GABELLI
MERGER PLUS+ TRUST PLC

Gabelli Merger Plus+ Trust plc Annual Report and Accounts For the year ended 30 June 2020

Merger Investing
Since 1977

"There are many advantages to investing in risk arbitrage. Let's focus on three: risk arbitrage returns are not closely correlated with those of the stock market; they are less volatile than returns on the S&P 500; and longer term they are higher than those returns afforded by traditional investing. While these three factors provide for excellent results in the world of arbitrage, the real beauty of risk arb investing is that there is rarely a down year. Because risk arb returns are consistently positive year in and year out, they fulfill the concept of a compound return. We proclaim this source of compounded earnings as the eighth wonder of the world.

Compounding is the secret to wealth creation over a period of decades."

Mario Gabelli
(Deals...Deals...and More Deals, 1999)

Gabelli Merger Plus+ Trust Plc's investment objective:

The Company's primary investment objective is to seek to generate total return consisting of capital appreciation and current income.

Contents

At a glance

Merger investing is a highly specialised active investment approach designed to profit from corporate catalyst events such as announced mergers, acquisitions, leveraged buyouts, demergers and other types of reorganisations and corporate actions ("deals"). The Portfolio Manager, (Gabelli Funds, LLC), seeks to earn returns through a diversified portfolio of investments across such deals earning the differential or "spread" between the market price and the investment's ultimate value. Gabelli Merger Plus+ Trust plc ("GMP" or "the Company") invests globally, although it has an emphasis on securities traded in the United States, across market capitalisations and sectors.

The Company was launched in July 2017 to access this unique investment approach. The Company's shares trade on the Specialist Fund Segment of the London Stock Exchange and The International Stock Exchange under the symbol "GMP".

The Company seeks to generate total returns consisting of capital appreciation and current income through the application of this active merger investment program. A secondary objective is the protection of capital, while earning returns uncorrelated to unmanaged equity and fixed income markets.

The Portfolio Manager has invested in mergers since 1977, and created its first dedicated merger fund in 1985. The Portfolio Manager remains vigilant in the application of its investment methodology and search for opportunities, maintaining a diversified portfolio of catalyst event merger arbitrage strategies that seek to create an optimal risk/reward profile for the portfolio.

The Company provides access to Gabelli's deep history of investing in mergers. The approach is a natural extension of its long standing research-driven investment process oriented towards undervalued assets as articulated through its proprietary Private Market Value with a Catalyst™ methodology ("PMV with a Catalyst™"). PMV with a Catalyst™ is the price an informed buyer would pay for an entire business in a negotiated transaction, combined with a catalyst, to earn rates of return independent of the broad markets' direction.

The Company is part of the lineage of Gabelli's sixteen listed investment companies beginning in 1986 with the Gabelli Equity Trust (NYSE:GAB). The Gabelli Funds complex currently includes fourteen U.S. based closed-end funds or investment companies, and two based in the U.K., including GMP. Gabelli Funds also manages twenty four open-end funds and a Luxembourg SICAV with two UCITS sub-funds.

Financial Highlights

Performance	As at 30 June 2020	As at 30 June 2019
Net asset value per share (cum income)	**$9.33**	**$9.71**
Net asset value per share (ex income)	**$9.52**	**$9.82**
Dividends per share paid during the year	**$0.48**	**$0.48**
Share price	**$7.50**	**$8.60**
Discount [1, 5]	**19.61%**	**11.43%**

Total returns	Year ended 30 June 2020	Year ended 30 June 2019
Net asset value per share [2, 5]	**0.98%**	**3.69%**
U.S. 3-month Treasury Bill Index	**0.16%**	**2.31%**
Share price [3, 5]	**(7.69%)**	**(6.51%)**

Income	Year ended 30 June 2020	Year ended 30 June 2019
Revenue return per share	**($0.08)**	**($0.07)**

Ongoing charges [4]	Year ended 30 June 2020	Year ended 30 June 2019
Annualised ongoing charges	**1.74%**	**1.47%**

Source: Investment Manager (Gabelli Funds, LLC), verified by the Administrator (State Street Bank and Trust Company).

1 Figures are inclusive of income and dividends paid, in line with the Association of Investment Companies (the "AIC") guidance.

2 The net asset value ("NAV") total return for the year reflects the movement in the NAV, adjusted for the reinvestment of any dividends paid and market movements.

3 The total share price return for the year to 30 June 2020 reflects the movement in the share price during the year, adjusted to reflect the reinvestment of any dividends paid.

4 Ongoing charges are calculated as a percentage of shareholders' funds using the average net assets over the year and calculated in line with the AIC's recommended methodology. Annualised ongoing charges in 2020 include 25 bps attributable to the performance fee.

5 These key performance indicators are alternative performance measures. Further information regarding the use of alternative performance measures can be found on page 13 and in the glossary on page 61.

Chairman's Statement

Marc Gabelli
Chairman

We share this Annual Report to Shareholders covering the year to 30 June 2020. Gabelli Merger Plus+ Trust Plc (the "Company") operates globally in the highly specialised investment discipline of event driven merger arbitrage. The objectives are to compound and preserve wealth over time, while remaining non correlated to the broad equity and fixed income markets. The investment programme is global, encompassing a broad spectrum of special situations and event driven opportunities, with an emphasis on announced merger transactions. The portfolio is a highly liquid, non-market correlated alternative to traditional equity and fixed income securities.

Merger returns are derived through the narrowing of deal spreads from time of announcement until their expected closure. The spread is a function of three primary elements: the risk free rate, the risk premium associated with transaction fundamentals, and the time value of money. The dynamic interplay across these components is evaluated constantly within every investment by the Manager. Position sizing will vary according to a probabilistic assessment of the risk. The inherent risk in all merger investing is a broken deal rather than the standard deviation or price variance of the market price movements over the deal timeline. Gabelli Funds LLC, the Portfolio Manager, employs an active approach to analysing the fundamentals of a merger investment and has a long history of implementing such a programme. At its core, this differentiated investment approach utilises the Gabelli PMV with a Catalyst™ analytical methodology to manage risk amongst other inputs and factors. The full details of this investment programme were set out in the offering Prospectus and are found on the Company's web site www.Gabelli.com/MergerPlus.

The Board is always receptive to feedback and is available should you have any questions or comments via the Portfolio Manager's Investor Relations group directly, or through the Company Secretary, whose contact details are at the end of this Report. We thank you, our shareholders, for your confidence entrusting a portion of your assets to our team.

Principal Developments on Investments During the Year

Worldwide M&A activity totalled $3.9 trillion in the calendar year 2019, the fourth largest year on record. The U.S. remained a bright spot with volume totalling $1.8 trillion, an increase of 6% compared to 2018 and the strongest year since 2015. Forty three announced deals greater than $10 billion accounted for 31% of deal activity totalling $1.2 trillion, the largest concentration of "mega deals" since 2015. The most active sectors for M&A activity were Healthcare ($533 billion, an all-time record), Technology and Energy & Power.

This momentum continued into 2020, until mid-February when markets began to pull back broadly over concerns related to the COVID-19 pandemic. Market volatility spilled into merger arbitrage investments, exacerbated as hedge funds faced margin calls and sold stocks to raise cash, causing mark-to-market declines in the GMP Portfolio. Since the peak volatility we experienced in March, the Portfolio's returns have been bolstered by deals that have closed, progress on deals in the pipeline, and the continued normalization of merger spreads. Regulators and advisers around the world have successfully transitioned to working remotely and continue to advance and approve transactions.

We are seeing early signs of a return to deal making. The Federal Reserve and other central banks have responded with fiscal stimulus and monetary measures which should provide for accommodative capital markets. CEOs and Boards of Directors continue to seek ways to create shareholder value in an increasingly global marketplace, while competing with well financed market disruptors with models designed to challenge established businesses and a consumer base that is shifting online at an increased pace. This includes both M&A and financial engineering, which can spur deal activity.

Economies have reopened and consumers are adapting to a "new normal." Post our reporting period, announced deals in July totalled $305 billion, a 60% increase from $189 billion in June, and $290 billion in August; both months were essentially at the same levels of activity year-on-year. The GMP Portfolio Team are continuing to invest in highly strategic, well-financed deals with an emphasis on near-term catalysts. The Portfolio Team's immediate focus is to ensure deals in the portfolio are completed, and that it can continue to deploy capital in attractive situations. The top holdings in the GMP Portfolio remain deals expected to close in the near term, and those with the highest certainty of value.

Chairman's statement continued

The Company's net asset value (NAV) plus dividends paid delivered a total return to shareholders during the year under review of 0.98% in U.S. dollars. This performance compared to the equivalent 13-week U.S. Treasury Bill which returned 0.16% and also relative to the MNA ETF, which returned (0.07)%, and merger arbitrage indices such as the S&P Merger Arbitrage Index which delivered 3.22%, and the Credit Suisse Merger Arbitrage Liquid Index, down 0.01%. The share price total return with dividends reinvested was (7.69)%, with low trading volumes impacted by a widening of the discount which was exacerbated throughout March.

The Company responded to the widening discount by buying 5,960 shares into treasury during the financial year at an average discount of 24.6%. Shares held in treasury may only be resold either at, or a premium to, the prevailing net asset value. The company has not currently bought any additional shares since the announcement of the share repurchase programme in April 2020.

We underscore that the Portfolio Manager aligns its interests with those of other shareholders in two respects: (i) Gabelli, its affiliates and its principals are our largest shareholders, with 59.8% of the shares, so they participate fully in the ups and downs of performance; and (ii) the performance fee is subject to a high water mark on total returns, a hurdle rate payable after the NAV exceeds two times the 13-week U.S. Treasury Bill return, capped at 3% of NAV. The Board recognises that, while the positive absolute returns of NAV since listing are consistent with the Company's investment objectives, the share price performance fell short of the NAV achievements at the year end. We remain focused on the dynamics of the market price discovery process in secondary trading and will consider selective buybacks as necessary. The Board remains alert to these issues and closely monitors and reviews this regularly.

Shareholder Base and the Developments in the U.K.

On August 30 2019, we announced that the Company had introduced a Sterling market quote. The additional market quotation for the shares on the London Stock Exchange is found under the ticker symbol "GMPP." The Board is seeking to broaden the shareholder base and build its attributes to accommodate future investors. This process is built on three interrelated pillars: governance, improving liquidity, and ongoing positive Portfolio Manager performance. The Board also closely monitors liquidity in the Company's shares on an ongoing basis and will consider actions to improve this when determined necessary.

The Company's broker, Cantor Fitzgerald Europe, voluntarily withdrew from the investment trust market in April 2020. The appointment of a new adviser will be announced in due course. Until then, the Portfolio Manager's Investor Relations teams in New York and London remain available to assist shareholders in the market and continue to examine potential opportunities for additional capital raises in the future as conditions merit.

The key priority of the Board and Portfolio Manager remains to serve the interests of shareholders through seeking improved portfolio performance. The Board believes that the shares' rating would be likely to respond favourably to ongoing positive performance, which in turn could create an opportunity to expand the capital of the Company. In addition, the Board seeks to diversify the shareholder base, spread the fixed costs over a wider base, and improve the trading liquidity. During the period, the Company has utilised nominal gearing of up to 20% through contracts for difference (CFDs). The difference between actual and nominal gearing is explained in the glossary on page 62.

The Portfolio Manager has looked at a range of options for using borrowing facilities as a means of adding to returns, and currently believes the use of CFDs offers the most flexibility and the best cost to shareholders. The Board believes that the investment policy carried out is consistent with its initial prospectus.

Dividend

The Company's portfolio is diversified across various arbitrage strategies, with holding periods averaging 120 days each. In arbitrage, the culmination of a position is effectively a return of cash as the position is closed. As such, the portfolio is constructed to implement the managed distribution of capital through the payment of quarterly dividends, giving investors access to the cash harvested from the portfolio's investment programme. Between inception and 30 June 2020, the Company returned \$1.31 per share to shareholders, consistent with its dividend policy. This return is exclusive of the first interim dividend for the 2021 financial year due to be paid on 30 October 2020.

Stakeholders

The Board has spent time this year considering its responsibilities to its wider stakeholders and broader environmental, social and governance factors. We outline the approach we have taken in these areas following the expectations of updated UK governance standards in this Report on pages 26 and 27.

Outlook

Early signs of a recovery in M&A activity have begun to emerge, and absent a significant COVID-19 second wave hindering economic reopenings, we remain optimistic on the opportunity sets for our team in the second half of the year. We expect borrowing costs to remain historically low for longer, and companies who entered the slowdown with strong balance sheets and sufficient liquidity to search for opportunities to increase efficiencies and consolidate. Financial flexibility and rigorous capital allocation procedures are the long term ingredients for both companies and investors. This is a core strength of the PMV with a CataylstTM stock selection process and its focus on intrinsic values. As such the Company looks to the medium term, and its scope for shareholder value creation, with confidence.

Marc Gabelli
Chairman
7 October 2020

The Search For Value – A History of Gabelli

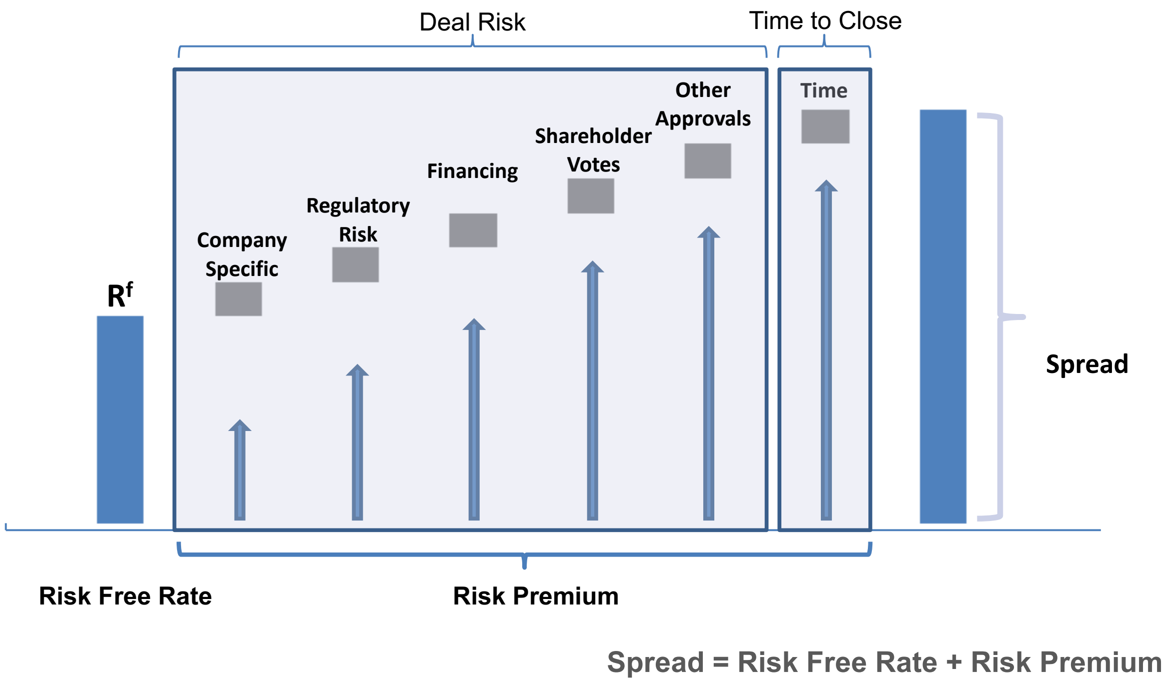
Origins of Gabelli

The Gabelli organisation, of which Gabelli Funds, LLC is a major affiliate, began in the U.S. in 1976 as an institutional research firm. Gabelli's intense, research driven culture has driven its evolution into a diversified global financial services company. The basis of its success remains unchanged – a focus on fundamental, bottom-up research, a highly consistent investment process, and the commitment to superior risk adjusted returns. Now with offices in the U.S., London, Tokyo, Hong Kong and Shanghai, and employing more than 180 professionals, we offer portfolio management in our core competencies across the globe.

Gabelli Funds took the basic tenets of classic value investing and forged a PMV with a Catalyst™ approach. We have built a company currently managing over $36 billion in assets, with a track record of consistent returns over time. Gabelli is credited by the academic community for establishing the notion of PMV with a Catalyst™ and applying the process in the analysis of public equity securities. Our value oriented, bottom up stock selection process is based on the fundamental investment principles first articulated in 1934 by Graham and Dodd, the founders of modern security analysis, and further enhanced by Mario Gabelli in 1977 with his introduction of the concepts of PMV with a Catalyst™ into equity analysis. Our sustainable, time tested investment principles of fundamental security analysis are as valid today as they were more than eighty years ago.

Merger Investment Opportunity

Components of the Merger Arbitrage Return (Spread)



The Search For Value – A History of Gabelli continued

Methodology in Action

Merger Investing Process Begins with Announced Deal Terms

Idea Generation

- Ideas sourced from proprietary database of Gabelli PMV with a Catalyst™ original research coupled with announced corporate events and M&A transactions worldwide

Analysis of Merger Opportunity

- Understand all downside risks
- Focus on legal and governance, Material Adverse Change (MAC) clauses, financing conditions, shareholders' votes
- Analyze antitrust / regulatory issues
- Dynamically assess time to realize returns based on the catalyst

Bottom Up Analysis / Assessment of Deal Milestones

- Assess risk / reward profile through probability based analysis
- Understand the financial wherewithal of both acquirer and target
- Understand Board / key shareholder / management / advisers' motivations
- Analyze antitrust / regulatory approval process
- Assess other key milestones for transaction completion
- Assess deal optionality
- Select deals with attractive risk / reward profile

Hedging of Positions

- Cash deals remain un-hedged (hedged through the cash terms)
- Stock deals are fully hedged using the acquirers' stock
- All foreign currency exposure is hedged to the U.S. dollar

Trading and Dynamic Monitoring of Positions

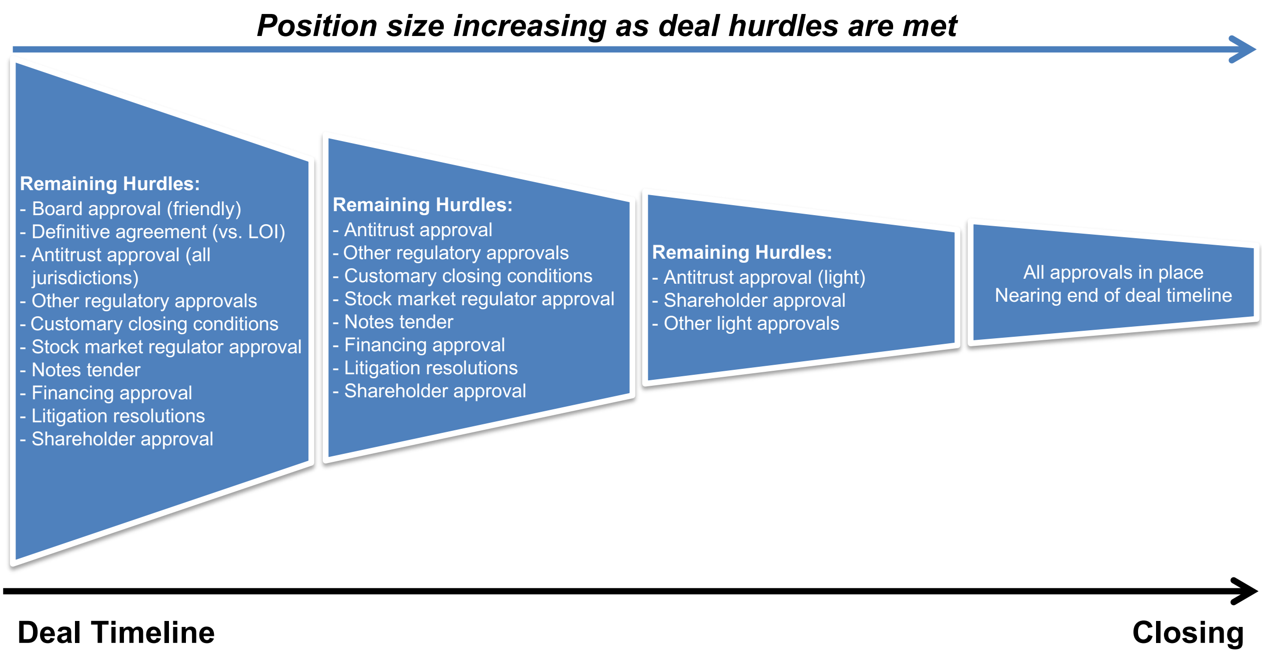
- Determine optimal asset class to invest in
- Dynamically assess size of position according to
  - Risk / reward
  - Break risk
  - Maximum acceptable potential downside
  - Portfolio diversification
- Assess overall portfolio for market beta, sector/country concentrations and correlation risks
- Real time monitoring of spreads / positions (using our proprietary database) which are actively traded as the event progresses and according to closing
- Reverse strategies are considered if attractive risk / reward

Gabelli "PMV with a Catalyst"™
One Process Globally

Origination of opportunities with fundamental research, overlap with analysis of merger investing team

Investment Process

Building a Position



Investment Objective and Policy

Investment objective

The Company's primary investment objective is to seek to generate total return, consisting of capital appreciation and current income. The Company will seek a secondary objective of the protection of capital, uncorrelated to equity and fixed income markets.

Investment policy

The Company will seek to meet its investment objective by utilising the Gabelli Private Market Value (PMV) with a Catalyst™. investment methodology, maintaining a diversified portfolio of event merger arbitrage strategies to seek to create an optimal risk/reward profile for the portfolio.

"Event Driven Merger Arbitrage" is a highly specialised active investment approach designed principally to profit from the differences between the public market price and the price achieved through corporate catalyst events. Catalysts are utilised to earn returns independent of the broad markets' direction. This includes corporate events such as announced mergers, acquisitions, takeovers, tender offers, leveraged buyouts, restructurings, demergers and other types of reorganisations and corporate actions ("deals").

The Company will invest globally although it is expected to have an emphasis on securities traded in the United States, predominantly equity securities issued by companies of any market capitalisation. The Company is permitted to use a variety of investment strategies and instruments, including but not limited to: convertible and non-convertible debt securities; asset-backed and mortgage-backed securities; fixed interest securities, preferred stock, non-convertible preferred stock, depositary receipts; shares or units of UCIs or UCITS; rights qualifying as transferable securities; when issued, delayed delivery transferable securities; forward contracts; swaps; recently issued transferable securities; repurchase agreements, money market instruments and warrants.

The Company may invest part of its net assets in cash and cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having at least a single A (or equivalent) credit rating from an internationally recognised rating agency or government and other public securities, if the Portfolio Manager believes that it would be in the best interests of the Company and its Shareholders. This may be the case, for example, if the Portfolio Manager believes that adverse market conditions justify a temporary defensive position. Any cash or surplus assets may also be temporarily invested in such instruments pending investment in accordance with the Company's investment policy.

The Company may take both long and short positions in equity and debt securities. For shorting purposes, the Company may use indices, individual stocks, or fixed income securities.

The Company may utilise financial derivative instruments to create both long and synthetic covered short positions with the aim of maximising positive returns. The Company may use strategies and techniques consisting of options, futures contracts, and currency transactions and may enter into total rate of return, credit default, or other types of swaps and related derivatives for various purposes, including to gain economic exposure to an asset or group of assets that may be difficult or impractical to acquire.

The Company may also use derivatives for efficient portfolio management purposes including, without limitation, hedging and risk management.

The Company has broad and flexible investment authority and, accordingly, it may at any time have investments in other related or unrelated areas. Strategies and financial instruments utilised by the Company may include: (i) purchasing or writing options (listed or unlisted) of any and all types including options on equity securities, stock market and commodity indices, debt securities, futures contracts, future contracts on commodities and currencies; (ii) trading in commodity futures contracts, commodity option contracts and other commodity interests including physical commodities; (iii) borrowing money from brokerage firms and banks on a demand basis to buy and sell short investments in excess of capital; and (iv) entering into swap agreements (of any and all types including commodity swaps, interest rate swaps and currency swaps), forward contracts, currencies, foreign exchange contracts, warrants, credit default swaps, synthetic derivatives (for example, CDX), collateralised debt obligations tranches, and other structured or synthetic debt obligations, partnership interests or interests in other investment companies and any other financial instruments of any and all types which exist now or are hereafter created.

There has been no change to the investment policy since the launch of the Company on 19 July 2017. No material change will be made without shareholder approval.

Portfolio Manager's Review

Methodology and Market Opportunity

Gabelli Funds would like to thank our investors for allocating a portion of their assets to the Gabelli Merger Plus+ Trust ("GMP"). We appreciate the confidence and trust you have placed in our organization through your investment in GMP. Our investment objective is to compound and preserve wealth over time while remaining non-correlated to the broad markets. As a firm, we have invested in mergers since 1977 and created the Gabelli group's first dedicated, announced merger fund more than thirty years ago. We remain vigilant in the application of our investment philosophy and in our search for opportunities. In this context, let us outline our investment methodology and the investment environment through 30 June 2020.

Merger arbitrage is a highly specialized investment approach designed principally to profit from corporate events, including the successful completion of proposed mergers, acquisitions, takeovers, tender offers, leveraged buyouts, restructurings, demergers, and other types of corporate reorganizations and actions. As arbitrageurs, we seek to earn the differential, or "spread," between the market price of our investments and the value ultimately realized through deal consummation.

We are especially enthusiastic about the opportunities to grow client wealth in the decades to come, and we highlight below several factors that should help drive results. These include:

- Increased market volatility, which enhances our ability to establish positions for the prospect of improved returns;
- A return of corporate deal making, as unprecedented liquidity provides an accommodative market for mergers and acquisitions.
- The Fund's experienced investment team, which pursues opportunities globally through the disciplined application of Gabelli's investment methodology.

Global Deal Activity[1]

Global deal merger and acquisition activity ("M&A") totalled $1.2 trillion during the first half of 2020, a year-over-year decrease of 41% and slowest start since 2013. As the spread of COVID-19 accelerated and global economies largely shuttered in the second quarter, M&A activity recorded a 25% decrease quarter over quarter. Only thirteen deals were announced with a valuation greater than $10 billion in the first half of the year, with an aggregate value 62% lower than the same period last year.

Cross border M&A activity totalled $441 billion during the first half, a decline of 15% and the weakest start to a year since 2013. Similarly, the value of private equity-backed buyouts decreased 24% year over year, but still accounted for nearly 17% of total M&A activity, the highest since 2007.

The slowdown was particularly driven by a lack of deal volume in the United States, as U.S. targets saw $355 billion in deal activity through June 30, a decrease of 69% year over year. European M&A was a rare bright spot, tallying $420 billion of transactions over the same period, an increase of 37%. Asia Pacific saw an 8% decline, while Japan saw a 3% increase in the first half of the year.

The Financials sector was the biggest contributor to merger activity during the first half, totalling $228 billion, though still a decrease of 19% compared to 2019 levels. Financials accounted for nearly 19% of total announced deal volume. Industrials and Technology sectors were also large contributors, accounting for 15% and 13% of overall M&A activity, respectively.

Portfolio in Review

As we entered 2020, the bull market perpetuated, and stocks continued to hit new highs into mid-February; however, the spread of COVID-19 and subsequent economic closings resulted in a 34% peak-to-trough market retrenchment in February and March 2020. COVID-19 has triggered a peculiar recession, one largely caused or worsened by – and that may ultimately be resolved by – government intervention. Officially dated to February 2020, the current recession has been swift, with April unemployment of 14.7% in the United States quickly exceeding the Great Recession peak of 10.6% in January 2010. After declining 5% in the first quarter, expectations are for a 35% decline in second quarter global GDP, the sharpest fall on record. This recession may turn out, however, to be shorter than the eighteen-month average duration, with the shape of the recovery – V, U, L, W, and Swoosh are some of the often-cited images – influenced by the trajectory of the virus. Economic indicators have already evidenced a rebound, but that could stall with local outbreaks of COVID-19. Corporate earnings in 2020 will be poor but largely irrelevant as we look forward to easier comparisons in 2021. Thus far, unprecedented global fiscal and monetary stimulus has appeased the market, as the S&P 500 Index posted its best second quarter since 1938 with a 21% rise.

While the slowdown in deal volume combined with the continued closing of deals has led to increased cash in the portfolio, we are starting to see early signs of a return to deal making and increasing opportunities to deploy capital as we move beyond the air pocket created by COVID-19. We experienced similar instances of this dynamic before, for example, in the Crash of 1987 and in Long-Term Capital debacle in September 1998.

These market dislocations force arbitrage investors to reassess the standalone value of target companies, driving target company prices lower as comparable valuations decline. Our strategy is to take advantage of these market dislocations by adding to positions at lower prices. By selectively focusing on deals with short-term catalysts – tender offers, deals with a short time horizon and strategic deals that have our highest level of conviction – we were able to recover nearly all of our first quarter drawdown in the second quarter.

We are continuously evaluating deal risks and outcomes. Globally, companies and government agencies have safety measures in place in response to COVID-19, allowing them to remain operational. Most notably, the deals in your portfolio have continued to receive regulatory approvals from regulatory bodies around the globe and have continued to close.

And while deal volume certainly slowed with the onset of the pandemic, we are starting to see early signs of a return to deal making as we move beyond the air pocket created by COVID-19. We saw four deals with a value of $2 billion or more announced in just the first week of July, despite the U.S. holiday. The Federal Reserve and other central banks

[1] Thomson Reuters M&A Review – First Half 2020

have unleashed unprecedented liquidity that should provide an accommodative market for new issuances and M&A.

As we continue to navigate the "new normal," the investment team is observing social distancing guidelines and remains fully operational and focused, with teammates working in the office rotationally. Over the years, we have invested in technology and infrastructure that allow teammates to work remotely in anticipation of the need to invest seamlessly from remote locations.

We remain focused on investing in highly strategic, well-financed deals with great attention to near-term catalysts. Our immediate focus is to ensure deals in our portfolio are completed, and that we continue to deploy capital in attractive situations. The top holdings in our Fund are deals we expect to close in the near term and those with the highest certainty of value.

Notable drivers of performance, most of which closed during the financial year, include:

- Allergan (AGN-NYSE), the maker of Botox as well as branded pharmaceutical products, received approval from the U.S. Federal Trade Commission (FTC) to be acquired by AbbVie on May 8, 2020. The companies had previously entered into a consent decree with the FTC in March. Under terms of the agreement, Allergan shareholders received $120.30 cash and 0.866 shares of AbbVie common stock per share of Allergan, valuing the transaction around $83 billion. During March, the spread on the transaction traded as wide as $23 per share, a discount of about 14%.

- Altaba Inc. (AABA-Escrow), an equity liquidation, continued to make progress toward the distribution of its remaining assets to shareholders. The company filed its Plan of Complete Liquidation and Dissolution and requested an interim distribution of nearly $11 per share, which we expect to receive in the second half of 2020. The current net asset value of Altaba's assets is $23.78 per share, which we believe is a good approximation of the total cash available for ultimate distribution, and represents an attractive double-digit IRR.

- Caesar's Entertainment (CZR-NASDAQ), an operator of regional and destination casinos as well as online gaming, made significant progress towards closing its acquisition by Eldorado Resorts in the second quarter of 2020. The transaction received U.S. antitrust approval, subject to divesting a few regional casinos, which was the key regulatory hurdle. Eldorado also completed a series of financings and a land sale on the Las Vegas Strip in preparation for closing the deal. Additionally, casinos in Las Vegas and elsewhere resumed operations in June. Under the terms of the agreement, Caesars shareholders received $8.40 cash and 0.0899 shares of Eldorado common stock, subject to election procedures, valuing the transaction around $26 billion. In addition, Caesars shareholders received a ticking fee of $0.00033 per day beginning on March 25, 2020. The deal received the final outstanding state approvals and ultimately closed on 20 July.

- Cypress Semiconductor (CY-NYSE), which designs semiconductors used in telecommunications, automotive, and industrial applications, was acquired by Infineon Technologies for $23.85 cash per share, or about $9 billion. The deal received Committee on Foreign Investment in the United States approval in March. The final required regulatory approval was the Chinese State Administration for Market Regulation (SAMR), which was received on April 7. The companies had few competing products and the acquirer is a German chipmaker, which was likely preferable for Chinese customers and regulators. The deal subsequently closed on April 17, 2020.

- Mellanox Technologies (MLNX-NASDAQ), which designs high performance interconnect products used in data centers, was acquired by NVIDIA Corp. for $125 cash per share, or about $7 billion. The deal was highly strategic for NVIDIA. The product lines were complimentary with limited overlap, implying minimal antitrust risk. The final regulatory hurdle, Chinese SAMR approval, was received on April 16, and the deal was completed on April 28, 2020.

- The Stars Group (TSG-NYSE), an online gaming company with a portfolio of brands including PokerStars and Sky Betting & Gaming, was acquired by U.K. gambling firm Flutter Entertainment after receiving final shareholder and regulatory approvals. Under terms of the agreement, Stars Group shareholders received 0.2253 shares of Flutter common stock, valuing the transaction at $9 billion. The deal was completed on May 5, 2020.

- The Blackstone Group acquired Tallgrass Energy (TGE-NYSE), a midstream energy services provider, for $22.45 cash per share, or about $6 billion. Blackstone initially made an unsolicited approach in August 2019 to acquire the 56% of Tallgrass it did not already own for $19.50 cash per share. Following negotiations with TGE's Special Committee of the Board of Directors, Blackstone and Tallgrass reached an agreed deal at $22.45 cash per share. The deal did not require any regulatory approvals, only Tallgrass shareholder approval. At the trough of March's market selloff, shares traded as low as $12, implying a nearly 90% gross return. We maintained our position in Tallgrass since Blackstone already owned 44% of the company, voiced public support of the transaction and planned to use Tallgrass as a platform for future acquisitions. Blackstone completed the Tallgrass acquisition the day following shareholder approval, on April 16, 2020.

- Sprint (S-NYSE) and T-Mobile prevailed in court against a number of State Attorneys General who sued to block T-Mobile's acquisition of Sprint, arguing the merger would result in increased prices for consumers. The victory in court removed the biggest impediment to closing the deal, but Sprint shares remained about 15% below the deal terms as investors expected a cut in the deal price. Because the deal was significantly de-risked at this point, we established a position in Sprint. On Thursday, February 20, T-Mobile entered into a revised agreement which left the deal terms unchanged for Sprint minority shareholders, but resulted in a "haircut" for Sprint's 85% shareholder, SoftBank.

Portfolio Manager's Review continued

Select Portfolio Holdings as of 30 June 2020

Advanced Disposal Services, Inc. (ADSW-NYSE) agreed to be acquired by Waste Management, Inc. (WM-NYSE). Advanced Disposal Services is the fourth largest solid waste company in the U.S., and provides integrated, non-hazardous solid waste collection, recycling, and disposal services. Under terms of the agreement, Advanced Disposal shareholders will receive $30.30 cash per share, valuing the transaction at approximately $5 billion. The transaction is subject to shareholder as well as regulatory approvals, and is expected to close in the third quarter of 2020.

Caesars Entertainment Corp. (CZR-NASDAQ) agreed to be acquired by Eldorado Resorts, Inc. (ERI-NASDAQ). Caesars Entertainment provides casino entertainment and hospitality services internationally. Under the terms of the agreement, Caesars shareholders received $8.40 cash and 0.0899 shares of Eldorado common stock per share, subject to an election, valuing the transaction at approximately $27 billion. The transaction was subject to approval by shareholders of both companies, as well as regulatory approval and closed in July 2020.

El Paso Electric Co. (EE-NYSE) agreed to be acquired by J.P. Morgan's Infrastructure Investments Fund. El Paso Electric engages in the generation, transmission, and distribution of electricity in west Texas and southern New Mexico. Under terms of the agreement, El Paso shareholders will receive $68.25 cash per share, valuing the transaction at approximately $3 billion. The transaction is subject to shareholder as well as regulatory approvals, and is expected to close in the third quarter of 2020.

E*TRADE Financial Corp. (ETFC-NASDAQ) agreed to be acquired by Morgan Stanley (MS-NYSE). E*TRADE Financial, a financial services company, operates in the online brokerage industry. Under terms of the agreement, E*TRADE shareholders will receive 1.0432 shares of Morgan Stanley common stock per share, valuing the transaction at approximately $14 billion. The transaction is subject to shareholder as well as regulatory approvals, and is expected to close in the fourth quarter of 2020.

Ingenico Group – GCS (ING FP-Paris) agreed to be acquired by Worldline SA (WLN FP-Paris). Ingenico Group provides payment solutions through in-store, mobile, and online channels worldwide. Under terms of the agreement, Ingenico shareholders will receive €22.93 cash and 1.57 shares of Worldline common stock per share, valuing the transaction at approximately €8 billion. The transaction is subject to the tender of at least a majority of shares outstanding as well as regulatory approval, and is expected to close in the third quarter of 2020.

Legg Mason, Inc. (LM-NYSE) agreed to be acquired by Franklin Resources, Inc. (BEN-NYSE). Legg Mason is a publicly owned asset management holding company. Under terms of the agreement, Legg Mason shareholders would receive $50 cash per share, valuing the transaction at approximately $6 billion. The transaction was subject to shareholder as well as regulatory approvals, and closed on 31 July 2020.

LogMeIn, Inc. (LOGM-NASDAQ) agreed to be acquired by Francisco Partners and Elliott Management Corp. LogMeIn provides a portfolio of cloud-based communication and collaboration, identity and access, and customer engagement and support solutions. Under terms of the agreement, LogMeIn shareholders would receive $86.05 cash per share, valuing the transaction at approximately $4 billion. The transaction was subject to shareholder as well as regulatory approvals and closed with effect 31 August 2020. LogMeIn was permitted to solicit superior bids from parties during a 45 day "go-shop" period.

QIAGEN NV (QIA GY-Frankfurt) agreed to be acquired by Thermo Fisher Scientific, Inc. (TMO-NYSE). QIAGEN provides sample and assay technologies for molecular diagnostics, applied testing and various research applications. Under terms of the agreement, QIAGEN shareholders will receive €43 cash per share, valuing the transaction at approximately €11 billion. Thermo Fisher bumped its bid from €39 as QIAGEN saw an increase in demand for its diagnostic products as a result of the COVID-19 pandemic. The transaction is subject to the tender of at least 2/3 of shares outstanding as well as regulatory approval, and is expected to close in the first half of 2021.

Sony Financial Holdings, Inc. (8729 JP-Tokyo) agreed to be acquired by Sony Corp. (SNE-NYSE). Sony Financial Holdings provides financial services in Japan and internationally. Under the terms of the agreement, Sony Financial shareholders will receive ¥2,600, valuing the transaction at approximately ¥400 billion. The transaction is subject to the tender of at least a majority of shares outstanding as well as regulatory approval, and is expected to close in the third quarter of 2020.

Tiffany & Co. Tiffany & Co. (TIF-NYSE) agreed to be acquired by LVMH Moët Hennessy Louis Vuitton SE (MC FP-Paris) in November 2019. Tiffany Co. designs, manufactures, and retails jewelry and other items internationally. Under terms of the agreement, Tiffany shareholders will receive $135 cash per share, valuing the transaction at approximately $18 billion. In September 2020, LVMH said it would not be able to complete the takeover because it believed Tiffany had suffered a material adverse effect (MAE) resulting from the pandemic, and also because the company had received a letter from a French government official suggesting it delay the takeover until January 6, which is after the termination date of the merger agreement. Later that same day, Tiffany filed suit in Delaware Court alleging LVMH was delaying efforts to receive regulatory approvals in an effort to cut the price of the Tiffany acquisition. Tiffany also asserted that it had not suffered a material adverse effect, and that the impacts from COVID-19 are excluded from the definition. The trial is currently scheduled to commence in January 2021. Given the fact pattern, strength of the merger agreement, and strategic merit that still remains for LVMH to own the asset, we believe the most likely outcome is that the deal ultimately closes (albeit, potentially with a minor price cut).

Wright Medical Group NV (WMGI-NASDAQ) agreed to be acquired by Stryker Corp. (SYK-NYSE). Wright Medical Group, a medical device company, designs, manufactures, and sells upper and lower extremities and biologics products internationally. Under the terms of the agreement, Wright shareholders will receive $30.75 cash per share, valuing the transaction at approximately $5 billion. The transaction is subject to shareholder as well as regulatory approvals, and is expected to close in the second half of 2020.

Select Closed Deals as of 30 June 2020

Achillion Pharmaceuticals, Inc. was acquired by Alexion Pharmaceuticals, Inc. in January 2020. Achillion discovers, develops, and commercializes small molecule drug therapies for immune system disorders. On October 16, 2019, Alexion announced it would acquire Achillion for $6.30 cash per share, valuing the transaction at approximately $900 million. The agreement also included a Contingent Value Right ("CVR") with a potential value of up to $2 per share.

Allergan plc was acquired by AbbVie, Inc. in May 2020. Allergan develops and manufactures branded pharmaceutical, biologic, surgical, and regenerative medicine products. On June 25, 2019, AbbVie announced it would acquire Allergan for $120.30 cash and 0.866 shares of AbbVie common stock per share, valuing the transaction at approximately $80 billion.

Anixter International, Inc. was acquired by WESCO International, Inc. in a deal completed in June 2020. Anixter International distributes enterprise cabling and security solutions, electrical and electronic wire and cable solutions, and utility power solutions worldwide. On January 13, 2020, WESCO announced it would acquire Anixter for $70 cash and 0.2397 shares of WESCO common stock per share, valuing the transaction at approximately $5 billion. The terms also included a preferred stock consideration of 0.6356 depositary shares.

Cobham plc. Advent International Corp. completed its acquisition of Cobham plc in January 2020. Cobham provides a range of technologies and services to commercial, defense, aerospace, space, and security markets. On July 25, 2019, Advent International announced it would acquire Cobham for £1.65 cash per share, valuing the transaction at approximately £4 billion.

Cypress Semiconductor Corp. Infineon Technologies AG completed its acquisition of Cypress Semiconductor in April 2020. Cypress Semiconductor designs embedded system solutions in the Microcontroller and Connectivity and Memory Products segments. On June 2, 2019, Infineon announced they would acquire Cypress for $23.85 cash per share, valuing the transaction at approximately $9 billion.

Mellanox Technologies Ltd. NVIDIA Corp. completed its acquisition of Mellanox in April 2020. Mellanox supplies end-to-end Ethernet and InfiniBand smart interconnect solutions and services for servers and storage. On March 11, 2019, NVIDIA announced it would acquire Mellanox for $125 cash per share, valuing the transaction at approximately $7 billion.

OMNOVA Solutions, Inc. Synthomer plc completed its acquisition of OMNOVA Solutions in April 2020. OMNOVA Solutions creates specialty solutions and performance materials for various commercial, industrial, and residential uses in the U.S., Europe, and Asia. On July 3, 2019, Synthomer announced it would acquire OMNOVA for $10.15 cash per share, valuing the transaction at approximately $800 million.

Ra Pharmaceuticals, Inc. UCB SA completed its acquisition of Ra Pharmaceuticals in April 2020. Ra Pharmaceuticals develops therapeutics for the treatment of diseases caused by excessive or uncontrolled activation of the complement system, which is a critical component of the innate immune system. On October 10, 2019, UCB SA announced it would acquire Ra Pharmaceuticals for $48 cash per share, valuing the transaction at approximately $2 billion.

Sprint Corp. T-Mobile US, Inc. completed its acquisition of Sprint Corp. in April 2020. Sprint provides wireless and internet services to mobile users in the U.S. On April 29, 2018, T-Mobile announced it would acquire Sprint for 0.10256 shares of T-Mobile US common stock per share, valuing the transaction at approximately $60 billion.

The Stars Group, Inc. Flutter Entertainment plc completed its acquisition of The Stars Group in May 2020. The Stars Group engages in online gaming and betting businesses primarily in Europe, Australia, and the Americas. On October 2, 2019, Flutter announced it would acquire The Stars Group for 0.2253 shares of Flutter common stock per share, valuing the transaction at approximately $9 billion.

Tallgrass Energy LP Blackstone Infrastructure Partners completed its acquisition of Tallgrass Energy in April 2020. Tallgrass Energy provides crude oil and natural gas transportation services to customers in the Midwest U.S. On August 28, 2019, Blackstone announced it would acquire Tallgrass for $22.45 cash per share, valuing the transaction at approximately $10 billion.

Tech Data Corp. Apollo Global Management, Inc. completed its acquisition of Tech Data Corp. in June 2020. Tech Data offers endpoint portfolio solutions, including personal computer systems, mobile phones and accessories, and consumer electronics. On November 13, 2019, Apollo announced it would acquire Tech Data for $130 cash per share. The terms were increased on November 27, 2019, to $145 cash per share, valuing the transaction at approximately $6 billion.

Zayo Group Holdings, Inc. EQT and Digital Colony Partners completed its acquisition of Zayo in March 2020. Zayo provides mission-critical bandwidth with a 130,000-mile network in North America and Europe. On May 8, 2019, EQT and Digital Colony Partners announced they would acquire Zayo for $35 cash per share, valuing the transaction at approximately $14 billion.

Gabelli Funds, LLC
7 October 2020

Portfolio Summary

Largest Portfolio Security holdings (excluding cash and cash equivalents)

Security[1]	Offsetting short position[2]	As at 30 June 2020 % of total portfolio (net)[3]	Market value[4] $000	Offsetting market value[5] $000	% of total portfolio[6] (gross)
Altaba Inc.		11.9	6,716	–	13.4
El Paso Electric Co.		8.9	5,039	–	10.1
Caesars Entertainment Corp.	Eldorado Resorts Inc.	6.4	3,596	(952)	7.2
Legg Mason Inc.		5.3	2,966	–	5.9
Liberty Media Corp-Liberty SiriusXM.	Sirius XM Holdings Inc.	4.8	2,686	(218)	5.4
Advanced Disposal Services Inc.		4.3	2,429	–	4.8
LogMeIn Inc.		4.2	2,367	–	4.7
Wright Medical Group NV.		4.0	2,254	–	4.5
Flutter Entertainment PLC.		3.4	1,932	–	3.9
Tiffany & Co.		3.3	1,890	–	3.8
E*TRADE Financial Corp.	Morgan Stanley	2.9	1,643	(1,665)	3.3
Portola Pharmaceuticals Inc.		2.6	1,468	–	2.9
Lennar Corp. B	Lennar Corp. A	2.3	1,289	(1,378)	2.6
Fitbit Inc.		2.1	1,159	–	2.3
Acacia Communications Inc.		1.9	1,073	–	2.1
Fusion Acquisition Corp.		1.7	986	–	2.0
Canfor Corp.		1.7	940	–	1.9
GS Acquisition Holdings Corp II.		1.6	896	–	1.8
Grifols SA.		1.5	857	–	1.7
Trebia Acquisition Corp.		1.3	744	–	1.5
Subtotal		76.1	42,930	(4,213)	85.8
Other holdings[7]		23.9	13,551	(2,136)	14.2
Total holdings		100.0	56,481	(6,349)	100.0

1 Long position.
2 Short position taken, based on the acquirer of the security when acquirer stock is being offered in whole, or in part, to finance the transaction.
3 Represents the total position value (market value plus the offsetting market value) as a percentage of the total portfolio value.
4 Market value of the long position.
5 Market value of the offsetting short position.
6 Represents the market value as a percentage of the total portfolio value.
7 Including derivatives and equity short positions, and excluding U.S. Treasuries.

Strategy

The Company's strategy is to generate returns for its shareholders by pursuing its investment objective while mitigating shareholder risk, by investing in a diversified spread of equity investments. Through a process of bottom-up stock selection and the implementation of disciplined portfolio construction, we aim to create value for the Company's shareholders.

The largest holdings in the Company's portfolio are listed on page 12.

Gearing Policy

At the sole discretion of the Portfolio Manager, the Company may use leverage as part of its investment programme. It is anticipated that the Company will structurally gear and use tactical leverage or portfolio borrowings in an amount (calculated at the time of draw down) of around 2 times of the Net Asset Value, subject to maximum gearing of 2.5 times the Net Asset Value.

Business Model

Please see the Methodology in Action on page 06.

Our Key Performance Indicators ("KPIs")

The Board recognises that it is share price performance that is most important to the Company's shareholders. Fundamental to share price performance is the performance of the Company's net asset value. The central priority is to generate returns for the Company's shareholders through net asset value and share price total return, and discount management.

For the year ended 30 June 2020, the Company's KPIs as monitored closely by the Board at each meeting, are listed below:

Net Asset Value Total Return 30 June 2020	Share Price Total Return 30 June 2020	Discount to Net Asset Value 30 June 2020
0.98%	(7.69)%	19.61%
(30 June 2019: 3.69%)	(30 June 2019: (6.51)%)	(30 June 2019: 11.43%)

The above table sets out the key KPIs for the Company. These KPIs fall within the definition of 'Alternative Performance Measures' (APMs) under guidance issued by the European Securities and Markets Authority (ESMA). Information explaining how these are calculated is set out in the Glossary. These KPIs including APMs have been carefully selected by the Board on discussion with the Portfolio Manager, to give the most appropriate overview of performance in the financial year to shareholders and other stakeholders.

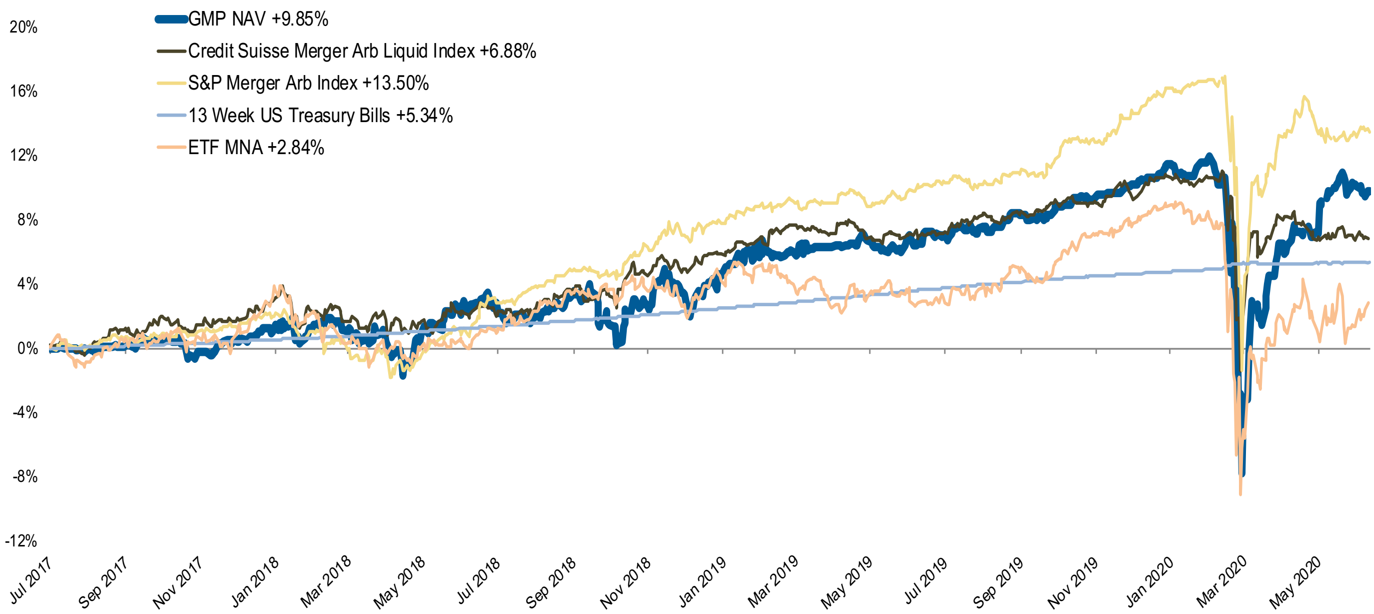
Performance measured against various indices	The Company does not use a benchmark. However, at each meeting the Board reviews and compares portfolio performance in the context of the performance of the ETF MNA and Credit Suisse Merger Arb Liquid Indices. Information on the Company's performance is given in the Chairman's Statement and the Portfolio Manager's Review.
Share Price Total Return	The Company's primary investment objective is to seek to generate total return consisting of capital appreciation and current income. In order to allow shareholders to realise a predictable, but not assured, level of cash flow on their investment the Company has adopted a "managed dividend policy" which may be changed at any time by the Board. The Company intends, subject to legal and regulatory requirements to pay shareholders a quarterly dividend at a minimum annualised dividend rate of 5% of the average NAV per share during each calendar quarter. The Board reviews the amount of any potential distribution and the Company's income, capital gains and capital available for each distribution period.

Our Key Performance Indicators ("KPIs") continued

Share price discount to net asset value (NAV) per share	The NAV per share is published on a daily basis on the London Stock Exchange and The International Stock Exchange. The NAV is calculated in accordance with the Association of Investment Companies (AIC) formula. At each Board meeting, the Board monitors the level of the Company's discount to NAV, the changes thereto and the reason for such changes. The Directors recognise the importance to investors that the shares should not trade at a significant discount to NAV. Accordingly, the Board would consider implementing a share buy back programme to ensure that the share price does not trade at a significant discount to the NAV. In the year under review, the Company's shares have traded from a discount of 11.43% as of 30 June 2019 to a discount of 19.61% as of 30 June 2020.

Performance is assessed on a total return basis for the NAV and share price.

Cumulative Performance Chart (USD) from 19 July 2017



Dividend History

	Rate ($)	Ex-dividend date	Record date	Payment date
Fourth interim 2020	0.12	16 July 2020	17 July 2020	31 July 2020
Third interim 2020	0.12	16 April 2020	17 April 2020	30 April 2020
Second interim 2020	0.12	16 January 2020	17 January 2020	30 January 2020
First interim 2020	0.12	10 October 2019	11 October 2019	25 October 2019
Total	0.48			
Fourth interim 2019	0.12	11 July 2019	12 July 2019	26 July 2019
Third interim 2019	0.12	11 April 2019	12 April 2019	26 April 2019
Second interim 2019	0.12	10 January 2019	11 January 2019	30 January 2019
First interim 2019	0.12	11 October 2018	12 October 2018	26 October 2018
Total	0.48			

Principal Risks

The Company is exposed to a variety of risks and uncertainties, and the events of 2020 have highlighted the importance of maintaining a robust system of controls to minimise exposure to global macro events in particular. Exposure to a global event was highlighted as a generic risk in the 2019 Annual Report.

The Directors confirm that they have carried out a further robust assessment of the principal risks facing the Company during the year, including those that would threaten its investment objective, business model, future performance, solvency or liquidity. The Company maintains a risk matrix which sets out the risks facing the Company, the likelihood and potential impact of each risk and the controls established for mitigation. The risk matrix is reviewed by the Audit Committee on a regular basis throughout the financial year.

The principal risks set out in the 2019 Annual Report remain largely unchanged and are set out in the following table with an explanation of how they are mitigated. On review during the year, the Board added a significant new risk as a sub-category of the Global Macro Event Risk relating to the global effects of the pandemic and new risks encompassing the environment, and social and climate change. The risk narrative includes a summary of the actions taken to position the Company to withstand the related effects for markets and investments:

Risk	Mitigation
Investment Portfolio	
Decline in the U.S. equity markets.	By investing in a diversified portfolio and by adhering to a carefully monitored series of investment restrictions, enabled by automated pre-trade compliance features and daily review of trade tickets. These strictures mandate that no single security purchase can, at the time of investment, account for more than 15% of the gross assets of the Company. The Board meets the portfolio management team quarterly at the Board meetings to review the risk factors and their effect on the portfolio, and a thorough analysis of the investment strategy is undertaken.
Merger and event driven risks address the possibility that deals do not go through, are delayed beyond the original closing dates, or that the terms of the proposed transactions change adversely.	Portfolio management team's careful selection and active monitoring of mergers and acquisitions deals, and maintaining a thorough knowledge of the selected securities in the portfolio.
Global Macro Event	
Global instability or events external to the management and controls of the Company.	Global economic, geopolitical, and financial conditions are constantly monitored. Diversification of Company assets is incorporated into the investment strategy and, if disruptive events occur, the Manager is prepared to adopt a temporary defensive position and invest some or all of the Company's portfolio in cash or cash equivalents, money market instruments, bonds, commercial paper, or other debt obligations with banks or other counterparties, with appropriate ratings as determined by an internationally recognised rating agency and approved by the Board. Another option is the investment in "government and public securities" as defined for the purposes of the Financial Conduct Authority Handbook. The COVID-19 pandemic has caused volatility and disruption across global economies and markets. The Manager has therefore carefully managed the Company's investments to protect shareholders interests and to position the Company to benefit from future performance of markets in line with its key investment principle. The pandemic has also impacted the day-to-day operational management of both the Board and the Company's third party service providers. The Board and all its third party service providers have successfully transitioned to working and meeting remotely, and regular third party briefings have kept the Board informed of how related risks are minimised through the pandemic and global recovery. It is possible that a future event may temporarily compromise the availability of an individual board member or a key representative or integral team member of a third party service provider, in turn impacting the Company's performance.

Principal Risks continued

Operational	
The operational functions of the Company are outsourced to third parties. Systems disruptions, control failures and/or operational lockdowns caused by the COVID-19 pandemic at these companies could impact the Company.	All third parties report to the Board on a regular basis and their reports and representations are reviewed by the Board, the AIF Manager and the Portfolio Manager.
Market and Share Price	
The market price of the Company may fall below the NAV.	To address a discount, the Board may consider using share buybacks, through which shares would be repurchased when trading at a discount from NAV, up to a maximum percentage of 14.99% of the issued share capital. The Company has increased its shareholder engagement programmes to increase its visibility and interaction with existing and potential investors.
Financial	
Comprise: (i) market price risk (comprising interest rate risk, currency risk and other price risk); (ii) liquidity risk; and (iii) credit risk.	Further details of these risks are disclosed in Note 12 to the financial statements together with a summary of the policies for managing these risks.
Corporate Governance and Regulatory	
Damage to its reputation through poor corporate governance. Shareholder discontent due to a lack of appropriate communications and/or inadequate financial reporting.	The Board actively performs self-assessments of compliance with best governance practices. The Board is in contact with its major shareholders on a regular basis, and it monitors shareholder sentiment. In addition, regulatory risks, in the form of failure to comply with mandatory regulations, could have an impact on the Company's continuity The Company receives and responds to guidance from both its external and internal advisors on compliance with the Listing Rules, and Disclosure and Transparency Rules, as well as other applicable regulations.
Tax Risks	
In order to qualify as an investment trust, the Company must comply with Section 1158-59 of the Corporation Tax Act 2010. A breach of these sections could result in the Company losing investment trust status and, as a consequence, capital gains realised within the Company's portfolio would be subject to Corporation Tax.	The criteria are monitored by the Administrator, AIF Manager and the Portfolio Manager and the Board receives a report on compliance at each quarterly meeting.
Environmental, Social and Climate Change Risks	
Each of environmental, social and climate risks are gaining traction globally as key priorities, including for investment companies. The Company could be exposed by a failure to integrate these themes in its strategy and investment approach.	The Board and Investment Manager actively consider how environmental, social and climate change risks potentially affect the Company's portfolio companies and shareholder returns.

Viability Statement

In accordance with the provisions of the UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the 12 months referred to in the 'Going Concern' guidelines.

The Board conducted this review focusing on a period of five years. This period was selected as it is aligned with the Company's investment objective of generating total return, consisting of capital appreciation and current income. In making this assessment the Board also considered the Company's principal risks.

Investment trusts in the UK operate in a well established and robust regulatory environment and the Directors have assumed that:

- Investors will continue to want to invest in closed-end investment trusts because the fixed capitalisation structure is suited to pursuing the Portfolio Manager's proprietary long term PMV with a Catalyst™ investment strategy;

- The Company's remit of investing globally with an emphasis on securities traded in the U.S., and predominantly equity securities issued by companies of any market capitalisation will continue to be attractive to investors.

As with all investment vehicles, there is a risk that the performance of individual investments will vary and that capital may be lost, but this is not regarded as a threat to the viability of the Company. Operationally, the Company retains title to all assets, and cash and securities are held with a custodian bank approved by the Portfolio Manager and the Board.

The nature of the Company's investments means that solvency and liquidity risks are low because:

- The Company's portfolio is invested in readily realisable, listed securities;

- The closed-end nature of the Company means that, unlike an open-ended fund, it does not need to liquidate positions when shareholders wish to sell their shares; and

- The expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments currently foreseen which would alter that position.

The Board have closely monitored the impact of the COVID-19 pandemic on global markets during 2020. Those impacts and related continuing uncertainty have short and potentially medium term implications for the Company's investment strategy. However, the Board continuously monitors the Company's investment portfolio, liquidity and gearing, along with levels of market activity, to appropriately minimise and mitigate consequential risks to capital and future income. The risks are discussed in more detail on pages 15 and 16.

Taking these factors into account, the Directors confirm that they have a reasonable expectation that the Company will continue to operate and meet its expenses as they fall due over the next five years.

The Directors have also taken into account the fact that the Company has a continuation vote to be considered by shareholders at the Company's 2022 Annual General Meeting and the likelihood of shareholders voting in favour of continuation, having consulted and maintained close contact with the Company's major shareholders through its advisers.

The Company's portfolio consists primarily of U.S. investments, accordingly, the Company believes that the "Brexit" process will not materially affect the prospects for the Company, but the Board and Portfolio Manager will continue to keep developments under review.

This Viability Statement, and the Strategic Report for the year ended 30 June 2020 of which it forms a part, was approved by the Board of Directors.

Marc Gabelli
Chairman
7 October 2020

Board of Directors

The Directors of the Company who were in office during the year and up to the date of the signing of the financial statements were as follows:

Marc Gabelli

Non-executive Director and Chairman of the Board of Directors,

Chairman of the Nomination Committee

Marc is a director and President of the Portfolio Manager's parent company, GGCP, a director of Associated Capital Group "ACG" and is a Senior Portfolio Manager at Gabelli. As a fund manager, his focus is global value equity investments. He manages the Gabelli Value Plus+ Trust plc, an investment trust trading on the London Stock Exchange. He has managed several Morningstar five star mutual funds, and a Lipper #1 ranked global equity mutual fund. Marc is active in a variety of charitable educational efforts in the United States and United Kingdom. He has lived and worked in the U.K. at various times, beginning in 1990. He is a graduate of the Massachusetts Institute of Technology (M.I.T.) Sloan School of Management.

Appointed on 28 April 2017.

Marco Bianconi

Independent non-executive Director of the Board,

Chairman of the Audit Committee, member of the Conflicts and Remuneration Committees

Marco is Corporate Development, M&A and Investor Relations Director at Cementir Holding N.V. an international Building Materials manufacturer quoted on the Italian Stock exchange. He has previously served for five years as CFO of its parent company Caltagirone SpA. Prior to this he worked for over eight years at Fidelity Investments in London as Portfolio Manager and Pan-European Equity Analyst. He has served as non-executive director on several boards, such as: ACEA S.p.A. (public utility), Banca Antonveneta (bank), MPS Leasing & Factoring (financial services), Fabrica Immobiliare (REIT). Marco holds an MBA at NYU Stern School of Business, class 1996 and he is a Chartered Accountant since 1990.

Appointed on 5 June 2017.

John Birch

Non-executive Director of the Board,

Chairman of the Management Engagement and Conflicts Committees, member of the Remuneration and Nomination Committees

John is the Managing Partner of The Cardinal Partners Global S.a.r.l. Previously he was Chief Operating Officer of Sentinel Asset Management, Inc. and Sentinel Administrative Services, Inc., both members of National Life Group. He has also held senior roles in State Street, American Skandia Investment Services, Inc., Gabelli Funds, Inc. and Gabelli International. He has an MA in Tax and over 30 years experience in asset management.

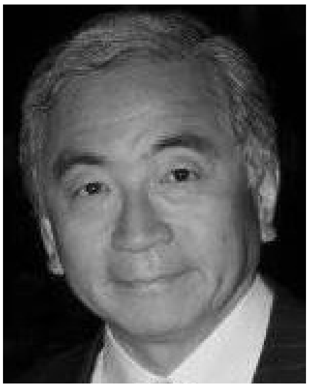
Appointed on 5 June 2017.

John Newlands
Independent non-executive Director.

Member of the Audit Committee

John has served more than twenty years in the City of London, most recently with Brewin Dolphin Limited as Head of Investment Companies Research from 2007 to 2017. He was a member of the Association of Investment Companies Statistics' Committee from 2000 to 2017. He has an MBA from Edinburgh University Business School and is a Chartered Electrical Engineer. He has written four books about financial history, the most recent charting the history of Dunedin Income Growth Investment Trust. He is a non executive director of CQS New City High Yield Fund and TOC Property Backed Lending Trust PLC and a member of the Investment Committee of Durham Cathedral.

Appointed on 8 February 2018.



Yuji Sugimoto
Independent non-executive Director.

Member of the Nomination, Conflicts and Management Engagement Committees

Yuji has over 37 years experience in financial markets. He is a former Executive Director of Sumitomo Mitsui Banking Corporation in the US. Prior to this Yuji co-managed Japanese/Pan-Asian institutional research sales as a Managing Director at Lehman Brothers / Barclays. From 2003 to 2007 he managed a New York based Japanese equity hedge fund Sugimoto Capital Management LLC, which he founded. He started his career at Salomon Brothers working for 24 years in New York, London, Hong Kong and Tokyo in a number of institutional sales management positions as a Managing Director. He has a MBA from the University of Southern California and a B.A. in Economics from Columbia University.

Appointed on 5 June 2017.

James Wedderburn
Independent non-executive Director.

Chairman of the Remuneration Committee and member of the Audit Committee

James has over 40 years experience in the investment industry. From 1999 to 2017 he was Director of the family office of Sir Peter Lampl, the founder of the Sutton Trust social mobility charity. During this time he was responsible for all financial and investment matters and also closely involved with the charity's funding and finances. Previously James worked at financial group Hamilton Lunn where he was part of a small team monitoring the global investments of ultra-high net worth clients. Prior to that, he was a fund manager at Invesco MIM and Samuel Montagu responsible for UK pension fund and charity clients. James spent his early career as a UK equity research analyst at the stockbrokers Cazenove and Laing & Cruickshank after graduating from Oxford University.

Appointed on 15 November 2017.

Directors' Report

The Directors present the annual report and financial statements of the Company for the year ended 30 June 2020. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with the requirements of the Companies Act 2006.

The Company

The Company was incorporated in England and Wales on 28 April 2017 with registered number 10747219. The Company is registered as an investment company as defined by Section 833 of the Companies Act 2006 (the "Companies Act") and operates as such.

The Company was admitted to the Specialist Fund Segment of the Main Market of the London Stock Exchange and trading on the Official List of the International Stock Exchange on 19 July 2017.

The Company's Listing Sponsor on the International Stock Exchange changed its name to Ocorian Administration (Guernsey) Limited on 6 April 2020, following a merger between the Ocorian and Estera groups. The Company also introduced an additional market quote for its ordinary shares on the London Stock Exchange, denominated in sterling, during the financial year.

In the opinion of the Directors, the Company has conducted its affairs during the year under review, and subsequently, so as to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 (as amended). The Company has applied to, and obtained approval from, HMRC as an investment trust company subject to continuing to meet the eligibility requirements.

Continuation of the Company

An ordinary resolution for the continuation of the Company as an investment trust will be proposed at the Annual General Meeting ("AGM") to be held following 19 July 2022, the fifth anniversary of the admission of the Company to the Specialist Fund Segment.

If the resolution is not passed, the Board would be required to put proposals for the reconstruction, reorganisation or winding up of the Company to shareholders at a General Meeting to be held within six months of the date of the AGM at which the continuation resolution was proposed.

Going concern

The Directors, having taken account of the uncertainty around investee company valuations and the Company's likely future dividend income stream caused by the COVID-19 pandemic, have determined that the Company's strategy, longer term asset allocation, short term liquidity and robust governance provide a sufficient basis for the Board to adopt the going concern basis for the Company as at 30 June 2020.

In forming this position, the Directors considered the Company's investment objectives, risk management policies, capital management policies and procedures, the nature of the portfolio and expenditure projections in detail.

The Company is able to meet all of its liabilities from its assets and the ongoing charges are approximately 1.74% of assets. This Going Concern statement should be read in conjunction with the Company's Viability Statement which can be found on page 17.

Directors

The Directors of the Company in office at the date of this report and their biographies are set out on pages 18 and 19. Mr Nakamura and Mr Hammond-Chambers retired on 5 August 2019. Details of Directors' interests in the shares of the Company are set out in the Directors' Remuneration Report.

Directors' retirements are subject to the Company's Articles of Association (the "Articles"). The Articles provide that the directors may appoint a person who is willing to act as a director and any director so appointed is required to retire at the next AGM after his or her appointment and is eligible for reappointment. All directors who held office at the time of the two preceding AGMs and who did not retire by rotation at either of them are also required to retire by rotation and are eligible for reappointment. In addition, each Director considered to be non-independent will retire and being eligible offer themselves for re-election on an annual basis.

The Board has agreed to follow the recommendations of the latest Corporate Governance Codes and ask all Directors of the Company to offer themselves for re-election annually. Therefore, all the Directors will retire at the forthcoming AGM and, being eligible will offer themselves for re-election.

Having considered the Directors' performance as part of the annual Board evaluation process the Board believes that it continues to be effective and that the Directors each bring an appropriate level of knowledge, experience, business, financial and asset management skills. The Board therefore recommends that shareholders vote in favour of each Director's proposed election at the AGM.

Mr Gabelli, as a Director and President of Gabelli Group Capital Partners, the parent company of Gabelli Funds, LLC (the "Portfolio Manager"), is deemed to be interested in the Company's Portfolio Management Agreement, as is Mr Birch, who serves on the Boards of other funds in the Gabelli/GAMCO group of companies. Mr Nakamura was also deemed to be interested in the Company's portfolio management agreement until he retired as a Director on 5 August 2019, due to his employment by the Portfolio Manager. There were no other contracts subsisting during the year under review, or up to the date of this report, in which a Director of the Company is or was, materially interested and which is, or was, significant in relation to the Company's business.

None of the Directors has a service contract with the Company. The terms of their appointment are provided to them in a letter when they join the Board. No Director is entitled to compensation for loss of office on the takeover of the Company. The powers of the Directors are set out in the Corporate Governance Statement.

Directors' conflicts of interest

Directors have a duty to avoid situations in which they have, or could have, a direct or indirect interest that conflicts, or may potentially conflict, with the Company's interests. This is in addition to the continuing duty that Directors owe the Company to disclose to the Board any transaction or arrangement under consideration by the Company in which they are interested.

Directors are required to disclose any conflicts and potential conflicts of interest upon appointment. A schedule of these is maintained by the Company Secretary and provided at each quarterly Board meeting. Directors are responsible for keeping these disclosures up to date and in particular to notify any new potential conflicts of interest, or changes to existing situations, to the Company Secretary.

In accordance with the Companies Act 2006 and the Company's Articles, the Directors can authorise such conflicts or potential conflicts of interest. In deciding whether to authorise any conflict, the Directors must consider their general duties under the Companies Act 2006, and their overriding obligation to act in a way they consider, in good faith, will be most likely to promote the Company's success.

In addition, the Directors are able to impose limits or conditions when giving authorisation to a conflict, or potential conflict of interest, if they think this is appropriate. The authorisation of any conflict matter, and the terms of any authorisation, may be reviewed by the Board at any time.

The Board believes that the procedures established to deal with conflicts of interest operated effectively during the year under review.

Directors' indemnities

In accordance with the provisions of the Companies Act, the Company's Articles allow for Directors and officers of the Company to be indemnified out of the assets of the Company against all costs, losses, and liabilities incurred for negligence, default, breach of duty or trust in relation to the Company's affairs and activities. The Articles also provide that, subject to the provisions of the Companies Act 2006, the Board may purchase and maintain insurance for the benefit of Directors and officers of the Company against any liability which may incur in relation to anything done or omitted to be done, or alleged to be done or omitted to be done, as a Director or officer. The Company has taken out Directors' and Officers' Liability insurance, which covers the Directors and officers of the Company.

Share capital

Full details of the Company's issued share capital are given in Note 11 to the Financial Statements on page 52. Details of the voting rights in the Company's shares as at the date of this report are also given in Note 6 to the Notice of Annual General Meeting on page 67.

The ordinary shares carry the right to receive dividends and have one voting right per share. There are no restrictions on the voting rights of the ordinary shares or any shares which carry specific rights with regard to the control of the Company.

No shares were issued during the year under review, or up to close of business on 30 June 2020.

Share Repurchase

The Company has authority to buy back shares in the market and may cancel or hold ordinary shares acquired by way of market purchase in treasury. On 6 April the Board announced its intention to commence a programme by the Company of purchases of its own shares in the market between that date and 30 June 2020. The programme specifically utilised the authority given to the Board to purchase up to 14.99% of the issued share capital granted at the 2019 annual general meeting.

The aggregate purchase price of all shares acquired under the programme was no greater than $200,000 and the maximum number of ordinary shares to be purchased was 20,000. The programme was managed by the Company's broker Cantor Fitzgerald Europe.

During the year, and until Cantor Fitzgerald Europe stepped down as the Company's broker in May 2020 following the decision to withdraw from the UK investment trust market, the Company had purchased 5,960 shares in the market to be held in treasury, for a total consideration of $41,410. At the year end and at the date of this report there were accordingly 5,960 ordinary shares held in treasury (0.06% of the issued share capital).

The Directors will consider repurchasing shares in the market under an extension of the programme if they believe it to be in shareholders' interests. It is the Board's intention that any shares bought back by the Company will be held in treasury and will only be sold at prices at, or above the prevailing NAV per share ensuring a positive overall effect for shareholders when shares are bought back at a discount and then sold at a price at or above the NAV per share.

The current authorities to buy back and sell shares from treasury and to issue shares will expire at the conclusion of the 2020 Annual General Meeting. The Directors are proposing that these authorities be renewed at the forthcoming Annual General Meeting.

Tender offer

The Company has the ability to make tender offers for shares and to make market purchases of shares. Any such tender offers or market purchases will be made entirely at the discretion of the Board, except in the case of the fifth anniversary tender offer.

Shortly before the fifth anniversary of admission, the Company will implement an offer to purchase shares for all registered shareholders entered into the loyalty register on admission and who continuously remains on the loyalty register at the time of the implementation of the fifth anniversary tender offer.

Loyalty Programme

The Company has implemented a loyalty programme to incentivise long term share ownership. The loyalty programme is open to all shareholders, who are entered in the Loyalty Register, a separate register maintained by the registrar to allow a shareholder to increase its voting power after holding shares for a continuous period of at least five years. Each shareholder so registered will be entitled to subscribe for one special voting loyalty share in respect of each ordinary share held.

A shareholder may only exercise this right during the prescribed subscription period each calendar year, being between 1 and 14 December, by completing the appropriate subscription documentation and paying up the nominal value of the special voting loyalty shares. Subject to the receipt of valid subscriptions during the period and the satisfaction of certain requirements by the Company under the Companies Act and the Articles special voting loyalty shares would be issued on 31 December, or the preceding business day, should 31 December not be a business day.

Each ordinary shareholder and holder of special voting loyalty shares has the right to receive notice of, to attend, to speak at, and vote at general meetings of the Company. Each ordinary shareholder and holder of special voting loyalty shares who is present in person or by proxy at general meetings has one vote, whether on a show of hands or on a poll, in respect of each ordinary and special voting loyalty share held. At any general meeting ordinary shares and any special voting loyalty shares in the capital of the Company in issue would vote effectively one class.

The ordinary shares carry the right to receive dividends. The special voting loyalty shares are not entitled to participate in any dividend or distribution made or declared by the Company except for a fixed annual dividend equal to 0.00001% of their nominal value. On a winding up of the Company holders of special voting loyalty shares would be entitled to be repaid the capital paid up thereon pari passu with the repayment of the nominal amount of the ordinary shares. The special voting loyalty shares are not transferrable without the prior written consent of the Company.

Directors' Report continued

There are no restrictions on the transfer of ordinary shares or on the exercise of voting rights attached to them, which are governed by the Company's Articles and relevant legislation.

There are no shares which carry specific rights with regard to the control of the Company.

Activities and Business Review

A review of the business and details of research activities can be found within the Strategy section of this Annual Report.

Alternative Investment Fund Managers Directive

As an investment company that is managed and marketed in the United Kingdom, the Company is an Alternative Investment Fund ("AIF") falling within the scope of, and subject to the requirements of the Alternative Investment Fund Managers Directive ("AIFMD"). The Company has appointed Carne Global Fund Managers (Ireland) Limited ("Carne") as its Alternative Investment Fund Manager ("AIFM") pursuant to the AIFMD.

Carne is responsible for the portfolio management and risk management functions of the Company. The AIFM Agreement may be terminated by either party giving not less than 90 days' written notice to the other party.

Carne is entitled to receive from the Company such annual fees, accrued and payable at such times, as may be agreed in writing between itself and the Company from time to time. The fees are to be payable monthly and subject to a minimum monthly fee of €2,500. During the year under review the fees paid to Carne were $54,332 (2019: $50,310). Regulatory disclosures including the Key Investor Information Document are provided on the website. Disclosures on Remuneration as required under AIFMD can also be found on page 69.

Portfolio management and administration

Gabelli Funds, LLC ("Gabelli") was appointed as Portfolio Manager with effect from 15 June 2017 under a Portfolio Management Agreement (the "Agreement") with Carne and the Company under which portfolio management functions were delegated to Gabelli. The Agreement is terminable by Gabelli giving not less than 60 days' notice in writing and by Carne giving 24 months' notice in writing. Gabelli receives a management fee, payable monthly within 10 business days calculated at the rate of 0.85% of NAV accrued daily and calculated on each business day.

Gabelli is entitled to earn a performance fee under the Agreement in respect of each performance period, ending 30 June each year. For the year under review Gabelli was entitled to a performance fee of 20% of any outperformance of the net asset value total return, capped at 3% of the average NAV. For the year under review a performance fee of $248,101 was paid (2019: nil).

Appointment of the Manager

The arrangements for the provision of portfolio management and other services to the Company is considered by the Board on an ongoing basis and a formal review is conducted annually.

During the year, the Board considered the performance of Gabelli as Portfolio Manager by reference to the investment process, portfolio performance and how it had fulfilled its obligations under the terms of the Portfolio Management Agreement.

It is the opinion of the Board that the continuing appointment of Gabelli as Portfolio Manager, on the terms disclosed is in shareholders' interests as a whole. Among the reasons for this view is the depth, experience and investment process of Gabelli.

Facilitating Retail Investments

The Company conducts its affairs so that its shares can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments and intends to continue to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investments because they are shares in an investment trust.

Other third party service providers

Depositary and Custodian

The Company appointed State Street Trustees Limited as its Depositary under a Depositary Agreement dated 30 June 2017 between Carne, Gabelli and the Company. The main role of the Depositary under the AIFMD is to act as a central custodian with additional duties to monitor the operations of the Company, including cash flows and to ensure that the Company's assets are valued appropriately. The Depositary receives fee payable at 0.025% per annum of the gross assets of the Company.

Under the Depositary Agreement, custody services in respect of the Company's assets have been delegated to State Street Bank and Trust Company. The Custodian receives a custody fee payable by the Company at rates depending on the number of trades and the location of securities held subject to a minimum annual fee payable of not less than $31,250. Custody fees of $41,903 were paid during the year under review (2019: $31,759).

The depositary agreement is subject to 90 days' written notice of termination by any party.

Registrar

Computershare Investor Services Plc (the "Registrar") has been appointed as the Company's registrar pursuant to the Registrar Services Agreement. The Registrar is responsible for maintaining the Company's register of shareholders and also provides services in respect of the payment of dividends, provision of shareholder documentation and compliance with the Common Reporting Standard. Fees of $10,838 were paid to the Registrar during the year under review (2019: $18,234). Fees in respect of corporate actions will be agreed at the time of the corporate action.

Other Service Providers

The Company has engaged Maitland Administration Services Limited ("Maitland") to act as the Company Secretary and State Street Bank and Trust Company (the "Administrator") to be responsible for the day to day administration of the Company including the maintenance of the Company's financial records and the calculation of the daily NAV.

The Company Secretarial Agreement is for a minimum term of three years and is terminable by either the Company on not less than 90 days' written notice and by Maitland on not less than six month's written notice. Fees of $56,953 were paid to Maitland during the year under review (2019: $53,399).

The Administration Services Agreement may be terminated by either party by giving 180 days' written notice. Fees of $80,519 were paid to the Administrator during the year under review (2019: $41,946).

Related Party Transactions

Carne Global Fund Managers (Ireland) Limited is a related party to the Company as it is considered to have significant influence over the Company in its role as AIFM. Fees of $54,332 were paid to Carne during the year ended 30 June 2020 (2019: $50,310).

Further details of related party transactions are provided in note 16 to the financial statements.

Substantial shareholders

As at 30 June 2020, the Company had been advised by the following shareholders of their interests of 3% or more in the Company's ordinary issued share capital:

Shareholder	% of Voting Rights
Associated Capital Group, Inc*	59.79
Banca Popolare dell'Emilia Romagna International SA	3.50
Victor Paullier & CIA Sociedad de Bolsa	3.15
Loreto Mutua Mutualidad De Prevision Social	3.00

* Further information regarding Associated Capital Group, Inc and its related party status can be found on page 59.

As at the date of this report the Company had not been notified of any changes.

Future developments

The Chairman's Statement and Portfolio Manager's report within this Annual Report contain details of likely future developments.

Financial instruments

The financial risk management and internal control processes and policies, and exposure to the risks associated with financial instruments can be found in Note 12 to the financial statements.

Results

The Company generated a revenue loss for the year ended 30 June 2020 of $841,000 (2019: $754,000).

Disclosure of Information under Listing Rule 9.8.4

The disclosures required by Listing Rule 9.8.4, where relevant to the Company, are discussed in more detail on page 61.

Dividends and dividend policy

The Company has a managed dividend policy which may be changed at any time by the Board and does not assure dividend payments. The Company intends to pay shareholders a quarterly dividend at a minimum fixed annualized dividend rate in relation to the NAV of the Company at the time.

The Company declared and paid four quarterly interim dividends of US $0.12 per ordinary share on each of 25 October 2019 and 30 January, 30 April and 31 July 2020 for the financial year ending 30 June 2020.

Articles of Association

The Company's Articles can only be amended by special resolution at a general meeting of the shareholders. No amendments are proposed at the 2020 AGM.

Change of Control

There are no agreements the Company is party to that might be affected by a change in control of the Company. There are no agreements between the Company and its Directors for compensation for loss of office that occurs as a result of a takeover bid.

Exercise of Voting Rights in Investee Companies

The exercise of voting rights attached to the Company's portfolio has been delegated to the Portfolio Manager.

Gabelli approach to voting at shareholder meetings

During the year, the Manager voted on approximately 624 proposals at 126 shareholder meetings on behalf of the Company. At these meetings, the Manager voted in favour of the majority of resolutions, but voted against the recommendations of management on approximately 10 resolutions. Most of the votes against were in respect of resolutions relating to merger agreements, which were deemed by the Investment Manager not to be in the best interests of shareholders.

Streamlined Energy and Carbon Reporting

The Company is categorised as a lower energy user under the HMRC Environmental Reporting Guidelines March 2019 and is therefore not required to make the detailed disclosures of energy and carbon information set out within the guidelines. The Company's energy and carbon information is therefore not disclosed in this report.

Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Modern Slavery Act 2015 (the "MSA")

The Company is an investment company and has no employees and does not provide goods and services in the normal course of business. Accordingly, the Directors consider that the Company is not required to make a slavery and human trafficking statement under the MSA.

Employees, Social, Community, Human Rights and Environmental Matters

The Company is an investment company and has no employees and accordingly it has no direct social, human rights or environmental impact from its operations. In carrying on its investment activities and relationship with suppliers the Company aims to conduct itself responsibly, ethically and fairly.

Political donations

No political contributions or donations were made during the financial period ended 30 June 2020.

Annual General Meeting

The following information to be discussed at the forthcoming Annual General Meeting is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents, including the form of proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

In light of the current COVID-19 travel and public gathering restrictions and social distancing requirements, the AGM will be run as a closed meeting and shareholders will not be able to

Directors' Report continued

attend in person. Shareholder attempting to attend the AGM will be refused entry.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting.

Resolution 12 Approval of Remuneration Policy

The Directors are proposing that shareholders approve an amendment to the triennial Directors' Remuneration Policy approved at the Annual General Meeting in 2019 to increase the aggregate cap on Directors' fees from $150,000 to $180,000. The increase will facilitate the payment of the fee supplement in shares to eligible directors.

Resolution 13 Authority to Allot shares

The Directors may only allot shares for cash if authorised to do so by shareholders in general meeting. Resolution 13 seeks authority for the Directors to allot shares for cash up to an aggregate nominal amount of US$10,328 which represents 10% of the current issued share capital. The authority will expire at the conclusion of the 2021 Annual General Meeting unless renewed prior to that date.

Resolution 14 Authority to disapply pre-emption rights

Directors require specific authority from shareholders before allotting new shares or selling shares from treasury for cash without first offering them to shareholders in proportion to their existing holdings. Resolution 14 seeks to empower the Directors to allot new shares for cash or to sell shares held in treasury free from statutory pre-emption rights up to an aggregate nominal amount of US$10,328, being 10% of the current issued share capital and equivalent to 1,032,821 ordinary shares of US$0.01 each. The authority will expire at the conclusion of the 2021 Annual General Meeting unless renewed prior to that date.

Resolution 15 Authority to buy back shares

Resolution 15 seeks to renew the authority previously granted to Directors to enable the Company to purchase up to 1,548,198 ordinary shares being 14.99% of the issued share capital.

The Directors will only consider repurchasing shares in the market if they believe it to be in shareholders' interests and as a means of correcting any imbalance between supply and demand for the Company's shares. Under the Listing Rules of the Financial Conduct Authority ("FCA"), the maximum price which can be paid is the higher of (i) 5% above the average market value of the ordinary shares for the five business days immediately preceding the date on which the purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of, and (b) the highest current independent bid for, any number of ordinary shares on the trading venue where the purchase is carried out.

In making purchases, the Company will deal only with member firms of the London Stock Exchange. The authority will expire at the conclusion of the 2021 Annual General Meeting unless renewed prior to that date.

Resolution 16 General Meetings on 14 clear days' notice

Resolution 16 seeks shareholder authority to call general meetings other than an AGM on 14 clear days' notice. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The Board will utilise this authority to provide flexibility when merited and would not use it as a matter of routine.

Recommendation

Your Board recommends all resolutions to shareholders as being in the best interests of the Company and its shareholders as a whole. The Directors therefore unanimously recommend that shareholders vote in favour of each resolution, as they intend to do in respect of their own beneficial holdings.

Directors' statement as to the disclosure of information to the auditors

In accordance with the requirement and definitions under section 418 of the Companies Act 2006, the Directors at the date of approval of this report confirm that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Appointment of independent auditor

PricewaterhouseCoopers LLP, the independent external auditors of the Company, were appointed in 2017. Resolutions to reappoint PricewaterhouseCoopers LLP as the Company's auditors, and to authorise the Audit Committee to determine their remuneration will be proposed at the forthcoming AGM.

The Directors' Report was approved by the Board on 7 October 2020.

Marc Gabelli
Chairman
7 October 2020

Corporate Governance Report

This Report sets out the role and activities of the Board and explains how the Company is governed.

Governance

Applicable Corporate Governance Code and compliance in year

As a company admitted to trading on the Specialist Fund Segment, the Board has considered the principles and provisions of the Association of Investment Companies' Code of Corporate Governance (the 'AIC Code'). The AIC Code addresses the Principles and Provisions set out in the 2018 version of the Financial Reporting Council's UK Corporate Governance Code (the 'UK Code'), as well as setting out additional provisions on issues that are of specific relevance to the Company as an investment company listed on the London Stock Exchange.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders. The following analysis explains how the company has complied with the principles and provisions of the AIC Code during the financial year.

The Board of Directors also recognise the critical importance of effective corporate governance to investors, potential investors and the Company's stakeholders, and the directors therefore give priority to high standards of corporate governance.

The Board confirms that it complies with the recommendations of the AIC Code and the relevant provisions of the UK Code except as follows:

Summary of AIC Code Provision	Compliance	Performance in year
Director and Board independence and independence from the Manager	x	A formal policy and procedure ensure Board independence and the independence of the Investment Manager.
The Chair should be independent on appointment	x	Although the Chairman is not deemed independent for the purposes of the AIC Code, given his qualifications and investment experience, and the significant commitment being made by the Gabelli Group to the Company, the Board believes that his appointment as Chairman is in the best interests of the Company and the shareholders as a whole.
Appoint a Senior Independent Director ('SID')	x	The Board does not deem it necessary to appoint a SID given the nature of its activities as a listed investment trust. The key responsibilities of the SID under the UK Code are completed by the Non-executive Directors. The performance of the Chairman is appraised annually by the Non-executive Directors.
Monitor risk management and internal control systems	x	The Company has delegated its operational management to third party service providers, the Board therefore receives reports from those parties to satisfy itself that an appropriate controls environment is maintained. These reports extend to any relevant instances of whistleblowing at each of the service providers.
Identification of remuneration consultant in the Annual Report	x	The Remuneration Committee does not deem it necessary to appoint a remuneration consultant.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies. The UK Code is available from the Financial Reporting Council's website at frc.org.uk.

The Board

Overview of the Board

The Board consists of six non-executive Directors. All Directors have a wide range of other interests and are not dependent on the Company itself. Their biographical details, which are set out in detail on pages 18 and 19, demonstrate a breadth of investment, commercial and professional experience with an international perspective.

The Board has a formal schedule of matters specifically reserved for its decision, which are categorised under various headings, including strategy and management, internal controls, strategy and policy considerations, transactions, and finance.

The provision of the UK Code which relates to the combination of the roles of the chairman and chief executive does not apply as the Company has no executive directors.

The Board meets quarterly to review investment performance, financial reports and other reports of a strategic nature. Board or Committee meetings are also held on an ad hoc basis to consider particular issues as they arise.

Representatives of the Portfolio Manager and Company Secretary attend each meeting. The Board, the AIFM, the Portfolio Manager and the Company Secretary operate in a cooperative and constructive relationship.

Chairman

The Board is satisfied that other than his relationship with the Portfolio Manager, the Chairman, Marc Gabelli, does not have any appointments or interests which may create a conflict of interest with the Company's activities or interests.

Corporate Governance Report continued

The Nomination Committee reviewed the performance of the Chairman during the year and is comfortable that he continues to have sufficient time to commit to his duties, and that he performs effectively in role. The Board therefore recommends shareholders vote to re-elect the Chairman at the 2020 Annual General Meeting.

Board Diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit. The Board believes diversity is important in bringing an appropriate range of skills, knowledge and experience to the Board and gives that consideration when recruiting new Directors.

As at 30 June 2020 there were six male Directors, of multiple nationalities and ethnicities, and no female Directors on the Board. Whilst all future board appointments will be made on merit, the Directors have committed to keep the Board's gender diversity under review with a view to improving the ratio over time.

Role of the Board

The Board is collectively responsible for the long term success of the Company and is accountable to shareholders and the Company's wider stakeholders for the performance and governance of the Company. It is also ultimately responsible for setting and executing the Company's strategic aims, its purpose, culture and values. The authority of the Board in these areas is subject to the Articles and to such approval of the shareholders in general meeting as may be required from time to time.

The Board also ensures that the necessary resources are in place to enable the Company's objectives to be met in accordance with the Company's investment objective, and that shareholder value is maximised within a framework of proper controls.

The Directors exercise the powers conferred by the Company's Articles of Association and UK Company Law to manage the Company's interest for the benefit of shareholders and stakeholders. Further information regarding the proposed changes to those authorities this year can be found on pages 23 to 24.

As an investment company the Company's day to day responsibilities are delegated to third party service providers. The Company has no employees and the Directors are non-executive with the Portfolio Manager represented by the Chairman.

Stakeholder Interests (s.172 statement)

In performing its duties the Board applies the following key principles of section 172 of the Companies Act 2006, being only those relevant to the Company as a listed investment trust, to all of its decision making:

(a) the likely consequences of any decision in the longer term;

(b) the need to foster the company's business relationships with suppliers, customers and others;

(c) the impact of the company's operations on the community and the environment;

(d) the desirability of the company maintaining a reputation for high standards of business conduct; and

(e) the need to act fairly between members of the Company.

As the Board deepens and further evolves its decision making and activities to better integrate consideration of its stakeholder responsibilities, the following activities, policies and mitigations ensure their interests are protected:

Stakeholder	Activity or mitigation in year
Shareholders	• The Company operates a Loyalty Programme to reward shareholders who retain their shares for at least five years. Further information regarding the Programme can be found on page 21; • As a listed investment trust, the Board operates policies designed to safeguard the value of shareholders' investment, in particular the Board is obliged to initiate a buy-back programme whenever the Company's share price represents a discount of 7.5% or more; • Shareholders' rights are also protected under the Company's Articles of Association which require any proposal that may materially change those rights to be subject to prior approval by a majority of shareholders in general meeting; and • Shareholders are given opportunities to attend meetings with the Board and to also attend, ask questions and vote at the Annual General Meeting of the Company.
Suppliers	The Board regularly evaluates the performance of its key panel of third party professional service providers. The appraisals involve an opportunity for those third parties to provide 360° feedback.
Community & Environment	Whilst the Company's key investment objective targets outperformance through exposure to corporate transactions in the United States, the Investment Manager, Gabelli Funds, LLC operates a suite of investment policies designed to take account of Environmental, Social and Governance ('ESG') themes across all its investment strategies. These policies ensure that exposure to ESG risks is minimised for the Company's stakeholders.

Stakeholder	Activity or mitigation in year
Other Stakeholders	• The Board seeks to maintain the highest levels of corporate governance through compliance with the principles and provisions of both the AIC Code and, to the maximum extent practicable, the UK Code; and • The Board is committed to responding promptly and transparently to any reputational or regulatory matter that might arise affecting the Company, its future prospects or its investment activities.

Purpose, Values and Culture

The Board takes its responsibilities under the AIC Code seriously and has accordingly sought to identify and promote each of: a corporate purpose, distinct values and a culture for the Company. However, as a listed investment trust, which has appointed third party service providers to operate its day to day business, the chosen purpose, values and culture are necessarily focused on the approach and activities of the Board of Directors.

Nevertheless, the Board prioritises the Company's primary investment objective, together with its proprietary Private Market Value with a Catalyst methodology, in defining its PMV with a Catalyst™ purpose. The Company's values and culture primarily reflect those of its experienced, independent and diverse individual board members, combined with the approach and professionalism of its appointed third party service providers. The Board regularly monitors both the performance of the Company against its investment objective and proprietary methodology; and its individual directors and service providers to ensure continuing strong performance and integration with the Board's values and culture.

Employees, Social, Human Rights and Environmental Matters

As an investment vehicle the Company has no employees and accordingly it has no direct social or community impact and limited environmental impact from its operations. However, the Company believes that it is in shareholders' interests to consider human rights issues, together with environmental, social and governance factors when selecting and retaining investments.

Directors' Appointment, Retirement and Succession

The rules concerning the appointment, retirement and rotation of Directors are set out in the Directors' Report.

The Board believes that it has a reasonable balance of skills and experience. It recognises the value of the progressive refreshing of, and succession planning for, company boards, including for the Chairman. The Board's tenure and succession policy seeks to ensure that it maintains the balance of skills and experience required.

Directors must be able to demonstrate their commitment, in terms of time, to the Company. The Board is of the view that length of service does not itself impair a Director's ability to act independently or exercise good judgement, rather, a long serving Director can continue to offer valuable perspectives and experience.

When Directors are appointed they go through an induction programme organised by the Portfolio Manager to familiarise them with the specifics of the portfolio. Directors are also provided with key information on the Company's policies, regulatory and statutory requirements and internal controls on a regular basis.

Committees of the Board

The Board has established an Audit Committee, Nomination Committee, Remuneration Committee, Management Engagement Committee and a Conflicts Committee. Each Committee has defined terms of reference and duties. A record of the meetings held during the year is set out in the table on page 28.

Audit Committee

The Audit Committee is chaired by Marco Bianconi. Further details are provided in the report of the Audit Committee on pages 29 to 31.

Nomination Committee

The Nomination Committee is chaired by the Chairman of the Board (who would not chair the Committee when the Chairman's successor was being considered) and consists of Marc Gabelli, John Birch and Yuji Sugimoto. The Nomination Committee is responsible for reviewing Board succession, the policy on directors' tenure, the performance of the Board and its Committees and the appointment of new Directors. When voting on candidates for the appointment of new directors, only independent directors will vote.

Remuneration Committee

The Remuneration Committee is chaired by James Wedderburn and consists of John Birch and Marco Bianconi, John Birch and James Wedderburn. The Remuneration Committee is responsible for setting the Directors' remuneration in conjunction with the Chairman and will take into consideration the Company's peer group and the potential to appoint external remuneration consultants when making decisions.

Management Engagement Committee

The Management Engagement Committee is chaired by John Birch and consists of John Birch and Yuji Sugimoto. The Management Engagement Committee is responsible for ensuring that the provisions of the Portfolio Management Agreement remain competitive and in the best interest of shareholders and to review the performance of the Manager, Portfolio Manager and other third party service providers to the Company. Details of the management arrangements are set out on page 22.

Conflicts Committee

The Conflicts Committee is chaired by John Birch and consists of Marco Bianconi, John Birch and Yuji Sugimoto. The Conflicts Committee is responsible for considering the potential conflicts of interest that may arise in relation to the operation of the Company with regard to the Directors, the AIF Manager, the Portfolio Manager and other service providers of the Company.

Attendance at scheduled meetings

The table below sets out the number of Board and Committee meetings held during the year under review and the number of meetings attended by each Director.

The Audit Committee will meet at least twice a year and all other Committees at least once a year and additionally as required.

Director	Board[2]	AC	Nom	Rem	MEC	Conflict
Marc Gabelli	9/9	–	1/1	–	–	–
Marco Bianconi	9/9	6/6	–	1/1	–	1/1
John Birch	9/9	–	1/1	1/1	1/1	1/1
John Newlands	7/9	6/6	–	–	–	–
Yuji Sugimoto	8/9	–	1/1	–	1/1	1/1
James Wedderburn	9/9	6/6	–	1/1	–	–
Kuni Nakamura[1]	0/1	–	–	–	–	–
Alex Hammond-Chambers[1]	0/1	–	–	–	–	–

1 Retired during the year under review.
2 The meetings held total includes dividend approval meetings held by conference call that not all directors were expected to attend.

Board Evaluation

The Board undertook an annual self-evaluation of its performance, that of its committees and individual Directors, including the Chairman. The reviews were led by the Chairman, in the case of the Board, and the Chairman of each committee otherwise.

Each Chairman, assisted by the Company Secretary, determined the scope and format for the review, which generally confirmed the directors' view that the Board and its governance continued to function well with few issues.

There were no significant actions arising from the evaluation process and it was agreed that the composition of the Board, at that time, reflected a suitable mix of skills and experience, and that the Board as a whole, the individual Directors and its committees were performing in accordance with the provisions of the AIC Code other than where explained in this Report.

Risk Management

Directors' liability insurance

During the year the Company has renewed and maintained appropriate Directors & Officers' insurance on behalf of the Board.

Internal controls

The Board has overall responsibility for the Company's systems of internal controls and for reviewing their effectiveness. In common with the majority of investment trusts, the Board has determined that the most efficient and effective management of the Company is achieved by the Directors determining the investment strategy, and the Portfolio Manager being responsible for the day-to-day investment management decisions on behalf of the Company.

Accounting, company secretarial and custodial services have also been delegated to third party service providers that are specialists in these areas, and which can provide, because of their size and specialisation, economies of scale, segregation of duties, and all that is required to provide proper systems of internal control within a regulated environment.

As the Company has no employees and its operational functions are undertaken by third parties, the Audit Committee does not consider it necessary for the Company to establish its own internal audit function. Instead, the Audit Committee examines internal control reports received from its principal service providers to satisfy itself as to the controls in place. The internal controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained, and the financial information used within the business and for publication is reliable. The need for an internal audit function is reviewed annually by the Committee.

The system therefore manages rather than eliminates risk of failure to achieve the Company's business objectives and provides reasonable, but not absolute assurance against material misstatement or loss.

Shareholder relations and Annual General Meeting

The primary medium by which the Company communicates with its shareholders is through the Annual and Half Yearly Reports which aim to provide shareholders with a clear understanding of the Company's activities and results in the relevant financial period. This information is supplemented by the daily calculation and publication of the NAV per share to a regulatory information service.

The Annual and other General Meetings provide an opportunity for shareholders to engage with the Board of Directors, and the individual directors and the Investment Manager regularly communicate with significant shareholders to discuss company updates and other key events.

All shareholders are ordinarily encouraged to attend and vote at the Company's Annual General Meeting. However, it is explained in the Notice of Annual General Meeting that the Directors anticipate the meeting in 2020 being closed to shareholders due to COVID-19 restrictions. The Board and representatives of the Portfolio Manager are similarly usually available at the Annual General Meeting to discuss issues affecting the Company. They will be happy to answer any questions provided in writing prior to the meeting this year."

The Notice of Annual General Meeting is set out on pages 65 and 66 and details the business of the meeting. Any item not of an entirely routine nature is explained in the Directors' Report on pages 23 and 24. The Notice of Annual General Meeting and any related papers are sent to shareholders at least 20 business days before the meeting.

Substantial Shareholdings

A summary of the significant shareholders that have been notified to the Board as at the date of this report can be found on page 23.

Anti-Bribery Policy

The Company has zero tolerance towards bribery and is committed to carrying out business fairly, honestly and openly. The Board takes its responsibility to prevent bribery seriously and its service providers are contacted to regularly confirm their anti-bribery policies and controls.

Criminal Finances Act 2017

The Board has a zero tolerance approach to the facilitation of tax evasion.

By order of the Board

Marc Gabelli
Chairman
7 October 2020

Report of the Audit Committee

Chairman
Marco Bianconi

Chairman of the Audit Committee

Members
Marco Bianconi
John Newlands
James Wedderburn

As Chairman of the Audit Committee, I am pleased to present the Report of the Audit Committee for the year ended 30 June 2020.

Role of the Committee

The Company has established a separately chaired Audit Committee (the "Committee") that has written terms of reference and which meets at least twice a year in advance of the publication of both the annual and half yearly results.

The role of the Committee includes considering the contents of the Annual Report and Financial Statements and the Half Yearly Report and recommending them to the Board for approval having considered whether, taken as a whole, they are fair, balanced and understandable and provide shareholders with information to enable them to assess the Company's performance, strategy and business model.

Composition of the Committee

The Committee consisted of three Directors during the year under review whose biographies are on pages 18 and 19. Kuni Nakamura retired as a Director and member of the Committee on 5 August 2019.

The Committee as a whole has competence relevant to the investment trust sector and is able to discharge its responsibilities effectively and at least one member of the Committee, Marco Bianconi, has recent and relevant financial experience. John Newlands and James Wedderburn also have extensive experience of the investment trust sector and financial matters generally, and as such contribute strongly to the Committee's operation.

The Company's Auditors are invited to attend meetings of the Audit Committee on a regular basis. Representatives of the Portfolio Manager and other external advisors, including Administrator may also be invited to attend if deemed necessary by the Audit Committee.

In addition, the Committee Chairman maintains regular contact, meeting separately where required, with the external auditors, other service providers and the Chairman of the Board.

Committee responsibilities

The key roles of the Audit Committee are to support the Board by ensuring the integrity of the Company's external reporting, including its financial results, through closely monitoring their preparation, together with overseeing the Company's system of internal controls, and finally maintaining an appropriate relationship with the Company's auditors. These responsibilities, and the Audit Committee's wider remit, are recorded in formal terms of reference which the Board last reviewed and approved in February, and which are available from the Company's website at https://www.gabelli.co.uk/investment-products/gabelli-merger-plus/.

During the year the principal activities of the Committee included:

- Considering and recommending to the Board for approval the half yearly report and annual report and financial statements having reviewed the disclosures made therein in relation to internal controls, risk management, viability, going concern, related parties, whether the report is fair, balanced and understandable and whether it provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- Reviewing the effectiveness of the external audit process, as outlined below including the scope, execution, level of materiality, results together with the independence, objectivity and efficiency of the external auditors and the quality of the audit engagement team and making a recommendation to the Board on the reappointment of the auditors;
- Reviewing and approving the scope of the external audit plan together with the annual audit fee;
- Setting a policy for the approval of non-audit services;
- Reviewing the role of the Committee in an effective audit process;
- Considering the quality of the audit report to shareholders;
- Reviewing the appropriateness of the Company's accounting policies;
- Ensuring the adequacy of the internal control systems and evaluating the need for an internal audit function, further details of which are provided below; and
- Meeting with representatives of the Company's third party service providers to review the adequacy and effectiveness of their internal controls processes and risk management systems.

During the year under review the Committee has also:

- undertaken due diligence assessments with all major external service providers (State Street, Gabelli Funds, Carne) with the aim of examining the adequacy and effectiveness of their internal controls, compliance and risk management systems;
- reviewed and updated the Company's Risk Register, with the inclusion of the Covid-19 pandemic-related risks; and
- reviewed the Performance Fee calculation and, following advice from a specialist law firm, recommended the Board on how these fees should be allocated in the Company's accounts.

Significant Issues and Audit Risk

During the year, the Audit Committee also considered a number of significant issues and areas of key audit risk in respect of the Annual Report and Financial Statements. The Audit Committee reviewed the external audit plan at an early stage and concluded that the appropriate areas of audit risk relevant to the Company had been put in place to obtain a reasonable assurance that the financial statements as a whole would be free of material misstatement. The following table sets out the key areas of risk identified and explains how these were addressed.

Report of the Audit Committee continued

Significant issue	How the issue was addressed
COVID-19 and market volatility	The Board has reviewed the risks arising from the COVID-19 pandemic, which has affected market valuations and created uncertainty regarding the Company's future dividend income streams. The Audit Committee has also regularly reviewed the Company's exposure to systemic and company specific controls risks arising from the COVID-19 pandemic in 2020. Related presentations were given by each of the Company's third party service providers as discussed on page 29.
Valuation and existence of investments	The AIFM performs the valuation of the Company's assets in accordance with its responsibilities under the AIFMD rules. Ownership of listed investments is verified by reconciliation to the Custodian's records. Ownership of CFDs is verified by reconciliation to the counterparty's records. The Directors receive reports, and an annual confirmation from the Depository who has responsibility for overseeing the operations of the Company including verification of the existence, and valuation of investments.
Recognition of income	Income received is accounted for in line with the Company's accounting policies, as set out on pages 45 and 46, and reviewed by the Committee.
Compliance with Section 1158 of the Corporation Tax Act 2010	The Committee regularly considers the controls in place to ensure the regulations for ensuring investment trust status are observed at all times receiving supporting documentation from Gabelli Funds LLC and State Street Bank and Trust Company.
Maintaining internal controls	The Committee receives regular reports on internal controls from State Street Bank and Trust Company and Gabelli Funds and has access to the relevant personnel of both State Street and Gabelli Funds who have a responsibility for risk management and internal audit.
Performance fee	The performance fee calculation is prepared by the Administrator and reviewed by the Manager and the Committee before recommendation to the Board, all with reference to the portfolio management agreement.
Resource Risk	The Company has no employees and its day to date activities are delegated to third party suppliers. The Board monitors the performance of third party suppliers on an ongoing basis.
Governance	The Company has developed a risk register which identifies the risks facing the Company, their likelihood, potential impact and the controls established for mitigation. The risk register and the operation of key controls by the Portfolio Manager and third party service providers is reviewed on a regular basis by the Committee.

External audit

The Committee conducted a review of PricewaterhouseCoopers LLP's independence and audit process effectiveness as part of its review of the financial reporting for the year ended 30 June 2020. In considering the effectiveness, the Committee reviewed the audit plan, the level of materiality, key financial reporting risks, and the auditors' findings.

The Committee also considered the execution of the audit against the plan, as well as the auditors reporting to the Committee in respect of the financial statements for the year. Based on this, the Committee were satisfied that the quality of the external audit process had been good, with appropriate focus and challenge on the key audit risks.

The Committee advises the Board on the appointment of the external auditors and on their remuneration. It keeps under review the cost effectiveness and the independence and objectivity of the external auditors, mindful of controls in place to ensure the latter. To this end, the Committee has implemented a policy on the engagement of the external auditors to supply non-audit services.

The Committee was satisfied that the objectivity and independence of the auditors was not impaired as no non-audit services were undertaken during the year. Accordingly, the Committee recommended to the Board that shareholder approval be sought at the forthcoming AGM for the appointment of PricewaterhouseCoopers LLP as the Company's auditors for the ensuing financial year, and for the Committee to determine the auditors' remuneration.

Audit Tendering

PricewaterhouseCoopers LLP was appointed as auditors with effect from the Company's launch in July 2017. The Company is required to put the external audit out to tender at least every ten years, and at least every twenty years to change the auditors. The Company will be required to put the audit out to tender, at the latest following the 2027 year end.

The Audit Committee will consider annually the need to tender as a consequence of audit quality or independence. There are no contractual obligations that restrict the Company's choice of auditor. During the year ended 30 June 2020 £0 was paid to the auditors for non-audit services (2019: £0).

The auditors are required to rotate the Company's Lead Engagement Partner every five years. Colleen Local, the current Audit Engagement Partner has been the Company's Audit Partner for three years.

Internal Audit function

As the Company has no employees and its operational functions are undertaken by third parties, the Committee does not consider it necessary for the Company to establish its own internal audit function. Instead, the Committee examines internal control reports received from its principal service providers to satisfy itself as to the controls in place.

The internal controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained, and the financial information used within the business and for publication is reliable. The need for an internal audit function is reviewed annually by the Committee.

Whistleblowing, anti-bribery and corruption

The Company has no employees; therefore no policies relating to whistleblowing, anti-bribery, or corruption are considered necessary. Notwithstanding this, the Company seeks at all times to conduct its business with the highest standards of integrity and honesty. Gabelli Funds, LLC is committed to complying with all applicable legal and regulatory requirements relating to accounting and auditing controls and procedures. Staff members of Gabelli Funds, LLC are encouraged to report complaints and concerns regarding accounting or auditing matters through available channels described in the Portfolio Manager's Whistleblower Policy.

Marco Bianconi
Chairman of the Audit Committee
7 October 2020

Directors' Remuneration Report

The Board presents the Directors' Remuneration Report which has been prepared in accordance with the requirements of Sections 420-422 of the Companies Act 2006 and Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited this is indicated.

Statement from the Chairman

This Report describes how the Board has applied the principles relating to Directors' remuneration. The Company's Remuneration Policy was originally approved by shareholders at the AGM in 2018 in accordance with section 439A of the Companies Act 2006, and such policy was to remain in place until 2021, unless amended by way of an ordinary resolution put to shareholders at a General Meeting.

Following the recommendation of the Remuneration Committee the Remuneration Policy was amended in 2019 to reflect that a portion of the annual Directors' fees would be payable in Ordinary Shares of the Company, such amount to be determined by the Board at its discretion. The amendments to the Remuneration Policy were approved at the 2019 Annual General Meeting.

The authority to include a share based portion of annual directors' fees was used on a pro-rata basis in the year to 30 June 2020. Directors were accordingly entitled to receive shares for the period from 1 January to 30 June 2020. In order to facilitate future share based payments across full financial years, it is proposed to extend the aggregate annual cap on Directors' fees from $150,000 to $180,000. A resolution seeking the approval of shareholders for the change is included in the Notice of Meeting from page 65.

There have not been any other major decisions or substantial changes to the Remuneration Policy during, or subsequent to, the financial year.

Remuneration Committee

The Company has established a Remuneration Committee which meets at least once a year. Further details of the membership are provided in the Corporate Governance Statement on pages 27 and 28.

Policy Table

Fixed fee element	Remuneration consists of a fixed fee each year and the Directors of the Company are entitled to such rates of annual fees as the Board at its discretion determines. Following approval at the 2019 Annual General Meeting, on an annual basis part of that fee, up to a monetary limit determined by the Board at its discretion, shall be paid to the Directors in the form of Ordinary Shares in the Company.
Discretionary element	In accordance with the Company's Articles of Association, if a Director is requested to perform extra or special services, they will be entitled to receive such additional remuneration as the Board considers appropriate.
Expenses	In accordance with the Company's Articles of Association the Directors are also entitled to be reimbursed for out-of-pocket expenses and any other reasonable expenses incurred in the proper performance of their duties.
Purpose and link to strategy	Directors' fees are set to: • be sufficient to attract and retain individuals of a high calibre with suitable knowledge and experience to promote the long term success of the Company; • reflect the time spent by the Directors working on the Company's behalf and representing the Company; • reflect the responsibilities borne by the Directors; • recognise the greater time commitment and responsibility required for the positions of Chairman of the Board and the Chairman of the Audit Committee through appropriate fee supplements for each role.
Operation	Fees payable to the Directors will be reviewed annually. A number of factors will be considered to ensure that the fees are set at an appropriate level. These will include the average rate of inflation during the period since the last fee increase, the level of Directors' remuneration for other investment trusts of a similar size and complexity of the Directors' responsibilities.
Maximum	Subject to the approval of shareholders, it is proposed that the total remuneration paid to the non-executive Directors is subject to an annual aggregate limit of US$180,000 in accordance with the Company's Articles of Association. Any further changes to this limit will require Shareholder approval by ordinary resolution.

The Company has no employees to consult in drawing up the policy. There are no performance related elements to the Directors' fees.

To ensure fees are set at an appropriate level, the Company Secretary provides a comparison of the Directors' remuneration with other investment trusts of a similar size and/or mandate, as well as taking into account any data published by the Association of Investment Companies. This comparison, together with consideration of any alteration in non-executive Directors' responsibilities, is used to review whether any change in remuneration is necessary. The review of fees is performed on an annual basis.

The fees paid to Directors on an annual basis during the year to 30 June 2020 are set out below.

Remuneration	Fees per annum US$
Director of the Board	20,000 (plus 10,000 per annum payable in the Company's Ordinary Shares)[1]
Additional fee for the Chairman of the Board	1,000
Additional fee for the Chairman of the Audit Committee	5,000
Additional fee for the members of the Audit Committee	1,000

[1] Pro-rated from 1 January 2020 only for the financial year ended 30 June 2020

Following a review in September 2020, the Committee agreed that the Directors' fee would not increase for the year ending 30 June 2021.

Any remuneration arrangements for new directors will be determined by the Committee in accordance with the Remuneration Policy, and would also be expected to mirror the above fee structure.

The additional fees shown in the table above paid to the Chairman of the Board (albeit Mr Gabelli waived his fee) and the Chairman and members of the Audit Committee during the year ended 30 June 2020 also remain unchanged for the year ending 30 June 2021.

Following the approval of shareholders at the 2019 Annual General Meeting, the Directors' fees were also increased during the year to include an aggregate $10,000 fee supplement to be paid annually in the form of Ordinary Shares in the Company. For the financial year ended 30 June 2020 the fee supplement due on a pro-rata basis from 1 January to 30 June had not been paid as at the year end and had been accrued in the Company's accounts.

When in operation, the fee supplement will be operated quarterly in arrears, with the shares allocated to directors on, or around, 30 September, 31 December, 30 March and 30 June each year. Should any Director resign or retire from the Board his eligibility to receive shares will cease with effect from the previous quarter end.

In the event that the Company's Ordinary shares are trading at a discount to the cum income NAV at the relevant quarter end, the Company's broker is instructed to acquire Ordinary Shares on the secondary market on behalf of the Directors. If the Ordinary Shares are trading at a premium to the cum income NAV at the relevant quarter end, the Company elects, at its discretion, either (i) to instruct its broker to acquire Ordinary Shares on the secondary market or (ii) to issue shares to the Directors at a price (after expenses) of not less than the cum income NAV at the close of business on the business day prior to the issue and at a premium to the estimated cum income NAV at the time of the transaction.

Consideration of Shareholders' Views

In accordance with the requirements of the Companies Act 2006 shareholder approval for the remuneration report will be sought at the 2020 AGM. Shareholders will have the opportunity to express their views and raise any queries on the policy either at or in advance of this meeting. If the AGM is closed to shareholders wishing to attend in person, there will be an opportunity for questions to be lodged for a response from the Board in parallel to the meeting being held.

At the AGM held on 4 December 2019, of the votes cast, 100% were in favour of (or granted discretion to the Chairman who voted in favour of) each of the resolutions to approve the Directors' Remuneration Report and the recommended amendments to the Directors' Remuneration Policy.

Details of voting on the Remuneration Report at the 2020 AGM will be provided in the annual report for the year ending 30 June 2021.

Director's Remuneration Implementation Report (audited)

Single Total Figure of Remuneration

The single total remuneration figure for each Director who served during the year to 30 June 2020 is set out below with prior comparison.

Directors	Year to 30 June 2020			Year to 30 June 2019	
All amounts US$	Fees	Shares[2]	Total	Fees	Total
Marc Gabelli	–	–	–	–	–
Marco Bianconi	24,167	5,000	29,167	20,000	20,000
John Birch	19,167	5,000	24,167	15,000	15,000
Alex Hammond-Chambers[1]	1,423	–	1,423	11,038	11,038
Kuni Nakamura[1]	1,518	–	1,518	16,000	16,000
John Newlands	21,558	5,000	26,558	15,000	15,000
Yuji Sugimoto	19,167	5,000	24,167	15,000	15,000
James Wedderburn	20,167	5,000	25,167	16,000	16,000
Total	**107,167**	**25,000**	**132,167**	**108,038**	**108,038**

[1] Retired on 5 August 2019

[2] Represents the fee supplement to be paid in shares, pro-rata for the period 1 January to 30 June 2020 following shareholder approval in 2019

Mr Gabelli waived the entitlement to his fees as Chairman. Mr Gabelli devotes a portion of his time employed by Gabelli to serve as Chairman of the Company. An apportionment of his remuneration on a time served basis from employment by an

Directors' Remuneration Report continued

affiliate of the Portfolio Manager would materially equate to the fees received by the other Directors of the Company for similar qualifying services.

Directors' notice periods and payment for loss of office

Directors' appointments may be terminated without notice. In this event, the Director will only be entitled to fees accrued at the date of termination, together with reimbursement of any expenses properly incurred to that date.

None of the Directors are entitled to post-employment benefits or termination benefits.

Directors' Interests

The interests of the Directors (including their connected persons), who are not required to purchase shares, in the Company's share capital are as follows:

	Ordinary shares of $0.01	
Directors	As at 30 June 2020	As at 30 June 2019
Marc Gabelli	10,000	10,000
Marco Bianconi	1,200	800
John Birch	1,000	1,000
John Newlands	–	–
Yuji Sugimoto	–	–
James Wedderburn	1,500	1,500
Total	13,700	13,300

Mr Gabelli purchased an additional 10,000 shares in August 2020, taking his aggregate interests to 20,000. No other changes in the above interests occurred between 30 June 2020 and the date of this report. Mr Nakamura and Mr Hammond Chambers retired from the Board on 5 August 2019 and neither held shares in the Company during the financial year ending 30 June 2020.

None of the Directors has been granted, or exercised, any options or rights to subscribe for the Ordinary Shares of the Company.

Company Performance

A graph showing the Company's NAV performance measured by total shareholder return compared with the Credit Suisse Merger Arb Liquid Index, the S&P Merger Arb Index, the 13 week US Treasury Bills, and the ETF MNA, since launch, can be found on page 14.

Relative Importance of Spend on Pay

The table below shows the proportion of the Company's income spent on Director's remuneration in comparison with Portfolio management fees paid, dividends paid to shareholders and the Company's annual revenues.

	2020 $000	%	2019 $000	%
Directors' remuneration	132	–	108	–
Portfolio management fees	840	15.7	852	12.7
Dividends to Shareholders	4,960	2.7	4,960	2.2
Revenues	925	14.3	885	12.2

Statement by the Chairman of the Board

The Directors confirm that the Directors' Remuneration Report set out above provides a fair and reasonable summary for the financial year ended 30 June 2020 of:

a) the major decisions on Directors' remuneration;

b) any substantial changes relating to Directors' remuneration made during the period; and

c) the context in which those changes occurred and the decisions which have been taken.

The Directors' Remuneration Report was approved by the Board on 30 September 2020 and is signed on its behalf by:

Marc Gabelli
Chairman
7 October 2020

Statement of Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

In the case of each Director in office at the date the Director's Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

Marc Gabelli
Chairman of the Board
7 October 2020

Independent auditors' report to the members of Gabelli Merger Plus⁺ Trust Plc

Report on the audit of the financial statements

Opinion

In our opinion, Gabelli Merger Plus+ Trust Plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its net return and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 June 2020; the Statement of Comprehensive Income, the Statement of Cash Flows and, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company.

We have provided no non-audit services to the Company in the period from 1 July 2019 to 30 June 2020.

Our audit approach

Overview

- Overall materiality: $963,640 (2019: $1,003,712), based on 1% of net assets.

- The Company is a standalone Investment Trust Company and engages Gabelli Funds, LLC (the "Manager") to manage its assets
- We conducted our audit of the Financial Statements using information from State Street Bank and Trust Company (the "Administrator") to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.

- Valuation and existence of investments.
- Accuracy, occurrence and completeness of dividend income.
- Consideration of impacts of COVID-19.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010 (see page 16 of the Annual Report), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the listing rule and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase net asset value and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of the Manager and the Audit and Management Engagement Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Testing the Company's compliance with section 1158 of the Corporation Tax Act 2010 in the current year;
- Identifying and testing journal entries, specifically all manual journal entries posted by the administrator during the preparation of the Financial Statements; and
- Reviewing relevant meeting minutes, including those of the Audit and Management Engagement Committee.
- Designing our audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments Refer to page 45 (Accounting Policies, Note 1(g)) and page 46 (Notes to the Financial Statements, Note 3). The investment portfolio at year-end consisted of listed equity investments valued at $56.4 million. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed in the Statement of Financial Position in the financial statements.	We tested the valuation of the investments by agreeing the prices used in the valuation to independent third party sources. We tested the existence of the investment portfolio by agreeing investment holdings to an independent custodian confirmation. No material issues were identified.
Accuracy, occurrence and completeness of dividend income Refer to page 45 (Accounting Policies). We focused on the accuracy, occurrence and completeness of dividend income as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover. We also focused on the accounting policy for income recognition and its presentation in the Statement of Comprehensive Income as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP") as incorrect application could indicate a misstatement in income recognition.	We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. We tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data. To test for occurrence, we confirmed that a sample of dividends recorded had occurred in the market, and traced a sample of cash payments to bank statements. To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared for all listed investments during the year. We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP by confirming reasons behind dividend distributions. No material issues were identified.

Independent auditors' report to the members of Gabelli Merger Plus+ Trust Plc continued

Key audit matter	How our audit addressed the key audit matter
Consideration of the impact of COVID-19 Refer to the Chairman's Statement (page 3), Principal Risks (page 15), Going Concern (page 20), Viability Statement (page 17) and the Portfolio Managers' Review (page 8), which disclose the impact of the COVID-19 coronavirus pandemic. From a small number of cases of an unknown virus in 2019, the COVID-19 viral infection has become a global pandemic. It has caused disruption to supply chains and travel, slowed global growth and caused volatility in global markets and in exchange rates during the first half of 2020 and to date. The Directors have prepared the financial statements of the Company on a going concern basis, and believe this assumption remains appropriate. This conclusion is based on the assessment that, notwithstanding the significant market uncertainties, they are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and that the Company and its key third party service providers have in place appropriate business continuity plans and will be able to maintain service levels through the coronavirus pandemic.	We evaluated the Directors' assessment of the impact of the COVID-19 pandemic on the Company by: • Evaluating the Company's updated risk assessment and considering whether it addresses the relevant threats presented by COVID-19. • Evaluating management's assessment of operational impacts, considering their consistency with other available information and our understanding of the business and assessing the potential impact on the financial statements. We obtained and evaluated the Directors' going concern assessment which reflects conditions up to the point of approval of the Annual Report by: • We obtained evidence to support the key assumptions and forecasts' driving the Directors' assessment. This included reviewing the Directors' assessment of the Company's financial position and forecasts, their assessment of liquidity as well we their review of the operational resilience of the Company and oversight of key third-party service providers. We assessed the disclosures presented in the Annual Report in relation to COVID-19 by: • Reading the other information, including the Principal Risks and Viability Statement set out in the Strategic Report, and assessing its consistency with the financial statements and the evidence we obtained in our audit. Our conclusions relating to other information are set out in the 'Reporting on other information' section of our report.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	$963,650 (2019: $1,003,712).
How we determined it	1% of net assets.
Rationale for benchmark applied	We believe that net assets is the primary measure used by shareholders in assessing the performance of the Company and is a generally accepted auditing benchmark for investment trust audits.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $48,183 (2019: $50,186) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements set out on page 35, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of Gabelli Merger Plus⁺ Trust Plc continued

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the audit committee, we were appointed by the directors during July 2017 to audit the financial statements for the year ended 30 June 2018 and subsequent financial periods. The period of total uninterrupted engagement is 3 years, covering the years ended 30 June 2018 to 30 June 2020.

Colleen Local (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
7 October 2020

Statement of Comprehensive Income

Income	Notes	Year ended 30 June 2020 Revenue $000	Year ended 30 June 2020 Capital $000	Year ended 30 June 2020 Total $000	Year ended 30 June 2019 Revenue $000	Year ended 30 June 2019 Capital $000	Year ended 30 June 2019 Total $000
Investment income	5	925	–	925	885	–	885
Total investment income		**925**	**–**	**925**	**885**	**–**	**885**
Gains on investments							
Net realised and unrealised gains on investments	3, 14	–	2,318	2,318	–	4,421	4,421
Net realised and unrealised currency gains		–	144	144	–	24	24
Net gains on investments		–	2,462	2,462	–	4,445	4,445
Total income and gains on investments		**925**	**2,462**	**3,387**	**885**	**4,445**	**5,330**
Expenses							
Portfolio management fee	6	(840)	–	(840)	(852)	–	(852)
Performance fee	6, 13	–	(248)	(248)	–	–	–
Other expenses	6	(886)	(352)	(1,238)	(710)	(103)	(813)
Total expenses		(1,726)	(600)	(2,326)	(1,562)	(103)	(1,665)
(Loss)/profit before taxation		**(801)**	**1,862**	**1,061**	**(677)**	**4,342**	**3,665**
Taxation on ordinary activities	8	(65)	–	(65)	(77)	–	(77)
(Loss)/profit for the year		**(866)**	**1,862**	**996**	**(754)**	**4,342**	**3,588**
Earnings per share (basic and diluted)	9	**($0.08)**	**$0.18**	**$0.10**	**($0.07)**	**$0.42**	**$0.35**

The total column of this statement represents the Statement of Comprehensive Income prepared in accordance with International Financial Reporting Standards ("IFRS"). The supplementary revenue return and capital return columns are both prepared under guidance issued by the Association of Investment Companies. All items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year ended 30 June 2020.

The Company does not have any income or expense that is not included in net profit for the year. Accordingly, the net profit for the period is also the total comprehensive income for the year, as defined in IAS1 (revised).

The notes on pages 45 to 60 form part of these financial statements.

Statement of Changes in Equity

Year ended 30 June 2020	Note	Year ended 30 June 2020 Called up Share Capital $000	Special Distributable Reserve* $000	Capital Reserve $000	Revenue Reserve* $000	Total $000
Balance as at 30 June 2019		103	93,872	7,459	(1,088)	100,346
Ordinary shares bought back into treasury		–	–	(42)	–	(42)
Profit/(loss) for the period after tax on ordinary activities		–	–	1,862	(866)	996
Dividends paid	7	–	(4,960)	–	–	(4,960)
Balance as at 30 June 2020		**103**	**88,912**	**9,279**	**(1,954)**	**96,340**

Year ended 30 June 2019	Note	Year ended 30 June 2019 Called up Share Capital $000	Special Distributable Reserve* $000	Capital Reserve $000	Revenue Reserve* $000	Total $000
Balance as at 30 June 2018		103	98,832	3,117	(334)	101,718
Profit/(loss) for the period after tax on ordinary activities		–	–	4,342	(754)	3,588
Dividends paid	7	–	(4,960)	–	–	(4,960)
Balance as at 30 June 2019		**103**	**93,872**	**7,459**	**(1,088)**	**100,346**

* The revenue reserve and Special Distributable Reserve are distributable. The amount of the revenue reserve and Special Distributable reserve that is distributable is not necessarily the full amount of the reserves as disclosed within these financial statements of $86,958,000 as at 30 June 2020.

The notes on pages 45 to 60 form part of these financial statements.

Statement of Financial Position

	Note	As at 30 June 2020		As at 30 June 2019	
		$000	$000	$000	$000
Non-current assets					
Investments held at fair value through profit or loss	3		56,481		104,468
Current assets					
Cash and cash equivalents	10	45,074		27,398	
Receivable for investment sold		3,935		3,097	
Other receivables	15	68		33	
		49,077		30,528	
Current liabilities					
Portfolio management fee payable		(67)		(70)	
Offering fees payable		(52)		(52)	
Performance fee payable		(248)		–	
Payable for investment purchased		(2,265)		(4,408)	
Other payables	15	(237)		(173)	
Net current assets			46,208		25,825
Non-current liabilities					
Investments at fair value through profit or loss	3		(6,349)		(29,947)
Net assets			96,340		100,346
Share capital and reserves					
Called-up share capital	11	103		103	
Special distributable reserve*		88,912		93,872	
Capital reserve		9,279		7,459	
Revenue reserve*		(1,954)		(1,088)	
Total shareholders' funds			96,340		100,346
Net asset value per share	9		**$9.33**		**$9.71**

* These reserves are distributable.

Gabelli Merger Plus+ Trust Plc is registered in England and Wales under Company number 10747219.

The financial statements on pages 45 to 60 were approved by the Board of Directors on 7 October 2020 and signed on its behalf by

Marc Gabelli
Chairman

The notes on pages 45 to 60 form part of these financial statements.

Statement of Cash Flows

	Year ended 30 June 2020		Year ended 30 June 2019	
	$000	$000	$000	$000
Cash flows from operating activities				
Profit before tax		1,061		3,665
Adjustments for:				
Gains on investments	(2,462)		(4,445)	
Cash flows from operating activities				
Purchases of investments*	(266,640)		(309,199)	
Sales of investments*	293,347		326,941	
Increase in receivables	(1,524)		(1,316)	
Decrease in payables	(1,834)		(7,095)	
Dividend income	651		457	
Foreign withholding taxes on dividends	(65)		(77)	
Currency gain on cash equivalents	144		24	
Net cash flows from operating activities		**22,678**		**8,955**
Cash flows from financing activities				
Shares bought back for cash	(42)		–	
Dividends paid	(4,960)		(4,960)	
Net cash flows from financing activities		**(5,002)**		**(4,960)**
Net increase in cash and cash equivalents		**17,676**		**3,995**
Cash and cash equivalents at the start of the period		27,398		23,403
Cash and cash equivalents at the end of the period		**45,074**		**27,398**

* Receipts from the sale of, and payments to acquire, investment securities have been classified as components of cash flows from operating activities because they form part of the Company's dealing operations.

The notes on pages 45 to 60 form part of these financial statements.

Notes to the Financial Statements

1 General Information

Gabelli Merger Plus+ Trust Plc (the "Company") is a closed-ended public limited company incorporated in the United Kingdom on 28 April 2017 with registered number 10747219. The Company commenced operation on 19 July 2017 and intends to conduct its affairs so as to qualify, at all times, as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 (as amended).

2 Accounting policies

(a) Basis of preparation – The financial statements of Gabelli Merger Plus+ Trust Plc have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The principal accounting policies adopted by the Company are set out below. Where presentational guidance set out in the Statement of Recommended Practice ('SORP') for investment trusts issued by the Association of Investment Companies ('AIC') in October 2019 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

(b) Presentation of Statement of Comprehensive Income – To better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income.

(c) Going concern – Having assessed the principal risks and the other matters discussed in connection with the viability statement on page 17, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

(d) Statement of estimation uncertainty – In the application of the Company's accounting policies, the Investment Manager is required to make judgements, estimates, and assumptions about carrying values of assets and liabilities that are not always readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may vary from these estimates. There have been no significant judgements, estimates, or assumptions for the period.

(e) Income recognition – Revenue from investments (other than special dividends), including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend, or where no ex-dividend date is quoted, when the Company's right to receive payment is established. Franked investment income is stated net of the relevant tax credit. Other income includes any taxes deducted at source.

Special dividends are credited to capital or revenue, according to the circumstances. Scrip dividends are treated as unfranked investment income; any excess in value of the shares received over the amount of the cash dividend is recognised as a capital item in the Statement of Comprehensive Income.

Interest income is accounted for on an accrual basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(f) Expenses – The management fees are allocated to revenue in the Statement of Comprehensive Income. Interest receivable and payable and management expenses are treated on an accruals basis. All other expenses are charged to revenue except where they directly relate to the acquisition or disposal of an investment, in which case, they are added to the cost of the investment or deducted from the sale proceeds.

The formation and initial expenses of the Company are allocated to capital.

(g) Investments – Investments have been designated upon initial recognition at fair value through profit or loss. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are initially measured at fair value. Subsequent to initial recognition, investments are valued at fair value. Movements in the fair value of investments and gains/losses on the sale of investments are taken to the Statement of Comprehensive Income as capital items.

The Company's investments are classified as held at fair value through profit or loss in accordance with applicable International Financial Standards.

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. The Company shall offset financial assets and financial liabilities if it has a legally enforceable right to set off the recognised amounts and interests and intends to settle on a net basis. Financial assets and liabilities are derecognised when the Company settles its obligations relating to the instrument.

Contracts for Difference (CFDs)
CFDs are recognised in the Statement of Financial Position at the accumulated unrealised gain or loss as an asset or liability, respectively. This represents the difference between the nominal book cost and market value of each position held. Movements in the unrealised gains/losses are taken to the Statement of Comprehensive Income as capital items.

Notes to the Financial Statements continued

2 Accounting policies continued

(h) Cash and cash equivalents – The Company may invest part of its net assets in cash and cash equivalents, money market instruments, bonds, commercial papers or other debt obligations with banks or other counterparties, having at least a single-A (or equivalent) credit rating from an internationally recognised rating agency or government and other public securities, if the Portfolio Manager believes that it would be in the best interests of the Company and its shareholders. This may be the case, for example, where the Portfolio Manager believes that adverse market conditions justify a temporary defensive position. Any cash or surplus assets may also be temporarily invested in such instruments pending investment in accordance with the Company's investment policy. Cash balances are marked to market based on the prevailing exchange rate as of the valuation date. US Treasuries are valued at their amortised cost.

(i) Transaction costs – Transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the Statement of Comprehensive Income.

(j) Foreign currency – Foreign currencies are translated at the rates of exchange ruling on the period end date. Revenue received/receivable and expenses paid/payable in foreign currencies are translated at the rates of exchange ruling at the transaction date.

(k) Fair value – All financial assets and liabilities are recognised in the financial statements at fair value.

(l) Dividends payable – Interim and final dividends are recognised in the period in which they are declared.

(m) Capital reserve – Capital distributions received, realised gains or losses on investments that are readily convertible to cash, and capital expenses are transferred to the capital reserve. Share buybacks are funded through the capital reserve, with details of buybacks disclosed in note 11.

(n) Taxation – The tax effect of different items of income/gains and expenditure/losses is allocated between revenue and capital on the same basis as the particular item to which it relates, under the marginal method, using the Company's effective rate of tax. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the period end date where transactions of events that result in an obligation to pay more or a right to pay less tax in future have occurred at the period end date measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods.

(o) Functional and presentation currency – The functional and presentation currency of the Company is the U.S. dollar.

3 Investments at fair value through profit or loss

The financial assets measured at fair value through profit or loss in the financial statements are grouped into the fair value hierarchy as follows:

	As at 30 June 2020			
	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets at fair value through profit or loss				
Quoted equities	48,917	6,716	–	55,633
Contingent value rights	–	243	42	285
Derivatives	–	563	–	563
Gross fair value	**48,917**	**7,522**	**42**	**56,481**
Derivatives	–	(350)	–	(350)
Quoted equities – shorts	(5,999)	–	–	(5,999)
Net fair value	**42,918**	**7,172**	**42**	**50,132**

	As at 30 June 2019			
	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets at fair value through profit or loss				
Quoted equities	104,180	–	–	104,180
Contingent value rights	–	–	229	229
Derivatives	–	59	–	59
Gross fair value				**104,468**
Derivatives	–	(234)	–	(234)
Quoted equities – shorts	(29,713)	–	–	(29,713)
Net fair value	**74,467**	**(175)**	**229**	**74,521**

Analysis of changes in market value and book cost of portfolio investments in year

	Year ended 30 June 2020 $000	Year ended 30 June 2019 $000
Opening book cost	74,893	88,865
Opening investment holding losses	(372)	(1,023)
Opening market value	74,521	87,842
Additions at cost	266,640	309,199
Disposals proceeds received	(293,347)	(326,941)
Gains on investments	2,318	4,421
Market value of investments	**50,132**	**74,521**
Closing book cost	59,509	74,893
Closing investment holding losses	(9,377)	(372)
Closing market value	**50,132**	**74,521**

The company received $293,347,000 (2019: $326,941,000) from investments sold in the year. The book cost of these investments when they were purchased was $282,024,000 (2019: $323,171,000). Further explanation of the disposal proceeds received in the year can be found in the Net realised and unrealised gains/(losses) on investments section on page 48.

Fair value hierarchy
IFRS 13 requires the Company to classify its financial instruments held at fair value using a hierarchy that reflects the significance of the inputs used in the valuation methodologies. These are as follows:

- Level 1 – quoted prices in active markets for identical investments;
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, etc.); and
- Level 3 – Significant unobservable inputs.

Valuation process and techniques for Level 3 valuations
The investments in contingent value rights are reviewed regularly to ensure that the initial classification remains correct given each asset's characteristics and the Company's investment policies. The contingent value rights are initially recognised using the transaction price as the best evidence of fair value at acquisition, and are subsequently measured at fair value. At 30 June 2020, the quantitative inputs used to value the level 3 contingent value rights were the last sale price and the merger price for each.

Level 2 financial assets at fair value through profit or loss
The investments in contracts for difference are marked at the price of the underlying equity. Contingent value rights in Level 2 are marked using broker quotes.

Level 3 financial assets at fair value through profit or loss

	Year ended 30 June 2020 $000	3 Year ended 30 June 2019 $000
Opening valuation	229	–
Assets acquired during the year	29	435
Assets disposed during the year	(196)	–
Total profit or loss included in net profit/(loss) on investments in the Statement of Comprehensive Income	(20)	(206)
Closing valuation	**42**	**229**

Notes to the Financial Statements continued

3 Investments at fair value through profit or loss continued

Net realised and unrealised gains/(losses) on investments

	Year ended 30 June 2020 $000	Year ended 30 June 2019 $000
Realised gains on investments	11,323	3,770
Movement in unrealised (losses)/gains on investments	(9,005)	651
Net realised and unrealised gains on investments	**2,318**	**4,421**

4 Transaction costs

During the year commissions and other expenses were incurred in acquirinwithin gains/(losses) in the Statement of Comprehensive Income. The total costs were as follows:

	Year ended 30 June 2020 $000	Year ended 30 June 2019 $000
Purchases	88	84
Sales	25	37
Total	**113**	**121**

5 Income

	Year ended 30 June 2020 $000	Year ended 30 June 2019 $000
Income from investments		
Overseas equities	546	584
Income on short term investments[1]	256	418
Other income/(expense)	123	(117)
Total income	**925**	**885**

1 Income on short term investments represents the return on cash and cash equivalents, primarily U.S. Treasury Bills. Further information can be found in Note 10 on page 52.

6 Expenses

	Year ended 30 June 2020 $000	Year ended 30 June 2019 $000
Revenue expenses		
Portfolio Management Fee	(840)	(852)
Dividend Expense on Securities Sold Short	(275)	(189)
Directors' Remuneration	(132)	(108)
Administration Fees – State Street	(81)	(42)
Swap Contracts[1]	(60)	–
Company Secretary Fees – Maitland	(57)	(53)
AIFM – Carne	(54)	(50)
Audit Fees – PwC	(46)	(43)
Custodian/Depositary Fees – State Street	(42)	(32)
Broker Retainer Fee	(38)	(31)
Directors' Expenses	(22)	(22)
Other	(19)	(37)
Printing	(15)	(24)
LSE RNS fees	(14)	(15)
Marketing expenses	(12)	(12)
Registrar – Computershare	(11)	(18)
Ongoing LSE and UKLA Fees	(10)	(13)
Legal Fees[2]	2	(21)
Total revenue expenses	**(1,726)**	**(1,562)**
Capital expenses		
Performance Fee[3]	(248)	–
Transaction costs on derivatives	(189)	(102)
Finance Charges (Paid)/Received – State Street	(91)	50
Transaction Charges – State Street	(72)	(51)
Total capital expenses	**(600)**	**(103)**

1 The expenses associated to Swap Contracts incurred in the year to 30 June 2020 reflect that these contracts were not in operation in the prior year.

2 The legal fees in the year to 30 June 2020 reflect a partial rebate of costs incurred in the 2019 financial year.

3 Further information regarding the Performance Fee can be found in Note 13 on page 57.

Portfolio Management Fee

Under the terms of the Portfolio Management Agreement, the Portfolio Manager will be entitled to a management fee ("Management Fee"), together with reimbursement of reasonable expenses incurred by it in the performance of its duties under the Portfolio Management Agreement, other than the salaries of its employees and general overhead expenses attributable to the provision of the services under the Portfolio Management Agreement. The Management Fee shall be accrued daily and calculated on each Business Day at a rate equivalent to 0.85% of NAV per annum.

AIFM fees

The Company has appointed Carne Global Fund Managers (Ireland) Limited ("Carne") as its Alternative Investment Fund Manager pursuant to the AIFMD. Carne is entitled to receive from the Company such annual fees, accrued and payable at such times, as may be agreed in writing between itself and the Company from time to time. The fees are payable monthly and subject to a minimum monthly fee of €2,500.

Notes to the Financial Statements continued

7 Equity dividends

	Year ended 30 June 2020 $000	Year ended 30 June 2019 $000
Dividends paid	4,960	4,960

During the year ended 30 June 2020 dividends paid per share totalled $0.48 (30 June 2019: $0.48 per share). More detailed information can also be found in the Dividend History table on page 14.

8 Taxation on ordinary activities

	Year ended 30 June 2020		
Analysis of the charge in the year	Revenue $000	Capital $000	Total $000
Irrecoverable overseas tax	(65)	–	(65)
Total	**(65)**	**–**	**(65)**

	Year ended 30 June 2019		
Analysis of the charge in the year	Revenue $000	Capital $000	Total $000
Irrecoverable overseas tax	(77)	–	(77)
Total	**(77)**	**–**	**(77)**

	Year ended 30 June 2020		
Factors affecting the tax charge for the year	Revenue $000	Capital $000	Total $000
(Loss)/profit before taxation	(801)	1,862	1,061
UK Corporation tax at effective rate of 19%	152	(354)	(202)
Effects of:			
Non taxable overseas dividends	96	–	96
Overseas tax expensed	1	–	1
Gains on investments held at fair value through profit or loss	–	441	441
Irrecoverable overseas tax	(65)	–	(65)
Expenses not deductible for tax purposes	(52)	(14)	(66)
Gains on foreign currencies	–	27	27
Movement in excess management expenses	(231)	(101)	(332)
Movement in deferred tax rate on excess management expenses	34	1	35
Total	**(217)**	**354**	**137**
Total tax charge for the year	**(65)**	**–**	**(65)**

Factors affecting the tax charge for the year	Year ended 30 June 2019 Revenue $000	Capital $000	Total $000
Profit/(loss) before taxation	(677)	4,342	3,665
UK Corporation tax at effective rate of 19%	130	(826)	(696)
Effects of:			–
Non taxable overseas dividends	101	–	101
Overseas tax expensed	2	–	2
Gains on investments held at fair value through profit or loss	–	840	840
Irrecoverable overseas tax	(77)	–	(77)
Expenses not deductible for tax purposes	(36)	(10)	(46)
Gains on foreign currencies	–	5	5
Movement in excess management expenses	(176)	(8)	(184)
Movement in deferred tax rate on excess management expenses	(21)	(1)	(22)
Total	**(207)**	**826**	**619**
Total tax charge for the year	**(77)**	**–**	**(77)**

At the year end after offset against income taxable on receipt, there is a potential deferred tax asset of $628,620 (2019: $301,205) in relation to surplus tax reliefs. It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

Due to the Company's status as an investment trust and the intention to continue to meet the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on capital gains and losses arising on the revaluation or disposal of investments.

9 Earnings per share

Earnings per ordinary share is calculated with reference to the following amounts:

	Year ended 30 June 2020	Year ended 30 June 2019
Revenue return		
Revenue return attributable to ordinary shareholders ($000)	(866)	(754)
Weighted average number of shares in issue during year	10,335,485	10,334,166
Total revenue return per ordinary share	**($0.08)**	**($0.07)**
Capital return		
Capital return attributable to ordinary shareholders ($000)	1,862	4,342
Weighted average number of shares in issue during year	10,335,485	10,334,166
Total capital return per ordinary share	**$0.18**	**$0.42**
Total return per ordinary share	**$0.10**	**$0.35**

Net asset value per share	As at 30 June 2020	As at 30 June 2019
Net assets attributable to shareholders ($000)	96,340	100,346
Number of shares in issue at year end	10,328,206	10,334,166
Net asset value per share	**$9.33**	**$9.71**

Notes to the Financial Statements continued

10 Cash and cash equivalents

	As at 30 June 2020 $000	As at 30 June 2019 $000
Cash	6,580*	6,433
U.S. Treasuries	38,494	20,965
Total	**45,074**	**27,398**

* As at 30 June 2020, $6,283,161 was held as collateral at UBS securities LLC and is restricted.

The Board and Investment Manager oversee investments held in cash and cash equivalents in accordance with the Investment Policy.

11 Called up share capital

	As at 30 June 2020 $000	As at 30 June 2019 $000
Allotted, called up and fully paid:		
10,328,206 (2019: 10,334,166) Ordinary shares of $0.01 each - equity	103	103
Treasury shares:		
5,960 (2019: nil) Ordinary shares of $0.01 each - equity	*	–
Total shares	**103**	**103**

* Less than $500.

12 Financial risk management

The Company's financial instruments comprise securities and other investments, cash balances, receivables, and payables that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and receivables for accrued income. The Company also has the ability to enter into derivative transactions in the form of forward foreign currency contracts, futures, and options, for the purpose of managing currency and market risks arising from the Company's activities.

The main risks the Company faces from its financial instruments are (i) market price risk (comprising interest rate risk, currency risk, and other price risk), (ii) liquidity risk, and (iii) credit risk.

The Board regularly reviews, and agrees upon, policies for managing each of these risks. The Portfolio Manager's policies for managing these risks are summarised below and have been applied throughout the year. The numerical disclosures exclude short term receivables and payables, other than for currency disclosures.

(i) Market price risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – interest rate risk, currency risk, and other price risk.

Interest rate risk

Interest rate movements may affect the level of income receivable and payable on cash deposits.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions.

Interest risk profile

The interest rate risk profile of the portfolio of financial assets and liabilities at the year end date was as follows:

	As at 30 June 2020			
	Interest rate %	Local currency 000	Foreign exchange rate	US Dollar equivalent $000
Assets:				
US dollar	0.00	45,035	1.00	45,035
Australian dollar	0.00	17	1.45	12
Canadian dollar	0.00	1	1.36	1
Euro currency	(0.75)	9	0.89	10
GBP sterling	0.00	(8)	0.81	(10)
Japanese yen	(0.35)	(216)	107.89	(2)
New Israeli sheqel	(0.50)	10	3.46	3
New Zealand dollar	0.00	20	1.55	13
Norwegian krone	0.00	(10)	9.65	(1)
Singapore dollar	0.00	15	1.40	11
Swedish krona	(1.25)	19	9.32	2
Total				**45,074**

	As at 30 June 2019			
	Interest rate %	Local currency 000	Foreign exchange rate	US Dollar equivalent $000
Assets:				
US dollar	0.50	28,836	1.00	28,836
Canadian dollar	0.18	(1,856)	1.31	(1,420)
Euro	(0.60)	(2)	0.88	(2)
GBP sterling	0.07	(12)	0.79	(15)
Norwegian krone	0.06	(9)	8.53	(1)
Total				**27,398**

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the year end date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 10 (2019: 75) basis points higher or lower and all other variables were held constant, the Company's profit or loss for the reporting year to 30 June 2020 would increase/decrease by $45,000 (2019: $205,000). This is mainly attributable to the Company's exposure to interest rates on its floating rate cash balances

Notes to the Financial Statements continued

12 Financial risk management continued

Currency risk

The Company's investment portfolio is invested predominantly in foreign securities and the year end can be significantly affected by movements in foreign exchange rates. It is not the Company's policy to hedge this risk on a continuing basis but the Company may, from time to time, match specific overseas investments with foreign currency borrowings.

The revenue account is subject to currency fluctuation arising from overseas income.

Currency risk exposure by currency of denomination:

	As at 30 June 2020		
	Net Investments $000	Net monetary assets $000	Total currency exposure $000
Australian dollar	6	12	18
Canadian dollar	1,204	(1,274)	(70)
Euro currency	54	(78)	(24)
GBP sterling	1,932	(10)	1,922
Japanese yen	1	(3)	(2)
New Israeli sheqel	–	3	3
New Zealand dollar	15	13	28
Norwegian krone	–	(1)	(1)
Singapore dollar	(1)	10	9
Swedish krona	–	2	2
Total non US Investments	3,211	(1,326)	1,885
US dollar	46,921	47,559	94,480
Total	**50,132**	**46,233**	**96,365**

	As at 30 June 2019		
	Net Investments $000	Net monetary assets $000	Total currency exposure $000
Australian dollar	1	1	2
Canadian dollar	1,448	(2,866)	(1,418)
Euro	5	–	5
GBP sterling	80	(15)	65
Norwegian krone	(1)	(1)	(2)
Swiss franc	(3)	–	(3)
Total non US Investments	1,530	(2,881)	(1,351)
US dollar	72,991	28,706	101,697
Total	**74,521**	**25,825**	**100,346**

Currency sensitivity

The following table details the Company's sensitivity to a 10% increase and decrease in US dollars against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on net return before tax and equity shareholders' funds. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates.

	As at 30 June 2020 $000	As at 30 June 2019 $000
Australian dollar	1	–
Canadian dollar	–	(142)
Euro currency	1	–
GBP sterling	(1)	(2)
New Zealand dollar	1	–
Singapore dollar	1	–

The relevant US dollar exchange rates as at 30 June 2020 were: Australian Dollar (1: 1.4524); Canadian Dollar (1: 1.362); Euro currency (1: 0.8903); GBP Sterling (1: 0.8093); New Zealand dollar (1: 1.5533) and Singapore dollar (1: 1.3950).

Other price risk

Other price risks, i.e., changes in market prices other than those arising from interest rate or currency risk, may affect the value of the quoted investments.

The Investment Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on a recognised stock exchange.

Other price risk sensitivity

If market prices at the year end date had been 20% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders for the year ended 30 June 2020 would have increased/decreased by $10,026,400. The calculations are based on the portfolio valuations as at the year end date, and are not representative of the year as a whole.

(ii) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. All creditors are payable within 3 months.

Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary.

(iii) Credit risk

This is the risk of failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The table below shows the counterparty risk as at the Balance Sheet date:

	Short equities $000	Derivative exposure: CFDs $000	Collateral posted $000	Net exposure $000
Counterparty				
UBS Securities, LLC	–	(213)	(6,283)	(6,496)
State Street	5,999	–	–	5,999
Total	**5,999**	**(213)**	**(6,283)**	**(497)**

Net exposure represents the mark-to-market value of derivative contracts less any cash collateral held. Negative exposure represents the Fund's exposure to that counterparty. Positive amounts are not an exposure to the Fund.

The risk is managed as follows:

- Investment transactions are carried out mainly with brokers whose credit ratings are reviewed periodically by the Portfolio Manager.
- Most transactions are made delivery versus payment on recognised exchanges.
- Cash is held at State Street Bank and Trust which has a credit rating by Standard and Poor's on short term deposits of A-1+ and long term deposits AA-.

Notes to the Financial Statements continued

12 Financial risk management continued

The maximum credit risk exposure as at 30 June 2020 was $49,077,000 (2019: $30,528,000). This was due to cash and receivables as per note (10) 'Cash & cash equivalents', note (15) 'Total other receivables' and Statement of Financial Position Receivable for investment sold.

Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to maximise the revenue and capital return to its equity shareholders through an appropriate balance of equity capital and debt.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. The Board considers the Company's capital requirements in the context of both the Special Distributable and Revenue reserves being treated as distributable, as permitted by current accounting standards for listed investment trusts. The distributable reserves can be used to fund dividends and share repurchase programmes. This review includes the nature and planned level of gearing, which takes account of the Portfolio Manager's views on the market and the extent to which revenue in excess of that which is required to be distributed under the investment trust rules should be retained.

The analysis of shareholders' funds is as follows:

	As at 30 June 2020 $000	As at 30 June 2019 $000
Called up share capital	103	103
Special distributable reserve*	88,912	93,872
Capital reserve	9,279	7,459
Revenue reserve*	(1,954)	(1,088)
Total shareholders' funds	**96,340**	**100,346**

* These reserves are distributable.

Alternative Investment Fund Managers' ('AIFM') Directive

In accordance with the Alternative Investment Fund Managers' Directive ("AIFMD"), the Company has appointed Carne Global Fund Managers (Ireland) Limited as its Alternative Investment Fund Manager (the "AIFM") to provide portfolio management and risk management services to the Company in accordance with the investment management agreement.

Leverage

For the purposes of the AIFM Directive, leverage is required to be calculated using two prescribed methods: (i) the gross method; and (ii) the commitment method, and expressed as the ratio between a fund's total exposure and its net asset value. As measured using the gross method, the level of leverage to be incurred by the Portfolio Manager on behalf of the Company is not to exceed the equivalent of a ratio of 5. The gross method calculates exposure as the absolute value of the sum of all investment positions (long and short), including derivative positions for which exposure is calculated as the equivalent position in an underlying asset. As measured using the commitment method, the level of leverage to be incurred by the Portfolio Manager on behalf of the Company is not to exceed the equivalent of a ratio of 2.5. The commitment method calculates exposure from all investment positions, including derivative positions for which exposure is calculated as the equivalent position in an underlying asset, but factors in hedging arrangements that offset exposure.

The Company's maximum leverage levels at 30 June 2020 are shown below:

Leverage Exposure	Gross method	Commitment method
Maximum permitted limit	500%	250%
Actual	91%	136%

The leverage limits are set by the AIFM and approved by the Board and are in line with the maximum leverage levels permitted in the Company's Articles of Association. The AIFM is also required to comply with the gearing parameters set by the Board in relation to borrowings.

13 Performance fee

Subject to the satisfaction of the Performance Conditions, the Portfolio Manager shall be entitled under the Portfolio Management Agreement, in respect of each Performance Period, to receive 20% of the Total Return relating to such Performance Period, provided that such amount shall not exceed 3% of the Average NAV.

Performance Conditions

The Portfolio Manager's entitlement to a Performance fee in respect of any Performance Period shall be conditional on the Closing NAV per Share in respect of the Performance Period (adjusted for any changes to the NAV per Share through dividend payments, Share repurchases (howsoever effected) and Share issuances since Admission) being in excess of the Performance Hurdle and High Water Mark. For the year ended 30 June 2020, a Performance fee of $248,101 (2019: $0) was to be paid. As at 30 June 2020, $248,101 was outstanding to the Portfolio Manager in respect of the performance fee, reflecting the period performance period matching the Company's financial year (2019: $0).

14 Derivatives risk

The Company's investment policy may involve the use of derivatives (including, without limitation, forward foreign exchange contracts, equity contracts for difference swap agreements ("CFDs"), securities sold short and/or structured financial instruments). The Company may use both exchange-traded and over-the-counter derivatives as part of its investment activity. The cost of investing utilizing derivatives may be higher than investing in securities (whether directly or through nominees) as the Company will have to bear the additional costs of purchasing and holding such derivatives, which could have a material adverse effect on the Company's returns. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further losses exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses.

The use of derivatives may expose the Company to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Company trades, the risk of settlement default, lack of liquidity of the derivative, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the Company is seeking to track and greater transaction costs than investing in the underlying assets directly. Additional risks associated with investing in derivatives may include a counterparty breaching its obligations to provide collateral, or, due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where credit exposure to its counterparty under a derivative contract is not fully collateralised. The use of derivatives may also expose the Company to legal risk, which is the risk of loss due to the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

The use of CFDs is a highly specialised activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In a CFD, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short term interest rates and the returns on the Company's portfolio securities at the time a CFD transaction reaches its scheduled termination date, there is a risk that the Company will not be able to obtain a replacement transaction or that terms of the replacement will not be as favourable as on the expiring transaction. At 30 June 2020 the Company held CFDs, as shown in the following table.

Notes to the Financial Statements continued

14 Derivatives risk continued

Security name	Trade currency	Shares (000)	As at 30 June 2020 Unrealised gain/(loss) $000
Ampol Ltd	AUD	6	6
AON PLC	USD	(2)	(2)
Atrium European Real Estate Ltd	EUR	95	(14)
Biotest AG	EUR	9	1
Charles Schwab PLC	USD	(33)	5
E*TRADE Financial Corp	USD	15	2
Faurecia SE	EUR	2	7
Fiat Chrysler Automobiles NV	EUR	69	66
Flutter Entertainment PLC	USD	(14)	87
GrandVision NV	EUR	31	49
Grifols SA	USD	(33)	61
Ingenico Group SA	EUR	16	233
Just Eat Takeawaycom NV	USD	(1)	(6)
Keppel Corp Ltd	SGD	18	(1)
Masmovil Ibercom SA	EUR	5	(1)
Metlifecare Ltd	NZD	55	15
Morgan Stanley PLC	USD	(16)	(3)
Osram Licht AG	EUR	*	**
Partner Communications Co Ltd	ILS	22	**
Peugeot SA	EUR	(40)	(66)
Porsche Automobil Holding SE	EUR	7	17
QIAGEN NV	EUR	37	9
RIB Software SE	EUR	27	**
Sony Financial Holdings Inc	JPY	56	1
TD Ameritrade Holding Corp	USD	30	(6)
Volkswagen AG	EUR	(2)	3
Willis Towers Watson LLC	USD	2	1
Worldline SA	EUR	(26)	(250)
Total unrealised gain on derivatives			**214**

* Less than 500 shares.
** Less than $500.

15 Current Assets and Liabilities

The categories of other receivables and other payables include:

	As at 30 June 2020 $000	As at 30 June 2019 $000
Other receivables		
FX currency sold	–	2
All other receivables	68	31
Total other receivables	**68**	**33**
Other payables		
FX currency purchased	6	2
Custodian fees	9	3
Accounting fees	19	14
Audit fees	35	35
All other payables	168	119
Total other payables	**237**	**173**

16 Related party disclosure: Directors

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles of Incorporation. The Directors' remuneration is $20,000 per annum for each Director, other than:

- the Chairman, who will receive an additional $1,000 per annum*;
- the Chairman of the Audit Committee, who will receive an additional $5,000 per annum; and
- the Members of the Audit Committee, who will receive an additional $1,000 per annum.
- Following the approval of shareholders at the 2019 Annual General Meeting, the Directors' fees were also increased during the year to include an aggregate $10,000 fee supplement to be paid annually in the form of Ordinary Shares in the Company.

* Mr Gabelli has waived his fees since appointment as Chairman.

Each of the Directors is also entitled to be paid all reasonable expenses properly incurred by them in connection with the performance of their duties. These expenses will include those associated with attending general meetings, Board or committee meetings and legal fees. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

The related party transactions with the Directors are set out in the Directors' Remuneration Report on pages 32 to 34.

Related parties disclosure: other

The Portfolio management fee for the year ended 30 June 2020 paid by the Company to the Portfolio Manager is presented in the Statement of Comprehensive Income. Details of Portfolio management fee paid during the year is disclosed in Note 6.

At at 30 June 2020, Associated Capital Group Inc., an affiliate of the Portfolio Manager, held 5,260,735 Ordinary Shares in the Company.

Further details of related parties and transactions, including with the Company's AIFM Carne Global Fund Managers (Ireland) Limited, are disclosed in the Directors' Report on pages 22 and 23.

Connected party transactions

All connected party transactions are carried out at arm's length. There were no such transactions during the year ended 30 June 2020.

17 Contingent Liabilities and Commitments

As at 30 June 2020, the Company had no contingent liabilities or commitments (30 June 2019: nil).

Notes to the Financial Statements continued

18 Significant events

On 5 August 2019 Mr Nakamura and Mr Hammond-Chambers retired from the Board.

The COVID-19 epidemic is believed to have originated in Wuhan, Hubei, China. While containment efforts were made to slow the spread of the epidemic the outbreak has now spread globally and has led to the World Health Organisation declaring the COVID-19 outbreak a pandemic on 11 March 2020.

The Board is aware that global financial markets have been monitoring and reacting to the outbreak. All markets have incurred increased volatility and uncertainty since the onset of the pandemic.

The Board has also noted the operational risks that are posed to the Company and its service providers due to global and local movement restrictions that have been enacted by various governments. COVID-19 pandemic is an unprecedented event and the eventual impact on the global economy and markets will largely depend on the scale and duration of the outbreak. The Board will continue to monitor this situation.

19 Post balance sheet events

From the year end to 30 September 2020, the NAV per share of the Company increased 0.5%, from $9.33 to $9.38 and the share price decreased 1.3%, from $7.50 to $7.40.

Regulatory Disclosures

Information to be disclosed in accordance with Listing Rule 9.8.4

The disclosures below are made in compliance with the requirements of Listing Rule 9.8.4.

9.8.4 (1) The Company has not capitalised any interest in the year under review.

9.8.4 (2) The Company has not published any unaudited financial information in a class 1 circular or prospectus or any profit forecast or profit estimate.

9.8.4 (4) The Company does not have any long term incentive schemes in operation.

9.8.4 (5) and (6) The Chairman Mr Gabelli has waived or agreed to waive any current or future emoluments from the Company.

9.8.4 (7) During the year to 30 June 2020, the Company has not issued shares.

9.8.4 (8) and 9.8.4 (9) are not applicable.

9.8.4 (10) As President of the Portfolio Manager's parent company, GGCP, and an employee of the Portfolio Manager, Mr Gabelli is/was deemed to be interested in the Company's portfolio management agreement. There were no other contracts of significance subsisting during the year under review to which the Company is a party and in which a Director of the Company is or was materially interested; or between the Company and a controlling shareholder.

9.8.4 (11) This provision is not applicable to the Company.

9.8.4 (12) and (13) There were no arrangements under which a shareholder has waived or agreed to waive any dividends or future dividends.

9.8.4 (14) This provision is not applicable to the Company.

Glossary

Alternative Investment Fund Managers Directive ("AIFMD")
Agreed by the European Parliament and the Council of the European Union and adopted into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds ("AIFS") and requires them to appoint an Alternative Investment Fund Manager ("AIFM") and Depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

Alternative Performance Measures
Net Asset Value total return, which is calculated based on the net asset value per share at 30 June 2020, compared to the Net Asset Value per share as at 30 June 2019, adjusted for dividends paid, and assumes that dividends are reinvested.

Share price total return, which is calculated based on the share price per share as at 30 June 2020, compared to the share price per share as at 30 June 2019, adjusted for dividends paid, and assumes that all dividends are reinvested.

Discount to net asset value, which is calculated by dividing the difference between the share price and net asset value per share, by the net asset value per share.

Association of Investment Companies ("AIC")
The Company is a member of the AIC which is the trade body for investment companies and represents the industry in relation to various matters which impact the regulation of such entities.

Capital Return per Share
The capital return per share is the capital profit for the year (see Statement of Comprehensive Income) divided by the weighted average number of ordinary shares in issue during the year.

Contract for Difference ("CFD")
A financial instrument in which a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock.

Custodian
The Custodian is responsible for ensuring the safe custody of the Company's assets and that all transactions in the underlying holdings are transacted in an accurate and timely manner.

Depositary
From July 2014 all AIFs were required to appoint a Depositary who has responsibility for overseeing the operations of the Company including safekeeping, cash monitoring and verification of ownership and valuation of the underlying holdings and is responsible for the appointment of a custodian. The Depositary is strictly liable for the loss of any investments or other assets in its custody unless it has notified that it has discharged its liability in certain markets.

The Depositary has confirmed that it has not discharged liability in relation to any of the Company's assets.

Dividend Dates
When declared or recommended, each dividend will have three key dates applied to it. The payment date is the date on which shareholders will receive their dividend, either by BACS transfer or by receipt of a dividend cheque. The record date applied to the dividend is used as a cut-off for the Company's registrars to know which shareholders should be paid a dividend. Only shareholders on the register of members at the close of business on the record date will receive the dividend. The ex-dividend date is the business day before the record date and is the date upon which the Company's net asset value will be disclosed ex-dividend.

Dividend Yield
The annual dividend expressed as a percentage of the share price.

Gearing/Leverage (including Actual and Nominal Gearing)
The net gearing percentage reflects the amount of borrowings (i.e. bank loans or overdrafts) the Company has used to invest in the market less cash and investments in cash funds, divided by net assets. Nominal gearing is the total notional amount of assets plus total notional amount of liabilities, divided by equity. Actual gearing is calculated under two methodologies: the gross method, which includes the market value of positions and the gross exposure of derivatives, and excludes cash and cash equivalents; and the commitment method, which includes the value of cash and cash equivalents. Nominal CFD gearing is the gross nominal value of CFD positions, as a percentage of shareholders' equity.

High Water Mark
The closing Net Asset Value (NAV) per share in respect of the last performance period in respect of which a performance fee was payable to the Portfolio Manager (adjusted for any changes to the NAV per share through dividend payments, share repurchases, and share issuances from admission to the end of such performance period).

Investment Trusts
Investment trusts are public limited companies, listed on the London Stock Exchange, which provide shareholders with a professionally managed portfolio of investments. Investments trusts are exempt from tax on the capital gains arising on their investments subject to meeting certain criteria. Income, net of expenses and tax, is substantially distributed to shareholders. Investment trusts are also known as investment companies, although the tax legislation retains the reference to investment trusts.

Liquidity
In the context of the liquidity of shares in the stock market, this refers to the availability of buyers in the market for the share in question. Where the market in a particular share is described as liquid, that share will be in demand and holders wishing to sell their shares should find ready buyers. Conversely, where the market in a share is illiquid the difficulty of finding a buyer will tend to depress the price that might be negotiated for a sale.

Net Asset Value ("NAV") per ordinary share
The value of the Company's assets (i.e. investments, cash held and debtors) less any liabilities (i.e. bank borrowings, debt securities and creditors) for which the Company is responsible, divided by the number of shares in issue. The aggregate NAV is also referred to as total shareholders' funds on the Statement of Financial Position. The NAV is published daily.

Net Asset Value per ordinary share, total return represents the theoretical return on NAV per ordinary share, assuming that dividends paid to shareholders were reinvested at the NAV per ordinary share at the close of business on the day shares were quoted ex dividend.

Ongoing Charges are operating expenses incurred in the running of the Company, whether charged to revenue or capital, but excluding financing costs. These are expressed as a percentage of the average net asset value during the period and this is calculated in accordance with guidance issued by the Association of Investment Companies.

Performance Fee
A detailed explanation of the calculation methodology for the Performance Fee payable to the Investment Manager can be found on page 57.

Performance Hurdle
In relation to each performance period, the hurdle is represented by "A" multipled by "B", where: "A" is equal to the starting NAV per share increased by two times the rate of return on 13 week Treasury Bills published by the US Department of the Treasury over the performance period, less the starting NAV per share; and "B" is the weighted average of the number of shares in issue (excluding any shares held in treasury) at the end of each day during the performance period. The Remuneration Committee has determined that this is the most appropriate means of benckmarking the Manager's performance.

Premium/Discount
The amount by which the market price per share of an investment trust is either higher (premium) or lower (discount) than the NAV per share, expressed as a percentage of the NAV per share.

Revenue Return per ordinary share
The revenue return per ordinary share is the revenue return profit for the year divided by the weighted average number of ordinary shares in issue during the year.

Share Price Total Return represents the theoretical return to a shareholder, on a closing market price basis, assuming that all dividends received were reinvested, without transaction costs, into the ordinary shares of the Company at the close of business on the day the shares were quoted ex dividend.

Total Return Performance
This is the return on the share price or NAV taking into account both the rise and fall of share prices and the dividends and interest paid to shareholders. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV total return).

Company Information

Registered Name
Gabelli Merger Plus⁺ Trust Plc

Registered Office
64 St. James's Street,
London SW1A 1NF
United Kingdom

Board of Directors
Marc Gabelli
Marco Bianconi
John Birch
John Newlands
Yuji Sugimoto
James Wedderburn

Portfolio Manager
Gabelli Funds, LLC
One Corporate Center
Rye, NY 10580-1422
United States

Company Secretary
Maitland Administration Services Limited
Hamilton Centre
Rodney Way
Chelmsford
CM1 3BY
United Kingdom

Independent Auditors
PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT
United Kingdom

Administrator and Custodian
State Street Bank and Trust Company
20 Churchill Place
Canary Wharf
London E14 5HJ
United Kingdom

Depositary
State Street Trustees Ltd
20 Churchill Place
Canary Wharf
London E14 5HJ
United Kingdom

Alternative Investment Fund Manager
Carne Global Fund Managers (Ireland) Limited
2nd Floor, Block E
Iveagh Court, Harcourt Road
Dublin 2
Ireland

Registrar and Receiving Agent
Computershare Investment Services PLC
The Pavillions
Bridgwater Road
Bristol BS99 6ZZ
United Kingdom

Legal Advisers to the Company
Herbert Smith Freehills LLP
Exchange House, Primrose Street
London EC2A 2EG
United Kingdom

The Company is a member of **The Association of Investment Companies** ("AIC"), which publishes a number of useful fact sheets and email updates for investors interested in investment trust companies.
The AIC
9th Floor
24 Chiswell Street
London
EC1Y 4YY
0207 282 5555
www.theaic.co.uk

Information to Shareholders
With effect from 1 January 2016 new tax legislation under the OECD (Organisation for Economic Co-operation and Development) Common Reporting Standard for Automatic Exchange of Financial Account Information ("The Common Reporting Standard") has been introduced. This legislation requires investment trust companies to provide personal information to the HMRC on certain investors who purchase shares in investment trusts. As an affected company, Gabelli Merger Plus⁺ Trust Plc will have to provide information annually to the local tax authority on a number of non-UK based certificated shareholders and incorporated entities.

All new shareholders, excluding those whose shares are held on CREST, who are entered onto the share register after 1 January 2016 will be sent a certification form for the purposes of collecting this information.

For further information, please see the HMRC's Quick Guide: Automatic Exchange of Information – information for account holders.

https://www.gov.uk/government/publications/exchange-of-information-account-holders.

Please visit us on the internet. Our home page at www.gabelli.co.uk contains information about Gabelli Funds,. LLC and the Gabelli Merger Plus⁺ Trust Plc.

We welcome your comments and questions at +44 02 3206 2100 or via email at info@gabelli.co.uk.

Annual General Meeting
Notice of Annual General Meeting

Notice is hereby given that the third Annual General Meeting (the "AGM") of the Company will be held at GAMCO (UK) 64 St. James's Street London SW1A 1NF United Kingdom on Tuesday 1 December 2020 at 11:00 (GMT) to consider and, if thought fit, pass the following resolutions, of which resolutions numbered 1 to 13 will be proposed as Ordinary Resolutions, and resolutions numbered 14, 15 and 16 will be proposed as Special Resolutions.

Please note that in light of the current COVID-19 pandemic and the associated restrictions on travel and public gatherings the AGM will be run as a closed meeting and it is therefore likely that shareholders will be unable to attend in person. Shareholders attempting to attend the AGM will not be able to, and may find their journey unnecessary.

Ordinary Business

1 To receive the Company's audited financial statements, the Strategic Report and the reports of the Directors of the Company (the "**Directors**") for the year ended 30 June 2020 (the "**Annual Report**") together with the report of the auditors thereon.

2 To approve the Directors' Remuneration Report for the year ended 30 June 2020.

3 To approve the Company's dividend policy to continue to pay four quarterly interim dividends. For the year under review the four dividends declared totalled $0.48 per share.

4 To re-elect Marc Gabelli as a Director.

5 To re-elect Marco Bianconi as a Director.

6 To re-elect John Birch as a Director.

7 To re-elect John Newlands as a Director.

8 To re-elect Yuji Sugimoto as a Director.

9 To re-elect James Wedderburn as a Director.

10 To appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the conclusion of the next AGM of the Company.

11 To authorise the Audit Committee to determine the remuneration of the auditors.

Special Business
Ordinary Resolutions

12 THAT the Company approves and adopts a new Directors' Remuneration Policy, as outlined in page 32 of the Annual Report, to increase the aggregate cap on Directors' fees from $150,000 to $180,000 with effect from the conclusion of the meeting, AND IF APPROVED THAT Resolution 99(1) of the Company's Articles of Association accordingly be updated to reflect the same.

13 THAT, in substitution for all existing authorities, the Board of Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the power of the Company to allot relevant securities (within the meaning of section 551 of the Act) in the Company up to a maximum aggregate nominal amount of $10,328 (being ten percent of the total number of voting rights of the Company at the latest practicable date prior to the publication of this Notice), such authority, unless previously revoked, to apply until the conclusion of next year's AGM but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board of Directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

Special Resolutions

14 THAT, in substitution of all existing powers, the Board of Directors be given power in accordance with section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by resolution 13 and to sell any ordinary shares of $0.01 each in the Company ("Ordinary Shares") held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such power to be limited:

a. to the allotment of equity securities and sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities:

i. to holders of Ordinary Shares in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings; and

ii. to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Board of Directors otherwise considers necessary, and so that the Board of Directors may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

b. otherwise than pursuant to paragraph a. above, to the allotment of equity securities and sale of treasury shares up to an aggregate nominal amount of $10,328 (being 10% of the total number of voting rights of the Company at the latest practicable date prior to the publication of this Notice); and

c. such that no allotment of securities shall be made which would result in Ordinary Shares being issued or sold from treasury at a price which is less than the higher of the Company's cum or ex income net asset value per Ordinary Share at the latest practicable date before such allotment of equity securities as determined by the Board of Directors in their reasonable discretion, such power, unless renewed, to apply until the conclusion of next year's AGM but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board of Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

15 THAT the Company be authorised for the purposes of section 701 of the Act to make one or more market purchases (as defined in section 693(4) of the Act) of its Ordinary Shares, provided that:

Annual General Meeting
Notice of Annual General Meeting continued

a. the maximum number of Ordinary Shares hereby authorised to be purchased is 1,548,198 (being 14.99% of the total number of voting rights of the Company at the latest practicable date prior to the publication of this Notice);

b. the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is the nominal amount of that share; and

c. the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is the higher of:

i. an amount equal to 5%. above the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and

ii. an amount equal to the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out at the relevant time, such authority, unless renewed, to apply until the conclusion of next year's AGM but during this period the Company may enter into a contract to purchase Ordinary Shares, which would, or might, be completed or executed wholly or partly after the authority ends and the Company may purchase Ordinary Shares pursuant to any such contract as if the authority had not ended.

16 THAT a general meeting other than an AGM may be called on not less than 14 clear days' notice.

By order of the Board

Marc Gabelli
Chairman
7 October 2020

Registered Office:
64 St. James's Street
London
England
SW1A 1NF

Notes to the Notice of the AGM

Please note that in light of the current COVID-19 pandemic and the associated restrictions on travel and public gatherings the AGM will be run as a closed meeting and it is therefore likely that shareholders will be unable to attend in person. Shareholders attempting to attend the AGM will not be able to, and may find their journey unnecessary.

Proxy appointment

1 A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the AGM, or any adjournment thereof. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.

2 A form of proxy is enclosed. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting in person.

3 To appoint a proxy, the form of proxy and any power of attorney or other authority (if any) under which it is executed (or a duly certified copy of any such power or authority), must be either (a) sent to the Company's Registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, or (b) the proxy appointment must be lodged using the CREST Proxy Voting Service in accordance with Note 8 below, in either case so as to be received no later than 11 am on 27 November 2020 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

Joint shareholders

4 In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names appear in the register of members in respect of the share.

Nominated persons

5 The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Act ("Nominated Persons"). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

Information about shares and voting

6 Holders of Ordinary Shares are entitled to attend and vote at general meetings of the Company. The total number of issued Ordinary Shares in the Company on 30 September 2020, which is the latest practicable date before the publication of this Notice is 10,334,166.

Right to attend and vote

7 Entitlement to attend and vote at the meeting, and the number of votes which may be cast at the meeting, will be determined by reference to the Company's register of members as at the close of business on 27 November 2020, or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting (as the case may be). In each case, changes to the register of members after such time will be disregarded.

CREST members

8 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following the procedures described in the CREST Manual available on the website of Euroclear UK and Ireland Limited ("Euroclear") at www.euroclear.com. CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC Participant ID 3RA50 by the latest time(s) for receipt of proxy appointments specified in Note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to him by other means.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

Corporate representatives

9 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

Notes to the Notice of the AGM continued

Audit concerns

10 Shareholders should note that, under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditors report and the conduct of the audit) that are to be laid before the AGM for the financial year ended 30 June 2020; or (ii) any circumstance connected with auditors of the Company appointed for the financial year ended 30 June 2020 ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 (requirements as to website availability) of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM for the relevant financial year includes any statement that the Company has been required under section 527 of the Act to publish on a website.

Questions

11 Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Members' right to request a resolution to be proposed at the Meeting

12 Under sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company:

i. to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or

ii. to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.

A resolution may properly be moved or a matter may properly be included in the business unless:

a. (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);

b. it is defamatory of any person; or

c. it is frivolous or vexatious.

Such a request may be in hard copy form or in electronic form, and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than six weeks before the AGM, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

Website information

13 A copy of this notice and other information required by section 311A of the Act can be found at www.gabelli.co.uk.

Use of electronic address

14 Members may not use any electronic address provided in either this notice of meeting or any related documents (including the enclosed form of proxy) to communicate with the Company for any purposes other than those expressly stated.

Documents available for inspection

15 Copies of the letters of appointment of the non-executive Directors may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at 64 St. James's Street, London SW1A 1NF, United Kingdom, up to and including the date of the AGM, and, if possible, on the date itself at the AGM venue 15 minutes before the meeting until it ends.

Communication

16 Except as provided above, shareholders who have general queries about the AGM should use the following means of communication (no other methods of communication will be accepted):

- by calling the Registrar's helpline on: +44 (0)370 703 6319, or
- by writing to the Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, or
- by email to the Registrar web.queries@computershare.co.uk

Gabelli Merger Plus+ Loyalty Programme

The Company has a Loyalty Programme in place for its long term shareholders. Please see page 21 for benefits and eligibility requirements.

Contact the Company

www.gabelli.com/mergerplus
gmpassist@gabelli.com
+44 20 3206 2100
+1 914 921 5135
+39 02 3057 8299

Appendix
AIFMD Remuneration Disclosure (Unaudited)

The European Union Directive 2011/61/EU as implemented in Ireland by S.I. No. 257/2013 European Union (Alternative Investment Fund Managers) Regulations 2013, requires Alternative Investment Fund Managers ("AIFMs") to establish and apply remuneration policies and practices that promote sound and effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of the Company.

To that effect, Carne Global Fund Managers (Ireland) Limited ("the Manager"), has implemented a remuneration policy that applies to all Alternative Investment Funds ("AIFs") for which the Manager acts as AIFM (the "Remuneration Policy") and covers all staff whose professional activities have a material impact on the risk profile of the Manager or the AIFs it manages ("Identified Staff"). The Remuneration Policy also applies to all UCITS funds for which the Manager acts as manager. In accordance with the Remuneration Policy, all remuneration paid to Identified Staff can be divided into:

- Fixed remuneration (payments or benefits without consideration of any performance criteria); and
- Variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria) which is not based on the performance of the Company.

The Manager has designated the following persons as Identified Staff:

1 The Designated Persons;

2 Each of the Directors;

3 Compliance Officer;

4 Risk Officer; and

5 Chief Operating Officer.

The Manager has a business model, policies and procedures which by their nature do not promote excessive risk taking and take account of the nature, scale and complexity of the Manager and the Company. The Remuneration Policy is designed to discourage risk taking that is inconsistent with the risk profile of the Company and the Manager is not incentivised or rewarded for taking excessive risk.

The Manager has established a remuneration committee to oversee the implementation of the remuneration arrangements and to exercise competent and independent judgement on remuneration policies and practices and the incentives created for managing risk (the "Remuneration Committee"). The Remuneration Committee consists of at least two directors, the compliance officer, internal legal counsel and such other individuals as the Board may appoint from time to time.

The Manager's parent company is Carne Global Financial Services Limited ("Carne"). Carne operates through a shared services organisational model which provides that Carne employs all staff and enters into inter-group agreements with other Carne Group entities within the group to ensure such entities are resourced appropriately. Each of the Identified Staff, other than one non-executive independent director, are employed and paid directly by Carne and remunerated based on their contribution to the Carne Group as a whole. In return for the services of each of the Carne Identified Staff, the Manager pays an annual staff recharge to Carne (the "Staff Recharge").

The non-executive independent director is paid a fixed remuneration and each other Identified Staff member's remuneration is linked to their overall individual contribution to the Carne Group, with reference to both financial and non-financial criteria and not directly linked to the performance of specific business units or targets reached or the performance of the Company.

The aggregate of the total Staff Recharge and the remuneration of the independent non-executive director is EUR 1,497,600 paid to 12 individuals for the year ended 31 December 2019. The Manager has also determined that, on the basis of number of sub-funds/net asset value of the Company relative to the number of sub-funds/assets under management, the portion of this figure attributable to the Company is EUR 3,621.

The Company does not pay any fixed or variable remuneration to identified staff of the Portfolio Manager.

There have been no material changes made to the Remuneration Policy or the Manager's remuneration practices and procedures during the financial year.

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities.
The offer is made by the prospectus only.

London
Stock Exchange

$100,111,000

Gabelli Merger Plus+ Trust Plc

10,011,100
Ordinary Shares

Price $10 per Share

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19 July 2017

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This document is printed on Galerie Satin paper made of material from well-managed,

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