., Cl. A | 231,650 |
| 35,000 | Twenty-First Century Fox Inc., Cl. B | 1,603,700 |
| | | 4,799,050 |

| | | |
|--------------------------------|-------------------------------|--------|
| Financial Services 4.6% | | |
| 1,000 | Aspen Insurance Holdings Ltd. | 41,800 |

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| | | |
|-----------|-------------------------------------|------------|
| 100,000 | CoBiz Financial Inc. | 2,214,000 |
| 20,000 | First Connecticut Bancorp Inc. | 591,000 |
| 50,000 | Jardine Lloyd Thompson Group plc | 1,235,630 |
| 135,000 | MoneyGram International Inc. | 722,250 |
| 10,000 | Navient Corp. | 134,800 |
| 1,710 | Nordax Group AB | 11,544 |
| 15,000 | SLM Corp. | 167,250 |
| 35,000 | The Dun & Bradstreet Corp. | 4,987,850 |
| 80,000 | The Navigators Group Inc. | 5,528,000 |
| | | 15,634,124 |
| | Food and Beverage 6.7% | |
| 500 | Huegli Holding AG | 433,055 |
| 40,000 | Keurig Dr Pepper Inc. | 926,800 |
| 2,619,000 | Parmalat SpA | 8,635,837 |
| 180,000 | Pinnacle Foods Inc. | 11,665,800 |
| 1,400,000 | Premier Foods plc | 772,790 |
| 1,500,000 | Yashili International Holdings Ltd. | 281,669 |
| | | 22,715,951 |
| | Health Care 16.3% | |
| 115,000 | Akorn Inc. | 1,492,700 |
| 55,000 | AstraZeneca plc, ADR | 2,176,350 |
| 23,000 | athenahealth Inc. | 3,072,800 |
| 176,025 | Envision Healthcare Corp. | 8,049,623 |
| 45,000 | Express Scripts Holding Co. | 4,275,450 |
| 40,000 | Idorsia Ltd. | 1,007,540 |
| 1,500 | Illumina Inc. | 550,590 |
| 416,200 | Invuity Inc. | 3,079,880 |
| 300,000 | K2M Group Holdings Inc. | 8,211,000 |
| 200,000 | Kindred Healthcare Inc. (a) | 1,800,000 |
| 120,000 | LifePoint Health Inc. | 7,728,000 |

See accompanying notes to schedule of investments.

The GDL Fund**Schedule of Investments (Continued) September 30, 2018 (Unaudited)**

| Shares | | Market Value |
|---------------------------------------|--|-----------------|
| COMMON STOCKS (Continued) | | |
| Health Care (Continued) | | |
| 110,000 | Mazor Robotics Ltd., ADR | \$ 6,415,200 |
| 40,000 | Shire plc, ADR | 7,250,800 |
| | | 55,109,933 |
| Hotels and Gaming 3.2% | | |
| 99,224 | Belmond Ltd., Cl. A | 1,810,838 |
| 210,000 | LaSalle Hotel Properties, REIT | 7,263,900 |
| 40,000 | Sonic Corp. | 1,733,600 |
| | | 10,808,338 |
| Machinery 1.1% | | |
| 19,000 | CNH Industrial NV | 228,320 |
| 10,000 | WSI Industries Inc. | 69,000 |
| 250,000 | Xerium Technologies Inc. | 3,365,000 |
| | | 3,662,320 |
| Metals and Mining 0.1% | | |
| 65,000 | Alamos Gold Inc., Cl. A | 299,650 |
| Paper and Forest Products 2.0% | | |
| 180,000 | KapStone Paper and Packaging Corp. | 6,103,800 |
| 33,500 | Papeles y Cartones de Europa SA | 650,327 |
| | | 6,754,127 |
| Publishing 0.0% | | |
| 10,000 | Telegraaf Media Groep NV (a) | 69,663 |
| Real Estate 5.2% | | |
| 40,000 | Forest City Realty Trust Inc., Cl. A, REIT | 1,003,600 |
| 450,000 | Gramercy Property Trust, REIT(b) | 12,348,000 |
| 950,000 | Investa Office Fund, REIT | 3,790,633 |
| 8,000 | Vastned Retail Belgium NV, REIT | 439,341 |

| | | |
|---------------|---|--------------------|
| | | 17,581,574 |
| | Retail 1.0% | |
| 100,000 | SUPERVALU Inc. | 3,222,000 |
| | Semiconductors 2.6% | |
| 10,000 | AIXTRON SE | 101,243 |
| 40,000 | Integrated Device Technology Inc. | 1,880,400 |
| 79,000 | NXP Semiconductors NV | 6,754,500 |
| | | 8,736,143 |
| | Specialty Chemicals 1.0% | |
| 45,000 | KMG Chemicals Inc. | 3,400,200 |
| 8,900 | SGL Carbon SE | 97,392 |
| | | 3,497,592 |
| | Telecommunications 6.5% | |
| 550,000 | Asia Satellite Telecommunications Holdings Ltd. | 429,976 |
| 40,000 | AT&T Inc. | 1,343,200 |
| 34,200 | Ei Towers SpA | 2,255,408 |
| 200,000 | Koninklijke KPN NV | 527,581 |
| 1,000 | Loral Space & Communications Inc. | 45,400 |
| | | Market |
| Shares | | Value |
| 940,000 | Mitel Networks Corp. | \$ 10,358,800 |
| 58,000 | Sprint Corp. | 379,320 |
| 119,600 | Telenet Group Holding NV | 6,584,811 |
| | | 21,924,496 |
| | Transportation 0.2% | |
| 2,000 | XPO Logistics Europe SA | 743,071 |
| | Wireless Communications 0.6% | |
| 30,000 | T-Mobile US Inc. | 2,105,400 |
| | TOTAL COMMON STOCKS | 271,225,139 |
| | CLOSED-END FUNDS 0.9% | |
| 42,000 | Altaba Inc. | 2,861,040 |
| | PREFERRED STOCKS 0.0% | |
| | Financial Services 0.0% | |
| 2,968 | Steel Partners Holdings LP, Ser. A, 6.000% | 67,908 |

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| RIGHTS 0.1% | | |
|---------------------------------|--|----------------|
| Entertainment 0.0% | | |
| 225,000 | Media General Inc., CVR (a) | 0 |
| Health Care 0.1% | | |
| 187,200 | Adolor Corp., CPR, expire 07/01/19 (a) | 0 |
| 79,391 | Ambit Biosciences Corp., CVR (a) | 47,635 |
| 201,600 | American Medical Alert Corp., CPR (a) | 2,016 |
| 300,000 | Innocoll, CVR (a) | 180,000 |
| 23,000 | Ocera Therapeutics, CVR (a) | 8,970 |
| 100 | Omthera Pharmaceuticals Inc., expire 12/31/20 (a) | 0 |
| 206,000 | Synergetics USA Inc., CVR (a) | 0 |
| 346,322 | Teva Pharmaceutical Industries Ltd., CCCP, expire 02/20/23 (a) | 0 |
| 11,000 | Tobira Therapeutics Inc. (a) | 660 |
| | | 239,281 |
| Specialty Chemicals 0.0% | | |
| 25,772 | A. Schulman Inc., CVR (a) | 51,544 |
| | TOTAL RIGHTS | 290,825 |

**Principal
Amount**

| CORPORATE BONDS 0.0% | | |
|-----------------------------|---|-------|
| Health Care 0.0% | | |
| \$ 17,000 | Constellation Health Promissory Note, PIK, 5.000%, 01/31/24(a)(c) | 7,310 |

See accompanying notes to schedule of investments.

The GDL Fund

Schedule of Investments (Continued) September 30, 2018 (Unaudited)

| Principal Amount | | Market Value |
|------------------|--|----------------|
| | U.S. GOVERNMENT OBLIGATIONS 18.8% | |
| \$ 63,815,000 | U.S. Treasury Bills, 1.923% to 2.107% , 10/04/18 to 01/03/19(b) | \$ 63,576,857 |
| | TOTAL INVESTMENTS BEFORE SECURITIES SOLD SHORT 100.0% (Cost \$339,248,570) | \$ 338,029,079 |
| Shares | | |
| | SECURITIES SOLD SHORT (10.7%) | |
| | Building and Construction (0.4)% | |
| 32,500 | Lennar Corp., Cl. A | \$ 1,517,425 |
| | Energy and Utilities (6.0)% | |
| 45,094 | Diamondback Energy Inc. | 6,096,258 |
| 128,000 | Energy Transfer Equity LP | 2,231,040 |
| 120,834 | Marathon Petroleum Corp. | 9,663,095 |
| 161,280 | Transocean Ltd. | 2,249,856 |
| | | 20,240,249 |
| | Entertainment (0.2)% | |
| 108,000 | Sirius XM Holdings Inc. | 682,560 |
| | Financial Services (0.7)% | |
| 17,000 | BOK Financial Corp. | 1,653,760 |
| 34,500 | People s United Financial Inc. | 590,640 |
| | | 2,244,400 |
| | Food and Beverage (1.2)% | |
| 116,892 | Conagra Brands Inc. | 3,970,821 |
| | Health Care (0.8)% | |
| 10,953 | Cigna Corp. | 2,280,962 |
| 9,100 | Takeda Pharmaceutical Co. Ltd. | 389,325 |

| | | |
|---------|-------------------------------------|---------------|
| | | 2,670,287 |
| | Hotels and Gaming (1.3)% | |
| 121,800 | Pebblebrook Hotel Trust, REIT | 4,429,866 |
| | Semiconductors (0.1)% | |
| 3,000 | Cabot Microelectronics Corp. | 309,510 |
| | TOTAL SECURITIES SOLD SHORT | |
| | (Proceeds received \$35,148,991)(d) | \$ 36,065,118 |

- (a) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
- (b) At September 30, 2018, \$76,163,000 of the principal amount was pledged as collateral for securities sold short, equity contract for difference swap agreements, and forward foreign exchange contracts.
- (c) Payment-in-kind (PIK) security. 5.00% PIK interest income will be paid as additional securities at the discretion of the issuer.
- (d) At September 30, 2018, these proceeds were being held at Pershing LLC.
Non-income producing security.
Represents annualized yields at dates of purchase.

ADR American Depositary Receipt

CCCPContingent Cash Consideration Payment

CVR Contingent Value Right

CPR Contingent Payment Right

REIT Real Estate Investment Trust

| Geographic Diversification | | % of Total Investments* | Market Value |
|-----------------------------------|-----------------|------------------------------------|-------------------------|
| Long Positions | | | |
| North America | | 77.4% | \$ 261,512,549 |
| Europe | | 20.0 | 67,692,040 |
| Asia/Pacific | | 1.6 | 5,320,690 |
| Latin America | | 1.0 | 3,503,800 |
| Total Investments | Long Positions | 100.0% | \$ 338,029,079 |
| Short Positions | | | |
| North America | | (10.6)% | \$ (35,675,793) |
| Japan | | (0.1) | (389,325) |
| Total Investments | Short Positions | (10.7)% | \$ (36,065,118) |

* Total investments exclude securities sold short.

See accompanying notes to schedule of investments.

The GDL Fund**Schedule of Investments (Continued) September 30, 2018 (Unaudited)**

As of September 30, 2018, forward foreign exchange contracts outstanding were as follows:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation |
|---------------------------|----------------------|---------------------------------|------------------------|--------------------------------|
| USD 5,346,982 | SEK 47,000,000 | State Street Bank and Trust Co. | 10/26/18 | \$ 46,160 |
| USD 25,933,358 | EUR 22,000,000 | State Street Bank and Trust Co. | 10/26/18 | 332,574 |
| USD 6,202,712 | GBP 4,700,000 | State Street Bank and Trust Co. | 10/26/18 | 68,864 |
| USD 3,412,012 | AUD 4,700,000 | State Street Bank and Trust Co. | 10/26/18 | 13,922 |
| | | | | \$461,520 |

As of September 30, 2018, equity contract for difference swap agreements outstanding were as follows:

| Market Value | One Month LIBOR Plus 90 bps plus Market Value Depreciation Paid | Counterparty | Payment Frequency | Termination Date | Notional Amount | Upfront Payments/ Receipts | Unrealized Depreciation |
|---|--|---------------------|--------------------------|-------------------------|------------------------|-----------------------------------|--------------------------------|
| Market Value Depreciation Received | | The Goldman Sachs | | | | | |
| Premier Foods plc | Premier Foods plc | Group, Inc. | 1 month | 03/29/2019 | \$185,452 | \$(3,294) | \$(3,294) |
| AL EQUITY CONTRACT FOR DIFFERENCE SWAP AGREEMENT | | | | | | | \$(3,294) |

See accompanying notes to schedule of investments.

The GDL Fund

Notes to Schedule of Investments (Unaudited)

As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (GAAP) that may require the use of management estimates and assumptions in the preparation of its schedule of investments. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its schedule of investments.

Security Valuation. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Trustees (the Board) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the Adviser).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt obligations for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value American Depositary Receipt securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

Level 1 – quoted prices in active markets for identical securities;

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Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and

Level 3 significant unobservable inputs (including the Board's determinations as to the fair value of investments).

The GDL Fund**Notes to Schedule of Investments (Unaudited) (Continued)**

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities and other financial instruments by inputs used to value the Fund's investments as of September 30, 2018 is as follows:

| | Valuation Inputs | | | Total Market Value at 9/30/18 |
|--|--------------------------|---------------------------------|--|----------------------------------|
| | Level 1 Quoted Prices | Level 2 Observable Inputs | Level 3 Significant Unobservable Inputs | |
| INVESTMENTS IN SECURITIES: | | | | |
| ASSETS (Market Value): | | | | |
| Common Stocks: | | | | |
| Automotive: Parts and Accessories | \$ 1,962,329 | | \$ 151,000 | \$ 2,113,329 |
| Business Services | 4,130,449 | \$ 20,880 | | 4,151,329 |
| Entertainment | 4,799,050 | | 0 | 4,799,050 |
| Financial Services | 15,622,580 | 11,544 | | 15,634,124 |
| Food and Beverage | 22,282,896 | 433,055 | | 22,715,951 |
| Health Care | 53,309,933 | | 1,800,000 | 55,109,933 |
| Publishing | | | 69,663 | 69,663 |
| Other Industries (a) | 166,631,760 | | | 166,631,760 |
| Total Common Stocks | 268,738,997 | 465,479 | 2,020,663 | 271,225,139 |
| Closed-End Funds | 2,861,040 | | | 2,861,040 |
| Preferred Stocks (a) | | 67,908 | | 67,908 |
| Rights (a) | | | 290,825 | 290,825 |
| Corporate Bonds (a) | | | 7,310 | 7,310 |
| U.S. Government Obligations | | 63,576,857 | | 63,576,857 |
| TOTAL INVESTMENTS IN SECURITIES ASSETS | \$271,600,037 | \$64,110,244 | \$2,318,798 | \$338,029,079 |
| LIABILITIES (Market Value): | | | | |
| Common Stocks Sold Short (a) | \$(36,065,118) | | | \$(36,065,118) |
| TOTAL INVESTMENTS IN SECURITIES - LIABILITIES | \$(36,065,118) | | | \$(36,065,118) |
| OTHER FINANCIAL INSTRUMENTS:* | | | | |
| ASSETS (Unrealized Appreciation): | | | | |
| FORWARD CURRENCY EXCHANGE CONTRACTS | | | | |

| | | | | |
|---|----|---------|----|---------|
| Forward Foreign Exchange Contracts | \$ | 461,520 | \$ | 461,520 |
| LIABILITIES (Unrealized Depreciation): | | | | |
| EQUITY CONTRACTS | | | | |
| Contract for Difference Swap Agreements | | (3,294) | | (3,294) |
| TOTAL OTHER FINANCIAL INSTRUMENTS: | \$ | 458,226 | \$ | 458,226 |

(a) Please refer to the Schedule of Investments (SOI) for the industry classifications of these portfolio holdings.

* Other financial instruments are derivatives reflected in the SOI, such as options, futures, forwards, and swaps, which may be valued at the unrealized appreciation/depreciation of the instrument.

The GDL Fund

Notes to Schedule of Investments (Unaudited) (Continued)

Additional Information to Evaluate Qualitative Information.

General. The Fund uses recognized industry pricing services approved by the Board and unaffiliated with the Adviser to value most of its securities, and uses broker quotes provided by market makers of securities not valued by these and other recognized pricing sources. Several different pricing feeds are received to value domestic equity securities, international equity securities, preferred equity securities, and fixed income securities. The data within these feeds are ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

Fair Valuation. Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are no