The GDL Fund

Shareholder Commentary – March 31, 2018

(Y)our Portfolio Management Team

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To Our Shareholders,

For the quarter ended March 31, 2018, the net asset value ("NAV") total return of the GDL Fund (the "Fund") was (1.9)%, compared with a total return of 0.4% 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 (3.2)%. The Fund's NAV per share was $11.27, while the price of the publicly traded shares closed at $9.32 on the New York Stock Exchange ("NYSE").

Comparative Results

Average Annual Returns through March 31, 2018 (a)

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (01/31/07)
GDL Fund						
NAV Total Return (b)	(1.91)%	(0.05)%	2.47%	3.00%	2.79%	2.72%
Investment Total Return (c)	(3.19)	(0.36)	2.56	2.37	3.14	1.61
ICE Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index	0.35	1.11	0.53	0.34	0.34	0.79

(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 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 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.

Premium / Discount Discussion

As a refresher for our shareholders, the NAV of any fund is the total market value of the securities and other assets held by a fund, less any liabilities. The NAV is calculated each business day and presented on a per share basis. However, the price of a closed end fund is determined in the open market by willing buyers and sellers. Shares of the Fund trade on the NYSE under the symbol “GDL” and may trade at a premium to (higher than) net asset value or at a discount to (lower than) net asset value.

Ideally, the Fund’s market price will generally track the NAV. However, the Fund’s premium or discount to NAV may vary over time. It is important to remember that “Mr. Market” is a pendulum that swings both ways, and any number of factors can influence that swing on a day to day basis. This is also the case with our Fund, which invests in merger arbitrage deals, and therefore is not particularly correlated with the market in general.

We would like to take this opportunity to highlight the performance our dedicated shareholders have earned since inception of the Fund on January 26, 2007. As of the end of the first quarter of 2018, assuming an individual invested \$100,000 in GDL common shares in the initial public offering, their initial investment would have grown to \$115,005 on a market basis and to \$125,236 on a NAV basis. This exceeds the \$109,196 the same investor would have if s/he placed \$100,000 in the Fund’s benchmark, the ICE Bank of America Merrill Lynch 3 Month U.S. Treasury Bill Index over the same time period.

Commentary

Corporations and financial sponsors were busy in the first quarter of 2018 as merger and acquisition (M&A) activity moved at a record setting pace. Global transaction volume totaled \$1.2 trillion in the first quarter, representing a 60% year over year increase and the strongest first quarter on record[1]. The surge in global deal activity was driven by larger transactions. There were forty-nine deals announced in the quarter that were valued at more than \$5 billion, representing \$699.1 billion in total value, three times the 2017 levels. That is the highest number and the largest total value of “mega” deals on record ever announced in a first quarter.

It should be noted that, despite the record breaking nature of the quarter, there were weak spots, including an 11% year over year decline in the number of deals announced. But it is evident that the weak spots were few and far between. This was further reinforced by record deal activity for European targets, which totaled \$471 billion in the quarter and record cross-border deal activity, which totaled \$520.1 billion. Strength in cross-border M&A was underpinned by a wave in outbound European acquisitions, which totaled \$314.7 billion in the quarter, more than double 2017 levels. M&A in the United States was not record setting, but the \$443.7 billion in announced deals during the quarter represented a 59% year over year increase.

The Energy & Power sector took part in the record breaking frenzy. M&A in the sector totaled \$176.8 billion for the quarter, the highest volume for the first time on record. Overall deal activity was also driven by the Industrials and Healthcare sectors, which each contributed 12% to M&A in the quarter.

The Federal Reserve raised its benchmark interest rate by 25 basis points in the first quarter to a target range of 1.50% to 1.75%. As the Fed continues to raise rates, it is important to recall that, historically, there has been a positive correlation between interest rates and arbitrage spreads. This is due to the fact that the spread is

[1] Thomson Reuters Mergers & Acquisitions Review First Quarter 2018

driven by the risks inherent to a particular deal, as well as the risk-free rate. Typically, as the risk-free rate rises, so do annualized spreads. Corporations have had high cash balances and an appetite to grow inorganically since quantitative easing took effect in 2008. These two factors will be magnified as businesses begin to digest the effects of U.S. tax reform. The new tax law will charge a 21% corporate tax rate and one time repatriation charges of 15.5% for cash and 8% for illiquid assets overseas. These lower rates will allow corporations to expand their cash balances and unlock cash overseas. Management teams will deploy the additional excess capital in shareholder friendly ways, and we anticipate that this will continue to drive M&A into the future.

Done Deals

Advanced Accelerator Application SA is a St-Genis-Pouilly, France-based pharmaceuticals company focused on nuclear medicine theragnostics. On October 30, 2017, AAAP agreed to be acquired by Novartis AG for $41 cash per ordinary share and $82 cash per ADS, valuing the company's equity at $3.9 billion. Completion of the deal required the tender of at least 80% of AAAP shares and certain regulatory approvals. It closed on January 22, 2018 and the Fund earned a 5.24% annualized return.

Amplify Snack Brands Inc. is an Austin, Texas-based snack company with a portfolio of better-for-you brands that includes SkinnyPop, Oatmega, and Lisa's Chips. On December 18, 2017, BETR agreed to be acquired by The Hershey Company for $12 per share in cash, representing $1.6 billion total enterprise value. Completion of the deal required the tender of a simple majority of BETR shares outstanding and regulatory approvals. The transaction closed on January 31, 2018 and the Fund earned a 6.16% annualized return.

Bob Evans Farms Inc. is a New Albany, Ohio-based food services company. BOBE produces and distributes frozen and refrigerated food items throughout the United States. On September 19, 2017, BOBE agreed to be acquired by Post Holdings Inc. for $77 cash per share. The deal valued Bob Evans at $1.6 billion and required regulatory and shareholder approvals. It closed on January 16, 2018 and the Fund earned a 1.58% annualized return.

Buffalo Wild Wings is a Minneapolis, Minnesota-based restaurant owner and franchisor, operating 1,250 Buffalo Wild Wings Restaurants globally. On November 28, 2017, BWLD agreed to be acquired by Arby's Restaurant Group for $157 per share in cash, valuing the company at $2.9 billion. The transaction required regulatory and shareholder approvals and closed on February 6, 2018. The Fund earned a 2.28% annualized return.

Calpine Corporation is a Houston, Texas-based electric utilities company that owns and operates eighty power plants in North America. On August 18, 2017, CPN agreed to be acquired by Energy Capital Partners and a consortium of investors led by Access Industries and Canada Pension Plan Investment Board for $15.25 cash per share representing a $5.6 billion equity value. The transaction required shareholder and regulatory approvals and closed on March 8, 2018. The Fund earned a 4.94% annualized return.

Exactech Inc. is a Gainesville, Florida-based medical device company that develops orthopedic implant devices and other instruments used in surgery. On October 23, 2017, EXAC agreed to be taken private by TPG Capital for $42 per share in cash which valued the company at $625 million. On December 4, 2017, EXAC entered into an amended merger agreement with TPG Capital which increased the consideration to EXAC shareholders to $49.25 per share in cash, representing a $737 million total enterprise value after another bidder emerged. The transaction required regulatory and shareholder approvals and closed on February 15, 2018. The Fund earned a 39.78% annualized return.

Key Technology Inc. is a Walla Walla, Washington-based automation systems manufacturer of food processing technology. On January 25, 2018, KTEC agreed to be acquired by Duravant LLC for $26.75 per share in cash, representing a transaction value of $175 million. Completion of the deal required the tender of a simple majority of KTEC shares outstanding and regulatory approvals. The transaction closed on March 21, 2018 and the Fund earned a 6.13% annualized return.

Regal Entertainment Group is a Knoxville, Tennessee-based movie theatre chain that operates one of the largest theater circuits in the United States. On December 5, 2017, RGC agreed to be acquired by Cineworld Group PLC for $23 per share in cash, representing a total transaction value of $5.9 billion. The deal required shareholder and regulatory approval and closed on March 1, 2018. The Fund earned a 10.38% annualized return.

Snyder's-Lance Inc. is a Charlotte, North Carolina-based snack company with a portfolio of salty snack brands, including Snyder's of Hanover, KETTLE, and Cape Cod. On December 18, 2017, LNCE agreed to be acquired by Campbell Soup Company for $50 per share in cash, representing a $4.9 billion equity valuation. The deal required shareholder and regulatory approval, and closed on March 27, 2018. The Fund earned a 3.72% annualized return.

Deals in the Pipeline

Blue Buffalo Pet Products Inc. (Buff – $39.81 – NASDAQ) is a Wilton, Connecticut-based pet food company that develops and sells food products under its various BLUE brand lines, including BLUE Life Protection Formula, BLUE Wilderness, BLUE Basics, BLUE Freedom and BLUE Natural Veterinary Diet. On February 23, 2018, BUFF agreed to be acquired by General Mills, Inc. for $40 per share in cash, valuing the company at $8 billion. GIS received the necessary shareholder vote from Invus LP and the founding Bishop family, but the transaction still requires regulatory approvals and is expected to close by the end of May 2018.

Callidus Software Inc. (CALD – $35.95 – NASDAQ) is a Dublin, California-based enterprise software company that provides cloud based solutions around sales data. On January 29, 2018 CALD agreed to be acquired by SAP SE for $36 per share in cash, representing a $2.4 billion total enterprise value. The transaction requires shareholder and regulatory approvals, and is expected to close in the coming weeks.

CSRA Inc. (CSRA – $41.23 – NYSE) is a Falls Church, Virginia-based IT company that provides services to enterprises and government agencies, including the NSA. On February 12, 2018, CSRA agreed to be acquired by General Dynamics for $40.75 per share in cash. On March 18, 2018, CACI International offered to acquire CSRA for $15 per share in cash and 0.184 CACI shares, representing a total consideration of $44 per share. In response, General Dynamics increased its all-cash offer to $41.25 per share and, subsequently, CACI dropped out of the bidding war. General Dynamic's new offer requires the tender of a simple majority of CSRA shares outstanding and regulatory approvals. The transaction is expected to close in the coming weeks.

DST Systems Inc.(DST – $83.65 – NYSE) is a Kansas City, Missouri-based information processing company that provides data management and other services to the healthcare and financial services sectors. On January 11, 2018, DST agreed to be acquired by SS&C Technologies Holdings Inc. for $84 per share in cash, representing a $5.4 billion total enterprise value. The transaction requires DST shareholder approval and regulatory clearances. The transaction is expected to close in the third quarter of 2018.

Fenner PLC (FENR – $8.54/£6.09 – London Stock Exchange) is a Hessle, England-based polymer manufacturer. On March 19, 2018, FENR agreed to be acquired by Michelin for 610 pence per share in cash. The transaction will be implemented by a scheme of arrangement and requires regulatory approvals. It is expected to close in the second quarter of 2018.

General Cable Corp. (BGC – $29.60 – NYSE) is Highland Heights, Kentucky-based cable manufacturer that sells fiber optic, copper, and aluminum cables to the telecom, industrial and construction sectors. On December 4, 2017, BGC agreed to be acquired by Prysmian Group for $30 per share in cash, representing a $3 billion total enterprise value. The transaction requires shareholder and regulatory approvals, and is expected to close in the third quarter of 2018.

MuleSoft Inc. (MULE – $43.98 – NYSE) is a San Francisco, California-based software company that developed the Anypoint Platform, which creates a connected network for its customers. On March 20, 2018, MULE agreed to be acquired by Salesforce for $36 in cash and 0.0711 CRM shares, representing a total value $6.5 billion. The deal requires the tender of a simple majority of MULE shares outstanding and regulatory approvals. It is expected to close in the second quarter of 2018.

Orbital ATK Inc. (OA – $132.61 – NYSE) is a Dulles, Virginia-based aerospace and defense company. On September 18, 2017, OA agreed to be acquired by Northrop Grumman Corp. for $134.50 per share in cash, representing a $7.8 billion equity valuation. OA shareholders have approved the merger. Regulatory approvals are still pending, and the transaction is expected to close in the first half of 2018.

Rockwell Collins Inc. (COL – $134.85 – COL) is a Cedar Rapids, Iowa-based aerospace and defense company. On September 4, 2017, COL agreed to be acquired by United Technologies Corp. for $93 per share in cash and $46.67 in UTC stock, representing a $23 billion equity valuation. The deal requires shareholder and regulatory approvals, and is expected to close in the third quarter of 2018.

Validus Holdings Ltd.(VR – $67.45 – NYSE) is a Pembroke, Bermuda-based insurance and reinsurance holding company. On January 22, 2018 VR agreed to be acquired by American International Group for $68 per share in cash, representing a $5.56 billion transaction value. The transaction requires shareholder and regulatory approvals, and is expected to close in mid-2018.

XL Group Ltd. (XL – $55.26 – NYSE) is a Hamilton, Bermuda-based insurance and reinsurance company. On March 5, 2018, XL agreed to be acquired by AXA for $57.60 per share in cash representing a total consideration of $15.3 billion. The deal is subject to shareholder and regulatory approvals, and is expected to close in the second half of 2018.

April 23, 2018

Top Ten Holdings
March 31, 2018

Callidus Software Inc.	Avigilon Corp.
Blue Buffalo Pet Products Inc.	Parmalat SpA
NXP Semiconductors NV	General Cable Corp.
CSRA Inc.	Telenet Group Holding NV
Blackhawk Network Holdings Inc.	DST Systems Inc.

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Manager only through the end of the period stated in this Shareholder Commentary. The Portfolio Manager's views are subject to change at any time based on market and other conditions. The information in this Shareholder Commentary represents the opinions of the individual Portfolio Manager and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Manager and may differ from those of other portfolio managers or of the Firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed. Beneficial ownership of shares held in the Fund by Mr. Gabelli and various entities he is deemed to control are disclosed in the Fund's annual proxy statement.

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 tax paying shareholders when distributed by the Fund.

Common Share Repurchase Plan

On November 8, 2006, the Board of Trustees of the Fund (the "Board") voted to authorize the repurchase of the Fund's common shares in the open market from time to time when such shares are trading at a discount of 7.5% or more from NAV. In total through March 31, 2018, the Fund has repurchased and retired 3,832,728 common shares in the open market under this share repurchase plan, 130,036 of which were purchased in the first quarter of 2018 at an average investment of $9.68 per share and an average discount of approximately 16% from its NAV.

Quarterly Distributions

The Fund paid a $0.10 per share cash distribution on March 22, 2018 to common shareholders of record on March 15, 2018. The Fund currently intends to make quarterly cash distributions of all or a portion of its investment company taxable income (which includes ordinary income and realized net short term capital gains) to common shareholders. The Fund also intends to make annual distributions of its realized net long term capital gains, if any. A portion of the distribution may be a return of capital. Various factors will affect the level of the Fund's income, such as its asset mix and use of merger arbitrage strategies. To permit the Fund to maintain more stable distributions, the Fund may from time to time distribute more or less than the entire amount of income earned in a particular period. Because the Fund's current quarterly distributions are subject to modification by the Board at any time and the Fund's income will fluctuate, there can be no assurance that the Fund will pay distributions at a particular rate or frequency.

Each quarter, the Board reviews the amount of any potential distribution from the income, capital gain, or capital available. The Board will continue to monitor the Fund's distribution level, taking into consideration the Fund's net asset value and the financial market environment. In light of the Fund's income, net asset value, and the financial market environment, the Board is reviewing the quarterly cash distribution amount for future periods. The distribution rate should not be considered the dividend yield or total return on an investment in the Fund.

If the Fund does not generate sufficient earnings (dividends and interest income and realized net capital gain) equal to or in excess of the aggregate distributions paid by the Fund in a given year, then the amount distributed in excess of the Fund's earnings would be deemed a return of capital. Since this would be considered a return of a portion of a shareholder's original investment, it is generally not taxable and is treated as a reduction in the shareholder's cost basis. Short term capital gains, qualified dividend income, ordinary income, and paid-in capital, if any, will be allocated on a pro-rata basis to all distributions to common shareholders for the year.

Based on the accounting records of the Fund currently available, the current distribution paid to common shareholders in 2018 would include approximately 100% from paid-in capital on a book basis. The estimated components of each distribution are updated and provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). The final determination of the sources of all distributions in 2018 will be made after year end and can vary from the quarterly estimates. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2018 distributions in early 2019 via Form 1099-DIV.

THE GDL FUND SUCCESSFULLY COMPLETES OFFERING AND ISSUES $131 MILLION OF SERIES C PREFERRED SHARES

The Fund is pleased to announce the completion of a rights offering in which the Fund issued 2,624,025 Series C Cumulative Puttable and Callable Preferred Shares (the "Series C Preferred"), totaling $131,201,250. Pursuant to the Offering, the Fund issued one non-transferable right (a “Right”) for each outstanding Series B Cumulative Puttable and Callable Preferred Share (the "Series B Preferred") of the Fund to Series B Preferred shareholders of record as of February 14, 2018. Holders of Rights were entitled to purchase the Series C Preferred with any combination of cash or surrender of the Series B Preferred at liquidation preference. Therefore, one Right plus $50.00, or one Right plus one share of Series B Preferred with a liquidation value of $50.00 per share, was required to purchase each share of the Series C Preferred. The Offering expired at 5:00 PM Eastern Time on March 20, 2018.

The Offering was over-subscribed. The Fund received subscriptions (including oversubscription requests and notices of guaranteed delivery) for over 3 million Series C Preferred shares, totaling approximately $153 million. Approximately 82% of the Series C Preferred shares were subscribed for in the primary subscription. Pursuant to the Offering, the remaining 18% of the Series C Preferred shares were allocated according to the terms of the oversubscription privilege. Approximately 1.72 million Series B Preferred shares with a liquidation value of $50.00 per share, or approximately $86 million, were surrendered by subscribing shareholders to acquire Series C Preferred shares. The surrendered Series B Preferred shares were retired.

All of the Series C Preferred shares subscribed for in the primary subscription and allocated according to the terms of the over-subscription privilege were issued on March 26, 2018. As previously announced, the proceeds raised in the Offering will be used to redeem the remaining outstanding Series B Preferred shares. The Series C Preferred will pay distributions quarterly at an annualized dividend rate of 4.00% of the $50.00 per share liquidation preference of the Series C Preferred for the quarterly dividend periods ending on or prior to March 26, 2019 (“Year 1”). At least 30 days prior to the end of Year 1, the Fund’s Board of Trustees will determine and publicly announce a reset fixed dividend rate that will apply for the next eight quarterly dividend periods (“Year 2” and “Year 3”). At least 30 days prior to the end of Year 3, the Fund’s Board of Trustees will determine and publicly announce a reset fixed dividend rate that will apply for all remaining quarterly dividend periods prior to the mandatory redemption date for the Series C Preferred of March 26, 2025. Each reset dividend rate will be determined by the Fund’s Board of Trustees or a committee thereof in its sole discretion, and such rate will be not less than an annualized rate of 4.00% and not greater than an annualized rate of 6.00%. The Series C Preferred may be put back to the Fund during the 30-day period prior to March 26, 2020 and March 26, 2022 at the liquidation preference of $50.00 per share, plus any accumulated and unpaid dividends, and redeemed by the Fund, at its option, at the liquidation preference of $50.00 per share, plus any accumulated and unpaid dividends, on March 26, 2021 or March 26, 2023. The Series C Preferred (NYSE:GDLPrC) began trading on the NYSE shortly after the date of issuance.

THE FUND ANNOUNCES FULL REDEMPTION OF SERIES B CUMULATIVE PUTTABLE AND CALLABLE PREFERRED SHARES

The Fund has announced that it will redeem all remaining shares of its issued and outstanding Series B Cumulative Puttable and Callable Preferred Shares (the “Series B Preferred Shares”). The shares will be redeemed at $50.2625 per Series B Preferred Share (the "Redemption Price"), which consists of $50.00 per Series B Preferred Share (the liquidation preference) plus all accumulated and unpaid dividends through the redemption date of May 29, 2018. From and after the redemption date, the Series B Preferred Shares being redeemed will no longer be deemed outstanding, dividends will cease to accumulate and all the rights of the preferred shareholders of the Fund with respect to the Series B Preferred Shares will cease, except the right to receive the Redemption Price, without interest.

Series B Cumulative Preferred Shares

The Fund’s Series B Cumulative Preferred Shares paid a $0.375 per share cash distribution on March 26, 2018, to preferred shareholders of record on March 19, 2018. The Series B Preferred Shares, which trade on the NYSE under the symbol “GDL Pr B,” were issued on April 15, 2011 at $50.00 per share and pay distributions quarterly. Please see information above regarding the full redemption of the Series B Cumulative Preferred Shares.

Short term capital gains, qualified dividend income, and ordinary income, if any, will be allocated on a pro-rata basis to all distributions to preferred shareholders for the year. Based on the accounting records of the Fund currently available, the current distribution paid to preferred shareholders represent approximately 33% from net investment income and 67% from paid-in capital on a book basis. The estimated components of each distribution are updated and provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). The final determination of the sources of all distributions in 2018 will be made after year end and can vary from the quarterly estimates. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2018 distributions in early 2019 via Form 1099-DIV.

Tax Treatment of Distributions to Common and Preferred Shareholders

All or part of the distributions may be treated as qualified dividend income for individuals, subject to the maximum federal income tax rate, which is currently 20% in taxable accounts for individuals. In addition, certain U.S. shareholders who are individuals, estates, or trusts and whose income exceeds certain thresholds will be required to pay a 3.8% Medicare surcharge on their “net investment income,” which includes dividends received from the Fund and capital gains from the sale or other disposition of shares of the Fund. The Fund expects that the component of the distribution generated by short term capital gains is predominantly not qualified income.

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Please visit us on the Internet. Our homepage at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Closed-End Funds and Mutual Funds, IRAs, 401(k)s, current and historical quarterly reports, closing prices, and other current news. We welcome your comments and questions via e-mail at closedend@gabelli.com.

e-delivery

You may sign up for our e-mail alerts at www.gabelli.com and receive notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance.

We are pleased to offer electronic delivery of Gabelli fund documents. Shareholders of our closed-end funds can now elect to receive e-mail announcements regarding available materials, including shareholder commentaries and Fund reports. For more information or to register for e-delivery, please visit our website at www.gabelli.com.www.gabelli.com.

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Portfolio Management Team

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 Bachelor of Science in Finance from Fordham University.

Geoffrey P. Astle is involved in the analytics and foreign and domestic trading for the Gabelli merger arbitrage portfolios, specific to our U.S. mutual funds. He has been associated in this capacity since 2007. Mr. Astle earned a Bachelor of Science in both Finance and Marketing from Fairfield 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. and a Portfolio Manager of Gabelli Funds, LLC. Ms. Pitaro holds an M.B.A. 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.

We have separated the portfolio manager's commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio manager's commentary is unrestricted. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading "Specialized Equity Funds," in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading "Specialized Equity Funds."

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting www.gabelli.com.

The NASDAQ symbol for the Net Asset Value per share is "XGDLX."

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may from time to time purchase its common shares in the open market when the Fund's shares are trading at a discount of 7.5% or more from the net asset value of the shares. The Fund may also from time to time purchase its preferred shares in the open market when the preferred shares are trading at a discount to the liquidation value.

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Shareholder Commentary
March 31, 2018