GABELLI
MERGER PLUS+ TRUST PLC

Gabelli Merger Plus⁺ Trust plc
Half-Yearly Financial Report (Unaudited)
For the period ended 31 December 2017

Contents

Financial highlights

Performance (unadjusted for distributions)	As at 19 July 2017	As at 31 December 2017
Net asset value per share (cum income)	$9.92	$9.99
Net asset value per share (ex income)	$9.92	$10.01
Share price	$10.00	$10.34
Premium‡	0.8%	3.5%

Total returns	Period from 19 July 2017 to 31 December 2017
Net asset value per share#	0.7%
U.S. 3-month Treasury Bill Index**	0.5%
Share price†	3.4%

Income	Period from 19 July 2017 to 31 December 2017
Revenue return per share	($0.04)

Ongoing charges*	Period from 19 July 2017 to 31 December 2017
Annualised ongoing charges	1.41%

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

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

The net asset value ("NAV") total return for the period reflects the movement in the NAV, from 19 July 2017 to 31 December 2017.

** The return for the index reflects the return from 19 July 2017 to 31 December 2017.

† The total share price return for the period reflects the movement in the share price during the period.

* Ongoing charges are calculated as a percentage of shareholders' funds using the average net assets over the period and calculated in line with the AIC's recommended methodology.

Chairman's statement

Marc Gabelli
Chairman

Introduction

Gabelli Merger Plus+ Trust Plc (the "Company") was incorporated in England and Wales on 28 April 2017.

This is the Company's first formal report to shareholders since the Initial Public Offering on the Specialist Fund Segment of the Main Market of the London Stock Exchange and the Official List of the International Stock Exchange on 19 July 2017. Accordingly, as your Chairman I would like to extend a warm welcome to all our shareholders. The Board is always receptive to feedback, so if shareholders have any questions or comments, please do get in touch with us.

The Company's objective is to generate total returns, consisting of capital appreciation and current income. The Company's secondary objective is the protection of capital, uncorrelated to equity and fixed income markets.

This report covers the interim period from the date of the Company's listing in July 2017 to the end of December 2017.

Performance

The Company's Net Asset Value (NAV) at the end of December was $9.99, providing a total return of 0.71% since the issue. This includes the costs of the issue resulting in a starting NAV of $9.92 compared with the issue price of $10.00, and closing market price of $10.34 per share.

Issue of Ordinary Shares

On 13 November 2017, the Company announced the successful completion of its placing of 323,066 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 List of the International Stock Exchange. The Admission became effective and dealings in the Ordinary Shares commenced at 8:00 am on 15 November 2017.

Dividend

On 11 January 2018 the Company declared its first dividend of US$0.23 per Ordinary Share in respect of the financial year to 30 June 2018. The ex-dividend date was 18 January 2018, the Record date was 19 January 2018 and the payment date was 31 January 2018.

Board

On 16 November 2017 and 8 February 2018 respectively the Company appointed Mr. James Scrymgeour-Wedderburn and Mr. John Newlands as independent non-executive directors of the Company.

We are delighted that Mr. Wedderburn and Mr. Newlands agreed to join the Board and expect that the Board will benefit greatly from their knowledge and experience.

Outlook

We are enthusiastic for the year ahead. Global deal activity for the period remained strong and underscores the positive landscape we have articulated in the past; we are in the midst of a major wave of merger activity as companies with scale seek growth through Mergers and Acquisitions to access new markets and technologies.

The uncertainty on tax policy in the United States that was holding back deals faded as reform plans started to come into view in early November with a new tax regime approved in late December. The new regime will, we believe, promote further mergers and acquisitions in three ways (i) the new 21% corporation tax rate will reduce the tax bill for companies selling business units (ii) it will boost domestic profits providing more cash for acquisitions at a time when share buy backs are relatively expensive and (iii) the repatriation of past profits from overseas will likewise fill the M&A coffers. One big positive for prospective sellers is the lower 21% corporate tax rate will reduce the tax bill to companies that sell off business units. Another is the lower rate will give companies more cash to spend, especially at a time when share buybacks are less attractive because of high stock prices. Finally, companies with overseas cash will be able to bring it home.

The number of US targeted transactions announced during 2017 reached 13,069 deals, a 13.6% increase from a year ago. The Technology sector led the US market, with deal volume totaling US$240.2 billion, accounting for a 16.9% market share.

Marc Gabelli
Chairman
12 February 2018

Investment Manager's review

Methodology and Market Opportunity

Gabelli Funds would like to thank those investors who allocated a portion of their assets to become shareholders of Gabelli Merger Plus+ Trust ("GMP"). We appreciate the confidence and trust you have offered our organisation through your investment in GMP. Our 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 over 30 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 31 December 2017.

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 reorganisations 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 opportunity to increase shareholders' wealth in the decades to come and highlight several factors that should help drive results. These include:

- The prospect of rising interest rates imply higher returns on mergers, as spreads widen to compensate arbitrageurs.
- Merger investments are a highly liquid, non-market correlated, proven and consistent alternative to traditional fixed income and equity securities. Increased broad market volatility enhances the opportunity to establish positions for the prospect of improved returns.
- The Portfolio has an experienced investment team pursuing opportunities globally through a disciplined application of the Gabelli Group's investment methodology.
- The markets are currently in the midst of the fifth wave of corporate merger activity which should remain robust, given increasing political clarity in the United States and the successful passage of corporate tax reform.

Global Deal Activity

Global deal activity totalled $3.6 trillion during 2017, which was largely in line with 2016 levels[1]. The number of deals announced during 2017 increased 3% compared to 2016, which is the strongest year on record. While there were less "mega deals" announced, there was a steady flow of deals involving smaller companies. Deals with a value less than $1 billion totalled $1.3 trillion, up 7% year over year.[1]

[1] Thomson Reuters M&A Review – Full Year 2017.

Cross border merger and acquisition (M&A) activity totalled $1.3 trillion during 2017, a 10% decline and the slowest year for cross border deals since 2014. This was largely driven by a 35% decline in Chinese outbound deals. United States domiciled companies saw a record number of announced deals during 2017, up 14% year over year; however, this accounted for only $1.4 trillion in deal value, down 16%. This was partially offset by activity for European targets which totalled $868 billion, an increase of 17% year over year.

The Real Estate sector was the biggest contributor to merger activity during the year, totalling $529 billion, an increase of 47% compared to 2016. The Energy and Technology sectors were also large contributors, each accounting for 13% of overall M&A activity. The laggards were the Materials and Media sectors, recording declines of 46% and 21%, respectively.

2017 In Review

During the final week of the year, lawmakers in Washington joined the President as he signed into law the Tax Cuts and Jobs Act of 2017. We expect that corporate confidence, robust balance sheets, repatriation of foreign cash, and reduced policy uncertainty will act as a driver of corporate merger activity in 2018 as companies use M&A as a means to grow.

With regard to monetary policy, the Federal Reserve raised interest rates in December for the third time in 2017, referencing an improving economy and labor market. With Jerome Powell set to replace Janet Yellen as Fed Chair in February, the Federal Reserve is projecting another three rate hikes in 2018. As a reminder, the risk free rate is one component of merger arbitrage spreads; therefore, nominal spreads are positively correlated with interest rates. As rates rise, we expect the Portfolio will benefit as spreads widen.

Amid an eventful December for policy action in Washington, D.C., the Portfolio finished the year on a strong note, completing another solid year for merger arbitrage investing.

Notable drivers of performance for the year included:

- Exactech Inc. (EXAC-NASDAQ) agreed to be acquired on improved terms from TPG Capital. Exactech develops orthopedic implant devices, surgical instruments, and biologic materials used by hospitals and physicians. Exactech agreed in October to be acquired by TPG for $42 cash per share, but following an unsolicited approach by a second suitor, TPG increased the deal price to $49.25.

- NXP Semiconductors N.V. (NXPI-NASDAQ) agreed in October 2016 to be acquired by Qualcomm for $110 cash per share. NXP designs semiconductors and software for mobile communications, consumer electronics, security applications, in-car entertainment, and networking. While the deal has taken longer than expected to receive the required regulatory approvals, Qualcomm has made significant progress recently, and we expect them to finalize the remaining clearances in the coming weeks.

Investment Manager's review continued

Since July 2017, NXP has consistently traded above the deal price, as several large shareholders have lobbied for improved deal terms, given the strong fundamental performance at NXP and a greater than 60% rally in semiconductor stocks since October 2016. These factors have continued to increase the floor for a standalone NXP, and have provided a catalyst for Qualcomm to improve its offer above the current $110 deal price. From our perspective, there is limited downside to owning NXP shares in the event of no deal, and we expect negotiations with shareholders on an improved deal price to begin to ramp up in tandem with regulatory clearances. We expect additional upside in shares from here.

- Sky plc (SKY LN-London Stock Exchange) agreed in December 2016 to be acquired by Twenty-First Century Fox, Inc. (FOXA-NASDAQ). Sky provides pay television services, broadband, and telephony products, as well as original television content. Sky shares rallied in the fourth quarter as the company's suitor, Twenty-First Century Fox, agreed to sell a portion of its media assets to Disney, including its current minority stake in Sky. Comcast was also named as an interested potential suitor of Sky, placing a higher floor on the share price in the event UK regulators block Fox's acquisition of Sky at £10.75.

- Time Warner Inc. (TWX) agreed in October 2016 to be acquired by AT&T for $107.50 in cash and shares of AT&T common stock. In November 2017, the U.S. Department of Justice (DOJ) announced that it will challenge the acquisition on antitrust grounds. This caused shares to retreat to their lowest point since the deal was announced, and resulted in the Portfolio's largest mark-to-market detractor for the year.

The DOJ's suit is surprising, given that the deal is a vertical merger. Historically, vertical transactions are seen as pro-competitive, as no competitor is removed from the market and customers benefit from lower prices and more innovative products. The companies have announced that they will vigorously defend the merger in court. There is strong case law to support the deal – no vertical merger has been challenged successfully for over 40 years. If the DOJ is successful in blocking the deal, we believe TWX shares would settle in the mid-$80's (from ~$92 currently) based on the analysis of the Gabelli Media Team, noting that the company has had strong operating results during the pendency of the merger. Additionally, Time Warner's premier entertainment assets and content could potentially attract a new suitor. Although the position has resulted in a mark-to-market decline in the Portfolio, we maintain our investment in Time Warner, given its limited downside and the potential to earn a 17% gross return to the deal terms.

Select Portfolio Holdings as of 31 December 2017

Advanced Accelerator Applications SA (AAAP-NASDAQ) agreed to be acquired by Novartis AG (NVS-NYSE). Advanced Accelerator develops diagnostic and therapeutic products for a variety of medical applications. Under terms of the agreement Advanced Accelerator Applications' shareholders will receive $82.00 cash per share, valuing the transaction at approximately $4 billion. The transaction is subject to the tender of at least 80% of shares outstanding, as well as regulatory approvals and is expected to close in first quarter of 2018.

CalAtlantic Group Inc. (CAA-NYSE) agreed to be acquired by Lennar Corp. (LEN-NYSE). CalAtlantic Group builds primarily single family homes across the United States. Under terms of the agreement, CalAtlantic shareholders will receive $48.26 cash or 0.885 shares of Lennar common stock per share, subject to proration, valuing the transaction at approximately $9 billion. The transaction is subject to approval by shareholders of both companies, as well as regulatory approvals and is expected to close in the first quarter of 2018.

BroadSoft Inc. (BSFT-NASDAQ) agreed to be acquired by Cisco Systems Inc. (CSCO-NASDAQ). BroadSoft provides contact center and unified communication solutions for businesses and service providers. Under terms of the agreement, BroadSoft shareholders will receive $55.00 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 quarter of 2018.

Buffalo Wild Wings Inc. (BWLD-NASDAQ) agreed to be acquired by Roark Capital. Buffalo Wild Wings owns and franchises over 1,200 casual dining restaurants under the Buffalo Wild Wings brand. Under terms of the agreement, Buffalo Wild Wings shareholders will receive $157.00 cash per share, valuing the transaction at approximately $3 billion. The transaction is subject to shareholder as well as regulatory approvals, and is expected to close in the first quarter of 2018.

Calgon Carbon Corp. (CCC-NYSE) agreed to be acquired by Kurary Co. Ltd. (3405 JP-Tokyo). Calgon Carbon manufactures activated carbon, which has applications in purification and treatment processes for liquids and gases. Under terms of the agreement, Calgon shareholders will receive $21.50 cash per share, valuing the transaction at approximately $1.3 billion. The transaction is subject to shareholder, as well as regulatory approvals, and is expected to close by the end of 2017.

Calpine Corp. (CPN-NYSE) agreed to be acquired by a consortium led by Energy Capital Partners. Calpine sells electricity in wholesale and retail markets, which it generates from natural gas and geothermal resources. Under terms of the agreement, Calpine shareholders will receive $15.25 cash per share, valuing the transaction at approximately $17 billion. The transaction is subject to shareholder, as well as regulatory approvals, and is expected to close in the first quarter of 2018. Calpine is also permitted to solicit superior bids from parties during a 45-day “go-shop” period.

Orbital ATK Inc. (OA-NYSE) agreed to be acquired by Northrop Grumman Corp. (NOC-NYSE). Orbital ATK designs and manufactures space, defense, and aviation systems as both a prime contractor and merchant supplier. Under terms of the agreement, Orbital shareholders will receive $134.50 cash per share, valuing the transaction at approximately $9 billion. The transaction is subject to shareholder, as well as regulatory approvals, and is expected to close in the first half of 2018.

Investment Manager's review continued

Rockwell Collins Inc. (COL-NYSE) agreed to be acquired by United Technologies Corp. (UTX-NYSE). Rockwell Collins provides avionics and information technology systems to government agencies and aircraft manufacturers. Under terms of the agreement, Rockwell Collins shareholders will receive $140.00 cash and shares of United Technologies common stock per share, subject to a collar, valuing the transaction at approximately $30 billion. The transaction is subject to shareholder, as well as regulatory approvals, and is expected to close by the third quarter of 2018.

Sky plc (SKY LN-London) agreed to be acquired by Twenty-First Century Fox Inc. (FOXA-NASDAQ). Sky provides pay television services, broadband, and telephony products, as well as original television content. Under terms of the agreement, Sky shareholders will receive £10.75 cash per share, valuing Sky at approximately £30 billion. 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 by the mid-2018.

Time Warner Inc. (TWX-NYSE) agreed to be acquired by AT&T Inc. (T- NYSE). Time Warner operates cable networks and digital media properties, including HBO, Warner Brothers Entertainment, and Turner Broadcasting. Under terms of the agreement, Time Warner shareholders will receive $107.50 per share, comprised of $53.75 per share in cash and $53.75 per share in AT&T stock, subject to a collar, valuing the transaction at approximately $110 billion. The transaction is subject to shareholder, as well as regulatory approvals, and is expected to close in the second quarter of 2018.

Worldpay Group plc (WPG LN-London) agreed to be acquired by Vantiv (VNTV-NYSE). Worldpay provides payment processing services and technology to merchants on a global basis. Under the terms of the agreement, Worldpay shareholders will receive £0.55 cash and 0.0672 shares of Vantiv common stock per share, valuing the transaction at approximately £9 billion. The transaction is subject to shareholder, as well as regulatory approvals, and is expected to close in the second half of 2017.

Select Closed Deals as of 31 December 2017

Alere Inc. (ALR-NYSE)
Abbott Laboratories, Inc. (ABT-NYSE) completed its acquisition of Alere in October. Alere provides healthcare diagnostic and self-testing services and products. On 1 February, 2016, Abbott announced they would acquire Alere for $56 cash per share, but following delays in publishing financials, investigations into foreign sales practices, and the loss of Medicare billing privileges at a subsidiary, Abbott sued to cancel the acquisition. In April 2017, Abbott announced revised terms to acquire Alere for $51 cash per share, or about $7.5 billion; as a result of the new agreement, Abbott withdrew its lawsuit.

C.R. Bard Inc. (BCR-NYSE)
Becton Dickinson and Co. (BDX-NYSE) completed its acquisition of C.R. Bard in December. C.R. Bard develops and manufactures medical technologies, specifically in the vascular, urology, oncology, and surgical fields. On 23 April, 2017, Becton Dickinson announced they would acquire C.R. Bard with premium at announcement of 25%. The terms of the transaction entitled C.R. Bard shareholders to receive $222.93 cash and 0.5077 shares of Becton Dickinson common stock per share, valuing the transaction at approximately $24 billion.

Cabela's (CAB-NYSE)
Bass Pro Shops Outdoor World Inc. completed its acquisition of Cabela's in September. Cabela's is a retailer of hunting, fishing, camping, and related outdoor merchandise. On 3 October, 2016, Bass Pro Shops announced they would acquire Cabela's for $65.50 cash per share, or about $10 billion, which was a premium at announcement of 19%. In April 2017, Bass Pro Shop announced revised deal terms to acquire Cabela's for $61.50. Additionally, under the new terms, Synovus Financial acquired the banking assets of Cabela's ($1.2 billion of deposits), while Capital One acquired Cabela's credit card business.

Kite Pharma Inc. (KITE-NASDAQ)
Gilead Sciences Inc. completed its acquisition of Kite Pharma in October. Kite Pharma develops innovative immunotherapies designed to treat cancer patients. On 28 August, 2017, Gilead Sciences announced they would acquire Kite Pharma with premium at announcement of 29%. The terms of the transaction entitled Kite Pharma shareholders to receive $180.00 cash per share, valuing the transaction at approximately $12 billion.

Level 3 Communications Inc. (LVLT-NYSE)
CenturyLink Inc. (CTL-NYSE) completed its acquisition of Level 3 in November. Level 3 provides communications services to enterprise, government, and carrier customers. On 31 October, 2016, CenturyLink announced they would acquire Level 3 with a premium at announcement of 42%. The terms of the transaction entitled Level 3 shareholders to receive $26.50 cash and 1.4286 shares of CenturyLink common stock per share.

Mobileye N.V. (MBLY-NYSE)
Intel Corporation (INTC-NASDAQ) completed its acquisition of Mobileye in August. Mobileye develops computer vision and machine learnings tools utilized primarily for autonomous driving systems. On 13 March, 2017, Intel announced they would acquire Mobileye with premium at announcement of 34%. The terms of the transaction entitled Intel shareholders to receive $63.54 cash per share, valuing the transaction at approximately $15 billion.

Investment Manager's review continued

Whole Foods Market Inc. (WFM-NASDAQ)
Amazon.com Inc. (AMZN-NASDAQ) completed its acquisition of Whole Foods in August. Whole Foods is the leading natural and organic foods supermarket, operating approximately 460 stores across the United States, Canada, and United Kingdom. On 15 June, 2017, Amazon announced they would acquire Whole Foods, with premium at announcement of 27%. The terms of the transaction entitled Whole Foods shareholders to receive $42.00 cash per share, valuing the transaction at approximately $14 billion.

TerraForm Global Inc. (GLBL-NASDAQ)
Brookfield Asset Management Inc. (BAM-NYSE) completed its acquisition of TerraForm in December. TerraForm Global owns and operates wind and solar power plants in various emerging markets. On 7 March, 2017, Brookfield announced they would acquire TerraForm with a premium of approximately 50% to TerraForm's closing share price on 16 September, 2016, the last trading day prior to TerraForm's announcement that its company was exploring strategic alternatives. The terms of the transaction entitled TerraForm shareholders to receive $5.10 cash per share.

VCA Inc. (WOOF-NYSE)
Mars Inc. completed its acquisition of VCA in September. VCA provides pet health care services delivered through more than 800 animal veterinary hospitals in the U.S. and Canada. On 9 January, 2017, Mars announced they would acquire VCA with premium at announcement of 31%. The terms of the transaction entitled VCA shareholders to receive $93.00 cash per share, valuing the transaction at approximately $9 billion.

VWR Corp. (VWR-NASDAQ)
Avantor completed its acquisition of VWR in November. VWR provides laboratory products and services to life science customers and general research markets. On 5 May, 2017, Avantor announced they would acquire VWR with premium at announcement of 17%. The terms of the transaction entitled VRW shareholders to receive $33.25 cash per share, valuing the transaction at approximately $6.4 billion.

Portfolio summary

Largest holdings

	(Unaudited) As at 31 December 2017	
	Market value $000	% of total portfolio
Time Warner Inc	5,351	6.3
Calpine Corp	3,401	4.0
Advanced Accelerator App ADR	3,331	4.0
Ixys Corporation	3,100	3.7
Orbital ATK Inc	3,090	3.7
Ignyta Inc	2,900	3.4
Monsanto Co	2,873	3.4
Akorn Inc	2,840	3.4
Calatlantic Group Inc	2,820	3.3
Calgon Carbon Corp	2,725	3.2
Broadsoft Inc	2,679	3.2
Becton Dickinson And Co	2,590	3.1
Buffalo Wild Wings Inc	2,580	3.1
Scripps Networks Inter	2,183	2.6
NXP Semiconductors NV	2,132	2.5
Altaba Inc	2,096	2.5
Rockwell Collins Inc	2,076	2.5
General Cable Corp	1,972	2.3
Regal Entertainment Group	1,933	2.3
Tribune Media Co	1,888	2.2
Sub-total	**54,560**	**64.7**
Other holdings*	29,756	35.3
Total holdings	**84,316**	**100.0**

* Including derivatives and excluding U.S. Treasuries.

Regulatory disclosures

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company were explained in detail within the Prospectus issued in June 2017. The Directors are not aware of any new risks or uncertainties beyond those already stated within the Prospectus for the Company and its investors for the period under review and moving forward.

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure, and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least twelve months from the date of the approval of this half-yearly financial report. For these reasons, the Directors consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibility Statement

The Board of Directors confirms that, to the best of its knowledge:

- the condensed financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities and financial position of the Company; and

- the half-yearly management report includes a fair review of the information required by section 4.2.7R and 4.2.8R of the UK Listing Authority's Disclosure Guidance and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

and the Directors confirm that they have done so.

For and on behalf of the Board

Marc Gabelli
Chairman
12 February 2018

Condensed statement of comprehensive income

		(Unaudited) Period from 19 July 2017 to 31 December 2017		
Income	Notes	Revenue $000	Capital $000	Total $000
Investment Income	5	238	–	238
Total investment income		**238**	**–**	**238**
Gains/(losses) on investments				
Net realised and unrealised gains on investments	3,12	–	1,082	1,082
Net realised and unrealised currency losses		–	(23)	(23)
Net gains on investment		–	1,059	1,059
Total income and gains on investment		**238**	**1,059**	**1,297**
Expenses				
Investment management fee	2d,6	(381)	–	(381)
Other expenses	2d,6	(251)	(11)	(262)
Total expenses		(632)	(11)	(643)
Profit/(loss) before taxation		**(394)**	**1,048**	**654**
Taxation on ordinary activities	7	(16)	–	(16)
Profit/(loss) for the period		**(410)**	**1,048**	**638**
Earnings per share (basic and diluted)	8	**($0.04)**	**$0.10**	**$0.06**

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 period.

The Company does not have any income or expense that is not included in net profit for the period. 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 17 to 29 form part of these financial statements.

Condensed statement of changes in equity

Period from 19 July 2017 to 31 December 2017

	Called up Share Capital $000	Share Premium $000	Special Distributable Reserve* $000	Capital Reserve $000	Revenue Reserve* $000	Total $000
Balance as at 19 July 2017						
Original share issue	103	103,351	–	–	–	103,454
Share issue costs†	–	(902)	–	–	–	(902)
Transfer to special distributable reserve	–	(102,449)	–	–	–	(102,449)
Transfer from share premium reserve	–	–	102,449	–	–	102,449
Profit/loss for the period after tax on ordinary activities	–	–	–	1,048	(410)	638
Balance as at 31 December 2017	**103**	**–**	**102,449**	**1,048**	**(410)**	**103,190**

* These reserves are distributable.

† Share issue costs are comprised of $835,448 for the initial placing of shares on 19 July 2017 and $66,875 for the tap issue on 15 November 2017.

The notes on pages 17 to 29 form part of these financial statements.

Condensed statement of financial position

	Notes	(Unaudited) As at 31 December 2017 $000	$000
Non-current assets			
Investments held at fair value through profit or loss	3	–	84,426
Current assets			
Cash and cash equivalents	9	15,692	
Receivables on investment sold		13,054	
Other receivables	13	826	
		29,572	
Current liabilities			
Investment management fee payable		(69)	
Offering fees payable		(111)	
Payable on investment purchases		(9,488)	
Other payables	13	(1,031)	
		(10,699)	
Current assets less current liabilities			18,874
Non-current liabilities			
Investments at fair value through profit or loss	3, 12		(110)
Net assets			103,190
Share capital and reserves			
Called-up share capital	10	103	
Special distributable reserve *		102,449	
Capital reserve		1,048	
Revenue reserve *		(410)	
Total shareholders' funds			103,190
Net asset value per share			**$9.99**

* These reserves are distributable.

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

The financial statements on pages 14 to 16 were approved by the Board of Directors on 12 February 2018 and signed on its behalf by

Marc Gabelli
Chairman

The notes on pages 17 to 29 form part of these financial statements.

Notes to the condensed financial statements

1 General Information

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

2 Accounting policies

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

The principal accounting policies adopted by the Company are set out below. Where presentational guidance set out in the Statement of Recommended Practice ('SORP') for investment trusts issued by the Association of Investment Companies ('AIC') in November 2014 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 – In order 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) 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 accural 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.

Notes to the condensed financial statements continued

2 Accounting policies continued

(d) **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.

(e) **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 listed investments are fair valued using the last traded price of the valuation date.

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.

(f) **Transaction costs** – Transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the income statement.

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

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

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

(j) **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.

(k) 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.

(l) Functional and presentation currency – The functional and presentation currency of the Company is US dollar.

3 Investments at fair value through profit or loss

	(Unaudited) Period from 19 July 2017 to 31 December 2017 $000
Opening valuation	–
Opening unrealised losses on investments	–
Opening cost	–
Add: additions at cost	222,207
Less: disposals at cost	(138,109)
Closing cost	84,098
Closing unrealised gains on investments	218
Closing valuation	**84,316**

Notes to the condensed financial statements continued

3 Investments at fair value through profit or loss continued

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.

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

	(Unaudited) As at 31 December 2017			
	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets at fair value through profit or loss				
Quoted equities	84,426	–	–	84,426
Derivatives	–	(110)	–	(110)
Net fair value	**84,426**	**(110)**	**–**	**84,316**

Net realised and unrealised gains/(losses) on investments

	(Unaudited) Period from 19 July 2017 to 31 December 2017 $000
Realised gains on investments	864
Movement in unrealised gains on investments	218
Net realised and unrealised gains on investments	**1,082**

4 Transaction costs

During the period commissions and other expenses were incurred in acquiring or disposing of investments classified at fair value through profit or loss. These have been charged through capital and are within gains/(losses) in the Condensed Statement of Comprehensive Income. The total costs were as follows:

	(Unaudited) Period from 19 July 2017 to 31 December 2017 $000
Purchases	67
Sales	7
Total	**74**

5 Income

	(Unaudited) Period from 19 July 2017 to 31 December 2017 $000
Income from investments	
Overseas equities	106
Income on short term investments	171
Other income	(39)
	238

Notes to the condensed financial statements continued

6 Expenses

	(Unaudited) Period from 19 July 2017 to 31 December 2017 $000
Revenue expenses	
Investment manager fee	(381)
Directors' remuneration	(17)
AIFM - Carne	(19)
Accounting fees	(24)
Custody fees and Depositary fees	(34)
Registrar	(12)
Directors' insurance	(7)
Audit fees	(20)
Miscellaneous	(118)
Total revenue expenses	**(632)**
Capital expenses	
Transaction charges	(11)
Total capital expenses	**(11)**

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.

7 Taxation on ordinary activities

	(Unaudited) Period from 19 July 2017 to 31 December 2017		
	Revenue $000	Capital $000	Total $000
Analysis of the charge in the period			
Foreign withholding taxes on dividends	**(16)**	**–**	**(16)**

8 Earnings per share

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

	(Unaudited) Period from 19 July 2017 to 31 December 2017 $000
Revenue return	
Revenue return attributable to ordinary shareholders ($000)	($410)
Weighted average number of shares in issue during period	10,103,570
Total revenue return per ordinary share	**($0.04)**
Capital return	
Capital return attributable to ordinary shareholders ($000)	$1,048
Weighted average number of shares in issue during period	10,103,570
Total capital return per ordinary share	**$0.10**
Total return	
Total return per ordinary share	**$0.06**

Net asset value per share

	(Unaudited) As at 31 December 2017
Net assets attributable to shareholders ($000)	$103,190
Number of shares in issue at 31 December 2017	10,334,166
Net asset value per share	**$9.99**

Notes to the condensed financial statements continued

9 Cash and cash equivalents

	(Unaudited) As at 31 December 2017 $000
Cash	9,708
U.S. Treasuries	5,984
Total	**15,692**

10 Called up share capital

	(Unaudited) As at 31 December 2017 $000
Authorised:	
20,000,000 Ordinary shares of $0.01 each – equity	200
Allotted, called up and fully paid:	
10,334,166 Ordinary shares of $0.01 each – equity	103
Treasury shares:	
Nil Ordinary shares of $0.01 each – equity	–
Total shares	**103**

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.

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.

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 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 31 December 2017, no Performance Fee was accrued.

12 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 materially 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.

Notes to the condensed financial statements continued

12 Derivatives risk continued

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 31 December 2017 the Company held CFDs, as shown in the following table.

	Trade currency	Shares (000)	(Unaudited) As at 31 December 2017 $000
Security names			
Abertis Infrastructure	EUR	67	(8)
Aconex Ltd	AUD	8	**
Aldermore Group	GBP	102	(1)
Alibaba Group	USD	(10)	18
Ameris Bancorp	USD	(10)	(10)
Ansaldo Sts	EUR	8	**
At&T Inc	USD	(37)	(31)
Axiare Patrim	EUR	34	4
Becton Dickinson	USD	(12)	59
Buwog Ag	EUR	12	**
Centerstate Bank	USD	(4)	3
Cvs Health	USD	(2)	(1)
Discovery Communications	USD	(11)	(24)
Euronav Npv	USD	(26)	(24)
Gemalto	EUR	25	3
Great Plains	USD	(19)	(1)
Grifols Sa	USD	(7)	**

CFD positions continued

	Trade currency	Shares (000)	(Unaudited) As at 31 December 2017 $000
Gvc Hldgs Plc	GBP	(4)	**
Hammerson	GBP	(27)	(7)
Intu Properties	GBP	56	9
Iwg Plc	GBP	5	0
Ladbrokes Plc	GBP	29	3
Lennar Corp-B*	USD	–	(1)
Lennar Corp-A	USD	(61)	(110)
Liberty International	USD	(30)	3
Littelfuse Inc	USD	(8)	(7)
Mantra Group Ltd	AUD	247	(1)
Marvell Technology	USD	(33)	18
Nets A/S	DKK	78	(1)
Obrascon Huarte	EUR	16	2
Refresco Group	EUR	13	**
Sinclair Broadcasting	USD	(6)	(6)
Sky Plc	GBP	303	12
Spire Healthcare	GBP	33	6
Twenty-First Century Fox A	USD	(20)	(34)
United Technology	USD	(3)	(5)
Vantiv Inc A	GBP	(47)	47
Vmware Inc-Cl A	USD	(8)	5
Worldpay Group	GBP	697	(43)
Zodiac Aerospace	EUR	110	13
			(110)

* Fewer than 500 shares
** Less than $500

Notes to the condensed financial statements continued

13 Current assets and liabilities

The categories of other receivables and other payables include:

	(Unaudited) Period from 19 July 2017 to 31 December 2017 $000
Other receivables	
FX currency sold	821
All other receivables	5
Total other receivables	**826**
Other payables	
FX currency purchased	(821)
Custodian fees	(34)
Accounting fees	(22)
Audit fees	(20)
All other payables	(134)
Total other payables	**(1,031)**

14 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;
- 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 fee for the period ended 31 December 2017 paid by the Company to the Portfolio Manager is presented in the Statement of Comprehensive Income. Details of investment management fee paid during the period is disclosed in Note 6.

At 31 December 2017, Associated Capital Group, Inc. an affiliate of the Portfolio Manager, held 6,179,100 Ordinary Shares in the Company.

15 Contingent Liabilities and Commitments

As at 31 December 2017, the Company had no contingent liabilities or commitments.

16 Half-Yearly report

The financial information contained in this half year financial report does not constitute statutory accounts as defined in s434-436 of the Companies Act 2006. The financial information for the period from 19 July 2017 to 31 December 2017 has not been audited.

17 Post balance sheet events

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

Company information

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

We welcome your comments and questions at +44 (0) 20 3206 2100 or via e-mail at info@gabelli.co.uk

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