



THE GDL FUND
One Corporate Center
Rye, NY 10580-1422
t 914.921.5070
GABELLI.COM

For information:

Peter Baldino
(914) 921-5070

FOR IMMEDIATE RELEASE
Rye, New York
March 26, 2018

NYSE – GDL
CUSIP – 361570104

NYSE – GDL PrB
CUSIP – 361570302

THE GDL FUND

SUCCESSFULLY COMPLETES OFFERING AND ISSUES

\$131 MILLION OF SERIES C PREFERRED SHARES

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

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

All of the Series C Preferred shares subscribed for in the primary subscription and allocated according to the terms of the over-subscription privilege were issued on March 26, 2018.

As previously announced, the proceeds raised in the Offering will be used to redeem the remaining outstanding Series B Preferred shares.

The Series C Preferred will pay distributions quarterly at an annualized dividend rate of 4.00% of the \$50.00 per share liquidation preference of the Series C Preferred for the quarterly dividend periods ending on or prior to March 26, 2019 (“Year 1”). At least 30 days prior to the end of Year 1, the Fund’s Board of Trustees will determine and publicly announce a reset fixed dividend rate that will apply for the next eight quarterly dividend periods (“Year 2” and “Year 3”). At least 30 days prior to the end of Year 3, the Fund’s Board of Trustees will determine and publicly announce a reset fixed dividend rate that will apply for all remaining quarterly dividend periods prior to the mandatory redemption date for the Series C Preferred of March 26, 2025. Each reset dividend rate will be determined by the Fund’s Board of Trustees or a committee thereof in its sole discretion, and such rate will be not less than an annualized rate of 4.00% and not greater than an annualized rate of 6.00%.

The Series C Preferred may be put back to the Fund during the 30-day period prior to March 26, 2020 and March 26, 2022 at the liquidation preference of \$50.00 per share, plus any accumulated and unpaid dividends, and redeemed by the Fund, at its option, at the liquidation preference of \$50.00 per share, plus any accumulated and unpaid dividends, on March 26, 2021 or March 26, 2023.

The Fund has submitted an application to list the Series C Preferred on the New York Stock Exchange (the “NYSE”). The Series C Preferred are expected to commence trading on the NYSE shortly after the date of issuance.

We thank all our subscribing shareholders as well as the full service brokers and financial advisers who assisted our shareholders throughout the Offering.

The GDL Fund is a diversified, closed-end management investment company with \$328 million in total net assets whose investment objective is to achieve absolute returns in various market conditions without excessive risk of capital. The Fund is managed by Gabelli Funds, LLC, a subsidiary of GAMCO Investors, Inc. (NYSE:GBL).