



**General American Investors Company, Inc.**

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**GENERAL  
AMERICAN  
INVESTORS**

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**2013  
ANNUAL  
REPORT**

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## GENERAL AMERICAN INVESTORS COMPANY, INC.

Established in 1927, the Company is a closed-end investment company listed on the New York Stock Exchange. Its objective is long-term capital appreciation through investment in companies with above average growth potential.

### FINANCIAL SUMMARY (unaudited)

	2013	2012
Net assets applicable to Common Stock -		
December 31	\$1,229,469,746	\$955,417,661
Net investment income	5,228,019	6,973,024
Net realized gain	69,657,472	60,458,284
Net increase in unrealized appreciation	243,076,683	84,267,705
Distributions to Preferred Stockholders	(11,311,972)	(11,311,972)
Per Common Share-December 31		
Net asset value	\$41.07	\$32.68
Market price	\$35.20	\$27.82
Discount from net asset value	-14.3%	-14.9%
Common Shares outstanding-Dec. 31	29,939,568	29,233,972
Market price range* (high-low)	\$36.04-\$28.55	\$29.62-\$25.37
Market volume-shares	6,984,029	9,079,151

\*Unadjusted for dividend payments.

### DIVIDEND SUMMARY (per share) (unaudited)

Record Date	Payment Date	Ordinary Income	Long-Term Capital Gain	Total
<b>Common Stock</b>				
Nov. 18, 2013	Dec. 30, 2013	<u>\$0.184190</u>	<u>\$1.915810</u>	<u>\$2.100000</u>
<i>Total from 2013 earnings</i>				
Nov. 19, 2012	Dec. 28, 2012	\$0.170000 (a)	\$1.230000	\$1.400000
Dec. 24, 2012	Jan. 31, 2013	0.059686 (b)	0.540314	0.600000
<i>Total from 2012 earnings</i>				
		<u>\$0.229686</u>	<u>\$1.770314</u>	<u>\$2.000000</u>
<b>Preferred Stock</b>				
Mar. 7, 2013	Mar. 25, 2013	\$.032617	\$.339258	\$.371875
Jun. 7, 2013	Jun. 24, 2013	.032617	.339258	.371875
Sept. 9, 2013	Sept. 24, 2013	.032617	.339258	.371875
Dec. 9, 2013	Dec. 24, 2013	.032617	.339258	.371875
<i>Total for 2013</i>				
		<u>\$.130468</u>	<u>\$1.357032</u>	<u>\$1.487500</u>
Mar. 7, 2012	Mar. 26, 2012	\$.042434	\$.329441	\$.371875
Jun. 7, 2012	Jun. 25, 2012	.042434	.329441	.371875
Sept. 7, 2012	Sept. 24, 2012	.042434	.329441	.371875
Dec. 7, 2012	Dec. 24, 2012	.042434	.329441	.371875
<i>Total for 2012</i>				
		<u>\$.169736 (c)</u>	<u>\$1.317764</u>	<u>\$1.487500</u>

(c) Includes short-term gains in the amount of \$.011180 per share (\$.002795 per quarter).

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General American Investors' net asset value (NAV) per Common Share (assuming reinvestment of all dividends) increased 33.3% for the year ended December 31, 2013. The U.S. stock market was up 32.4% for the year, as measured by our benchmark, the Standard & Poor's 500 Stock Index (including income). The return to our Common Stockholders increased by 34.2% and the discount at which our shares traded to their NAV continued to fluctuate and on December 31, 2013, it was 14.3%.

The table that follows provides a comprehensive presentation of our performance and compares our returns on an annualized basis with the S&P 500.

Years	Stockholder Return (Market Value)	NAV Return	S&P 500
3	15.1%	15.0%	16.2%
5	19.4	18.3	17.9
10	7.4	7.4	7.4
20	11.1	11.1	9.2
30	11.9	12.4	11.1
40	13.5	13.2	11.0
50	11.9	12.4	9.9

2013 was an extraordinary year for equities with the S&P 500 registering its biggest advance since 1997. Everywhere in the developed world, sizable returns were realized despite continuing muted economic growth. This performance was even more remarkable in light of earnings growth that came in well below initial expectations. With respect to the S&P 500, earnings were supplemented by share repurchases, which totaled over 2% of GDP. Although net income did improve, roughly 60% of the market's gain reflected expansion in its price to earnings multiple. Extraordinarily for US equities, no sector registered a negative return and substantial gains were recorded in information technology, healthcare and industrials. Not even a mid-year jump in yields for ten year US Treasury Notes affected equity markets for long, with rates rising from a depressed 1.5% to nearly 3%.

While the economy and the financial markets rarely follow the same road, they intersect often. Over the past year or so, the two diverged with the markets doing well, while the general economy remained lethargic. In 2014, these two roads may converge once again. How that happens is the subject of much debate, but it seems that the financial markets are expecting a general improvement in economic conditions to offset a gentle withdrawal of Federal Reserve support in the form of Quantitative Easing (QE).

Looking ahead, and notwithstanding current uncertainty regarding a number of fiscal policy issues and the withdrawal of QE among others, economic trends have improved modestly. Recent data regarding employment and orders, as well as significant corporate cash balances and authorized but unexecuted share repurchases of more than \$300 billion, suggests that cautious optimism may be warranted for the longer term.

As part of an ongoing effort to maximize shareholder value, over 1% of the Company's shares were repurchased in 2013 at an average discount to NAV of 14.3%. The Board of Directors has authorized repurchases of Common Shares when they are trading at a discount to NAV of at least 8%.

In December 2013, the Board of Directors renewed authority originally granted in 2008 to repurchase up to 1 million outstanding shares of its 5.95% Cumulative Preferred Stock when the shares are trading at a market price below the liquidation preference of \$25.00 per share.

The Company is pleased to report that on January 1, 2014, Linda J. Genid, an employee of the Company since 1983, was appointed Assistant Corporate Secretary.

Information about the Company, including our investment objectives, operating policies and procedures, investment results, record of dividend payments, financial reports and press releases, etc., is available on our website, which can be accessed at [www.generalamericaninvestors.com](http://www.generalamericaninvestors.com).

By Order of the Board of Directors,

Jeffrey W. Priest  
*President and Chief Executive Officer*

January 22, 2014

### Corporate Overview

General American Investors, established in 1927, is one of the nation's oldest closed-end investment companies. It is an independent organization that is internally managed. For regulatory purposes, the Company is classified as a diversified, closed-end management investment company; it is registered under and subject to the Investment Company Act of 1940 and Sub-Chapter M of the Internal Revenue Code.

### Investment Policy

The primary objective of the Company is long-term capital appreciation. Lesser emphasis is placed on current income. In seeking to achieve its primary objective, the Company invests principally in common stocks believed by its management to have better than average growth potential.

The Company's investment approach focuses on the selection of individual stocks, each of which is expected to meet a clearly defined portfolio objective. A continuous investment research program, which stresses fundamental security analysis, is carried on by the officers and staff of the Company under the oversight of the Board of Directors. The Directors have a broad range of experience in business and financial affairs.

### Portfolio Manager

Mr. Jeffrey W. Priest, has been President of the Company since February 1, 2012 and has been responsible for the management of the Company since January 1, 2013 when he was appointed Chief Executive Officer and Portfolio Manager. Mr. Priest joined the Company in 2010 as a senior investment analyst and has spent his entire 28-year business career on Wall Street. Mr. Priest succeeds Mr. Spencer Davidson who served as Chief Executive Officer and Portfolio Manager from 1995 through 2012. Mr. Davidson remains closely involved in the Company as its Chairman of the Board of Directors.

### "GAM" Common Stock

As a closed-end investment company, the Company does not offer its shares continuously. The Common Stock is listed on The New York Stock Exchange (symbol, GAM) and can be bought or sold in the same manner as all listed stocks. Net asset value is computed and published on the Company's website daily (on an unaudited basis) and is also furnished upon request. It is also available on most electronic quotation services using the symbol "XGAMX." Net asset value per share (NAV), market price, and the discount or premium from NAV as of the close of each week, is published in *Barron's* and *The Wall Street Journal*, Monday edition.

While shares of the Company usually sell at a discount to NAV, as do the shares of most other domestic equity closed-end investment companies, they occasionally sell at a premium over NAV. During 2013, the stock sold at discounts to NAV which ranged from 12.1% (April 4) to 15.4% (August 13). At December 31, the price of the stock was at a discount of 14.3%.

Since March 1995, the Board of Directors has authorized the repurchase of Common Stock in the open market when the shares trade at a discount to net asset value of at least 8%.

### "GAM Pr B" Preferred Stock

On September 24, 2003, the Company issued and sold in an underwritten offering 8,000,000 shares of its 5.95% Cumulative Preferred Stock, Series B with a liquidation preference of \$25 per share (\$200,000,000 in the aggregate). The Preferred Shares are rated "A1" by Moody's Investors Service, Inc. and are listed and traded on The New York Stock Exchange (symbol, GAM Pr B). The Preferred Shares are available to leverage the investment performance of the Common Stockholders; higher market volatility for the Common Stockholders may result.

The Board of Directors has authorized the repurchase of up to 1 million Preferred Shares in the open market at prices below \$25 per share. To date, 395,313 shares have been repurchased.

### Dividend and Distribution Policy

The Company's dividend and distribution policy is to distribute to stockholders before year-end substantially all ordinary income estimated for the full year and capital gains realized during the ten-month period ended October 31 of that year. If any additional capital gains are realized and available or ordinary income is earned during the last two months of the year, a "spill-over" distribution of these amounts may be paid. Dividends and distributions on shares of Preferred Stock are paid quarterly. Distributions from capital gains and dividends from ordinary income are allocated proportionately among holders of shares of Common Stock and Preferred Stock.

Dividends from income have been paid continuously on the Common Stock since 1939 and capital gain distributions in varying amounts have been paid for each of the years 1943-2013 (except for the year 1974). (A table listing dividends and distributions paid during the 20-year period 1994-2013 is shown at the bottom of page 4.) To the extent that shares can be issued, dividends and distributions are paid to Common Stockholders in additional shares of Common Stock unless the stockholder specifically requests payment in cash.

### Proxy Voting Policies, Procedures and Record

The policies and procedures used by the Company to determine how to vote proxies relating to portfolio securities and the Company's proxy voting record for the 12-month period ended June 30, 2013 are available: (1) without charge, upon request, by calling the Company at its toll-free number (1-800-436-8401), (2) on the Company's website at [www.generalamericaninvestors.com](http://www.generalamericaninvestors.com) and (3) on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

### Direct Registration

The Company makes available direct registration for its Common Shareholders. Direct registration, which is an element of the Investors Choice Plan administered by our transfer agent, is a system that allows for book-entry ownership and electronic transfer of our Common Shares. Accordingly, when Common Shareholders, who hold their shares directly, receive new shares resulting from a purchase, transfer or dividend payment, they will receive a statement showing the credit of the new shares as well as their Plan account and certificated share balances. A brochure which describes the features and benefits of the Investors Choice Plan, including the ability of shareholders to deposit certificates with our transfer agent, can be obtained by calling American Stock Transfer & Trust Company at 1-800-413-5499, calling the Company at 1-800-436-8401 or visiting our website: [www.generalamericaninvestors.com](http://www.generalamericaninvestors.com) - click on Distribution & Reports, then Report Downloads.

### Privacy Policy and Practices

The Company collects non-public personal information about its customers (stockholders) with respect to their transactions in shares of the Company's securities but only for those stockholders whose shares are registered in their names. This information includes the stockholder's address, tax identification or Social Security number and dividend elections. We do not have knowledge of, nor do we collect personal information about, stockholders who hold the Company's securities at financial institutions in "street name" registration.

We do not disclose any nonpublic personal information about our current or former stockholders to anyone, except as permitted by law. We also restrict access to nonpublic personal information about our stockholders to those few employees who need to know that information to perform their responsibilities. We maintain safeguards that comply with federal standards to guard our stockholders' personal information.

Total return on \$10,000 investment for 20 years ended December 31, 2013

The investment return for a Common Stockholder of General American Investors (GAM) over the 20 years ended December 31, 2013 is shown in the table below and in the accompanying chart. The return based on GAM's net asset value (NAV) per Common Share in comparison to the change in the Standard & Poor's 500 Stock Index (S&P 500) is also displayed. Each illustration assumes an investment of \$10,000 at the beginning of 1994.

**Stockholder Return** is the return a Common Stockholder of GAM would have achieved assuming reinvestment of all dividends and distributions at the actual reinvestment price and of all cash dividends at the average (mean between high and low) market price on the ex-dividend date.

**Net Asset Value (NAV) Return** is the return on shares of the Company's Common Stock based on the NAV per share, including the reinvestment of all dividends and distributions at the reinvestment prices indicated above.

**Standard & Poor's 500 Return** is the time-weighted total rate of return on this widely-recognized, unmanaged index which is a measure of general stock market performance, including dividend income.

Past performance may not be indicative of future results.

The graph and tables below do not reflect the deduction of taxes that a stockholder would pay on Company distributions or the sale of Company shares.

	GENERAL AMERICAN INVESTORS				STANDARD & POOR'S 500	
	STOCKHOLDER RETURN		NET ASSET VALUE RETURN		RETURN	
	CUMULATIVE INVESTMENT	ANNUAL RETURN	CUMULATIVE INVESTMENT	ANNUAL RETURN	CUMULATIVE INVESTMENT	ANNUAL RETURN
1994	\$9,214	-7.86%	\$9,726	-2.74%	\$10,127	1.27%
1995	11,169	21.22	12,019	23.58	13,925	37.50
1996	13,345	19.48	14,420	19.97	17,115	22.91
1997	19,027	42.58	19,041	32.05	22,819	33.33
1998	24,985	31.31	25,732	35.14	29,334	28.55
1999	34,784	39.22	35,099	36.40	35,482	20.96
2000	41,427	19.10	41,290	17.64	32,257	-9.09
2001	43,221	4.33	40,795	-1.20	28,422	-11.89
2002	31,461	-27.21	31,404	-23.02	22,129	-22.14
2003	39,958	27.01	40,008	27.40	28,449	28.56
2004	43,471	8.79	44,157	10.37	31,519	10.79
2005	51,034	17.40	51,311	16.20	33,041	4.83
2006	59,598	16.78	57,591	12.24	38,215	15.66
2007	64,795	8.72	62,204	8.01	40,283	5.41
2008	33,564	-48.20	35,444	-43.02	25,349	-37.07
2009	45,935	36.86	46,814	32.08	32,054	26.45
2010	53,395	16.24	53,982	15.31	36,881	15.06
2011	50,571	-5.29	52,432	-2.87	37,666	2.13
2012	60,569	19.77	61,508	17.31	43,689	15.99
2013	81,307	34.24	82,009	33.33	57,849	32.41

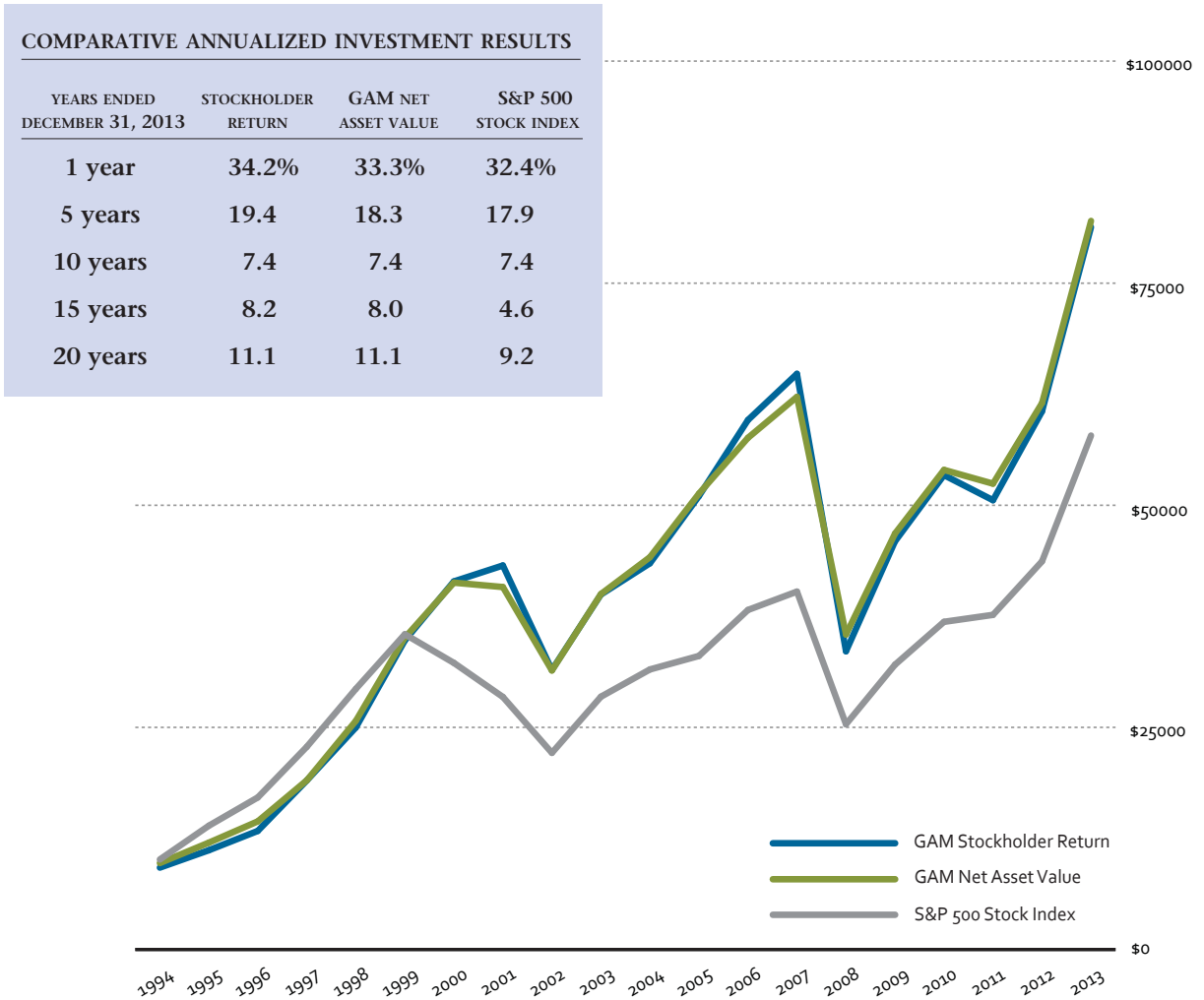
#### DIVIDENDS AND DISTRIBUTIONS PER COMMON SHARE (1994-2013) (UNAUDITED)

This table shows dividends and distributions on the Company's Common Stock for the prior 20-year period. Amounts shown are based upon the year in which the income was earned, not the year paid. Spill-over payments made after year-end are attributable to income and gains earned in the prior year.

YEAR	EARNINGS SOURCE				RETURN OF CAPITAL	YEAR	EARNINGS SOURCE				RETURN OF CAPITAL
	INCOME	SHORT-TERM CAPITAL GAINS	LONG-TERM CAPITAL GAINS	RETURN OF CAPITAL			INCOME	SHORT-TERM CAPITAL GAINS	LONG-TERM CAPITAL GAINS	RETURN OF CAPITAL	
1994	\$.060	—	\$1.590	—	—	2004	\$.217	—	\$.957	—	—
1995	.100	\$.030	2.770	—	—	2005	.547	\$.041	1.398	—	—
1996	.200	.050	2.710	—	—	2006	.334	—	2.666	—	—
1997	.210	—	2.950	—	—	2007	.706	.009	5.250	—	—
1998	.470	—	4.400	—	—	2008	.186	—	.254	—	—
1999	.420	.620	4.050	—	—	2009	.103	.051	.186	\$.010	—
2000	.480	1.550	6.160	—	—	2010	.081	.033	.316	—	—
2001	.370	.640	1.370	—	—	2011	.147	.011	.342	—	—
2002	.030	—	.330	—	—	2012	.215	.015	1.770	—	—
2003	.020	—	.590	—	—	2013	.184	—	1.916	—	—

20-YEAR INVESTMENT RESULTS  
 ASSUMING AN INITIAL  
 INVESTMENT OF \$10,000

CUMULATIVE VALUE  
 OF INVESTMENT





General American Investors

	INCREASES	NET SHARES TRANSACTED	SHARES HELD
NEW POSITIONS	Cameco Corporation	100,000	746,038 (b)
	The Dow Chemical Company	—	378,200 (b)
	Intel Corporation	573,700	573,700
ADDITIONS	Ariad Pharmaceuticals, Inc.	760,000	1,200,000
	Bond Street Holdings LLC, Class A	120,000	795,000
	General Electric Company	75,000	725,000
	Merck & Co., Inc.	102,191	427,191
	Unilever N.V.	5,775	734,620
	DECREASES		
ELIMINATION	Canadian Natural Resources Limited	196,600	—
REDUCTIONS	The ADT Corporation	195,000	117,500
	American Express Company	10,000	265,000
	Arch Capital Group Ltd.	25,000	800,000
	Everest Re Group, Ltd.	10,000	230,000
	JPMorgan Chase & Co.	25,000	425,000
	Nelnet, Inc.	15,000	525,000
	Platinum Underwriters Holdings, Ltd.	20,000	335,000
	The TJX Companies, Inc.	75,000	1,344,668
	Towers Watson & Co. Class A	18,200	245,798
	Visteon Corporation	55,000	275,211
	Vodafone Group plc ADR	285,000	238,100
	Weatherford International Ltd.	268,654	1,456,346

(a) Common shares unless otherwise noted; excludes transactions in Common Stocks - Miscellaneous - Other.

(b) Shares purchased in prior period and previously carried under Common Stocks - Miscellaneous - Other.

## PORTFOLIO DIVERSIFICATION (UNAUDITED)

General American Investors

The diversification of the Company's net assets applicable to its Common Stock by industry group as of December 31, 2013 is shown in the table.	INDUSTRY CATEGORY	DECEMBER 31, 2013		
		COST(000)	VALUE(000)	PERCENT COMMON NET ASSETS*
	Financials			
	Banks	\$15,988	\$24,933	2.0%
	Diversified Financials	30,484	71,021	5.8
	Insurance	72,232	219,028	17.8
		<u>118,704</u>	<u>314,982</u>	<u>25.6</u>
	Information Technology			
	Semiconductors & Semiconductor Equipment	18,200	41,768	3.4
	Software & Services	17,330	25,478	2.1
	Technology Hardware & Equipment	73,801	123,423	10.0
		<u>109,331</u>	<u>190,669</u>	<u>15.5</u>
	Consumer Discretionary			
	Automobiles & Components	31,335	42,041	3.4
	Consumer Services	8,679	13,620	1.1
	Retailing	43,206	130,920	10.7
		<u>83,220</u>	<u>186,581</u>	<u>15.2</u>
	Consumer Staples			
	Food, Beverage & Tobacco	60,773	116,361	9.5
	Food & Staples Retailing	12,042	46,953	3.8
		<u>72,815</u>	<u>163,314</u>	<u>13.3</u>
	Energy	<u>97,176</u>	<u>142,202</u>	<u>11.6</u>
	Industrials			
	Capital Goods	48,645	69,121	5.6
	Commercial & Professional Services	36,148	72,213	5.9
		<u>84,793</u>	<u>141,334</u>	<u>11.5</u>
	Health Care			
	Pharmaceuticals, Biotechnology & Life Sciences	59,493	107,792	8.8
	Miscellaneous**	45,583	49,585	4.0
	Materials	11,908	16,792	1.4
	Telecommunication Services	6,090	9,360	0.7
		<u>689,113</u>	<u>1,322,611</u>	<u>107.6</u>
	Short-Term Securities	<u>100,019</u>	<u>100,019</u>	<u>8.1</u>
	Total Investments	<u>\$789,132</u>	<u>1,422,630</u>	<u>115.7</u>
	Other Assets and Liabilities - Net		(3,043)	(0.2)
	Preferred Stock		(190,117)	(15.5)
	Net Assets Applicable to Common Stock		<u>\$1,229,470</u>	<u>100.0%</u>

\* Net assets applicable to the Company's Common Stock.

\*\* Securities which have been held for less than one year, not previously disclosed and not restricted.

(see notes to financial statements)

**TEN LARGEST INVESTMENT HOLDINGS (UNAUDITED)**

General American Investors

*The statement of investments as of December 31, 2013, shown on pages 8 and 9 includes 58 security issues. Listed here are the ten largest holdings on that date.*

	SHARES	VALUE	% COMMON NET ASSETS*
<b>THE TJX COMPANIES, INC.</b> Through its T.J. Maxx and Marshalls divisions, TJX is the leading off-price retailer. The continued growth of these divisions in the U.S. and Europe, along with expansion of related U.S. and foreign off-price formats, provide ongoing growth opportunities.	1,344,668	\$85,695,692	7.0%
<b>QUALCOMM INCORPORATED</b> QUALCOMM is a leading developer of intellectual property and semiconductors for the mobile communications industry. The company has benefited greatly from the global adoption of mobile data applications.	700,000	51,975,000	4.2
<b>ARCH CAPITAL GROUP LTD.</b> Arch Capital, a Bermuda-based insurer/reinsurer, generates premiums of approximately \$3.5 billion and has a high quality, well-reserved A-rated balance sheet. This company has a strong management team that exercises prudent underwriting discipline, efficient expense control, and steady capital management resulting in above-average earnings and book value growth.	800,000	47,752,000	3.9
<b>COSTCO WHOLESALE CORPORATION</b> Costco is the world's largest wholesale club with a record of steady growth in sales and profits as it continues to gain share of the consumer dollar in the U.S. and overseas.	394,500	46,953,390	3.8
<b>APPLE INC.</b> Apple designs, manufactures and markets mobile communications and media devices, personal computers and portable digital music players. It also sells device related software, services, peripherals and third-party content, including applications. The company's growth prospects look favorable as the shift to mobile computing expands globally and as more products and services are added to the Apple ecosystem.	67,000	37,588,340	3.1
<b>REPUBLIC SERVICES, INC.</b> Republic Services is a leading provider of non-hazardous, solid waste collection and disposal services in the U.S. The efficient operation of its routes and facilities combined with appropriate pricing enables Republic Services to generate significant free cash flow.	1,087,100	36,091,720	2.9
<b>EVEREST RE GROUP, LTD.</b> Everest Re is one of the largest independent U.S. property/casualty reinsurers, generates annual premiums of approximately \$4.5 billion, has a high quality investment portfolio and a well-reserved A-rated balance sheet. This Bermuda domiciled company has a strong management team that exercises prudent underwriting discipline and efficient expense control, resulting in above-average earnings and book value growth.	230,000	35,850,100	2.9
<b>HALLIBURTON COMPANY</b> Halliburton offers a broad suite of services and products to customers worldwide for the exploration, development and production of oil and gas. The company has the scale, product depth and technology to provide value-added customer service and produce an attractive long-term return on invested capital.	685,000	34,763,750	2.8
<b>DIAGEO PLC ADR</b> Diageo produces, distills and markets alcoholic beverages worldwide. The company's portfolio includes Smirnoff, Johnnie Walker, Jose Cuervo, Captain Morgan, Tanqueray and Guinness. Additionally, it markets numerous regional and local brands. The company generates excess cash flow which it uses to acquire different brands, pay dividends and buyback its stock.	262,400	34,747,008	2.8
<b>UNITED TECHNOLOGIES CORPORATION</b> United Technologies provides products and services to the global aerospace and building industries. The company holds a leading position in many of the markets it serves which augments its ability to generate favorable long-term shareholder return via growth, dividends and share repurchases.	300,000	34,140,000	2.8
		<u>\$445,557,000</u>	<u>36.2%</u>

\*Net assets applicable to the Company's Common Stock.

	SHARES	COMMON STOCKS	VALUE (NOTE 1a)
CONSUMER DISCRETIONARY (15.2%)	AUTOMOBILES AND COMPONENTS (3.4%)		
	1,264,063	Ford Motor Company	\$19,504,492
	275,211	Visteon Corporation (a)	22,537,029
			(COST \$31,334,689)
			42,041,521
	CONSUMER SERVICES (1.1%)		
	750,000	International Game Technology	13,620,000
			(COST \$8,678,620)
	RETAILING (10.7%)		
	284,050	Kohl's Corporation	16,119,837
460,000	Target Corporation	29,104,200	
1,344,668	The TJX Companies, Inc.	85,695,692	
		(COST \$43,206,265)	
		(COST \$83,219,574)	
		130,919,729	
		186,581,250	
CONSUMER STAPLES (13.3%)	FOOD, BEVERAGE AND TOBACCO (9.5%)		
	262,400	Diageo plc ADR	34,747,008
	450,000	Nestle S.A.	32,953,910
	230,000	PepsiCo, Inc.	19,076,200
	734,620	Unilever N.V.	29,583,654
			(COST \$60,773,115)
			116,360,772
	FOOD AND STAPLES RETAILING (3.8%)		
	394,500	Costco Wholesale Corporation	46,953,390
			(COST \$12,041,935)
		(COST \$72,815,050)	
		163,314,162	
ENERGY (11.6%)	1,683,269	Alpha Natural Resources, Inc. (a)	12,018,541
	331,478	Apache Corporation	28,487,219
	746,038	Cameco Corporation	15,495,209
	685,000	Halliburton Company	34,763,750
	120,000	Occidental Petroleum Corporation	11,412,000
	803,803	Ultra Petroleum Corp. (a)	17,402,335
	1,456,346	Weatherford International Ltd. (a)	22,558,800
			(COST \$96,794,116)
		142,137,854	
FINANCIALS (25.6%)	BANKS (2.0%)		
	795,000	Bond Street Holdings LLC, Class A (a) (b)	11,130,000
	75,000	Bond Street Holdings LLC, Class B (a) (c)	997,500
	110,000	M&T Bank Corporation	12,806,200
			(COST \$15,988,426)
			24,933,700
	DIVERSIFIED FINANCIALS (5.8%)		
	265,000	American Express Company	24,043,450
	425,000	JPMorgan Chase & Co.	24,854,000
	525,000	Nelnet, Inc.	22,123,500
			(COST \$30,483,653)
			71,020,950
	INSURANCE (17.8%)		
	330,492	Aon Corporation	27,724,974
	800,000	Arch Capital Group Ltd. (a)	47,752,000
	110	Berkshire Hathaway Inc. Class A (a)	19,569,000
230,000	Everest Re Group, Ltd.	35,850,100	
53,500	Forethought Financial Group Inc. Class A (a) (d)	20,510,295	
365,000	MetLife, Inc.	19,680,800	
260,000	PartnerRe Ltd.	27,411,800	
335,000	Platinum Underwriters Holdings, Ltd.	20,528,800	
		(COST \$72,231,690)	
		(COST \$118,703,769)	
		219,027,769	
		314,982,419	
HEALTH CARE (8.8%)	PHARMACEUTICALS, BIOTECHNOLOGY AND LIFE SCIENCES		
	1,200,000	Ariad Pharmaceuticals, Inc. (a)	8,184,000
	100,000	Celgene Corporation (a)	16,896,800
	131,535	Cytokinetics, Incorporated (a)	854,977
	428,600	Gilead Sciences, Inc. (a)	32,187,860
	858,979	Idenix Pharmaceuticals, Inc. (a)	5,136,694
	427,191	Merck & Co., Inc.	21,380,910
	755,808	Pfizer Inc.	23,150,399
		(COST \$59,492,394)	
		107,791,640	

General American Investors

	SHARES	COMMON STOCKS (Continued)	VALUE (NOTE 1a)
<b>INDUSTRIALS</b> <b>(11.5%)</b>	<b>CAPITAL GOODS (5.6%)</b>		
	725,000	General Electric Company	\$20,321,750
	360,000	Owens Corning (a)	14,659,200
	300,000	United Technologies Corporation	34,140,000
		(COST \$48,644,655)	69,120,950
	<b>COMMERCIAL AND PROFESSIONAL SERVICES (5.9%)</b>		
	117,500	The ADT Corporation	4,755,225
	1,087,100	Republic Services, Inc.	36,091,720
	245,798	Towers Watson & Co. Class A	31,366,283
		(COST \$36,148,567)	72,213,228
		(COST \$84,793,222)	141,334,178
<b>INFORMATION</b> <b>TECHNOLOGY</b> <b>(15.5%)</b>	<b>SEMICONDUCTORS AND SEMICONDUCTOR EQUIPMENT (3.4%)</b>		
	286,850	ASML Holding N.V.	26,877,845
	573,700	Intel Corporation	14,890,383
		(COST \$18,200,521)	41,768,228
	<b>SOFTWARE AND SERVICES (2.1%)</b>		
	680,686	Microsoft Corporation	25,478,077
		(COST \$17,329,639)	
	<b>TECHNOLOGY HARDWARE AND EQUIPMENT (10.0%)</b>		
	67,000	Apple Inc.	37,588,340
	820,000	Cisco Systems, Inc.	18,392,600
	615,000	EMC Corporation	15,467,250
	700,000	QUALCOMM Incorporated	51,975,000
		(COST \$73,800,999)	123,423,190
		(COST \$109,331,159)	190,669,495
<b>MATERIALS</b> <b>(1.4%)</b>	378,200	The Dow Chemical Company	16,792,080
		(COST \$11,908,071)	
<b>MISCELLANEOUS</b> <b>(4.0%)</b>		Other (e)	49,584,774
		(COST \$45,583,278)	
<b>TELECOMMUNICATION</b> <b>SERVICES (0.7%)</b>	238,100	Vodafone Group plc ADR	9,359,711
		(COST \$6,090,345)	
	<b>TOTAL COMMON STOCKS (107.6%)</b>		
		(COST \$688,730,978)	1,322,547,563
	<b>CONTRACTS</b>		
<b>PUT OPTION</b> <b>ENERGY</b> <b>(0.0%)</b>	(100 SHARES EACH)	COMMON STOCK/EXPIRATION DATE/EXERCISE PRICE	
	4,000	Weatherford International Ltd./January 18, 2014/\$15	64,000
		(COST \$382,142)	
	<b>SHORT-TERM SECURITIES AND OTHER ASSETS</b>		
	100,018,779	SSgA U.S. Treasury Money Market Fund (a) (8.1%)	100,018,779
		(COST \$100,018,779)	
<b>TOTAL INVESTMENTS (f) (115.7%)</b>		(COST \$789,131,899)	1,422,630,342
	Liabilities in excess of receivables and other assets (-0.2%)		(3,043,421)
			1,419,586,921
<b>PREFERRED STOCK (-15.5%)</b>			(190,117,175)
<b>NET ASSETS APPLICABLE TO COMMON STOCK (100%)</b>			<u>\$1,229,469,746</u>

ADR - American Depositary Receipt

(a) Non-income producing security.

(b) Level 3 fair value measurement, restricted security acquired in five installments as follows: 425,000 shares on 11/4/09, unit cost \$20.00 per share; 150,000 shares on 4/2/13, unit cost \$14.80 per share; 100,000 shares on 4/11/13, unit cost \$14.05 per share; 100,000 shares on 10/4/13, unit cost \$15.05 per share; and 20,000 shares on 10/14/13, unit cost \$15.00 per share. Fair value is \$14.00 per share, note 2. Fair value is based upon bid and/or transaction prices provided via the NASDAQ OMX PORTAL Alliance trading and transfer system for privately placed equity securities traded in the over-the-counter market among qualified investors as well as an evaluation of book value per share. Amount represents .91% of net assets.

(c) Level 3 fair value measurement, restricted security exchanged from Class A shares on 5/21/12, aggregate cost \$1,500,000, unit cost is \$20.00 per share and fair value is \$13.30 per share, note 2. Fair value is based upon a judgmentally discounted bid price provided via the NASDAQ OMX PORTAL Alliance trading and transfer system for privately placed equity securities traded in the over-the-counter market among qualified investors and an evaluation of book value per share. Amount represents .08% of net assets.

(d) Level 3 fair value measurement, restricted security acquired in two installments as follows: 37,500 shares on 11/3/09, unit cost \$200.00 per share and 16,000 shares on 8/4/11, unit cost \$203.00 per share. Fair value is \$383.37 per share, note 2. Fair valuation until September 2013 was based upon a market approach using valuation metrics (market price-earnings and market price-book value multiples), and changes therein, relative to a peer group of companies established by the underwriters as well as actual transaction prices resulting from limited trading in the security. Significant increases (decreases) in the relative valuation metrics of the peer group companies may result in higher (lower) estimates of fair value. Thereafter fair valuation was based upon a discount to the proposed acquisition price of the company by a third party. As of year end, valuation is based upon discounts applied to the components comprising the total estimated acquisition price of the company. The initial closing took place on 1/3/14 and proceeds of \$353.78 per share were collected. The majority of the remaining proceeds are expected to be collected within one year with residual escrow balances paid within approximately three years of the initial closing. Amount represents 1.67% of net assets.

(e) Securities which have been held for less than one year, not previously disclosed, and not restricted.

(f) At December 31, 2013, the cost of investments for Federal income tax purposes was \$789,131,899; aggregate gross unrealized appreciation of \$637,902,284; aggregate gross unrealized depreciation of \$4,403,841 and net unrealized appreciation of \$633,498,443.

see notes to financial statements)

ASSETS	DECEMBER 31, 2013
<hr/>	
INVESTMENTS, AT VALUE (NOTE 1a)	
Common stocks (cost \$688,730,978)	\$1,322,547,563
Purchased Option (cost \$382,142)	64,000
Money market fund (cost \$100,018,779)	100,018,779
Total investments (cost \$789,131,899)	<u>1,422,630,342</u>
RECEIVABLES AND OTHER ASSETS	
Receivable for written option	161,738
Dividends, interest and other receivables	1,480,111
Qualified pension plan asset, net excess funded (note 7)	5,578,192
Prepaid expenses, fixed assets and other assets	<u>1,505,011</u>
TOTAL ASSETS	<u>1,431,355,394</u>
<b>LIABILITIES</b>	
<hr/>	
Accrued preferred stock dividend not yet declared	219,955
Outstanding option written, at value (premium received \$229,628)	230,550
Accrued supplemental pension plan liability (note 7)	4,627,182
Accrued supplemental thrift plan liability (note 7)	2,338,841
Accrued compensation payable to officers and employees	3,673,500
Accrued expenses and other liabilities	678,445
TOTAL LIABILITIES	<u>11,768,473</u>
5.95% CUMULATIVE PREFERRED STOCK, SERIES B -	
7,604,687 at a liquidation value of \$25 per share (note 5)	<u>190,117,175</u>
NET ASSETS APPLICABLE TO COMMON STOCK - 29,939,568 (note 5)	<u>\$1,229,469,746</u>
NET ASSET VALUE PER COMMON SHARE	<u>\$41.07</u>
<b>NET ASSETS APPLICABLE TO COMMON STOCK</b>	
<hr/>	
Common Stock, 29,939,568 shares at par value (note 5)	\$29,939,568
Additional paid-in capital (note 5)	564,558,132
Undistributed realized gain on securities sold	3,710,263
Undistributed net investment loss (note 5)	(191,539)
Accumulated other comprehensive loss (note 7)	(1,824,244)
Unallocated distributions on Preferred Stock	(219,955)
Unrealized appreciation on investments and options written	<u>633,497,521</u>
NET ASSETS APPLICABLE TO COMMON STOCK	<u>\$1,229,469,746</u>

**STATEMENT OF OPTIONS WRITTEN**

CONTRACTS			
CALL OPTIONS	(100 SHARES EACH)	COMMON STOCK/EXPIRATION DATE/EXERCISE PRICE	VALUE (NOTE 1a)
<hr/>			
CONSUMER DISCRETIONARY (0.0%)			
AUTOMOBILES AND			
COMPONENTS	250	Visteon Corporation/February 22, 2014/\$75	\$212,500
ENERGY (0.0%)	950	Weatherford International Ltd./February 22, 2014/\$17	<u>18,050</u>
			(PREMIUMS RECEIVED \$229,628)
			<u>\$230,550</u>

(see notes to financial statements)

	YEAR ENDED
INCOME	DECEMBER 31, 2013
Dividends (net of foreign withholding taxes of \$542,797)	\$19,284,397
TOTAL INCOME	<u>19,284,397</u>
EXPENSES	
Investment research	7,651,058
Administration and operations	3,756,624
Office space and general	1,730,929
Directors' fees and expenses	242,745
Auditing and legal fees	225,000
Transfer agent, custodian and registrar fees and expenses	206,260
Miscellaneous taxes	166,373
Stockholders' meeting and reports	<u>77,389</u>
TOTAL EXPENSES	<u>14,056,378</u>
NET INVESTMENT INCOME	<u>5,228,019</u>
Realized Gain And Change In Unrealized Appreciation On Investments (Notes 1, 3 and 4)	
Net realized gain on investments:	
Securities transactions	68,658,311
Written options transactions (notes 1b and 4)	<u>999,161</u>
	<u>69,657,472</u>
Net increase in unrealized appreciation	<u>243,076,683</u>
NET INVESTMENT INCOME, GAINS AND APPRECIATION ON INVESTMENTS	317,962,174
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS	<u>(11,311,972)</u>
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$306,650,202</u>

(see notes to financial statements)

## STATEMENT OF CHANGES IN NET ASSETS

General American Investors

OPERATIONS	YEAR ENDED DECEMBER 31,	
	2013	2012
Net investment income	\$5,228,019	\$6,973,024
Net realized gain on investments	69,657,472	60,458,284
Net increase in unrealized appreciation	243,076,683	84,267,705
	<u>317,962,174</u>	<u>151,699,013</u>
Distributions to Preferred Stockholders:		
From net investment income	(992,168)	(1,205,766)
From short-term capital gains	—	(85,020)
From long-term capital gains	(10,319,804)	(10,021,186)
Decrease in net assets from Preferred distributions	<u>(11,311,972)</u>	<u>(11,311,972)</u>
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>306,650,202</u>	<u>140,387,041</u>
OTHER COMPREHENSIVE INCOME (LOSS)		
Funded status of defined benefit plans (note 7)	<u>5,948,555</u>	<u>(87,605)</u>
DISTRIBUTIONS TO COMMON STOCKHOLDERS		
From net investment income	(5,382,759)	(6,109,048)
From short-term capital gains	—	(430,801)
From long-term capital gains	(55,987,513)	(50,405,654)
DECREASE IN NET ASSETS FROM COMMON DISTRIBUTIONS	<u>(61,370,272)</u>	<u>(56,945,503)</u>
CAPITAL SHARE TRANSACTIONS (NOTE 5)		
Value of Common Shares issued in payment of dividends and distributions	35,871,304	21,554,674
Cost of Common Shares purchased	<u>(13,047,704)</u>	<u>(36,028,316)</u>
INCREASE (DECREASE) IN NET ASSETS - CAPITAL TRANSACTIONS	<u>22,823,600</u>	<u>(14,473,642)</u>
NET INCREASE IN NET ASSETS	274,052,085	68,880,291
NET ASSETS APPLICABLE TO COMMON STOCK		
BEGINNING OF YEAR	<u>955,417,661</u>	<u>886,537,370</u>
END OF YEAR (including undistributed net investment income (loss) of (\$191,539) and \$947,161, respectively)	<u>\$1,229,469,746</u>	<u>\$955,417,661</u>

(see notes to financial statements)

The table shows per share operating performance data, total investment return, ratios and supplemental data for each year in the five-year period ended December 31, 2013.

This information has been derived from information contained in the financial statements and market price data for the Company's shares.

	2013	2012	2011	2010	2009
PER SHARE OPERATING PERFORMANCE					
Net asset value, beginning of year	\$32.68	\$29.78	\$31.26	\$27.50	\$21.09
Net investment income	.17	.24	.18	.19	.11
Net gain (loss) on securities - realized and unrealized	10.51	5.05	(.68)	4.37	6.94
Other comprehensive income (loss)	.20	—	(.10)	—	.07
	10.88	5.29	(.60)	4.56	7.12
Distributions on Preferred Stock:					
Dividends from net investment income	(.04)	(.04)	(.11)	(.07)	(.11)
Distributions from net short-term capital gains	—	(.01)	(.01)	(.03)	(.05)
Distributions from net long-term capital gains	(.35)	(.34)	(.26)	(.27)	(.19)
Distributions from return of capital	—	—	—	—	(.01)
	(.39)	(.39)	(.38)	(.37)	(.36)
Total from investment operations	10.49	4.90	(.98)	4.19	6.76
Distributions on Common Stock:					
Dividends from net investment income	(.18)	(.21)	(.15)	(.08)	(.10)
Distributions from net short-term capital gains	—	(.02)	(.01)	(.03)	(.05)
Distributions from net long-term capital gains	(1.92)	(1.77)	(.34)	(.32)	(.19)
Distributions from return of capital	—	—	—	—	(.01)
	(2.10)	(2.00)	(.50)	(.43)	(.35)
Net asset value, end of year	\$41.07	\$32.68	\$29.78	\$31.26	\$27.50
Per share market value, end of year	\$35.20	\$27.82	\$24.91	\$26.82	\$23.46
TOTAL INVESTMENT RETURN - Stockholder					
Return, based on market price per share	34.24%	19.77%	(5.29%)	16.24%	36.86%
RATIOS AND SUPPLEMENTAL DATA					
Net assets applicable to Common Stock, end of year (000's omitted)	\$1,229,470	\$955,418	\$886,537	\$950,941	\$864,323
Ratio of expenses to average net assets applicable to Common Stock	1.27%	1.67%	1.39%	1.54%	1.93%
Ratio of net income to average net assets applicable to Common Stock	0.47%	0.74%	0.56%	0.66%	0.46%
Portfolio turnover rate	17.12%	9.56%	11.17%	18.09%	24.95%
PREFERRED STOCK					
Liquidation value, end of year (000's omitted)	\$190,117	\$190,117	\$190,117	\$190,117	\$190,117
Asset coverage	747%	603%	566%	600%	555%
Liquidation preference per share	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Market value per share	\$25.30	\$25.54	\$25.47	\$24.95	\$24.53
(see notes to financial statements)					



**1. SIGNIFICANT ACCOUNTING POLICIES**

General American Investors Company, Inc. (the "Company"), established in 1927, is registered under the Investment Company Act of 1940 as a closed-end, diversified management investment company. It is internally managed by its officers under the direction of the Board of Directors.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

a. **SECURITY VALUATION** Equity securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the period. Equity securities reported on the NASDAQ national market are valued at the official closing price on that day. Listed and NASDAQ equity securities for which no sales are reported on that day and other securities traded in the over-the-counter market are valued at the last bid price (asked price for options written) on the valuation date. Equity securities traded primarily in foreign markets are valued at the closing price of such securities on their respective exchanges or markets. Corporate debt securities, domestic and foreign, are generally traded in the over-the-counter market rather than on a securities exchange. The Company utilizes the latest bid prices provided by independent dealers and information with respect to transactions in such securities to determine current market value. If, after the close of foreign markets, conditions change significantly, the price of certain foreign securities may be adjusted to reflect fair value as of the time of the valuation of the portfolio. Investments in money market funds are valued at their net asset value. Special holdings (restricted securities) and other securities for which quotations are not readily available are valued at fair value determined in good faith pursuant to specific procedures appropriate to each security as established by and under the general supervision of the Board of Directors. The determination of fair value involves subjective judgments. As a result, using fair value to price a security may result in a price materially different from the price used by other investors or the price that may be realized upon the actual sale of the security.

b. **OPTIONS** The Company may purchase and write (sell) put and call options. The Company typically purchases put options or writes call options to hedge the value of portfolio investments while it typically purchases call options and writes put options to obtain equity market exposure under specified circumstances. The risk associated with purchasing an option is that the Company pays a premium whether or not the option is exercised. Additionally, the Company bears the risk of loss of the premium and a change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. Premiums received from writing options are reported as a liability on the Statement of Assets and Liabilities. Those that expire unexercised are treated by the Company on the expiration date as realized gains on written option transactions in the Statement of Operations. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or, if the premium is less than the amount paid for the closing purchase transaction, as a realized loss on written option transactions in the Statement of Operations. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether the Company has realized a gain or loss on investments in the Statement of Operations. If a put option is exercised, the premium reduces the cost basis for the securities purchased by the Company and is parenthetically disclosed under cost of investments on the Statement of Assets and Liabilities. The Company as writer of an option bears the market risk of an unfavorable change in the price of the security underlying the written option. See Note 4 for written option activity.

c. **SECURITIES TRANSACTIONS AND INVESTMENT INCOME** Securities transactions are recorded as of the trade date. Dividend income and distributions to stockholders are recorded as of the ex-dividend dates. Interest income, adjusted for amortization of discount and premium on investments, is earned from settlement date and is recognized on the accrual basis. Cost of short-term investments represents amortized cost.

d. **FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS** Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies versus U.S. dollars on the date of valuation. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Company's Board of Directors. The Company does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments on the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of U.S. companies as a result of, among other factors, the possibility of political or economic instability or the level of governmental supervision and regulation of foreign securities markets.

e. **DIVIDENDS AND DISTRIBUTIONS** The Company expects to pay dividends of net investment income and distributions of net realized capital and currency gains, if any, annually to common shareholders and quarterly to preferred shareholders. Dividends and distributions to common and preferred shareholders, which are determined in accordance with Federal income tax regulations are recorded on the ex-dividend date. Permanent book/tax differences relating to income and gains are reclassified to paid-in capital as they arise.

f. **FEDERAL INCOME TAXES** The Company's policy is to fulfill the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all taxable income to its stockholders. Accordingly, no provision for Federal income taxes is required. In accordance with U.S. GAAP requirements regarding accounting for uncertainties in income taxes, management has analyzed the Company's tax positions taken or expected to be taken on federal and state income tax returns for all open tax years (the current and the prior three tax years) and has concluded that no provision for income tax is required in the Company's financial statements.

**1. SIGNIFICANT ACCOUNTING POLICIES - (Continued from previous page.)**

g. **CONTINGENT LIABILITIES** Amounts related to contingent liabilities are accrued if it is probable that a liability has been incurred and an amount is reasonably estimable. Management evaluates whether there are incremental legal or other costs directly associated with the ultimate resolution of a matter that are reasonably estimable and, if so, they are included in the accrual.

h. **INDEMNIFICATIONS** In the ordinary course of business, the Company enters into contracts that contain a variety of indemnifications. The Company's maximum exposure under these arrangements is unknown. However, the Company has not had prior claims or losses pursuant to these indemnification provisions and expects the risk of loss thereunder to be remote.

**2. FAIR VALUE MEASUREMENTS**

Various data inputs are used in determining the value of the Company's investments. These inputs are summarized in a hierarchy consisting of the three broad levels listed below:

Level 1 - quoted prices in active markets for identical securities (including money market funds which are valued using amortized cost and which transact at net asset value, typically \$1 per share),

Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.), and

Level 3 - significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Company's net assets as of December 31, 2013:

Assets	Level 1	Level 2	Level 3	Total
Common stocks	\$1,289,909,768	—	\$32,637,795	\$1,322,547,563
Purchased Option	64,000	—	—	64,000
Money market fund	100,018,779	—	—	100,018,779
Total	\$1,389,992,547	—	\$32,637,795	\$1,422,630,342
<b>Liabilities</b>				
Options Written	(\$230,550)			(\$230,550)

The aggregate value of Level 3 portfolio investments changed during the year ended December 31, 2013 as follows:

Change in portfolio valuations using significant unobservable inputs	Level 3
Fair value at December 31, 2012	\$21,218,125
Purchases	5,428,250
Net change in unrealized appreciation on investments	5,991,420
Fair value at December 31, 2013	\$32,637,795
The increase in net unrealized appreciation included in the results of operations attributable to Level 3 assets held at December 31, 2013 and reported within the caption	
Net change in unrealized appreciation in the Statement of Operations:	\$5,991,420

Transfers, if any, are reported as of the end of the reporting period. There were no transfers between Levels during the year ended December 31, 2013.

**3. PURCHASES AND SALES OF SECURITIES**

Purchases and sales of securities (other than short-term securities and options) during 2013 amounted to \$202,444,700 and \$241,495,826, on long transactions, respectively.

**4. WRITTEN OPTIONS**

The level of activity in written options varies from year to year based upon market conditions. Transactions in written call options and collateralized put options during the year ended December 31, 2013 were as follows:

	COVERED CALLS		COLLATERALIZED PUTS	
	CONTRACTS	PREMIUMS	CONTRACTS	PREMIUMS
Options outstanding, December 31, 2012	300	\$104,999	0	\$0
Options written	4,250	447,590	6,153	1,674,723
Options exercised	0	0	(1,375)	(451,255)
Options terminated in closing purchase transaction	(3,350)	(322,961)	(4,778)	(1,223,468)
Options outstanding, December 31, 2013	1,200	\$229,628	0	\$0

**5. CAPITAL STOCK AND DIVIDEND DISTRIBUTIONS**

The authorized capital stock of the Company consists of 50,000,000 shares of Common Stock, \$1.00 par value, and 10,000,000 shares of Preferred Stock, \$1.00 par value. With respect to the Common Stock, 29,939,568 shares were issued and outstanding; 8,000,000 Preferred Shares were originally issued and 7,604,687 were outstanding on December 31, 2013.

On September 24, 2003, the Company issued and sold 8,000,000 shares of its 5.95% Cumulative Preferred Stock, Series B in an underwritten offering. The Preferred Shares were noncallable for the 5 year period ended September 24, 2008 and have a liquidation preference of \$25.00 per share plus accumulated and unpaid dividends to the date of redemption. On December 10, 2008, the Board of Directors authorized the repurchase of up to 1 million Preferred Shares in the open market at prices below \$25.00 per share. To date, 395,313 shares have been repurchased.

The Company allocates distributions from long-term capital gains and other types of income proportionately among holders of shares of Common Stock and Preferred Stock. To the extent that dividends on the shares of Preferred Stock are not paid from long-term capital gains, they will be paid from ordinary income or net short-term capital gains or will represent a return of capital.

**5. CAPITAL STOCK AND DIVIDEND DISTRIBUTIONS - (Continued from previous page.)**

Under the Investment Company Act of 1940, the Company is required to maintain an asset coverage of at least 200% of the Preferred Stock. In addition, pursuant to Moody's Investor Service, Inc. Rating Agency Guidelines, the Company is required to maintain a certain discounted asset coverage for its portfolio that equals or exceeds a Basic Maintenance Amount. If the Company fails to meet these requirements in the future and does not cure such failure, the Company may be required to redeem, in whole or in part, shares of Preferred Stock at a redemption price of \$25.00 per share plus accumulated and unpaid dividends. In addition, failure to meet the foregoing asset coverage requirements could restrict the Company's ability to pay dividends on shares of Common Stock and could lead to sales of portfolio securities at inopportune times.

The holders of Preferred Stock have voting rights equivalent to those of the holders of Common Stock (one vote per share) and, generally, vote together with the holders of Common Stock as a single class.

Holders of Preferred Stock will elect two members to the Company's Board of Directors and the holders of Preferred and Common Stock, voting as a single class, will elect the remaining directors. If the Company fails to pay dividends on the Preferred Stock in an amount equal to two full years' dividends, the holders of Preferred Stock will have the right to elect a majority of the directors. In addition, the Investment Company Act of 1940 requires that approval of the holders of a majority of any outstanding Preferred Shares, voting separately as a class, would be required to (a) adopt any plan of reorganization that would adversely affect the Preferred Stock and (b) take any action requiring a vote of security holders, including, among other things, changes in the Company's subclassification as a closed-end investment company or changes in its fundamental investment policies.

The Company presents its Preferred Stock, for which its redemption is outside of the Company's control, outside of the net assets applicable to Common Stock in the Statement of Assets and Liabilities.

Transactions in Common Stock during 2013 and 2012 were as follows:

	SHARES		AMOUNT	
	2013	2012	2013	2012
Shares issued in payment of dividends and distributions (includes 1,090,772 and 766,116 shares issued from treasury, respectively)	1,090,772	766,116	\$1,090,772	\$766,116
Increase in paid-in capital			34,780,532	20,788,558
Total increase			35,871,304	21,554,674
Shares purchased (at an average discount from net asset value of 14.3% and 14.5%, respectively)	(385,176)	(1,298,533)	(385,176)	(1,298,533)
Decrease in paid-in capital			(12,662,528)	(34,729,783)
Total decrease			(13,047,704)	(36,028,316)
Net increase (decrease)	705,596	(532,417)	\$22,823,600	(\$14,473,642)

At December 31, 2013, the Company held in its treasury 2,041,304 shares of Common Stock with an aggregate cost of \$57,970,489.

The tax basis distribution during the year ended December 31, 2013 is as follows: ordinary distributions of \$6,746,658 and long-term capital gains distributions of \$65,935,586. As of December 31, 2013, distributable earnings on a tax basis included \$3,963,127 from undistributed net long-term capital gains and \$633,497,521 from net unrealized appreciation on investments if realized in future years. Reclassifications arising from permanent "book/tax" differences reflect non-tax deductible expenses and redesignation of dividends during the year ended December 31, 2013. As a result, undistributed net investment loss was decreased by \$8,208 and additional paid-in capital was decreased by \$1,014 and undistributed net realized gain on securities sold was decreased by \$7,194. As of December 31, 2013 the Company had straddle loss deferrals of \$252,864. Net assets were not affected by this reclassification.

**6. OFFICERS' COMPENSATION**

The aggregate compensation accrued and paid by the Company during the year ended December 31, 2013 to its officers (identified on page 20) amounted to \$6,897,833 of which \$3,370,000 was payable as of year end.

**7. BENEFIT PLANS**

The Company has funded (Qualified) and unfunded (Supplemental) defined contribution thrift plans that are available to its employees. The aggregate cost of such plans for 2013 was \$932,301. The qualified thrift plan acquired 54,684 shares, sold 28,800 shares and distributed 25,719 shares of the Company's Common Stock during the year ended December 31, 2013. It held 485,001 shares of the Company's Common Stock at December 31, 2013.

The Company also has both funded (Qualified) and unfunded (Supplemental) noncontributory defined benefit pension plans that cover its employees. The pension plan provides a defined benefit based on years of service and final average salary with an offset for a portion of Social Security covered compensation. The investment policy of the pension plan is to invest not less than 80% of its assets, under ordinary conditions, in equity securities and the balance in fixed income securities. The investment strategy is to invest in a portfolio of diversified registered investment funds (open-end and exchange traded) and an unregistered partnership. Open-end funds and the unregistered partnership are valued at net asset value based upon the fair market value of the underlying investment portfolios. Exchange traded funds are valued based upon their closing market price.

The Company recognizes the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability in the Statement of Assets and Liabilities and recognizes changes in funded status in the year in which the changes occur through other comprehensive income.

## 7. BENEFIT PLANS - (Continued from previous page.)

## OBLIGATIONS AND FUNDED STATUS OF DEFINED BENEFIT PLANS:

	DECEMBER 31, 2013 (MEASUREMENT DATE)		
	QUALIFIED PLAN	SUPPLEMENTAL PLAN	TOTAL
CHANGE IN BENEFIT OBLIGATION:			
Benefit obligation at beginning of year	\$14,408,047	\$5,016,410	\$19,424,457
Service cost	338,953	115,857	454,810
Interest cost	568,078	196,537	764,615
Benefits paid	(730,777)	(272,034)	(1,002,811)
Actuarial gain	(1,074,745)	(429,588)	(1,504,333)
Projected benefit obligation at end of year	13,509,556	4,627,182	18,136,738
CHANGE IN PLAN ASSETS:			
Fair value of plan assets at beginning of year	15,403,048	—	15,403,048
Actual return on plan assets	4,415,477	—	4,415,477
Employer contributions	—	272,034	272,034
Benefits paid	(730,777)	(272,034)	(1,002,811)
Fair value of plan assets at end of year	19,087,748	—	19,087,748
FUNDED STATUS AT END OF YEAR	\$5,578,192	(\$4,627,182)	\$951,010
Accumulated benefit obligation at end of year	\$12,620,383	\$4,334,264	\$16,954,647
CHANGE IN FUNDED STATUS:			
	BEFORE	ADJUSTMENTS	AFTER
Noncurrent benefit asset	\$995,001	\$4,583,191	\$5,578,192
LIABILITIES			
Current benefit liability	(274,598)	(23,522)	(298,120)
Noncurrent benefit liability	(4,741,810)	412,750	(4,329,060)
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	7,772,799	(5,948,555)	1,824,244
AMOUNTS RECOGNIZED IN ACCUMULATED OTHER COMPREHENSIVE INCOME CONSIST OF:			
Net actuarial (gain) loss	\$7,619,033	(\$5,901,966)	\$1,717,067
Prior service cost	153,766	(46,589)	107,177
	\$7,772,799	(\$5,948,555)	\$1,824,244
WEIGHTED-AVERAGE ASSUMPTIONS AS OF DECEMBER 31, 2013 AND FOR DETERMINING NET PERIODIC BENEFIT COST FOR THE YEAR ENDED DECEMBER 31, 2013:			
Discount rate	3.80%	3.80%	
Expected return on plan assets*	7.50%	N/A	
Salary scale assumption	4.25%	4.25%	

\*Determined based upon a discount to the long-term average historical performance of the plan.

## COMPONENTS OF NET PERIODIC BENEFIT COST:

Service cost	\$338,953	\$115,857	\$454,810
Interest cost	568,078	196,537	764,615
Expected return on plan assets	(986,483)	—	(986,483)
Amortization of:			
Prior service cost	45,832	757	46,589
Recognized net actuarial loss	886,945	81,693	968,638
Net periodic benefit cost	\$853,325	\$394,844	\$1,248,169

## PLAN ASSETS

The Company's qualified pension plan asset allocation by asset class at December 31, 2013, is as follows:

ASSET CATEGORY	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Equity securities	\$15,930,673	\$2,840,949	—	\$18,771,622
Debt securities	282,077	—	—	282,077
Money market fund	34,049	—	—	34,049
Total	\$16,246,799	\$2,840,949	—	\$19,087,748

## EXPECTED CASH FLOWS

	QUALIFIED PLAN	SUPPLEMENTAL PLAN	TOTAL
Expected Company contributions for 2014	—	\$298,120	\$298,120
Expected benefit payments:			
2014	\$760,683	\$298,120	\$1,058,803
2015	798,702	297,089	1,095,791
2016	810,719	294,996	1,105,715
2017	813,796	285,025	1,098,821
2018	820,666	279,684	1,100,350
2019-2023	4,252,209	1,276,304	5,528,513

The estimated amount that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2014 is \$438,397.

**8. OPERATING LEASE COMMITMENT**

In September 2007, the Company entered into an operating lease agreement for office space which expires in February 2018 and provided for aggregate rental payments of approximately \$10,755,000, net of construction credits. The lease agreement contains clauses whereby the Company receives free rent for a specified number of months and credit towards construction of office improvements, and incurs escalations annually relating to operating costs and real property taxes and to annual rent charges beginning in February 2013. The Company has the option to renew the lease after February 2018 for five years at market rates. Rental expense approximated \$1,110,300 for the year ended December 31, 2013. Minimum rental commitments under the operating lease are approximately \$1,183,000 per annum in 2014 through 2017, and \$99,000 in 2018.

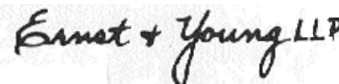
TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF  
GENERAL AMERICAN INVESTORS COMPANY, INC.

We have audited the accompanying statement of assets and liabilities, including the statement of investments, of General American Investors Company, Inc. (the "Company") as of December 31, 2013, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2013, by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of General American Investors Company, Inc. at December 31, 2013, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.



New York, New York  
February 7, 2014

**OFFICERS***General American Investors*

NAME (AGE) EMPLOYEE SINCE	PRINCIPAL OCCUPATION DURING PAST 5 YEARS	NAME (AGE) EMPLOYEE SINCE	PRINCIPAL OCCUPATION DURING PAST 5 YEARS
Jeffrey W. Priest (51) 2010	<i>President of the Company since 2012 and Chief Executive Officer since 2013, Managing Member and President, Amajac Capital Management, LLC (1999-2010)</i>	Sally A. Lynch, Ph.D. (54) 1997	<i>Vice-President of the Company since 2006, securities analyst (biotechnology industry)</i>
Andrew V. Vindigni (54) 1988	<i>Senior Vice-President of the Company since 2006, Vice-President 1995-2006 securities analyst (financial services and consumer non-durables industries)</i>	Michael Robinson (41) 2006	<i>Vice-President of the Company since 2010, securities analyst (general industries)</i>
Eugene S. Stark (55) 2005	<i>Vice-President, Administration of the Company and Principal Financial Officer since 2005, Chief Compliance Officer since 2006</i>	Diane G. Radosti (61) 1980	<i>Treasurer of the Company since 1990, Principal Accounting Officer since 2003</i>
Craig A. Grassi (45) 1991	<i>Vice-President since 2013, Assistant Vice-President of the Company 2005-2012 securities analyst and information technology</i>	Maureen E. LoBello (63) 1992	<i>Corporate Secretary since 2013, Assistant Corporate Secretary 2005-2012 benefits administration</i>
		Linda J. Genid (55) 1983	<i>Assistant Corporate Secretary effective 2014 network administration</i>

All officers serve for a term of one year and are elected by the Board of Directors at the time of its annual organization meeting in April. The address for each officer is the Company's office. All information is as of February 7, 2014.

**SERVICE ORGANIZATIONS**

COUNSEL Sullivan & Cromwell LLP	TRANSFER AGENT AND REGISTRAR American Stock Transfer & Trust Company, LLC 6201 15th Avenue Brooklyn, NY 11219 1-800-413-5499 www.amstock.com
INDEPENDENT AUDITORS Ernst & Young LLP	
CUSTODIAN State Street Bank and Trust Company	

Previous purchases of the Company's Common and Preferred Stock are set forth in Note 5, on pages 15 and 16. Prospective purchases of Common and Preferred Stock may be made at such times, at such prices, in such amounts and in such manner as the Board of Directors may deem advisable.

The policies and procedures used by the Company to determine how to vote proxies relating to portfolio securities and the Company's proxy voting record for the twelve-month period ended June 30, 2013 are available: (1) without charge, upon request, by calling us at our toll-free telephone number (1-800-436-8401), (2) on the Company's website at [www.generalamericaninvestors.com](http://www.generalamericaninvestors.com) and (3) on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

In addition to distributing financial statements as of the end of each quarter, General American Investors files a Quarterly Schedule of Portfolio Holdings (Form N-Q) with the Securities and Exchange Commission ("SEC") as of the end of the first and third calendar quarters. The Company's Forms N-Q are available at [www.generalamericaninvestors.com](http://www.generalamericaninvestors.com) and on the SEC's website: [www.sec.gov](http://www.sec.gov). Also, Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330. A copy of the Company's Form N-Q may be obtained by calling us at 1-800-436-8401.

On May 2, 2013, the Company submitted a CEO annual certification to the New York Stock Exchange ("NYSE") on which the Company's principal executive officer certified that he was not aware, as of that date, of any violation by the Company of the NYSE's Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules, the Company's principal executive and principal financial officer made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q relating to, among other things, the Company's disclosure controls and procedures and internal control over financial reporting, as applicable.



## DIRECTORS

General American Investors

NAME (AGE) DIRECTOR SINCE	PRINCIPAL OCCUPATION DURING PAST 5 YEARS	CURRENT DIRECTORSHIPS AND AFFILIATIONS
INDEPENDENT DIRECTORS		
<b>Arthur G. Altschul, Jr.</b> (49) 1995	<i>Co-Founder and Chairman</i> Kolltan Pharmaceuticals, Inc.  <i>Managing Member</i> Diaz & Altschul Capital Management, LLC (private investment company)	Child Mind Institute, <i>Director</i> Delta Opportunity Fund, Ltd., <i>Director</i> Neurosciences Research Foundation, <i>Trustee</i> The Overbrook Foundation, <i>Director</i>
<b>Rodney B. Berens</b> (68) 2007	<i>Founding Partner</i> Berens Capital Management, LLC (investment management)	Agni Capital Management Ltd., <i>Member of Investment Committee</i> Alfred P. Sloan Foundation, <i>Member of Investment Committee</i> Pierpont Morgan Library, <i>Trustee and Chairman of Investment</i> <i>Sub-Committee</i> The Woods Hole Oceanographic Institute, <i>Trustee and Member of</i> <i>Investment Committee</i>
<b>Lewis B. Cullman</b> (95) 1961	<i>Philanthropist</i>	Chess-in-the-Schools, <i>Chairman</i> Metropolitan Museum of Art, <i>Honorary Trustee</i> Museum of Modern Art, <i>Vice Chairman, International Council and</i> <i>Honorary Trustee</i> Neurosciences Research Foundation, <i>Vice Chairman, Board of Trustees</i> The New York Botanical Garden, <i>Senior Vice Chairman, Board of Managers</i> The New York Public Library, <i>Trustee</i>
<b>Gerald M. Edelman</b> (84) 1976	<i>Member and Professor</i> The Scripps Research Institute	Neurosciences Institute of the Neurosciences Research Foundation, <i>Director and President</i> NGN Capital, <i>Chairman, Advisory Board</i> Promosome, LLC, <i>Chairman, Scientific Advisory Board</i>
<b>John D. Gordan, III</b> (68) 1986	<i>Attorney</i> Beazley USA Services, Inc. (2013) (insurance)  <i>Senior Counsel (2010-2011)</i> <i>Partner (1994-2010) (Retired)</i> Morgan, Lewis & Bockius LLP	
<b>Betsy F. Gotbaum</b> (75) 2010	<i>New York City's Public Advocate</i> (2002-2009)	Community Service Society, <i>Trustee</i> Coro Leadership, <i>Trustee</i> Fisher Center for Alzheimer's Research Foundation, <i>Trustee</i> Learning Leaders, <i>Trustee</i> Visiting Nurse Association of New York, <i>Trustee</i>
<b>Sidney R. Knafel</b> (83) 1994	<i>Lead Independent Director</i>  <i>Managing Partner</i> SRK Management Company (private investment company)	IGENE Biotechnology, Inc., <i>Director</i>
<b>Daniel M. Neidich</b> (64) 2007	<i>Chief Executive Officer</i> Dune Real Estate Partners LP (since 2009)  <i>Founding Partner and Co-Chief</i> <i>Executive Officer</i> Dune Capital Management LP (2005-2009)	Child Mind Institute, <i>Director</i> Prep for Prep, <i>Director</i> Real Estate Roundtable, <i>Director (formerly Chairman)</i>
<b>Raymond S. Troubh</b> (87) 1989	<i>Financial Consultant</i>	Diamond Offshore Drilling, Inc., <i>Director</i> Gentiva Health Services, Inc., <i>Director</i> The Wendy's Company, <i>Director</i>
INTERESTED DIRECTORS		
<b>Spencer Davidson</b> (71) 1995	<i>Chairman of the Board</i> General American Investors Company, Inc. President and Chief Executive Officer (1995-2012)	Neurosciences Research Foundation, <i>Trustee</i>
<b>Jeffrey W. Priest</b> (51) 2013	<i>President of the Company</i> since 2012 and Chief Executive Officer since 2013	

All Directors serve for a term of one year and are elected by Stockholders at the time of the annual meeting. The address for each Director is the Company's office. All information is as of February 7, 2014.