GABELLI
FUNDS

Investment policy
The Company will seek to meet its long term 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. The company invests for the long term as owners with an emphasis on cash generating, franchise companies, selling at a significant discount to our appraisal of their Private Market Value. We define Private Market Value (PMV) as the value an informed industrialist would pay to purchase assets with similar characteristics in a privately negotiated transaction.

“Event Driven Merger Arbitrage” is a highly specialised active investment approach designed principally to profit from the differences between PMV estimates and public market price with returns realised through 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, but not limited to, management changes, announced mergers, acquisitions, takeovers, tender offers, leveraged buyouts, restructurings, demergers and other types of reorganisations and corporate actions (“deals”).

The Company will invest and operate globally although it is expected to have an emphasis on predominantly equity securities issued by companies in the United States of any market capitalisation. The Company is permitted to use a variety of investment strategies and instruments, including but not limited to: minority or majority controlling operating interests in equity; convertible and non-convertible debt securities; asset-backed and mortgage-backed securities; fixed interest securities; preferred stock, nonconvertible preferred stock, depositary receipts; shares or units of UCIs or UCITS as an investment or by management contract; 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 is a long-term investor and does not seek to generate short-term returns or profits from trading or hedging. While taking a long-term view, the Company will realise opportunities from hedging or for shorter-term gains when appropriate.

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, but are not limited to: (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; (iv) entering into agreements to acquire operating businesses including managing assets for third parties and (v) 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.

No material change will be made without shareholder approval.