

GABELLI MERGER PLUS* TRUST PLC

Half-Yearly Financial Report For the six months ended 31 December 2023

"We invest like owners. We invest primarily in the equity securities of cash generating, franchise companies, selling in the public market at a significant discount to our appraisal of their Private Market Value. We define Private Market Value (PMV) as the value an informed industrialist would pay to purchase assets with similar characteristics in a privately negotiated transaction. We measure PMV by scrutinizing on-and off-balance sheet assets and liabilities and free cash flow. As a reference check, we examine valuations and merger transactions in the public domain. Our investment objective is to achieve a long term annualised return in excess of inflation for our clients."

OUR INVESTMENT APPROACH

Continuing a Value Investing Legacy

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

Portfolio

Identify Catalysts

Private Market Value (PMV)

Gabelli Research Universe

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

Gabelli Merger Plus + Trust Plc's primary investment objective is to seek to generate total return consisting of capital appreciation and current income for the long term.

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OVERVIEW

PORTFOLIO SUMMARY

LARGEST PORTFOLIO SECURITY HOLDINGS (EXCLUDING CASH AND CASH EQUIVALENTS)

(Unaudited) As at 31 December 2023					
Security ¹	Offsetting short position ²	% of total portfolio ³ (gross)	Market value ⁴ \$000	Offsetting market value ⁵ \$000	% of total portfolio ³ (net)
U.S. Treasury Bill 8 Feb 2024		15.4	9,449	–	15.4
Pioneer Natural Resources Co	Exxon Mobil Corp	5.8	3,574	(3,690)	(0.2)
Hess Corp	Chevron Corp	5.8	3,553	(3,770)	(0.4)
U.S. Treasury Bill 11 Jan 2024		5.7	3,495	–	5.7
U.S. Treasury Bill 15 Feb 2024		5.7	3,478	–	5.7
Splunk Inc		5.0	3,070	–	5.0
U.S. Treasury Bill 1 Feb 2024		4.9	2,987	–	4.9
PNM Resources Inc		3.9	2,403	–	3.9
Capri Holdings Ltd		3.5	2,165	–	3.5
Amedisys Inc		3.3	2,011	–	3.3
U.S. Treasury Bill 25 Jan 2024		3.2	1,993	–	3.2
Dechra Pharmaceuticals plc		3.2	1,989	–	3.2
U.S. Treasury Bill 22 Feb 2024		3.2	1,985	–	3.2
U.S. Treasury Bill 14 Mar 2024		3.2	1,979	–	3.2
Albertsons Cos Inc		3.1	1,922	–	3.1
Immunogen Inc		3.0	1,835	–	3.0
Cerevel Therapeutics Holding Inc		2.1	1,264	–	2.1

Network International Holdings Plc	1.9	1,148	—	1.9
Westrock Co	1.8	1,111	(1,055)	0.1
United States Steel Corp	1.6	997	—	1.6
Subtotal Top 20 Holdings	85.3	52,408	(8,515)	71.5
Other holdings ⁷	14.7	19,004	(1,467)	28.5
Total holdings	100.0	71,412	(9,982)	100.0
	=====	=====	=====	=====

- 1 Long position.
- 2 Offsetting position taken, based on the acquirer of the security when acquirer stock is being offered in whole, or in part, to finance the transaction.
- 3 Represents the total position value (market value plus the offsetting market value) as a percentage of the total portfolio value.
- 4 Market value of the long position.
- 5 Market value of the offsetting position.
- 6 Represents the market value as a percentage of the total portfolio value.
- 7 Including derivatives.

Portfolio allocation	%
Equities	61.2
Fixed income	42.1
Derivatives (contracts for difference)	(3.3)
Total	100.0
	=====

FINANCIAL HIGHLIGHTS

PERFORMANCE

	(Unaudited) As at 31 December 2023	(Unaudited) As at 31 December 2022	(Audited) As at 30 June 2023
Net asset value (cum income) ^{1,2}	\$10.43	\$9.99	\$10.22
Net asset value per share (ex income) ³	\$10.76	\$10.46	\$10.52
Dividends per share paid during the period ^{2,4}	\$0.12	\$0.00	\$0.12
Share price ⁵	\$8.50	\$9.00	\$9.00
Discount to Net Asset Value ^{6,7}	18.17%	9.91%	11.94%
	=====	=====	=====

	(Unaudited) Half year ended 31 December 2023	(Unaudited) Half year ended 31 December 2022	(Audited) Year ended 30 June 2023
Total returns	3.31%	6.73%	10.54%
Net asset value per share ^{7,8}	5.35%	2.93%	3.80%
U.S. 3-month Treasury Bill Index	(4.30)%	0.00%	1.33%
Share price ^{7,9}	=====	=====	=====

INCOME

	(Unaudited) Half year ended 31 December 2023	(Unaudited) Half year ended 31 December 2022	(Audited) Year ended 30 June 2023
Per Share Returns			
Revenue return per share	(\$0.05)	\$0.11	\$0.39
Capital return per share	\$0.38	\$0.45	\$0.55
Total return per share	\$0.32	\$0.57	\$0.94
	=====	=====	=====

ONGOING CHARGES^{7,10}

	(Unaudited) Half year ended 31 December 2023	(Unaudited) Half year ended 31 December 2022	(Audited) Year ended 30 June 2022
Annualised ongoing charges	2.01%	1.85%	2.17%
	=====	=====	=====

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

- 1 Net Asset Value (NAV) includes balance sheet adjustments resulting from the Company now being a close company. Such adjustments include deferred tax assets as per Note 8, pages 37 and 38.
- 2 Cum-income net asset value includes all income, less the value of any dividends paid together with the value of any dividends which have been declared and marked ex dividend but not yet paid. Where the cum-income NAV is lower than the ex-income NAV, this reflects the revenue deficit.
- 3 Ex-Income NAV: Ex-Income net asset value is the Cum-Income NAV excluding net income (net income being all income, less the value of any dividends paid together with the value of any dividends which have been declared and marked ex-dividend but not yet paid).
- 4 The dividend paid during the year ended 30 June 2023 was the fourth interim dividend for the year ended 30 June 2022. Following the Tranche Two Tender Offer the Board has continued to review and assess the Company's distribution policy. The Company paid the first interim dividend for the fiscal year ended 30 June 2023 on 8 September 2023.
- 5 See Chairman's Statement for discussion regarding the Specialist Fund Segment of the London Stock Exchange, on which the Company's Ordinary Shares trade.
- 6 The amount by which the market price per share is lower than the cum-income NAV per share, expressed as a percentage of the cum-income NAV per share. Figures are inclusive of income and dividends paid, in line with the Association of Investment Companies (the "AIC") guidance.
- 7 These key performance indicators are alternative performance measures. Further information regarding the use of alternative performance measures can be found on page 12 and 68 in the Annual Report and Financial Statements as at 30 June 2023.
- 8 Net Asset Value per ordinary share, total return represents the theoretical return on NAV per ordinary share, assuming that dividends paid to shareholders were reinvested at the NAV per ordinary share at the close of business on the day shares were quoted ex-dividend.
- 9 Share Price Total Return represents the theoretical return to a shareholder, on a closing market price basis, assuming that all dividends received were reinvested, without transaction costs, into the ordinary shares of the Company at the close of business on the day the shares were quoted ex-dividend.
- 10 Ongoing Charges are operating expenses incurred in the running of the Company, whether charged to revenue or capital, but excluding financing costs. These are expressed as a percentage of the average net asset value during the period and this is calculated in accordance with guidance issued by the Association of Investment Companies.

CHAIRMAN'S STATEMENT

INTRODUCTION

Gabelli Merger Plus+ Trust Plc (the "Company") was incorporated in England and Wales on 28 April 2017. Its shares trade under the symbol "GMP" and have been listed on the Specialist Fund Segment of the Main Market of the London Stock Exchange and the Official List of the International Stock Exchange since 19 July 2017.

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. The Company has broad and flexible investment authority and, accordingly, it may at any time have investments in other related or unrelated areas.

This is the Company's first Half Year report to shareholders as a close company, while no longer availing itself of investment trust status, as per Section 1158 of the Corporation Tax Act 2010 ("S1158"). The Company is classified as an investment company and accordingly is a member of the Association of Investment Companies ("AIC").

After consultation with minority shareholders, the Company determined that continued adherence to the AIC's SORP is in the best interests of the investment company despite no longer remaining S1158 eligible. The largest shareholder, Associated Capital Group, Inc., is intent on continuing with the listed vehicle and growing value in the markets in accordance with the investment policy.

The Deferred Tax Asset ("DTA") increases the book value of the standard portfolio NAV from \$10.01 per share to \$10.43 per share as of 31 December 2023. The DTA is expected to preserve tax advantages into the medium term. The Board believes there is currently no material NAV impact to the Company and its shareholders from the loss of S1158 status.

The Company's Ordinary Shares trade on the Specialist Fund Segment of the London Stock Exchange. Secondary liquidity for the Company's Ordinary Shares is available via the trading system known as SETSqx, which is an auction based trading process. It is quote based throughout the day, until the auctions at U.K. times: 8am, 9am, 11am, 2pm and 4:35pm, when buyers and sellers can cross orders with each other. As there is no market maker, absent a "match" in prices, a trade would not occur. The closing market price is based on the last actual trade on the day or from any previous trading session when the last trade occurred. Thus there would have to be a match at the prescribed auction times to "meet" on price and quantity for an execution to occur.

The 7½% discount management mentioned in the offering prospectus is not a policy and the Board instead reviews overall conditions on a regular and frequent basis.

The Board is always receptive to feedback and welcomes any questions and comments from shareholders.

PERFORMANCE

The Company's Net Asset Value ("NAV") at 31 December 2023 was \$10.43 per share, generating a total return of 3.31% for the six months ended 31 December 2023.

The Company has provided a total return of 36.13% since issuance. This includes the costs of the issue resulting in a starting NAV of \$9.92 per share compared with the issue price of \$10.00 per share, and initial closing market price of \$10.15 per share.

REPURCHASE OF ORDINARY SHARES

On 31 January 2024 the Board announced the commencement of an On-Market Repurchase ("OMT") via a SETSqx tender. On 16 February 2024 the Company announced the successful completion of the OMT, in which the Company repurchased 19,500 Ordinary Shares.

The Fifth Anniversary Tender Offer for Qualifying Registered Shares via two tranches began in September 2022 and concluded in February 2023. A total of 3,055,957 Qualifying Shares were validly tendered in the Tranche One Tender Offer and a total of 331,457 Qualifying Shares were validly tendered in the Tranche Two Tender Offer.

No further buybacks or tenders are to be expected at this time.

LOYALTY PROGRAMME

The Company has implemented a Loyalty Programme to incentivise long-term share ownership. The Loyalty Programme is open to all shareholders who are entered in the Loyalty Register, a separate register to allow a shareholder to increase its voting power after holding shares for a continuous period of at least five years. Each shareholder so registered will be entitled to subscribe for one Special Voting Loyalty Share in respect of each Ordinary Share held. These shares can also be used as a form of consideration when entering into one or more agreements to acquire operating businesses in accordance with the Investment Policy.

DIVIDEND

Through 31 December 2023 the Company paid dividends of \$2.51 per Ordinary Share, totaling \$25.1 million:

Year	Per share (\$)	Total (\$ million)
2018	0.59	6.1 million
2019	0.48	5.0 million
2020	0.48	5.0 million
2021	0.48	4.9 million
2022	0.24	2.5 million
2023	0.24	1.6 million
Total	2.51	25.1 million

Subsequently, in 2024 the Company paid two additional dividends totaling \$2.4 million, \$0.24 per share with ex-date 15 February and payment date 1 March, and \$0.12 per share with ex-date 29 February and payment date 15 March.

The Company will make quarterly dividend payments as from the quarter ending 31 March 2024 at the discretion of the Board, and using the period's interest and dividend income earned, among other factors.

BOARD

On 5 October 2023 the Company named John Birch as non-executive Co-Chairman.

OUTLOOK

We are enthusiastic for the year ahead.

The world has experienced more than its fair share of 100-year events in recent years. In reality, a burgeoning great power conflict, the forces of de-globalization, economic alienation, and social fragmentation took decades to build. The outcome of these shifts is almost surely reduced prosperity and structurally higher inflation. What may be more difficult for the market to discount is the erosion of confidence in the presiding liberal economic order. Although this is a global phenomenon, the U.S. will enjoy a front seat to this clash with the upcoming election. This unfolds against a record \$34 trillion national debt (120%+ of GDP) rolling over at much higher rates. Net interest on U.S. debt for the fiscal year ended September 2024 will have more than doubled from 2020 to approximately \$800 billion, the second largest budget item after social security, crowding out private investment and underpinning inflation/currency debasement. Under the right leadership, these issues are addressable.

Leadership at the Federal Reserve may have learned from the past mistake of staying tight for too long by signaling a desire to cut rates ahead of significant economic weakness. Leading indicators, such as the PMI, corporate results, and commentary suggest economic deceleration. Inflation and a pandemic-bred higher propensity to spend have largely depleted excess consumer pandemic savings. More recently, however, lower energy costs, steady hours worked, and reflat asset prices have supported consumption. Infrastructure and re-shoring projects should continue to bolster corporate investment and government expenditures (over 30% of GDP). Taken together, we think this puts the U.S. on track for a "softish" landing in 2024 with an uptick in unemployment and below trend growth. Absent a geopolitical twist, oil shock, or systemic financial crisis, we do not anticipate anything approaching the severity of 2008-2009. Will permissive monetary policy again seed a return to inflation after emerging from an economic air pocket? Surveys indicate inflation expectations remain anchored; that may be a problem for another day as growth is the nearest wall of worry to hurdle. Resilience is on our side.

Global antitrust regulators, primarily led by the Federal Trade Commission (FTC), took firm stances against anti-competitive transactions in the middle part of 2023. This resulted in extended reviews of some transactions, but deals continue to close as buyers and sellers remain bound by their merger agreements and work to assure antitrust overseers that their transactions are pro-competitive.

Deal activity is expected to rebound in 2024 against the muted levels seen in 2023. This resurgence is likely to be driven by lower financing costs, potentially less stringent global antitrust oversight, and a persistent need for corporations to expand globally, recognising that intelligent acquisitions can be terrific growth drivers for their companies.

In the current high-yielding environment, it is strategically advantageous to allocate a portion of the Company's assets to U.S. Treasury bills due to the numerous benefits they offer. Treasuries stand out for their ability to provide competitive returns when compared to other fixed-income securities and given their short-term nature allows for frequent reinvestment at prevailing interest rates, potentially maximizing the overall yield of the portfolio over time. Moreover, Treasuries are highly liquid and can be easily bought and sold without significantly affecting their value. This liquidity not only enhances the flexibility of the Company's investment strategy but also allows for swift adjustments in response to changing market conditions.

During the period, a peak in short-term rates prompted by the end of interest rate hikes by the Fed, combined with an increase in the issuance of government bills, presented various attractive investment options. This was reflected in a modest extension of the duration of our portfolio, allowing us to exploit these opportunities. Looking ahead, yields in the Treasury market will continue to be influenced by Federal Reserve policy decisions and the supply of Treasury securities. Given the elevated short end of the Treasury curve and the Federal Reserve's focus on price stability, we anticipate that the investment environment for Treasury money market funds will remain attractive. Our investment strategy will remain adaptable, as we closely monitor how the financial markets respond to the Federal Reserve's future interest rate changes.

I extend a welcome to all our shareholders for the next phase of exciting growth

JOHN BIRCH
Co-Chairman
28 March 2024

MARC GABELLI
Co-Chairman

INTERIM MANAGEMENT REPORT AND RESPONSIBILITY STATEMENT

We share this 1st Half Report to Shareholders, encompassing the period from July 2023 through December 2023, and note certain developments post calendar year end. This period included several important updates for the Gabelli Merger Plus+ Trust Plc (the "Company") as included in the Chairman's Statement, which include:

- On 8 September 2023 the Company paid the first interim dividend for the fiscal year ended 30 June 2023.
- On 5 October 2023 the Company named John Birch as non-executive Co-Chairman and named Patrick Huvane and Manjit Kalha as executives. On 30 November 2023 the Company named Gustavo Pifano as an executive.
- Subsequent to the calendar year end, the Company announced several measures to return capital to shareholders. The Board of Directors declared the second and third interim dividends for the financial year ended 30 June 2023 of \$0.24 and \$0.12 per ordinary share, respectively. These dividends are payable on 1 March 2024 and 15 March 2024 to shareholders of record on 16 February 2024 and 1 March 2024, respectively.
- On 31 January 2024 the Board announced the commencement of an On-Market Repurchase ("OMT") via an ongoing SETSxq tender for up to 5% of the shares held by minority shareholders or approximately 25,000 shares.
- The Company has elected continued adherence to the AIC's SORP. Although no longer an investment trust, the Company has elected to continue to prepare the financial statements on a basis compliant with the recommendations of the SORP. The SORP is issued by the AIC and it sets out recommendations, intended to represent current best practice, on the form and contents of the financial statements of Investment Companies. Investment Companies include investment trust companies that have been, currently are, or are directing its affairs so as to enable it to obtain or retain approval under Section 1158. Although the Company no longer meets the requirements of section 1158 to be an investment trust, it continues to conduct its affairs as an investment company.

Gabelli Merger Plus+ Trust Plc ("GMP") seeks to achieve long-term total return from capital appreciation and income utilising the *Gabelli Private Market Value with a Catalyst™* methodology, primarily investing in the securities of businesses undergoing some form of strategic change where there are substantial disconnects between market price and business value, and, where catalysts exist that may narrow these discounts for the benefit of shareholders. GMP objectives, operating within this highly specialised value based catalyst event driven merger arbitrage discipline, are to compound and preserve shareholder wealth over time while remaining non-correlated to the broad equity and fixed income markets.

The Investment Methodology on pages 11 to 14 provides additional details on our investment process and how we find value in an effort to achieve, over the long term, superior risk adjusted annual returns above inflation for shareholders.

On behalf of the Board of Directors, we thank investors for entrusting a portion of their assets with the Gabelli Merger Plus+ Trust ("GMP"). We appreciate your confidence in the Gabelli long-term oriented investment method.

The Portfolio Manager's Review on pages 15 to 18 provides details of the important events that have occurred during the period and their impact on the financial statements.

COMPANY CONSIDERATIONS

Investors should note the difference between book and accounting value. Deferred tax assets ("DTA") can be used to offset certain taxes as applicable in the United Kingdom. And as such, based on a continuing level of activity the DTA are expected to be utilised resulting in the company not paying UK tax for this year. As a result of Associated Capital Group Inc's ownership of 92.3% of shares in issue, the Company is a consolidated subsidiary for Associated Capital Group Inc.'s financial reporting purposes. As such, activities of the Company and of Associated Capital Group Inc. could be deemed related parties for purposes of this disclosure. Investors should note that as a close company with Associated Capital Group Inc. controlling greater than 90% of shares Associated Capital Group Inc. may be able to ensure the passage of certain shareholder resolutions.

The Company is committed to delivering its investment programme for the long term and Directors, together with management are in the process of examining alternatives to minimise taxes, costs and expenses for its Shareholders.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Company fall into the following broad categories: investment portfolio; global macro events; operational; market and share price; financial; corporate governance and regulatory compliance; taxation; emerging and geopolitical risks. The global macro event category includes specific market and operational risks associated with the ongoing wars in Ukraine and Middle East and the aftermath of the global COVID-19 pandemic, which continue to cause uncertainty and disruption across global economies and markets. Information on each of these identified risk areas, including mitigating actions taken by the Company, was provided on pages 14 to 16 in the Strategic Report in the Company's Annual Report and Accounts for the year ended 30 June 2023.

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

RELATED PARTY DISCLOSURE AND TRANSACTIONS

During the first six months of the current financial year, other than fees payable by the Company in the ordinary course of business, there have been no material transactions with related parties which have materially affected the financial position or the performance of the Company.

GOING CONCERN

The Board have closely monitored the impact of the ongoing COVID-19 pandemic, Brexit uncertainty, and the wars in Ukraine and the Middle East. Those impacts and related continuing uncertainty have short and potentially medium-term implications for the Company's investment strategy. Additionally, the Board is monitoring the period ahead on the basis of the Company no longer having investment trust status and its implications on the Company's investment return profile over the longer term. In context, the Board continuously monitors the Company's investment portfolio, liquidity and gearing, along with levels of market activity, to appropriately minimise and mitigate consequential risks to capital and future income such as geopolitical risks, financial risks etc. Taking these factors into account, the Directors confirm that they have a reasonable expectation that the Company will continue to operate and meet its expenses as they fall due. For these reasons, the Directors consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts as at 31 December 2023.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with applicable International Accounting Standard 34 – 'Interim Financial Reporting' (IFS) as contained in UK-adopted international accounting standards; and

- the Interim Management Report, together with the Portfolio Manager's Review, include a fair review of the information required by 4.2.7R and 4.2.8R of the Disclosure Guidance and Transparency Rules.

This half yearly financial report has not been audited or reviewed by the Company's auditors.

The half yearly financial report was approved by the Board on 28 March 2024 and the above responsibility statement was signed on its behalf by the Co-Chairmen.

JOHN BIRCH
Co-Chairman
MARC GABELLI
Co-Chairman
FOR AND ON BEHALF OF THE BOARD
28 March 2024

THE SEARCH FOR VALUE – GABELLI MERGER PLUS+ INVESTMENT METHODOLOGY

THE GABELLI INVESTMENT PROCESS

Private Market Value with a Catalyst™

PROCESS IN ACTION

Gabelli Funds approach the global marketplace in a similar fashion; we invest like owners. Our clients own businesses through the fractional interest of a share. We are not index benchmarked, and construct portfolios agnostic of market capitalisation and index weightings. We seek long-term capital appreciation for our clients relative to inflation over the long term, regardless of market cycles. We have invested this way since 1977.

The Gabelli Merger Plus portfolio offers access to companies that have been identified to have substantial disconnects between market price and our estimate of the business value (PMV), and where catalyst events exist that may narrow these discounts for the benefit of GMP shareholders. We thus establish a "Margin of Safety" for our investors by identifying differences between our estimate of PMV and the stock market price. The process seeks to identify businesses undergoing some form of strategic change, typically with strong organic cash flow characteristics, balance sheets reorganizational opportunities, and strategic operational flexibility accelerated with the prospect of management capital allocation actions.

Catalyst merger events can come in many forms including, but not limited to, corporate restructurings (such as demergers and asset sales), operational improvements, regulatory or managerial changes, special situations (such as liquidations), and mergers and acquisitions. Corporate mergers provide valuable insights into corporate capital allocation decisions and therefore help in our assessment of long-term valuations. Our proprietary research data bases track thousands of announced deals globally and utilises that compounded knowledge in the continued refinement of Private Market Valuations. PMV's will change over time, and while our analysis is long term, it is through this consistent process of bottom up stock selection and the implementation of disciplined portfolio construction that we expect to create value for our shareholders annually.

In this process, we do sector- by-sector analysis, assessing the PMV of a business, and identifying the catalyst in place to realise returns. A company's PMV is not constant, and changes as a function of many variables. Our analysis emphasizes balance sheets, cash flows, and the long-term defensible position of a corporation. We achieve returns through investing in businesses utilising our proprietary Private Market Value ("PMV") with a Catalyst™ methodology. The PMV is the value that we believe an informed buyer would be willing to pay to acquire an entire company in a private transaction. Our team arrives at a PMV valuation by a rigorous assessment of fundamentals from publicly available information. Further, PMV's are enhanced through the analysis of announced corporate mergers and acquisition activity. Mergers offer tangible insights into the long-term capital allocation decisions of global corporations. We focus on the balance sheet, earnings, free cash flow, and the management, the stewards of corporates assets, of prospective companies. The judgement gained from our comprehensive, accumulated knowledge across a variety of sectors is deployed for investors in a portfolio. Our analysts typically forecast model company operations 5 years into the future. Unlike Wall Street's earnings momentum players, we do not try to forecast earnings with accounting precision and then trade stocks based on quarterly expectations and realities. We simply try to position ourselves in front of long-term earnings trends. Throughout our research process, the focus is on free cash flow: earnings before interest, taxes, depreciation and amortization ("EBITDA") minus the capital expenditures necessary to grow the business. We believe free cash flow is the best barometer of a business' value. Deteriorating or rising free cash flow often foreshadows net earnings changes. We also look at earnings per share trends. In addition, we analyse on and off balance sheet assets and liabilities such as property, plant and equipment, inventories, receivables, and legal, environmental and health care issues. We want to know everything and anything that will add to, or detract from, our valuation models. This method of analysis involves looking at businesses as a function of their assets and earnings power. We examine businesses as if we were owners of those businesses, and we believe that we can do that in a rational way by looking at industries on a global basis. Our investment professionals visit with hundreds of companies each year. Our work is proprietary, bottom up, and involves the full utilisation of public resources.

Our analysts follow industries on a global basis, and narrow the universe of potential investment candidates to a short list of the most attractive companies. All publicly available company material is reviewed, including annual and quarterly reports, 10-Ks, 10-Qs, and proxy statements.

Each analyst develops an operational understanding of their industry, effectively becoming an expert in that industry. The analysts hone this expertise by continually visiting companies and their senior managements, and by talking to competitors, suppliers and customers. They also develop and maintain government and trade sources to derive an overall understanding of their industry. In addition, our firm hosts a number of industry seminars, where the top executives of the leading firms share their insights with the investment community.

The objective of this process is to identify companies that trade at significant differences to their intrinsic or private market values.

We continually visit the management of hundreds of companies and integrate their input with our knowledge base. Our goal is to understand management's motivations and expectations. Given our approach, we want to know who our partners are and if they are working to enhance shareholder value. This process, coupled with our financial analysis, helps us select the most attractive investment candidates for our portfolios.

We employ a three- dimensional approach to valuation:

- Earnings per share
- Free cash flow
- Private market value

The first step is to analyse the income statement and cash flow. Cash flow is viewed as a barometer of financial health, and often foreshadows earnings trends. We attempt to forecast the direction and growth rates of the earnings and cash flow streams.

The second step is to examine the balance sheet. The corporate balance sheet is recast, assessing real- world values of inventories, property, plant and equipment and stated book value.

To these two analytical processes, dynamic forecasting and static asset and liability valuation, we add our assessment of the PMV of the business. In other words, what would this company be worth to an informed business person attempting to create or purchase a business with similar characteristics?

Catalyst: Identification of a mispriced situation, however, does not necessarily guarantee a rewarding investment. The next step is to determine events in businesses undergoing some form of strategic change that will help narrow the spread between a stock's public market price and our determination of its PMV. We call these events catalysts. Catalysts include industry events such as consolidation, changes in the regulatory or accounting environment, new technologies, or be indigenous to the company itself such as financial engineering, demergers, acquisitions or sales.

MANAGER HISTORY

The Gabelli organisation, of which Gabelli Funds, LLC is an affiliate, began in the U.S. in 1976 as an institutional value investing research firm. Mario Gabelli, the firm's founder, is credited by the academic community for establishing the notion of Private Market Value ("PMV"), the value an informed industrialist would pay for an entire business in a negotiated transaction. This is a long-term oriented bottom- up investment process based on the fundamental investment principles first articulated in 1934 by Graham and Dodd, the founders of modern security analysis, and further augmented by Mario Gabelli in 1977 with his introduction of the concepts of PMV into equity analysis. Gabelli has added the element of a catalyst event to generate long-term returns. The Gabelli method, PMV with a Catalyst™, is part of the Value Investing Curriculum at many major business schools and is thus applied in the analysis of public equity securities by Gabelli Funds for shareholders.

Results: After we have identified and selected stocks that qualify as candidates based on these fundamental and conceptual considerations, our objective is to structure a diversified portfolio. This has been a proven long-term method for creating wealth, risk adjusted, in the stock market.

MERGER INVESTING

Merger arbitrage is a highly specialised component of a portfolio. The investment approach is 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 other actions. As arbitrageurs, we seek to earn the differential, or "spread," between the market price of our investments and the value ultimately realised through deal consummation.

PORTFOLIO MANAGER'S REVIEW

Gabelli *catalyst event merger arbitrage* offers investors broad and flexible investment authority

- *PMV with a Catalyst selection across all sectors and capitalizations*
- *Full use of Gabelli organization resources: proprietary research, portfolio management, risk control and trading*
- *Fundamental research-driven investment process*
- *Opportunities to maximize returns regardless of market direction*
- *Minimize overall market correlation*

METHODOLOGY AND MARKET OPPORTUNITY

In this context, let us outline the investment landscape during the second half of the financial year to 31 December 2023 and the environment ahead. We are especially enthusiastic about the opportunities to grow client wealth in the decades to come, and we highlight below several factors that should help drive results. These include:

- Increased market volatility, which enhances our ability to establish positions for the prospect of improved returns
- A robust market for corporate deal making as conditions continue to provide an accommodative market for mergers and acquisitions
- An elevated interest rate environment, providing attractive merger spread opportunities
- The Fund's experienced investment team, which pursues opportunities globally through the disciplined application of Gabelli's investment methodology

GLOBAL DEAL ACTIVITY¹

Global deal merger and acquisition activity ("M&A") totalled \$2.9 trillion during 2023, a year-over-year decrease of 17%. The total number of deals worldwide decreased only 6% compared to 2022. Mega deals – those greater than \$10 billion – totalled \$647 billion, while deals with value under \$500 million accounted for \$793 billion during the year, down 13% and 26% year over year, respectively.

¹ Thomson Reuters M&A Review – Full Year 2023

Cross border M&A activity totalled \$954 billion for the calendar year, a decrease of 12% year over year. Private equity deals decreased 30% year over year; however, these buyouts still accounted for 20% of total deal activity.

Deals involving United States-based targets declined only 5% in 2023 and accounted for 47% of global deal activity. European M&A tallied \$598 billion of transactions over the same period, a decrease of 28%. Asia Pacific targets totalled \$602 billion in 2022, a 26% decrease year over year.

The Energy and Power sector was the biggest contributor to merger activity during the year, totalling \$502 billion, accounting for a record 17% of total announced deal volume.

Industrials, Technology, and Healthcare sectors were also large contributors, each accounting for 13% of M&A activity.

PORTFOLIO IN REVIEW

Risk assets experienced a bounce back year in 2023, supported by a resilient economy, better than anticipated corporate earnings, and expectations that the Federal Reserve is finished raising rates. The S&P 500 and investment grade bonds were up 26% and 6%, respectively. As we have noted in the past, our merger arbitrage portfolios earn returns from taking asymmetrical deal risk and not market risk. 2023 was another year of generating positive, absolute returns for our clients.

Driven by a weak first half of the year, global M&A volumes were down 17% in 2023; however, the US remained the lone bright spot in M&A. With \$1.4 trillion in announced M&A, US targets saw a volume decline of only 5% on the year with number of deals only decreasing 4% year over year. Furthermore, the US accounted for nearly 47% of worldwide volumes. Volumes trended upwards as the year progressed, and the fourth quarter saw an increase of nearly 30% compared to the third quarter and 10% year-over-year.

As we look ahead to 2024, we anticipate robust M&A markets. We expect the recent headwinds in M&A will reverse as clarity and confidence return to the boardroom. Financing markets have stabilized as anticipated Fed actions indicate a likely top in rates. A better understanding of changing global regulatory regimes should create a more efficient framework for tackling onerous regulatory hurdles. Lastly, sellers' expectations should be recalibrated to the "new normal" in asset valuations now that we are a full year removed from equity volatility of 2022, which should lead to more transactions.

The spread environment continues to remain attractive, supported by (1) interest rates and (2) perceived regulatory risks in M&A transactions. As the risk free rate is one of the components of a deal spread, higher rates for longer should result in higher nominal spreads, all things being equal. With the 3-month Treasury bill yielding over 5%, this should continue to create a more compelling spread environment going forward. Regarding regulatory risk, the aggressive policies of regulators in the US and abroad have created some volatility; however, several large transactions were able to close despite regulatory action (Activision, Horizon Therapeutics and Black Knight). We feel as though this regulatory environment has created unique investment opportunities and an attractive risk/reward.

We continue to find attractive investment opportunities in newly announced and pipeline deals. We remain focused on investing in highly strategic, well-financed deals with an added focus on near-term catalysts, and are upbeat about our prospect to generate absolute returns in 2024.

Notable contributors to performance include:

GAMING AND ENTERTAINMENT

Activision Blizzard, Inc. (ATVI-NYSE), which develops and publishes interactive entertainment and gaming content, received formal approval from the UK CMA on 13 October, and the deal was completed later that day. Shareholders received \$95 cash per share, bringing an end to Microsoft's 636 day pursuit of Activision. The UK CMA ultimately concluded that Microsoft's revised deal structure for its \$70 billion acquisition of Activision that included selling cloud gaming rights to Ubisoft, likely addressed its concerns.

BIOTECH PHARMA

Cerevel Therapeutics Holdings, Inc. (CERE-NASDAQ) agreed to be acquired by AbbVie, Inc. (ABBV-NYSE). Cerevel Therapeutics is a biopharmaceutical company focused on developing innovative therapies for neurological disorders, with a particular emphasis on neuroscience research and drug discovery. Under terms of the agreement, Cerevel Therapeutics shareholders will receive \$45.00 cash per share, valuing the transaction at approximately \$8.7 billion. The transaction is subject to shareholder, as well as regulatory approvals and is expected to close in the middle of 2024.

ImmunoGen, Inc. (IMGNNASDAQ) agreed to be acquired by AbbVie, Inc. (ABBV-NYSE). ImmunoGen is a biotechnology company that focuses on the development and commercialization of antibody-drug conjugates for cancer patients. Under terms of the agreement, ImmunoGen shareholders will receive \$31.26 cash per share, valuing the transaction at approximately \$7.8 billion. The transaction is subject to shareholder, as well as regulatory approvals and is expected to close in the second quarter of 2024.

CLOUD COMPUTING AND DATA

VMware (VMW-NYSE), which provides virtualization software that powers networks and the cloud, received Chinese regulatory approval (SAMR) to be acquired by Broadcom. SAMR was the final regulatory hurdle, and Broadcom completed its \$70 billion acquisition on 22 November. The transaction had previously received antitrust approval in the US, UK, and EC. Under terms of

Splunk Systems (SPLK-\$152.35-NASDAQ) agreed to be acquired by Cisco Systems, Inc. (CSCO-NASDAQ). Splunk develops and markets cloud services and licensed software solutions in the U.S. and abroad. Under terms of the agreement, Splunk shareholders will receive \$157.00 cash per share, valuing the transaction at approximately \$28 billion. The transaction is subject to shareholder, as well as regulatory approvals and is expected to close in the third quarter of 2024.

Albertsons Companies, Inc. (ACI-NYSE) agreed to be acquired by The Kroger Co. (KR-NYSE). Albertsons operates food and drug retail stores in the U.S. under banners such as Albertsons, Safeway, Vons, Tom Thumb, ACME and more. Under terms of the agreement Albertsons' shareholders will receive \$34.10 cash per share (inclusive of a special dividend and potential spinoff), valuing the transaction at approximately \$25 billion. The transaction is subject to shareholder, as well as regulatory approvals and is expected to close in 2024.

Amedisys, Inc. (AMED-\$91.44-NASDAQ) agreed to be acquired by UnitedHealth Group Incorporated (UNH- \$480.64-NYSE). Amedisys provides home health, hospice, personal care, and high acuity care services in the U.S. Under terms of the agreement Amedisys shareholders will receive \$101.00 cash per share, valuing the transaction at approximately \$3.7 billion. Amedisys previously agreed in May to be acquired by Option Care Health, Inc. (OPCH-\$32.49-NASDAQ) for 3.0213 shares of Option Care Health common stock per share, valuing the transaction at approximately \$3.5 billion. The proposal is under review, and we continue to monitor the situation.

Capri Holdings Ltd. (CPRI-\$52.49-NYSE) agreed to be acquired by Tapestry, Inc. (TPR-\$33.32-NYSE). Capri designs, markets, distributes, and retails women's and men's apparel under the Versace, Jimmy Choo, and Michael Kors brand names. Under terms of the agreement Capri shareholders will receive \$57.00 cash per share, valuing the transaction at approximately \$10 billion. The transaction is subject to shareholder, as well as regulatory approvals and is expected to close in the fourth quarter of 2024.

Hess Corp. (HES-NYSE) agreed to be acquired by Chevron Corp. (CVX-NYSE). Hess is an energy company that explores, produces, transports, and sells crude oil, natural gas liquids, and natural gas. Under terms of the agreement, Hess shareholders will receive 1.025 shares of Chevron Corp. common stock per share, valuing the transaction at approximately \$52.4 billion. The transaction is subject to shareholder, as well as regulatory approvals and is expected to close in the first half of 2024.

United States Steel Corp. (X-NYSE) agreed to be acquired by Nippon Steel Corp. (5401 JP-Tokyo). U.S. Steel is a major American integrated steel producer, operating across the entire steel production process from raw materials to finished goods. Under terms of the agreement, U.S. Steel shareholders will receive \$55.00 cash per share, valuing the transaction at approximately \$14.1 billion. The transaction is subject to shareholder, as well as regulatory approvals and is expected to close in the third quarter of 2024.

- Targeted strategy to achieve superior total returns, non correlated to the broad market
- Preservation and growth of investor capital
- Provides diversification to traditional equity and fixed income portfolios

		(Unaudited)			(Unaudited)			(Audited)		
		Half year ended 31 December 2023			Half year ended 31 December 2022			Year ended 30 June 2023		
	Note	Revenue \$000	Capital \$000	Total \$000	Revenue \$000	Capital \$000	Total \$000	Revenue \$000	Capital \$000	Total \$000
Income										
Investment income	5	966	—	966	487	—	487	1,012	—	1,012
Total investment income		966	—	966	487	—	487	1,012	—	1,012
Gains on investments										
Net realised and unrealised gains on investments	3, 12	—	2,870	2,870	—	4,826	4,826	—	4,707	4,707
Net realised and unrealised currency gains on investments		—	31	31	—	208	208	—	114	114
Net gains on investments		—	2,901	2,901	—	5,034	5,034	—	4,821	4,821
Total income and gains on investments		966	2,901	3,867	487	5,034	5,521	1,012	4,821	5,833
Expenses										
Portfolio management fee	6	(287)	—	(287)	(369)	—	(369)	(654)	—	(654)
Performance fee	6, 13	—	—	—	—	(963)	(963)	—	—	—
Other expenses	6	(331)	(320)	(651)	(697)	(111)	(808)	(807)	(501)	(1,308)
Total expenses		(618)	(320)	(938)	(1,066)	(1,074)	(2,140)	(1,461)	(501)	(1,962)
Net return on ordinary activities before finance costs and		348	2,581	2,929	(579)	3,960	3,381	(449)	4,320	3,871

taxation										
Interest expense and similar charges		(11)	–	(11)	–	–	–	(26)	–	(26)
Profit before taxation		337	2,581	2,918	(579)	3,960	3,381	(475)	4,320	3,845
Taxation on ordinary activities	8	(698)	–	(698)	1,580	–	1,580	3,471	–	3,471
(Loss)/profit for the period		(361)	2,581	2,220	1,001	3,960	4,961	2,996	4,320	7,316
(Loss)/earnings per share (basic and diluted)	9	(\$0.05)	\$0.38	\$0.32	\$0.11	\$0.45	\$0.57	\$0.39	\$0.55	\$0.94

The total column of this statement represents the Statement of Comprehensive Income prepared in accordance with UK International Accounting Standards (UK IAS). 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 ended 31 December 2023.

The Company does not have any income or expense that is not included in net profit for the year. Accordingly, the net profit for the period is also the total comprehensive income for the year, as defined in UK IAS.

The notes on pages 26 to 54 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2023

HALF YEAR ENDED 31 DECEMBER 2023 (UNAUDITED)

(Unaudited)						
Half year ended 31 December 2023						
	Note	Called up Share Capital \$000	Special Distributable Reserve* \$000	Capital Reserve \$000	Revenue Reserve* \$000	Total \$000
Balance as at 1 July 2023		103	45,995	25,285	(1,360)	70,023
Profit/(loss) for the period after tax on ordinary activities		–	–	2,581	(361)	2,220
Dividends paid	7	–	(822)	–	–	(822)
Balance as at 31 December 2023		103	45,173	27,866	(1,721)	71,421

HALF YEAR ENDED 31 DECEMBER 2022 (UNAUDITED)

(Unaudited)						
Half year ended 31 December 2022						
	Note	Called up Share Capital \$000	Special Distributable Reserve* \$000	Capital Reserve \$000	Revenue Reserve* \$000	Total \$000
Balance as at 1 July 2022		103	79,062	20,965	(4,356)	95,774
Ordinary shares bought back into treasury		–	–	(29,001)	–	(29,001)
Profit for the period after tax on ordinary activities		–	–	3,960	1,001	4,961
Balance as at 31 December 2022		103	79,062	(4,076)	(3,355)	71,734

YEAR ENDED 30 JUNE 2023 (AUDITED)

(Audited)						
Year ended 30 June 2023						
	Note	Called up Share Capital \$000	Special Distributable Reserve* \$000	Capital Reserve \$000	Revenue Reserve* \$000	Total \$000
Balance as at 1 July 2022		103	79,062	20,965	(4,356)	95,774
Ordinary shares bought back into treasury		–	(32,245)	–	–	(32,245)
Profit for the period after tax on ordinary activities		–	–	4,320	2,996	7,316
Dividends paid	7	–	(822)	–	–	(822)
Balance as at 30 June 2023		103	45,995	25,285	(1,360)	70,023

* The Revenue Reserve and Special Distributable Reserve are distributable. The amount of the Revenue Reserve and Special Distributable Reserve that is distributable is not necessarily the full amount of the reserves as disclosed within these financial statements. As at 31 December 2023, the net amount of reserves that are distributable are \$43,452,000 (31 December 2022: \$75,707,000, 30 June 2023: \$44,635,000).

The notes on pages 26 to 54 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

		(Unaudited) As at 31 December 2023	(Unaudited) As at 31 December 2022	(Audited) As at 30 June 2023
	Note	\$000	\$000	\$000
Non-current assets				
Investments held at fair value through profit or loss	3	63,892	56,938	56,514
Current assets				
Cash and cash equivalents	10	5,901	14,727	9,555
Receivable for investment sold		77	447	1,800
Other receivables	14	77	157	73
Deferred tax asset	8	2,870	2,354	3,530
		8,925	17,685	14,958
Current liabilities				
Portfolio management fee payable		(49)	(52)	(46)
Performance fee payable		–	(963)	–
Payable for investment purchased		(643)	(268)	(571)

Taxes payable		–	(741)		–
Other payables	14	(338)	(455)		(349)
Bank overdrafts				(162)	(106)
Net current assets		7,859		15,045	13,886
Non-current liabilities					
Investments at fair value through profit or loss	3	(278)		(197)	(325)
Offering fees payable		(52)		(52)	(52)
Net assets		71,421		71,734	70,023
Share capital and reserves					
Called-up share capital	11	103	103		103
Special distributable reserve ¹		45,173	79,062		45,995
Capital reserve		27,866	(4,076)		25,285
Revenue reserve ¹		(1,721)	(3,355)		(1,360)
Total shareholders' funds		71,421		71,734	70,023
Net asset value per ordinary share		\$10.43		\$9.99	\$10.22

¹ The Revenue Reserve and Special Distributable Reserve are distributable. The amount of the Revenue Reserve and Special Distributable Reserve that is distributable is not necessarily the full amount of the reserves as disclosed within these financial statements. As at 31 December 2023, the net amount of reserves that are distributable are \$43,452,000 (31 December 2022: \$74,093,000, 30 June 2023: \$44,635,000).

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

The notes on pages 26 to 54 form part of these financial statements.

The financial statements on pages 20 to 25 were approved by the Board of Directors on 28 March 2024 and signed on its behalf by:

JOHN BIRCH **MARC GABELLI**
Co-Chairman Co-Chairman

NOTES TO THE FINANCIAL STATEMENTS

1 CONDENSED FINANCIAL STATEMENTS

The half yearly report has not been audited by the Company's auditors.

2 ACCOUNTING POLICIES

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

The principal accounting policies adopted by the Company are set out below. Where presentational guidance set out in the Statement of Recommended Practice ('SORP') for investment trusts issued by the Association of Investment Companies ('AIC') in October 2019 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

For the accounting period ended 30 June 2022, the Company met the requirements to be an investment trust under sections 1158 and 1159 of the Corporation Tax Act of 2010. However, as a result of the Tranche One Tender Offer completed in the third quarter of 2022, the Company subsequently became a close company due to becoming controlled by a single participator, Associated Capital Group, Inc.

Although no longer an Investment Trust, the Company has elected to continue to prepare the financial statements on a basis compliant with the recommendations of the SORP. The SORP is issued by the AIC and it sets out recommendations, intended to represent current best practice, on the form and contents of the financial statements of Investment Companies. Investment Companies include investment trust companies that have been, currently are, or are directing its affairs so as to enable it to obtain or retain approval under Section 1158 of the Corporation Tax Act 2010. Although the Company no longer meets the requirements of Section 1158 of the Corporation Tax Act 2010 to be an investment trust, it continues to conduct its affairs as an investment company. Further, management of the Company also believes that consistency in presentation will be beneficial to individuals reviewing the Company's financial statements.

(b) Presentation of Statement of Comprehensive Income – To better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income.

(c) Going concern – The Directors, have taken account of the continuing market regulatory changes affecting investee companies, investment valuations and the war in Ukraine. Those impacts and related continuing uncertainty have short- and potentially medium-term implications for the Company's investment strategy. Additionally, the Board is monitoring the period ahead on the basis of the Company no longer having investment trust status and its implications on the Company's investment return profile over the longer term. In context, the Board continuously monitors the Company's investment portfolio, liquidity, and gearing, along with levels of market activity, to appropriately minimise and mitigate consequential risks to capital and future income such as geopolitical risks and financial risks. Taking these factors into account, the Directors confirm that they have a reasonable expectation that the Company will continue to operate and meet its expenses as they fall due. For these reasons, the Directors consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts as at 31 December 2023.

In forming this position, the Directors consulted with shareholders utilizing the tender offer process, considered the Company's investment objectives, risk management policies, capital management policies and procedures, the nature of the portfolio and expenditure projections in detail.

(d) Statement of estimation uncertainty – In the application of the Company's accounting policies, the Investment Manager is required to make judgements, estimates, and assumptions about carrying values of assets and liabilities that are not always readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may vary from these estimates. There have been no significant judgements, estimates, or assumptions for the period.

(e) Income recognition – Revenue from investments (other than special dividends), including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend, or where no ex-dividend date is quoted, when the Company's right to receive payment is established. Franked investment income is stated net of the relevant tax credit. Other income includes any taxes deducted at source.

Special dividends are credited to capital or revenue, according to the circumstances. Scrip dividends are treated as unfranked investment income; any excess in value of the shares received over the amount of the cash dividend is recognised as a capital item in the Statement of Comprehensive Income.

Interest income is accounted for on an accrual basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(f) Expenses – The management fees are allocated to revenue in the Statement of Comprehensive Income. Interest receivable and payable and management expenses are treated on an accruals basis. 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. Starting with the year ended 30 June 2023, transaction and finance charges related to contracts for difference are charged to capital.

The formation and initial expenses of the Company are allocated to capital.

(g) Investments – Investments have been designated upon initial recognition at fair value through profit or loss. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are initially measured at fair value. Subsequent to initial recognition,

investments are valued at fair value. U.S. Treasuries held for investment diversification purposes are not included as cash equivalents and are valued at their amortised cost. Movements in the fair value of investments and gains/losses on the sale of investments are taken to the Statement of Comprehensive Income as capital items.

The Company's investments are classified as held at fair value through profit or loss in accordance with applicable International Financial Standards.

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. The Company shall offset financial assets and financial liabilities if it has a legally enforceable right to set off the recognised amounts and interests and intends to settle on a net basis. Financial assets and liabilities are derecognised when the Company settles its obligations relating to the instrument.

Contracts for Difference (CFDs)

CFDs are recognised in the Statement of Financial Position at the accumulated unrealised gain or loss as an asset or liability, respectively. This represents the difference between the nominal book cost and market value of each position held. Movements in the unrealised gains/losses are taken to the Statement of Comprehensive Income as capital items.

(h) **Cash and cash equivalents** – The Company may invest part of its net assets in cash and cash equivalents, money market instruments, bonds, commercial papers or other debt obligations with banks or other counterparties, having at least a single-A (or equivalent) credit rating from an internationally recognised rating agency or government and other public securities, if the Portfolio Manager believes that it would be in the best interests of the Company and its shareholders. This may be the case, for example, where the Portfolio Manager believes that adverse market conditions justify a temporary defensive position. Any cash or surplus assets may also be temporarily invested in such instruments pending investment in accordance with the Company's investment policy. Cash balances are marked to market based on the prevailing exchange rate as of the valuation date. U.S. Treasuries are valued at their amortised cost.

(i) **Transaction costs** – Transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the Statement of Comprehensive Income.

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

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

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

(m) **Capital reserve** – Capital distributions received, realised gains or losses on investments that are readily convertible to cash, and capital expenses are transferred to the capital reserve. Share buybacks are funded through the capital reserve.

(n) **Taxation** – The tax effect of different items of income/gains and expenditure/losses is allocated between revenue and capital on the same basis as the particular item to which it relates, under the marginal method, using the Company's effective rate of tax. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the period end date where transactions of events that result in an obligation to pay more or a right to pay less tax in future have occurred at the period end date measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods.

GMP has historically been authorized as an Investment Trust under Sections 1158 and 1159 Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 (S.I.2011/2999).

Following a share buy-back offer from 19 August 2022 to 22 September 2022, GMP became a close company due to becoming controlled by a single participator, Associated Capital Group Inc. This constituted a "serious" breach of the Investment Trust rules.

Accordingly, GMP notified HMRC of this development in December 2022 and requested confirmation that GMP's authorization as an Investment Trust should be withdrawn from the commencement of the current accounting period (being 1 July 2022).

The primary benefit associated with the Investment Trust regime is that capital gains realized by a qualifying Investment Trust company is exempt from UK Corporation Tax. Therefore, loss of Investment Trust status for a UK company can have potentially significant consequences for its tax profile moving forwards, as it would be subject to tax on any capital gains realized thereafter at the main rate of UK Corporation Tax.

At 31 December 2023, after offset against income taxable on receipt, there was a deferred tax asset ("DTA") of \$2.87 million (31 December 2022: \$2.35 million, 30 June 2023: \$3.53 million) in relation to surplus tax reliefs. After the loss of its Investment Trust Status it is now possible for GMP to utilise this DTA in order to shelter capital gains from UK Corporation Tax. In order for the DTA to remain available, GMP must maintain its investment business moving forwards. GMP's activities are such that it will have an investment business for UK tax purposes. In particular, the Investment Trust rules require that "substantially all of the business of the Investment Trust company consists of investing its funds in shares, land or other assets with the aim of spreading investment risk and giving members of the company the benefit of the results of the management of its funds". This may be considered analogous to having an investment business. Therefore, given (i) GMP previously received approval from HMRC that this requirement was met, and (ii) the activity of the company is not intended to change, GMP will continue having an investment business and will meet the conditions to carry forward and use its excess management expenses in current and future periods. As such GMP has included the DTA in the financial statements.

(o) **Functional and presentation currency** – The functional and presentation currency of the Company is the U.S. dollar.

3 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	As at 31 December 2023 (Unaudited)			Total \$000
	Level 1 \$000	Level 2 \$000	Level 3 \$000	
Financial assets at fair value through profit or loss				
Quoted equities	36,716	–	823	37,539
Contingent value rights	–	–	372	372
Derivatives	–	115	–	115
U.S. Treasuries	–	25,866	–	25,866
Gross fair value				63,892
Derivatives	–	(278)	–	(278)
Net fair value	36,716	25,703	1,195	63,614
	=====	=====	=====	=====
	As at 31 December 2022 (Unaudited)			Total \$000
	Level 1 \$000	Level 2 \$000	Level 3 \$000	
Financial assets at fair value through profit or loss				
Quoted equities	55,291	1,287	4	56,582
Contingent value rights	–	210	–	210
Derivatives	–	146	–	146
Gross fair value				56,938
Derivatives	–	(197)	–	(197)
Net fair value	55,291	1,446	4	56,741
	=====	=====	=====	=====
	As at 30 June 2023 (Audited)			Total
	Level 1	Level 2	Level 3	

	\$000	\$000	\$000	\$000
Financial assets at fair value through profit or loss				
Quoted equities	55,219	903	–	56,122
Contingent value rights	–	257	–	257
Derivatives	–	135	–	135
	=====	=====	=====	=====
Gross fair value				56,514
Derivatives	–	(325)	–	(325)
	=====	=====	=====	=====
Net fair value	55,219	970	–	56,189
	=====	=====	=====	=====

There were no transfers between levels for all periods presented.

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.

ANALYSIS OF CHANGES IN MARKET VALUE AND BOOK COST OF PORTFOLIO INVESTMENTS IN PERIOD

	(Unaudited) As at 31 December 2023* \$000	(Unaudited) As at 31 December 2022 \$000	(Audited) As at 30 June 2023 \$000
Opening book cost	63,218	99,687	99,687
Opening investment holding losses	(7,029)	(7,722)	(7,722)
	=====	=====	=====
Opening market value	56,189	91,965	91,965
	=====	=====	=====
Additions at cost	117,027	71,500	139,266
Disposals proceeds received	(112,472)	(111,550)	(179,749)
Gains on investments	2,870	4,826	4,707
	=====	=====	=====
Market value of investments	63,614	56,741	56,189
	=====	=====	=====
Closing book cost	69,493	63,829	63,218
Closing investment holding losses	(5,879)	(7,088)	(7,029)
	=====	=====	=====
Closing market value	63,614	56,741	56,189
	=====	=====	=====

* Figures for the period ended 31 December 2023 include U.S. Treasuries purchased for investment diversification purposes.

The company received \$112,472,000 (31 December 2022: \$111,550,000, 30 June 2023: \$179,749,000) from investments sold in the period. The book cost of these investments when they were purchased was \$110,752,000 (31 December 2022: \$107,358,000, 30 June 2023: \$175,735,000).

NET REALISED AND UNREALISED GAINS/(LOSSES) ON INVESTMENTS

	(Unaudited) Half year ended 31 December 2023 \$000	(Unaudited) Half year ended 31 December 2022 \$000	(Audited) Year ended 30 June 2023 \$000
Realised gains on investments	1,720	4,192	4,014
Movement in unrealised gains on investments	1,150	634	693
	=====	=====	=====
Net realised and unrealised gains on investments	2,870	4,826	4,707
	=====	=====	=====

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 Statement of Comprehensive Income. The total costs were as follows:

	(Unaudited) Half year ended 31 December 2023 \$000	(Unaudited) Half year ended 31 December 2022 \$000	(Audited) Year ended 30 June 2023 \$000
Purchases	27	24	54
Sales	15	25	34
	=====	=====	=====
Total	42	49	88
	=====	=====	=====

5 INCOME FROM INVESTMENTS

	(Unaudited) Half year ended 31 December 2023 \$000	(Unaudited) Half year ended 31 December 2022 \$000	(Audited) Year ended 30 June 2023 \$000
Dividend income	280	227	423
Income on short-term investments ¹	597	108	387
Other income	89	152	202
	=====	=====	=====
Total income	966	487	1,012
	=====	=====	=====

¹ Income on short-term investments represents the return on cash and cash equivalents, primarily U.S. Treasury Bills. Further information can be found in Note 10 on page 39.

6 EXPENSES

	(Unaudited) Half year ended 31 December 2023 \$000	(Unaudited) Half year ended 31 December 2022 \$000	(Audited) Year ended 30 June 2023 \$000
Revenue expenses			
Portfolio Management Fee	(287)	(369)	(654)
Directors' Remuneration	(79)	(79)	(157)
Audit Fees – PwC	(50)	(100)	(145)
Company Secretary Fees	(50)	(76)	(100)
Legal Fees	(25)	(76)	(122)
Former AIFM – Carne	–	(27)	(51)
AIFM Support Services	(24)	–	–
Administration Fees – State Street	(23)	(23)	(55)
Custodian/Depository Fees – State Street	(23)	(28)	(52)
Other	(20)	(56)	(34)
Printing	(8)	(19)	(28)
Registrar – Computershare	(7)	(8)	(18)
Regulatory Filing Fees – AIFMD	(7)	(7)	(14)
LSE RNS fees	(8)	(8)	(10)
Ongoing LSE and UKLA Fees	(5)	(3)	(10)
Directors' Expenses	(4)	(10)	(11)
Contracts for Difference ¹	–	(177)	–
Total revenue expenses	(618)	(1,066)	(1,461)

¹ Beginning with the year ended 30 June 2023 expenses related to Contracts for Difference are treated as capital expenses. In prior years these expenses were treated as revenue expenses.

	(Unaudited) Half year ended 31 December 2023 \$000	(Unaudited) Half year ended 31 December 2022 \$000	(Audited) Year ended 30 June 2023 \$000
Capital expenses			
Contracts for Difference ¹	(261)	–	(317)
Transaction Charges – State Street	(32)	(55)	(92)
Transaction costs on derivatives	(27)	(56)	(92)
Performance Fee	–	(963)	–
Total capital expenses	(320)	(1,074)	(501)

¹ Beginning with the year ended 30 June 2023 expenses related to Contracts for Difference are treated as capital expenses. In prior years these expenses were treated as revenue expenses.

PORTFOLIO MANAGEMENT FEE

Under the terms of the Portfolio Management Agreement, the Portfolio Manager will be entitled to a management fee ("Management Fee"), together with reimbursement of reasonable expenses incurred by it in the performance of its duties under the Portfolio Management Agreement, other than the salaries of its employees and general overhead expenses attributable to the provision of the services under the Portfolio Management Agreement. The Management Fee shall be accrued daily and calculated on each Business Day at a rate equivalent to 0.85% of NAV per annum.

AIFM FEES

The Company previously appointed Carne Global Fund Managers (Ireland) Limited ("Carne") as its Alternative Investment Fund Manager pursuant to the AIFMD. Carne is entitled to receive from the Company such annual fees, accrued and payable monthly and subject to a minimum monthly fee of €2,500. The Company appointed Gabelli Funds, LLC to serve as AIFM effective 14 February 2023. Gabelli Funds, LLC does not earn a fee for its role as AIFM; it earned \$287,299 in portfolio management fees during the period ended 31 December 2023 (31 December 2022: \$368,896, 30 June 2023: \$653,934). For the half year ended 31 December 2023 Carne provided certain support services to the AIFM such as due diligence and reporting for which it earned fees of \$24,198.

7 EQUITY DIVIDENDS

	(Unaudited) Half year ended 31 December 2023 \$000	(Unaudited) Half year ended 31 December 2022 \$000	(Audited) Year ended 30 June 2023 \$000
Dividends paid	822	–	822

During the period ended 31 December 2023 dividends paid per share totalled \$0.12 (31 December 2022: nil, 30 June 2023: \$0.12 per share).

8 TAXATION ON ORDINARY ACTIVITIES

Deferred Tax Assets

At 30 June 2023 total recognised deferred tax assets were \$3,530,045. During the half year period ended 31 December 2023 the Company incurred deferred tax expense of \$659,791 reflecting partial utilisation of the deferred tax asset, resulting in a deferred tax asset of \$2,870,254 or \$0.42 per Ordinary Share.

The deferred tax asset was comprised of \$1,429,147 related to unrealised losses on the value of the investment portfolio and excess expenses of \$5,764,428 carried forward. This sum, which is net of the amount set against current period taxable income, arose due to the cumulative deductible expenses having exceeded taxable income over the life of the Company. Now that the Company is no longer an investment trust for tax purposes and is therefore subject to UK capital gains tax, the Company believes it is more likely than not that it will have sufficient taxable profits against which these expenses can be offset. Provided the Company continues to maintain its current investment profile, it is likely that this deferred tax asset will be utilised to offset future taxable income subject to the normal corporate tax loss restriction rules for carried forward losses which restrict their use for any particular period to £5 million plus 50% of profits in excess of that initial £5 million.

	(Unaudited) Half year ended 31 December 2023 Revenue \$000	(Unaudited) Half year ended 31 December 2023 Capital \$000	Total \$000
Analysis of the charge in the period			
Deferred tax expense	(660)	–	(660)
Irrecoverable overseas tax	(38)	–	(38)
Total	(698)	–	(698)

Deferred tax expense in the half year ended 31 December 2023 is due to the partial utilization of the deferred tax.

	(Unaudited) Half year ended 31 December 2022 Revenue \$000	(Unaudited) Half year ended 31 December 2022 Capital \$000	Total \$000
Analysis of the charge in the period			
Deferred tax benefit	2,354	–	2,354

Current tax expense	(740)	–	(740)
Irrecoverable overseas tax	(34)	–	(34)
Total	1,580		1,580
	=====	=====	=====

	(Audited)		
	Year ended 30 June 2023		
	Revenue	Capital	Total
Analysis of the charge in the period	\$000	\$000	\$000
Deferred tax benefit	3,530	–	3,530
Irrecoverable overseas tax	(59)	–	(59)
Total	3,471	–	3,471
	=====	=====	=====

9 EARNINGS PER SHARE

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

	(Unaudited) Half year ended 31 December 2023 \$000	(Unaudited) Half year ended 31 December 2022 \$000	(Audited) Year ended 30 June 2023 \$000
Revenue return			
Revenue return attributable to ordinary shareholders (\$000)	(361)	1,001	2,996
Weighted average number of shares in issue during period	6,850,792	8,743,425	7,797,333
Total revenue return per ordinary share	(\$0.05)	\$0.11	\$0.39
	=====	=====	=====
Capital return			
Capital return attributable to ordinary shareholders (\$000)	2,581	3,960	4,320
Weighted average number of shares in issue during period	6,850,792	8,743,425	7,797,333
Total capital return per ordinary share	\$0.38	\$0.45	\$0.55
	=====	=====	=====
Total return per ordinary share	\$0.32	\$0.57	\$0.94
	=====	=====	=====
	(Unaudited) Half year ended 31 December 2023 \$000	(Unaudited) Half year ended 31 December 2022 \$000	(Audited) Year ended 30 June 2023 \$000
Net asset value per share			
Net assets attributable to shareholders (\$000)	71,421	71,734	70,023
Number of shares in issue at period end	6,850,792	7,182,249	6,850,792
Net asset value per share	\$10.43	\$9.99	\$10.22
	=====	=====	=====

The Company continues to report according to SORP standards as provided by the AIC. As such, the net asset value per share is provided in accordance with IFRS standards inclusive of the Deferred Tax Asset of \$0.38 per share, or \$2.61 million, as a result of the Company having Close status and no longer availing itself of Section Investment Trust status under Section 1158 of the Corporation Tax Act 2010.

10 CASH AND CASH EQUIVALENTS

	(Unaudited) Half year ended 31 December 2023 \$000	(Unaudited) Half year ended 31 December 2022 \$000	(Audited) Year ended 30 June 2023 \$000
Cash	5,901	5,279	6,090
U.S. Treasuries	–	9,448	3,465
Total	5,901	14,727	9,555
	=====	=====	=====

The Board and Investment Manager oversee investments held in cash and cash equivalents in accordance with the Investment Policy.

* U.S. Treasuries held for investment diversification purposes are not included as cash equivalents.

11 CALLED UP SHARE CAPITAL

	(Unaudited) Half year ended 31 December 2023 \$000	(Unaudited) Half year ended 31 December 2022 \$000	(Audited) Year ended 30 June 2023 \$000
Allotted, called up and fully paid:			
6,850,792 ordinary shares of \$0.01 each – equity	68	72	68
Treasury shares:			
3,483,374 ordinary shares of \$0.01 each – equity	35	31	35
Total shares	103	103	103
	=====	=====	=====

In September 2022, concurrent with the Fifth Anniversary Tender Offer, the Board of Directors of the Company were authorised to allot Ordinary Shares of the Company up to an aggregate nominal value of \$511,910.30, with such authority to expire on the fifth anniversary of the date of the passing of the resolution. In addition, at the November 2022 Annual General Meeting ("AGM"), the Board of Directors was authorised to allot relevant securities in the Company up to a maximum aggregate nominal amount of \$71,822 (being ten percent of the total number of voting rights of the Company at the latest practicable date prior to the publication of the Notice of AGM), with such authority to apply until the conclusion of this year's AGM. The resolutions for the 2023 AGM included authorisation to the Company to allot equity securities up to an aggregate nominal value of \$45,672, that can be utilised for acquisitions by the company. These transactions may result in the acquisition of other operating businesses to further expand and develop shareholder value in accordance with the investment programme.

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 utilising derivatives may be higher than investing in securities (whether directly or through nominees) as the Company will have to bear the additional costs of purchasing and holding such derivatives, which could have a material adverse effect on the Company's returns. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the

amount of funds actually placed as initial margin and may result in unquantifiable further losses exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses.

The use of derivatives may expose the Company to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Company trades, the risk of settlement default, lack of liquidity of the derivative, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the Company is seeking to track and greater transaction costs than investing in the underlying assets directly. Additional risks associated with investing in derivatives may include a counterparty breaching its obligations to provide collateral, or, due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where credit exposure to its counterparty under a derivative contract is not fully collateralised. The use of derivatives may also expose the Company to legal risk, which is the risk of loss due to the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

The use of CFDs is a highly specialised activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In a CFD, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short-term interest rates and the returns on the Company's portfolio securities at the time a CFD transaction reaches its scheduled termination date, there is a risk that the Company will not be able to obtain a replacement transaction or that terms of the replacement will not be as favourable as on the expiring transaction. At 31 December 2023 the Company held CFDs, as shown in the following table.

Security names	Trade currency	Shares (000)	(Unaudited) As at 31 December 2023 Unrealised gain/(loss) \$000
Adevinta ASA	NOK	29	1
Applus Services SA	EUR	40	5
Ascential plc	GBP	91	12
Atlantic Union Bank Corp	USD	(9)	(15)
Azure Minerals Ltd	AUD	25	**
Chevron Corp	USD	(25)	(96)
Chr. Hansen A/S	DKK	6	17
Covestro AG	EUR	1	2
Dechra Pharmaceuticals plc	GBP	40	7
DP Eurasia NV	GBP	111	5
Egetis Therapeutics AB	SEK	79	1
Exxon Mobil Corp	USD	(37)	(39)
Genkyotex SA	EUR	7	**
Global Interconnection Corp	GBP	17	31
Grifols SA	USD	(12)	(27)
JSR Corp	JPY	30	**
Kin and Carta plc	GBP	39	9
Livent Corp	USD	(10)	(21)
Masonite International Corp	USD	(0)	1
Musti Group OY	EUR	3	(1)
Network International Holdings plc	GBP	231	(1)
Newmont Corp	USD	1	1
Novozymes A/S	DKK	(8)	(17)
Origin Energy Ltd	AUD	43	18
Pendragon plc	GBP	1,721	3
PGS ASA	NOK	168	**
Provident Financial Services	USD	(5)	(2)
Smart Metering Systems plc	GBP	15	(4)
Smurfit Kappa Group plc	USD	(27)	(52)
Softwareone Holding AG	CHF	3	(2)
Spear Investment Group	EUR	39	**
Telefonica Deutschland Holding AG	EUR	92	**
Ten Entertainment Group plc	GBP	15	1
TGS ASA	NOK	(12)	(1)
Vitesco Technologies Group	EUR	2	1
Total unrealised loss on derivatives			(163) =====

* Fewer than 500 shares.

** Less than \$500.

13 LEVERAGE

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

The Company's leverage levels at 31 December 2023 are shown below:

Leverage Exposure	Gross Method	Commitment Method
	500%	250%
Maximum Permitted Limit	122%	130%
Actual	=====	=====

The leverage limits are set by the AIFM and approved by the Board and are in line with the maximum leverage levels permitted in the Company's Articles of Association. The AIFM is also required to comply with the gearing parameters set by the Board in relation to borrowings.

14 PERFORMANCE FEE

Subject to the satisfaction of the Performance Conditions, the Portfolio Manager shall be entitled under the Portfolio Management Agreement, in respect of each Performance Period, to receive 20% of the Total Return relating to such Performance Period, provided that such amount shall not exceed 3% of the Average NAV.

Performance Conditions

The Portfolio Manager's entitlement to a Performance fee in respect of any Performance Period shall be conditional on the Closing NAV per Share in respect of the Performance Period (adjusted for any changes to the NAV per Share through dividend payments, Share repurchases (howsoever effected) and Share issuances since Admission) being in excess of the Performance Hurdle and High Water Mark. The Performance Hurdle is equal to the Starting NAV per Share increased by two times the rate of return on 13 week Treasury Bills published by the US Department of the Treasury over the Performance Period, less the Starting NAV per Share; multiplied by the weighted average of the number of Shares in issue (excluding any Shares held in treasury) at the end of each day during the Performance Period. For the period ended 31 December 2023, no Performance fee was paid. As at 31 December 2023, no amount was outstanding to the Portfolio Manager in respect of the performance fee (31 December 2022: \$962,715, 30 June 2023: \$nil).

15 OTHER ASSETS AND LIABILITIES

The categories of other receivables and other payables include:

	(Unaudited) Half year ended 31 December 2023 \$000	(Unaudited) Half year ended 31 December 2022 \$000	(Audited) Year ended 30 June 2023 \$000
Other receivables			
FX currency sold	—	—	3
All other receivables ¹	77	157	70
Total other receivables	77	157	73
	=====	=====	=====
Other payables			
FX currency purchased	—	8	—
FX currency sold	—	—	6
Custodian fees	19	10	15
Accounting fees	34	13	26
Audit fees	75	71	86
All other payables	210	353	216
Total other payables	338	455	349
	=====	=====	=====

¹ At 31 December 2023, all other receivables included prepaid expenses and dividend and swap income.

16 RELATED PARTY DISCLOSURE: DIRECTORS

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles of Incorporation. The Directors' remuneration is \$30,000 per annum for each Director, other than:

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

Each of the Directors is also entitled to be paid all reasonable expenses properly incurred by them in connection with the performance of their duties. These expenses will include those associated with attending general meetings, Board or committee meetings and legal fees. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

Carne Global Fund Managers (Ireland) Limited, was considered a related party to the Company as it was considered to have significant influence over the Company while in its role as AIFM. As described in Note 6, The Company appointed Gabelli Funds, LLC to serve as AIFM effective 14 February 2023. The related party transactions with the Directors are set out in the Directors' Remuneration Report on pages 33 to 35 of the 2023 Annual Report and Financial Statements as at 30 June 2023.

Related parties disclosure: other

The Portfolio management fee for the period ended 31 December 2023 paid by the Company to the Portfolio Manager is presented in the Statement of Comprehensive Income. Details of the Portfolio management fee paid during the period is disclosed in Note 6. Details of Performance fee paid during the period are disclosed in Note 13.

As at 31 December 2023, Associated Capital Group Inc., an affiliate of the AIFM and Portfolio Manager, held 6,324,756 Ordinary Shares in the Company. Associated Capital Group Inc. also agreed to subscribe for Special Voting Loyalty Shares, as defined on pages 20 to 21 of the 2023 Annual Report and Financial Statements as at 30 June 2023, which will increase its voting interest when issued, with issuance pending.

Investors should note that as a close company with Associated Capital Group Inc. controlling greater than 90% of shares Associated Capital Group Inc. may be able to ensure the approval of certain shareholder resolutions.

Further details of related parties and transactions, including with the Company's AIFM Gabelli Funds, LLC, are disclosed in Note 6.

Connected party transactions

All connected party transactions are carried out at arm's length. There were no such transactions during the period ended 31 December 2023.

17 CONTINGENT LIABILITIES AND COMMITMENTS

As at 31 December 2023, the Company had no contingent liabilities or commitments (31 December 2022: nil).

18 POST BALANCE SHEET EVENTS

On 31 January 2024 the Company declared an interim dividend for the fiscal year ended 30 June 2023 of \$0.12 per ordinary share, payable on 15 March 2024 to holders of ordinary shares on the register at the close of business on 1 March 2024.

On 5 February 2024 the Company announced an additional interim dividend for the financial year ended 30 June 2023 of \$0.24 per ordinary share, payable on 1 March 2024 to holders of ordinary shares on the register at the close of business on 16 February 2024.

On 31 January 2024 the Company announced the commencement of an On-Market Repurchase ("OMT") via an ongoing SETSqx tender for up to 5% of the shares held by minority shareholders. Through the OMT, the Company repurchased 19,500 Ordinary Shares.

19 PORTFOLIO/SCHEDULE OF INVESTMENTS

A statement of changes in the composition of the Portfolio during the financial period is available to shareholders free of charge from the Administrator on request.

Quantity	Security Name	Cost	Market Value	% Total Investments
COMMON STOCKS				
Communication Services				
	Media & Entertainment			
38,605	Aimia Inc	144,787	91,638	0.1
14,700	Atlanta Braves Holdings Inc	435,181	581,826	0.9
3,250	Endeavor Group Holding	75,758	77,122	0.1
156,100	Imax China Holding Inc	165,660	133,939	0.2
10,078	Liberty Live Group	239,388	289,642	0.5
27,379	Liberty SiriusXM Group	849,801	852,465	1.4
329,631	NII Holdings Inc	626,707	115,371	0.2
15,181	TEGNA Inc	311,163	232,269	0.4
		2,848,443	2,374,272	3.9
		=====	=====	=====
	Telecommunication Services			
13,747	Telesat Corp	393,390	143,381	0.2
		393,390	143,381	0.2
		=====	=====	=====
Total Communication Services		3,241,833	2,517,653	4.1
		=====	=====	=====
Consumer Discretionary				

Retailing				
1,200	Bluegreen Vacations Holdings	88,833	90,144	0.1
43,100	Capri Holdings Ltd	2,285,699	2,165,344	3.5
79,300	Chico's FAS, Inc	594,684	601,094	1.0
2,650	iRobot Corp	126,064	102,555	0.2
24,250	NeoGames SA	657,981	694,277	1.1
36,450	Rover Group Inc	396,629	396,576	0.6
31,100	Sovos Brands Inc	695,255	685,133	1.1
19,703	Sportsmans Warehouse Holdings	252,220	83,935	0.1
8,200	Vista Outdoor Inc	208,345	242,474	0.4
		=====	=====	=====
		5,305,710	5,061,532	8.2
		=====	=====	=====
Total Consumer Discretionary		5,305,710	5,061,532	8.2
		=====	=====	=====
Consumer Goods				
Household Goods & Home Construction				
83,580	Albertsons Cos Inc	1,717,750	1,922,340	3.1
7,650	Contra Abiomed Inc	7,803	13,387	0.0
22,531	Contra Resolute Forest	31,994	45,062	0.1
27,003	ESC GCI Liberty Inc	-	-	0.0
		=====	=====	=====
		1,757,547	1,980,789	3.2
		=====	=====	=====
Total Consumer Goods		1,757,547	1,980,789	3.2
		=====	=====	=====
Energy				
Energy				
32,500	Euronav NV	579,882	571,928	0.9
24,643	Hess Corp	3,537,954	3,552,535	5.8
15,893	Pioneer Natural Resources Co	3,829,047	3,574,018	5.8
57,770	PNM Resources Inc	2,795,658	2,403,232	3.9
		=====	=====	=====
		10,742,541	10,101,713	16.4
		=====	=====	=====
Total Energy		10,742,541	10,101,713	16.4
		=====	=====	=====
Financials				
Asset Management				
14,700	Canaccord Genuity Group Inc	113,083	84,726	0.1
34,718	Screaming Eagle Acquisition Corp	366,253	368,011	0.6
		=====	=====	=====
		479,336	452,737	0.7
		=====	=====	=====
Banks				
6,645	American National Bankshares Inc	259,558	323,944	0.5
6,411	Lakeland Bancorp Inc	79,596	94,819	0.2
		=====	=====	=====
		339,154	418,763	0.7
		=====	=====	=====
Total Financials		818,490	871,500	1.4
		=====	=====	=====
Health Care				
Health Care Equipment & Supplies				
21,150	Amedisys Inc	1,953,152	2,010,519	3.3
		=====	=====	=====
		1,953,152	2,010,519	3.3
		=====	=====	=====
Pharmaceuticals, Biotechnology & Life Sciences				
113,381	Achillion Pharmaceuticals Inc	-	56,690	0.1
29,800	Cerevel Therapeutics Holding	1,232,219	1,263,520	2.1
16,275	Clementia Pharmaceuticals Inc	420,388	-	0.0
132,674	Contra Adamas Pharmaceuticals Inc	-	6,634	0.0
100,314	Contra Flexion Therapeutics Inc	-	65,204	0.1
5,300	Contra Opiant Pharmaceuticals	3,445	2,650	0.0
108,746	Cyteir Therapeutics Inc	315,122	330,588	0.5
19,742	Grifols S.A.	396,237	228,218	0.4
61,900	Immunogen Inc	1,814,472	1,835,335	3.0
3,000	Karuna Therapeutics Inc	950,007	949,530	1.5
12,850	Olink Holding AB	320,020	323,177	0.5
4,250	Rayzebio Inc	260,944	264,222	0.4
		=====	=====	=====
		5,720,862	5,325,768	8.7
		=====	=====	=====
Total Health Care		7,674,014	7,336,287	11.9
		=====	=====	=====
Industrials				
Professional Services				
8,750	Daseke Inc	70,750	70,875	0.1
5,837	Pgt Innovations Inc	232,118	237,566	0.4
12,000	SP Plus Corp	607,679	615,000	1.0
15,000	Textainer Group Holdings Ltd	737,533	738,000	1.2
		=====	=====	=====
		1,648,080	1,661,441	2.7
		=====	=====	=====
Total Industrials		1,648,080	1,661,441	2.7
		=====	=====	=====
Information Technology				
Semiconductors & Semiconductor Equipment				
15,331	Sequans Communications	42,700	43,387	0.1
13,032	Tower Semiconductor Ltd	575,380	397,737	0.6
		=====	=====	=====
		618,080	441,124	0.7
		=====	=====	=====
Software & Computer Services				
336,746	Altaba Inc	4,752,440	823,344	1.3
6,000	Alteryx Inc	282,736	282,960	0.5
37,200	EngageSmart Inc	847,172	851,880	1.4
20,150	Splunk Inc	2,985,460	3,069,853	5.0
		=====	=====	=====
		8,867,808	5,028,037	8.2

Total Information Technology			9,485,888	5,469,161	8.9
			=====	=====	=====
Materials					
	Materials				
31,533	Arcadium Lithium plc		331,822	241,200	0.4
26,770	WestRock Corp		1,026,623	1,111,490	1.8
			-----	-----	-----
			1,358,445	1,352,690	2.2
			=====	=====	=====
	Metals & Mining				
3,500	Artemis Gold Inc		149,617	16,775	0.0
20,500	United States Steel Corp		905,736	997,325	1.6
			-----	-----	-----
			1,055,353	1,014,100	1.7
			=====	=====	=====
Total Materials			2,413,798	2,366,790	3.9
			=====	=====	=====
PREFERRED STOCK					
Industrials					
	Professional Services				
3,000	Textainer Group Holdings Ltd		72,558	3,069,853	5.0
			-----	-----	-----
			72,558	5,028,037	8.2
			=====	=====	=====
	Total Consumer Discretionary		168,571	133,859	0.2
			=====	=====	=====
RIGHTS					
Financials					
	Asset Management				
22,199	Breeze Holdings Acquisition Corp		5,527	1,498	0.0
7,441	Clover Leaf Capital Corp		2,945	967	0.0
9,700	Financial Strategies Acquisition Corp		2,586	2	0.0
12,375	Mountain Crest Acquisition Corp		5,047	2,474	0.0
15,950	NorthView Acquisition Corp		3,942	1,571	0.0
12,711	Viveon Health Acquisition Corp		2,312	667	0.0
			-----	-----	-----
			22,359	7,179	0.0
			=====	=====	=====
Total Financials			22,359	7,179	0.0
			=====	=====	=====
190,215	Pan American Silver Corp CVR		28,643	97,961	0.2
			-----	-----	-----
			28,643	97,961	0.2
			=====	=====	=====
Total Materials			28,643	97,961	0.2
			=====	=====	=====
WARRANTS					
Financials					
	Asset Management				
9,287	Appreciate Holdings Inc		9,262	1	0.0
2,139	Banzai International Inc		150	92	0.0
566	BlueRiver Acquisition Corp		25	22	0.0
13,933	CXApp Inc		8,968	1,115	0.0
4,394	Kalera plc		1,984	1	0.0
7,975	NorthView Acquisition Corp		2,362	128	0.0
3,186	OCA Acquisition Corp		108	222	0.0
48,961	Presto Automation Inc		23,304	894	0.0
6,169	ProSomnus Inc		1,688	141	0.0
284	Prospector Capital Corp		1	24	0.0
25,000	Redwoods Acquisition Corp		775	769	0.0
1,429	Spectral AI Inc		50	300	0.0
16,460	Tastemaker Acquisition Corp		11,264	288	0.0
9,230	Viveon Health Acquisition Corp		2,933	55	0.0
			-----	-----	-----
			62,874	4,052	0.0
			=====	=====	=====
Total Financials			62,874	4,052	0.0
			=====	=====	=====
FIXED INCOME					
U.S. Government Obligations					
	U.S. Treasury Bills				
3,000,000	U.S. Treasury Bill, 01/02/2024		2,986,396	2,986,829	4.9
2,000,000	U.S. Treasury Bill, 01/25/2024		1,992,955	1,993,269	3.2
500,000	U.S. Treasury Bill, 02/01/2024		499,927	500,000	0.8
3,500,000	U.S. Treasury Bill, 02/15/2024		3,477,041	3,477,602	5.7
2,000,000	U.S. Treasury Bill, 02/22/2024		1,984,820	1,985,147	3.2
2,000,000	U.S. Treasury Bill, 03/14/2024		1,978,842	1,979,266	3.2
9,500,000	U.S. Treasury Bill, 08/02/2024		9,447,250	9,448,599	15.4
3,500,000	U.S. Treasury Bill, 11/01/2024		3,494,806	3,495,431	5.7
			-----	-----	-----
			25,862,037	25,866,143	42.1
			=====	=====	=====
Total U.S. Government Obligations			25,862,037	25,866,143	42.1
			=====	=====	=====
	Notional Amount	Security Name	Unrealized App/(Dep)	Market Value	% Total Investments
Equity Contract for Difference Swap Agreements					
	Long Positions				
29,050	Adevinta Asa		832	321,516	
CommC	Applus+ Services		4,423	442,280	
90,607	Ascential plc		11,782	338,894	
25,300	Azure Minerals Ltd		282	63,874	
5,504	Chr. Hansen Holdings		16,638	461,797	
1,253	Covestro AG		2,270	72,916	
40,450	Dechra Pharmaceuticals plc		7,219	1,989,403	
17,378	Disruptive Capital Warrant		-	55,384	
110,997	Dp Eurasia		4,925	134,778	
78,551	Egetis Therapeutics AB		1,481	43,493	

6,738	Genkyotex	1	1
17,378	Global Interconnection Group	30,906	55,384
29,905	JSR Corp	(212)	852,731
39,000	Kin and Carta plc	8,750	65,925
2,550	Musti Group Oy	(789)	73,576
230,994	Network International Holding	(589)	1,147,848
1,036	Newmont Corp	1,440	42,880
43,211	Origin Energy Ltd	18,281	249,738
1,720,963	Pendragon plc	3,392	708,624
167,713	PGS ASA	192	141,460
14,867	Smart Metering Systems plc	(3,740)	178,153
3,376	Softwareone Holding AG	(2,005)	65,783
38,582	Spear Investment	–	9,376
92,044	Telefonica Deutschland Holding	203	239,143
15,250	Ten Entertainment Group	583	80,290
1,547	Vitesco Technologies Group	803	160,585

107,068	7,995,832
=====	=====

Equity Contract for Difference Swap Agreements

Long Positions

(8,977)	Atlantic Union Bankshares Co	(15,171)	(328,020)
(25,278)	Chevron Corp	(95,460)	(3,770,466)
(36,907)	Exxon Mobil Corp	(39,121)	(3,689,962)
(12,441)	Grifols S.A.	(26,735)	(212,397)
(10,453)	Livent Corp	(21,429)	(187,945)
(334)	Masonite International Corp	1,275	(28,276)
(8,435)	Novozymes	(17,124)	(463,851)
(5,303)	Provident Financial Services	(2,227)	(95,613)
(26,626)	Smurfit Kappa Group	(52,451)	(1,055,317)
(11,506)	TGS ASA	(1,444)	(149,777)

Total Equity Contract for Difference Swap Agreements

(162,819)	(1,985,792)	(3.2)
=====	=====	=====

Total Investments Including U.S. Treasuries

\$68,973,553	61,430,466	100
=====	=====	=====

20 APPROVAL OF FINANCIAL STATEMENTS

The Directors approved the financial statements on 28 March 2024.

COMPANY INFORMATION

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Gabelli Merger Plus+ Trust Plc

REGISTERED OFFICE

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CONTACT INFORMATION AND WEBSITE

Please visit us on the Internet. Our homepage at www.gabelli.co.uk includes useful information about the Company, such as daily prices, factsheets, announcements, and current and historic half year and annual reports.

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

GENERAL INFORMATION

SEDOL/ISIN: BD8P074/GB00BD8P0741
London Stock Exchange (TIDM) Code: GMP
Legal Entity Identifier (LEI): 5493006X09N8HK0V1U37

The Company's registrar is Computershare Investor Services PLC. Computershare's website address is investorcentre.co.uk and certain details relating to your holding can be checked through this website. Alternatively, Computershare can be contacted on 0370 707 1390.

Change of name or address must be notified through the website or sent to The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.

The Company is a member of **The Association of Investment Companies** ("AIC"), which publishes a number of useful fact sheets and email updates for investors interested in investment companies www.theaic.co.uk.

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