



General American Investors Company, Inc.

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**GENERAL
AMERICAN
INVESTORS**

**2015
ANNUAL
REPORT**





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)

	2015	2014
Net assets applicable to Common Stock -		
December 31	\$1,068,028,205	\$1,227,899,705
Net investment income	13,728,242	9,735,291
Net realized gain	34,130,660	102,101,749
Net decrease in unrealized appreciation	(76,268,833)	(27,988,358)
Distributions to Preferred Stockholders	(11,311,972)	(11,311,972)
Per Common Share-December 31		
Net asset value	\$37.74	\$39.77
Market price	\$31.94	\$35.00
Discount from net asset value	-15.4%	-12.0%
Common Shares outstanding-Dec. 31	28,296,697	30,871,844
Market price range* (high-low)	\$35.98-\$30.46	\$38.27-\$32.31
Market volume-shares	16,381,264	9,864,111

*Unadjusted for dividend payments.

DIVIDEND SUMMARY (per share) (unaudited)

Record Date	Payment Date	Ordinary Income	Long-Term Capital Gain	Total
Common Stock				
Nov. 16, 2015	Dec. 30, 2015	\$0.340000	\$0.810000	\$1.150000
Feb. 1, 2016	Feb. 12, 2016	0.051500	0.048500	0.100000
<i>Total from 2015 earnings</i>		<u>\$0.391500</u>	<u>\$0.858500</u>	<u>\$1.250000</u>
Nov. 17, 2014	Dec. 30, 2014	\$0.574766 (a)	\$2.925234	\$3.500000
<i>Total from 2014 earnings</i>		<u>\$0.574766 (a)</u>	<u>\$2.925234</u>	<u>\$3.500000</u>
Preferred Stock				
Mar. 9, 2015	Mar. 24, 2015	\$.109946	\$.261929	\$.371875
Jun. 8, 2015	Jun. 24, 2015	.109946	.261929	.371875
Sept. 7, 2015	Sept. 24, 2015	.109946	.261929	.371875
Dec. 7, 2015	Dec. 24, 2015	.109946	.261929	.371875
<i>Total for 2015</i>		<u>\$.439784</u>	<u>\$1.047716</u>	<u>\$1.487500</u>
Mar. 7, 2014	Mar. 24, 2014	\$.061069	\$.310806	\$.371875
Jun. 9, 2014	Jun. 24, 2014	.061069	.310806	.371875
Sept. 8, 2014	Sept. 24, 2014	.061069	.310806	.371875
Dec. 8, 2014	Dec. 24, 2014	.061069	.310806	.371875
<i>Total for 2014</i>		<u>\$.244276 (b)</u>	<u>\$1.243224</u>	<u>\$1.487500</u>

(b) Includes short-term gains in the amount of \$.107786 per share (\$.0269465 per quarter).

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General American Investors' net asset value (NAV) per Common Share (assuming reinvestment of all dividends) decreased 1.6% for the year ended December 31, 2015. The U.S. stock market was up 1.4% for the year, as measured by our benchmark, the Standard & Poor's 500 Stock Index (including income). The return to our Common Stockholders decreased by 5.3% and the discount at which our shares traded to their NAV continued to fluctuate and on December 31, 2015, it was 15.4%.

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	11.6%	11.5%	15.1%
5	9.6	9.5	12.6
10	5.2	5.2	7.3
20	10.6	10.3	8.2
30	11.5	11.7	10.3
40	14.2	13.6	11.3
50	11.3	11.6	9.7

Over the past three years, we have commented on the deviation between the U.S. economy's modest growth and the equity market's strong performance, with expansion in the price-to-earnings multiple accounting for nearly 56% of those gains. With the Fed recently raising interest rates, a period of convergence may have begun.

The near zero return of the S&P 500 during 2015 masked a market characterized by divergences between growth and value investing, large and small capitalized equity performance, and large disparities in performance between sectors, especially the surprisingly strong performance of a few internet stocks. For 2015, 56% of the stocks in the Russell 2000 were down more than 20% from their highs. We fared comparatively well due in part to shares of companies in the bio-technology, select technology and consumer discretionary sectors. We also enjoyed positive performance of companies that were acquired, namely: Platinum Underwriters, PartnerRe Insurance, EMC, and Towers Watson. Detracting were shares of energy, select industrials and a few financial companies.

The U.S. economy has maintained a modest advance for the past year with GDP rising 2.1%, a deceleration from the prior year. For the consumer, low inflation due to falling commodity and food prices and strong employment growth have improved income levels, savings rates and balance sheets. Home and auto sales continue to improve, the latter reaching a level on par with 2007 albeit on elevated sub-prime loans. The average age of a car in the U.S. remains high at 11+ years, suggesting the improvement may last longer than prior cycles.

Unfortunately, inventories throughout the economy have been elevated for the past two quarters and industrial production has slowed demonstrably as the strong dollar and related impacts from commodity markets has muted exports in dollar terms. Changing consumer behavior may have also contributed to an increase in the household savings rate, reducing consumption from its pace earlier in the year amidst higher than expected health insurance costs, rent, and concerns over geo-politics.

Weakness in energy prices has challenged all U.S. energy-related companies leading to credit quality concerns. Historically, widening credit spreads due to credit deterioration portend future economic difficulty. With the Federal Reserve initi-

ing its first interest rate increase since 2006 amidst weakening growth, it would seem unlikely that rates will increase much over the next several quarters. Europe continues to improve, but recent turmoil in the Middle East and the related refugee crisis has taxed the EU, both financially and politically, possibly leading to slower growth over the near term. China, though accounting for less than 2% of U.S. exports has accounted for nearly 46% of global growth over the past 5 years and may have reached a near term peak in its contribution to world GDP. This has negatively impacted emerging economies that rely heavily on the production of base materials.

In sum, the post crisis world economy remains constrained by excess capacity, leverage and geopolitical turmoil. These headwinds are countered by low interest rates, low inflation and GDP growth in the U.S. and Europe. U.S. companies, particularly multi-nationals, have been buffeted by currency effects, slowing worldwide growth and reduced trade as measured in U.S. dollars. These risks appear to be discounted in valuations assuming no exogenous shocks. Low prices for energy will do their part in removing excess capacity over time and it remains unclear if Saudi Arabia's strategy of flooding the world with oil and gaining market share will result in more power or weakness as the country faces the potential for massive budget deficits. Despite short term pain for producers, it seems reasonable to assume lower prices for fuel are a net positive to global GDP over time.

In the interim, given geopolitical uncertainties and a slowing worldwide expansion, the U.S. may experience a period of decelerating growth and as a result equity markets may experience higher volatility. Over the longer term, U.S. equities, remain the better alternative to fixed income securities as many of them have dividend yields that compare favorably to bonds and possess a growth rate linked to global GDP. Companies paying dividends with room to grow them will garner more attention this year as growth appears modest globally. For the longer term, few assets will provide investors with a greater return than equities. Reinvested dividends form the cornerstone of equity returns. Since 1935 approximately 44% of the total return of the S&P 500 is due to reinvested dividends.

We are pleased to report that, on October 14, 2015, Mr. Henry R. Schirmer was appointed to the Board of Directors of the Company. Mr. Schirmer is the Chief Financial Officer and Senior Vice President, Finance for Unilever North America. Mr. Schirmer's extensive experience in finance, information technology, mergers and acquisitions, supply chain operations, marketing and sales will be of great value to the Company in the future.

As announced on December 16, 2015, Maureen E. LoBello, an employee of the Company for the last twenty-three years and Corporate Secretary since January 1, 2013, retired effective December 31, 2015. Effective January 1, 2016, Linda J. Genid, who has been an employee of the Company since 1983 and Assistant Corporate Secretary since January 1, 2014, was appointed 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.

By Order of the Board of Directors,
Jeffrey W. Priest
President and Chief Executive Officer

January 20, 2016

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 30-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 2015, the stock sold at discounts to NAV which ranged from 12.7% (March 10) to 18.0% (September 8). At December 31, the price of the stock was at a discount of 15.4%.

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%. To date, 22,175,848 shares have been repurchased.

"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 1943-2015 (except for the year 1974). (A table listing dividends and distributions paid during the 20-year period 1996-2015 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, 2015 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 and (3) on the Securities and Exchange Commission's website at 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 - click on Distributions & 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, 2015

The investment return for a Common Stockholder of General American Investors (GAM) over the 20 years ended December 31, 2015 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 1996.

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 following tables and graph 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
1996	\$11,948	19.48%	\$11,997	19.97%	\$12,291	22.91%
1997	17,035	42.58	15,842	32.05	16,388	33.33
1998	22,369	31.31	21,409	35.14	21,066	28.55
1999	31,142	39.22	29,202	36.40	25,482	20.96
2000	37,091	19.10	34,353	17.64	23,165	-9.09
2001	38,697	4.33	33,941	-1.20	20,411	-11.89
2002	28,167	-27.21	26,128	-23.02	15,892	-22.14
2003	35,775	27.01	33,287	27.40	20,431	28.56
2004	38,920	8.79	36,738	10.37	22,635	10.79
2005	45,692	17.40	42,690	16.20	23,729	4.83
2006	53,359	16.78	47,915	12.24	27,445	15.66
2007	58,012	8.72	51,753	8.01	28,929	5.41
2008	30,050	-48.20	29,489	-43.02	18,205	-37.07
2009	41,127	36.86	38,949	32.08	23,020	26.45
2010	47,806	16.24	44,912	15.31	26,487	15.06
2011	45,277	-5.29	43,623	-2.87	27,052	2.13
2012	54,228	19.77	51,174	17.31	31,377	15.99
2013	72,785	34.22	68,231	33.33	41,546	32.41
2014	79,569	9.32	72,638	6.46	47,234	13.69
2015	75,320	-5.34	71,505	-1.56	47,900	1.41

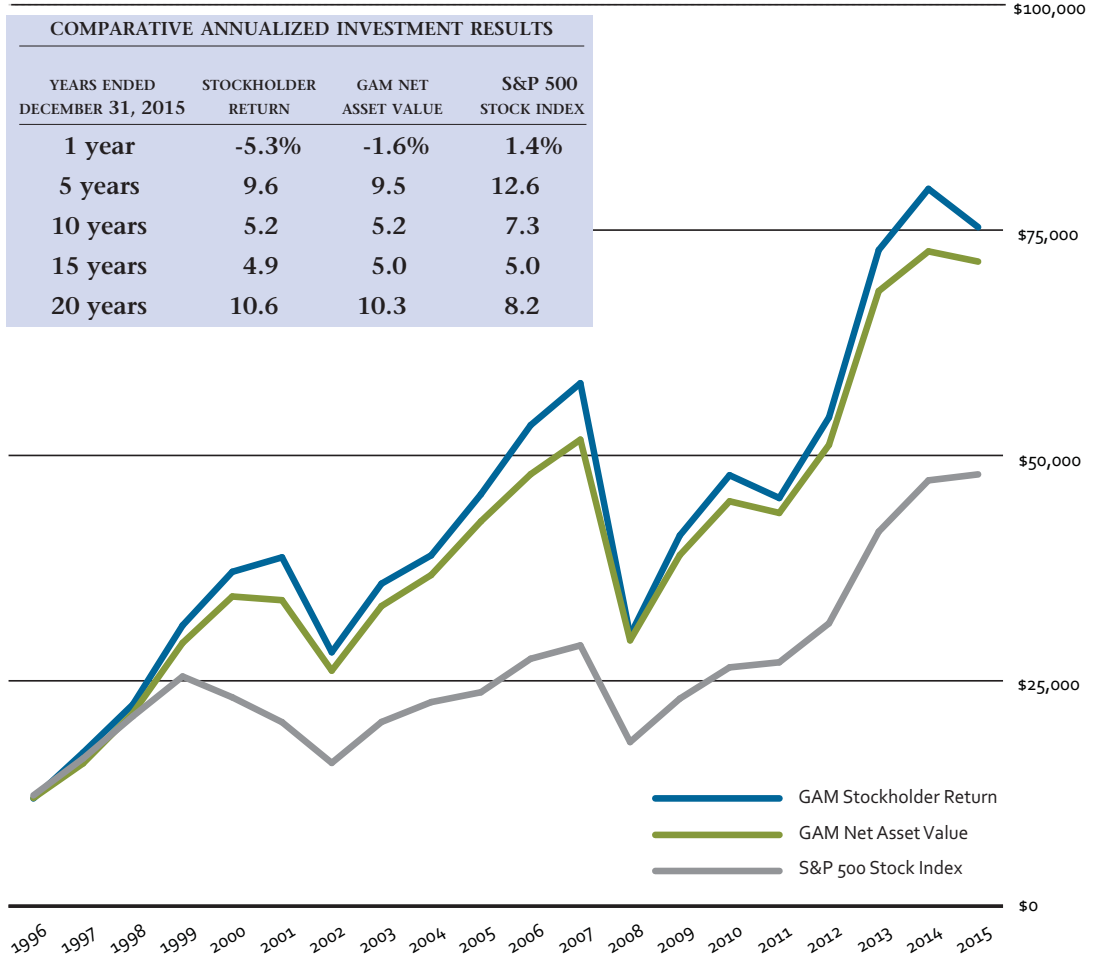
DIVIDENDS AND DISTRIBUTIONS PER COMMON SHARE (1996-2015) (UNAUDITED)

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			YEAR	EARNINGS SOURCE			RETURN OF CAPITAL
	INCOME	SHORT-TERM CAPITAL GAINS	LONG-TERM CAPITAL GAINS		INCOME	SHORT-TERM CAPITAL GAINS	LONG-TERM CAPITAL GAINS	
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	—
2004	.217	—	.957	2014	.321	.254	2.925	—
2005	.547	.041	1.398	2015	.392	—	.858	—

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

CUMULATIVE VALUE
 OF INVESTMENT



General American Investors

		NET SHARES TRANSACTED	SHARES HELD
INCREASES:			
NEW POSITIONS	Applied DNA Sciences, Inc. - Warrants	578,591	281,409 (b)
	Cempra, Inc.	324,409	494,409 (b)
ADDITIONS	Anadarko Petroleum Corporation	8,000	218,000
	Hertz Global Holdings, Inc.	50,000	795,064
	M&T Bank Corporation	28,493 (c)	153,493
	Nelnet, Inc.	31,500	520,000
	Synchronoss Technologies, Inc.	25,000	425,534
DECREASES:			
ELIMINATIONS	Ciena Corporation	496,000	-----
	Target Corporation	216,300	-----
REDUCTIONS	Apple Inc.	50,000	344,000
	Costco Wholesale Corporation	64,019	243,781
	EMC Corporation	55,000	560,000
	Enscopl - Class A	230,000	385,000
	FCB Financial Holdings, Inc.	85,000	300,000
	Intel Corporation	328,200	505,500
	Intra-Cellular Therapies Inc.	62,700	182,442
	Occidental Petroleum Corporation	45,500	154,500
	QUALCOMM Incorporated	75,000	461,200
	Repos Therapeutics Inc.	112,937	396,123
	Republic Services, Inc.	64,300	972,800
	Ultra Petroleum Corp.	652,900	150,903
	Verint Systems Inc.	60,400	130,886

(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.

(c) Shares received in a merger with Hudson City Bancorp, Inc.

PORTFOLIO DIVERSIFICATION (UNAUDITED)

	INDUSTRY CATEGORY	DECEMBER 31, 2015		% COMMON NET ASSETS
		COST(000)	VALUE(000)	
<i>The diversification of the Company's net assets applicable to its Common Stock by industry group as of December 31, 2015 is shown in the table.</i>	Financials			
	Banks	\$9,918	\$29,337	2.7%
	Diversified Financials	25,490	55,296	5.2
	Insurance	41,708	170,754	16.0
		<u>77,116</u>	<u>255,387</u>	<u>23.9</u>
	Information Technology			
	Semiconductors & Semiconductor Equipment	15,210	35,244	3.3
	Software & Services	38,968	58,065	5.5
	Technology Hardware & Equipment	57,965	101,271	9.5
		<u>112,143</u>	<u>194,580</u>	<u>18.3</u>
	Consumer Staples			
	Food, Beverage & Tobacco	69,831	123,172	11.5
	Food & Staples Retailing	7,370	39,371	3.7
		<u>77,201</u>	<u>162,543</u>	<u>15.2</u>
	Industrials			
	Capital Goods	61,692	71,842	6.7
	Commercial & Professional Services	27,451	74,047	6.9
	Transportation	14,793	11,314	1.1
		<u>103,936</u>	<u>157,203</u>	<u>14.7</u>
	Health Care			
	Pharmaceuticals, Biotechnology & Life Sciences	75,945	146,498	13.7
Consumer Discretionary				
Automobiles & Components	16,175	17,811	1.6	
Retailing	5,255	88,259	8.3	
	<u>21,430</u>	<u>106,070</u>	<u>9.9</u>	
Energy	86,758	76,923	7.2	
Miscellaneous*	37,900	32,485	3.0	
Telecommunication Services	23,341	22,061	2.1	
Materials	17,928	9,112	0.9	
	<u>633,698</u>	<u>1,162,862</u>	<u>108.9</u>	
Short-Term Securities	106,006	106,006	9.9	
Total Investments	<u>\$739,704</u>	<u>1,268,868</u>	<u>118.8</u>	
Other Assets and Liabilities - Net		(10,723)	(1.0)	
Preferred Stock		(190,117)	(17.8)	
Net Assets Applicable to Common Stock		<u>\$1,068,028</u>	<u>100.0%</u>	

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

The statement of investments as of December 31, 2015, shown on pages 8 - 10 includes 56 security issues. Listed here are the ten largest holdings on that date.

	SHARES	VALUE	% COMMON NET ASSETS
THE TJX COMPANIES, INC. 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.	1,244,668	\$88,259,408	8.3%
ARCH CAPITAL GROUP LTD. Arch Capital, a Bermuda-based insurer/reinsurer, generates premiums of approximately \$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.	700,000	48,825,000	4.6
GILEAD SCIENCES, INC. Gilead Sciences is a U.S. based biotechnology company that discovers, develops and commercializes therapeutics. Originally founded to focus predominantly on antiviral drugs to treat patients with HIV, Hepatitis B, CMV, influenza and most recently, Hepatitis C, the company has expanded its reach into cardiopulmonary medicine and oncology and other related areas.	438,600	44,381,934	4.1
REPUBLIC SERVICES, INC. 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.	972,800	42,793,472	4.0
COSTCO WHOLESALE CORPORATION 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.	243,781	39,370,631	3.7
MICROSOFT CORPORATION Microsoft is a leading global provider of software services and hardware devices. The company produces the Windows operating system, Office productivity suite, Azure public cloud service, and Xbox gaming console.	680,686	37,764,459	3.5
APPLE INC. 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 and 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.	344,000	36,209,440	3.4
PARTNERRE LTD. PartnerRe, a Bermuda-based global reinsurer, generates annual premiums of approximately \$6 billion, has a quality investment portfolio and a conservative, well-reserved A+ rated balance sheet. This well-managed organization exercises prudent underwriting discipline and superior capital management resulting in above earnings and book value growth.	253,361	35,404,666	3.3
NESTLÉ S.A. Nestlé is a well-managed global food company with a favorably-positioned product portfolio and an excellent AA rated balance sheet. Solid volume growth, strong pricing power, expense control and steady capital management yield durable, above-average, long-term total return potential.	450,000	33,497,253	3.1
GENERAL ELECTRIC COMPANY General Electric is a global industrial and technology company. The company aims to generate 75% of its earnings from industrial businesses upon completion of the exit from most of its financial businesses. The company's diverse mix of infrastructure businesses, many with leading market positions, forms the foundation of management's focus upon shareholder value via earnings growth, optimization of profitability, and returning capital through dividends and share repurchases.	1,015,000	31,617,250	3.0
		<u>\$438,123,513</u>	<u>41.0%</u>

	SHARES	COMMON STOCKS	VALUE (NOTE 1a)
CONSUMER DISCRETIONARY (9.9%)	AUTOMOBILES AND COMPONENTS (1.6%)		
	1,264,063	Ford Motor Company	(COST \$16,174,723) <u>\$17,810,648</u>
	RETAILING (8.3%)		
	1,244,668	The TJX Companies, Inc.	(COST \$5,254,725) <u>88,259,408</u> (COST \$21,429,448) <u>106,070,056</u>
CONSUMER STAPLES (15.2%)	FOOD, BEVERAGE AND TOBACCO (11.5%)		
	201,174	Danone	13,610,379
	237,400	Diageo plc ADR	25,893,218
	450,000	Nestlé S.A.	33,497,253
	195,000	PepsiCo, Inc.	19,484,400
	704,378	Unilever N.V.	30,686,974
			(COST \$69,831,143) <u>123,172,224</u>
	FOOD AND STAPLES RETAILING (3.7%)		
	243,781	Costco Wholesale Corporation	(COST \$7,369,695) <u>39,370,631</u> (COST \$77,200,838) <u>162,542,855</u>
ENERGY (7.2%)	218,000	Anadarko Petroleum Corporation	10,590,440
	230,900	Apache Corporation	10,268,123
	1,572,819	Cameco Corporation	19,392,858
	385,000	EnSCO plc - Class A	5,925,150
	585,000	Halliburton Company	19,913,400
	154,500	Occidental Petroleum Corporation	10,445,745
	150,903	Ultra Petroleum Corp. (a)	377,258
		(COST \$86,314,371) <u>76,912,974</u>	
FINANCIALS (23.9%)	BANKS (2.7%)		
	300,000	FCB Financial Holdings, Inc. (a)	10,737,000
	153,493	M&T Bank Corporation	18,600,282
			(COST \$9,918,278) <u>29,337,282</u>
	DIVERSIFIED FINANCIALS (5.2%)		
	245,000	American Express Company	17,039,750
	315,000	JPMorgan Chase & Co.	20,799,450
	520,000	Nelnet, Inc.	17,456,400
			(COST \$25,489,288) <u>55,295,600</u>
	INSURANCE (16.0%)		
243,492	Aon plc	22,452,397	
700,000	Arch Capital Group Ltd. (a)	48,825,000	
110	Berkshire Hathaway Inc. Class A (a)	21,758,000	
135,000	Everest Re Group, Ltd.	24,717,150	
365,000	MetLife, Inc.	17,596,650	
253,361	PartnerRe Ltd.	35,404,666	
		(COST \$41,708,047) <u>170,753,863</u> (COST \$77,115,613) <u>255,386,745</u>	
HEALTH CARE (13.7%)	PHARMACEUTICALS, BIOTECHNOLOGY AND LIFE SCIENCES		
	1,200,000	Ariad Pharmaceuticals, Inc. (a)	7,500,000
	180,000	Celgene Corporation (a)	21,556,800
	494,409	Cempra, Inc. (a)	15,390,952
	438,600	Gilead Sciences, Inc.	44,381,934
	182,442	Intra-Cellular Therapies Inc. (a)	9,813,555
	427,191	Merck & Co., Inc.	22,564,229
	277,076	Paratek Pharmaceuticals Inc. (a)	5,256,132
	605,808	Pfizer Inc.	19,555,482
	396,123	Repos Therapeutics Inc. (a)	479,309
			(COST \$75,945,208) <u>146,498,393</u>

	SHARES	COMMON STOCKS (Continued)	VALUE (NOTE 1a)
INDUSTRIALS (14.7%)	CAPITAL GOODS (6.7%)		
	219,131	Eaton Corporation PLC	\$11,403,577
	1,015,000	General Electric Company	31,617,250
	300,000	United Technologies Corporation	28,821,000
			(COST \$61,692,252)
			<u>71,841,827</u>
	COMMERCIAL AND PROFESSIONAL SERVICES (6.9%)		
	972,800	Republic Services, Inc.	42,793,472
	243,298	Towers Watson & Co. Class A (b)	31,254,061
			(COST \$27,450,601)
		<u>74,047,533</u>	
INFORMATION TECHNOLOGY (18.2%)	TRANSPORTATION (1.1%)		
	795,064	Hertz Global Holdings, Inc. (a)	(COST \$14,793,585)
			(COST \$103,936,438)
			<u>11,313,761</u>
			<u>157,203,121</u>
	SEMICONDUCTORS AND SEMICONDUCTOR EQUIPMENT (3.3%)		
	200,850	ASML Holding N.V.	17,829,454
	505,500	Intel Corporation	17,414,475
			(COST \$15,210,099)
			<u>35,243,929</u>
MATERIALS (0.9%)	SOFTWARE AND SERVICES (5.5%)		
	680,686	Microsoft Corporation	37,764,459
	425,534	Synchronoss Technologies, Inc. (a)	14,991,563
	130,886	Verint Systems Inc. (a)	5,308,736
			(COST \$38,967,624)
			<u>58,064,758</u>
	TECHNOLOGY HARDWARE AND EQUIPMENT (9.4%)		
	344,000	Apple Inc.	36,209,440
	1,000,000	Cisco Systems, Inc.	27,155,000
	560,000	EMC Corporation	14,380,800
461,200	QUALCOMM Incorporated	23,053,082	
		(COST \$57,961,936)	
		(COST \$112,139,659)	
		<u>100,798,322</u>	
		<u>194,107,009</u>	
MISCELLANEOUS (3.0%)	801,422	Huntsman Corporation	(COST \$17,928,463)
			<u>9,112,168</u>
TELECOMMUNICATION SERVICES (2.1%)		Other (c)	(COST \$37,899,832)
			<u>32,485,029</u>
	683,852	Vodafone Group plc ADR	(COST \$23,341,422)
			<u>22,061,066</u>
		TOTAL COMMON STOCKS (108.8%)	(COST \$633,251,292)
			<u>1,162,379,416</u>
	WARRANTS	WARRANT	
TECHNOLOGY HARDWARE AND EQUIPMENT (0.1%)	281,409	Applied DNA Sciences, Inc. (a)	(COST \$2,814)
			<u>472,486</u>
		CALL OPTIONS	
	CONTRACTS (100 SHARES EACH)	COMPANY/EXPIRATION DATE/EXERCISE PRICE	
ENERGY	1,000	EnSCO plc/January 15, 2016/\$17 (a)	10,000
	1,500	EnSCO plc/January 15, 2016/\$19 (a)	0
			(COST \$443,582)
			<u>10,000</u>

SHARES	SHORT-TERM SECURITIES AND OTHER ASSETS	VALUE (NOTE 1a)
106,006,567	SSgA U.S. Treasury Money Market Fund (9.9%) (COST \$106,006,567)	\$106,006,567
TOTAL INVESTMENTS (d) (118.8%) (COST \$739,704,255)		1,268,868,469
Liabilities in excess of receivables and other assets (-1.0%)		(10,723,089)
		1,258,145,380
PREFERRED STOCK (-17.8%)		(190,117,175)
NET ASSETS APPLICABLE TO COMMON STOCK (100%)		<u>\$1,068,028,205</u>

ADR - American Depository Receipt

(a) Non-income producing security.

(b) Name changed to Willis Towers Watson PLC upon merger on January 5, 2016.

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

(d) At December 31, 2015, the cost of investments for Federal income tax purposes was \$739,704,255; aggregate gross unrealized appreciation was \$586,393,098; aggregate gross unrealized depreciation was \$57,228,885; and net unrealized appreciation was \$529,164,213.

(see notes to financial statements)

STATEMENT OF OPTIONS WRITTEN

CALL OPTIONS	CONTRACTS (100 SHARES EACH)	COMPANY/EXPIRATION DATE/EXERCISE PRICE	VALUE (NOTE 1a)
CONSUMER STAPLES			
FOOD & STAPLES RETAILING	250	Costco Wholesale Corporation/January 15, 2016/\$145	\$450,000
	500	Costco Wholesale Corporation/January 15, 2016/\$150	665,000
HEALTH CARE	1,000	Cempra, Inc./January 16, 2016/\$25	680,000
INFORMATION TECHNOLOGY			
SEMICONDUCTORS AND SEMICONDUCTOR EQUIPMENT	500	Intel Corporation/January 15, 2016/\$32	141,000
			(PREMIUMS RECEIVED \$1,473,462)
			<u>1,936,000</u>
PUT OPTIONS			
ENERGY	1,000	Enscopl/January 15, 2016/\$14	40,000
	1,500	Enscopl/January 15, 2016/\$15	90,000
			(PREMIUMS RECEIVED \$404,556*)
TOTAL OPTIONS WRITTEN			<u>\$2,066,000</u>

*The maximum cash outlay if all put options are exercised is \$3,650,000.

(see notes to financial statements)

ASSETS	DECEMBER 31, 2015
<hr/>	
INVESTMENTS, AT VALUE (NOTE 1a)	
Common stocks (cost \$633,251,292)	\$1,162,379,416
Warrant (cost \$2,814)	472,486
Purchased options (cost \$443,582)	10,000
Money market fund (cost \$106,006,567)	106,006,567
Total investments (cost \$739,704,255)	<u>1,268,868,469</u>
RECEIVABLES AND OTHER ASSETS	
Cash, including that held by custodian in segregated account*	3,845,114
Dividends, interest and other receivables	2,201,436
Qualified pension plan asset, net excess funded (note 7)	1,995,511
Prepaid expenses, fixed assets and other assets	916,094
TOTAL ASSETS	<u>1,277,826,624</u>
<hr/>	
LIABILITIES	
Payable for securities purchased	5,355,964
Accrued compensation payable to officers and employees	3,219,500
Accrued preferred stock dividend not yet declared	219,955
Outstanding options written, at value (premiums received \$1,878,018)	2,066,000
Accrued supplemental pension plan liability (note 7)	5,605,494
Accrued supplemental thrift plan liability (note 7)	2,816,870
Accrued expenses and other liabilities	397,461
TOTAL LIABILITIES	<u>19,681,244</u>
5.95% CUMULATIVE PREFERRED STOCK, SERIES B -	
7,604,687 at a liquidation value of \$25 per share (note 5)	190,117,175
NET ASSETS APPLICABLE TO COMMON STOCK - 28,296,697 (note 5)	<u>\$1,068,028,205</u>
NET ASSET VALUE PER COMMON SHARE	<u>\$37.74</u>
<hr/>	
NET ASSETS APPLICABLE TO COMMON STOCK	
Common Stock, 28,296,697 shares at par value (note 5)	\$28,296,697
Additional paid-in capital (note 5)	511,036,440
Undistributed realized gain on securities sold	5,015,370
Over distributed net investment income (note 5)	(92,807)
Accumulated other comprehensive loss (note 7)	(5,247,870)
Unallocated distributions on Preferred Stock	(219,955)
Unrealized appreciation on investments, options written and other	529,240,330
NET ASSETS APPLICABLE TO COMMON STOCK	<u>\$1,068,028,205</u>

*Of which \$3,832,500 is collateral for options written.

(see notes to financial statements)

STATEMENT OF OPERATIONS

General American Investors

INCOME	YEAR ENDED	
	DECEMBER 31, 2015	
Dividends (net of foreign withholding taxes of \$643,722)		\$27,547,383
EXPENSES		
Investment research		6,838,278
Administration and operations		3,973,579
Office space and general		1,696,392
Auditing and legal fees		487,704
Transfer agent, custodian and registrar fees and expenses		294,173
Directors' fees and expenses		234,766
State and local taxes		173,980
Stockholders' meeting and reports		120,269
TOTAL EXPENSES		13,819,141
NET INVESTMENT INCOME		13,728,242
Realized Gain And Change In Unrealized Appreciation On Investments (Notes 1, 3 and 4)		
Net realized gain on investments:		
Securities transactions		33,494,870
Written options transactions (notes 1b and 4)		635,790
		34,130,660
Net decrease in unrealized appreciation		(76,268,833)
NET INVESTMENT INCOME, REALIZED GAINS AND DEPRECIATION ON INVESTMENTS		(28,409,931)
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS		(11,311,972)
DECREASE IN NET ASSETS RESULTING FROM OPERATIONS		(\$39,721,903)
(see notes to financial statements)		

STATEMENT OF CHANGES IN NET ASSETS

OPERATIONS	YEAR ENDED DECEMBER 31,	
	2015	2014
Net investment income	\$13,728,242	\$9,735,291
Net realized gain on investments	34,130,660	102,101,749
Net decrease in unrealized appreciation	(76,268,833)	(27,988,358)
	(28,409,931)	83,848,682
Distributions to Preferred Stockholders:		
From net investment income	(3,344,407)	(1,037,961)
From net capital gains	(7,967,565)	(10,274,011)
Decrease in net assets from Preferred distributions	(11,311,972)	(11,311,972)
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	(39,721,903)	72,536,710
OTHER COMPREHENSIVE INCOME (LOSS)		
Funded status of defined benefit plans (note 7)	538,384	(3,962,010)
DISTRIBUTIONS TO COMMON STOCKHOLDERS		
From net investment income	(9,622,112)	(9,462,665)
From net capital gains	(22,923,266)	(93,663,921)
DECREASE IN NET ASSETS FROM COMMON DISTRIBUTIONS	(32,545,378)	(103,126,586)
CAPITAL SHARE TRANSACTIONS (NOTE 5)		
Value of Common Shares issued in payment of dividends and distributions	13,532,276	51,886,970
Cost of Common Shares purchased	(101,674,879)	(18,905,125)
INCREASE (DECREASE) IN NET ASSETS - CAPITAL TRANSACTIONS	(88,142,603)	32,981,845
NET DECREASE IN NET ASSETS	(159,871,500)	(1,570,041)
NET ASSETS APPLICABLE TO COMMON STOCK		
BEGINNING OF YEAR	1,227,899,705	1,229,469,746
END OF YEAR (including over distributed net investment income of (\$92,807) and (\$857,611), respectively)	\$1,068,028,205	\$1,227,899,705

(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, 2015.

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

	2015	2014	2013	2012	2011
PER SHARE OPERATING PERFORMANCE					
Net asset value, beginning of year	\$39.77	\$41.07	\$32.68	\$29.78	\$31.26
Net investment income	.48	.32	.17	.24	.18
Net gain (loss) on securities - realized and unrealized	(.99)	2.39	10.51	5.05	(.68)
Other comprehensive income (loss)	.02	(.13)	.20	—	(.10)
	(.49)	2.58	10.88	5.29	(.60)
Distributions on Preferred Stock:					
Dividends from net investment income	(.12)	(.04)	(.04)	(.04)	(.11)
Distributions from net capital gains	(.27)	(.34)	(.35)	(.35)	(.27)
	(.39)	(.38)	(.39)	(.39)	(.38)
Total from investment operations	(.88)	2.20	10.49	4.90	(.98)
Distributions on Common Stock:					
Dividends from net investment income	(.34)	(.32)	(.18)	(.21)	(.15)
Distributions from net capital gains	(.81)	(3.18)	(1.92)	(1.79)	(.35)
	(1.15)	(3.50)	(2.10)	(2.00)	(.50)
Net asset value, end of year	\$37.74	\$39.77	\$41.07	\$32.68	\$29.78
Per share market value, end of year	\$31.94	\$35.00	\$35.20	\$27.82	\$24.91
TOTAL INVESTMENT RETURN - Stockholder					
Return, based on market price per share	(5.34%)	9.32%	34.24%	19.77%	(5.29%)
RATIOS AND SUPPLEMENTAL DATA					
Net assets applicable to Common Stock, end of year (000's omitted)	\$1,068,028	\$1,227,900	\$1,229,470	\$955,418	\$886,537
Ratio of expenses to average net assets applicable to Common Stock	1.17%	1.10%	1.27%	1.67%	1.39%
Ratio of net income to average net assets applicable to Common Stock	1.17%	0.78%	0.47%	0.74%	0.56%
Portfolio turnover rate	14.41%	14.98%	17.12%	9.56%	11.17%
PREFERRED STOCK					
Liquidation value, end of year (000's omitted)	\$190,117	\$190,117	\$190,117	\$190,117	\$190,117
Asset coverage	662%	746%	747%	603%	566%
Liquidation preference per share	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Market value per share	\$26.75	\$26.01	\$25.30	\$25.54	\$25.47

(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 accompanying financial statements have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") pursuant to the requirements for reporting; Accounting Standards Codification 946, *Financial Services - Investment Companies* ("ASC 946"), and Regulation S-X.

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income, expenses and gains and losses during the reported period. Changes in the economic environment, financial markets, and any other parameters used in determining these estimates could cause actual results to differ, and these differences could be material.

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 written 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 written 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.

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

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.

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, 2015:

Assets	Level 1	Level 2	Level 3	Total
Common stocks	\$1,162,379,416	—	—	\$1,162,379,416
Warrants	472,486	—	—	472,486
Purchased options	10,000	—	—	10,000
Money market fund	106,006,567	—	—	106,006,567
Total	<u>\$1,268,868,469</u>	<u>—</u>	<u>—</u>	<u>\$1,268,868,469</u>
Liabilities				
Options written	<u>(\$2,066,000)</u>	<u>—</u>	<u>—</u>	<u>(\$2,066,000)</u>

Transfers of Level 3 Securities, if any, are reported as of the actual date of reclassification. No such transfers occurred during the year ended December 31, 2015.

3. PURCHASES AND SALES OF SECURITIES

Purchases and sales of securities (other than short-term securities and options) during 2015 amounted to \$181,750,203 and \$297,520,251, 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 covered call options and collateralized put options during the year ended December 31, 2015 were as follows:

	COVERED CALLS		COLLATERALIZED PUTS	
	CONTRACTS	PREMIUMS	CONTRACTS	PREMIUMS
Options outstanding, December 31, 2014	2,100	\$245,504	0	\$0
Options written	2,250	1,473,462	4,762	952,916
Options terminated in closing purchase transaction	(1,900)	(200,966)	(2,262)	(548,360)
Options expired	(200)	(44,538)	0	0
Options outstanding, December 31, 2015	<u>2,250</u>	<u>\$1,473,462</u>	<u>2,500</u>	<u>\$404,556</u>

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, 28,296,697 shares were issued and outstanding; 8,000,000 Preferred Shares were originally issued and 7,604,687 were outstanding on December 31, 2015.

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

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. This authorization has been renewed annually thereafter. To date, 395,313 shares have been repurchased.

The Company allocates distributions from net 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 net capital gains, they will be paid from investment company taxable income, or will represent a return of capital.

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 2015 and 2014 were as follows:

	SHARES		AMOUNT	
	2015	2014	2015	2014
Par Value of Shares issued in payment of dividends and distributions (includes 439,217 and 1,473,643 shares issued from treasury, respectively)	439,217	1,473,643	\$439,217	\$1,473,643
Increase in paid-in capital			13,093,059	50,413,327
Total increase			<u>13,532,276</u>	<u>51,886,970</u>
Par Value of Shares purchased (at an average discount from net asset value of 15.5% and 14.4%, respectively)	(3,014,364)	(541,367)	(3,014,364)	(541,367)
Decrease in paid-in capital			(98,660,515)	(18,363,758)
Total decrease			<u>(101,674,879)</u>	<u>(18,905,125)</u>
Net increase (decrease)	<u>(2,575,147)</u>	<u>932,276</u>	<u>(\$88,142,603)</u>	<u>\$32,981,845</u>

At December 31, 2015, the Company held in its treasury 3,684,175 shares of Common Stock with an aggregate cost of \$125,050,953.

The tax basis distributions during the year ended December 31, 2015 are as follows: ordinary distributions of \$12,966,519 and net capital gains distributions of \$30,890,831. As of December 31, 2015, distributable earnings on a tax basis included \$1,442,060 from ordinary distributions and \$5,268,234 from undistributed net capital gains and \$529,240,330 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, 2015. As a result, additional paid-in capital was decreased by \$3,081 and net investment income increased by \$3,081. As of December 31, 2015 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, 2015 to its officers (identified on page 20) amounted to \$7,036,500 of which \$3,164,000 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 2015 was \$275,860. The qualified thrift plan acquired 38,349 shares of the Company's Common Stock during the year ended December 31, 2015. It held 576,937 shares of the Company's Common Stock at December 31, 2015.

The Company also has both funded (qualified) and unfunded (supplemental) noncontributory defined benefit pension plans that cover its employees. The pension plans provide 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.

OBLIGATIONS AND FUNDED STATUS OF DEFINED BENEFIT PLANS:	DECEMBER 31, 2015 (MEASUREMENT DATE)		
	QUALIFIED PLAN	SUPPLEMENTAL PLAN	TOTAL
CHANGE IN BENEFIT OBLIGATION:			
Benefit obligation at beginning of year	\$16,878,901	\$5,997,210	\$22,876,111
Service cost	435,566	167,367	602,933
Interest cost	669,462	230,177	899,639
Benefits paid	(769,505)	(314,277)	(1,083,782)
Actuarial loss	(868,484)	(474,983)	(1,343,467)
Projected benefit obligation at end of year	<u>16,345,940</u>	<u>5,605,494</u>	<u>21,951,434</u>
CHANGE IN PLAN ASSETS:			
Fair value of plan assets at beginning of year	19,467,227	—	19,467,227
Actual return on plan assets	(356,271)	—	(356,271)
Employer contributions	—	314,277	314,277
Benefits paid	(769,505)	(314,277)	(1,083,782)
Fair value of plan assets at end of year	<u>18,341,451</u>	<u>—</u>	<u>18,341,451</u>
FUNDED STATUS AT END OF YEAR	<u>\$1,995,511</u>	<u>(\$5,605,494)</u>	<u>(\$3,609,983)</u>
Accumulated benefit obligation at end of year	<u>\$15,185,972</u>	<u>\$5,019,013</u>	<u>\$20,204,985</u>
WEIGHTED-AVERAGE ASSUMPTIONS USED TO DETERMINE OBLIGATION AT YEAR END:			
Discount rate	4.25%	4.25%	
Salary scale assumption	4.25%	4.25%	
Mortality	RP-2014 Mortality Table/ MP-2015 Mortality Improvement Scale without collar adjustment		
CHANGE IN FUNDED STATUS:	BEFORE	ADJUSTMENTS	AFTER
Noncurrent benefit asset - qualified plan	\$2,588,326	(\$592,815)	\$1,995,511
LIABILITIES:			
Current benefit liability - supplemental plan	(\$305,970)	(\$5,609)	(\$311,579)
Noncurrent benefit liability - supplemental plan	(5,691,240)	397,325	(5,293,915)
AMOUNTS RECOGNIZED IN ACCUMULATED OTHER COMPREHENSIVE INCOME CONSIST OF:			
Net actuarial loss	\$5,725,662	(\$497,419)	\$5,228,243
Prior service cost	60,592	(40,965)	19,627
ACCUMULATED OTHER COMPREHENSIVE INCOME	<u>\$5,786,254</u>	<u>(\$538,384)</u>	<u>\$5,247,870</u>
WEIGHTED-AVERAGE ASSUMPTIONS TO DETERMINE NET PERIODIC BENEFIT COST DURING YEAR:			
Discount rate	3.90%	3.90%	
Expected return on plan assets*	7.50%	N/A	
Salary scale assumption	4.25%	4.25%	
Mortality	RP-2014 Mortality Table projected generationally with MP-2014 Mortality Improvement Scale without collar adjustment		

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

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

	QUALIFIED PLAN	SUPPLEMENTAL PLAN	TOTAL
COMPONENTS OF NET PERIODIC BENEFIT COST:			
Service cost	\$435,566	\$167,367	\$602,933
Interest cost	669,462	230,177	899,639
Expected return on plan assets	(1,243,845)	—	(1,243,845)
Amortization of:			
Prior service cost	40,208	757	40,965
Recognized net actuarial loss	615,006	139,062	754,068
Net periodic benefit cost	<u>\$516,397</u>	<u>\$537,363</u>	<u>\$1,053,760</u>

PLAN ASSETS

The Company's qualified pension plan asset allocation by asset class at December 31, 2015, is as follows:

ASSET CATEGORY	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Equity securities	\$13,887,306	—	—	\$13,887,306
Limited partnership interest	—	\$2,841,744	—	2,841,744
Money market fund	1,612,401	—	—	1,612,401
Total	<u>\$15,499,707</u>	<u>\$2,841,744</u>	<u>—</u>	<u>\$18,341,451</u>

EXPECTED CASH FLOWS

	QUALIFIED PLAN	SUPPLEMENTAL PLAN	TOTAL
Expected Company contributions for 2016	—	\$311,579	\$311,579
Expected benefit payments:			
2016	\$834,092	\$311,579	\$1,145,671
2017	859,992	302,746	1,162,738
2018	883,983	298,283	1,182,266
2019	903,576	293,206	1,196,782
2020	917,773	282,604	1,200,377
2021-2025	4,908,100	1,475,115	6,381,215

The estimated amount that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2016 is \$370,158 which is comprised of \$352,354 of actuarial loss and \$17,804 of service.

8. OPERATING LEASE COMMITMENT

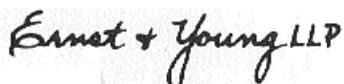
In September 2007, the Company entered into an operating lease agreement for office space which expires in February 2018 and provided for aggregate rental payments of approximately \$10,755,000, net of construction credits. The lease agreement contains clauses whereby the Company receives free rent for 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 \$1,164,300 for the year ended December 31, 2015. Minimum rental commitments under the operating lease are approximately \$1,183,000 per annum in 2016 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 statements of investments and options written, of General American Investors Company, Inc. (the "Company") as of December 31, 2015, 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, 2015, 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, 2015, 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.

The signature of Ernst & Young LLP is written in a cursive, handwritten style in black ink.

New York, New York
February 8, 2016

NAME (AGE) EMPLOYEE SINCE	PRINCIPAL OCCUPATION DURING PAST 5 YEARS	NAME (AGE) EMPLOYEE SINCE	PRINCIPAL OCCUPATION DURING PAST 5 YEARS
Jeffrey W. Priest (53) 2010	<i>President of the Company since 2012 and Chief Executive Officer since 2013</i>	Sally A. Lynch, Ph.D. (56) 1997	<i>Vice-President of the Company since 2006, securities analyst (biotechnology industry)</i>
Andrew V. Vindigni (56) 1988	<i>Senior Vice-President of the Company since 2006, Vice-President 1995-2006 securities analyst (financial services and consumer non-durables industries)</i>	Anang K. Majmudar (41) 2012	<i>Vice-President of the Company since 2015, securities analyst (general industries)</i>
Eugene S. Stark (57) 2005	<i>Vice-President, Administration of the Company and Principal Financial Officer since 2005, Chief Compliance Officer since 2006</i>	Michael W. Robinson (43) 2006	<i>Vice-President of the Company since 2010, securities analyst (general industries)</i>
Craig A. Grassi (47) 1991	<i>Vice-President of the Company since 2013, Assistant Vice-President 2005-2012 securities analyst and information technology</i>	Diane G. Radosti (63) 1980	<i>Treasurer of the Company since 1990, Principal Accounting Officer since 2003</i>
		Linda J. Genid (57) 1983	<i>Corporate Secretary of the Company effective 2016, Assistant Corporate Secretary 2014-2015, network administrator</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 6, 2016.

SERVICE ORGANIZATIONS

COUNSEL
Sullivan & Cromwell LLP

INDEPENDENT AUDITORS
Ernst & Young LLP

CUSTODIAN
State Street Bank and Trust Company

TRANSFER AGENT AND REGISTRAR
American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, NY 11219
1-800-413-5499
www.amstock.com

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, 2015 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 and (3) on the Securities and Exchange Commission's website at 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 and on the SEC's website: www.sec.gov. Copies of Forms N-Q may also be obtained and reviewed at the SEC's Public Reference Room in Washington, DC. or through the Company by calling us at 1-800-436-8401. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330.

On April 22, 2015, 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		
Arthur G. Altschul, Jr. (51) 1995	<i>Co-Founder and Chairman</i> Kolltan Pharmaceuticals, Inc. <i>Managing Member</i> Diaz & Altschul Capital Management, LLC (private investment company) <i>Chairman</i> Overbrook Management Corporation (investment advisory firm)	Child Mind Institute, <i>Director</i> Delta Opportunity Fund, Ltd., <i>Director</i> Neurosciences Research Foundation, <i>Trustee</i> Overbrook Foundation, <i>Director</i>
Rodney B. Berens (70) 2007	<i>Founding Partner</i> Berens Capital Management, LLC (investment management)	Alfred P. Sloan Foundation, <i>Member of Investment Committee</i> Svarog Capital Advisors, <i>Member of Investment Committee</i> The Morgan Library and Museum, <i>Trustee, Chairman of Investment Sub-Committee, and Member of Finance, Compensation and Nomination Committees</i> The Woods Hole Oceanographic Institute, <i>Trustee and Member of Investment Committee</i>
Lewis B. Cullman (97) 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 Honorary Trustee</i> The New York Botanical Garden, <i>Senior Vice Chairman, Board of Managers</i> The New York Public Library, <i>Trustee</i>
Spencer Davidson (73) 1995	<i>Chairman of the Board</i> General American Investors Company, Inc. <i>President and Chief Executive Officer (1995-2012)</i>	Neurosciences Research Foundation, <i>Trustee</i>
John D. Gordan, III (70) 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	
Betsy F. Gotbaum (77) 2010	<i>Consultant</i>	Chess-in-the-Schools, <i>Trustee</i> 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>
Sidney R. Knafel (85) 1994	<i>Lead Independent Director</i> <i>Managing Partner</i> SRK Management Company (private investment company)	IGENE Biotechnology, Inc., <i>Director</i>
Daniel M. Neidich (66) 2007	<i>Chief Executive Officer</i> Dune Real Estate Partners LP	Child Mind Institute, <i>Director</i> Prep for Prep, <i>Director</i> Real Estate Roundtable, <i>Member (formerly Chairman)</i> Urban Land Institute, <i>Trustee</i>
Henry R. Schirmer (51) 2015	<i>Chief Financial Officer/Senior Vice-President Finance</i> Unilever North America (2012) <i>Chief Financial Officer/Senior Vice-President Finance</i> Unilever Germany/Australia/Switzerland (2008-2012)	Results for Development Institute, <i>Director</i>
Raymond S. Troubh (89) 1989	<i>Financial Consultant</i>	Diamond Offshore Drilling, Inc., <i>Director</i>
INTERESTED DIRECTOR		
Jeffrey W. Priest (53) 2013	<i>President of the Company</i> since 2012 and Chief Executive Officer since 2013	

The Company is a stand-alone fund. 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 6, 2016.