

**Boussard & Gavaudan Holding Limited**  
**A closed-ended investment company incorporated with limited liability under the laws of**  
**Guernsey, with registration number 45582.**

**Interim Management Statement**  
**For the Quarter ended 29<sup>th</sup> March 2024**

**I. PRINCIPAL ACTIVITIES**

Boussard & Gavaudan Holding Limited (“BGHL” or “the Company”), a closed-ended investment company incorporated under the laws of Guernsey, announces its interim management statement for the period from 1 January to 29 March 2024 (“the period”).

The Company is registered with the Dutch Authority for Financial Markets and is listed on the NYSE Euronext Amsterdam, and the London Stock Exchange.

During the period, BGHL has invested indirectly in BG Master Fund ICAV (“BG Fund” or “the Fund”), a Europe-focused multi-strategy hedge fund established in Ireland and authorised by the Central Bank as a Qualified Investor Fund (QIF), through a dedicated share class of the feeder fund, BG Umbrella Fund Plc. The Fund aims primarily at arbitraging instruments with linear or non-linear pay-offs on equities and credit markets. The overall investment objective of the Fund is to provide investors with consistent absolute returns, primarily through investing and trading in financial instruments of companies incorporated in, or whose principal operations are in, Europe.

In addition, a proportion of the net assets of BGHL may be invested in other hedge funds and/or other financial assets.

Boussard & Gavaudan Investment Management LLP (“BGIM” or “the Investment Manager”) is the Investment Manager for both the Company and the Fund.

## II. HIGHLIGHTS

	29-Mar-24	31-Dec-23
Assets under management (€m)	342	342
Market capitalisation (€m)	320	313
Shares outstanding	12,422,606	12,422,606

	NAV per Share		Share price*		Discount to NAV	
	€ shares	£ shares	€ shares	£ shares	€ shares	£ shares
29-Mar-24	€ 27.55	£24.65	€ 25.80	£21.50	-6.36%	-12.78%
31-Dec-23	€ 27.55	£24.57	€ 25.20	£20.50	-8.52%	-16.56%
Performance	0.02%	0.32%	2.38%	4.88%		

\*Amsterdam (AEX) market close for the Euro Share and London (LSE) market close for the Sterling share

## III. PERFORMANCE

Global equity markets rallied during Q1 2024; the Euro Stoxx 50<sup>®</sup> Total Return was up +12.8% in Europe, and in the US the S&P500<sup>®</sup> Total Return was up +10.6%. In this risk-on context the market implied volatility measure VStoxx<sup>®</sup> remained stable and low slipping marginally from 13.6% to 13.4% while credit markets tightened, with the iTraxx Crossover<sup>®</sup> (S38) moving from 246bps at year-end to 217bps at the end of March.

### 1. BG Fund

BG Fund (EUR B) contributed positively for the quarter.

#### 1.1. Volatility strategies

##### **Mandatory Convertible Bond Arbitrage**

Mandatory convertible bonds contributed slightly positively.

##### **Convertible Bond Arbitrage**

Convertible bond strategies detracted over this period, mainly impacted by specific idiosyncratic risk positions which experienced refinancing stress. The Investment Manager remains confident that positive solutions will emerge for these positions soon. Apart from these specific detractors, the fund experienced positive contributions from positioning on volatility trades while carefully selected credit positions also had a positive performance. The key frustration was that European primary issuance continued to remain at low levels. The Investment Manager hopes this is just a temporary delay in the expected pipeline.

On the positive side, US convertible bonds had an overall decent performance with a slow but steady rise in valuations across the board. New issue activity was healthy, and the anticipated pipeline has started to arrive in earnest. The fund was selective and positioning cautiously as the large amount of primary could lead to some cheapening in secondary markets.

##### **Volatility Trading**

The period remained challenging for volatility strategies as both realised and implied volatility remained subdued in the continued bull market environment. In this environment, there were few new trading opportunities. Nevertheless, volatility trading succeeded in contributing positively thanks to dispersion trades. During the period, the Investment Manager made modest portfolio adjustments, incrementally increasing positions and engaging in marginal trades while remaining vigilant and staying alert to market shifts, ready to take advantage of opportunities as they arose.

#### ***Warrant Trading***

Warrant arbitrage contributed slightly positively.

### **1.2. Equity Strategies**

Equity strategies ended the period almost flat. On the positive side, the gains were spread across a wide range of investments but aggregate performance was held back by an overall relatively low level of corporate activity in Europe. In the special situations book a number of expected and rumoured deals have so far failed to materialise, or are taking longer than expected to play out, leading to underperformance. This notwithstanding, the interest rate and financing environment has become more stable which should encourage the emergence of further activity. Several new deals were announced during the quarter in Europe and, despite these being relatively small, the investment manager is expecting an increase in both the size and volume of deals to come through.

### **1.3. Credit Strategies**

#### ***Credit Long / Short***

Credit long / short contributed positively this period, driven primarily by private credit positions.

#### ***Credit Special Situations***

Credit special situations was the main detractor to the fund this period, impacted primarily by a specific idiosyncratic position on a French technology services company. Its bonds were extremely volatile on thin volumes and sold off in reaction to news on discussions surrounding a likely restructuring of the company's balance sheet.

### **1.4. Trading**

Trading was the main positive contributor to the performance of the fund this period, in particular from thematic discretionary trading and the systematic trend following strategies.

## **2. Investments Other Than BG Fund**

The contribution of this investment was flat for the period.

#### **Rasa Resorts, S.A.P.I. de C.V. ("Rasa")**

Rasa is a holding company structured as a private equity fund in terms of fees and organisation and managed by RSC Development and BK Partners. BGHL holds Rasa shares through Campastros, S.L.U., a wholly-owned holding company in Spain. Rasa is dedicated to investing in land, hotels and high-end resort developments in Mexico. Rasa's main asset is a majority interest in ACTUR, a private company owning the land developing assets. ACTUR's other shareholders are Mexican public institutions.

In July 2020, Rasa made a cash tender offer to buy back its own shares, for a price per share of US\$0.12270. The valuation of BGHL's investment in Rasa shares was marked down on 31 August 2020, using the US\$0.12270 per share price as the estimated fair value of the Rasa shares. This price represents a circa 76% discount to the latest published NAV per share.

#### **IV. OUTLOOK**

Following the holding of the extraordinary general meeting on 28 September 2023, the investment objective of the Company changed such that the Company is now focused on ensuring a realisation of the existing assets of the Company in an orderly manner for investors that require it. In the meanwhile the Investment Manager remains committed to manage funds on behalf of all investors in the Company on an ongoing basis for as long as required.

For further information contact:

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## **Disclaimer**

*The Company is established as a closed-ended investment company domiciled in Guernsey. The Company has received the necessary approval of the Guernsey Financial Services Commission and the States of Guernsey Policy Council. The Company is registered with the Dutch Authority for the Financial Markets as a collective investment scheme pursuant to article 2:73 in conjunction with 2:66 of the Dutch Financial Supervision Act (Wet op het financieel toezicht). The shares of the Company (the "Shares") are listed on Euronext Amsterdam. The Shares are also listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange plc's main market for listed securities.*

*This is not an offer to sell or a solicitation of any offer to buy any securities in the United States or in any other jurisdiction. This announcement is not intended to and does not constitute, or form part of, any offer or invitation to purchase any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law.*

*Neither the Company nor BG Fund has been, and neither will be, registered under the US Investment Company Act of 1940, as amended (the "Investment Company Act"). In addition the securities referenced in this announcement have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"). Consequently any such securities may not be offered, sold or otherwise transferred within the United States or to, or for the account or benefit of, US persons except in accordance with the Securities Act or an exemption therefrom and under circumstances which will not require the issuer of such securities to register under the Investment Company Act. No public offering of any securities will be made in the United States.*

*You should always bear in mind that:*

- *All investment is subject to risk;*
- *Results in the past are no guarantee of future results;*
- *The investment performance of BGHL may go down as well as up. You may not get back all of your original investment; and*
- *If you are in any doubt about the contents of this communication or if you consider making an investment decision, you are advised to seek expert financial advice.*

*This communication is for information purposes only and the information contained in this communication should not be relied upon as a substitute for financial or other professional advice.*

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