

GDL FUND  
Form N-Q  
November 20, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-21969

The GDL Fund

(Exact name of registrant as specified in charter)

One Corporate Center

Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)

Bruce N. Alpert

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-422-3554

Date of fiscal year end: December 31

Date of reporting period: September 30, 2013

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

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

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unless the Form displays a currently valid Office of Management and Budget ( OMB ) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Item 1. Schedule of Investments.**

The Schedule(s) of Investments is attached herewith.

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**The GDL Fund**
**Third Quarter Report September 30, 2013****To Our Shareholders,**

For the quarter ended September 30, 2013, the net asset value ( NAV ) total return of The GDL Fund was 1.7%, compared with a total return of 0.02% for the 3 Month U.S. Treasury Bill Index. The total return for the Fund's publicly traded shares was 1.8%. The Fund's NAV per share was \$12.87, while the price of the publicly traded shares closed at \$11.28 on the New York Stock Exchange ( NYSE ). See below for additional performance information.

Enclosed is the schedule of investments as of September 30, 2013.

**Comparative Results****Average Annual Returns through September 30, 2013 (a) (Unaudited)**

	Quarter	1 Year	3 Year	5 Year	Since Inception (01/31/07)
<b>GDL Fund</b>					
<b>NAV Total Return (b)</b>	1.70%	5.82%	3.61%	3.35%	2.71%
<b>Investment Total Return (c)</b>	1.83	6.52	3.60	5.83	1.10
3 Month U.S. Treasury Bill Index	0.02	0.10	0.10	0.17	1.07

(a) *Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.* The 3 Month U.S. Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into the outstanding Treasury Bill that matures closest to, but not beyond three months from the re-balancing date. To qualify for selection, an issue must have settled on or before the re-balancing (month end) date. Dividends are considered reinvested except for the 3 Month U.S. Treasury Bill Index. You cannot invest directly in an index.

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

(c) Total returns and average annual returns reflect changes in closing market values on the NYSE and reinvestment of distributions. Since inception return is based on an initial offering price of \$20.00.

**The GDL Fund****Schedule of Investments September 30, 2013 (Unaudited)**

Shares		Market Value
	<b>COMMON STOCKS 59.8%</b>	
	<b>Aerospace and Defense 0.2%</b>	
32,000	Exelis Inc.	\$ 502,720
6,000	Kratos Defense & Security Solutions Inc.	49,680
76,000	The Allied Defense Group Inc.	396,720
		949,120
	<b>Automotive: Parts and Accessories 0.6%</b>	
5,500	Cooper Tire & Rubber Co.	169,400
185,000	The Pep Boys - Manny, Moe & Jack	2,306,950
		2,476,350
	<b>Broadcasting 1.5%</b>	
455,000	Belo Corp., Cl. A	6,233,500
	<b>Building and Construction 0.2%</b>	
23,000	Fortune Brands Home & Security Inc.	957,490
	<b>Business Services 1.3%</b>	
4,000	Acxiom Corp.	113,560
92,138	Clear Channel Outdoor Holdings Inc., Cl. A	755,532
200,000	GrainCorp Ltd., Cl. A	2,304,256
51,228	Michael Baker Corp.	2,073,197
1,000	National Technical Systems Inc.	22,850
10,000	The Active Network Inc.	143,100
1,500	TMS International Corp., Cl. A	26,160
		5,438,655
	<b>Cable and Satellite 3.0%</b>	
9,000	AMC Networks Inc., Cl. A	616,320
220,000	British Sky Broadcasting Group plc	3,098,592
10,000	Cablevision Systems Corp., Cl. A	168,400
50,000	Kabel Deutschland Holding AG	5,878,135
12,910	Liberty Global plc, Cl. A	1,024,409
9,640	Liberty Global plc, Cl. C	727,145

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100,000	Sky Deutschland AG	921,156
		12,434,157
	<b>Computer Hardware 4.2%</b>	
1,270,000	Dell Inc.	17,487,900
	<b>Computer Software and Services 5.3%</b>	
224,600	BMC Software Stub	11,230
2,000	Ebix Inc.	19,880
2,000	Mentor Graphics Corp.	46,740
247,000	Sourcefire Inc.	18,752,240
125,000	Stonesoft OYJ	754,214
65,000	Yahoo! Inc.	2,155,400
		21,739,704
	<b>Consumer Products and Services 2.6%</b>	
76,000	Avon Products Inc.(a)	1,565,600
18,000	Harman International Industries Inc.	1,192,140
61,000	Maidenform Brands Inc.	1,432,890
2,000	Prestige Brands Holdings Inc.	60,240
		<b>Market</b>
<b>Shares</b>		<b>Value</b>
500,000	Stewart Enterprises Inc., Cl. A	\$ 6,570,000
		10,820,870
	<b>Diversified Industrial 0.5%</b>	
15,000	ITT Corp.	539,250
11,000	Kaydon Corp.	390,720
48,000	Myers Industries Inc.	965,280
		1,895,250
	<b>Educational Services 0.0%</b>	
12,000	Corinthian Colleges Inc.	26,280
	<b>Electronics 1.2%</b>	
211,700	Alliance Semiconductor Corp.	107,967
5,000	Anaren Inc.	127,500
77,500	Bel Fuse Inc., Cl. A	1,342,300
480,000	Laird plc	1,712,676
5,000	Molex Inc.	192,600
41,000	Molex Inc., Cl. A	1,569,480
		5,052,523

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<b>Energy and Utilities 5.2%</b>		
4,000	Atlas Energy LP	218,520
200	Berry Petroleum Co., Cl. A	8,626
270,000	Dragon Oil plc	2,543,954
72,000	Endesa SA	1,875,538
460,000	Gulf Coast Ultra Deep Royalty Trust	1,002,800
19,000	Heritage Oil plc	54,752
10,000	NRG Energy Inc.	273,300
648,375	NV Energy Inc.	15,308,134
1,000	Origin Energy Ltd.	13,154
1,500	Petrominerales Ltd.	17,038
2,000	Silverwillow Energy Corp.	699
400	Walter Energy Inc.	5,612
100,000	WesternZagros Resources Ltd.	93,199
		21,415,326
<b>Equipment and Supplies 0.1%</b>		
511,000	Gerber Scientific Inc., Escrow	5,110
1,000	The Middleby Corp.	208,910
		214,020
<b>Financial Services 0.9%</b>		
34,600	American Safety Insurance Holdings Ltd.	1,044,920
68,000	First Niagara Financial Group Inc.	705,160
30,000	Hudson City Bancorp Inc.	271,500
14,000	Lender Processing Services Inc.	465,780
40,000	SLM Corp.	996,000
5,000	Sterling Bancorp	68,650
		3,552,010
<b>Food and Beverage 2.9%</b>		
8,000	Beam Inc.	517,200
1,000	Cermaq ASA	17,461
210,000	China Huiyuan Juice Group Ltd.	136,464

See accompanying notes to schedule of investments.

**The GDL Fund****Schedule of Investments (Continued) September 30, 2013 (Unaudited)**

Shares		Market Value
	<b>COMMON STOCKS (Continued)</b>	
	<b>Food and Beverage (Continued)</b>	
222,000	Dole Food Co. Inc.	\$ 3,023,640
24,000	Hillshire Brands Co.	737,760
1,640,000	Parmalat SpA	5,493,439
9,500	Post Holdings Inc.	383,515
3,255,000	Yashili International Holdings Ltd.	1,519,243
		11,828,722
	<b>Health Care 15.3%</b>	
8,000	ArthroCare Corp.	284,640
72,000	Astex Pharmaceuticals	610,560
200,000	CML HealthCare Inc.	2,085,336
200	Cornerstone Therapeutics Inc.	1,882
455,000	Elan Corp. plc, ADR	7,088,900
75,000	Greenway Medical Technologies	1,548,750
18,000	Hi-Tech Pharmacal Co. Inc.	776,700
1,000	ICU Medical Inc.	67,930
17,000	Illumina Inc.	1,374,110
1,000	Lexicon Pharmaceuticals Inc.	2,370
140,000	Life Technologies Corp.	10,476,200
135,000	MAKO Surgical Corp.	3,983,850
184,500	Maxygen Inc.	5,535
135,000	Onyx Pharmaceuticals Inc.	16,830,450
31,000	Optimer Pharmaceuticals Inc.	390,600
34,000	Rhoen Klinikum AG	873,711
40,000	Rochester Medical Corp.	798,400
60,000	Shoppers Drug Mart Corp.	3,455,366
60,000	Smith & Nephew plc	748,907
1,000	Synageva BioPharma Corp.	63,310
1,000	Taro Pharmaceuticals Industries Ltd.	76,000
527,686	Vanguard Health Systems Inc.	11,086,683
5,000	Verenium Corp.	19,850
1,241	Wright Medical Group Inc.	32,365
13,000	WuXi PharmaTech Cayman Inc., ADR	356,200
		63,038,605



**Hotels and Gaming 3.7%**

1,000	MGM Resorts International	20,440
28,000	Orient-Express Hotels Ltd., Cl. A	363,440
130,000	SHFL Entertainment Inc.	2,990,000
450,700	WMS Industries Inc.	11,695,665
		15,069,545

**Machinery 0.3%**

3,000	CNH Industrial NV	38,475
42,000	Xylem Inc.	1,173,060
		1,211,535

**Materials 0.2%**

53,200	Zoltek Companies Inc.	887,908
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**Metals and Mining 0.5%**

195,000	AuRico Gold Inc.	742,950
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**Market**

<b>Shares</b>		<b>Value</b>
28,000	Camino Minerals Corp.	\$ 951
10,000	Hoganas AB, Cl. B	524,375
1,000	Jaguar Mining Inc.	190
14,000	Lonmin plc	72,368
3,000	Pan American Silver Corp.	31,688
1,000	Uranium One Inc.	2,767
16,000	Vulcan Materials Co.	828,960
		2,204,249

**Paper and Forest Products 0.2%**

1,000	Ainsworth Lumber Co. Ltd.	3,845
1,000	Boise Inc.	12,600
650,000	Vinda International Holdings Ltd.	918,527
		934,972

**Publishing 0.0%**

136,000	SCMP Group Ltd.	34,193
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**Real Estate 0.0%**

100	Colonial Properties Trust	2,249
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**Retail 2.1%**

61,000	Harris Teeter Supermarkets Inc.	3,000,590
3,000	Nash Finch Co.	79,230
340,000	Saks Inc.	5,419,600
		8,499,420

<b>Semiconductors 1.8%</b>		
2,500	LTX-Credence Corp.	16,450
20,000	PLX Technology Inc.	120,400
313,223	Volterra Semiconductor Corp.	7,204,129
		7,340,979
<b>Specialty Chemicals 0.1%</b>		
3,000	Ashland Inc.	277,440
4,000	SGL Carbon SE	152,169
		429,609
<b>Telecommunications 2.9%</b>		
690,000	Asia Satellite Telecommunications Holdings Ltd.	2,597,764
100,000	Koninklijke KPN NV	318,596
3,926	Sprint Corp.	24,380
180,000	Telenet Group Holding NV	8,962,499
500	Ziggo Bond Co. BV	20,252
		11,923,491
<b>Transportation 1.0%</b>		
430,000	TNT Express NV	3,925,485
<b>Wireless Communications 1.8%</b>		
6,000	Blackberry Ltd.	47,700
470,000	Leap Wireless International Inc.	7,421,300