

GMP

THE GABELLI MERGER PLUS⁺ TRUST

LON: **GMP**
SEDOL/ISIN: BD8P074 / GB00BD8P0741

PROFILE

The Gabelli Merger Plus⁺ Trust'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.

MERGER INVESTING WITH GABELLI

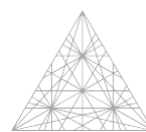
The Company will seek to meet its investment objective by utilizing the Gabelli Private Market Value (PMV) with a CatalystTM, investment methodology, maintaining a diversified portfolio of catalyst event merger arbitrage strategies to seek to create an optimal risk/reward profile for the portfolio.

"Catalyst 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").

PORTFOLIO CHARACTERISTICS

Total Positions	118
Average Position	1.2%
Top 5 Positions (ex-cash)	21.5%
Top 10 Positions (ex-cash)	35.2%
Gearing	0%
Invested Capital:¹	
Gross	142.1%
Long:	118.2%
Net:	86.7%
Asset Type:	
Equity	72.4%
Fixed Income	0.0%
Contract for Difference (CFD) ³	11.7%
US Treasury/Money Market/Cash	15.9%

Quarter Ended September 30, 2018



GABELLI
FUNDS

THIRD QUARTER 2018 REPORT

Total Net Assets:	\$100.9 Million
Net Asset Value per Share:	\$9.76
LSE Market Price:	\$8.95
Premium (Discount):	(8.3)%

PERFORMANCE

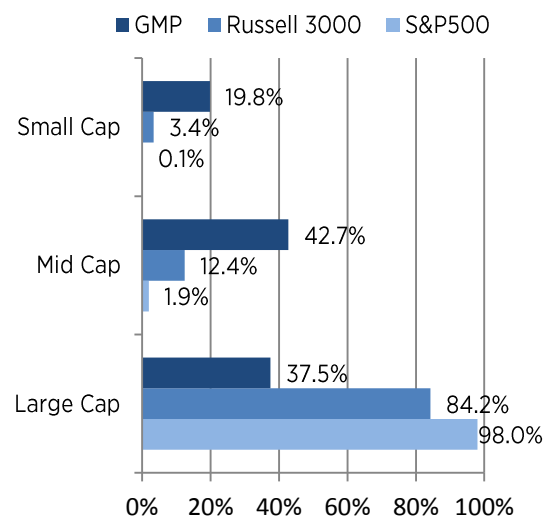
NAV

Inception to Date:	3.2%
Quarter to Date:	0.4%

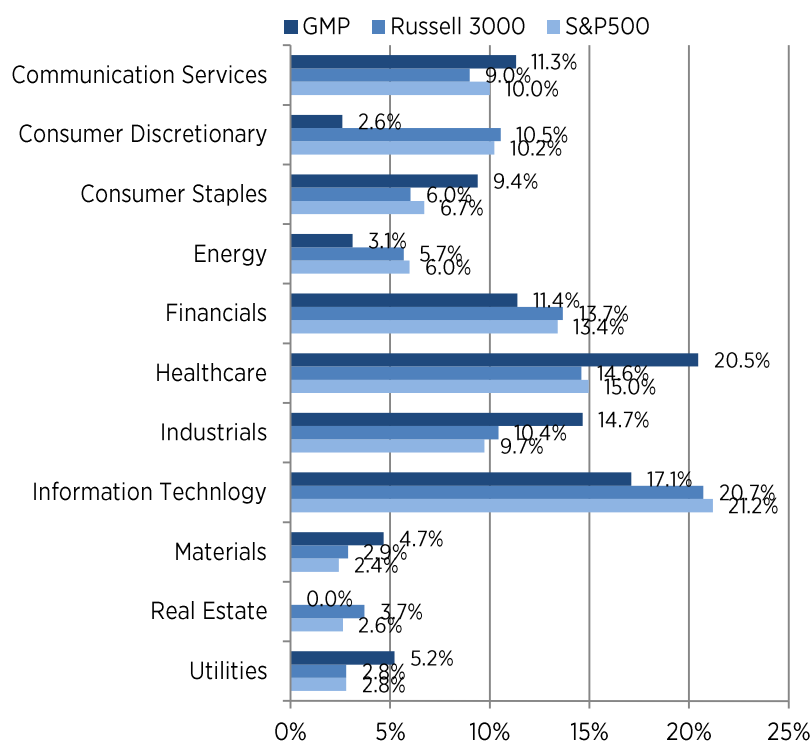
Market Price

Inception to Date:	-7.6%
Quarter to Date:	-6.8%

MARKET CAPITALIZATION¹



SECTOR EXPOSURE²



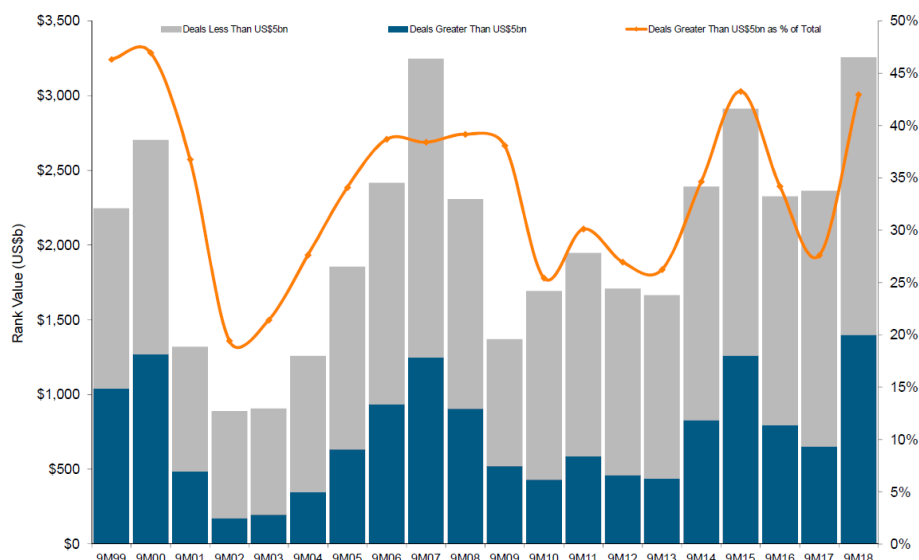
SELECTED HOLDINGS

- Avista Corp
- CA Inc
- Express Scripts Inc
- Frutarom Industries
- Gemalto
- Klx Inc
- Orbotech Ltd
- Shire Plc
- Tribune Media
- USG Corp

The selected holdings are not necessarily representative of the entire portfolio and are subject to change.

COMMENTARY

The third quarter of 2018 continued the year's record pace of deal making with global M&A totaling \$3.3 trillion. This was up 37% year over year and the highest first nine months since the records began in 1980 according to Thomson Reuters. Mega deals, over \$5 billion, added \$1.4 trillion to the year to date volume. One hundred of those accounted for greater than 40% of total activity a new record. A full review is seen in the chart below.



Source: Thomson Reuters – Mergers & Acquisitions Review – First Nine Months 2018

Cross border activity also set a new record surpassing the previous high of 2007 with \$1.3 trillion for the first 9 months. Deals with U.S. targets saw a 50% rise versus 2017 and European M&A was up 64%. In Asia, deal making was up 8.5% year over year with industrials leading the charge.

By sector, Energy & Power led the third quarter as it did the first half of the year totaling \$548 billion, an all-time record, followed by Healthcare and Technology both contributing over 10% to overall deal volumes.

The United States has been central to merger momentum globally. The U.S. tax reforms continue to support event activity as the repatriation of overseas cash bolsters balance sheets and spurs deal activity. Progressive initiatives for deregulation are expected to alleviate burdens and hurdles for deals that otherwise would not have been contemplated or actually transacted. Additionally, the U.S. Federal Reserve continued its path of raising interest rates, a key component of deal spreads coupled with the time value of money and the deal risk premium. With the positive correlation of rates and spreads, we would expect to see a rise in annualized returns benefitting the Company. Deals will continue to be “re-priced” in the market as rates increase.

While we have seen increased broad market volatility, this dynamic enhances the opportunity to invest in deals, with the prospect of improved returns as spreads widen providing the Company and attractive entry point in fundamentally solid transactions. This is consistent with the Company’s active approach to build and evaluate positions over the course of the deal timeline.

Recent performance has been supported by positive developments including:

- Sky plc (SKY LN- £17.29-London) shares traded higher after the auction process for the British broadcaster resulted in a bid price of £17.28 cash per share by Comcast, or about £37 billion. The auction was mandated by UK regulators after a bidding war broke out between Comcast and Disney-backed Twenty-First Century Fox after Fox launched a deal to acquire Sky for £10.75 in December 2016.
- Express Scripts (ESRX-\$95.01-NASDAQ) shares narrowed the discount to its deal price after the Department of Justice gave the green light to its proposed merger with Cigna. The companies are still awaiting approval from several state insurance departments and expect to close the deal in the fourth quarter.
- Nevsun Resources (NSU CN-C\$5.73-Toronto), a gold and copper mining company, agreed to be acquired under improved terms from Zijin Mining Group for C\$6.00 cash per share, or about C\$1.8 billion. Nevsun hired bankers to sell the company after Lundin Mining launched a bid to acquire the company for C\$4.75 cash per share in July 2018.
- Aetna (AET-\$200.27-NYSE) shares narrowed the discount to its cash-and-stock deal price after acquirer CVS announced earnings and updated its closing guidance to the third quarter, or early fourth quarter of 2018. In addition, recent reports indicate that the companies are close to an agreement with the Department of Justice that would require CVS to sell overlapping Medicare Part D assets to resolve antitrust concerns.

SELECTED COMPLETED DEALS

Cotiviti Holdings Inc. (COTV-\$44.13-NYSE) agreed to be acquired by Verscend Technologies, Inc. Cotiviti provides analytics-driven payment accuracy and network value solutions focused on reducing healthcare waste. Under terms of the agreement Cotiviti shareholders received \$44.75 cash per share, valuing the transaction at approximately \$5 billion. The transaction was subject to shareholder, as well as regulatory approvals and closed on 27 August.

Foundation Medicine, Inc. (FMI-\$136.70-NASDAQ) agreed to be acquired by Roche Holdings AG (ROG SW-CHF220.55-Zurich). Foundation Medicine develops and sells genomic analysis diagnostics that help doctors select the most effective treatment for cancer patients. Under terms of the agreement Foundation Medicine shareholders received \$137.00 cash per share, valuing the transaction at approximately \$5 billion. The transaction was subject to the tender of at least a majority of shares outstanding, as well as regulatory approvals and closed 31 July.

XL Group Ltd. (XL-\$55.26-NYSE) agreed to be acquired by AXA SA (CS FP-€21.60-Paris). XL Group underwrites property, casualty and specialty insurance and reinsurance products for commercial buyers. Under terms of the agreement XL shareholders received \$57.60 cash per share, valuing the transaction at approximately \$15 billion. The transaction was subject to shareholder, as well as regulatory approvals and closed 12 September.

Kindred Healthcare, Inc. (KND-\$9.70-NYSE) agreed to be acquired by consortium led by Humana Inc. (HUM-\$248.07-NYSE). Kindred Healthcare operates hospitals and nursing centers and provides contract rehabilitation services throughout the United States. Under terms of the agreement Kindred shareholders received \$9.00 cash per share, valuing the transaction at approximately \$4 billion. The transaction was subject to shareholder, as well as regulatory approvals and closed 2 July.

Abaxis, Inc. (ABAX-\$82.80-NASDAQ) agreed to be acquired by Zoetis (ZTS-\$83.70-NYSE). Abaxis manufactures portable blood analysis systems used in both human and veterinary care. Under terms of the agreement Abaxis shareholders received \$83.00 cash per share, valuing the transaction at approximately \$2 billion. The transaction was subject to shareholder, as well as regulatory approvals and closed on 1 August.

SELECTED CURRENT DEALS

K2M Group Holdings, Inc. (KTWO-\$27.34-NASDAQ) agreed to be acquired by Stryker Corp. (SYK-\$169.43-NYSE). K2M Group designs and develops complex spine and minimally invasive spine technologies and techniques used by surgeons to treat spinal pathologies. Under terms of the agreement K2M shareholders will receive \$27.50 cash per share, valuing the transaction at approximately \$1 billion. The transaction is subject to shareholder, as well as regulatory approvals and is expected to close in the fourth quarter of 2018. Announcement date: 30 August

Reis, Inc. (REIS-\$23.05-NASDAQ) agreed to be acquired by Moody's Corp. (MCO-\$178.02-NYSE). Reis provides commercial real estate market information and analytical tools to real estate professionals. Under terms of the agreement Reis shareholders will receive \$23.00 cash per share, valuing the transaction at approximately \$300 million. The transaction is subject to the tender of at least a majority of shares outstanding, as well as regulatory approvals and is expected to close in the fourth quarter of 2018. Announcement date: 30 August

Aspen Insurance Holdings Ltd. (AHL-\$41.15-NYSE) agreed to be acquired by Apollo Global Management, LLC (APO-\$34.53-NYSE). Aspen Insurance provides reinsurance and insurance coverage to clients in various domestic and global markets. Under terms of the agreement Aspen shareholders will receive \$42.75 cash per share, valuing the transaction at approximately \$2 billion. The transaction is subject to shareholder, as well as regulatory approvals and is expected to close in the first half of 2019. Announcement date: 27 August

EnerCare, Inc. (ECI CN-C\$28.95-Toronto) agreed to be acquired by Brookfield Infrastructure Partners LP (BIP-\$39.00-NYSE). EnerCare provides residential energy infrastructure, including water heaters, heating, ventilation, air conditioners rentals, as well as other home services. Under terms of the agreement EnerCare shareholders will receive C\$29.00 cash per share, valuing the transaction at approximately C\$4 billion. The transaction is subject to shareholder, as well as regulatory approvals and is expected to close in the fourth quarter of 2018. Announcement date: 1 August

Dun & Bradstreet Corp. (DNB-\$142.92-NYSE) agreed to be acquired by Cannae Holdings, Inc. (CNNE-\$19.44-NYSE) and a Consortium of investors. Dun & Bradstreet uses commercial data, analytics and insights to help companies improve their business performance. Under terms of the agreement Dun & Bradstreet shareholders will receive \$145.00 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 by the end of 2018. Dun & Bradstreet is also permitted to solicit superior bids from parties during a 45 day "go-shop" period. Announcement date: 8 August

PERFORMANCE (THROUGH 30/09/2018)

	2017	2018										
In USD %	Year	January	February	March	April	May	June	July	August	September	YTD	ITD ⁵
GMP NAV ³	0.91	0.91	0.10	-1.01	-0.52	1.56	1.13	-0.72	0.52	0.62	2.48	3.20
GMP Market ⁴	1.87	3.32	unch	unch	-1.24	-1.47	-3.23	-8.84	1.71	0.56	-9.27	-7.57
13 Week Treasury Bill ⁶		0.12	0.14	0.14	0.16	0.16	0.16	0.17	0.18	0.18		

DISCLOSURE

¹ Portfolio composition is reflective of the portfolio as of the date of this report, but is not necessarily indicative of the composition of the portfolio in the future which may be significantly different than that shown here. The classifications of market capitalisation, sector, and geography for the Company and indices were sourced from Factset Systems and data is believed to be reliable. For market capitalization classifications, greater than \$10 billion is considered large cap, \$2-10 billion is mid cap, and less than \$2 billion is small cap. Market Capitalisation, sector and geographic exposures reflect that of equity investments only. Invested Capital includes all long positions (including Net Swap Positions, excludes Net Cash and US Treasuries. Short term fixed Income includes US Treasury/Money Market/Cash. ² Sector Exposure includes only long positions.

Source: Bloomberg. All data is in USD terms. ³ NAV performance is net of all fees and expenses and based on the initial NAV of \$9.92 on 19 July 2017. ⁴ Market performance is based on the initial offering price of \$10.00 on 19 July 2017 and reflects changes in closing market values on the LSE. ⁵ July and Inception to Date performance is from 19 July 2015. ⁶ Source: treasury.gov, 13 Week Treasury Bill Coupon equivalent at the end of month divided by 12 (months), to represent it on a monthly basis.

Note: This document is not for release, publication or distribution, directly or indirectly, in whole or in part in any jurisdiction where such offer or sale would be unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on Gabelli Merger Plus+ Trust PLC (the "Company") or GAMCO ASSET MANAGEMENT (UK) LTD (or any of its affiliated entities) together ("GAMCO"). Persons into whose possession this document comes must inform themselves about, and observe, any such restrictions as any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction. This document has been prepared by the Company for information purposes only and does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, ordinary shares of \$0.01 each in the capital of the Company ("Ordinary Shares") in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or GAMCO. The offer and sale of Ordinary Shares have not been and will not be registered under the applicable securities laws of the United States, Australia, Canada, South Africa or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered or sold within the United States, Australia, Canada, South Africa or Japan or to any national, resident or citizen of the United States, Australia, Canada, South Africa or Japan. This document does not constitute any form of financial opinion or recommendation on the part of the Company or any of its affiliates or advisers and is not intended to be an offer, or the solicitation of any offer, to buy or sell any securities in any jurisdiction. Each investor must comply with all legal requirements in each jurisdiction in which it purchases, offers or sells the Company's securities, and must obtain any consents, approval or permission required by it.

This document is an advertisement and not a prospectus and investors should not subscribe for or purchase any securities except on the basis of information in the prospectus to be published by the Company in due course in connection with the application to be made to the UK Listing Authority and the London Stock Exchange for the Ordinary Shares proposed to be issued to be admitted to listing on the premium listing segment of the Official List and to trading on the Main Market for listed securities of the London Stock Exchange respectively (the "Prospectus"). Copies of the Prospectus will, following publication, be available from the Company's registered office.

The Ordinary Shares have not been nor will be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Ordinary Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "U.S. Investment Company Act") and investors will not be entitled to the benefits of the U.S. Investment Company Act.

This document has not been approved (for the purposes of section 21 of the Financial Services and Markets Act 2000 ("FSMA")).

This document is being issued to and directed only at: (i) persons who have professional experience in matters relating to investments and who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order"); or (ii) persons who fall within Article 43 of the Financial Promotion Order (members and creditors of certain bodies corporate); or (iii) persons who fall within Article 49(2) of the Financial Promotion Order (including certain high net worth companies, unincorporated associations or partnerships and the trustees of high value trusts, or other respective directors, officers or employees as described in Article 49 of the Financial Promotion Order); or (iv) any other persons to whom this presentation for the purposes of Section 21 of FSMA can otherwise lawfully be made without further action; or (v) persons otherwise permitted by the laws of the jurisdiction in which they are resident to receive them; or (vi) in relation to persons in member states of the European Economic Area ("EEA"), are a "professional client" or an "eligible counterparty" within the meaning of Article 4(1)(II) and 24(2); (3) and (4), respectively, of MiFID (as MiFID is implemented into national law of the relevant EEA state). This document is not intended to be, and must not be, distributed, passed on or disclosed, directly or indirectly, to any other class of person.

The condition of you receiving this document is that you fall within one of the categories of persons described above and by accepting this document you will be taken to have warranted, represented and undertaken to the Company that: (a) you fall within one of the categories of persons described above, (b) you have read, agree to and will comply with the terms of this disclaimer; and (c) you will conduct your own analyses or other verification of the data set out in this document and will bear the responsibility for all or any costs incurred in doing so.

Persons who do not fall within one of the categories of persons described above should not rely on this document nor take any action upon them, but should return them immediately to the Company at its registered office.

In addition, the Ordinary Shares will only be offered to the extent that the Company: (i) is permitted to be marketed into the relevant EEA jurisdiction pursuant to either Article 36 or 42 of the EU Directive on Alternative Investment Fund Managers (if and as implemented into local law); or (ii) can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor).