

GDL FUND  
Form N-CSRS  
September 08, 2011

**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 (formerly, The Gabelli Global Deal 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, 2011

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.

## Edgar Filing: GDL FUND - Form N-CSRS

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 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.

# The GDL Fund

## Semiannual Report

June 30, 2011

Mario J. Gabelli, CFA

### To Our Shareholders,

For the six months ended June 30, 2011, the net asset value ( NAV ) total return of The GDL Fund (the Fund ) was 4.67%, compared with the return of the 3 Month U.S. Treasury Bill Index increase of 0.04%. The total return for the Fund's publicly traded shares was 5.12%. On June 30, 2011, the Fund's NAV per share was \$15.07, while the price of the publicly traded shares closed at \$13.41 on the New York Stock Exchange ( NYSE ).

Enclosed are the portfolio of investments and financial statements as of June 30, 2011.

### Comparative Results

#### Average Annual Returns through June 30, 2011 (a) (Unaudited)

	Year to				Since Inception (01/31/07)
	Quarter	Date	1 Year	3 Year	
<b>GDL Fund</b>					
<b>NAV Total Return (b)</b>	1.13%	4.67%	10.19%	3.42%	2.86%
<b>Investment Total Return (c)</b>	1.47	5.12	11.77	4.81	0.11
3 Month U.S. Treasury Bill Index	0.01	0.04	0.12	0.26	1.27

- (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 3 Month U.S. Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into the outstanding Treasury Bill that matures closest to, but not beyond three months from the re-balancing date. To qualify for selection, an issue must have settled on or before the re-balancing (month end) date. Dividends are considered reinvested except for the 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.

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. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at [www.gabelli.com](http://www.gabelli.com).

## THE GDL FUND

### Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of June 30, 2011:

<b>Long Positions</b>	
U.S. Government Obligations	22.2%
Semiconductors	10.6%
Specialty Chemicals	8.4%
Energy and Utilities	8.2%
Health Care	7.6%
Machinery	6.8%
Diversified Industrial	5.8%
Computer Software and Services	5.2%
Telecommunications	5.0%
Financial Services	3.5%
Consumer Products and Services	3.2%
Retail	3.1%
Food and Beverage	2.8%
Electronics	2.4%
Transportation	1.3%
Equipment and Supplies	1.0%
Computer Hardware	0.8%
Business Services	0.6%
Cable and Satellite	0.5%
Publishing	0.3%
Entertainment	0.2%
Aerospace	0.2%
Real Estate Investment Trusts	0.1%
Metals and Mining	0.1%
Materials	0.1%
Media	0.0%
Real Estate	0.0%
Educational Services	0.0%
Health Care Providers and Services	0.0%
Hotels and Gaming	0.0%
Electronic Equipment	0.0%
	<b>100.0%</b>
<b>Short Positions</b>	
Financial Services	(1.8)%

*The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission ( SEC ) for the first and third quarters of each fiscal year on Form N-Q, the last of which was filed for the quarter ended March 31, 2011. 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 1-800-SEC-0330.*

#### Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30th, no later than August 31st 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

## Edgar Filing: GDL FUND - Form N-CSRS

10580-1422; or (iii) visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

### **Shareholder Meeting May 16, 2011 Final Results**

The Fund's Annual Meeting of Shareholders was held on May 16, 2011 at the Greenwich Library in Greenwich, Connecticut. At that meeting, common and preferred shareholders, voting together as a single class, elected Clarence A. Davis and Arthur V. Ferrara as Trustees of the Fund. A total of 20,677,860 votes and 20,689,116 votes were cast in favor of these Trustees and a total of 939,513 votes and 928,257 votes were withheld for these Trustees, respectively. In addition, preferred shareholders, voting as a separate class, elected James P. Conn as a Trustee of the Fund. A total of 1,823,770 votes were cast in favor of this Trustee and a total of 56,268 votes were withheld for this Trustee.

Mario J. Gabelli, CFA, Anthony J. Colavita, Mario d'Urso, Michael J. Melarkey, Edward T. Tokar, and Salvatore J. Zizza continue to serve in their capacities as Trustees of the Fund.

We thank you for your participation and appreciate your continued support.

**THE GDL FUND**

**Schedule of Investments**

**June 30, 2011 (Unaudited)**

Shares		Cost	Market Value
<b>COMMON STOCKS 76.7%</b>			
<b>Aerospace and Defense 0.1%</b>			
76,000	The Allied Defense Group Inc.	\$ 534,466	\$ 266,000
<b>Business Services 0.6%</b>			
5,000	Axiom Corp.	55,055	65,550
85,000	Clear Channel Outdoor Holdings Inc., Cl. A	596,386	1,079,500
50,000	Diebold Inc.	1,833,135	1,550,500
12,000	GTSI Corp.	56,890	64,440
		2,541,466	2,759,990
<b>Cable and Satellite 0.5%</b>			
70,000	British Sky Broadcasting Group plc	763,221	951,017
40,000	Cablevision Systems Corp., Cl. A	650,594	1,448,400
		1,413,815	2,399,417
<b>Computer Hardware 0.0%</b>			
10,000	Seagate Technology plc	143,485	161,600
1,000	Smart Modular Technologies WWH Inc.	9,214	9,160
		152,699	170,760
<b>Computer Software and Services 5.2%</b>			
13,000	Hypercom Corp.	94,169	127,790
40,000	Integral Systems Inc.	486,617	486,800
100,000	Lawson Software Inc.	1,110,981	1,122,000
10,000	Mediamind Technologies Inc.	219,752	219,400
8,000	Mentor Graphics Corp.	50,733	102,480
21,600	Soapstone Networks Inc.	0	146
285,000	SRA International Inc., Cl. A	8,848,347	8,812,200
300,000	Telvent GIT SA	11,935,545	11,940,000
90,000	Yahoo! Inc.	1,971,967	1,353,600
		24,718,111	24,164,416
<b>Consumer Products and Services 3.2%</b>			
27,000	Avon Products Inc.	785,322	756,000
12,000	Fortune Brands Inc.	728,010	765,240
33,000	Harman International Industries Inc.	1,267,450	1,503,810
8,000	Heelys Inc.	20,860	18,240
2,000	Medion AG	37,529	37,849
500	Pre-Paid Legal Services Inc.	29,960	33,245
4,000	Schulthess Group	259,270	256,913
<b>Shares</b>		<b>Cost</b>	<b>Market Value</b>

Edgar Filing: GDL FUND - Form N-CSRS

270,000	The Timberland Co., Cl. A	\$ 11,584,153	\$ 11,601,900
		14,712,554	14,973,197
<b>Diversified Industrial 5.8%</b>			
100,000	Demag Cranes AG	6,526,017	6,512,660
511,000	Graham Packaging Co. Inc.	12,887,199	12,887,420
36,000	ITT Corp.	2,154,481	2,121,480
10,000	M&F Worldwide Corp.	240,791	258,400
364,000	Myers Industries Inc.	7,600,510	3,741,920
80,000	Smiths Group plc	1,622,670	1,542,042
		31,031,668	27,063,922
<b>Educational Services 0.0%</b>			
7,000	Corinthian Colleges Inc.	35,735	29,820
<b>Electronic Equipment 0.0%</b>			
500	Harbin Electric Inc.	6,628	7,560
<b>Electronics 2.4%</b>			
500	Aleo Solar AG	16,389	17,271
211,700	Alliance Semiconductor Corp.	1,035,246	95,265
105,000	Bel Fuse Inc., Cl. A	3,176,567	2,436,000
4,000	International Rectifier Corp.	42,194	111,880
490,000	L-1 Identity Solutions Inc.	5,735,685	5,757,500
420,000	Laird plc	1,355,053	1,365,015
114,000	Niscayah Group AB	320,753	331,626
11,000	Roth & Rau AG	357,154	327,968
52,000	Zoran Corp.	546,721	436,800
33,000	Zygo Corp.	282,063	436,260
		12,867,825	11,315,585
<b>Energy and Utilities 8.4%</b>			
280,000	Atlas Energy Inc., Escrow (a)	0	28,000
105,000	Atlas Energy LP	1,651,650	2,281,650
10,000	Capital Power Income LP	197,007	197,003
30,000	Central Vermont Public Service Corp.		