GABELLI
MERGER PLUS+ TRUST PLC

Gabelli Merger Plus⁺ Trust plc Annual Report and Accounts For the year ended 30 June 2022

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.

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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 longstanding 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 fifteen listed investment companies beginning in 1986 with the Gabelli Equity Trust (NYSE:GAB). The Gabelli Funds complex currently includes thirteen U.S.-based closed-end funds, or investment companies, one UK-based Investment trust, GMP, and four actively managed ETFs. Gabelli Funds also manages twenty four open-end funds and a Luxembourg SICAV with three UCITS sub-funds.

Financial Highlights

Performance	As at 30 June 2022	As at 30 June 2021
Net asset value per share (cum income)	**$9.35**	**$9.94**
Net asset value per share (ex income)	**$9.78**	**$10.27**
Dividends per share paid during the year[1]	**$0.48**	**$0.48**
Share price	**$9.00**	**$7.40**
Discount to Net Asset Value[2,3]	**(3.74)%**	**(25.63%)**

Total returns	Year ended 30 June 2022	Year ended 30 June 2021
Net asset value per share[4]	**(1.34)%**	**12.12%**
U.S. 3-month Treasury Bill	**1.69%**	**0.09%**
Share price[5]	**29.06%**	**5.46%**

Income	Year ended 30 June 2022	Year ended 30 June 2021
Revenue return per share	**($0.09)**	**($0.14)**

Ongoing charges[6]	Year ended 30 June 2022	Year ended 30 June 2021
Annualised ongoing charges	**1.67%**	**1.66%**

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

1 The dividends paid during the year ended 30 June 2022 include the fourth quarter dividend for the year ended 30 June 2021.

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

3 These key performance indicators are alternative performance measures. Further information regarding the use of alternative performance measures can be found on page 14 and in the glossary on page 68.

4 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.

5 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.

6 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.

Chairman's Statement

Marc Gabelli
Chairman

We share this Annual Report to Shareholders, encompassing the period from July 2021 through June 2022, and note certain developments post financial year end. This period marks the fifth year of operations for the Gabelli Merger Plus+ Trust Plc (the "Company"), activating the Loyalty Programme tender offer and additional voting shares for qualifying shareholders. Gabelli Merger Plus+ Trust Plc 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.

The Company's primary 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. The Fund utilizes the Gabelli Private Market Value (PMV) with a Catalyst™ investment methodology, and has built a diversified portfolio using catalyst event merger arbitrage strategies to create an optimal risk/reward profile. 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 the transaction fundamentals, and the time value of money. The dynamic interplay across these components is evaluated 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 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. We thank you, our shareholders, for your confidence in entrusting a portion of your assets to our team.

The Investment Environment

Uncertainty surrounding the current state of the global macroeconomic environment, taxed supply chains and an ongoing war in Eastern Europe plagued the pace of deal making in the first half of 2022, which showed a 21% decrease in deals versus last year's levels in the second quarter alone. Deal making in the technology sector slowed 19% year-over-year, but remained the most active, followed by industrials and financials.

Despite COVID-19 cases trending significantly below peak, certain hot spots remain, particularly in China. This adds an element of uncertainty to capital allocation decisions evidenced in a further 17% decline in cross border activity when compared to last year.

Nevertheless, the number of deals greater than $10 billion increased 11% year-over-year, and several well-known targets entered into merger agreements. Microsoft began the year announcing its $69 billion acquisition of game developer Activision Blizzard.

In May, software company VMware Inc agreed to be acquired by Broadcom Inc in a cash and stock transaction valued at $61 billion. There was also Elon Musk's well-publicised bid to take Twitter private for $44 billion, the outcome of which remains uncertain.

The broad market still sits over 20% above the level where it ended in 2019, an 8% CAGR over a very fraught time. We as a society may have moved past COVID, but its aftereffects are still felt. Political,

Chairman's statement continued

corporate and individual actors still need to sort through a variety of issues. Economic and market conditions may worsen before they improve, and there may be volatility in currency markets as Central Banks adjust interest rate policies, but the risks are more balanced today than they have been in some time.

Principal Developments on Investments During the Year

Throughout periods of the first half, we saw significant widening of deal spreads, some of which were tied to specific deal risks, including worries that buyers would walk away from transactions, leaving target companies vulnerable to market conditions. This led to relatively broad based selling across announced deals, with more pain felt in technology, given the sector's steep selloff this year following lofty valuations.

Spreads have since rebounded following the successful completion of several deals, as well as updates provided by buyers to reassure the market that they remain committed to closing their transactions. While the pace of acquisition announcements by strategic acquirers slowed, private equity backed deals remained plentiful. A total of $553 billion worth of deals were announced in the half, accounting for a quarter of all M&A activity. While some private equity sponsors have hit roadblocks attempting to secure financing, strategic buyers balance sheets remain strong with regards to cash levels and financial buyers' are coming off very robust years of capital raising.

We expect transaction activity to strengthen as companies gain more certainty in the face of current global concerns. As market valuations continue to reset, the strong US Dollar is enticing for corporate deal making, positioning American companies well in the competition for assets on a global basis. The Gabelli method is well organised to invest during such a period. Gabelli managers are fundamental and bottom up. Their analysts follow sectors globally, and seek to understand everything available relating to a business, and are agnostic of indices and market capitalisations. Their work emphasizes balance sheet and cash flows. Ultimately, they seek to identify businesses that are trading in the market at discounts to their estimates of the value an informed industrial acquirer would pay for the company in its entirety, thus establishing the Private Market Value ("PMV"). The Gabelli team also need event catalysts to invest, thus providing the potential for returns independent of the broad markets. Volatility has historically presented excellent opportunities to acquire a business through the fractional interest represented in its traded shares and we believe the PMV with a Catalyst method will fare well in the period ahead.

Performance

The Company's net asset value (NAV) plus dividends paid delivered a total return to shareholders during the year under review of -1.11% in U.S. dollars. This performance compared to the equivalent 13-week U.S. Treasury Bill which yielded 1.69% as of 30 June 2022, and also relative to the IQ Merger Arbitrage ETF, S&P Merger Arbitrage Index, and Credit Suisse Merger Arbitrage Liquid Index, which returned -7.44%, -1.59%, and -0.88%, respectively. The share price total return with dividends reinvested was 29.06%, with the discount narrowing during the year. The performance for shareholders at IPO through the tender period of 22 September 2022, was 19.08% with dividends reinvested, versus a return of 18.97% for the Credit Suisse Merger Arbitrage Liquid Index.

Dividend

The Company's portfolio is largely focused on the Catalyst events of announced takeovers, where the terms are known and transparent to the market. Such investments generally have estimated return profiles in periods of less than nine months. The company will pursue other Catalyst Event opportunities as they surface, and will also invest occasionally in other forms of relative value arbitrage, such as such as share class arbitrage and holdco arbitrage. Holding periods average approximately 120 days. In arbitrage, the culmination of a position is effectively a return of cash as the position is closed. In order to allow the Shareholders to realise a predictable, but not assured, level of cash flow and some liquidity periodically on their investment, the Company has adopted a "managed dividend policy". This policy seeks to pay Shareholders a quarterly dividend in relation to the Net Asset Value of the Company at the time, which may be changed at any time by the Board. Between inception and 30 June 2022, the Company returned $2.27 per share to shareholders, consistent with its dividend policy. Dividends are paid only when declared by the Board subject to the Board's assessment of the Company's financial position and only if the Company has sufficient income and distributable reserves to make the dividend payment, and the level of dividend may vary over time. As such, the portfolio's managed distribution of capital through the payment of quarterly dividends is under review as we enter the new Fiscal Year.

Tender Offer and Close Company Status

This report also addresses the period through October 2022 as a subsequent event to the fiscal year ending 30 June 2022. The Company commenced the Fifth Anniversary Tender Offer for Qualifying Registered Shares via two tranches beginning in September 2022 and ending February 2023. Shareholders whose shares are registered in the Loyalty Programme for five years are eligible to participate in the Company's tender offer. As of 7 October 2022 the Company successfully completed the tender for 3,005,957 shares at NAV less expenses.The Tranche Two tender offer will commence in January 2023, with an estimated maximum of approximately 343,000 Qualifying Shares. The Tender results present two significant developments for shareholder consideration: first, the overall portfolio assets under management are now USD 68 million versus USD 97 million; second, the post tender shareholder composition requires the Company to operate as a Close Company. The Board of Directors acknowledges the broad shareholder participation in the tender, and notes that the largest shareholder, Associated Capital Group, elected not to tender and has expressed its view that the Company should continue. Associated Capital Group, legal and beneficial owner of 6,216,256 shares at the time of this writing, has confirmed via a letter of Deed, which contains enforceable irrevocable undertakings, that it will both vote in favour of continuation of the company and not participate in the Second Tranche tender offer. As a result, the Company will operate as a Close investment company, and therefore will be subject to UK corporate taxes, and thus no longer avail itself to investment trust status. The Board of Directors will assess shareholder considerations and undertake the analysis of options for the continuing Company, including operational and structural alternatives oriented towards expense and tax savings, as it progresses. Finally, in accordance with the charter, remaining registered loyalty Programme Five-year shareholders are eligible to receive an additional vote per individual share held. The Loyalty Programme has been implemented in accordance with the offering prospectus.

Final Thoughts

With heartfelt sadness we write this letter after the passing of Her Majesty Queen Elizabeth II, whose steadfast leadership will be missed. Today's post World War II order is facing intense challenges, yet this Company has performed consistently and non-correlated to the broader indices since inception. It has endured COVID-19, the onset of inflation and higher interest rates, and a fragile regulatory environment lead by the geo-political wrangling between the US and China. The list continues, as will the Gabelli Merger Plus+ Trust Plc in the United Kingdom.

Marc Gabelli
Chairman
25 October 2022

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. Today operating from offices including the U.S., London, Tokyo, Hong Kong and Shanghai, we offer portfolio management in our core competencies across the globe.

Gabelli managers are research-driven, fundamental investors focusing on the principles of Graham & Dodd in 1934 and further adapted by their founder, Mario Gabelli, with his development of private market value ("PMV") analysis. Private Market Values estimate the value of a business through the lens of what an informed industrialist would pay for a business in its entirety in a privately negotiated transaction. Gabelli however will not invest on differences to PMV alone, and need a catalyst in place to realize returns. Catalysts are something happening in the company's industry or indigenous to the company itself that will help realize returns.

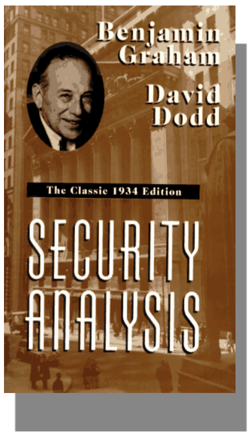
Gabelli approaches the global stock marketplace in a similar fashion; we focus on free cash flow: earnings before interest, taxes, depreciation and amortization (EBITDA) minus the capital expenditures necessary to grow the business. We believe free cash flow is the best barometer of a business' value. Deteriorating or rising free cash flow often foreshadows net earnings changes. In addition, they analyze on and off balance sheet assets and liabilities such as property, plant and equipment, inventories, receivables, and legal, environmental and health care issues. We want to know everything and anything that will add to, or detract from, our valuation models.

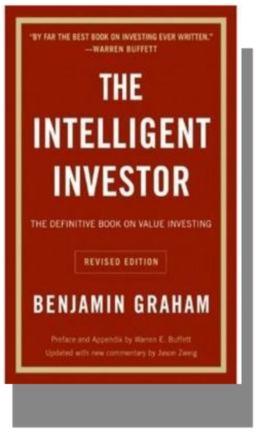
These time-tested investment principles of fundamental security analysis are as valid today as they were nearly one hundred years ago.

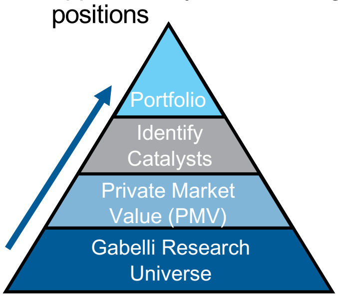
Our Investment Approach

Continuing a Value Investing Legacy

- Our Firm's approach is founded on the principles of Graham & Dodd
  - Furthered academically by our founder Mario Gabelli
  - Establish values to determine margin of safety
  - Invest within circle of competence
  - Invest as fractional owners of businesses
- Intensive proprietary research culture
  - Focused and rigorous independent fundamental analysis in valuing the underlying business using publicly available information including data from customers, competitors, products and new technologies
  - Announcement of a merger with definitive terms starts the process
  - Merger investing benefits from the Gabelli core fundamental approach by establishing real world value before initiating positions







Gabelli supplements the principles of Graham & Dodd through the implementation of our proprietary Private Market Value (PMV) with a Catalyst™ approach

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

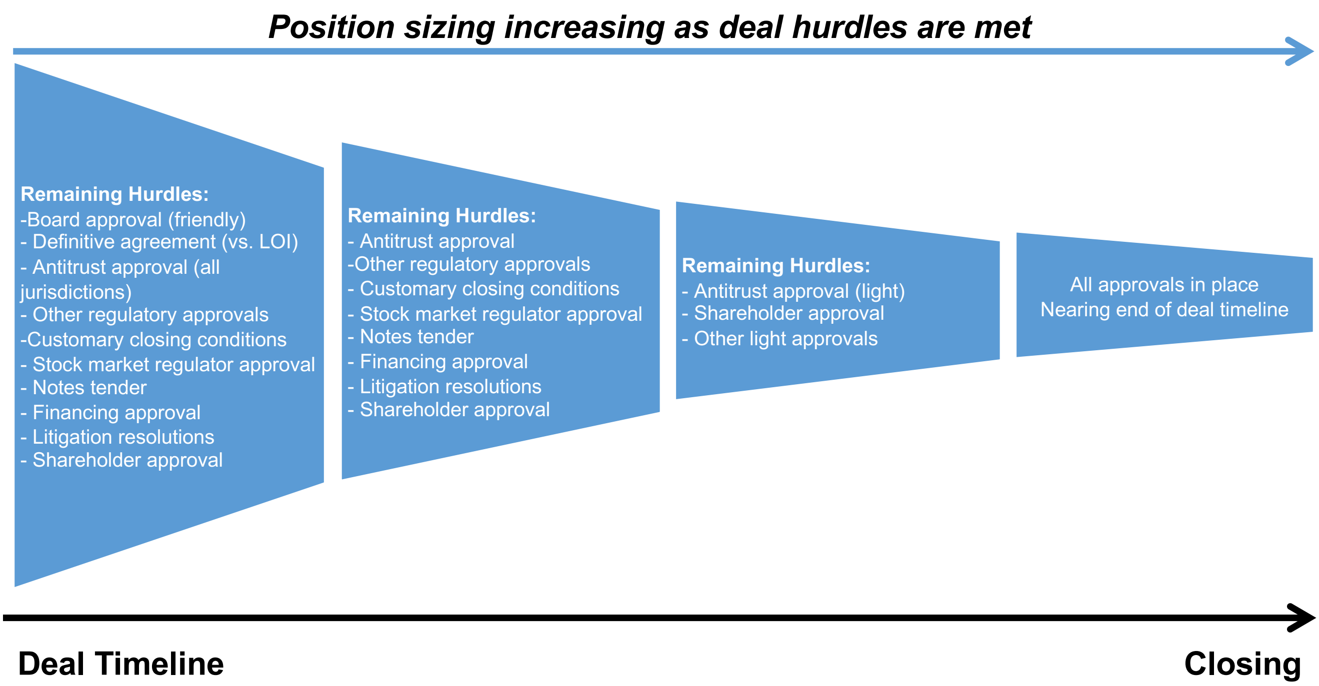
- Determine optimal asset class to invest in
- Dynamically assess size of position according to
  - Risk /reward
  - Break risk
  - Maximum acceptable potential downside
  - Portfolio diversification
- Assess overall portfolio for market beta, sector/country concentrations and correlation risks
- Real 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 and leverage.

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 2022.

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 2022. Merger arbitrage is a highly specialised 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 robust market for corporate deal making as conditions continue to provide an accommodative market for mergers and acquisitions.
- A rising interest rate environment, providing attractive merger spread opportunities;
- 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") totaled $2.2 trillion during the first half of 2022, a year-over-year decrease of 21%; however, the deal flow remained notably consistent, capped off with $1 trillion in deals in the second quarter. This marked the eighth consecutive quarter to pass $1 trillion. There were twenty-six deals completed with values greater than $10 billion, accounting for $609 billion in aggregate, up 11% year over year. Deals with values between $1-$5 billion accounted for $562 billion during the year, a decrease of 35% compared to the first half of 2021.

Cross border M&A activity totaled $687 billion for the calendar year, marking a decrease of 17% year-over-year. The value of private equity-backed buyouts remained robust at $553 billion in the first half, an all-time high. This accounted for nearly 26% of total M&A activity.

The slowdown of deal activity, compared to the record-breaking levels of 2021, was driven mainly by U.S. based targets, which saw $958 billion in deal activity, a decrease of 28% year-over-year. European M&A tallied $527 billion of transactions over the same period, a decrease of only 4%.

The Technology sector was the biggest contributor to merger activity during the first half, totaling $531 billion. This accounted for 25% of total announced deal volume, a record. Financials and Industrials sectors were also large contributors, each accounting for 12% of M&A activity.

Portfolio in Review

The first half of 2022 was the worst for markets since 1970 with the S&P 500 shedding nearly 21%. Similar to 1970, the main cause of the market turmoil was inflation. Economists often define inflation as too many dollars chasing too few goods. Both those conditions have been eminently true of late. Years of easy monetary policy formed the underbrush while $5 trillion in rescue stimulus, $5 trillion in Quantitative Easing, supply chain snafus, and pent-up demand triggered by COVID provided the spark for an explosion in prices. The war in Ukraine, which has perhaps permanently altered global food and energy flows, accelerated the fire. Unfortunately, most central banks, including the Fed, entered this year behind the curve. In order to restore credibility and avoid the fate of 1970s Chair Arthur Burns, Jerome Powell has had to act aggressively with increases of 150 basis points over the last six months. The Fed can neither pump more oil nor harvest more wheat, but it can act on the demand side of the equation.

Against this backdrop of rising rates, macroeconomic concerns, and regulatory uncertainty, deal making slowed to $2.2 trillion in the first half of the year. While this was down 21% compared to the same period last year, 2021 was a record year and a likely outlier for M&A activity. The first two quarters of 2022 each saw deal volume above $1 trillion, the 7th and 8th consecutive quarters to reach that level. We expect we will continue to see a robust deal environment, as a reset in valuations should provide opportunities for both strategic and private equity buyers.

As we have noted in the past, the merger arbitrage strategy is a beneficiary of rising rates, as the risk free rate is one of the components of a deal spread. As rates rise, nominal spreads should widen, all things being equal. Fixed income markets are currently anticipating an additional 200 basis points of rate hikes this year, which would bring the Fed Funds rate to 3.5%.

Currently, the spreads in the portfolio are as wide as we have seen since the beginning of the COVID pandemic. Aggressive antitrust policy rhetoric has increased volatility in deal spreads, which provides us an opportunity. Mispriced risk allows us to add to our highest conviction positions at lower prices, generating more attractive returns as deals progress towards closing.

We continue to find attractive investment opportunities in newly announced and pipeline deals. We remain focused on investing in highly strategic, well-financed deals with an added focus on near-term catalysts, and are upbeat about our prospect to continue to generate absolute returns.

[1] Thomson Reuters M&A Review – First Half of 2022

Portfolio Manager's Review continued

Notable contributors to performance include:

- Arena Pharmaceuticals, Inc. (ARNA-NASDAQ), a biotechnology company that develops therapeutics for autoimmune diseases, was acquired by Pfizer in March after the companies received U.S. antitrust approval. In February, Pfizer withdrew and refiled its application for antitrust approval in the hopes of avoiding a second request that would have extended the timeline for approval. The companies had already received antitrust approvals in Germany and Austria, and Arena shareholders voted to approve the transaction in February. Under the terms of the agreement, Arena shareholders received $100.00 cash per share, or about $6 billion.

- Meggitt plc (MGGT LN-London), an engineering firm that designs and manufactures components for the aerospace, defense and energy industries, agreed to be acquired by Parker-Hannifin for £8.00 cash per share, or about £7 billion. Meggitt has made considerable progress securing various approvals needed to consummate the transaction and awaits only UK government approval. The deal was completed on 13 September 2022.

- Sanderson Farms, Inc. (SAFM-NASDAQ), a producer and processor of fresh and frozen chicken products, agreed to be acquired by a consortium led by Cargill for $203 cash per share, or about $5 billion. As the deal awaits its final regulatory approval from the U.S. Department of Justice, the stock has traded favorably on Sanderson's fundamentals. The company's results have greatly benefited from poultry pricing and the consensus is that the stock would trade significantly higher in the event the deal cannot be completed.

- Swedish Match (SWMA SS-Stockholm), a manufacturer of smokeless tobacco products, including the market-leading product ZYN, agreed to be acquired by Philip Morris International for SEK106.00 cash per share, or about $16 billion. In June, the companies received antitrust approval in the U.S. The spread then tightened further upon reports that Elliott was building a stake in Swedish Match to oppose the sale at current terms.

- Xilinx, Inc. (XLNX-NASDAQ), a designer of advanced programmable semiconductors used in automotive, aerospace, and consumer applications, was acquired by Advanced Micro Devices. The companies received approval from Chinese antitrust regulator SAMR in January, but were required to re-file their application in the U.S., given it had been more than one year since receiving U.S. antitrust approval, which was granted on 9 February, 2022. The deal subsequently closed on 14 February, 2022. Under the terms of the agreement, Xilinx shareholders received 1.7234 shares of AMD common stock per share of Xilinx, which valued the company at $48 billion.

Notable detractors from performance include:

- Avast plc (AVST LN-London), a provider of cyber security software, agreed to be acquired by NortonLifeLock for $7.61 cash and 0.0302 shares of NLOK, valuing the transaction at $8 billion. While the deal secured all global regulatory approvals outside of the UK, in March the UK antitrust regulator referred the deal to a stage two review, and the stock sold off due to the uncertainty. In the end, the transaction secured approval from the Competition and Markets Authority, with a completion date of 12 September 2022.

- Twitter Inc. (TWTR US), a provider of online social networking services, Twitter agreed to be acquired by Elon Musk for $54.20 cash, or $44 billion. In July, Elon Musk unilaterally terminated the merger agreement with Twitter, citing material breach of the access to information and financing cooperation covenants in the context of spam accounts. Twitter sued Musk in Delaware Chancery court for Specific Performance, essentially asking the court to compel Musk to close the deal on terms. Musk's attempt to terminate the transaction caused some disruption at the company. This, coupled with a deteriorating environment for digital-advertising spending, negatively impacted Twitter's stock price. On 4 October 2022, Musk again reversed course and stated that he would move ahead with the acquisition at the original price of $54.20. At the time of writing, the outcome of this deal is still uncertain.

Select Portfolio Holdings as of 30 June 2022

Activision Blizzard, Inc. (ATVI-NASDAQ) agreed to be acquired by Microsoft Corp. (MSFT-NASDAQ). Activision Blizzard develops and publishes interactive entertainment content and services. Under the terms of the agreement, Activision shareholders will receive $95.00 cash per share, valuing the transaction at approximately $74 billion. The transaction is subject to shareholder as well as regulatory approvals, and is expected to close in late 2022 or 2023.

Avast plc (AVST LN-London) agreed to be acquired by NortonLifeLock, Inc. (NLOK-NASDAQ). Avast provides digital security and privacy products. Under the terms of the agreement, Avast shareholders will receive $7.61 cash and 0.0302 shares of NortonLifeLock common stock per share, valuing the transaction at approximately £6 billion. The transaction was subject to shareholder as well as regulatory approvals, and closed in mid-September 2022.

Coherent, Inc. (COHR-NASDAQ) agreed to be acquired by II-VI, Inc. (IIVI-NASDAQ). Coherent provides lasers, laser-based technologies, and laser-based system solutions. Under the terms of the agreement, Coherent shareholders received $220.00 cash and 0.91 shares of II-VI common stock per share, valuing the transaction at approximately $7 billion. The transaction was subject to approval by shareholders of both companies, as well as regulatory approvals, and closed in July 2022.

First Horizon Corp. (FHN-NYSE) agreed to be acquired by The Toronto-Dominion Bank (TD CN-Toronto). First Horizon operates as the bank holding company for First Horizon Bank, which provides various financial services. Under the terms of the agreement, First Horizon shareholders will receive $25.00 cash per share, valuing the transaction at approximately $13 billion. The transaction is subject to shareholder, as well as regulatory approvals, and is expected to close in late 2022 or early 2023.

Mandiant, Inc. (MNDT-NASDAQ) agreed to be acquired by Alphabet, Inc. (GOOGL-NASDAQ). Mandiant provides cyber defense solutions. Under the terms of the agreement, Mandiant shareholders will receive $23.00 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 2022.

Meggitt plc (MGGT LN-London) agreed to be acquired by Parker-Hannifin Corp. (PH-NYSE). Meggitt designs and manufactures components and sub-systems in the UK, rest of Europe, the U.S., and internationally. Under the terms of the agreement, Meggitt shareholders will receive £8.00 cash per share, valuing the transaction at approximately £7 billion. The transaction is subject to shareholder as well as regulatory approvals, and is expected to close in the third quarter of 2022.

Rogers Corp. (ROG-NYSE) agreed to be acquired by DuPont de Nemours, Inc. (DD-NYSE). Rogers designs, develops, manufactures, and sells engineered materials and components worldwide. Under the terms of the agreement, Rogers shareholders will receive $277.00 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 2022.

Shaw Communications, Inc. (SJR/B CN-Toronto) agreed to be acquired by Rogers Communications, Inc. (RCI/B CN-Toronto). Shaw Communications operates as a connectivity company in North America in the Wireline and Wireless segments of the market. Under the terms of the agreement, Shaw shareholders will receive C$40.50 cash per share, valuing the transaction at approximately C$26 billion. The transaction is subject shareholder as well as regulatory approvals, and is expected to close in the second half of 2022.

Swedish Match AB (SWMA SS-Stockholm) agreed to be acquired by Philip Morris International, Inc. (PM-NYSE). Swedish Match develops, manufactures, markets, and sells snus and other smokeless tobacco products, nicotine pouches, and other tobacco products in Scandinavia, the U.S., and internationally. Under the terms of the agreement, Swedish Match shareholders will receive SEK 106.00 cash per share, valuing the transaction at approximately $16 billion. The transaction is subject to the tender of at least 90% of shares outstanding, as well as regulatory approvals, and is expected to close in the fourth quarter of 2022.

Tower Semiconductor Ltd. (TSEM-NASDAQ) agreed to be acquired by Intel Corp. (INTC-NASDAQ). Tower Semiconductor operates foundries, proving manufacturing of integrated circuits (ICs) worldwide. Under the terms of the agreement, Tower shareholders will receive $53.00 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 by the first quarter of 2023.

Vifor Pharma AG (VIFN SW-Switzerland) agreed to be acquired by CSL Ltd. (CSL AU- Sydney). Vifor Pharma develops and manufactures pharmaceutical products in Switzerland, rest of Europe, the U.S., and internationally. Under the terms of the agreement, Vifor shareholders will receive $179.25 cash per share, valuing the transaction at approximately $12 billion. The transaction is subject to the tender of at least a majority of shares outstanding, as well as regulatory approvals, and closed in August.

Portfolio Manager's Review continued

Select Closed Deals as of 30 June 2022

Arena Pharmaceuticals, Inc. was acquired by Pfizer Inc. in March 2022. Arena Pharmaceuticals focuses on developing novel medicines in the areas of gastroenterology, dermatology, and cardiology. On 13 December, 2021, Pfizer announced it would acquire Arena for $100.00 cash per share, valuing the transaction at approximately $6 billion.

Cerner Corp. was acquired by Oracle Corp. in June 2022. Cerner provides health care information technology solutions and tech-enabled services in the U.S. and internationally. On 20 December, 2021, Oracle announced it would acquire Cerner for $95.00 cash per share, valuing the transaction at approximately $30 billion.

Crown Resorts Ltd. was acquired by Blackstone, Inc. in June 2022. Crown Resorts operates in the entertainment industry primarily in Australia. On 13 February, 2022, Blackstone announced it would acquire Crown for A$13.10 cash per share, valuing the transaction at approximately A$9 billion.

CyrusOne, Inc. was acquired by KKR & Co., Inc. and Global Infrastructure Partners in March 2022. CyrusOne is a premier global REIT specializing in design, construction, and operation of more than 50 high-performance data centers worldwide. On 15 November, 2021, KKR announced it would acquire CyrusOne for $90.50 cash per share, valuing the transaction at approximately $15 billion.

Ferro Corp. was acquired by Prince International, a portfolio company of American Securities LLC, in April 2022. Ferro produces and markets specialty materials in the U.S., Europe, the Middle East, Africa, the Asia Pacific, and Latin America. On 11 May, 2021, Prince announced it would acquire Ferro for $22.00 cash per share, valuing the transaction at approximately $2 billion.

IHS Markit Ltd. was acquired by S&P Global, Inc. in February 2022. IHS Markit provides critical information, analytics, and solutions for various industries and markets worldwide. On 30 November, 2020, S&P announced it would acquire IHS for 0.2838 shares of S&P common stock per share, valuing the transaction at approximately $44 billion.

Intersect ENT, Inc. was acquired by Medtronic plc in May 2022. Intersect ENT operates as an ear, nose, and throat medical technology company in the U.S. On 6 August, 2021, Medtronic announced it would acquire Intersect for $28.25 cash per share, valuing the transaction at approximately $1 billion.

Mimecast Ltd. was acquired by Permira in May 2022. Mimecast provides cloud security and risk management services for corporate information and email. On 7 December, 2021, Permira announced it would acquire Mimecast for $80.00 cash per share, valuing the transaction at approximately $6 billion.

Nuance Communications, Inc. was acquired by Microsoft Corp. in March 2022. Nuance Communications provides conversational and cognitive artificial intelligence innovations. On 12 April, 2021, Microsoft announced it would acquire Nuance for $56.00 cash per share, valuing the transaction at approximately $17 billion.

Veoneer, Inc. was acquired by QUALCOMM, Inc. in April 2022. Veoneer designs, develops, and manufactures automotive safety electronics primarily in North America, Europe, and Asia. On 4 October, 2021, QUALCOMM announced it would acquire Veoneer for $37.00 cash per share, valuing the transaction at approximately $4 billion.

Xilinx, Inc. was acquired by Advanced Micro Devices, Inc. in February 2022. Xilinx designs and develops programmable devices and associated technologies worldwide. On 27 October, 2020, Advanced Micro Devices announced it would acquire Xilinx for 1.7234 shares of Advanced Micro common stock per share, valuing the transaction at approximately $34 billion.

Z Energy Ltd. was acquired by Ampol Ltd. in May 2022. Z Energy sells transport fuel in New Zealand. On 12 October, 2021, Ampol announced it would acquire Z Energy for NZ$3.78 cash per share, valuing the transaction at approximately NZ$3 billion.

Portfolio Summary

Largest Portfolio Security holdings (excluding cash and cash equivalents)

Security[1]	Offsetting short position[2]	(Unaudited) As at 30 June 2022 % of total portfolio[3] (gross)	Market value[4] $000	Offsetting market value[5] $000	% of total portfolio[6] (net)
Shaw Communications Inc		2.7	3,143		2.7
Activision Blizzard Inc		2.5	2,870		2.5
Coherent Inc	II-VI Inc	2.3	2,693	(399)	2.0
Mandiant Inc		2.1	2,486		2.1
Vifor Pharma AG		2.1	2,442		2.1
Change Healthcare Inc		2.1	2,389		2.1
Rogers Corp		2.0	2,327		2.0
First Horizon Corp		1.9	2,245		1.9
PNM Resources Inc		1.9	2,179		1.9
Tower Semiconductor Ltd		1.8	2,112		1.8
BioHaven Pharmaceutical Holding Company Ltd		1.8	2,076		1.8
Aerojet Rocketdyne Holdings Inc		1.7	1,960		1.7
Citrix Systems Inc		1.7	1,924		1.7
Nielsen Holdings plc		1.5	1,750		1.5
Intertape Polymer Group Inc		1.4	1,672		1.4
Altaba Inc		1.4	1,666		1.4
SailPoint Technologies Inc		1.4	1,630		1.4
Tegna Inc		1.4	1,592		1.4
Zendesk Inc		1.4	1,567		1.4
MoneyGram International Inc		1.2	1,412		1.2
Sub-total		**36.3**	**42,135**	**(399)**	**36.0**
Other holdings[7]		63.7	78,868	(4,901)	64.0
Total holdings		**100.0**	**121,003**	**(5,300)**	**100.0**

1 Long position.
2 The offsetting short position of II-VI taken in advance of its acquisition of Coherent Inc., which was converted into the right to receive $220 in cash plus 0.91 share of II-VI common stock.
3 Represents the 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 total position value (market value plus the offsetting market value) as a percentage of the total portfolio value.
7 Including derivatives and equity short positions, and excluding U.S. Treasuries.

A Statement of Portfolio Changes is available from the Administrator upon request.

Strategy

Our Key Performance Indicators ("KPIs")

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 13.

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 investment) of around 2 times of the Net Asset Value, subject to maximum gearing of 2.5 times the Net Asset Value. Please refer to page 68 in the Glossary for further discussion of gearing.

Leverage

Leverage is calculated using two methods: i) Gross method and ii) Commitment method. For further details please see the Glossary on page 69.

Business Model

Please see the Methodology in Action on page 7.

Board Diversity

Please see the "Board Diversity" item on page 29.

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 2022, the Company's KPIs, as monitored closely by the Board at each meeting, are listed below:

Net Asset Value Total Return Year ended 30 June 2022	Share Price Total Return Year ended 30 June 2022	Discount to Net Asset Value Year ended 30 June 2022
(1.34)%	29.06%	3.74%
(30 June 2021: 12.12%)	(30 June 2021: 5.46%)	(30 June 2021: 25.63%)

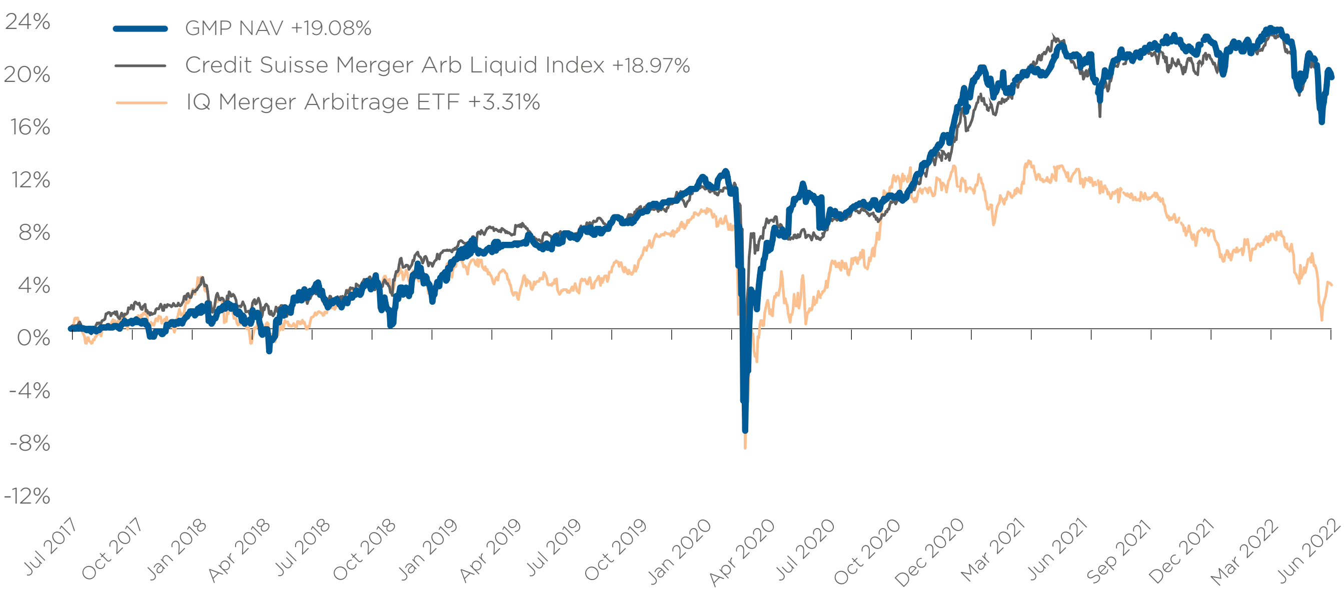
The above table sets out the key KPIs for the Company. These KPIs fall within the definition of 'Alternative Performance Measures' (APMs) under guidance issued by the European Securities and Markets Authority (ESMA). Information explaining how these are calculated is set out in the Glossary. These KPIs 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 the Shareholders to realise a predictable, but not assured, level of cash flow and some liquidity periodically on their investment, the Company has adopted a "managed dividend policy". This policy seeks to pay Shareholders a quarterly dividend in relation to the Net Asset Value of the Company at the time, which may be changed at any time by the Board. Between inception and 30 June 2022, the Company returned $2.27 per share to shareholders, consistent with its dividend policy. Dividends are paid only when declared by the Board subject to the Board's assessment of the Company's financial position and only if the Company has sufficient income and distributable reserves to make the dividend payment, and the level of dividend may vary over time. As such, the portfolio's managed distribution of capital through the payment of quarterly dividends is under review as we enter the new Fiscal Year. Additional information can be found in the Glossary on page 70.

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 25.63% as of 30 June 2021 to a discount of 3.85% as of 30 June 2022.

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 2022	Not yet declared*			
Third interim 2022	0.12	18 April 2022	19 April 2022	28 April 2022
Second interim 2022	0.12	20 January 2022	21 January 2022	03 February 2022
First interim 2022	0.12	18 November 2021	19 November 2021	03 December 2021
Total	0.36			
Fourth interim 2021	0.12	14 October 2021	15 October 2021	29 October 2021
Third interim 2021	0.12	15 April 2021	16 April 2021	30 April 2021
Second interim 2021	0.12	14 January 2021	15 January 2021	28 January 2021
First interim 2021	0.12	15 October 2020	16 October 2020	30 October 2020
Total	0.48			

* The Board expects to announce the final interim dividend in respect of the Company's financial year ended 30 June 2022 after the Tranche Two Tender Offer has concluded. Qualifying Registered Shareholders who participate in either Tender Offer will not be entitled to any such dividend in respect of any Ordinary Shares validly tendered.

Principal Risks

The Company continues to have exposure to a variety of risks and uncertainties, and the Audit & Risk Committee has focused attention on identifying and mitigating key risks likely to crystallise in the current economic environment. The Board continues to prioritise a robust system of controls to minimise exposure to global macro events in particular, which remains highlighted as a generic risk as in recent Annual Reports.

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 & Risk Committee on a regular basis throughout the financial year, and was specifically refreshed in 2022 to introduce more stringent risk ratings for each risk and to reflect the impact of related mitigating controls.

The core principal risks set out in the 2021 Annual Report **remain largely unchanged**, however there are some risks that have emerged which are set out in the following table with an explanation of how they are mitigated. On review during the year, the Board re-rated several principal risks and considered the adequacy of mitigating controls in place across the Company's operations and those of its key third party providers. The Audit & Risk Committee has also specifically considered the risks associated to the Portfolio Manager's use of Contracts for Difference within the investment strategy, which on review were felt to continue to be appropriate. The risk narrative in the table below includes a summary of the actions taken to position the Company to withstand the related effects for markets and investments:

Risk	Mitigation
Investment Portfolio Risks	
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 effects 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 Events Risks	
Unforeseen global emergencies such as the pandemic could lead to dramatically increased market instability and Company share price volatility.	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 effects of the COVID-19 pandemic appear to be easing, but the aftermath of the pandemic continues to create uncertainty for economic forecasts and markets as Governments globally seek to transition communities, businesses and individuals back to normality. 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 principles. The pandemic 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 continue to successfully work and meet remotely, and regular third party briefings have kept the Board informed of how related risks are minimised through the pandemic and ongoing global recovery.

Risk	Mitigation
The military aggression undertaken by Russia against Ukraine has upset the world economic order. The geopolitical repercussions are extensive, creating global problems including higher energy and food prices and possibly altering global food and energy flows permanently.	The Board continues to monitor the events unfolding in Ukraine. The portfolio management team of the Trust monitors the holdings for their exposure to the war. The Audit & Risk Committee have noted that 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 and have plans in place to prepare for such eventualities such as remote working etc to ensure continuity.
Fraud and cybersecurity vulnerability could increase for key service providers resulting from the war in Ukraine. Such events are external to the management and beyond the controls of the Company.	The Board relies on assurances from the Company's key third-party providers that they have appropriate and adequate cybersecurity policies in place to mitigate the risk of a cyberattack. The Board keep these policies under review by receiving regular presentations from the Heads of cybersecurity of its service providers, who describe in detail the efforts they take to secure the company's data and to mitigate the risks of loss or potential damages that could result from such attacks.
Operational Risks	
Outsourcing 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 party service providers 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.
A state-backed cyberattack could also result in widespread disruption across the financial industry.	Whilst the Board takes all reasonable endeavours to safeguard the Company from a cyberattack on this scale, complete mitigation of this external risk cannot be guaranteed, however the Board, together with its' service providers remain vigilant to the likelihood of such an event in the current climate and have improved the company's readiness to reduce disruptions to the company's activities, in the event of such threat.
Market and Share Price Risks	
Market risk arising from volatility in the prices of the Company's investments. The share 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 continued its shareholder engagement programmes to increase its visibility and interaction with existing and potential investors.
Financial Risks	
Comprise: (i) share price risk (comprising interest rate risk, currency risk and other price related risks); (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.

Principal Risks continued

Risk	**Mitigation**
Corporate Governance and Regulatory Compliance Risks	
Damage to its reputation through poor corporate governance.	The Board complies with good governance practices in accordance with the Association of Investments Trusts' ("AIC") Code of Corporate Governance guidelines which endorse the UK Corporate Governance Code. The Board and its Committees actively perform self-assessments of compliance through the annual effectiveness evaluation and receive are advised regularly advice from by the Company Secretary in relation to any regulatory changes within the corporate governance landscape that may impact the company.
Shareholder discontent due to a lack of appropriate communications and/or inadequate financial reporting.	The Board is in contact with its major shareholders on a regular basis, and it monitors shareholder sentiment.
Failure to comply with legal and regulatory requirements	The Company receives and responds to guidance from both its external and internal advisors on compliance with the Listing Rules, the Financial Conduct Authority's Disclosure and Transparency Rules, UK Companies Act 2006, as well as other applicable regulations.
In order to qualify as an investment trust, the Company must comply with Section 1158-59 of the Corporation Tax Act 2010 ("CTA 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 Board receives confirmations periodically that the Company remains compliant with s1158 CTA 2010 in maintaining its Investment Trust Status. The criteria are monitored by the Administrator, AIF Manager, and the Portfolio Manager who reports to the Board on compliance at each quarterly meeting. In addition, the Audit & Risk Committee are also kept informed of any potential breaches by the Company's External Auditors who review compliance as part of the audit process and provide guidance accordingly.
Emerging Risks	**Mitigation**
Environmental, Social and Climate Change Risks	
Environmental, Social and Climate issues pose some of the most significant challenges to the long-term prosperity of the global economy, the well-being of people and communities, and the natural environmental ability to support life.	The Board and Investment Manager are committed to supporting business activities that are environmentally and socially responsible in line with its sustainability commitments and its support of the goals of the Paris Accord.
Geopolitical Risks	
Geopolitical risks have risen with Russia's invasion of Ukraine. The impact of sanctions and the rise in commodity prices are likely to be the main transmission mechanism to markets. Rising commodity prices and further disruption to supply chains shall exacerbate inflationary pressure and may also create a negative impact on global growth, with Europe at particular risk.	The Board is keeping these evolving risks and market pressures under constant review and will continue to monitor the volatility around investee company valuations and implications for the Company's likely future dividend income stream.

Viability & Going Concern 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 Companies 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 companies 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.
- The UK's well established investment and robust regulatory environment will continue as such and will remain an attractive global domicile for the Company's remit.
- The recent period of UK political instability as reflected in the Sterling exchange rate relative to the US Dollar, the interplay of parliamentary politics with the Bank of England, and the regulatory unravelling of Brexit relative to the European Union, will pass in the medium term and return to a period of marketplace stability and instill domicile confidence for global 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 taxation of the Company should it operate as a close investment company are predictable and modest in comparison with the return profile of the investment programme, and as a result of regular consultation with shareholders, an effort to undertake the mitigation of such close status taxation, such as a re-domiciliation, is not expected in the period after 12 months from the tranche two tender offer.

The Board have closely monitored the impact of the ongoing COVID-19 pandemic, Brexit uncertainty, and the war in Ukraine. Those impacts and related continuing uncertainty have short- and potentially medium-term implications for the Company's investment strategy. Additionally, the Board is monitoring the period ahead on the basis of the Company no longer having investment trust status and its implications on the Company's investment return profile over the longer term. In context, 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 such as geopolitical risks, financial risks etc. The risks are discussed in more detail in the Chairman's statement and on pages 3 to 5.

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. The Directors have also considered the fact that there will be a continuation vote at the Company's 2022 Annual General Meeting, and having consulted and maintained close contact with the Company's major shareholders, have received a letter in Deed, which contains enforceable irrevocable undertakings, from the largest shareholder, Associated Capital Group, legal and beneficial owner of 6,216,256 shares at the time of this writing, that they will both vote in favour of continuation of the company and not participate in the 2nd tender offer. Thereby the Directors confirm with certainty that the company's largest shareholder will vote in favour of the company to continue to operate.

The Company's portfolio consists primarily of U.S. investments. Accordingly, the Company believes that the post "Brexit" arrangements introduced by the U.K. government and market U.K. government and market regulators will not materially affect the prospects for the Company, but the Board and Portfolio Manager will continue to keep developments under review.

This Viability & Going Concern Statement, the Strategic Report for the year ended 30 June 2022 (on pages 2 to 18 of this document) and the s172 statement (on pages 29 and 30) have been approved by the Board and signed on its behalf by:

Marc Gabelli

Chairman
25 October 2022

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

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 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

Chairman of the Audit & Risk 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. Marco holds a number of non-executive roles within the Cementir group and is non-executive director at Henderson European Focus Trust Plc. 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

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 & Risk 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 Chair of Develop North PLC and Deputy Chair 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 & Risk 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, founder of the Sutton Trust social mobility charity, where he was responsible for all financial and investment matters and closely involved with the charity's finances. He worked previously at financial group Hamilton Lunn monitoring the global investments of ultra high net worth clients and, prior to that, 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 Cazenove and Laing & Cruickshank after graduating from Oxford University.

Appointed on 15 November 2017.

Directors' Report

The Directors present the annual report and accounts of the Company for the year ended 30 June 2022. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK international accounting standards and have been prepared 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 is Ocorian Administration (Guernsey) Limited. The Company also operates an additional market quote for its ordinary shares on the London Stock Exchange, denominated in sterling.

In the opinion of the Directors, the Company has conducted its affairs during the year under review so as to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 (as amended). See below in the Directors' Report for additional information on the Company's tax status.

Continuation of the Company

An ordinary resolution for the continuation of the Company as a closed-end investment company will be proposed at the Annual General Meeting ("AGM") scheduled to be held on 30 November 2022, which is the AGM immediately following the fifth anniversary of the Company's listing.

Associated Capital Group, legal and beneficial owner of 6,216,256 shares at the time of this writing, has confirmed via a letter of Deed, which contains enforceable irrevocable undertakings, that it will both vote in favour of continuation of the company and not participate in the 2nd tender offer. As such the Company will continue its business as presently constituted.

The Directors believe, having taken into account the views of the Company's investment manager, that the continuation of the Company's operations is in the best interests of its Shareholders.

Going concern

The Directors, having taken account of the continuing market regulatory changes affecting investee companies, investment valuations, implications of the COVID-19 pandemic, and the war in Ukraine, and, have determined that the Company's strategy, longer-term asset allocation, short-term liquidity and robust governance structure provide a sufficient basis for the Board to adopt the going concern basis for the Company as at 30 June 2022.

In forming this position, the Directors consulted with shareholders utilizing the tender offer process, 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 1.60% of assets. This Going Concern statement should be read in conjunction with the Company's Viability & Going Concern Statement which can be found on page 19.

Furthermore, the Company has the full support of the largest shareholder, Associated Capital Group, legal and beneficial owner of 6,216,256 shares at the time of this writing, that has confirmed via a letter of Deed that it will both vote in favour of continuation of the company and not participate in the 2nd tender offer.

Directors

The Directors of the Company in office at the date of this report and their biographies are set out on pages 20 and 21. 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 the Gabelli Group ("GGCP, Inc."), the parent company of both Gabelli Funds, LLC (the "Portfolio Manager") and Associated Capital Group, the Company's largest shareholder, 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.

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 have a service contract with the Company. The terms of their appointment was provided to them in writing. 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 57. Details of the voting rights in the Company's shares as at the date of this report are also given in Note 14 to the Notice of Annual General Meeting on page 62.

The ordinary shares carry the right to receive dividends and have one voting right per share. Voting rights may increase to certain Loyalty Programme qualifying shareholders in the subsequent period commencing calendar year end 2022 (see "Loyalty Programme"). 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 2022.

At the year end and at the date of this report there were accordingly 95,960 ordinary shares held in treasury (0.93% of the issued share capital).

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.

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 2022 Annual General Meeting. The Directors are proposing that these authorities be renewed at the forthcoming Annual General Meeting.

Tender Offer

In line with the fifth anniversary tender offer, and via two separate tranches, the company is implementing the offer to purchase shares from all qualifying registered shareholders entered into the loyalty register and who continuously remain on the loyalty register at the time of the implementation of the respective tender offer. As a subsequent event, the tender offer completed its first tranche on 30 September and purchased and settled 3,055,957 million shares. A second tranche fifth anniversary tender offer is expected to commence in January of 2023.

While the tender offer is available to all shareholders, Associated Capital Group, legal and beneficial owner of 6,216,256 shares at the time of this writing, has confirmed via a letter of Deed that it will both vote in favour of continuation of the company and not participate in the 2nd tender offer and thereby remain as the company's largest shareholder.

Close Company

As a result of the Fifth Anniversary tender offer tranche one, the Company will operate as an Investment Company with Close Company status. The Board does not expect any impact on the investment policy as detailed in the Charter, as a result of close status. The Board is examining alternatives to reduce costs on an ongoing basis and will seek to undertake a comprehensive review during the fiscal year following the completion of the tranche two of the Fifth Anniversary tender offer, beginning in the 2023-2024 period.

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

Directors' Report continued

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.

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

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, however as a result of the United Kingdom's departure from the European Union, the Company will assign Gabelli Funds LLC, a US SEC registered investment advisor as the investment manager in accordance with such exemptions.

Carne is responsible for the portfolio management and risk management functions of the Company until which point Gabelli Funds' LLC is assigned portfolio manager. At such point Carne will continue to provide the Company AIFM administrative services and monitor risks. The Carne Agreement may be terminated by either party giving not less than 90 days' written notice.

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 AIFM fees paid to Carne were $48,062 (2021: $53,475). 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 36 and 65.

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. 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 ended 30 June 2022 no performance fee was paid (2021: $2,795,658).

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 a 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 $41,736 were paid during the year under review (2021: $38,326).

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 $13,000 was paid to the Registrar during the year under review (2021: $15,525). Fees in respect of corporate actions will be agreed at the time of the corporate action.

Other Service Providers

Kin Company Secretarial Limited was formally appointed in October 2021 to take over as the Company Secretary from Maitland Administration Services Limited ("Maitland"). State Street Bank and Trust Company ("the Administrator") is 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. Kin Company Secretarial has worked with the Administrator to perform the functions of Company Secretary for the 2021/2022 financial year.

The Kin Company Secretarial agreement has no minimum term and is terminable by Kin or the Company on not less than one month's notice. Fees of $84,466 were paid for Company Secretarial services during the year under review (2021: $62,299).

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. AIFM fees of $48,062 were paid to Carne during the year ended 30 June 2022 (2021: $53,475).

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

Substantial shareholders

As at 30 June 2022, 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	60.42%
Banca Generali SpA	5.26%
Fondazione Cassa di Risparmio di Perugia	4.83%
Victor Paullier & Cía	4.59%
Pictet & Cie (Europe) SA Luxembourg	4.03%
Banco di Desio e Della Brianza	3.87%
LQH SA	3.42%

Subsequent to 30 June 2022 and as result of the fifth anniversary tender offer tranche one, the Company has been notified of several significant changes. The Company was notified that Associated Capital Group had not tendered any shares in tranche one of the tender and does not plan to tender any shares in the tranche two tender, resulting in Associated Capital Group owning an estimated 87% of the voting rights. As of the time of this report's publishing, the list of substantial shareholders is being gathered, however it is expected to change significantly.

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 2022 of $943,000 (2021: $1,459,000).

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 67.

Dividends and dividend policy

In order to allow the Shareholders to realise a predictable, but not assured, level of cash flow and some liquidity periodically on their investment, the Company has adopted a "managed dividend policy". This policy seeks to pay Shareholders a quarterly dividend in relation to the Net Asset Value of the Company at the time, which may be changed at any time by the Board. Between inception and 30 June 2022, the Company returned $2.27 per share to shareholders, consistent with its dividend policy. Dividends are paid only when declared by the Board subject to the Board's assessment of the Company's financial position and only if the Company has sufficient income and distributable reserves to make the dividend payment, and the level of dividend may vary over time. As such, the portfolio's managed distribution of capital through the payment of quarterly dividends is under review as we enter the new Fiscal Year. The Company declared and paid three quarterly interim dividends of US$0.12 per ordinary share each on 03 December, 03 February 2022, and 28 April 2022 for the financial year ending 30 June 2022. The Board expects to announce the fourth interim dividend in respect of the Company's financial year ended 30 June 2022 after the Tranche Two Tender Offer has concluded. Qualifying Registered Shareholders who participate in either Tender Offer will not be entitled to any such dividend in respect of any Ordinary Shares validly tendered.

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.

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 2022 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.

Gabelli approach to voting at shareholder meetings

During the year, the Manager voted on approximately 859 proposals at approximately 165 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 29 resolutions.

Directors' Report continued

Most of the votes against were in respect of resolutions relating to super-dilutive stock option plans, 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, 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 2022.

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.

The Directors currently anticipate that this year's Annual General Meeting will be open to shareholders, but reserve the right to change arrangements for the meeting at short notice. Therefore shareholders are strongly encouraged to vote by proxy and to appoint the Chairman as their proxy. The following resolutions will be proposed to the AGM. Resolutions 12-14 are proposed to the meeting as special business of the meeting as an ordinary resolution. Resolutions 15-17 are proposed as special resolutions. Ordinary resolutions require a simple majority vote (above 50%) to be passed, whereas Special resolutions require at least a 75% majority vote to be passed.

Resolution 12

The Company's articles of association include a requirement for the Board to propose an ordinary resolution at the first annual general meeting following the fifth anniversary of the initial public offering of the Company for the Company to continue its business as a closed-ended investment company. Resolution 12 in the Notice of AGM is an ordinary resolution for shareholders to approve that the Company continues in existence (the "Continuation Resolution").

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$10,238 which represents 10% of the current issued share capital. The authority will expire at the conclusion of the 2022 Annual General Meeting unless renewed prior to that date.

Resolution 14 Loyalty Shares

The articles of association authorise the issuance of Special Voting Loyalty Shares. Resolution 14 seeks authority for the Directors to allot Special Voting Loyalty Shares, and to accept subscriptions for such Special Voting Loyalty Shares outside the subscription period specified in the articles of association, provided all other conditions set forth therein are satisfied.

Resolution 15 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 15 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$10,238, being 10% of the current issued share capital and equivalent to 1,023,820 ordinary shares of US$0.01 each. The authority will expire at the conclusion of the 2022 Annual General Meeting unless renewed prior to that date.

Resolution 16 Authority to buy back shares

Resolution 16 seeks to renew the authority previously granted to Directors to enable the Company to purchase up to 1,535,628 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 2022 Annual General Meeting unless renewed prior to that date.

Resolution 17 General Meetings on 14 clear days' notice

Resolution 17 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 auditors

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 & Risk Committee to determine their remuneration will be proposed at the forthcoming AGM.

The Directors' Report was approved by the Board on 25 October 2022.

Marc Gabelli

Chairman
25 October 2022

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 20 and 21, 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 and risk management, 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, discuss strategy and has the overriding responsibility for assessing and reviewing the company's risk appetite. Board or Committee meetings are also held on an ad hoc basis and as required to consider any other material issues as they arise.

Representatives of the Portfolio Manager and Company Secretary attend each meeting. The Board, the AIFM, the Portfolio Manager, the Company Secretary and other key services providers 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.

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 the role. The Board therefore recommends shareholders vote to re-elect the Chairman at the 2022 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 2022 there were 6 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 a 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.

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)

The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain more fully how they have discharged their duties under Section 172(1) of the Companies Act 2006 in promoting the success of their companies for the benefit of members as a whole. This enhanced disclosure covers how the Board has engaged with and understands the views of stakeholders and how stakeholders' needs have been taken into account, the outcome of this engagement and the impact that it has had on the Board's decisions.

As the Company is an externally managed investment company and does not have any employees or customers, the Board considers the main stakeholders in the Company to be the shareholders and other key service providers. The reasons for this determination, and the Board's overarching approach to engagement with these stakeholders, are set out in the table below.

Stakeholder	Activity or mitigation in the 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 23; • As a listed investment trust, the Board operates policies designed to safeguard the value of shareholders' investment, in particular the Board may initiate a buyback 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.
Service Providers	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. During the period under review, the Board traveled to New York to visit the GAMCO head office and meet with members of staff at all levels by way of employee engagement. As part of the off-site visit, the Board also met with the company's major shareholders.
Social & 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 its investment strategies. These policies ensure that exposure to ESG risks is minimised for the Company's stakeholders.

Corporate Governance Report continued

Stakeholder	Activity or mitigation in the 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 & Risk 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 31.

Audit & Risk Committee

The Audit & Risk Committee is chaired by Marco Bianconi. Further details are provided in the report of the Audit & Risk Committee on pages 32 to 34.

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. 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 24.

Conflicts Committee

The Conflicts Committee is chaired by John Birch and consists of Marco Bianconi 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 to 30 June 2022 and the number of meetings attended by each Director.

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

Director	Board[1]	Audit & Risk Co.[2]	Rem Co.	M.E Co..	Nom Co.	Conficts Co.
Marc Gabelli	4/4	n/a	n/a	n/a	1/1	n/a
Marco Bianconi	4/4	6/6	1/1	n/a	n/a	1/1
John Birch	4/4	n/a	1/1	1/1	1/1	1/1
John Newlands	4/4	6/6	n/a	n/a	n/a	n/a
James Wedderburn	4/4	6/6	1/1	n/a	n/a	n/a
Yuji Sugimoto	4/4	n/a	n/a	1/1	1/1	1/1

[1] The meetings held total includes dividend and other specific purpose approval Board Sub-Committee meetings held by video conference that not all directors were expected to attend.
[2] Includes a Cyber-Security Deep-Dive Session .

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 who specialise in these areas and 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 & Risk Committee does not consider it necessary for the Company to establish its own internal audit function. Instead, the Audit & Risk 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 whilst the Directors anticipate the meeting in 2022 being open to shareholders, the Directors reserve the right to change arrangements at short notice. Shareholders are strongly encouraged to vote by proxy and to appoint the Chairman as their proxy. 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 72 and 73 and details the business of the meeting. Any item not of an entirely routine nature is explained in the Directors' Report on pages 22 to 27. The Notice of Annual General Meeting and any related papers are sent to shareholders at least 21 clear 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 25.

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
25 October 2022

Report of the Audit & Risk Committee

Chairman
Marco Bianconi

Chairman of the
Audit & Risk Committee
Marco Bianconi

Members
Marco Bianconi
John Newlands
James Wedderburn

As Chairman of the Audit & Risk Committee, I am pleased to present the Report of the Audit & Risk Committee for the year ended 30 June 2022.

Role of the Committee

The Company has established a separately chaired Audit & Risk Committee (the "Committee") to ensure that the interests of shareholders are properly protected in relation to financial reporting, internal controls and risk mitigation.

The Committee meets at least twice a year in preparation for the publication of both the annual and half yearly results, and otherwise as necessary.

This year, following review of the Audit & Risk Committee Terms of Reference, we collectively decided to expand the remit of the Committee to incorporate elements of risk oversight beyond the scope of financial risk, with particular attention to Cybersecurity Risk. As a result, the Committee is now more appropriately renamed 'the Audit & Risk Committee' and the Committee's terms of reference have been updated to reflect this expanded remit.

The updated terms of reference are available from the Company's website at https://www.gabelli.co.uk/investment-products/gabelli-merger plus/.

Composition of the Committee

The Committee consisted of three Directors during the year under review whose biographies are on pages 20 and 21 and the Committee composition was therefore unchanged.

The Committee as a whole has competence relevant to the investment trust sector and is able to discharge its responsibilities effectively, with each Director having appropriate financial experience and as such contribute strongly to the Committee's operation.

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

Committee Responsibilities

The key responsibilities of the Audit & Risk Committee are to ensure the integrity, clarity and completeness of the Company's financial statements, evaluate the robustness of the systems of internal controls, monitor the quality, effectiveness and objectivity of the external audit process and monitor the key risks facing the Company.

During the year the principal activities of the Committee included:

- A comprehensive review of the half yearly report and annual report and accounts, having considered 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;
- A review of the effectiveness of the external audit process, including the scope, execution, level of materiality, together with the independence, objectivity and efficiency of the external auditors and the quality of the audit engagement team;
- A review and approval of the external audit plan together with the annual audit fee;
- Setting a policy for the approval of non-audit services;
- A review of 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 and benchmark the adequacy and effectiveness of their internal controls processes and risk management systems. This initiative included a review of the key technology risks facing the company and its main service providers, including, but not limited to policies, practices and safeguards, cybersecurity and fraud, identification, assessment, monitoring, mitigation and the overall management of those risks,
- A comprehensive deep-dive analysis of the cybersecurity risks facing the Company, including meetings with the Chief Technology Officers and Heads of cybersecurity of key third-party service providers to ensure adequate and appropriate safeguards were in place to protect the integrity of the company's data, including a cyberattack incident response and recovery plan.
- A thorough review of the adequacy and security of the company's arrangements with its contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee considered that the arrangements remained appropriate and proportionate.
- Meeting with key senior staff of GAMCO at their New York headquarters and undertook a comprehensive due diligence review of their operations, including a detailed review of the NAV calculation process. The Committee resolved to undertake a due diligence of third-party service providers' internal controls and risk management systems at regular intervals and on a rotational basis.

Significant Issues and Audit Risk

During the year, the Audit & Risk Committee also considered a number of significant issues and areas of key audit risk in respect of the Annual Report and Accounts. The 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.

Significant issue	How the issue was addressed
COVID-19 and geopolitical risks	The Board reviews the risks arising from the COVID-19 pandemic and from the war in Ukraine, which both impacted market valuations during the financial year and continue to create uncertainty regarding the Company's future dividend income streams. The Audit & Risk Committee has regularly reviewed the Company's exposure to systemic and company specific risks arising from the COVID-19 pandemic and from the increasing geopolitical tensions.
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 50 and 51.
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 day 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.

Report of the Audit & Risk Committee continued

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 2022 and separately completed a market benchmarking exercise in respect of the external audit. 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 was satisfied with the quality of the external audit process.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 & Risk 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 auditors.

During the year ended 30 June 2022 £0 was paid to the auditors for non-audit services (2021: £0). The auditors are required to rotate the Company's Lead Engagement Partner every five years. Kevin Rollo was appointed as the Audit Engagement Partner in 2021 and has successfully overseen the engagement with the support of a strengthened audit team for the financial year under review.

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 & Risk Committee
25 October 2022

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 and shareholders approved a version of the Remuneration Policy with minor further updates at the AGMs in 2019 and in 2020, in accordance with section 439A of the Companies Act 2006. Such policy would therefore ordinarily remain in place until further approved by shareholders in 2023. All future amendments to the Remuneration Policy are required to be made 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. But, owing to complexities surrounding the share issuance scheme approved at the 2019 Annual General Meeting, and following legal advice, the incremental compensation will be paid in cash, in the amount of $10,000 per annum, per Director. In 2020, the Remuneration Policy was updated to increase the overall aggregate limit on fees payable to Directors from $150,000 to $180,000.

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 Report on page 30.

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.
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 & Risk 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	The total remuneration paid to the non-executive Directors is subject to an annual aggregate limit of $180,000 in accordance with the Company's Articles of Association, following approval by shareholders at the AGM in 2020. 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' Remuneration Report continued

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 2022 are set out on the next page.

Remuneration	Fees per annum US$
Director of the Board	30,000
Additional fee for the Chairman of the Board	1,000
Additional fee for the Chairman of the Audit & Risk Committee	5,000
Additional fee for the members of the Audit & Risk Committee	1,000

Following a review in September 2021, the Committee agreed that the Directors' fee would not increase for the year ending 30 June 2022.

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 & Risk Committee during the year ended 30 June 2022 also remain unchanged for the year ending 30 June 2023.

Consideration of Shareholders' Views

Shareholders' approval for the remuneration report will be sought at the 2022 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. The AGM is currently anticipated to be open to shareholders, however, if the AGM is closed to shareholders wishing to attend in person for any reason, 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 1 December 2021, 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 2022 AGM will be provided in the annual report for the year ending 30 June 2023.

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 2022 is set out below with prior year comparison. As the Company has no employees the table below sets out the total remuneration costs paid by the Company. 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 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.

No discretionary payments were made during the year to 30 June 2022.

	Year to 30 June 2022			Year to 30 June 2021				Year to 30 June 2020		
	Fees	Total	% change	Fees	Shares[1]	Total	% change	Fees	Shares[1]	Total
Marc Gabelli	–	–	–	–	–	–	–	–	–	–
Marco Bianconi	35,000	35,000	(3)%	25,000	11,167	36,167	24%	24,167	5,000	29,167
John Birch	30,000	30,000	(4)%	20,000	11,167	31,167	29%	19,167	5,000	24,167
John Newlands	31,000	31,000	(4)%	21,000	11,167	32,167	21%	21,558	5,000	26,558
Yuji Sugimoto	30,000	30,000	(4)%	20,000	11,167	31,167	29%	19,167	5,000	24,167
James Wedderburn	31,000	31,000	(4)%	21,000	11,167	32,167	28%	20,167	5,000	25,167
Total	**157,000**	**157,000**		107,000	55,835	162,835		**104,226**	**25,000**	**129,226**

[1] Represents the fee supplement originally to be paid in shares, on a pro rata basis for the period 1 January to 30 June 2020 following shareholder approval in 2019. Owing to complexities surrounding the share issuance scheme approved at the 2019 Annual General Meeting, and following legal advice, the incremental compensation was paid in cash, in the amount of $10,000 per annum, per Director. The amount presented for the year ended 30 June 2021 includes cash payments equivalent to and in lieu of dividends that would have been paid between 1 January 2020 and 30 June 2021, in the amount of $1,167 per Director. See page 35 for further details.

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 2022	As at 30 June 2021
Marc Gabelli	20,100	20,000
Marco Bianconi	1,200	1,200
John Birch	1,000	1,000
John Newlands	–	–
Yuji Sugimoto	–	–
James Wedderburn	1,500	1,500
Total	**23,800**	**23,700**

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 IQ Merger Arbitrage ETF (MNA), since launch, can be found on page 15.

Relative Importance of Spend on Pay

The table below shows the Directors' remuneration (2022: $157,000 and 2021: $162,835) in comparison with Portfolio management fees paid, dividends paid to shareholders and the Company's annual revenues.

	2022		2021	
Directors' remuneration as a % of	$000	%	$000	%
Dividends to Shareholders	4,914	3.2	4,936	3.3
Portfolio management fees	842	18.6	852	19.1
Revenues	1,076	14.6	327	49.8

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 2022 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 25 October 2022 and is signed on its behalf by:

Marc Gabelli
Chairman of the Board
25 October 2022

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 UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. 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 UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 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
25 October 2022

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 2022 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 2022; the Statement of Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows 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 & Risk 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.

We have provided no non-audit services to the company in the period under audit.

Our audit approach

Overview

Audit scope

- 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 Global Services (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.
- We obtained an understanding of the control environment in place at both the Manager and the Administrator, and adopted a fully substantive testing approach using reports obtained from the administrator.

Key audit matters

- Valuation and existence of investments
- Income from investments
- Assessment of the appropriateness of the going concern basis of preparation of the financial statements

Materiality

- Overall materiality: US$958,410 (2021: US$1,017,250) based on 1% of net assets.
- Performance materiality: US$718,808 (2021: US$762,938).

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.

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

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.

Assessment of the appropriateness of the going concern basis of preparation of the financial statements is a new key audit matter this year. Consideration of the impact of COVID-19, which was a key audit matter last year, is no longer included because of the reduced uncertainty of the impact of COVID-19 in the current year as markets and economies continue to recover. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments Refer to page 50 (Accounting Policies, Note 2(g)) and page 52 (Notes to the Financial Statements, Note 3). The company's investments have increased to US$95m. The investment portfolio at year-end consisted of listed equity investments and derivatives (contracts for difference). 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 also focused on the accounting policy for the valuation of investments as set out in the accounting standards as incorrect application could indicate a misstatement in the valuation of investments.	• We assessed the accounting policy for the valuation of investments for compliance with accounting standards and the AIC SORP and performed testing to check that investments are accounted for in accordance with this stated accounting policy. • We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third party sources. • We tested the existence of the investment portfolio by agreeing listed equity investment holdings to an independent custodian confirmation. • For derivatives, we tested a sample of the valuation of these investments using valuation techniques. • We tested existence of derivatives by obtaining a direct confirmation from the respective counterparty. • No material issues were identified.
Income from investments Income from investments refers to dividend income and net capital gains from investments. Refer to pages 50 and 51 (Accounting Policies, Note2(e) and 2(g)). The company's dividend income for the year is US$1.1m. Realised gains on investments for the year is US$5.8m and unrealised losses on investments is US$6.3m. We focused on the accuracy, occurrence and completeness of dividend income, and existence of net capital gains 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 assessed 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. 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. • The gains/losses on investments held at fair value comprise realised and unrealised gains/losses. For unrealised gains and losses, we tested the valuation of the portfolio at the year-end (on a sample basis for derivatives), together with testing the reconciliation of opening and closing investments. For realised gains/losses, we tested a sample of disposals by agreeing the proceeds to bank statements and we re-performed the calculation of a sample of realised gains/losses. • No material issues were identified.

Key audit matter	How our audit addressed the key audit matter
Assessment of the appropriateness of the going concern basis of preparation of the financial statements The Company is subject to a continuation vote in November 2022, whereby should shareholders not vote in favour of continuation the Directors would have to put forward plans to restructure or liquidate the Company (Directors' Report, sections "Continuation of the Company", page 22). As this follows a recent Tender offer which has resulted in the loss of Investment Trust status, we considered whether this led to an increased likelihood that the continuation vote would go against continuation. Secondly, we considered whether the loss of Investment Trust Company ("ITC") status would mean that the Directors of the Trust would voluntarily choose to restructure or liquidate the Company as it no longer benefited from tax efficient status of an ITC. Thirdly, with a second Tender Offer to be made to shareholders in January 2023 we considered the risk of whether a significant proportion of the remaining shareholders tendering their shares would result in the Company either not being able to meet its obligations or requiring again the Directors to restructure or liquidate the Company (see Directors' Report, "Going Concern" section, page 22 and Note 2c), page 50).	Refer to the "conclusions on going concern" section below outlining the evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis and the conclusions reached. The assessment of going concern is intrinsically linked to the directors' statement regarding the longer-term viability. Additional procedures associated with the directors' statement regarding the longer-term viability included: • Challenging management as to the likelihood of continued shareholder support for a UK listing and evaluating the extent of the binding legal nature of the commitments from the majority shareholders. • Forming an independent view as to the potential or otherwise to utilise brought forward tax losses in the new structure and evaluating management's assessment of viability to ensure that it was not dependent on a specific outcome. Refer to the "Corporate Governance" section for the conclusions reached.

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.

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.

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 company materiality	US$958,410 (2021: US$1,017,250).
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 use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to US$718,808 (2021: US$762,938) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit & Risk Committee that we would report to them misstatements identified during our audit above $47,921 (2021: $50,863) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the Directors' assessment of potential operational impacts of the results of the recent Tender offer and the upcoming Continuation vote, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;

- Reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers;

- Assessing the implications of potential significant reductions in Net Asset Value as a result of market performance on the ongoing ability of the Company to operate;

- Evaluating the legally binding confirmation from the majority shareholder regarding their intention and ability to continue to support the Company and commitment to not participate in the January Tender Offer; and

- Assessing the impact of loss of Investment Trust Company status and the continued operations of the company.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's Report for the year ended 30 June 2022 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 Director's Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit & Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

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, 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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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 33 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 financial statements such as the Companies Act 2006. 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 of inappropriate journal entries to increase income or to overstate the value of investments and increase the net asset value of the company. Audit procedures performed by the engagement team included:

- Discussions with the Directors, the Manager and the Administrator, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluation of the controls implemented by the Manager and the Administrator designed to prevent and detect irregularities;
- Assessment of the company's compliance with the requirements of Section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions; and
- Identifying and testing journal entries, in particular a sample of journals posted as part of the financial year end close process.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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.

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 obtained 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 and the part of the Directors' Remuneration Report to be audited 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 & Risk Committee, we were appointed by the members on 1 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 5 years, covering the years ended 30 June 2018 to 30 June 2022.

Kevin Rollo (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 October 2022

Statement of Comprehensive Income

for the year ended 30 June 2022

		Year ended 30 June 2022			Year ended 30 June 2021		
Income	Notes	Revenue $000	Capital $000	Total $000	Revenue $000	Capital $000	Total $000
Investment income	5	1,076	–	1,076	327	–	327
Total investment income		**1,076**	**–**	**1,076**	**327**	**–**	**327**
Gains/(Losses) on investments							
Net realised and unrealised (losses)/gains on investments	3, 14	–	(460)	(460)	–	15,435	15,435
Net realised and unrealised currency gains/(losses) on investments		–	490	490	–	(142)	(142)
Net gains/(losses) on investments		–	30	30	–	15,293	15,293
Total income and gains on investments		**1,076**	**30**	**1,106**	**327**	**15,293**	**15,620**
Expenses							
Portfolio management fee	6	(842)	–	(842)	(852)	–	(852)
Performance fee	6, 13	–	–	–	–	(2,796)	(2,796)
Other expenses	6	(1,127)	(124)	(1,251)	(901)	(174)	(1,075)
Total expenses		(1,969)	(124)	(2,093)	(1,753)	(2,970)	(4,723)
Net return on ordinary activities before finance costs and taxation		**(893)**	**(94)**	**(987)**	**(1,426)**	**12,323**	**10,897**
Interest expense and similar charges		(1)	–	(1)	–	–	–
Profit/(loss) before taxation		**(894)**	**(94)**	**(988)**	**(1,426)**	**12,323**	**10,897**
Taxation on ordinary activities	8	(49)	–	(49)	(33)	–	(33)
Profit/(loss) for the year		**(943)**	**(94)**	**(1,037)**	**(1,459)**	**12,323**	**10,864**
Earnings/(Loss) per share (basic and diluted)	9	**($0.09)**	**($0.01)**	**($0.10)**	**($0.14)**	**$1.20**	**$1.06**

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 2022.

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 50 to 66 form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2022

		Year ended 30 June 2022				
Year ended 30 June 2022	Note	Called up Share Capital $000	Special Distributable Reserve* $000	Capital Reserve $000	Revenue Reserve* $000	Total $000
Balance as at 1 July 2021		103	83,976	21,059	(3,413)	101,725
Loss for the period after tax on ordinary activities		–	–	(94)	(943)	(1,037)
Dividends paid	7	–	(4,914)	–	–	(4,914)
Balance as at 30 June 2022		**103**	**79,062**	**20,965**	**(4,356)**	**95,774**

		Year ended 30 June 2021				
Year ended 30 June 2021	Note	Called up Share Capital $000	Special Distributable Reserve* $000	Capital Reserve $000	Revenue Reserve* $000	Total $000
Balance as at 1 July 2020		103	88,912	9,279	(1,954)	96,340
Ordinary shares bought back into treasury		–	–	(543)	–	(543)
Profit/(loss) for the period after tax on ordinary activities		–	–	12,323	(1,459)	10,864
Dividends paid	7	–	(4,936)	–	–	(4,936)
Balance as at 30 June 2021		**103**	**83,976**	**21,059**	**(3,413)**	**101,725**

* The Revenue Reserve and Special Distributable Reserve are treated as distributable reserves. As at 30 June 2022, the net amount of reserves that are distributable are $74,706,000 (2021: $80,563,000).

Statement of Financial Position

as at 30 June 2022

		As at 30 June 2022		As at 30 June 2021	
	Note	$000	$000	$000	$000
Non-current assets					
Investments held at fair value through profit or loss	3		92,381		98,369
Current assets					
Cash and cash equivalents	10	5,911		12,405	
Receivable for investment sold		423		2,622	
Other receivables	15	66		147	
		6,400		15,174	
Current liabilities					
Portfolio management fee payable		(61)		(82)	
Performance fee payable		–		(2,796)	
Payable for investment purchased		(1,875)		(1,822)	
Other payables	15	(212)		(314)	
Bank overdrafts			(391)		–
Net current assets			3,861		10,160
Non-current liabilities					
Investments at fair value through profit or loss	3		(416)		(6,752)
Offering fees payable			(52)		(52)
Net assets			95,774		101,725
Share capital and reserves					
Called-up share capital	11	103		103	
Special distributable reserve*		79,062		83,976	
Capital reserve		20,965		21,059	
Revenue reserve*		(4,356)		(3,413)	
Total shareholders' funds			95,774		101,725
Net asset value per ordinary share			**$9.35**		**$9.94**

* The Revenue Reserve and Special Distributable Reserve are treated as distributable reserves. As at 30 June 2022, the net amount of reserves that are distributable are $74,706,000 (2021: $80,563,000).

Signed by:

Statement of Cash Flows

for the year ended 30 June 2022

	Year ended 30 June 2022		Year ended 30 June 2021	
	$000	$000	$000	$000
Cash flows from operating activities				
(Loss)/profit before tax		(988)		10,897
Adjustments for:				
Gains on investments	(30)		(15,293)	
Cash flows from operating activities				
Purchases of investments[1,2]	(202,678)		(277,371)	
Sales of investments[1,2]	204,122		252,191	
Increase in receivables[2]	(995)		(409)	
(Decrease)/increase in payables[2]	(2,918)		2,640	
Interest paid	(1)		–	
Dividend income	1,076		330	
Foreign withholding taxes on dividends	(49)		(33)	
Net cash flows from operating activities[3]		**(2,461)**		**(27,048)**
Cash flows from financing activities				
Shares bought back for cash	–		(543)	
Dividends paid	(4,914)		(4,936)	
Net cash flows from financing activities		**(4,914)**		**(5,479)**
Net decrease in cash and cash equivalents[3]		**(7,375)**		**(32,527)**
Cash and cash equivalents at the start of the period		12,405		45,074
Effect of foreign exchange rates[3]		490		(142)
Cash and cash equivalents at the end of the period[4]		**5,520**		**12,405**

1 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.

2 Comparative figures have been updated to reflect a reclassification of moving the non-cash elements of the purchases/sales from the "increase/decrease in receivables/payables" to the "purchases/sales of investments" section.

3 Comparative figures have been updated to reflect a reclassification of effect of foreign exchange rates from "cash flows from operating activities" to "net decrease in cash and cash equivalents" section.

4 As at 30 June 2022, $5,843,979 (2021: $11,697,439) was held as collateral at UBS securities LLC and was restricted.

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

The financial statements on pages 46 to 49 were approved by the Board of Directors on 25 October 2022 and signed on its behalf by

Marc Gabelli
Chairman

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 the UK adopted International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). 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 – The Directors, having taken account of the continuing market regulatory changes affecting investee companies, investment valuations, implications of the COVID-19 pandemic, and the war in Ukraine, and have determined that the Company's strategy, longer-term asset allocation, short-term liquidity and robust governance structure provide a sufficient basis for the Board to adopt the going concern basis for the Company as at 30 June 2022.

In forming this position, the Directors consulted with shareholders utilizing the tender offer process, considered the Company's investment objectives, risk management policies, capital management policies and procedures, the nature of the portfolio and expenditure projections in detail. These items are discussed in more detail in the Directors' Report on pages 22 to 27 and the Chairman's Statement on pages 3 to 5.

The Directors have also considered the fact that there will be a continuation vote at the Company's 2022 Annual General Meeting, and having consulted and maintained close contact with the Company's major shareholders, have received a letter in Deed, which contains enforceable irrevocable undertakings, from the largest shareholder, Associated Capital Group, legal and beneficial owner of 6,216,256 shares at the time of this writing, that they will both vote in favour of continuation of the company and not participate in the 2nd tender offer. Thereby the Directors confirm with certainty that the company's largest shareholder will vote in favour of the company to continue to operate. The Viability & Going Concern Statement on page 19 contains additional information.

(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.

(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 on page 23 and 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.

Notes to the Financial Statements continued

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 2022			
	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets at fair value through profit or loss				
Quoted equities	89,577	1,782	–	91,359
Contingent value rights	–	132	5	137
Derivatives	–	885	–	885
Gross fair value				**92,381**
Derivatives	–	(416)	–	(416)
Net fair value	**89,577**	**2,383**	**5**	**91,965**

	As at 30 June 2021			
	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets at fair value through profit or loss				
Quoted equities	92,205	5,498	–	97,703
Contingent value rights	–	278	–	278
Derivatives	–	388	–	388
Gross fair value				**98,369**
Derivatives	–	(1,892)	–	(1,892)
Quoted equities - shorts	(4,860)	–	–	(4,860)
Net fair value	**87,345**	**4,272**	**–**	**91,617**

* Dova Pharmaceuticals Inc has been transferred from Level 1 to Level 2 and Zagg Inc has been transfered from Level 2 to Level 3 during the year.

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

	Year ended 30 June 2022 $000	Year ended 30 June 2021 $000
Opening book cost	93,078	59,509
Opening investment holding losses	(1,461)	(9,377)
Opening market value	**91,617**	**50,132**
Additions at cost	202,731	276,928
Disposals proceeds received	(201,923)	(250,878)
Gains/(losses) on investments	(460)	15,435
Market value of investments	**91,965**	**91,617**
Closing book cost	99,687	93,078
Closing investment holding losses	(7,722)	(1,461)
Closing market value	**91,965**	**91,617**

The company received $201,923,000 (2021: $250,878,000) from investments sold in the year. The book cost of these investments when they were purchased was $196,122,000 (2021: $243,359,000). 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 53.

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 2022, the quantitative inputs used to value the level 3 contingent value rights included the last sale price, broker quotes, or the merger price.

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 2022 $000	Year ended 30 June 2021 $000
Opening valuation	–	42
Assets acquired during the year	–	2
Assets disposed during the year	–	–
Total profit or loss included in net profits/(losses) on investments in the Statement of Comprehensive Income	5	(44)
Closing valuation	**5**	**–**

Net realised and unrealised gains/(losses) on investments

	Year ended 30 June 2022 $000	Year ended 30 June 2021 $000
Realised gains on investments	5,801	7,519
Movement in unrealised gains/(losses) on investments	(6,261)	7,916
Net realised and unrealised gains/(losses) on investments	**(460)**	**15,435**

4 Transactions costs

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

	Year ended 30 June 2022 $000	Year ended 30 June 2021 $000
Purchases	68	79
Sales	33	75
Total	**101**	**154**

Notes to the Financial Statements continued

5 Income/(loss) from investments

	Year ended 30 June 2022 $000	Year ended 30 June 2021 $000
Income/(loss) from investments		
Overseas equities	530	286
Income on short-term investments[1]	3	(7)
Other income	543	48
Total income/(losses)	**1,076**	**327**

[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 57.

6 Expenses

	Year ended 30 June 2022 $000	Year ended 30 June 2021 $000
Revenue expenses		
Portfolio Management Fee	(842)	(852)
Contracts for Difference	(429)	(277)
Directors' Remuneration	(157)	(163)
Legal Fees	(110)	(45)
Company Secretary Fees	(94)	(62)
Audit Fees – PwC	(70)	(68)
AIFM – Carne	(60)	(53)
Administration Fees – State Street	(44)	(42)
Custodian/Depositary Fees – State Street	(42)	(38)
Printing	(17)	(13)
Other	(33)	(36)
Directors' Expenses	(15)	-
Ongoing LSE and UKLA Fees	(14)	(10)
Registrar – Computershare[1]	(13)	(16)
Regulatory Filing Fees – AIFMD	(13)	(58)
LSE RNS fees	(8)	(14)
Marketing expenses	(4)	(3)
Dividend Expense on Securities Sold Short	(4)	(7)
Broker Retainer Fee[2]	-	4
Total revenue expenses	**(1,969)**	**(1,753)**
Capital expenses		
Transaction costs on derivatives	(73)	(103)
Transaction Charges – State Street	(51)	(71)
Performance Fee[3]	–	(2,796)
Total capital expenses	**(124)**	**(2,970)**

[1] The regulatory filing fees for the year ended 30 June 2021 include filing fees from prior fiscal years.
[2] The broker retainer fees for the year ended 30 June 2022 reflects a Cantor Fitzgerald Europe Retainer reimbursement.
[3] Further information regarding the Performance Fee can be found in Note 13 on page 62.

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.

7 Equity dividends

	Year ended 30 June 2022 $000	Year ended 30 June 2021 $000
Dividends paid	4,914	4,936

During the year ended 30 June 2022 dividends paid per share totalled $0.48 (30 June 2021: $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 2022		
Analysis of the tax charge in the year	Revenue $000	Capital $000	Total $000
Irrecoverable overseas tax	(49)	–	(49)
Total	**(49)**	**–**	**(49)**

	Year ended 30 June 2021		
Analysis of the tax charge in the year	Revenue $000	Capital $000	Total $000
Irrecoverable overseas tax	(33)	–	(33)
Total	**(33)**	**–**	**(33)**

	Year ended 30 June 2022		
Factors affecting the tax charge for the year	Revenue $000	Capital $000	Total $000
Loss before taxation	(894)	(94)	(988)
UK Corporation tax at effective rate of 19%	170	18	188
Effects of:			
Non taxable overseas dividends	98	–	98
Gains on investments held at fair value through profit or loss	–	(87)	(87)
Irrecoverable overseas tax	(49)	–	(49)
Expenses not deductible for tax purposes	(1)	(10)	(11)
Losses on foreign currencies	–	93	93
Movement in excess management expenses	(352)	(18)	(370)
Movement in deferred tax rate on excess management expenses	85	4	89
Total	**(219)**	**(18)**	**(237)**
Total tax charge for the year	**(49)**	**–**	**(49)**

Notes to the Financial Statements continued

8 Taxation on ordinary activities (continued)

Factors affecting the tax charge for the year	Year ended 30 June 2021 Revenue $000	Capital $000	Total $000
(Loss)/profit before taxation	(1,426)	12,323	10,897
UK Corporation tax at effective rate of 19%	271	(2,341)	(2,070)
Effects of:			
Non taxable overseas dividends	54	–	54
Losses on investments held at fair value through profit or loss	–	2,933	2,933
Irrecoverable overseas tax	(33)	–	(33)
Expenses not deductible for tax purposes	(1)	(12)	(13)
Gains on foreign currencies	–	(27)	(27)
Movement in excess management expenses	(324)	(553)	(877)
Total	**(304)**	**2,341**	**2,037**
Total tax charge for the year	**(33)**	**–**	**(33)**

At the year end after offset against income taxable on receipt, there is a potential deferred tax asset of $2,354,232 (2021: $1,498,961) in relation to surplus tax reliefs. As the Company has not generated sufficient taxable profits to utilise these amounts, no deferred tax asset has not 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 2022	Year ended 30 June 2021
Revenue return		
Revenue loss attributable to ordinary shareholders ($000)	(943)	(1,459)
Weighted average number of shares in issue during year	10,238,206	10,247,238
Total revenue return (loss) per ordinary share	**($0.09)**	**($0.14)**
Capital return		
Capital return attributable to ordinary shareholders ($000)	(94)	12,323
Weighted average number of shares in issue during year	10,238,206	10,247,238
Total capital return per ordinary share	**($0.01)**	**$1.20**
Total return per ordinary share	**($0.10)**	**$1.06**

Net asset value per share	As at 30 June 2022	As at 30 June 2021
Net assets attributable to shareholders ($000)	95,774	101,725
Number of shares in issue at year end	10,238,206	10,238,206
Net asset value per share	**$9.35**	**$9.94**

10 Cash and cash equivalents

	As at 30 June 2022 $000	As at 30 June 2021 $000
Cash	5,911	12,405
Total	**5,911**	**12,405**

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 2022 $000	As at 30 June 2021 $000
Allotted, called up and fully paid:		
10,238,206 (2021: 10,238,206) Ordinary shares of $0.01 each – equity	102	102
Treasury shares:		
95,960 (2021: 95,960) Ordinary shares of $0.01 each – equity	1	1
Total shares	**103**	**103**

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) share 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) Share 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.

Notes to the Financial Statements continued

12 Financial risk management (continued)

Interest risk profile

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

	As at 30 June 2022			
	Interest rate %	Local currency 000	Foreign exchange rate	US Dollar equivalent $000
Assets:				
US dollar	0.24	5,585	1.00	5,585
Australian dollar	0.12	(48)	1.45	(33)
Canadian dollar	0.15	15	1.29	12
Euro currency	(0.75)	(8)	0.96	(8)
GBP Sterling	0.12	(24)	0.82	(29)
Hong Kong dollar	0.00	1	7.85	*
New Zealand dollar	0.10	5	1.61	3
Norwegian krone	0.00	(5)	9.88	(1)
South African rand	0.00	(13)	16.38	(1)
Swedish krona	(0.75)	(80)	10.25	(8)
Total				**5,520**

* Less than $500.

	As at 30 June 2021			
	Interest rate %	Local currency 000	Foreign exchange rate	US Dollar equivalent $000
Assets:				
US dollar	0.00	12,462	1.00	12,462
Australian dollar	0.00	1	1.33	1
Canadian dollar	0.00	6	1.24	5
Euro currency	(0.75)	(12)	0.84	(14)
GBP sterling	0.00	(39)	0.72	(54)
Hong Kong dollar	0.00	1	7.77	*
Japanese yen	(0.35)	265	110.99	2
Polish zloty	0.00	1	3.81	*
Singapore dollar	0.00	4	1.34	3
Swedish krona	(1.25)	1	8.55	*
Total				**12,405**

* Less than $500.

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 (2021: 10) 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 2022 would increase/decrease by $6,000 (2021: $12,000). This is mainly attributable to the Company's exposure to interest rates on its floating rate cash balances.

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 2022		
	Net Investments $000	Net monetary assets $000	Total currency exposure $000
Australian dollar	–	(55)	(55)
Canadian dollar	5,295	(5,222)	73
Euro currency	98	(55)	43
GBP Sterling	937	(805)	132
Hong Kong dollar	–	2	2
New Zealand dollar	–	3	3
South African rand	–	(7)	(7)
Swedish krona	–	108	108
Swiss franc	–	–	–
Total non US Investments	8,772	(6,031)	2,741
US dollar	82,724	10,309	93,033
Total	**91,496**	**4,278**	**95,774**

	As at 30 June 2021		
	Net Investments $000	Net monetary assets $000	Total currency exposure $000
Australian dollar	–	(7)	(7)
Canadian dollar	4,845	(4,851)	(6)
Euro currency	1,327	(604)	723
GBP sterling	–	(44)	(44)
Hong Kong dollar	–	(12)	(12)
Japanese yen	–	5	5
Norwegian krone	–	4	4
Singapore dollar	–	2	2
South African rand	–	(2)	(2)
Total non US Investments	6,172	(5,509)	663
US dollar	91,806	9,256	101,062
Total	**97,978**	**3,747**	**101,725**

Notes to the Financial Statements continued

12 Financial risk management (continued)

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 items and adjusts their translation at the year end for a 10% change in foreign currency rates.

	As at 30 June 2022 $000	As at 30 June 2021 $000
Australian dollar	(6)	(1)
Canadian dollar	8	(1)
Euro currency	5	72
GBP Sterling	13	(4)
Japanese yen	–	1
South African rand	(1)	–
Swedish krona	11	–
Swiss franc	–	–

The relevant US dollar exchange rates as at 30 June 2022 were: Australian Dollar (1: 1.4542); Canadian Dollar (1: 1.2900); Euro currency (1: 0.9565); GBP Sterling (1: 0.8234), South African rand (1: 16.3825), Swedish krona (1: 10.2474) and Swiss franc (1: 0.9574).

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 15% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders for the year ended 30 June 2022 would have increased/decreased by $13,795,000. 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:

	Derivative exposure: CFDs $000	Collateral posted $000	Net exposure $000
Counterparty			
UBS Securities, LLC	(469)	(5,844)	(6,313)
Total	**(469)**	**(5,844)**	**(6,313)**

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-.

The maximum credit risk exposure as at 30 June 2022 was $6,400,000 (2021: $15,174,000). 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 2022 $000	As at 30 June 2021 $000
Called-up share capital	103	103
Special distributable reserve*	79,062	83,976
Capital reserve	20,965	21,059
Revenue reserve*	(4,356)	(3,413)
Total shareholders' funds	**95,774**	**101,725**

* The Revenue Reserve and Special Distributable Reserve are treated as distributable reserves. As at 30 June 2022, the net amount of reserves that are distributable are $74,706,000 (2021: $80,563,000).

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

Leverage is calculated using two methods: i) Gross method and ii) Commitment method. For further details please see the Glossary on page 69.

The Company's maximum leverage levels at 30 June 2022 are shown below:

Leverage Exposure	Gross method	Commitment method
Maximum permitted limit	500%	250%
Actual	131%	137%

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.

Notes to the Financial Statements continued

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 2022, no Performance fee was paid. As at 30 June 2022, no amount was outstanding to the Portfolio Manager in respect of the performance fee, reflecting the performance period matching the Company's financial year (2021: $2,795,658).

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 2022 the Company held CFDs, as shown in the following table.

Security name	Trade currency	Shares (000)	As at 30 June 2022 Unrealised gain/(loss) $000
Aareal Bank AG	EUR	7	(3)
ADTRAN Inc	USD	(15)	7
ADVA Optical Networking SE	USD	27	(7)
Ardent Leisure Group Ltd	AUD	190	6
Atlantia SpA	EUR	73	(2)
Atotech Ltd	USD	27	(5)
Avast plc	USD	383	160
Befimmo	EUR	7	**
Black Knight Inc	USD	3	3
Brewin Dolphin Holdings plc	GBP	109	4
Broadcom Inc	USD	(1)	14
Caretech Holdings plc	GBP	9	**
Cazoo Group Ltd	USD	27	(8)
CMC Materials Inc	USD	11	10
ContourGlobal plc	GBP	60	(1)
Deutsche Euroshop AG	EUR	56	11
Disruptive Capital GP	GBP	86	**
Distell Group Ltd	ZAR	44	(6)
Drilling Co	USD	15	(130)
EcoOnline Holding AS	NOK	103	**
EDF SA	EUR	14	(7)
Emis Group plc	GBP	2	**
Entain plc	GBP	22	(26)
Entegris Inc	USD	(5)	29
Euronav NV	USD	1	**
Flagstar Bancorp Inc	USD	11	8
Frontline Ltd	USD	(1)	**
Fulton Financial	USD	(9)	**
Genkyotex SA	EUR	7	**
Grief Inc	USD	(4)	(7)
Grifols SA	USD	(12)	(4)
Healthcare Realty Trust Inc	USD	(37)	(64)
Healthcare Trust of America	USD	37	15
HomeServe plc	GBP	67	8
Hunter Douglas	EUR	*	**
Ideagen Inc	GBP	88	2
II-VI Inc	USD	(8)	45
Intercontinental Exchange Inc	USD	*	1

Notes to the Financial Statements continued

14 Derivatives risk (continued)

Security name	Trade currency	Shares (000)	As at 30 June 2022 Unrealised gain/(loss) $000
Intertrust NV	EUR	29	1
IVECO Group NV	EUR	6	**
Lennar Corp	USD	(5)	(3)
Leovegas AB	SEK	46	**
Link Admin	AUD	94	(28)
MaxLinear Inc	USD	(2)	3
Mediaset Espana Comunicacion, S.A.	EUR	32	(2)
Meggitt plc	GBP	395	97
MKS Instruments Inc	USD	(1)	5
New York Community Bancorp	USD	(44)	(4)
Newcrest Mining	AUD	(3)	5
Noble Corp	USD	(25)	156
NortonLifeLock	USD	(10)	3
Orange Belgium SA	EUR	5	(4)
Praemium Ltd	AUD	121	(5)
Prudential	USD	11	4
Randall & Quilter Investment Holdings Ltd	GBP	32	5
Rentokil Initial plc	USD	(77)	(2)
Sanne Group plc	GBP	11	1
SciPlay Corp	USD	20	10
Siemens Gamesa Renewable Energy S.A.	EUR	12	1
Silicon Motion Technology Corp ADR	USD	4	(21)
Siltronic AG	EUR	5	(41)
SOHO China Ltd	HKD	437	2
Spear Investment Group	EUR	39	(2)
Spire Healthcare plc	GBP	62	6
Swedish Match AB	SEK	391	115
Telecom Italia	EUR	285	1
Ultra Electronics Holdings plc	GBP	30	73
Vivo Energy plc	USD	412	11
VMware Inc	USD	5	(34)
Vonage Holdings Corp	USD	45	63
Total unrealised gain on derivatives			**469**

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

15 Other Assets and Liabilities

The categories of other receivables and other payables include:

	As at 30 June 2022 $000	As at 30 June 2021 $000
Other receivables		
FX currency sold	12	57
All other receivables	54	90
Total other receivables	**66**	**147**
Other payables		
FX currency purchased	–	20
Custodian fees	7	8
Accounting fees	17	13
Audit fees	70	70
All other payables	118	203
Total other payables	**212**	**314**

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 $30,000 per annum for each Director, other than:

- the Chairman, who will receive an additional $1,000 per annum *;
- the Chairman of the Audit & Risk Committee, who will receive an additional $5,000 per annum; and
- the Members of the Audit & Risk Committee, who will receive an additional $1,000 per annum.

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.

Carne Global Fund Managers (Ireland) Limited, as AIFM is considered a related party to the Company as it is considered to have significant influence over the Company in its role as AIFM. During the financial year ended 30 June 2022, the AIFM received fees of US$46,403, of which US$3,135 was payable at year end. Carne Global Financial Services Limited, the parent Company of the AIFM, received fees amounting to US$14,645 during the financial year ended 30 June 2022 in respect of other fund governance services to the Company, of which US$3,223 was payable at year end. The related party transactions with the Directors are set out in the Directors' Remuneration Report on pages 35 to 37.

Related parties disclosure: other

The Portfolio Management fee and Performance fee for the year ended 30 June 2022 paid by the Company to the Portfolio Manager are presented in the Statement of Comprehensive Income. Details of Portfolio management fee paid during the year are disclosed in Note 6. Details of Performance fee paid during the year are disclosed in Note 13.

As at 30 June 2022, Associated Capital Group Inc., an affiliate of the Portfolio Manager, held 6,195,825 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 27.

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 2022.

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

Notes to the Financial Statements continued

17 Contingent Liabilities and Commitments

As at 30 June 2022, the Company had no contingent liabilities or commitments (30 June 2021: nil).

18 Historical Share and NAV information

	30 June 2022	30 June 2021	30 June 2020
Total Shares	10,238,206	10,238,206	10,328,206
Total NAV ($000)	95,774	101,725	96,430
NAV per share	$9.35	$9.94	$9.33

19 Significant events

The outbreak of Coronavirus (COVID-19), declared by the World Health Organisation as a global pandemic in 2020, has impacted many aspects of daily life and the global economy. Travel movements and operational restrictions were implemented by many countries throughout 2019-2021. However in 2022, most economies globally have fully reopened and the pace of recovery has varied from country to country. Countries and their workforce have successfully adapted to living and working in this pandemic environment. As we move into the latter half of 2022, there continues to be potential unforeseen economic consequences from this virus and market reaction to such consequences could be rapid, unpredictable and vary significantly from country to country.

The Directors together with the Manager will continue to monitor business continuity and resilience processes with the objective of mitigating any potential for ongoing impact of COVID-19.

Conflict in Ukraine

Events arising in Ukraine, as a result of military action being undertaken by Russia, may impact on securities directly or indirectly related to companies domiciled in Russia and/or listed on exchanges located in Russia ("Russian Securities"). As at 30 June 2022, the Company did not have direct exposure to Russian securities. The Directors are monitoring developments related to this military action, including economic sanctions and actions of foreign governments.

20 Post balance sheet events

The Gabelli Merger Plus+ Trust conducted and completed the Tranche One Tender Offer, as set out in the circular published by the Company on 19 August 2022. The results of the tender were as follows: A total of 3,055,957 Qualifying Shares were validly tendered under the Tranche One Tender Offer at the Tender Price of 938.15 U.S. cents per share, which, upon being purchased by the Company, are to be held in treasury. Proceeds of the tender were payable by 13 October 2022.

The post tender remaining Shareholder base may result in the Company being deemed a Close Company for the purposes of taxation and is separately under advice. The Company is committed to delivering its investment programme for the long term and is examining alternatives to minimise taxes, costs and expenses for its Shareholders.

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 2021 , 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 2022, compared to the Net Asset Value per share as at 30 June 2021, adjusted for dividends paid, and assumes that dividends are reinvested.

Share price total return, which is calculated based on the share price as at 30 June 2022, compared to the share price as at 30 June 2021, 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.

Close company

Subject to certain exceptions, a close company is broadly a company which is under the control of five or fewer participators or any number of participators if those participators are directors, or more than half the assets of which would be distributed to five or fewer participators, or to participators who are directors, in the event of the winding up of the company.

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. CFDs are open-ended with no fixed termination date, in contrast to swaps, which utilize fixed termination dates.

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 (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.

Leverage
Leverage is the ratio between a fund's Total Exposure and its Net Asset Value, expressed as a percentage. For the purposes of the AIFM Directive, leverage can be calculated using two methods: (i) the gross method; and (ii) the commitment method. Under the gross method, Total Exposure is the algebraic sum of all investment positions (long and short), excluding cash and cash equivalents and converting derivative instruments into the equivalent position in the underlying asset. Under the commitment method, Total Exposure is the algebraic sum of all investment positions (long and short), plus cash and cash equivalents, minus hedging arrangements and offsetting instruments between eligible assets.

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.

	2022	2021
NAV at start of year	9.93	9.33
NAV at end of year	9.35	9.93
Effect of dividends*	0.46	0.51
NAV at end of year including effect of dividends	9.81	10.44
NAV total return	(1.34)%	11.89%

* Assumed reinvested at the time of shares going 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 year and this is calculated in accordance with guidance issued by the Association of Investment Companies.

		2022 $000	2021 $000
Regular recurring expenses	a	1,592	1,736
Average Shareholders' funds	b	99,579	131,080
Ongoing Charge Calculation	a/b	1.60%	1.32%

Glossary continued

Performance Fee
A detailed explanation of the calculation methodology for the Performance Fee payable to the Investment Manager can be found in Note 13.

Performance Hurdle
In relation to each performance period, the hurdle is represented by "A" multiplied 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 benchmarking 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.

	2022	2021
Share price at start of year	7.40	7.50
Share price at end of year	9.00	7.40
Effect of dividends*	0.55	0.51
Share price at end of year including effect of dividends	9.55	7.91
Share price total return	29.06%	5.46%

* Assumed reinvested at the time of the shares going 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

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Marco Bianconi
John Birch
John Newlands
Yuji Sugimoto
James Wedderburn

Portfolio Manager
Gabelli Funds, LLC
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United States

Company Secretary
Kin Company Secretarial (from 13 July 2021 onwards)
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Maitland Administration Services Limited
(until 12 July 2021 only)

Independent Auditors
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United Kingdom

Administrator and Custodian
State Street Bank and Trust Company
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Depositary
State Street Trustees Ltd
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Alternative Investment Fund Manager
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Registrar and Receiving Agent
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Legal & Financial Advisers to the Company
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EH2 4DF

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.

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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-informationaccount-holders.

Please visit us on the internet. Our home page at www.gabelli.co.uk contains information about Gabelli Funds,. LLC and 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 fifth Annual General Meeting (the "AGM") of the Company will be held at GAMCO (UK), 3 St. James's Place London SW1A 1NP United Kingdom on Wednesday 30 November 2022 at 15:00 (GMT) to consider and, if thought fit, pass the following resolutions, of which resolutions numbered 1 to 14 (inclusive) will be proposed as Ordinary Resolutions, and resolutions numbered 15 to 17 (inclusive) will be proposed as Special Resolutions.

The Directors currently anticipate that this year's Annual General Meeting will be open to shareholders, but reserve the right to change arrangements for the meeting at short notice. Therefore shareholders are encouraged to vote by proxy and to appoint the Chairman as their proxy.

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 2022 (the "Annual Report") together with the report of the auditors thereon.

2 To approve the Directors' Remuneration Report for the year ended 30 June 2022.

3 To approve the Company's dividend policy to continue to pay quarterly interim dividends. The three dividends declared in respect of the financial year ended 30 June 2022 total $0.36 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 Annual General Meeting of the Company.

11 To authorise the Audit & Risk Committee to determine the remuneration of the Company's auditors.

Special Business

Ordinary Resolutions

12 THAT, in accordance with Article 143 of the Articles of Association which provides that the Directors shall propose a Continuation Resolution at the first annual general meeting of the Company following the fifth anniversary of Admission that the Company, the Company continues its business as a closed-ended investment company; it being understood that the Articles of Association do not require any further Continuation Resolutions to be proposed to shareholders thereafter.

13 THAT, in addition to 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 $71,822 (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 of Annual General Meeting), such authority, unless previously revoked, to apply until the conclusion of next year's Annual General Meeting containing this resolution, 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.

14 THAT, in addition to all existing powers, the Board of Directors be and are hereby empowered to issue and allot Special Voting Loyalty Shares in order to give effect to Article 11(2) of the Articles of Association and THAT, in order to facilitate the administrative process of accepting subscriptions for such Special Voting Loyalty Shares, the Board of Directors be and are hereby empowered to accept subscriptions for such Special Voting Loyalty Shares outside of the Subscription Period specified in Article 11(2)(b) provided that all other conditions set forth therein are satisfied.

Special Resolutions

15 THAT, in addition to all existing powers, the Board of Directors be and are hereby empowered in accordance with section 570 of the Companies Act 2006 (the "Act"), to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by resolution 13 set out in the Notice of Annual General Meeting containing this resolution 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(1) 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 $10,238 (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.

16 THAT, in addition to all existing authorities, 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:

   a the maximum number of Ordinary Shares hereby authorised to be purchased is 1,076,619 (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 of Annual General Meeting containing this resolution);

   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, and

   d. such authority, unless renewed, or extended, shall apply until the conclusion of the Company's next year's Annual General Meeting 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.

17 THAT a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board

Marc Gabelli
Chairman
25 October 2022

Registered Office:
3 St. James's Place
London
England
SW1A 1NP

Notes to the Notice of the AGM

In accordance with the prevailing guidance issued by the UK government in response to the coronavirus pandemic, the Annual General Meeting is currently anticipated to be open to members. All members are entitled to vote at the meeting by providing a form of proxy. Members are strongly advised to appoint the Chairman of the meeting as their proxy.

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 15:00 (GMT) on 28 November 2022 (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 10 October 2022, which is the latest practicable date before the publication of this Notice is 7,182,249 Shares (excluding shares held in treasury).

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 25 November 2022, 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.

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 2022; or (ii) any circumstance connected with auditors of the Company appointed for the financial year ended 30 June 2022 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 four 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/investment-products/gabelli-merger-plus/.

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 3 St. James's Place, London SW1A 1NP, 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 23 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

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 Fund.

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 of the Manager"). 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 of the Manager can be divided into:

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

The Manager has designated the following persons as Identified Staff of the Manager:

1. The Designated Persons;
2. Each of the Manager's directors;
3. Compliance Officer;
4. Risk Officer;
5 Money Laundering Reporting Officer;
6. Chief Executive Officer;
7. Chief Operating Officer;
8. Head of Compliance with responsibility for Anti-Money Laundering and Counter Terrorist Financing; and
9. All members of the investment committee.

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 Fund. The Remuneration Policy is designed to discourage risk taking that is inconsistent with the risk profile of the Fund and the Manager is not incentivised or rewarded for taking excessive risk.

The Manager has determined not to constitute a separate remuneration committee and for remuneration matters to be determined through the Manager's Compliance and AML Committee.

The Compliance and AML Committee is responsible for the ongoing implementation of the Manager's remuneration matters and will assess, oversee, and review the remuneration arrangements of the Manager as well as that of the delegates as relevant, in line with the provisions of the applicable remuneration requirements.

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 the majority of staff and enters into inter-group agreements with other Carne Group entities within the group to ensure such entities are resourced appropriately. Additionally, the Manager has a number of directly employed staff. The one non-executive independent director is not an employee of the Manager. 4 of the Designated Persons are directly employed by the Manager. The remainder of the identified staff are employees of Carne, or employees of another entity within the Carne Group, and are remunerated directly based on their contribution to 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 Fund.

The aggregate of the total Staff Recharge and the remuneration of the independent non-executive director is €1,762,906 paid to 21 individuals for the year ended 31 December 2021. The Manager has also determined that, on the basis of number of sub-funds / net asset value of the Fund relative to the number of sub-funds/assets under management, the portion of this figure attributable to the Fund is €2,185.

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

The Remuneration Policy and the Manager's remuneration practices and procedures were amended during the financial year. Also, the committee responsible for remuneration matters for the Manager has changed to the Compliance and AML Committee, a Committee of the Manager's Board.

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

19 July 2017

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