

**FUND OVERVIEW**

**About GAMCO**

GAMCO Investors, Inc. (NYSE-GBL) provides, through its affiliates, investment advisory services to mutual funds, institutional and private wealth management investors, and investment partnerships. Since 1977, Gabelli has been identified with and has enhanced the “value” style approach to investing.

**Fund Description**

GAMCO Merger Arbitrage, which launched in October 2011, is an open-end fund incorporated in Luxembourg and compliant with UCITS regulation.

**Fund Details**

|                            |                                    |
|----------------------------|------------------------------------|
| Fund Launch Date           | October 2011                       |
| Total Fund AUM             | \$513 mn                           |
| Total Strategy AUM         | \$1,466 mn <sup>1</sup>            |
| Initial Issue Price        | \$10.00                            |
| Base Currency of the Class | USD                                |
| Minimum Investment         | \$1 mm (I); \$1,000 (A)            |
| Annual Management Fee      | 1.00% (I); 1.50% (A)               |
| Annual Incentive Fee       | 20% with HWM & Hurdle <sup>2</sup> |
| ISIN Class I (USD)         | LU0687944552                       |
| Bloomberg Ticker           | GAMMAIU LX                         |

**Investment Information**

|                           |  |
|---------------------------|--|
| Management Company        | MDO Management Co. S.A.  |
| Custodian & Administrator | JP Morgan Bank Lux. S.A.   |
| Investment Manager        | Gabelli Funds, LLC   |
| Hedged Currencies Offered | EUR, CHF, GBP, SEK   |
| Liquidity                 | Daily  |
| NAV Calc./Dealing Cutoff  | 4.00 PM CET  |
| Settlement Period         | D + 3  |
| Fund Domicile             | Grand-Duchy of Luxembourg  |
| Fund Structure            | UCITS Compliant SICAV  |
| Board of Directors        | Christopher Desmarais, Michael Gabelli, Laura Linehan, Oliver Stahel, Henry Van der Eb, Anthonie van Ekris |

**Manager Commentary**

Performance in September was driven by several positive events in the month including: Sky plc shares traded higher after the auction process for the British broadcaster resulted in a bid price of £17.28 cash per share by Comcast, or about £37 billion. The auction was mandated by UK regulators after a bidding war broke out between Comcast and Disney-backed Twenty-First Century Fox after Sky agreed to be acquired by Fox for £10.75 in December 2016. Express Scripts shares narrowed the discount to its deal price after the Department of Justice gave the green light to its proposed merger with Cigna.

**Portfolio Exposure [%]**

|       |     |
|-------|-----|
| Long  | 110 |
| Short | 23  |
| Gross | 133 |
| Net   | 87  |

**Noteworthy Holdings**

|                                |         |
|--------------------------------|---------|
| Aetna, Inc.                    | [AET]   |
| CA Technologies                | [CA]    |
| Gemalto N.V.                   | [GTOMY] |
| Gramercy Property Trust        | [GPT]   |
| KLX Inc.                       | [KLXI]  |
| Mitel Networks Corporation     | [MITL]  |
| Rockwell Collins, Inc.         | [COL]   |
| Shire plc                      | [SHPG]  |
| SodaStream International Ltd.  | [SODA]  |
| Twenty-First Century Fox, Inc. | [FOXA]  |

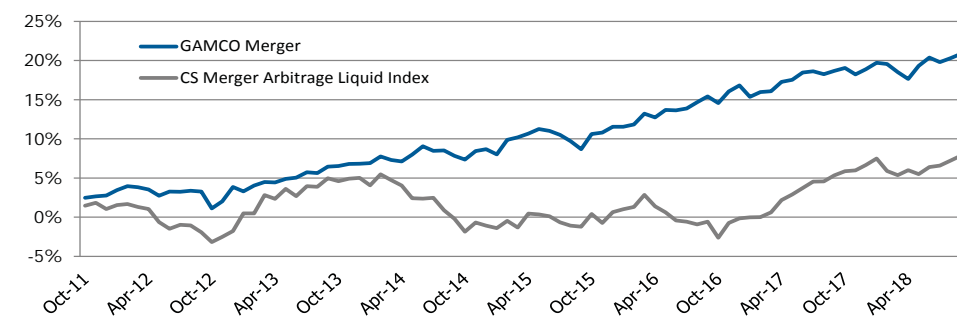
**PERFORMANCE TABLE [% NET OF FEES]**

| USD         | Jan   | Feb   | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct   | Nov   | Dec  | Total       |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------------|
| <b>2018</b> | 0.69  | -0.13 | -0.88 | -0.73 | 1.41  | 0.90  | -0.48 | 0.41  | 0.46  |       |       |      | <b>1.64</b> |
| <b>2017</b> | -1.24 | 0.53  | 0.08  | 1.02  | 0.24  | 0.79  | 0.13  | -0.32 | 0.37  | 0.30  | -0.69 | 0.58 | <b>1.79</b> |
| <b>2016</b> | -0.01 | 0.28  | 1.22  | -0.41 | 0.85  | -0.05 | 0.22  | 0.68  | 0.66  | -0.74 | 1.30  | 0.64 | <b>4.71</b> |
| <b>2015</b> | -0.61 | 1.71  | 0.29  | 0.43  | 0.54  | -0.23 | -0.44 | -0.73 | -0.94 | 1.78  | 0.17  | 0.67 | <b>2.64</b> |
| <b>2014</b> | 0.09  | 0.78  | -0.41 | -0.17 | 0.82  | 0.97  | -0.52 | 0.04  | -0.62 | -0.45 | 1.01  | 0.22 | <b>1.75</b> |
| <b>2013</b> | -0.54 | 0.70  | 0.44  | -0.04 | 0.43  | 0.14  | 0.66  | -0.10 | 0.79  | 0.07  | 0.24  | 0.01 | <b>2.84</b> |
| <b>2012</b> | 0.68  | 0.48  | -0.13 | -0.28 | -0.76 | 0.52  | -0.02 | 0.11  | -0.09 | -2.07 | 0.89  | 1.80 | <b>1.07</b> |
| <b>2011</b> |       |       |       |       |       |       |       |       |       | 2.47  | 0.18  | 0.12 | <b>2.77</b> |

**INVESTMENT OBJECTIVE**

- The objective of the GAMCO Merger Arbitrage Fund is to achieve long-term capital growth by investing primarily in announced equity merger and acquisition transactions while maintaining a diversified portfolio.
- The Fund utilizes a highly specialized investment approach designed principally to profit from the successful completion of proposed mergers, takeovers, tender offers, leveraged buyouts and other types of corporate reorganizations.
- Analyzes and continuously monitors each pending transaction for potential risk, including: regulatory, terms, financing, and shareholder approval.
- Generally will increase position size as our team gains clarity on the outcome of the various deal “hurdles.” We believe that cash transactions, when announced by well financed, strategic acquirers, in industries where we have a core competency, provide the best risk/return profiles for client portfolios.
- Research-driven, bottom-up approach that cross utilizes the global resources of GAMCO Investors’ 35+ value focused industry analysts.
- The Fund may use a variety of investment strategies and instruments, including but not limited to exchange traded funds, swaps, futures, and options with the aim of earning positive returns.
- Average holding period for investments of 45 to 90 days to completion depending on deal type.
- Typically 50-60 deals in the portfolio; highly liquid.

**CUMULATIVE PERFORMANCE**



**RISK MANAGEMENT**

When we make an investment, our primary risk is related to the consummation of that transaction, as opposed to market risk. The variables that compose deal risk are measurable and quantifiable. Additionally the portfolio is well-diversified. Portfolio risk is reviewed internally on a weekly basis by a risk committee comprised of officers and managers of the firm.

Active risk management policies, procedures, and monitoring of investment limits are in place. Extensive compliance measures monitored daily. Engaged J.P. Morgan Bank Luxembourg as custodian, administrator, and registrar agent. Dechert, LLP has been retained as legal advisor.

**STATISTICS [SINCE INCEPTION]**

| Return   | GMA   | CSLABMA <sup>3</sup> |
|--|-------|----------------------|
| Cumulative Return [%]                            | 20.85 | 7.86                 |
| Best Month [%]                                   | 2.47  | 2.34                 |
| Worst Month [%]                                  | -2.07 | -2.05                |
| % Positive Months [%]                            | 64    | 54                   |
| <b>Risk</b>                                      |       |                      |
| Standard Deviation [%]                           | 2.49  | 3.32                 |
| Sharpe Ratio [risk free = 3 Month Treasury Bill] | 0.95  | 0.22                 |
| Max Drawdown [%]                                 | -2.72 | -7.67                |
| <b>Comparison to S&amp;P 500</b>                 |       |                      |
| Beta   | 0.14  |                      |
| R Squared  | 0.32  |                      |

**NOTEWORTHY ANNOUNCED DEALS IN THE MONTH OF SEPTEMBER**

Jardine Lloyd Thompson Group plc (JLT LN-£18.96-London) agreed to be acquired by Marsh & McLennan Companies, Inc. (MMC-\$83.72-NYSE). Jardine Lloyd Thompson provides insurance brokerage services. Under terms of the agreement Jardine shareholders will receive £19.15 cash per share, valuing the transaction at approximately £5 billion. The transaction is subject to shareholder, as well as regulatory approvals and is expected to close in the first quarter of 2019.

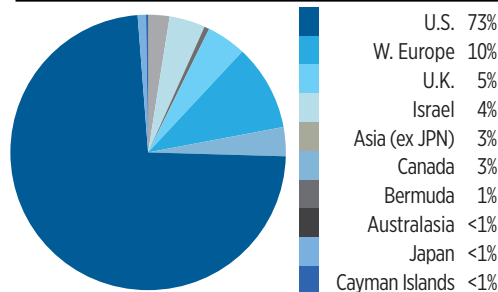
Integrated Device Technology, Inc. (IDTI-\$47.01-NASDAQ) agreed to be acquired by Renesas Electronics Corporation (6723 JP-¥710-Tokyo). Integrated Device Technology manufactures analog mixed-signal semiconductor products. Under terms of the agreement Integrated Device Technology shareholders will receive \$49.00 cash per share, valuing the transaction at approximately \$7 billion. The transaction is subject to shareholder, as well as regulatory approvals and is expected to close in the first half of 2019.

**NOTEWORTHY COMPLETED DEALS IN THE MONTH OF SEPTEMBER**

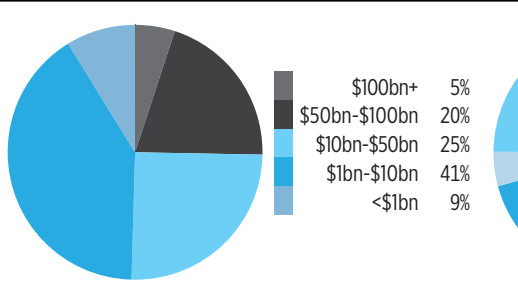
Sirtex Medical Ltd. (SRX AU-A\$27.45-Sydney) – CDH Investments Fund Management Co completed its acquisition of Sirtex in September. Sirtex develops and manufactures radiation devices to treat liver cancer. On January 29, 2018, Varian Medical Systems (VAR US-\$127.50-NYSE) announced it would acquire Sirtex with a premium at announcement of approximately 49%. In June, 2018 Sirtex received a superior bid from CDH Investments Fund Management Co. The terms of the transaction entitled Sirtex shareholders to receive \$33.60 cash per share, valuing the transaction at approximately \$2 billion. The nature of the transaction was friendly.

XL Group Ltd. (XL-\$55.26-NYSE) – AXA SA (CS FP-€21.60-Paris) completed its acquisition of XL Group in September. XL Group underwrites property, casualty and specialty insurance and reinsurance products for commercial buyers. On March 5, 2018, AXA announced it would acquire XL Group with a premium of approximately 33%. The terms of the transaction entitled XL Group shareholders to receive \$57.60 cash per share, valuing the transaction at approximately \$15 billion. The nature of the transaction was friendly.

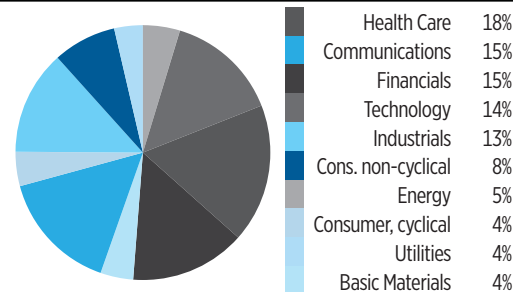
**REGIONAL EXPOSURE**



**MARKET CAP EXPOSURE**



**SECTOR EXPOSURE**



**Available Institutional Share Class ISINs<sup>4</sup>**

|                        |              |
|------------------------|--------------|
| Class I (USD)          | LU0687944552 |
| Class I (EUR)          | LU0687944396 |
| Class I (CHF)          | LU0687944719 |
| Class I (GBP)          | LU1453360585 |
| Class I (GBP) unhedged | LU1453360668 |
| Class I (SEK)          | LU1218429717 |

**Available Retail Share Class ISINs<sup>4</sup>**

|               |              |
|---------------|--------------|
| Class A (USD) | LU0687943745 |
| Class A (EUR) | LU0687943661 |
| Class A (CHF) | LU0687944123 |
| Class A (SEK) | LU1268547574 |
| Class R (GBP) | LU1453361476 |
| Class R (EUR) | LU1453361120 |
| Class R (USD) | LU1453360825 |

**Currencies Available on Demand<sup>4</sup>**

|     |     |     |
|-----|-----|-----|
| NOK | DKK | AUD |
| HKD | SGD | BRL |
| KRW | YEN | TWD |

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<sup>3</sup>All non-USD share classes are hedged vs the USD, unless otherwise noted.

**DISCLAIMER**

GAMCO Merger Arbitrage unless otherwise stated (Performance is shown net of fees and expenses, on a NAV to NAV basis). For professional investors only.

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<sup>1</sup> The figure for total hedged arbitrage strategy AUM consists of the estimated assets of the Fund, its affiliated merger arbitrage hedge funds, and separately managed accounts (as of September 30, 2018). Strategy AUM is updated on a monthly basis.  
<sup>2</sup> 20% incentive fee for base currency share classes and 15% for all non-base currency classes, subject to a high watermark and a hurdle rate of the 13 week Treasury Bills rate published by the US Treasury over the performance period.

<sup>3</sup> The Credit Suisse Merger Arbitrage Liquid Index seeks to gain broad exposure to the Merger Arbitrage strategy by using a pre-defined quantitative methodology in order to invest in a liquid, diversified and broadly representative set of announced merger deals. The index does not reflect the fundamental qualitative research into individual announced deals which the composition of the Fund's portfolio reflects. That difference in methodology may result in the performance divergence from the Fund.

<sup>4</sup> While not currently active, the following currency classes are listed in the prospectus and can be launched at the discretion of the manager: NOK, DKK, KRW, TWD, SGD, YEN, AUD, HKD, and BRL. Individual share class launches other than the USD, CHF, EUR, GBP, and SEK classes are subject to investor demand. Currently Available Classes: I – Institutional class, A – Retail class, R – Retail class, X – Investment Manager & Institutional class are currently available. Classes available subject to investor demand: C – U.S. Intermediary, N – U.S. Intermediary. For more detailed descriptions of the unique nature of each share class, please see the Fund's prospectus.

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