

GDL FUND  
Form DEF 14A  
April 12, 2019

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No.    )

Filed by Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Sec. 240.14a-12

**The GDL Fund**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3)

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1)Amount Previously Paid:

2)Form, Schedule or Registration Statement No.:

3)Filing Party:

4)Date Filed:

**THE GDL FUND**

One Corporate Center  
Rye, New York 10580-1422  
(914) 921-5070

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held on May 13, 2019**

To the Shareholders of  
THE GDL FUND

Notice is hereby given that the Annual Meeting of Shareholders of The GDL Fund, a Delaware statutory trust (the “Fund”), will be held on Monday, May 13, 2019, at 7:30 a.m., local time, at the Bruce Museum, One Museum Drive, Greenwich, Connecticut 06830-7100 (the “Meeting”), and at any adjournments or postponements thereof for the following purposes:

1. To elect three (3) Trustees of the Fund, two (2) Trustees to be elected by the holders of the Fund’s common shares and holders of its Series C Cumulative Puttable and Callable Preferred Shares (“Preferred Shares”), voting together as a single class, one (1) Trustee to be elected by the holders of the Fund’s Preferred Shares, voting as a separate class;
2. If properly presented at the Meeting, to vote on a shareholder proposal; and
3. To consider and vote upon such other matters, including adjournments, as may properly come before said Meeting or any adjournments thereof.

These items are discussed in greater detail in the attached Proxy Statement.

The close of business on March 21, 2019, has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof.

**YOUR VOTE IS IMPORTANT REGARDLESS OF THE SIZE OF YOUR HOLDINGS IN THE FUND. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, WE URGE YOU TO VOTE PROMPTLY FOR YOUR FUND'S NOMINEES (PROPOSAL 1) AND AGAINST THE SHAREHOLDER PROPOSAL (PROPOSAL 2). SHAREHOLDERS MAY AUTHORIZE THEIR PROXY BY TELEPHONE OR THE INTERNET. ALTERNATIVELY, SHAREHOLDERS MAY SUBMIT VOTING INSTRUCTIONS BY SIGNING AND DATING THE PROXY CARD AND RETURNING IT IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE.**

By Order of the Board of Trustees,

ANDREA R. MANGO

*Secretary*

April 12, 2019

**INSTRUCTIONS FOR SIGNING PROXY CARDS TO BE RETURNED BY MAIL**

The following general rules for signing proxy cards may be of assistance to you and avoid the time and expense to the Fund involved in validating your vote if you fail to properly sign your proxy card.

1. *Individual Accounts:* Sign your name exactly as it appears in the registration on the proxy card.

2. *Joint Accounts:* Either party may sign, but the name of the party signing should conform exactly to the name shown in the registration.

3. *All Other Accounts:* The capacity of the individuals signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

**Registration**

**Valid Signature**

**Corporate Accounts**

(1) ABC Corp.	ABC Corp., John Doe, Treasurer
(2) ABC Corp.	John Doe, Treasurer
(3) ABC Corp. c/o John Doe, Treasurer	John Doe
(4) ABC Corp., Profit Sharing Plan	John Doe, Trustee

**Trust Accounts**

(1) ABC Trust	Jane B. Doe, Trustee
(2) Jane B. Doe, Trustee u/t/d 12/28/78	Jane B. Doe

**Custodian or Estate Accounts**

(1) John B. Smith, Cust. f/b/o John B. Smith, Jr. UGMA	John B. Smith
(2) John B. Smith, Executor Estate of Jane Smith	John B. Smith, Executor

**INSTRUCTIONS FOR TELEPHONE/INTERNET VOTING**

Instructions for authorizing your proxy to vote your shares by telephone or Internet are included with the Notice of Internet Availability of Proxy Materials and the proxy card.



**THE GDL FUND**

**ANNUAL MEETING OF SHAREHOLDERS**

**May 13, 2019**

**PROXY STATEMENT**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Trustees (the “Board,” the members of which are referred to as “Trustees”) of The GDL Fund, a Delaware statutory trust (the “Fund”), for use at the Annual Meeting of Shareholders of the Fund to be held on Monday, May 13, 2019, at 7:30 a.m., local time, at the Bruce Museum, One Museum Drive, Greenwich, Connecticut 06830-7100 (the “Meeting”), and at any adjournments or postponements thereof. A Notice of Internet Availability of Proxy Materials, or the Proxy Materials, will first be mailed to shareholders on or about April 12, 2019.

In addition to the solicitation of proxies by mail, officers of the Fund and officers and regular employees of American Stock Transfer & Trust Company (“AST”), the Fund’s transfer agent, and affiliates of AST or other representatives of the Fund may also solicit proxies by telephone, Internet, or in person. In addition, the Fund has retained Morrow Sodali LLC to assist in the solicitation of proxies for an estimated fee of \$1,000 plus reimbursement of expenses. The Fund will pay the costs of the proxy solicitation and the expenses incurred in connection with preparing, printing, and mailing the Notice of Internet Availability of Proxy Materials and/or Proxy Statement and its enclosures. If requested, the Fund will also reimburse brokerage firms and others for their expenses in forwarding solicitation materials to the beneficial owners of its shares.

**The Fund’s most recent annual report, including audited financial statements for the fiscal year ended December 31, 2018, is available upon request, without charge, by writing to the Secretary of the Fund, One Corporate Center, Rye, New York 10580-1422, calling the Fund at 800-422-3554, or via the Internet at [www.gabelli.com](http://www.gabelli.com).**

If the proxy is properly executed and returned in time to be voted at the Meeting, the shares represented thereby will be voted "FOR" the election of the nominees as Trustees and "AGAINST" Proposal 2 as described in this Proxy Statement, unless instructions to the contrary are marked thereon, and at the discretion of the proxy holders as to the transaction of any other business that may properly come before the Meeting. Any shareholder who has submitted a proxy has the right to revoke it at any time prior to its exercise either by attending the Meeting and voting his or her shares in person, or by submitting a letter of revocation or a later dated proxy to the Fund at the above address prior to the date of the Meeting.

A "quorum" is required in order to transact business at the Meeting. A quorum of shareholders is constituted by the presence in person or by proxy of the holders of one-third of the outstanding shares of the Fund entitled to vote at the Meeting. In the event a quorum is not present at the Meeting, or in the event that a quorum is present at the Meeting but sufficient votes to approve any of the proposed items are not received, the chairperson of the Meeting may propose one or more adjournments of such Meeting to permit further solicitation of proxies. If a quorum is present, a shareholder vote may be taken on one or more of the proposals in this Proxy Statement prior to such adjournment if sufficient votes have been received for approval and it is otherwise appropriate. If a quorum is present, the persons named as proxies will vote those proxies which they are entitled to vote "FOR" any proposal in favor of such adjournment and will vote those proxies required to be voted "AGAINST" any proposal against any such adjournment. Absent the establishment of a subsequent record date and the giving of notice to the holders of record thereon, the adjourned meeting must take place not more than 130 days after the record date. At such adjourned meeting, any business may be transacted which might have been transacted at the original Meeting. The Fund may postpone or cancel a meeting of shareholders, and if it does the Fund will make a public announcement of such postponement or cancellation prior to the meeting. The postponed meeting may not be held more than 130 days after the initial record date.

The close of business on March 21, 2019, has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and all adjournments or postponements thereof.



The Fund has two classes of shares of beneficial interest outstanding: common shares, par value \$0.001 per share (“Common Shares”), and Series C Cumulative Puttable and Callable Preferred Shares, par value \$0.001 per share (“Preferred Shares”). The holders of the Common Shares and Preferred Shares are each entitled to one vote for each full share held. On the record date, there were 16,378,951 Common Shares and 2,624,025 Preferred Shares outstanding.

Set forth below is information as to those shareholders to the Fund’s knowledge that beneficially own 5% or more of a class of the Fund’s outstanding voting securities as of the record date.

<b><u>Name and Address of Beneficial Owner(s)</u></b>	<b><u>Title of Class</u></b>	<b><u>Amount of Shares and Nature of Ownership</u></b>	<b><u>Percent of Class</u></b>
Mario J. Gabelli and affiliates One Corporate Center Rye, NY 10580-1422	Common	4,525,125 (beneficial)*	27.6%
Lazard Asset Management, LLC 30 Rockefeller Plaza New York, NY 10012	Common	1,096,533 (beneficial)	6.7%
Relative Value Partners Group, LLC 1033 Skokie Blvd Suite 470 NorthBrook, IL 60062	Common	1,109,573 (beneficial)	6.8%
Raymond James & Associates, Inc. 880 Carillon Parkway St. Petersburg, FL 33716	Common	895,005 (beneficial)	5.5%
Relative Value Partners Group, LLC 1033 Skokie Blvd Suite 470 NorthBrook, IL 60062	Preferred	771,387 (beneficial)	29.4%
Mario J. Gabelli and affiliates One Corporate Center Rye, NY 10580-1422	Preferred	264,141 (beneficial)**	10.1%
Scharf Investments LLC 5619 Scotts Valley Drive Suite 140 Scotts Valley, CA 95066	Preferred	213,602 (beneficial)	8.1%
RiverNorth Capital Management	Preferred	150,000 (beneficial)	5.7%

325 N. LaSalle Street  
Chicago, IL 60654

Comprised of 2,496,936 Common Shares owned directly by Mr. Gabelli, 54,846 Common Shares owned by a family partnership for which Mr. Gabelli serves as a general partner, 40,239 Common Shares owned by GPJ Retirement \* Partners, LLC in which Mr. Gabelli has less than 100% interest and disclaims beneficial ownership of the Shares held by this entity which are in excess of this indirect pecuniary interest, and 1,933,104 Common Shares owned by GAMCO Investors, Inc. or its affiliates. Mr. Gabelli disclaims beneficial ownership of the shares held by the discretionary accounts and by the entities named except to the extent of his interest in such entities.

\*\* Comprised of 218,400 Preferred Shares owned directly by Mr. Gabelli, 45,000 Preferred Shares owned by E3M 2016 LLC, and 741 Preferred Shares in investment partnerships and trust accounts.

**SUMMARY OF VOTING RIGHTS ON PROXY PROPOSALS**

<b><u>Proposal</u></b>	<b><u>Common Shareholders</u></b>	<b><u>Preferred Shareholders</u></b>
1. Election of Trustees	Common and Preferred Shareholders, voting together as a single class, vote to elect two Trustees: Edward T. Tokar and Salvatore J. Zizza	Common and Preferred Shareholders, voting together as a single class, vote to elect two Trustees: Edward T. Tokar and Salvatore J. Zizza  Preferred Shareholders, voting as a separate class, vote to elect one Trustee: Anthony S. Colavita
2. Shareholder Proposal	Common and Preferred Shareholders, voting together as a single class (if properly presented at the Meeting)	
3. Other Business	Common and Preferred Shareholders, voting together as a single class	

**PROPOSAL 1: TO ELECT THREE (3) TRUSTEES OF THE FUND**

**Nominees for the Board of Trustees**

The Board consists of eight Trustees, six of whom are not “interested persons” of the Fund (as defined in the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund divides the Board into three classes, each class having a term of three years. Each year, the term of office of one class will expire. Anthony S. Colavita, Edward T. Tokar, and Salvatore J. Zizza have each been nominated by the Board for election to serve for a three year term to expire at the Fund’s 2022 Annual Meeting of Shareholders or until their successors are duly elected and qualified. Each of the Trustees of the Fund has served in that capacity since the November 8, 2006 organizational meeting of the Fund, with the exception of Ms. Foley, who became a Trustee of the Fund on February 23, 2017 and Mr. Colavita, who became a Trustee of the Fund on May 16, 2018. All of the Trustees of the Fund are also directors or trustees of other investment companies for which Gabelli Funds, LLC (the “Adviser”) or its affiliates serve as investment adviser. The classes of Trustees are indicated below:

**Nominees to Serve Until 2022 Annual Meeting of Shareholders**

Anthony S. Colavita  
Edward T. Tokar  
Salvatore J. Zizza

**Trustees Serving Until 2021 Annual Meeting of Shareholders**

Leslie F. Foley  
Mario J. Gabelli  
Michael J. Melarkey

**Trustees Serving Until 2020 Annual Meeting of Shareholders**

James P. Conn  
Clarence A. Davis

Under the Fund's Declaration of Trust, Statement of Preferences, and the 1940 Act, holders of the Fund's outstanding Preferred Shares, voting as a separate class, are entitled to elect two Trustees, and holders of the Fund's outstanding Common Shares and Preferred Shares, voting together as a single class, are entitled to elect the remaining Trustees. The holders of the Fund's outstanding Preferred Shares would be entitled to elect the minimum number of additional Trustees that would represent a majority of the Trustees in the event that dividends on the Fund's Preferred Shares become in arrears for two full years and until all arrearages are eliminated. No dividend arrearages exist as of the date of this Proxy Statement. Messrs. Colavita and Conn are currently the Trustees elected solely by the holders of the Fund's Preferred Shares. Mr. Conn's term is scheduled to expire at the Fund's 2020 Annual Meeting of Shareholders. Therefore, he is not standing for election at this Meeting. A quorum of the Preferred Shareholders must be present in person or by proxy at the Meeting in order for the proposal to elect Mr. Colavita to be considered.

Unless instructions are provided to the contrary, it is the intention of the persons named in the proxy to vote the proxy "FOR" the election of the nominees named above. Each nominee has indicated that he has consented to serve as a Trustee if elected at the Meeting. If, however, a designated nominee declines or otherwise becomes unavailable for election, the proxy confers discretionary power on the persons named therein to vote in favor of a substitute nominee or nominees. Each nominee is qualified to serve as a Trustee under the Fund's governing documents.

**Information about Trustees and Officers**

Set forth in the table below are the existing Trustees, including those Trustees who are not considered “interested persons,” as defined in the 1940 Act (the “Independent Trustees”), three of whom are nominated for re-election to the Board of the Fund, and officers of the Fund, including information relating to their respective positions held with the Fund, a brief statement of their principal occupations and, in the case of the Trustees, their other directorships during the past five years (excluding other funds managed by the Adviser), if any.

<b>Name, Position(s), Address<sup>(1)</sup> and Age</b>	<b>Term of Office and Length of Time Served<sup>(2)</sup></b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Other Directorships Held by Trustee During Past Five Years</b>	<b>Number of Portfolios in Fund Complex<sup>(3)</sup> Overseen by Trustee</b>
<b><u>INTERESTED TRUSTEES/NOMINEES<sup>(4)</sup>:</u></b>				
<b>Mario J. Gabelli</b> Trustee and Chief Investment Officer Age: 76	Since 2006**	Chairman, Chief Executive Officer, and Chief Investment Officer – Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies within the Gabelli/GAMCO Fund Complex; Chief Executive Officer of GGCP, Inc.; Executive Chairman of Associated Capital Group, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp.  (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications)	33
<b>Edward T. Tokar</b> Trustee Age: 71	Since 2006*	Private Investor; Senior Managing Director of Beacon Trust Company (trust services) (2004-2016); Chief Executive Officer of Allied Capital Management LLC (1977-2004); Vice President of Honeywell International	Trustee of William & Mary Business School Foundation; Director of CH Energy Group (energy services) (2009-2013); Director, Teton Advisors, Inc. (financial services)  (2008-2010)	2

Inc. (1977-2004)

**INDEPENDENT TRUSTEES/NOMINEES<sup>(5)</sup>:**

<b>Anthony S. Colavita<sup>(6)(7)</sup></b>		Attorney, Anthony S. Colavita, P.C. —	20
Trustee	Since May 2018*		
Age: 57			
<b>James P. Conn<sup>(6)</sup></b>		Former Managing Director and —	26
Trustee	Since 2006***	Chief Investment Officer of	
Age: 81		Financial Security Assurance Holdings, Ltd. (1992-1998)	
<b>Clarence A. Davis</b>		Former Chief Executive Officer	Director of Telephone & Data
Trustee	Since 2006***	of Nestor, Inc. (2007-2009);	Systems, Inc. (telephone
Age: 77		Former Chief Operating Officer (2000-2005) and Chief Financial Officer (1999-2000) of the American Institute of Certified Public Accountants	services); Director of Pennichuck Corp. (water supply) (2009-2012)
<b>Leslie F. Foley<sup>(7)</sup></b>		Attorney; Serves on the Boards of —	10
Trustee	Since 2017**	the Addison Gallery of American Art	
Age: 51		at Phillips Academy Andover, National Humanities Center, and Greenwich Country Day School; Vice President, Global Ethics & Compliance and Associate General Counsel for News Corporation (2008-2010)	

<b>Name, Position(s), Office and Address<sup>(1)</sup> and Age</b>	<b>Term of Office and Length of Time Served<sup>(2)</sup></b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Other Directorships Held by Trustee During Past Five Years</b>	<b>Number of Portfolios in Fund Complex<sup>(3)</sup> Overseen by Trustee</b>
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**INDEPENDENT TRUSTEES/NOMINEES<sup>(5)</sup>:**

<b>Michael J. Melarkey</b> Trustee Age: 69	Since 2006**	Of Counsel in the law firm of McDonald Carano Wilson LLP; Partner in the law firm of Avansino, Melarkey, Knobel, Mulligan & McKenzie (1980-2015)	Chairman of Southwest Gas Corporation (natural gas utility)	23
<b>Salvatore J. Zizza<sup>(7)(8)</sup></b> Trustee Age: 73	Since 2006*	President of Zizza & Associates Corp. (private holding company); President of Bergen Cove Realty Inc.; Chairman of Harbor Diversified, Inc. (pharmaceuticals) (2009-2018); Chairman of BAM (semiconductor and aerospace manufacturing) (2000-2018); Chairman of Metropolitan Paper Recycling Inc. (recycling) (2005-2014)	Director and Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor Diversified Inc. (pharmaceuticals) (2009-2018)	32

**OFFICERS:**

<b>Name, Position(s) Address<sup>(1)</sup> and Age</b>	<b>Term of Office and Length of Time Served<sup>(9)</sup></b>	<b>Principal Occupation(s) During Past Five Years</b>
<b>Bruce N. Alpert</b> President Age: 67	Since 2006	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of registered investment companies within the Gabelli/GAMCO Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008



<p><b>John C. Ball</b> Treasurer Age: 43</p>	<p>Since 2017</p>	<p>Treasurer of funds within the Gabelli/GAMCO Fund Complex since 2017; Vice President and Assistant Treasurer of AMG Funds, 2014-2017; Vice President of State Street Corporation, 2007-2014</p>
<p><b>Agnes Mullady</b> Vice President Age: 60</p>	<p>Since 2006</p>	<p>Officer of registered investment companies within the Gabelli/GAMCO Fund Complex since 2006; President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2015; Chief Executive Officer of G.distributors, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Executive Vice President of Associated Capital Group, Inc. since 2016</p>
<p><b>Andrea R. Mango</b> Secretary and Vice President Age: 46</p>	<p>Since 2013</p>	<p>Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of closed-end funds within the Gabelli/GAMCO Fund Complex since 2014</p>
<p><b>Richard J. Walz</b> Chief Compliance Officer Age: 59</p>	<p>Since 2013</p>	<p>Chief Compliance Officer of registered investment companies within the Gabelli/GAMCO Fund Complex since 2013</p>
<p><b>Carter W. Austin</b> Vice President Age: 52</p>	<p>Since 2006</p>	<p>Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Senior Vice President (since 2015) and Vice President (1996-2015) of Gabelli Funds, LLC</p>
<p><b>David I. Schachter</b> Vice President Age: 65</p>	<p>Since 2006</p>	<p>Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Senior Vice President (since 2015) and Vice President (1999-2015) of G.research, LLC</p>
<p><b>Laurissa M. Martire</b> Vice President and Ombudsman Age: 42</p>	<p>Since 2018</p>	<p>Vice President and/or Ombudsman of closed-end funds in the Gabelli/GAMCO Fund Complex; Senior Vice President (since January 2019) and other positions (1999-2019) of GAMCO Investors, Inc.</p>

- (1) Address: One Corporate Center, Rye, NY 10580-1422.
- (2) The Fund's Board of Trustees is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term. The "Fund Complex" or the "Gabelli/GAMCO Fund Complex" includes all the U.S. registered investment companies
- (3) that are considered part of the same fund complex as the Fund because they have common or affiliated investment advisers.  
"Interested person" of the Fund, as defined in the 1940 Act. Mr. Gabelli is considered to be an "interested person" of
- (4) the Fund because of his affiliation with the Fund's Adviser. Mr. Tokar is considered to be an "interested person" of the Fund as a result of his son's employment by an affiliate of the Adviser.  
Trustees who are not considered to be "interested persons" of the Fund as defined in the 1940 Act are considered to
- (5) be "Independent" Trustees. None of the Independent Trustees (with the possible exceptions as described in this proxy statement) nor their family members had any interest in the Adviser or any person directly or indirectly controlling, controlled by or under common control with the Adviser as of December 31, 2018.
- (6) Trustee/Nominee elected solely by holders of the Fund's Preferred Shares.

Mr. Colavita's father, Anthony J. Colavita, and Ms. Foley's father, Frank J. Fahrenkopf, Jr., serve as directors of other funds in the Gabelli/GAMCO Fund Complex. Mr. Zizza is an independent director of Gabelli International Ltd., which may be deemed to be controlled by Mario J. Gabelli and/or affiliates and in that event would be deemed to be under common control with the Fund's Adviser.

On September 9, 2015, Mr. Zizza entered into a settlement with the Securities and Exchange Commission (the "SEC") to resolve an inquiry relating to an alleged violation regarding the making of false statements or omissions to the accountants of a company concerning a related party transaction. The company in question is not an affiliate of, nor has any connection to, the Fund. Under the terms of the settlement, Mr. Zizza, without admitting or denying the SEC's findings and allegation, paid \$150,000 and agreed to cease and desist committing or causing any future violations of Rule 13b2-2 of the Securities Exchange Act of 1934, as amended (the "1934 Act").

Includes time served in prior officer positions with the Fund. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is duly elected and qualifies.

\* Nominee to serve, if elected, until the Fund's 2022 Annual Meeting of Shareholders or until his successor is duly elected and qualifies.

\*\* Term continues until the Fund's 2021 Annual Meeting of Shareholders or until his or her successor is duly elected and qualifies.

\*\*\* Term continues until the Fund's 2020 Annual Meeting of Shareholders or until his successor is duly elected and qualifies.

The Board believes that each Trustee's experience, qualifications, attributes, or skills on an individual basis and in combination with those of other Trustees lead to the conclusion that each Trustee should serve in such capacity. Among the attributes or skills common to all Trustees are their ability to review critically and to evaluate, question, and discuss information provided to them, to interact effectively with the other Trustees, the Adviser, the sub-administrator, other service providers, counsel, and the Fund's independent registered public accounting firm, and to exercise effective and independent business judgment in the performance of their duties as Trustees. Each Trustee's ability to perform his or her duties effectively has been attained in large part through the Trustee's business, consulting, or public service positions and through experience from service as a member of the Board and one or more of the other funds in the Fund Complex, public companies, non-profit entities, or other organizations as set forth above and below. Each Trustee's ability to perform his or her duties effectively also has been enhanced by education, professional training, and other experience.

### **Interested Trustees/Nominees**

*Mario J. Gabelli, CFA.* Mr. Gabelli is Chief Investment Officer of the Fund. He serves in the same capacity and as Chairman of the boards of other funds in the Fund Complex. Mr. Gabelli is Chairman, Chief Executive Officer, and Chief Investment Officer – Value Portfolios of GAMCO Investors, Inc. ("GBL"), a New York Stock Exchange ("NYSE")-listed asset manager and financial services company. He is the Chief Investment Officer of Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. ("GAMCO"), each of which are asset management subsidiaries of GBL. In addition, Mr. Gabelli is Chief Executive Officer, Chief Investment Officer, a director and the controlling shareholder of GGCP, Inc. ("GGCP"), a private company that holds a majority interest in GBL, and the Chairman of MJG Associates, Inc., which acts as an investment manager of various investment funds and other accounts. He is Executive Chairman of Associated Capital Group, Inc. ("Associated Capital"), a public company that

provides alternative management and institutional research services, and is a majority-owned subsidiary of GGCP. Mr. Gabelli serves as Overseer of the Columbia University Graduate School of Business and as a trustee of Boston College and Roger Williams University. He serves as a director of the Winston Churchill Foundation, The E.L. Wiegand Foundation, The American-Italian Cancer Foundation, and The Foundation for Italian Art and Culture. He is Chairman of the Gabelli Foundation, Inc., a Nevada private charitable trust. Mr. Gabelli serves as Co-President of Field Point Park Association, Inc. Mr. Gabelli received his Bachelor's degree from Fordham University, M.B.A. from Columbia Business School, and honorary Doctorates from Fordham University and Roger Williams University.

*Edward T. Tokar.* Mr. Tokar serves as Chairman of the Fund's *ad hoc* Proxy Voting Committee and is on the board of another fund in the Fund Complex. He is a private investor. Mr. Tokar was a Senior Managing Director of Beacon Trust Company, a trust services company from 2004 to 2016. He formerly served as a director of CH Energy Group, an energy services company. He was previously the Chief Executive Officer of Allied Capital Management LLC and Vice President of Honeywell International Inc. Mr. Tokar formerly served as a director or trustee of Teton Advisors, Inc., DB Hedge Strategies Fund, Topiary Fund for Benefit Plan Investors (BPI) LLC and Levco Series Trust Mutual Funds. Mr. Tokar has over forty-five years of investment experience in managing and directing investments in public and private securities involving stocks, bonds, high yield securities, private placements, international investments, and various partnership participations. As the former Vice President of Investments of Honeywell International Inc. and Chief Executive Officer of Allied Capital Management LLC, he was responsible for the investment of employee benefit fund assets worldwide, where his operations were widely recognized for excellence. He is a Trustee Emeritus of the College of William & Mary Foundation, and currently serves on the Board of the William & Mary Mason School of Business Foundation. Mr. Tokar has served on

numerous advisory boards and professional organizations throughout his career. Mr. Tokar graduated from the University of Maryland with a Bachelor's degree with High Honors, and received his M.B.A. from the College of William & Mary. He was also awarded a CPA designation.

### **Independent Trustees/Nominees**

*Anthony S. Colavita, Esq.* Mr. Colavita has been a practicing attorney with Anthony S. Colavita, P.C. since February 1988. He is Chairman of the Fund's Nominating Committee. Mr. Colavita serves on comparable or other board committees with respect to other funds in the Fund Complex on whose boards he sits. Mr. Colavita has been Town Supervisor of the Town of Eastchester, New York since January 2004, with responsibilities for the review, adoption, and administration of a \$35 million budget. He has also served as a board member for multiple not-for-profit corporations and was previously counsel to the New York State Senate. Additionally, Mr. Colavita was an Eastchester Town Councilman from 1998 to 2003. He has been active on the boards of several community based programs. Mr. Colavita received his Bachelor of Arts from Colgate University and his Juris Doctor from Pace University School of Law.

*James P. Conn.* Mr. Conn is the Lead Independent Trustee of the Fund and a member of the Fund's *ad hoc* Proxy Voting and *ad hoc* Pricing Committees. He serves on comparable or other board committees with respect to other funds in the Fund Complex on whose boards he sits. He was a senior business executive of Transamerica Corp., an insurance holding company, for much of his career including service as Chief Investment Officer. Mr. Conn has been a director of several public companies in banking and other industries, and was lead director and/or chair of various committees. He received his Bachelor's degree in Business Administration from Santa Clara University.

*Clarence A. Davis, CPA.* Mr. Davis was the CEO of Nestor, Inc. until January 2009 and a director of the company until it went into receivership in June 2009. He is a member of the Fund's Audit Committee and serves in the same capacity for another fund in the Fund Complex on whose board he sits. Mr. Davis is currently a director and a member of the Audit Committee of Telephone & Data Systems, Inc. He formerly served as the Chief Operating Officer and Chief Financial Officer of the American Institute of Certified Public Accountants. Mr. Davis has served as an Audit Committee member and director of Oneida Ltd., Pennichuck Corp., and Sonesta International Hotels Corp. Mr. Davis founded Clarence A. Davis Enterprises, Inc., which provided financial and organizational consulting, due diligence for acquisitions, and forensic accounting for various industries for eight years. Mr. Davis was a Senior Audit Partner for twelve years, which encompassed a career of twenty-three years in public accounting, for Spicer & Oppenheim. He is a former Chairman of the Accountants for Public Interest/Support Center of New York and the American Institute of Certified Public Accountants Minority Recruitment Committee. Mr. Davis was appointed to the American Red Cross Liberty Fund and September 11 Recovery Oversight Commission, the New York State Board of Public Accountancy, and the Future Issues Committee of the American Institute of Certified Public Accountants. He has served as a consultant for the American Red Cross National Office. Mr. Davis was also a faculty member of the Long Island University Brooklyn Center, the New York Institute of Finance, and the Foundation for Accounting Education. Mr. Davis received his Bachelor's degree in Accounting from Long Island University.

*Leslie F. Foley.* Ms. Foley is an attorney currently serving on the Boards of the Addison Gallery of American Art at Phillips Academy Andover, the National Humanities Center, and Greenwich Country Day School. She serves on the boards of other funds in the Fund Complex. Ms. Foley was previously Vice President, Global Ethics & Compliance and Associate General Counsel for News Corporation. She also served in the White House Counsel's Office as Associate Counsel to President George W. Bush. Earlier in her career, Ms. Foley served as Counsel for O'Melveny and Myers LLP; Managing Director of Fixed Income Legal at Bear, Stearns & Co. Inc.; associate at Dewey Ballantine LLP; and law clerk to Judge Diarmuid F. O'Scannlain of the United States Court of Appeals for the Ninth Circuit. She graduated from Yale University *magna cum laude* and from the University of Virginia School of Law where she was an editor of the *Virginia Law Review*.

*Michael J. Melarkey, Esq.* Mr. Melarkey, after more than forty years of experience as an attorney specializing in business, estate planning, and gaming regulatory work, recently retired from the active practice of law, and is of counsel to the firm of McDonald Carano and Wilson in Reno, Nevada. He is Chairman of the Fund's Audit Committee and is the Fund's designated Audit Committee Financial Expert. Mr. Melarkey is also a member of one of the multi-fund *ad hoc* Compensation Committees. He serves on comparable or other board committees with

respect to other funds in the Fund Complex on whose boards he sits. He is currently Chairman of the Board of Southwest Gas Corporation and serves on its Nominating, Corporate Governance, and Compensation Committees. Mr. Melarkey acts as a trustee and officer for several private charitable organizations, including as a trustee of The Bretzlaff Foundation and Edwin L. Wiegand Trust. He is an officer of a private oil and gas company. Mr. Melarkey received his Bachelor's degree from the University of Nevada, Reno, Juris Doctor from the University of San Francisco School of Law, and Masters of Law in Taxation from New York University School of Law.

*Salvatore J. Zizza.* Mr. Zizza is the President of Zizza & Associates Corp., a private holding company that invests in various industries. He also serves or has served as Chairman to other companies involved in manufacturing, recycling, real estate, technology, and pharmaceuticals. He is a member of the Fund's Audit, Nominating, and *ad hoc* Pricing Committees, and a member of both multi-fund *ad hoc* Compensation Committees. Mr. Zizza serves on comparable or other board committees with respect to other funds in the Fund Complex on whose boards he sits. In addition to serving on the boards of other funds in the Fund Complex, he is currently and has previously been a director of other public companies. He was also the President, Chief Executive Officer, and Chief Financial Officer of a large NYSE-listed construction company. Mr. Zizza received his Bachelor's degree and M.B.A. in Finance from St. John's University, which awarded him an Honorary Doctorate in Commercial Sciences.

### **Trustees – Leadership Structure and Oversight Responsibilities**

Overall responsibility for general oversight of the Fund rests with the Board. The Board does not have a Chairman. The Board has appointed Mr. Conn as the Lead Independent Trustee. The Lead Independent Trustee presides over executive sessions of the Trustees and also serves between meetings of the Board as a liaison with service providers, officers, counsel, and other Trustees on a wide variety of matters including agenda items for Board meetings. Designation as such does not impose on the Lead Independent Trustee any obligations or standards greater than or different from other Trustees. The Board has established a Nominating Committee and an Audit Committee to assist the Board in the oversight of the management and affairs of the Fund. The Board also has an *ad hoc* Proxy Voting Committee that exercises beneficial ownership responsibilities on behalf of the Fund in selected situations. From time to time, the Board establishes additional committees or informal working groups, such as an *ad hoc* Pricing Committee related to securities offerings by the Fund, to address specific matters or assigns one of its members to work with trustees or directors of other funds in the Fund Complex on special committees or working groups that address fund complex-wide matters, such as the multi-fund *ad hoc* Compensation Committee relating to the compensation of the Chief Compliance Officer for all the funds in the Fund Complex and a separate multi-fund *ad hoc* Compensation Committee relating to the compensation of certain other officers of the closed-end funds in the Fund Complex.

All of the Fund's Trustees, other than Mr. Gabelli and Mr. Tokar, are Independent Trustees, and the Board believes it is able to provide effective oversight of the Fund's service providers. In addition to providing feedback and direction during Board meetings, the Independent Trustees meet regularly in executive session and chair all committees of the Board.

The Fund's operations entail a variety of risks, including investment, administration, valuation, and a range of compliance matters. Although the Adviser, the sub-administrator, and the officers of the Fund are responsible for managing these risks on a day to day basis within the framework of their established risk management functions, the Board also addresses risk management of the Fund through its meetings and those of the committees and working groups. As part of its general oversight, the Board reviews with the Adviser at Board meetings the levels and types of risks being undertaken by the Fund, and the Audit Committee discusses the Fund's risk management and controls with the independent registered public accounting firm engaged by the Fund. The Board reviews valuation policies and procedures and the valuations of specific illiquid securities. The Board also receives periodic reports from the Fund's Chief Compliance Officer regarding compliance matters relating to the Fund and its major service providers, including results of the implementation and testing of the Fund's and such providers' compliance programs. The Board's oversight function is facilitated by management reporting processes designed to provide visibility to the Board regarding the identification, assessment, and management of critical risks, and the controls and policies and procedures used to mitigate those risks. The Board reviews its role in supervising the Fund's risk management from time to time and may make changes at its discretion at any time.



The Board has determined that its leadership structure is appropriate for the Fund because it enables the Board to exercise informed and independent judgment over matters under its purview, allocates responsibility among committees in a manner that fosters effective oversight, and allows the Board to devote appropriate resources to specific issues in a flexible manner as they arise. The Board periodically reviews its leadership structure as well as its overall structure, composition, and functioning, and may make changes at its discretion at any time.

**Beneficial Ownership of Shares Held in the Fund and the Family of Investment Companies for each Trustee and Nominee for Election as Trustee**

Set forth in the table below is the dollar range of equity securities in the Fund beneficially owned by each Trustee and nominee for election as Trustee and the aggregate dollar range of equity securities in the Fund Complex beneficially owned by each Trustee and nominee for election as Trustee.

<b><u>Name of Trustee/Nominee</u></b>	<b><u>Dollar Range of Equity Securities Held in the Fund</u><sup>*(1)</sup></b>	<b><u>Aggregate Dollar Range of Equity Securities Held in the Family of Investment Companies</u><sup>*(1)(2)</sup></b>
<b><u>INTERESTED TRUSTEES/NOMINEES:</u></b>		
Mario J. Gabelli	E	E
Edward T. Tokar	C	E
<b><u>INDEPENDENT TRUSTEES/NOMINEES:</u></b>		
Anthony S. Colavita	A	D
James P. Conn	E	E
Clarence A. Davis	A	B
Leslie F. Foley	A	B
Michael J. Melarkey	D	E
Salvatore J. Zizza	A	E

\*Key to Dollar Ranges

A. None

B. \$1 – \$10,000

C. \$10,001 – \$50,000

D. \$50,001 – \$100,000

E. Over \$100,000

All shares were valued as of December 31, 2018.

(1) This information has been furnished by each Trustee and nominee for election as Trustee as of December 31, 2018. “Beneficial Ownership” is determined in accordance with Rule 16a-1(a)(2) of the 1934 Act.

The term “Family of Investment Companies” includes two or more registered funds that share the same investment adviser or principal underwriter and hold themselves out to investors as related companies for purposes of investment and investor services. Currently, the registered funds that comprise the “Fund Complex” are identical to those that comprise the “Family of Investment Companies.”

Set forth in the table below is the amount of shares beneficially owned by each Trustee, nominee for election as Trustee, and executive officer of the Fund.

<u>Name of Trustee/Nominee/Officer</u>	<u>Amount and Nature of Beneficial Ownership<sup>(1)</sup></u>	<u>Percent of Shares Outstanding<sup>(2)</sup></u>
<b><u>INTERESTED TRUSTEES/NOMINEES:</u></b>		
Mario J. Gabelli	4,525,125 Common <sup>(3)</sup>	27.1%
	264,141 Series C <sup>(4)</sup>	10.1%
Edward T. Tokar	5,000 Common	*
<b><u>INDEPENDENT TRUSTEES/NOMINEES:</u></b>		
Anthony S. Colavita <sup>(5)</sup>	0	*
James P. Conn	15,000 Common	*
Clarence A. Davis	0	*
Leslie F. Foley	0	*
Michael J. Melarkey	6,977 Common	*
	3,038 Series C	
Salvatore J. Zizza	0	*
<b><u>EXECUTIVE OFFICERS:</u></b>		
Bruce N. Alpert	0	*
John C. Ball	0	*
Andrea R. Mango	0	*
Agnes Mullady	0	*
Richard J. Walz	0	*

This information has been furnished by each Trustee, including each nominee for election as Trustee, and (1) executive officer as of December 31, 2018. "Beneficial Ownership" is determined in accordance with Rule 13d-3 of the 1934 Act. Reflects ownership of Common Shares unless otherwise noted.

An asterisk indicates that the ownership amount constitutes less than 1% of the total shares outstanding. The (2) ownership of the Trustees, including nominees for election as Trustee, and executive officers as a group constitutes 27.3% of the total Common Shares outstanding and 10.2% of the total Preferred Shares outstanding.

Comprised of 2,496,936 Common Shares owned directly by Mr. Gabelli, 54,846 Common Shares owned by a family partnership for which Mr. Gabelli serves as general partner, 40,239 Common Shares owned by GPJ Retirement Partners, LLC in which Mr. Gabelli has less than 100% interest and disclaims beneficial ownership of (3) the Shares held by this entity which are in excess of this indirect pecuniary interest, and 1,933,104 Common Shares owned by GAMCO Investors, Inc. or its affiliates. Mr. Gabelli disclaims beneficial ownership of the Shares held by the discretionary accounts and by the entities named except to the extent of his interest in such entities.

(4) Comprised of 218,400 Preferred Shares owned by Mr. Gabelli, 45,000 Preferred Shares owned by E3M 2016 LLC, and 741 Preferred Shares in investment partnerships and trust accounts.

(5) Mr. Colavita became a Trustee of the Fund on May 16, 2018.

Set forth in the table below is the amount of interests beneficially owned by each Independent Trustee, nominee for election as an Independent Trustee or his or her immediate family member, as applicable, in a person, other than a registered investment company, that may be deemed to be controlled by the Fund's Adviser and/or affiliates (including Mario J. Gabelli) and in that event would be deemed to be under common control with the Fund's Adviser.

<u>Name of Independent Trustee/Nominee</u>	<u>Name of Owner and Relationships to Trustee/Nominee</u>	<u>Company</u>	<u>Title of Class</u>	<u>Value of Interests<sup>(1)</sup></u>	<u>Percent of Class<sup>(2)</sup></u>
Salvatore J. Zizza	Same	Gabelli Associates Fund	Membership Interests	\$2,407,180	1.18%
Salvatore J. Zizza	Same	Gabelli Performance Partnership L.P.	Limited Partner Interests	\$302,307	*

(1) This information has been furnished as of December 31, 2018.

(2) An asterisk indicates that the ownership amount constitutes less than 1% of the total interests outstanding.

The Fund pays each Independent Trustee an annual retainer of \$9,000 plus \$2,000 for each Board meeting attended. Each Trustee who is not employed by the Adviser is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$1,000 per meeting attended, the Audit Committee Chairman receives an annual fee of \$3,000, and the Nominating Committee Chairman and the Lead Independent Trustee each receive an annual fee of \$2,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings on behalf of multiple funds. The aggregate remuneration (excluding out of pocket expenses) paid by the Fund to such Trustees during the fiscal year ended December 31, 2018 amounted to \$153,773. During the fiscal year ended December 31, 2018, the Trustees of the Fund met four times, all of which were regular quarterly Board meetings. Each Trustee then serving in such capacity attended at least 75% of the Board meetings and of any committee of which he or she is a member.

### **The Audit Committee and Audit Committee Report**

The role of the Fund's Audit Committee is to assist the Board of Trustees in its oversight of (i) the quality and integrity of the Fund's financial statement reporting process and the independent audit and reviews thereof; (ii) the Fund's accounting and financial reporting policies and practices, its internal controls, and, as appropriate, the internal controls of certain of its service providers; (iii) the Fund's compliance with legal and regulatory requirements; and (iv) the independent registered public accounting firm's qualifications, independence, and performance. The Audit Committee also is required to prepare an audit committee report pursuant to the rules of the SEC for inclusion in the Fund's annual proxy statement. The Audit Committee operates pursuant to the Audit Committee Charter (the "Audit Charter") that was most recently reviewed and approved by the Board of Trustees on February 21, 2019. The Audit Charter is available in the Closed-End Funds – Corporate Governance Section on the Fund's website at [www.gabelli.com](http://www.gabelli.com).

Pursuant to the Audit Charter, the Audit Committee is responsible for conferring with the Fund's independent registered public accounting firm, reviewing annual financial statements, approving the selection of the Fund's independent registered public accounting firm, and overseeing the Fund's internal controls. The Audit Charter also contains provisions relating to the pre-approval by the Audit Committee of audit and non-audit services to be provided by Ernst & Young LLP ("Ernst & Young"), the Fund's independent registered public accounting firm for the fiscal year ended December 31, 2018, to the Fund and to the Adviser and certain of its affiliates. The Audit Committee advises the full Board with respect to accounting, auditing, and financial matters affecting the Fund. As set forth in the Audit Charter, management is responsible for maintaining appropriate systems for accounting and internal control, and the Fund's independent registered public accounting firm is responsible for planning and carrying out proper audits and reviews. The independent registered public accounting firm is ultimately accountable to the Board of Trustees and to the Audit Committee, as representatives of shareholders. The independent registered public accounting firm for the Fund reports directly to the Audit Committee.

In performing its oversight function, at a meeting held on February 19, 2019, the Audit Committee reviewed and discussed with management of the Fund and Ernst & Young the audited financial statements of the Fund as of and for the fiscal year ended December 31, 2018, and the conduct of the audit of such financial statements.

In addition, the Audit Committee discussed with Ernst & Young the accounting principles applied by the Fund and such other matters brought to the attention of the Audit Committee by Ernst & Young as required by Auditing Standard No. 16, as amended (AICPA AU-C Section 260), as adopted by the Public Company Accounting Oversight Board (United States) (“PCAOB”). The Audit Committee also received from Ernst & Young the written disclosures and statements required by the SEC’s independence rules, delineating relationships between Ernst & Young and the Fund, and discussed the impact that any such relationships might have on the objectivity and independence of Ernst & Young as the independent registered public accounting firm.

As set forth above, and as more fully set forth in the Audit Charter, the Audit Committee has significant duties and powers in its oversight role with respect to the Fund’s financial reporting procedures, internal control systems, and the independent audit process.

The members of the Audit Committee are not, and do not represent themselves to be, professionally engaged in the practice of auditing or accounting and are not employed by the Fund for accounting, financial management, or internal control purposes. Moreover, the Audit Committee relies on and makes no independent verification of the facts presented to it or representations made by management or the Fund's independent registered public accounting firm. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and/or financial reporting principles and policies, or internal controls and procedures, designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions referred to above do not provide assurance that the audit of the Fund's financial statements has been carried out in accordance with the standards of the PCAOB or that the financial statements are presented in accordance with generally accepted accounting principles (United States).

Based on its consideration of the audited financial statements and the discussions referred to above with management and Ernst & Young, and subject to the limitations on the responsibilities and role of the Audit Committee set forth in the Audit Charter and those discussed above, the Audit Committee recommended to the Fund's Board of Trustees that the Fund's audited financial statements be included in the Fund's Annual Report for the fiscal year ended December 31, 2018.

**Submitted by the Audit Committee of the Fund's Board of Trustees**

Michael J. Melarkey, Chairman  
Clarence A. Davis  
Salvatore J. Zizza

February 19, 2019

The Audit Committee met two times during the fiscal year ended December 31, 2018. The Audit Committee is composed of three of the Fund's Independent Trustees, namely Messrs. Melarkey (Chairman), Davis, and Zizza. Each member of the Audit Committee has been determined by the Board of Trustees to be financially literate. Mr. Melarkey has been designated as the Fund's audit committee financial expert, as defined in Items 407(d)(5)(ii) and (iii) of Regulation S-K (the "Audit Committee Financial Expert").

**Nominating Committee**

The Board of Trustees has a Nominating Committee composed of two of the Fund's Independent Trustees, Messrs. Colavita (Chairman) and Zizza. Each Nominating Committee member is an Independent Trustee as determined under guidelines of the NYSE. The Nominating Committee met twice during the fiscal year ended December 31, 2018. The Nominating Committee is responsible for identifying and recommending qualified candidates to the Board in the event that a position is vacated or created. In considering candidates submitted by shareholders, the Nominating Committee will take into consideration the needs of the Board, the qualifications of the candidate, and the interests of shareholders.

The Nominating Committee believes that the minimum qualifications for serving as a Trustee of the Fund are that the individual demonstrate, by significant accomplishment in his or her field, an ability to make a meaningful contribution to the Board of Trustees' oversight of the business and affairs of the Fund and have an impeccable record and reputation for honest and ethical conduct in both his or her professional and personal activities. In addition, the Nominating Committee examines a candidate's specific experiences and skills, time availability in light of other commitments, potential conflicts of interest, and independence from management and the Fund. The Fund has adopted specific Trustee qualification requirements that can be found in the Fund's governing documents and are applicable to all individuals who may be nominated, elected, appointed, qualified or seated to serve as Trustees. The qualification requirements include: (i) age limits (at least 21 years of age and such maximum age as the Trustees may in the future determine); (ii) prohibitions regarding any legal disability; (iii) limits on service on other boards; (iv) restrictions on relationships with investment advisers other than the Fund's adviser; and (v) character and fitness requirements. Additionally, each Independent Trustee must not be an "interested person" of the Fund as defined under Section 2(a)(19) of the 1940 Act and may not be or have certain relationships with a shareholder beneficially owning five percent or more of the Fund's outstanding shares or specified levels of interest



in registered investment companies. The Fund's By-Laws also provide that a majority of the Trustees then in office may determine by resolution that a failure to satisfy a particular qualification requirement will not present undue conflicts or impede the ability of the candidate to discharge the duties of a Trustee or the free flow of information among Trustees or between the Fund's adviser and the Board. Reference is made to the Fund's governing documents for more details.

The Nominating Committee also considers the overall composition of the Board, bearing in mind the benefits that may be derived from having members who have a variety of experiences, qualifications, attributes or skills useful in overseeing a publicly traded, highly regulated entity such as the Fund. The Trustees have not determined a maximum age. The Nominating Committee does not have a formal policy regarding the consideration of diversity in identifying trustee candidates. For a discussion of experiences, qualifications, attributes, or skills supporting the appropriateness of each Trustee's service on the Fund's Board, see the biographical information of the Trustees above in the section entitled "Information about Trustees and Officers."

The Fund's Nominating Committee adopted a charter on November 8, 2006. The charter is available in the Closed-End Funds – Corporate Governance Section on the Fund's website at [www.gabelli.com](http://www.gabelli.com).

### **Other Board Related Matters**

The Board of Trustees has established the following procedures in order to facilitate communications among the Board and the shareholders of the Fund and other interested parties.

#### Receipt of Communications

Shareholders and other interested parties may contact the Board or any member of the Board by mail or electronically. To communicate with the Board or any member of the Board, correspondence should be addressed to the Board or the Board member(s) with whom you wish to communicate either by name or title. All such correspondence should be to The GDL Fund, c/o Gabelli Funds, LLC, One Corporate Center, Rye, NY 10580-1422. To communicate with the Board electronically, shareholders may go to the corporate website at [www.gabelli.com](http://www.gabelli.com) under the heading "Contact Us/Email Addresses/Board of Directors (Gabelli Closed-End Funds)."

#### Forwarding the Communications

All communications received will be opened by the office of the General Counsel of the Adviser for the sole purpose of determining whether the contents represent a message to one or more Trustees. The office of the General Counsel will forward promptly to the addressee(s) any contents that relate to the Fund and that are not in the nature of advertising, promotions of a product or service, or patently offensive or otherwise objectionable material. In the case of communications to the Board of Trustees or any committee or group of members of the Board, the General Counsel's office will make sufficient copies of the contents to send to each Trustee who is a member of the group or committee to which the envelope or e-mail is addressed.

The Fund does not expect Trustees or nominees for election as Trustee to attend the Meeting. No Trustee or nominee for election as Trustee attended the Fund's annual meeting of shareholders held on May 15, 2018.

The following table sets forth certain information regarding the compensation of the Trustees by the Fund and officers, if any, who were compensated by the Fund rather than the Adviser, for the year ended December 31, 2018.

## COMPENSATION TABLE

### FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Name of Person and Position</u>	<u>Aggregate Compensation from the Fund</u>	<u>Aggregate Compensation from the Fund and Fund Complex</u>	<u>Paid to Trustees<sup>(1)</sup></u>
<b><u>INTERESTED TRUSTEES:</u></b>			
Mario J. Gabelli Trustee and Chief Investment Officer	\$ 0	\$ 0	(0)
Edward T. Tokar Trustee	\$ 17,000	\$ 43,000	(2)
<b><u>INDEPENDENT TRUSTEES/NOMINEES:</u></b>			
<b>Anthony J. Colavita<sup>(2)</sup></b> Trustee	\$ 6,863	\$ 271,124	(30)
<b>Anthony S. Colavita<sup>(3)</sup></b> Trustee	\$ 12,910	\$ 117,352	(23)
James P. Conn Trustee	\$ 20,500	\$ 273,500	(26)
Clarence A. Davis Trustee	\$ 19,000	\$ 32,000	(3)
Arthur V. Ferrara Trustee (deceased)	\$ 17,000	\$ 71,000	(9)
Leslie F. Foley Trustee	\$ 17,000	\$ 44,879	(10)
Michael J. Melarkey Trustee	\$ 22,000	\$ 189,567	(25)
Salvatore J. Zizza Trustee	\$ 21,500	\$ 325,000	(32)
<b>OFFICER:</b>			
<b>Peter M. Baldino<sup>(4)</sup></b> Assistant Vice President and Ombudsman	\$ 95,000		

(1)

Represents the total compensation paid to such persons during the year ended December 31, 2018, by investment companies (including the Fund) or portfolios that are part of the Fund Complex. The number in parentheses represents the number of such investment companies and portfolios.

(2) Mr. Anthony J. Colavita resigned as a Trustee of the Fund on May 16, 2018.

(3) Mr. Anthony S. Colavita became a Trustee of the Fund on May 16, 2018.

(4) Mr. Baldino resigned as Assistant Vice President and Ombudsman of the Fund on December 31, 2018.

### **Required Vote for Proposal 1**

The election of each of the listed nominees for Trustee of the Fund requires the affirmative vote of the holders of a plurality of the applicable class or classes of the Fund present in person or represented by proxy at the Meeting, provided a quorum is present. A “plurality” vote means that the nominees who receive the largest number of votes cast (even if they receive less than a majority) will be elected as trustees. Since the nominees are running unopposed, each nominee only needs one vote to be elected if there is a quorum present at the Meeting.

**THE BOARD OF TRUSTEES, INCLUDING THE INDEPENDENT TRUSTEES, UNANIMOUSLY RECOMMENDS THAT THE COMMON AND PREFERRED SHAREHOLDERS VOTE “FOR” THE ELECTION OF EACH APPLICABLE NOMINEE.**

## PROPOSAL 2: A SHAREHOLDER PROPOSAL

A shareholder (the “Shareholder Proponent”) has informed the Fund that it intends to submit a proposal (the “Shareholder Proposal”) at the Meeting and has requested that the Fund include the proposal in this year’s proxy material. **The Board of Trustees unanimously recommends that you vote AGAINST the Shareholder Proposal.** The Shareholder Proposal and the supporting statement for it (the Supporting Statement) are set forth below together with the Board’s explanation for opposing the Shareholder’s Proposal.

**RESOLVED:** All investment advisory and management agreements between The GDL Fund and Gabelli Funds, LLC shall be terminated by the Fund, pursuant to the right of stockholders as embodied in Section 15(a)(3) of the Investment Company Act of 1940 and as required to be included in such agreements, at the earliest date the Fund is legally permitted to do so; provided, however, that if the Board proposes, and shareholders approve, at this meeting, a plan to liquidate or open-end the Fund within one year, then the investment advisory and management agreements between The GDL Fund and Gabelli Funds, LLC shall remain in effect as long as necessary to implement these actions.

## SUPPORTING STATEMENT

The GDL Fund has traded at an extremely large discount to its NAV for years (over 13% on average since inception), effectively holding shareholders captive, since they can only exit their investment for substantially less than its value. Meanwhile, owners and/or affiliates of the Fund’s Adviser:

- Collect expenses the Board notes (with no apparent irony) are “above average”. The investment advisory fees alone totaled \$51.4 mln from 12/31/07-12/31/17, equaling 1.9% (!) of the Fund’s average net assets over the period. Collected fees for being “dealer manager” of the 2008 rights offering that led to the Fund adding a total of \$51.7 mln in interest expense on its preferred shares from 12/31/07-12/31/17 (interest expense the Fund’s underlying return has not come close to hurdling).
- Collected \$3.3 mln in commissions from the Fund from 12/31/07-12/31/17. Picked up \$450,000 from 12/31/07-12/31/17 for their doubtlessly invaluable assistance in calculating the Fund’s ever-declining NAV. (The Fund, in fact, has seen its net asset value per share decline in EVERY SINGLE calendar year since its inception.)
- Have produced consistently poor performance, with GDL shareholders suffering a 1.53% since-inception annualized total return (with dividends reinvested) as of 11/26/18, well behind, say, ticker SHY, a 1-3 year Treasury Bond ETF, at 1.75%.
- Can cement their own position by voting their shares in favor of the continuation of these excessive fees for poor performance.

## Edgar Filing: GDL FUND - Form DEF 14A

In our view, by allowing such a large discount to persist, by giving current management a “pass” despite awful performance, and by setting such a low bar for the collection of incentive fees, the Board has ignored its fiduciary duty. In a recent press release, it even mentions a possible “common share rights offering”! Instead of being diluted or coerced into ponying up more capital, shareholders deserve the opportunity to receive full value for their shares today.

In addition to voting for our proposal, then, we hope that all GDL shareholders will join us in asking management for, and voting in favor of, a proposal to liquidate or open-end the Fund.

Who are we? We are an open-end mutual fund (Matisse Discounted Closed-End Fund Strategy, MDCEX) which has owned shares of GDL continuously for the past year. Feel free to contact us about this matter; we are happy to discuss. Contact Eric Boughton, CFA, at (503) 210-3005.

Neither the Fund nor its Board is responsible for the contents of the Shareholder Proposal or the Supporting Statement of the Shareholder Proponent.

**STATEMENT IN FAVOR OF THE EXISTING MANAGER OF THE GDL FUND, INC.**

Your Fund's Board unanimously opposes this Shareholder Proposal by an Activist seeking to terminate the Fund's Investment Adviser, which has routinely and by a large margin outperformed the Fund's benchmark since the Fund's inception 12 years ago.

Termination of the Investment Adviser would leave the Fund without an adviser and unable, for an indeterminate period of time, to pursue the Fund's investment objective. Your Board cannot imagine a worse outcome for shareholders.

This proposal claims the Investment Adviser should be fired because its performance has been poor, because shareholders are "captive" and cannot sell their shares at fair value and because the Investment Adviser has received high fees from the Fund. These claims are simply not accurate. Let's look at the facts:

**OUTPERFORMANCE.** Since inception 12 years ago, before the Great Recession of 2008, the Fund has outperformed its benchmark by over 2% per year on a NAV basis with only two modestly down years. During that period the Fund has paid over \$253 million in returns and capital to shareholders.

**MARKET LIQUIDITY.** The Fund's shares trade freely on the NYSE with an average volume of over 20,000 shares per day. While the Fund's shares trade at a discount to their net asset value, this phenomenon enables market investors to earn an enhanced return on their investment. Because shareholders buy and sell at a discount, there is no sense in which they are held "captive" and unable to realize value.

**FAIR FEES.** The Fund pays the Investment Adviser a minimum fee of 0.50% of total average net assets per year. This fee level increases only to the extent the Investment Adviser outperforms the Fund's benchmark. The Investment Adviser has done that most of the time, and as a result, has received incremental performance fees. The brokerage commissions paid by the Fund to an affiliate of the Investment Adviser have averaged less than \$0.03 per share and trade execution by this affiliate for the funds managed by the Investment Adviser, including the Fund, has been consistently rated considerably better than average by an independent firm used by the Board to assess the quality of trade execution.

The ultimate goal of this Activist is not even to terminate the Investment Adviser but to liquidate or open-end the Fund. Your Board believes this is inconsistent with the purpose for which the Fund was created: to provide investors with a merger arbitrage fund in a closed-end structure seeking to provide positive returns not correlated with the general equity market by materially outperforming an index of 3-month Treasury bills. Your Board believes the Activist is more interested in making a quick profit for itself than in participating in the long-term performance of the Fund. Despite recently proposing a similar proposal for another closed-end, this Activist failed to attend the fund's annual shareholder meeting. The proposal wasted the fund's, the adviser's, and its shareholders' time and money.

Your Board believes it is in your best interest for the Fund to retain its current structure as a closed-end fund, the benefits of which include a stable pool of assets, which allows the Investment Adviser to pursue the investment strategy without having to manage purchase and redemption requests. This is particularly advantageous in a merger arbitrage strategy to avoid the problem of having to sell positions prior to closing of the merger in order to satisfy redemptions.



(Y)our Fund

The Board believes the Shareholder Proposal that shareholders are asked to vote on is self-serving. The Board believes it hurts long-term investors, particularly small individual investors. It is consistent with similar attempts by other entities, perhaps even coordinating among themselves on an undisclosed basis, that are set up to market their funds by forcing closed-end funds to tender for their shares; thereby using such initiatives to raise more assets, regardless of the impact on the long-term holders of the targeted fund.

The Board believes these actions are disruptive, time consuming, and designed to self-serve capital raising groups similar to the Activist. Such efforts impact the investments of long-term investors.

(Y)our Fund should remain focused on executing its investment strategy for the benefit of all shareholders, including small investors. The Fund provides access to an investment strategy with a long record of generating absolute returns uncorrelated to the broader equity markets. The GDL Fund is the only closed-end fund devoted to absolute returns in a merger arbitrage strategy.

*“Arbitrage sometimes promises much greater returns than Treasury Bills and, equally important, cools any temptation we may have to relax our standards for long-term investments.”*

*Warren E. Buffett – 1988 Letter to Shareholders*

Below the Fund will address each statement made in the Shareholder Proposal and clarify various points for your consideration and vote.

*Statement: “Have produced consistently poor performance, with GDL shareholders suffering a 1.53% since-inception annualized total return (with dividends reinvested) as of 11/26/18, well behind, say, ticker SHY, a 1-3 year Treasury Bond ETF, at 1.75%.”*

**RESPONSE:**

First and foremost, The GDL Fund’s benchmark since inception has been the ICE Bank of America Merrill Lynch 3-Month U.S. Treasury Bill Index, not SHY, which is an exchange traded fund tracking the ICE U.S. Treasury 1-3 Year Bond Index.

The ICE Bank of America Merrill Lynch 3-Month U.S. Treasury Bill Index has returned 0.85% per year since inception of the Fund, significantly less than the 1.75% figure incorrectly cited for use of comparison by the Activist.

•In addition, the 1.53% return that is referenced by the Activist is a market price return, not a NAV return.

•The deals The GDL Fund invests in typically close within a span of a few months, rather than a few years. As such, the 3-Month U.S. Treasury Bill Index is more relevant and appropriate to the merger arbitrage strategy.

*“Arbitrage is an alternative to Treasury Bills as a short-term parking place for money - a choice that combines potentially higher returns with higher risks. To date, our returns from the funds committed to arbitrage have been many times higher than they would have been had we left those funds in Treasury Bills. Nonetheless, one bad experience could change the scorecard markedly.”*

*Warren E. Buffett – 1986 Letter to Shareholders*

Statement: "Collected \$3.3 mln in commissions from the Fund from 12/31/07-12/31/17"

**RESPONSE:**

Due to the nature of merger arbitrage and the fact that mergers typically close within a 3 to 6 month time frame, annual portfolio turnover is typically greater than 200%, as the proceeds from one deal closing are used to fund the purchase of new deals. The high turnover rate for the Fund is inherent in the "deal process," disclosed in the Fund's annual reports to shareholders, and fully expected by informed market participants.

As shown in the chart below for the three most recent years available, The GDL Fund's total commissions as a percentage of total net assets attributable to common shares have been notably below that of merger arbitrage competitors.

•Commissions are directed in accordance with our best execution policy (as discussed in the Fund's prospectus).

	2017			2016			2015		
	<u>GDL</u>	<u>MERFX</u>	<u>ARBFX</u>	<u>GDL</u>	<u>MERFX</u>	<u>ARBFX</u>	<u>GDL</u>	<u>MERFX</u>	<u>ARBFX</u>
Commissions (m)	\$0.3	\$4.8	\$4.8	\$0.4	\$9.5	\$3.9	\$0.3	\$17.4	\$4.2
Net Assets* (m)	335	2,315	1,869	348	2,918	1,868	364	4,756	2,066
Turnover	233%	166%	362%	284%	182%	363%	268%	157%	321%
<b>Commissions as % of Total Net Assets</b>	<b>0.09%</b>	<b>0.21%</b>	<b>0.26%</b>	<b>0.12%</b>	<b>0.32%</b>	<b>0.21%</b>	<b>0.09%</b>	<b>0.37%</b>	<b>0.20%</b>
<b>Commissions as % Common Assets</b>	<b>0.12%</b>	<b>0.21%</b>	<b>0.26%</b>	<b>0.16%</b>	<b>0.32%</b>	<b>0.21%</b>	<b>0.12%</b>	<b>0.37%</b>	<b>0.20%</b>

MERFX = The Merger Fund ARBFX = The Arbitrage Fund

2018 data for MERFX and ARBFX not available at the time of this writing.

\* GDL's net assets attributable to common & preferred shares.

Assumption is MERFX and ARBFX have no leverage.

*STATEMENT: "The GDL Fund has traded at an extremely large discount to its NAV for years (over 13% on average since inception), effectively holding shareholders captive, since they can only exit their investment for substantially less than its value."*

**RESPONSE:**

**Comparative Results<sup>(a)</sup>**  
**Cumulative Performance**

Period	ICE Bank of America		
	The GDL Fund (NAV) <sup>(b)</sup>	The GDL Fund (Market Price) <sup>(c)</sup>	Merrill Lynch 3 Month U.S. Treasury Bill Index
1 Year	(1.8)%	(1.6)%	1.9%
3 Year	5.8%	7.9%	3.1%
5 Year	11.0%	12.3%	3.2%
10 Year	36.3%	55.2%	3.8%
Since Inception*	35.1%	21.5%	10.8%
<b>Annual Average Return*</b>	<b>2.6%</b>	<b>1.6%</b>	<b>0.9%</b>

\* January 31, 2007

**Annual Performance**

Year	ICE Bank of America		
	The GDL Fund (NAV) <sup>(b)</sup>	The GDL Fund (Market Price) <sup>(c)</sup>	Merrill Lynch 3 Month U.S. Treasury Bill Index
2018	(1.8)%	(1.6)%	1.9%
2017	2.5%	4.7%	0.9%
2016	5.1%	4.8%	0.3%
2015	4.0%	4.1%	0.1%
2014	0.9%	(0.1)%	0.0%
2013	6.3%	7.8%	0.1%
2012	4.5%	7.7%	0.1%
2011	1.3%	(2.5)%	0.1%
2010	3.1%	1.7%	0.1%
2009	5.7%	20.0%	0.2%
2008	(4.1)%	(8.4)%	2.1%
2007*	3.4%	(14.6)%	4.6%

*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 do not 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](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 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 (a) 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. Merger Arbitrage involves primarily announced transactions, typically with limited or no exposure to situations which pre-, post-date or situations in which no formal announcement is expected to occur. Opportunities are frequently presented in cross border, collared and international transactions which incorporate multiple geographic regulatory institutions, with typically involve minimal exposure to corporate credits. Merger Arbitrage strategies typically have over 75% of positions in announced transactions over a given market cycle.

Total returns and average annual returns reflect changes in the NAV per share and reinvestment of distributions at (b) NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of \$19.06. The cumulative return is the aggregate total return of the investment for the period of time presented.

Total returns and average annual returns reflect changes in closing market values on the NYSE and reinvestment (c) of distributions. Since inception return is based on an initial offering price of \$20.00. The cumulative return is the aggregate total return of the investment for the period of time presented.

The Fund has successfully delivered a positive absolute NAV return and consistently outperformed its benchmark, performing well during various market cycles, including the Great Recession of 2008.

The presence of the discount in the Fund’s market price was well known to our investors and was understood when they invested or reinvested distributions in the Fund. While trading at or about NAV (as some of the closed-end funds managed by our Investment Adviser do) would be beneficial for any original investors who may still hold shares in the Fund, there are significant, well recognized advantages of buying a closed-end fund trading at a discount. The discount enables shareholders to invest in the underlying assets of a fund at a below-market price for those assets and earn return at a higher rate than if the investment were made at NAV or a premium. This advantage extends to dividend reinvestments, which are made at prevailing market prices.

The GDL Fund’s shares trade freely on the NYSE and the notion that shareholders are “captive” is misleading and factually incorrect. Closed-end funds may trade at a discount in the market and the risks inherent with this dynamic are well disclosed to the broader public. Any shareholder of GDL who purchased shares in the market over time has done so at a price/discount dictated market forces at that time.

	<b>ICE 3</b>	
	<b>Month T-</b>	
<b>Growth of \$100,000</b>	<b>GDL (Price)</b>	<b>Bill Index</b>
YTD 2019*	\$ 125,419	\$ 111,087
2018	121,447	110,722
2017	123,447	108,689
2016	117,906	107,762
2015	112,516	107,408
2014	108,064	107,354
2013	108,140	107,322
2012	100,324	107,247
2011	93,178	107,151
2010	95,576	107,097
2009	93,960	106,969
2008	78,281	106,745
2007	85,450	104,590

\* Through 2/21/19

In fact, cognizant of this dynamic and steadfast in its goal of creating value for all shareholders, The GDL Fund consistently buys back its shares under Rule 10b-18 of the Securities Exchange Act of 1934, as amended, as well, providing even further liquidity to the market as well as augmenting the Fund's Net Asset Value (NAV).

### The GDL Fund – Common Shares – Repurchase Plan

Year	Total Shares Repurchased	Total Investment	Average Investment per Share	Average NAV
<b>YTD 2019*</b>	274,875	\$2,572,578	\$9.36	\$11.19
<b>2018</b>	912,392	8,379,546	9.18	11.21
<b>2017</b>	640,334	6,394,437	9.99	11.75
<b>2016</b>	1,273,240	12,561,413	9.87	11.86
<b>2015</b>	721,143	7,321,258	10.15	12.11
<b>2014</b>	793,044	8,757,103	11.04	12.62
<b>2013</b>	10,000	120,151	12.02	13.45
<b>2012</b>	32,510	404,488	12.44	14.18
<b>2011</b>	89,021	1,133,250	12.73	14.55
<b>2010</b>	10,100	134,536	13.32	15.03
<b>2009</b>	33,700	485,000	14.39	16.06
<b>2008</b>	89,100	1,301,541	14.61	17.30
<b>2007</b>	10,500	173,799	16.55	19.17
<b>Total Shares Repurchased</b>	<b>4,889,959</b>	<b>\$49,739,099</b>	<b>\$10.17</b>	<b>\$12.07</b>

\* Through 3/12/19





*Statement: “Meanwhile, owners and/or affiliates of the Fund’s Adviser collect expenses the Board notes (with no apparent irony) are “above average”. The investment advisory fees alone totaled \$51.4 mln from 12/31/07-12/31/17, equaling 1.9% (!) of the Fund’s average net assets over the period.”*

**RESPONSE:**

As set out in the original prospectus, The GDL Fund has a fee structure consisting of a 0.50% minimum base management fee. In addition, the Investment Adviser may receive an incremental annual performance fee based on the total return of the Fund during that calendar year compared to the 3-Month U.S. Treasury Bill Index. In 2018, the Fund did not outperform its benchmark, and therefore collected only the minimum fee. In comparison, according to the Activist’s latest annual filing, the Activist’s management fee of 0.99% is higher than its peer group average. In addition, last year the Activist’s fund suffered a negative return of 9%.

- The GDL Fund has only paid advisory fees in accordance with the terms of its advisory agreement.

According to the Activist’s latest annual filing for its Matisse Discounted Closed End Fund Strategy, “The Trustees then compared the advisory fee and expense ratio of the Fund to other comparable funds. The Trustees noted that the management fee and expense ratio were both higher than the peer group average.”

**Incentive Fee Structure<sup>(a)</sup>**

The maximum management fee of 2.00% is earned if the Fund's performance exceeds the T-Bill Index by 6.0 percentage points or more

(a) ICE Bank of America Merrill Lynch 3-Month U.S. Treasury Bill Index (the "T-Bill Index")

*Statement: “Picked up \$450,000 from 12/31/07-12/31/17 for their doubtlessly invaluable assistance in calculating the Fund’s ever-declining NAV. (The Fund, in fact, has seen its net asset value per share decline in EVERY SINGLE calendar year since its inception.)”*

**RESPONSE:**

Calculating NAV is a necessary part of every registered fund’s cost structure, including the Activist’s fund. In the case of the GDL Fund, this expense is paid by the Fund to its Investment Adviser and the Adviser then pays it over to the Fund’s subadministrator, which performs the calculation. As a result, the Investment Adviser has not “picked up” \$450,000 for this activity.

*Statement: “Collected fees for being ‘dealer manager’ of the 2008 rights offering that led to the Fund adding a total of \$51.7 mln in interest expense on its preferred shares from 12/31/07-12/31/17 (interest expense the Fund’s underlying return has not come close to hurdling).”*

**RESPONSE:**

The preferred shares were sold to the holders of the Fund’s common shares in a rights offering. Holders of proportionate interests in both common and preferred shares are indifferent to which class of shares their return is attributable to.

Despite the use of the term “interest expense,” it is important to highlight that the distributions to GDL’s preferred shares heavily represent dividends. These dividends are generally taxed at a more advantageous rate than interest income.

The GDL Fund has paid for the services of a dealer manager, and it is important to note that some of these fees were used to reimburse the brokers who assisted in the rights offering.

*Statement: “Can cement their own position by voting their shares in favor of the continuation of these excessive fees for poor performance.”*

**RESPONSE:**

• All Gabelli Funds portfolio managers follow the Wall Street adage “Eat Your Own Cooking”. Morningstar considers it best practice for fund managers to have more than \$1 million invested in their funds.

The Fund’s investment management team believes in the Fund, owning over \$42 million (28%) of the Fund’s common shares. The team pays the same fees as all shareholders. Stated another way, (y)our team has “skin in the game”.

The Board has carefully considered and evaluated the Shareholder Proposal and concluded that the Fund, as currently advised, remains a viable investment option and presents a favorable investment opportunity for shareholders. The Board believes that replacing the Investment Manager, liquidation of the Fund or conversion to an open-end fund is not in the best interest of the Fund and its shareholders.

**For the reasons discussed above, the Board unanimously recommends that the shareholders vote AGAINST the Shareholder Proposal.**

### **Required Vote for Proposal 2**

Approval of Proposal 2 requires the affirmative vote of a “majority of the outstanding voting securities,” defined in the 1940 Act to mean the lesser of the vote of (i) 67% or more of the voting shares present at the Meeting, if the holders of more than 50% of the outstanding voting shares are present or represented by proxy; or (ii) the holders of more than 50% of the outstanding voting shares of the Fund. Abstentions and broker non-votes are counted as present but are not considered votes cast. As a result, they have the same effect as a vote against Proposal 2. WE DO NOT EXPECT THAT BROKERS WILL BE ENTITLED TO VOTE ON PROPOSAL 2 UNLESS THEY RECEIVE INSTRUCTIONS FROM UNDERLYING BENEFICIAL OWNERS.

**ADDITIONAL INFORMATION****Independent Registered Public Accounting Firm**

Ernst & Young LLP, One Commerce Square, 2005 Market Street, Philadelphia, PA 19103, has been selected to serve as the Fund's independent registered public accounting firm for the fiscal year ending December 31, 2019. Ernst & Young acted as the Fund's independent registered public accounting firm for the fiscal year ended December 31, 2018. The Fund knows of no direct financial or material indirect financial interest of Ernst & Young in the Fund. A representative of Ernst & Young will not be present at the Meeting, but will be available by telephone and will have an opportunity to make a statement, if asked, and will be available to respond to appropriate questions.

Set forth in the table below are audit fees and non-audit related fees billed to the Fund by Ernst & Young for professional services received during and for the fiscal years ended December 31, 2017 and 2018, respectively.

<b>Fiscal Year Ended</b> <b>December 31</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees*</b>	<b>All Other Fees</b>
2017	\$24,100	\$7,000	\$3,700	\$1,072
2018	\$24,800	—	\$3,800	\$1,148

\* "Tax Fees" are those fees billed by Ernst & Young in connection with tax compliance services, including primarily the review of the Fund's income tax returns.

The Fund's Audit Charter requires that the Audit Committee pre-approve all audit and non-audit services to be provided by the independent registered public accounting firm to the Fund, and all non-audit services to be provided by the independent registered public accounting firm to the Fund's Adviser and service providers controlling, controlled by, or under common control with the Fund's Adviser ("affiliates") that provide ongoing services to the Fund (a "Covered Services Provider"), if the engagement relates directly to the operations and financial reporting of the Fund. The Audit Committee may delegate its responsibility to pre-approve any such audit and permissible non-audit services to the Chairman of the Audit Committee, and the Chairman must report his decision(s) to the Audit Committee at its next regularly scheduled meeting after the Chairman's pre-approval of such services. The Audit Committee may also establish detailed pre-approval policies and procedures for pre-approval of such services in accordance with applicable laws, including the delegation of some or all of the Audit Committee's pre-approval responsibilities to other persons (other than the Adviser or the Fund's officers). Pre-approval by the Audit Committee of any permissible non audit services is not required so long as: (i) the aggregate amount of all such permissible non-audit services provided to the

Fund, the Adviser, and any Covered Services Provider constitutes not more than 5% of the total amount of revenues paid by the Fund to its independent registered public accounting firm during the year in which the permissible non-audit services are provided; (ii) the permissible non-audit services were not recognized by the Fund at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Audit Committee and approved by the Audit Committee or the Chairman prior to the completion of the audit. All of the audit and tax services described above for which Ernst & Young billed the Fund fees for the fiscal years ended December 31, 2017 and December 31, 2018 were pre-approved by the Audit Committee. For the fiscal year ended December 31, 2017 and December 31, 2018, the audit related fees reflected in the table above relate to review of the registration statement and all other fees relate to Passive Investment Company identification database subscription fees billed on an annual basis.

For the fiscal years ended December 31, 2017 and 2018, Ernst & Young has represented to the Fund that it did not provide any non-audit services (or bill any fees for such services) to the Adviser or any Covered Services Provider.

The Audit Committee was not required to consider whether the provision of non-audit services that were rendered to the Adviser or Covered Service Providers that were not pre-approved was compatible with maintaining Ernst & Young's independence.

#### **The Investment Adviser and Administrator**

Gabelli Funds, LLC is the Fund's Adviser and Administrator and its business address is One Corporate Center, Rye, New York 10580-1422.



## **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the 1934 Act and Section 30(h) of the 1940 Act, and the rules thereunder, require the Fund's executive officers and Trustees, executive officers and directors of the Adviser, certain other affiliated persons of the Adviser, and persons who own more than 10% of a registered class of the Fund's securities to file reports of ownership and changes in ownership with the SEC and the NYSE and to furnish the Fund with copies of all Section 16(a) forms they file. Based solely on the Fund's review of the copies of such forms it received, if any, for the fiscal year ended December 31, 2018, the Fund believes that during that year such persons complied with all such applicable filing requirements.

## **Broker Non-Votes and Abstentions**

For purposes of determining the presence of a quorum for transacting business at the Meeting, abstentions (or "withheld votes" with respect to the election of Trustees) and broker "non-votes" (that is, proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons entitled to vote shares on a particular matter with respect to which the brokers or nominees do not have discretionary power) will be treated as shares that are present but that have not been voted. Accordingly, shareholders are urged to forward their voting instructions promptly.

Because the Fund requires a plurality of votes to elect each nominee for Trustee, abstentions and broker non-votes, if any, will not be counted as votes cast, but will have no effect on the result of the vote on Proposal 1. In contrast, because the Shareholder Proposal requires the affirmative vote of a majority of the outstanding voting shares or of a specified percentage of the outstanding voting shares entitled to vote on Proposal 2, abstentions and broker non-votes, if any, will have the effect of a vote "against" Proposal 2. Abstentions and any broker non-votes, however, will be considered to be present at the Meeting for purposes of determining the existence of a quorum.

Brokers holding shares of the Fund in "street name" for the benefit of their customers and clients will request the instructions of such customers and clients on how to vote their shares on Proposal 1 and Proposal 2 before the Meeting. Under the rules of the NYSE, such brokers may, for certain "routine" matters, grant discretionary authority to the proxies designated by the Board to vote if no instructions have been received from their customers and clients prior to the date specified in the brokers' request for voting instructions. Proposal 1 is a "routine" matter and accordingly beneficial owners who do not provide proxy instructions or who do not return a proxy card may have their shares voted by broker-dealer firms in favor of Proposal 1. Because Proposal 2 is considered non-routine, we do not expect that brokers will be able to vote on Proposal 2 if they have not received instructions from the underlying beneficial owners of the shares, and the shares will be considered broker non-votes in that event. A properly executed proxy card or other authorization by a beneficial owner of shares that does not specify how the beneficial owner's shares should be voted on Proposal 1 or Proposal 2 may be deemed an instruction to vote such shares in favor of Proposal 1 and against

Proposal 2.

Shareholders of the Fund will be informed of the voting results of the Meeting in the Fund's Semiannual Report for the six months ended June 30, 2019.

**“Householding”**

Please note that only one document (i.e., an annual or semiannual report or one set of proxy soliciting materials) may be delivered to two or more shareholders of the Fund who share an address, unless the Fund has received instructions to the contrary. To request a separate copy of a document, or for instructions regarding how to request a separate copy of these documents or regarding how to request a single copy if multiple copies of these documents are received, shareholders should contact the Fund at the address and phone number set forth above.

**OTHER MATTERS TO COME BEFORE THE MEETING**

The Trustees of the Fund do not intend to present any other business at the Meeting nor are they aware that any shareholder intends to do so. If, however, any other matters, including adjournments, are properly brought before the Meeting, the persons named in the accompanying proxy will vote thereon in accordance with their judgment.

## SHAREHOLDER NOMINATIONS AND PROPOSALS

All proposals by shareholders of the Fund that are intended to be presented pursuant to Rule 14a-8 under the 1934 Act (“Rule 14a-8”) at the Fund’s next Annual Meeting of Shareholders to be held in 2020 (the “2020 Annual Meeting”) must be received by the Fund for consideration for inclusion in the Fund’s 2020 proxy statement and 2020 proxy relating to that meeting no later than December 14, 2019. Rule 14a-8 specifies a number of procedural and eligibility requirements to be satisfied by a shareholder submitting a proposal for inclusion in the Fund’s proxy materials pursuant to Rule 14a-8. Any shareholder contemplating submissions of such a proposal is referred to Rule 14a-8.

The Fund’s By-Laws require shareholders that wish to nominate Trustees or make proposals to be voted on at an Annual Meeting of the Fund’s Shareholders (and which are not proposed to be included in the Fund’s proxy materials pursuant to Rule 14a-8) to provide timely notice of the nomination or proposal in writing. To be considered timely for the 2020 Annual Meeting, the shareholder notice (and information summarized below and summarized fully in the Fund’s By-Laws) must be sent to the Fund’s Secretary, c/o Gabelli Funds, LLC, One Corporate Center, Rye, NY 10580-1422, and must be received by the Secretary no earlier than December 15, 2019 and no later than January 14, 2020; provided, however, that if the 2020 Annual Meeting is to be held on a date that is earlier than April 18, 2020 or later than June 7, 2020, such notice must be so received not later than the close of business on the 10th day following the date on which notice of the date of the annual meeting was mailed or public disclosure of the date of such annual meeting was made, whichever occurred first. In no event shall the adjournment or postponement of an annual meeting, or the public announcement of such an adjournment or postponement, commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above.

In order for a shareholder of record to propose a nominee for Trustee, such shareholder must furnish written notice setting forth specified information about the nominee and associates of the nominee, the shareholder(s) of record (and if different, each beneficial owner on whose behalf the nomination is being made) and associates of the shareholder(s), as well as an executed certificate by the nominee relating to the nominee’s disclosure of any agreement, arrangement or understanding with any person or entity other than the Fund in connection with service as a Trustee of the Fund, the nominee’s consent to serve as a Trustee if elected and the nominee’s satisfaction of the Trustee qualifications set forth in the Fund’s governing documents. If requested by the Nominating Committee, the proposing shareholder will need to also submit a completed and signed trustee’s questionnaire, including a supplement, relating to the nominee’s satisfaction of the qualifications requirements set forth in the governing documents.

The foregoing description of the procedures for a shareholder of the Fund properly to make a nomination for election to the Board or to propose other business for the Fund is only a summary and is not complete. Copies of the Fund’s governing documents, including the provisions that concern the requirements for shareholder nominations and proposals, are available on the EDGAR Database on the SEC’s website at [www.sec.gov](http://www.sec.gov). The Fund will also furnish, without charge, a copy of its governing documents to a shareholder upon request, which may be requested by writing to the Fund’s Secretary, c/o Gabelli Funds, LLC, One Corporate Center, Rye, NY 10580-1422. Any shareholder of the Fund considering making a nomination or other proposal should carefully review and comply with those provisions of

the Fund's governing documents.

**IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY.**

**SHAREHOLDERS MAY PROVIDE THEIR VOTE BY TELEPHONE OR THE INTERNET BY FOLLOWING THE INSTRUCTIONS ACCOMPANYING THE PROXY CARD, VOTING INSTRUCTION FORM OR SET FORTH IN THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS.**

April 12, 2019

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GDL-PS-2019

**PROXY TABULATOR**  
**P.O. BOX 9112**

**To vote by Internet**

- FARMINGDALE, NY 11735**
- 1) Read the Proxy Statement and have the proxy card below at hand.
  - 2) Go to website **www.proxyvote.com**
  - 3) Follow the instructions provided on the website.

**To vote by Telephone**

- 1) Read the Proxy Statement and have the proxy card below at hand.
- 2) Call **1-800-690-6903**
- 3) Follow the instructions.

**To vote by Mail**

- 1) Read the Proxy Statement.
- 2) Check the appropriate box on the proxy card below.
- 3) Sign and date the proxy card.
- 4) Return the proxy card in the envelope provided.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E76644-P20567

KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY

**Election of Trustees**  
**The Board of**  
**Trustees**  
**recommends a**  
**vote FOR each of**  
**the nominees listed.**

**For All**  
**Withhold For All**  
**All Except**

To withhold authority  
to vote for any  
individual nominee(s),  
mark For All Except  
and write  
the name(s) of the





Signature  
[PLEASE SIGN  
WITHIN BOX]      Date      Signature [Joint Owners]      Date

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement is available at [www.proxyvote.com](http://www.proxyvote.com).

**PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.**

E76645-P20567

**THE GDL  
FUND**

**This proxy is  
solicited on  
behalf of the  
Board of  
Trustees**

The undersigned hereby appoints Mario J. Gabelli, Andrea R. Mango and Agnes Mullady, and each of them, attorneys and proxies of the undersigned, with full powers of substitution and revocation, to represent the undersigned and to vote on behalf of the undersigned all shares of The GDL Fund (the "Fund"), which the undersigned is entitled to vote at the Annual Meeting of Shareholders of the Fund to be held at the Bruce Museum, One Museum Drive, Greenwich, Connecticut

06830-7100 on  
Monday, May  
13, 2019, at  
7:30 a.m., and  
at any  
adjournments  
thereof (the  
"Meeting").

The  
undersigned  
hereby  
acknowledges  
receipt of the  
Notice of  
Meeting and  
Proxy  
Statement and  
hereby  
instructs said  
attorneys and  
proxies to vote  
said shares as  
indicated  
herein. In their  
discretion, the  
proxies are  
authorized to  
vote upon such  
other business  
as may  
properly come  
before the  
Meeting.

A majority of  
the proxies  
present and  
acting at the  
Meeting in  
person or by  
substitute (or,  
if only one  
shall be so  
present, then  
that one) shall  
have and may  
exercise all of  
the power and  
authority of

said proxies hereunder. The undersigned hereby revokes any proxy previously given.

This proxy, if properly executed, will be voted in the manner directed by the undersigned shareholder. If no direction is made, this proxy will be voted **FOR** the election of the nominees as Trustees, **AGAINST** Proposal 2, and in the discretion of the proxy holder as to any other matter that may properly come before the Meeting. Please refer to the Proxy Statement for a discussion of Proposal No. 1 and Proposal No. 2.

**PLEASE  
VOTE, SIGN  
AND DATE  
ON THE  
REVERSE**

**SIDE AND  
RETURN  
PROMPTLY  
IN THE  
ENCLOSED  
ENVELOPE.**

**PROXY TABULATOR**  
**P.O. BOX 9112**

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E76646-P20567

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DETACH AND RETURN THIS PORTION ONLY

**THE GDL FUND**  
**PREFERRED SHAREHOLDER**

<p><b>A</b> Election of Trustees The Board of Trustees recommends a vote <b>FOR</b> each of the nominees listed.</p>	<p><b>For All</b> <b>Withhold For All</b> <b>Except</b></p>	<p>To withhold authority to vote for any individual nominee(s), mark <b>For All Except</b> and write the name(s) of the</p>
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1. To elect three (3) Trustees of the Fund: nominee(s) on the line below.

**Nominees:**           o   o           o

- 01) Edward T. Tokar
- 02) Salvatore J. Zizza
- 03) Anthony S. Colavita

**If properly presented at the Meeting:**  
**B Shareholder Proposal —** **For Against Abstain**  
**The Board of Trustees recommend a vote**  
**AGAINST Proposal 2.**

**RESOLVED:** All investment advisory and management agreements between The GDL Fund and Gabelli Funds, LLC shall be terminated by the Fund, pursuant to the right of stockholders as embodied in Section 15(a)(3) of the Investment Company Act of 1940 and as required to be included in such agreements, at the earliest date the Fund is legally permitted to do so; provided, however, that if the Board proposes, and shareholders approve, at this meeting, a plan to liquidate or open-end the Fund within one year, then the investment advisory and management agreements between The GDL Fund and Gabelli Funds, LLC shall remain in effect as long as necessary to implement these actions.

**C Authorized Signatures This section must be completed for your vote to be counted. Sign and Date Below**

Please sign this proxy exactly as your name(s) appear(s) in the records of the Fund. If joint owners, either may sign. Trustees and other fiduciaries should indicate the capacity in which they sign, and where more than one name appears, a majority must sign. If a corporation, this signature should be that of an authorized officer



who should state his or her title.

Signature			
[PLEASE SIGN			Date
WITHIN BOX]	Date	Signature [Joint Owners]	

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E76647-P20567

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06830-7100 on  
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"Meeting").

The  
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hereby  
acknowledges  
receipt of the  
Notice of  
Meeting and  
Proxy  
Statement and  
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proxies to vote  
said shares as  
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herein. In their  
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proxies are  
authorized to  
vote upon such  
other business  
as may  
properly come  
before the  
Meeting.

A majority of  
the proxies  
present and  
acting at the  
Meeting in  
person or by  
substitute (or,  
if only one  
shall be so  
present, then  
that one) shall  
have and may  
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**PLEASE  
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AND DATE  
ON THE  
REVERSE**

**SIDE AND  
RETURN  
PROMPTLY  
IN THE  
ENCLOSED  
ENVELOPE.**