GABELLI MERGER PLUS+ TRUST Plc

INITIAL ACCOUNTS

For the period from 28 April 2017 (Date of Incorporation) to 30 November 2017

Contents **Page**

Notice to Reader

For the period 28 April 2017 (Date of Incorporation) to 30 November 2017

Gabelli Merger Plus+ Trust Plc (the "Company") was incorporated in England and Wales on 28 April 2017 with registered number 10747219 as an investment company. The Company commenced its operations on 19 July 2017. The Company intends to carry on business as an investment company under Section 833 of the Companies Act of 2006.

The registered office and principal place of business of the Company is 64 St. James's Street, London SW1A 1FA.

The initial placing of the Company took place on 19 July 2017, raising gross proceeds of US$100,111,000. The Company commenced business on 19 July 2017 when the initial 10,011,100 Ordinary Shares were admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange, and to listing and trading on the Official List of the International Stock Exchange.

Subsequent to the first placing, the Company may issue additional Ordinary Shares with the view to grow the Company further. Any such issuance would be priced so as to ensure that there is no dilution to the net asset value per share for existing shareholders.

On 13 November 2017, the Company announced the successful completion of its placing of US$3,343,733 of Ordinary Shares at a price of US$10.35. Applications were made for those Ordinary Shares to be admitted to trading on the Specialist Fund Segment of the London Stock Exchange and the Official Listing of the International Stock Exchange. The Admission became effective and dealings in the Ordinary Shares commenced at 8:00 am on 15 November 2017.

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.

On 15 November 2017, The Registrar of Companies for England and Wales approved the Company's request to reduce its share premium account, resulting in $102,449,059 being moved to the Special Distributable Reserve.

These financial statements constitute initial accounts that have been prepared in order that the Company can propose a cash distribution to shareholders. In accordance with section 836(2) of the Companies Act of 2006, the Company must prepare initial accounts if it wishes to propose a dividend in the first accounting reference period of the Company, or before any statutory accounts have been completed in respect of that period.

Directors' Responsibilities Statement

For the period 28 April 2017 (Date of Incorporation) to 30 November 2017

The Directors are solely responsible for properly preparing the initial accounts. The Directors understand that "properly preparing" means that the accounts must be prepared in accordance with sections 395 to 397, and the regulations made there under, of the Companies Act 2006, applying those requirements with such modifications as are necessary because the accounts are prepared otherwise than in respect of an accounting reference period. The basis of preparation of the initial accounts is International Financial Reporting Standards as adopted by the European Union.

The Directors are also responsible for:

a) ensuring that that Company maintains accounting records which disclose with reasonable accuracy, at any time its financial position;
b) making available to the Company's auditors, as and when required, all the Company's accounting records, all other relevant records, including minutes of all Directors', management and shareholders' meetings and such information and explanations as the Company's auditors consider necessary for the performance of their duties; and
c) delivering a copy of the initial accounts to the registrar.

Marc Gabelli

Chairman

11 January 2018

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

Report on the audit of the initial accounts

Opinion

In our opinion, Gabelli Merger Plus+ Plc's initial accounts for the period from 28 April 2017 to 30 November 2017 (the "period") have been properly prepared, in all material respects, within the meaning of section 839(4) of the Companies Act 2006 in the United Kingdom.

We have audited the initial accounts, included within the Report containing Interim Accounts (the "Report"), which comprise: the Statement of Financial Position as at 30 November 2017; the Statement of Comprehensive Income, the Statement of Changes in Net Equity for the period then ended; and the notes to the initial accounts, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the initial accounts 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 initial accounts in the UK, which includes the FRC's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the initial accounts, which is not modified, we draw attention to note 2 of the initial accounts which describes the basis of preparation. The initial accounts are prepared for the directors for the purpose of complying with the requirements of Part 23 of the Companies Act 2006. The initial accounts have therefore been prepared in accordance with a special purpose framework and, as a result, the initial accounts may not be suitable for another purpose.

In addition, we draw attention to the fact that these initial accounts have not been prepared under section 394 of the Companies Act 2006 and are not the Company's annual statutory financial statements.

Conclusions relating to going concern

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

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

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

Reporting on other information

The other information comprises all of the information in the Report other than the initial accounts and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the initial accounts does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the initial accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the initial accounts 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 initial accounts 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.

Responsibilities for the initial accounts and the audit

Responsibilities of the directors for the initial accounts

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the initial accounts in accordance with the provisions of the Companies Act 2006 that would have applied had the initial accounts been prepared for a financial year of the Company as explained in the basis of preparation and accounting policies in note 2 to the initial accounts, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of initial accounts that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the initial accounts

It is our responsibility to report on whether the initial accounts have been properly prepared in accordance with the relevant provisions of the Companies Act 2006.

Our objectives are to obtain reasonable assurance about whether the initial accounts 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 initial accounts.

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 opinion, has been prepared for and only for the Company's directors as a body to support their justification whether a distribution can be made by the Company without contravening Part 23 of the Companies Act 2006 in accordance with our engagement letter dated 19 December 2017 and for no other purpose. We do not, in giving this opinion, 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, including without limitation under any contractual obligations of the Company, save where expressly agreed by our prior consent in writing.

Colleen Local (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
January 2018

Statement of Financial Position
As at 30 November 2017

	Note	As at 30 November 2017 $000
Non-current assets		
Investments at fair value through profit or loss	3	62,624
Current assets		
Cash and cash equivalents	6	40,028
Other current assets	2g, 7	778
		40,806
Total assets		103,430
Current liabilities		
Investment management fees payable	8	(70)
Offering expenses payable		(127)
Accrued expenses and other liabilities	2h	(934)
		(1,131)
Net assets		102,299
Represented by		
Called up share capital	10	103
Special distributable reserve	10	102,449
Revenue reserve		(343)
Capital reserve		90
Total equity		102,299
Net asset value per ordinary share	9	**$9.90**

The initial accounts of Gabelli Merger Plus+ Trust Plc, registered number 10747219, were approved and authorized for issue by the Board of Directors on 11 January 2018.

Paolo [signature]

Statement of Comprehensive Income

For the period 28 April 2017 (date of incorporation) to 30 November 2017

		Period ended 30 November 2017		
		Revenue	**Capital**	**Total**
	Note	**$000**	**$000**	**$000**
Revenue				
Gains on investments held at fair value through profit or loss	2a	-	90	90
Investment income	2c	182	-	182
Total Revenue		182	90	272
Expenses				
Investment management fees	2d, 8	(311)	-	(311)
Administration fee	2d, 8	(19)	-	(19)
Directors' fees	2d, 8	(14)	-	(14)
Audit fee	2d, 8	(16)	-	(16)
Other expenses	2d, 8	(165)	-	(165)
Total expenses		**(525)**	**-**	**(525)**
Net return on ordinary activities before taxation		**(343)**	**90**	**(253)**
Taxation on ordinary activities		-	-	-
Net return on ordinary activities after taxation		**(343)**	**90**	**(253)**
Net return per Ordinary Share ($)		($0.03)	$0.01	($0.02)

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

Statement of Changes in Net Equity
For the period 28 April 2017 (Date of Incorporation) to 30 November 2017

	Note	Called Up Share Capital $000	Special Distributable Reserve† $000	Share Premium $000	Revenue Reserve $000	Capital Reserve $000	Total $000
Net assets attributable to shareholders at the beginning of the period		-	-	-	-	-	-
Ordinary shares issued	10	103	-	103,351	-	-	103,454
Share issue costs††		-	-	(902)	-	-	(902)
Transfer to special distributable reserves		-	102,449	(102,449)	-	-	-
Return on ordinary activities after taxation		-	-	-	(343)	90	(253)
30 November 2017		**103**	**102,449**	**-**	**(343)**	**90**	**102,299**

†These reserves are distributable.

††Share issue costs are comprised of $835,448 for the initial placing of shares on 19 July and $66,875 for the tap issue on 15 November.

Notes to the Financial Statements

For the period 28 April 2017 (Date of Incorporation) to 30 November 2017.

1 General Information

Gabelli Merger Plus+ Trust Plc (the "Company") was incorporated in England and Wales on 28 April 2017 with registered number 10747219 as an investment company.

The registered office and principal place of business of the Company is 64 St. James's Street, London SW1A 1FA.

The initial placing of the Company took place on 19 July 2017, raising gross proceeds of US$100,111,000. The Company commenced business on 19 July 2017 when the initial 10,011,100 Ordinary Shares were admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange, and to listing and trading on the Official List of the International Stock Exchange.
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.

The Company will seek to meet its investment objective by utilizing the Gabelli Private Market Value (PMV) with a Catalyst™ investment methodology, maintaining a diversified portfolio of catalyst event-driven 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"). 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 has appointed Carne Global Fund Managers (Ireland) Limited as its alternative investment fund manager pursuant to the AIFM Directive (the "AIFM"). The AIFM is responsible for the portfolio management and risk management functions of the Company (which is an 'alternative investment fund' for the purposes of the AIFM Directive). The AIFM is regulated and authorised by the Central Bank of Ireland as an authorised EEA alternative investment fund manager. The AIFM has delegated the portfolio management functions regarding the Company to Gabelli Funds, LLC, the Portfolio Manager. The AIFM will monitor on a continued basis the activities of the third parties to which it has delegated functions. The agreements entered into between the AIFM and the relevant third parties provide that the AIFM can give at any time further instructions to such third parties and that it can withdraw their mandate under certain circumstances. The AIFM's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

Gabelli Funds, LLC, the Portfolio Manager, is a corporation established under the laws of the State of New York on 9 February 1999 and having its principal office at One Corporate Center, Rye, NY 10580-1422. The Portfolio Manager is a registered investment adviser under the Advisers Act and is regulated by the Securities and Exchange Commission.

At 30 November 2017 the Company held equity in the form of 10,334,166 Ordinary Shares. These shares are listed and traded on the Specialist Fund Segment of the Main Market of the London Stock Exchange, and are listed and traded on the Official List of the International Stock Exchange.

Maitland Administration Services Ltd. has been appointed as Company Secretary of the Company pursuant to the Company Secretarial Services Agreement. The Company Secretary will be responsible for the general company secretarial functions required by the Act (including, but not limited to, making all such returns and filings on behalf of the Company as may be required by the UK Companies Act of 2006, the “Act”).

State Street Bank and Trust Company has been appointed as Administrator of the Company pursuant to the Administration Services Agreement. The Administrator will be responsible for the day to day administration of the Company (including but not limited to the maintenance of the Company's books of accounts and financial records and the calculation of the daily NAV and NAV per Share).

2 Significant Accounting Policies

(a) Basis of preparation

These financial statements are not statutory financial statements and are prepared solely to facilitate the payment of distributions to shareholders. The financial statements are prepared in accordance with Sections 395 to 397 of the Act and relevant International Financial Reporting Standards as adopted by the European Union (“IFRS”).

The initial accounts are prepared on a going concern basis under the historical cost convention, as modified by the valuation of investments and derivative financial instruments at fair value. The principal accounting policies are set out below.

The Company’s presentation currency is in US$. The Company’s functional currency is US$.

The Directors consider that the Company has adequate financial resources to enable it to continue in operations for the foreseeable future. Accordingly, the Directors believe that it is appropriate to adopt the going concern basis in preparing the Company’s financial statements.

(b) Preparation of Statement of Comprehensive Income

Net revenue is the measure the Directors believe appropriate in assessing the Company’s compliance with certain requirements set out in Section 1158 of the Corporate Taxes Act 2010.

(c) Income

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.

(d) Expenses
The management and performance fees are allocated one hundred percent to revenue in the Statement of Comprehensive Income. 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.

(e) Dividends Payable to Shareholders
Dividends payable to shareholders are accounted for in the period in which they are approved by the Board. Dividends payable to shareholders are recognised in the Statement of Changes in Net Equity when they are paid.

(f) Cash and Cash Equivalents
Cash comprises cash on hand and U.S. Treasury Bills.

(g) Other Current Assets
Current assets other than cash and cash equivalents are derecognised when the Company's right to the asset is discharged, cancelled, or has expired.

(h) Liabilities
Liabilities are derecognised when the obligation is discharged, cancelled or has expired.

(g) Statement of estimation uncertainty
In the application of the Company's accounting policies, the Portfolio 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 this report.

3 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 using the closing price of the valuation date. Purchase and sales of investments are accounted for at trade date plus one.

Investments at fair value through profit or loss	As at 30 November 2017 $000
Opening valuation	-
Opening unrealised gains/(losses) on investments	-
Opening cost	-
Add: additions at cost	166,218
Less: disposals at cost	(103,218)
Closing cost	63,000
Closing unrealised gains/(losses) on investments	(376)
Closing valuation	62,624

Fair value hierarchy

The Company has adopted the 'Amendments to IFRS 13 – Fair value measurement', where an entity is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

- Level 1 – The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable, i.e., developed using market data, for the asset or liability, either directly or indirectly.
- Level 3 – Inputs are unobservable, i.e., for which market data is unavailable, for the asset or liability.

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 November 2017			
	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets at fair value through profit or loss				
Quoted equities	63,030	-	-	63,030
Contracts for difference (unrealised loss)	-	(406)	-	(406)
Net fair value	63,030	(406)	-	62,624

4 Income and Gains on Investments

	As at 30 November 2017 $000
Income	
Net income from operations	(343)
Total	(343)
Net gains/(losses) on investments	
Unrealised losses on investments	(376)
Realised gains on investments	466
Total	90

5 Financial Instruments and Associated Risks

The Directors are ultimately responsible for identifying and controlling the risks inherent in the Company's activities, which are managed through ongoing communications, monitoring, risk limits, and other controls. The day to day management of the risks affecting the Company have been delegated to the AIFM and the Portfolio Manager.

The Company has no employees. Whilst the Company and the Portfolio Manager have taken steps to establish and maintain adequate procedures and controls, in order to enable the Company to comply with its obligations the Company has outsourced operations functions to third parties, which include

Computershare Investor Services Plc (registrar and receiving agent), State Street Bank and Trust Company, London Branch (custodian and administrator), State Street Trustees Limited (depositary), and Maitland Administration Services Ltd (Company secretary). Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment or the termination of these agreements may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the NAV and/or the market price of the Shares.

The principal risks and uncertainties that could have a material impact of the Company's performance have not changed from those outlined in detail on pages 22 to 37 of the Company's Prospectus dated 15 July 2017, available on the Company's website, **http://gabelli.co.uk**/. These risks include:

(i) The Company is a newly formed company with no operating history. No historical financial statements or other meaningful operating or financial data upon which prospective investors may base an evaluation of the likely performance of the Company have been prepared. An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business.

(ii) There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment. There is no assurance that any appreciation in the value of the Shares will occur or that the investment objective of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

(iii) The Company has no employees and all of the Directors have been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for some of its functions.

(iv) Misconduct or misrepresentations by employees of the Portfolio Manager or other third party service providers could cause significant losses to the Company. Employee misconduct may include binding the Company to transactions that exceed authorised limits or unauthorised trading activities. Losses could also result from actions by third party service providers, including, without limitation, failing to recognise trades or misappropriating assets.

(v) The principal investment risk associated with the Company's arbitrage investments is that some of the proposed transactions in which the Company invests may be renegotiated, terminated or involve a longer time frame than originally contemplated, in which case the Company may realise losses.

(vi) At the sole discretion of the Portfolio Manager, the Company may use leverage as part of its investment programme. It is anticipated that the Company will structurally gear and use tactical leverage or portfolio borrowings in an amount (calculated at the time of draw down) of approximately 2 times the Net Asset Value, subject to maximum gearing of 2.5 times the Net Asset Value. The Company may use such borrowings to seek to enhance investment returns. While the use of borrowings should enhance the total return on the Shares when the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect when the return on the Company's underlying assets is falling or rising at a lower rate than the cost of borrowing, reducing the total return on the Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Share and the market price of the Shares.

Market Price Risk
The effects of normal market fluctuations and global macro events may impact the Company's business, operating results or financial condition. There are factors which are outside the Company's control and which may affect the volatility of underlying asset values and the liquidity and the value of the Company's portfolio. Changes in economic conditions in the US where the Company predominantly invests (for example, interest rates and rates of inflation, industry conditions, competition, political and diplomatic events, the outbreak of war which impacts the US and other factors) could substantially and adversely affect the Company's prospects.

Interest Rate Risk
The Company will pay interest on its borrowings and is therefore exposed to interest rate risk due to fluctuations in the prevailing market rates. In a rising interest rate environment, the cost of maintaining leverage will increase. Such an increase may result in a reduction of the total return on the Company's portfolio. In addition, in such an environment the Portfolio Manager may determine that leverage is too costly to employ, which could have the effect of reducing the size of the Company's portfolio of investments and positions.

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 favorable as on the expiring transaction. At 30 November 2017 the Fund held CFDs, as shown in the following table.

Security	Trade Currency	Shares	Fair Value ($)
Mantra Group Ltd	AUD	143,445	(548)
Nets A/S	DKK	77,900	4,992
Abertis Infrastructure	EUR	44,200	21,559
Ansaldo STS	EUR	8,000	1,431
Axiare Patrim	EUR	29,171	416
Obrascon Huarte	EUR	8,250	191
Refresco Group	EUR	12,737	1,519
Zodiac Aerospace	EUR	105,480	(1,258)
Aldermore Group	GBP	102,000	1,703
Aveva Group	GBP	2,850	4,938
Paysafe Group	GBP	253,239	1,714
Sky Plc	GBP	299,523	103,962
Spire Healthcare	GBP	26,615	(141)
Worldpay Group	GBP	434,319	88,775
Vantiv Inc Cl A	GBP	(29,187)	(99,685)
Ameris Bancorp	USD	(7,823)	(8,780)
AT&T Inc	USD	(37,302)	(82,437)
Becton Dickinson	USD	(10,684)	(87,328)
Centerstate Bank	USD	(4,450)	(5,607)
Discovery Communications	USD	(6,500)	(14,974)
First Horizon	USD	(105,475)	(105,346)
Grifols SA	USD	(12,555)	3,545
Lennar Corp-B	USD	(372)	(4,449)
Lennar Corp-A	USD	(26,723)	(123,414)
Liberty International	USD	(30,226)	(29,217)
Littelfuse Inc	USD	(2,117)	(16,195)
Marvell Technologies	USD	(12,946)	11,121
Sinclair Broadcasting	USD	(2,150)	(4,354)
Twenty-First Century Fox-A	USD	(19,500)	(66,105)
United Technologies	USD	(400)	(1,752)
			(405,724)

Currency Risk

The Company's performance may be adversely affected by currency movements. The proceeds of the offering are denominated in US Dollars and the Board intends that all monies returned to shareholders will be in US Dollars, the reported Net Asset Value per Share is denominated in US Dollars, the trading price for the Shares is quoted in US Dollars and this Initial Accounts Report, the annual and semiannual results of the Company, will be reported in US Dollars. The Company expects that a material portion of its investments will be made in US Dollar denominated assets, but it is possible that distributions and income from or the proceeds from the disposal of certain investments in the portfolio may be realised in currencies other than US Dollars. Consequently, the value of investments in the portfolio made in non-US Dollar currencies will be affected by currency movements and will fall as the US Dollar appreciates against the currency in which such investments are denominated.

6 Cash and Cash Equivalents

	As at 30 November 2017 $000
Cash held at bank	1,596
Cash held at broker[1]	4,994
United States Treasury bills	33,438
Total	40,028

[1]Cash is held at UBS as collateral for derivatives positions.

7 Current Assets

	As at 30 November 2017 $000
Receivable for investments sold	385
Forward foreign exchange contracts receivable	341
Dividends receivable	52
Total	778

8 Fees and Expenses

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 per cent. of NAV per annum.

Performance Fee
The Portfolio Manager shall be entitled to earn a Performance Fee (as defined below) under the Portfolio Management Agreement. The Performance Fee shall be payable on the following basis.

Subject to the satisfaction of the Performance Conditions, the Portfolio Manager shall be entitled, in respect of each Performance Period, to receive 20 per cent. of the Total Return relating to such Performance Period, provided that such amount shall not exceed three per cent. 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 period from inception to 30 November 2017, no Performance Fee was accrued.

AIFM
Carne Global Fund Managers (Ireland) Limited has been appointed the AIFM. In consideration of the services to be provided by the AIFM under the AIFM Agreement, the AIFM will be 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 annual fees will be payable monthly out of the assets of the Company.

The AIFM is paid in euros. The Company purchases euros, as and when needed, to pay the invoices.

Company Secretary
Maitland Administration Services Ltd. has been appointed as Company Secretary of the Company pursuant to the Company Secretarial Services Agreement. The Company Secretary will be responsible for the general company secretarial functions required by the Act (including, but not limited to, making all such returns and filings on behalf of the Company as may be required by the Act). In consideration for its services, the Company Secretary is entitled to receive a fee (exclusive of VAT) which comprises a fixed component and a variable component. The fees is payable on a monthly basis in arrears.

The Company Secretary is paid in pounds sterling. The Company purchases pounds sterling, as and when needed, to pay the invoices.

Administrator
State Street Bank and Trust Company has been appointed as Administrator of the Company pursuant to the Administration Services Agreement. The Administrator will be responsible for the day to day administration of the Company (including but not limited to the maintenance of the Company's books of accounts and financial records and the calculation of the daily NAV and NAV per Share). The Administrator is currently entitled to an annual fee payable monthly in arrears out of the assets of the Company.

Depositary
State Street Trustees Limited has been appointed as Depositary of the Company pursuant to the Depositary Agreement, for the purposes of and in compliance with the AIFM Directive and the relevant Financial Conduct Authority ("FCA") Rules. The principal business activity of the Depositary is the provision of depositary services. The Depositary will perform those duties prescribed to depositaries under the AIFM Directive. The Depositary provides services to the Company as set out in the Depositary Agreement and, in doing so, shall comply with the AIFM Directive, the relevant FCA Rules and the terms of this Prospectus. As compensation for the services performed and the facilities and personnel provided by the Depositary pursuant to the Depositary Agreement, the Company shall pay an annual fee which will be calculated and accrued daily and billed and payable monthly in arrears.

Custodian
The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Agreement. The Depositary has delegated safekeeping duties as set out in the AIFM Directive and the FCA Rules to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company, in its capacity as the Custodian, is entitled to: (i) an annual safekeeping fee, billed and payable monthly; and (ii) a transaction fee per portfolio trade settled (inclusive of sub-custodian expenses).

Registrar and Receiving Agent
Computershare Investor Services Plc has been appointed as the Company's Registrar pursuant to the Registrar Services Agreement and as the Company's Receiving Agent pursuant to the Receiving Agent Agreement. The Registrar will be responsible for the maintenance of the Company's register of members, dealing with routine correspondence and enquiries, and the performance of all the usual duties of a registrar in relation to the Company. Under the terms of the Registrar Services Agreement, the Registrar is entitled to a fee calculated on the basis of the number of shareholders and the number of transfers processed (exclusive of any VAT). The Registrar is also entitled to reimbursement of all reasonable out of pocket costs, expenses and charges properly incurred on behalf of the Company. The Receiving Agent will accept responsibility for, inter alia, receiving the application for Shares and the application monies, holding application cheques in a secure area to present them for payment and receiving and checking conversion instructions. Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a fee calculated on the basis of the number of shareholders and the number of transfers processed (exclusive of any VAT). The Receiving Agent is also entitled to reimbursement of all reasonable out of pocket costs, expenses and charges properly incurred on behalf of the Company.

Other Operating Expenses
Other on-going operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including printing, audit, finance costs, and legal fees. All reasonable out of pocket expenses of the AIFMD, Portfolio Manager, the Administrator, the Company Secretary, the Registrar, the Depositary, the Custodian, and the Directors relating to the Company, will be borne by the Company.

9 Net Asset Value Per Share

	As at 30 November 2017
Net assets attributable to Ordinary shareholders ($000)	$102,299
Ordinary Shares in issue	10,334,166
Net asset value per Ordinary Share	$9.90

10 Shareholders' Capital

Set out below is the issued share capital of the Company as at 30 November 2017.

	Nominal Value ($)	Number of Ordinary Shares	Voting rights of Ordinary Shares
Net asset value per Ordinary Share	0.01	10,334,166	10,334,166
Total		10,334,166	10,334,166

The initial placing of the Company took place on 19 July 2017, raising gross proceeds of US$100,111,000. The Company commenced business on 19 July 2017 when the initial 10,011,100 Ordinary Shares were admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange, and to listing and trading on the Official List of the International Stock Exchange.

Subsequent to the first placing, the Company may issue additional Ordinary Shares with the view to grow the Company further. Any such issuance would be priced so as to ensure that there is no dilution to the net asset value per share for existing shareholders.

On 13 November 2017, the Company announced the successful completion of its placing of US$3,343,733 of Ordinary Shares at a price of US$10.35. Applications were made to both the London Stock Exchange and the International Stock Exchange for those Ordinary Shares to be admitted to trading on the Specialist Fund Segment of the London Stock Exchange and the Official Listing of the International Stock Exchange. The Admission became effective and dealings in the Ordinary Shares commenced at 8:00 am on 15 November 2017.

On 15 November 2017, The Registrar of Companies for England and Wales approved the Company's request to reduce its share premium account, resulting in $102,449,059 being moved to the Special Distributable Reserve.

11 Rights Attached to the Ordinary Shares

The Company has implemented a loyalty programme (the "Loyalty Programme") to incentivise long-term ownership of Shares. The Loyalty Programme is offered to all shareholders, at any point in time, who are entered in a separate register in respect of Shares held by them (the "Loyalty Register"). The Loyalty Register will be maintained by the Registrar and will allow a Shareholder to increase its voting power after holding its Shares for a continuous period of at least five years. Details of the Loyalty Programme can be found on pages 52 and 53 on the Company's Prospectus.

12 Fifth Anniversary Tender

Subject to compliance with all legal and regulatory requirements (including having all necessary Shareholder approvals and sufficient distributable profits), shortly before the fifth anniversary of Admission, the Company will arrange for an offer to all Qualifying Registered Holders to purchase Qualifying Shares (such offer being the "Fifth Anniversary Tender Offer"). Details of the Loyalty Programme can be found on pages 53 and 54 on the Company's Prospectus.

13 Related Party Transactions

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 US$15,000 per annum for each Director, other than:

- the Chairman, who will receive an additional US$1,000 per annum;
- the chairman of the Audit Committee, who will receive an additional US$5,000 per annum; and
- the members of the Audit Committee, who will receive an additional US$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.

Investment management fees and performance fees for the period ended 30 November 2017 are paid by the Company to the Portfolio Manager and they are presented on the Statement of Comprehensive Income. Details of investment management fees and performance fees paid during the period are disclosed in Note 8.

At 30 November 2017, Associated Capital Group, Inc. an affiliate of the Portfolio Manager, held 6,179,100 Ordinary Shares in the Company.

14 Post balance sheet event

On 11 January 2018 the Board approved a dividend of $0.23 per Ordinary Share, payable to shareholders 31 January 2018.

15 Approval of Initial Accounts

The Initial Accounts were approved and authorised for issue by the Directors on 11 January 2018.

Company Information

Registered Name
Gabelli Merger Plus+ Trust Plc

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

Directors
Marc Gabelli (Chairman)
Marco Maria Bianconi
John Birch
Kuni Nakamura
Yuji Sugimoto
Paolo Vicinelli
James Scrymgeour-Wedderburn

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

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

Depositary
State Street Trustees Limited
20 Churchill Place
London E14 5HJ
United Kingdom

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

Legal advisers to the Company
(as to English law & US Securities law)
Herbert Smith Freehills LLP
Exchange House, Primrose Street
London EC2A 2EG
United Kingdom

Company Secretary
Maitland Administration Services Ltd.
Springfield Lodge, Colchester Road
Chelmsford CM2 5PW
United Kingdom

Registrar and Receiving Agent
Computershare Investor Services Plc
The Pavilions, Bridgwater Road
Bristol BS99 6ZZ
United Kingdom

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