

OVERVIEW

Estimated AUM €353m

Firm AUM €2.5bn

Share price €20.50
(discount to NAV: 22%)

BGHL is a closed-ended investment company which invests in BG Fund, Boussard & Gavaudan's flagship fund with 17 years of track record.

BGHL's investment objective is to deliver an annual return, net of fees, of 400 to 600 basis points above the risk-free rate over the business cycle, irrespective of market performance. The risk-free rate is "capitalized EONIA".

BG Fund is driven by bottom-up fundamental and event catalyst research, combined with extensive multi-asset arbitrage and derivative expertise. Typically, investment ideas are catalyst driven with a focus on special situations and events.

Capital is dynamically allocated to the firm's best ideas and these ideas are categorized into four main types of strategies: Equity, Volatility, Credit and Trading strategies.

NAV PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	
2021	1.00%*												1.00%*	Annualized Performance +6.99%* since inception
2020	1.12%	2.55%	-10.12%	4.98%	1.41%	1.70%	1.25%	-0.25%	1.93%	1.45%	4.37%	2.98%	13.26%	
2019	-0.41%	-0.58%	1.04%	-0.76%	0.59%	0.95%	1.92%	1.57%	-1.66%	-0.54%	0.79%	1.14%	4.07%	
2018	0.70%	1.34%	-0.60%	-0.58%	0.03%	-0.25%	-2.92%	0.18%	0.49%	-2.35%	-1.40%	-0.88%	-6.15%	Annualized Volatility 5.24%* since inception
2017	0.59%	1.55%	0.08%	3.78%	1.16%	-0.07%	0.43%	-0.11%	-0.52%	-0.13%	-1.16%	0.22%	5.87%	
2016	0.48%	2.02%	1.18%	0.70%	1.68%	-0.59%	0.78%	0.47%	-0.01%	-1.08%	0.09%	1.32%	7.22%	
2015	2.96%	1.15%	-0.36%	1.12%	2.06%	-1.92%	3.56%	0.87%	-1.47%	0.80%	4.80%	1.25%	15.65%	Sharpe Ratio 1.22* since inception
2014	2.81%	-0.01%	-0.74%	1.62%	1.53%	-0.58%	0.08%	0.52%	-1.08%	-0.93%	3.16%	0.37%	6.85%	
2013	0.89%	0.74%	-0.59%	0.24%	1.27%	0.83%	0.96%	0.47%	1.07%	1.57%	2.28%	3.14%	13.60%	
2012	3.90%	2.01%	-0.16%	0.54%	-0.61%	-0.32%	0.12%	1.29%	0.04%	0.83%	0.42%	1.08%	9.45%	Beta to Euro Stoxx 50® (Total Return) 0.04* since inception
2011	0.71%	0.57%	2.16%	0.01%	-0.05%	-0.85%	-0.80%	-0.20%	-2.17%	2.49%	-3.92%	-0.39%	-2.58%	
2010	1.35%	0.59%	1.62%	0.81%	-1.10%	1.00%	2.11%	-0.32%	0.79%	2.11%	0.04%	1.97%	11.49%	
2009	3.34%	-0.17%	1.20%	5.01%	4.17%	0.92%	1.91%	2.63%	2.92%	1.47%	0.30%	0.69%	27.15%	
2008	-2.10%	-0.01%	-2.32%	0.78%	1.29%	-2.98%	-1.19%	0.32%	-10.49%	1.67%	1.55%	1.09%	-12.30%	
2007	3.13%	1.45%	4.68%	0.73%	1.38%	-2.27%	0.85%	-2.21%	-0.32%	1.82%	-2.16%	-1.38%	5.56%	

*Performance displayed is for EUR share class net of fees with income reinvested. Performance data is estimated and unaudited.

PERFORMANCE REVIEW

BGHL and BG Fund ended the month up +1.00% (EUR share class) and +0.65% (USD A share class) respectively vs Euro Stoxx 50® Total Return (-1.88%).

		Equity Strategies Special Situations	Equity Strategies Catalyst & Value	Credit Strategies	Volatility Strategies	Trading Strategies
BG Fund Capital Allocation		25%	34%	19%	12%	10%
BG Fund Performance	Jan 2021	-0.21%	-0.07%	0.29%	0.50%	0.13%
Attribution	Year-to-date	-0.21%	-0.07%	0.29%	0.50%	0.13%

CORPORATE UPDATE

Since the restart of the share buyback program on 17 December 2019, the firm has bought back 2,013,466 shares. The current number of shares outstanding excluding treasury shares for both the EUR and GBP share classes is 13,490,263.

CONTACT

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Risk warning: Past performance is no guide to future performance. The value of holdings may fall as well as rise and investors may not get back their initial investment. Performance displayed is for the EUR share class net of fees with income reinvested and is calculated on a NAV to NAV basis. Performance data is estimated and unaudited. All figures are correct as of 31st January 2021 unless otherwise stated.

Source: Bloomberg, Boussard & Gavaudan.

BOUSSARD & GAVAUDAN HOLDING LIMITED

I. COMPANY INFORMATION

General information	
Investment manager	Boussard & Gavaudan Investment Management LLP
Company domicile	Guernsey
Website	www.bgholdingltd.com
Management fee	1.5% p.a.
Performance fee	20% with HWM

	SEDOL	ISIN	Reuters	Bloomberg
EUR Euronext	B1FQG45	GG00B1FQG453	BGHL.AS	BGHL NA
EUR LSE	B28ZZQ1	GG00B1FQG453	BGHL.L	BGHL LN
GBX LSE	B39VMM0	GG00B39VMM07	BGHS.L	BGHS LN
GBX Euronext	B39VMM1	GG00B39VMM07	BGHS.AS	BGHS NA

II. OVERVIEW

Boussard & Gavaudan Holding Limited (“BGHL”) is a Guernsey closed-ended investment company and is registered with the Dutch Authority for the Financial Markets as a collective investment scheme under article 1:107 of the Dutch Financial Markets Supervision Act. BGHL invests its assets in order to provide exposure to multiple alternative investment strategies managed by the Investment Manager. The investment objective is to produce long-term appreciation of its assets. BGHL seeks to achieve this by investing in BG Fund (“the Fund”). In addition, a proportion of the net assets of BGHL may, at the discretion of the Investment Manager, be invested in other hedge funds and financial assets selected by the Investment Manager. BGHL aims to generate a target NAV annualized return of Eonia capitalized + 400/600 bps over the business cycle, net of all fees.



III. SHARE INFORMATION as of 29 January 2021

Net Asset Value (NAV)	Euro share	Sterling share
Estimated NAV*	€ 26.1943	£22.9131
Estimated month to date return*	1.00%	0.64%
Estimated year to date return*	1.00%	0.64%
Estimated inception to date return*	161.94%	129.13%

Market information	Amsterdam (AEX)	London (LSE)
EUR share Market close	€ 20.50	-
EUR share Premium / discount to estimated NAV	-21.74%	-
Sterling share Market close	-	£18.00
Sterling share Premium / discount to estimated NAV	-	-21.44%

Transactions in own securities purchased into treasury	Euro share	Sterling share
Number of shares	297,500	-
Average Price	€ 20.23	-
Range of Price	-	-

Ordinary Shares	Euro share	Sterling share
Shares issued	13,493,269	294,494
Shares held in treasury	297,500	0
Shares outstanding	13,195,769	294,494

	BGHL
Total value of the investments of BGHL based on the estimated NAV for the shares outstanding	€ 353 million
Market capitalisation of BGHL based on the share price for the shares outstanding Amsterdam (AEX) market close for the Euro Share and London (LSE) market close for the Sterling share	€ 277 million

* Estimated numbers, net of fees. The data is not audited.

IV. BGHL TRACK RECORD

BGHL Track Record – Historical NAV Returns Summary (Net of Fees)														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
BGHL EUR NAV														
2006	-	-	-	-	-	-	-	-	-	-	2.27%	2.82%	5.15%	5.15%
2007	3.13%	1.45%	4.68%	0.73%	1.38%	-2.27%	0.85%	-2.21%	-0.32%	1.82%	-2.16%	-1.38%	5.56%	11.00%
2008	-2.10%	-0.01%	-2.32%	0.78%	1.29%	-2.98%	-1.19%	0.32%	-10.49%	1.67%	1.55%	1.09%	-12.30%	-2.66%
2009	3.34%	-0.17%	1.20%	5.01%	4.17%	0.92%	1.91%	2.63%	2.92%	1.47%	0.30%	0.69%	27.15%	23.77%
2010	1.35%	0.59%	1.62%	0.81%	-1.10%	1.00%	2.11%	-0.32%	0.79%	2.11%	0.04%	1.97%	11.49%	37.99%
2011	0.71%	0.57%	2.16%	0.01%	-0.05%	-0.85%	-0.80%	-0.20%	-2.17%	2.49%	-3.92%	-0.39%	-2.58%	34.42%
2012	3.90%	2.01%	-0.16%	0.54%	-0.61%	-0.32%	0.12%	1.29%	0.04%	0.83%	0.42%	1.08%	9.45%	47.12%
2013	0.89%	0.74%	-0.59%	0.24%	1.27%	0.83%	0.96%	0.47%	1.07%	1.57%	2.28%	3.14%	13.60%	67.14%
2014	2.81%	-0.01%	-0.74%	1.62%	1.53%	-0.58%	0.08%	0.52%	-1.08%	-0.93%	3.16%	0.37%	6.85%	78.59%
2015	2.96%	1.15%	-0.36%	1.12%	2.06%	-1.92%	3.56%	0.87%	-1.47%	0.80%	4.80%	1.25%	15.65%	106.55%
2016	0.48%	2.02%	1.18%	0.70%	1.68%	-0.59%	0.78%	0.47%	-0.01%	-1.08%	0.09%	1.32%	7.22%	121.45%
2017	0.59%	1.55%	0.08%	3.78%	1.16%	-0.07%	0.43%	-0.11%	-0.52%	-0.13%	-1.16%	0.22%	5.87%	134.46%
2018	0.70%	1.34%	-0.60%	-0.58%	0.03%	-0.25%	-2.92%	0.18%	0.49%	-2.35%	-1.40%	-0.88%	-6.15%	120.05%
2019	-0.41%	-0.58%	1.04%	-0.76%	0.59%	0.95%	1.92%	1.57%	-1.66%	-0.54%	0.79%	1.14%	4.07%	128.99%
2020	1.12%	2.55%	-10.12%	4.98%	1.41%	1.70%	1.25%	-0.25%	1.93%	1.45%	4.37%	2.98%	13.26%	159.36%
2021	1.00%*												1.00%*	161.94%*
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
BGHL GBP NAV														
2008	-	-	-	-	-	-	-1.45%	-0.08%	-9.09%	0.16%	4.51%	3.69%	-2.84%	-2.84%
2009	1.88%	0.16%	0.52%	3.86%	3.22%	0.52%	1.62%	2.72%	2.97%	1.09%	0.28%	0.40%	20.91%	17.48%
2010	1.22%	0.40%	1.58%	0.72%	-1.43%	0.76%	2.01%	-0.36%	0.65%	1.97%	-0.17%	1.89%	9.57%	28.72%
2011	0.68%	0.37%	1.99%	-0.10%	-0.11%	-1.31%	-0.93%	-0.27%	-2.71%	2.37%	-4.46%	-0.45%	-5.00%	22.28%
2012	3.87%	2.14%	-0.32%	0.58%	-0.66%	-0.33%	0.13%	1.01%	0.04%	0.81%	0.39%	1.05%	8.98%	33.26%
2013	0.93%	0.71%	-0.60%	0.22%	1.11%	0.85%	0.94%	0.46%	1.05%	1.45%	2.20%	3.06%	13.04%	50.64%
2014	2.73%	-0.05%	-0.81%	1.60%	1.43%	-0.65%	0.04%	0.43%	-1.08%	-1.00%	2.46%	0.14%	5.29%	58.61%
2015	2.85%	1.10%	-0.41%	1.12%	1.91%	-1.97%	3.04%	0.91%	-1.41%	0.79%	4.31%	1.17%	14.08%	80.95%
2016	0.09%	2.09%	1.24%	0.75%	1.70%	-0.49%	0.84%	0.54%	0.04%	-1.02%	0.07%	1.38%	7.44%	94.40%
2017	0.63%	1.58%	0.13%	3.77%	1.29%	-0.06%	0.51%	-0.04%	-0.50%	-0.08%	-1.10%	0.30%	6.52%	107.08%
2018	0.76%	1.41%	-0.54%	-0.50%	0.09%	-0.19%	-2.78%	0.28%	0.58%	-2.23%	-1.29%	-0.79%	-5.14%	96.44%
2019	-0.29%	-0.47%	1.14%	-0.64%	0.68%	1.05%	2.06%	1.65%	-1.44%	-0.42%	0.89%	0.78%	5.05%	106.36%
2020	0.88%	2.03%	-10.50%	4.68%	1.43%	1.62%	1.01%	-0.19%	1.85%	1.32%	4.04%	2.56%	10.33%	127.69
2021	0.64%*												0.64%*	129.13%*

* Estimated numbers, net of fees. The data is not audited.

V. BGHL COMPOSITION

BGHL is invested in BG Fund (net of an amount retained by BGHL for working capital and other requirements).

As of 1 February 2021, 101.39% of BGHL net asset value is invested in BG Fund. BGHL has a maximum exposure limit to BG Fund of 110%. The remained BGHL net asset value is made up of direct investment and cash.

A. BG FUND

In January equity markets had a weak start to the year in Europe, with the Eurostoxx 50[®] Total Return declining -1.88%, while in the US markets were more mixed with the Nasdaq[®] up +0.29% and the S&P500[®] down -1.11%.

Credit markets widened on the month with iTraxx Crossover[®] (S34) finishing January at 270bps (+12.1% wider) reverting to end of November 2020 levels. Implied volatility was up markedly on the month with VStoxx[®] ending the month at 29.0%, up +24.13% (from 23.4%).

In this context BG Fund began 2021 with a positive performance in January of +65bps (USD A estimate).

Towards the start of the year, BG Fund had reduced allocations to softer value catalyst type situations, instead favouring harder catalyst events in special situations and risk arbitrage. The amount of gamma on equity positions was also slightly increased while maintaining an overall delta neutral profile. During the month, the additional gamma helped to partially insulate equity positions, while credit special situations, warrant arbitrage and quantitative strategies generated positive returns.

COMMENTARY

After a bullish start in the first week of the year, European equity markets began to run out of steam as the month progressed.

A meaningful market impact occurred towards the latter half of the month when markets experienced some extreme risk-off moves and reversals. Initially, the action was concentrated in a small number of US stocks exhibiting a significant amount of short interest. These stocks had caught the attention of several social media investment blogs. Subsequently there was a huge influx of retail investors buying into these positions which propelled the stocks to new daily highs. This impacted funds who were active in these highly shorted names, forcing them to post ever-increasing amounts of margin. Given the extreme rise in the price of these stocks, many of these funds were then forced to de-lever, selling down their long positions, while closing out shorts in order to raise cash to stave-off collapse. These actions spread through equity markets and resulted in a reversal of prior trends, both for winners and losers. The knock-on impact was to cause many long-short funds to suffer losses and be forced to cut positions and reduce leverage. Towards the end of the month some of these market moves reversed as brokers and retail trading platforms were required to post greater amounts of capital against the highly active stocks, and participation in many of these names consequently declined.

During the market turmoil we took advantage of our solid capital position to add to key existing investments and establish several new trades. In addition, we used the market gyrations to take profit on a number of positions.

This episode once again reinforces our strong perspective on the importance of proactive portfolio management along with a strong balance sheet, surplus unencumbered cash and prudent margin utilization.

Corporate activity remained elevated in Europe during January, despite the unusual equity market dynamic. Alongside the corporate events, capital market activity, block placements and IPOs remained strong.

We continue to see a very solid opportunity set for 2021 in event driven, special sits and volatility arbitrage strategies.

Volatility strategies

Mandatory convertible bond arbitrage

Mandatory convertible bonds contributed -9bps this month. Performance was mainly due to a small repricing in the market with limited liquidity.

Convertible bond arbitrage

Convertible bond contribution (excl. mandatories) to the performance of the fund was +4bps in January.

The European convertible bond market was generally quiet both in terms of primary and secondary volumes. The relatively modest performance during January reflects this wait-and-see market mode.

Primary issuance was limited although activity started to pick up towards month end and into February:

Name	Amount	Maturity	Coupon	Premium	CDS	Vol	Delta
Voltalia 1% 2025	200	13-Jan-25	1.00	37.50%	400 bps	n/a	45
Shop Apotheke 0% 2028	225	21-Jan-28	0.00	50.00%	400 bps	40.0	51
Prysmian 0% 2026	225	2-Feb-26	0.00	47.50%	175 bps	31.0	37

Volatility Trading

Realised volatility vs implied forward at the end of December *:

	30d Implied vol level on 31/12/20	Realised vol over the month	Difference
US	22.75	16.94	-5.81
EUROPE	23.36	15.83	-7.53

Variation of implied volatilities during January *:

	Feb. Vol Index Fut as of 31/12/20	Feb. Vol Index Fut as of 29/01/21	Vol move
US	25.58	32.39	6.81
Europe	23.75	27.85	4.10

Volatility Trading was flat for January. The month exhibited a big disconnect between realized and implied volatilities – risk aversion saw big move up on implied volatility, but realised volatility was significantly lower, even than the implied vol from the start of the month – this is one of the biggest gaps between implied and realised seen for many years. This divergence has been driven by a number of factors: poor liquidity, the effects of the retail-driven short squeeze story and very limited capacity from those still supplying vol to the market. Long gamma positions have consequently been painful to carry, despite a small pick-up in realised volatility at the end of the month due to a modest pull-back in equities.

The market maintains a very cautious tone and with deteriorated liquidity. Market makers re-marked the front end of the vol curve sharply higher, maintaining the abnormally wide spread between implied and realized.

Warrant arbitrage

Warrant and SPAC arbitrage contributed +54bps this month. We used the run up in prices to reduce existing position by circa 25% and we remain very selective in new issues.

Equity strategies

In January, Equity strategies were down, contributing -27bps. Losses were shared by both risk arbitrage and special situations strategies as well as value with catalyst and trading strategies.

* Source: Bloomberg

The month was relatively volatile at an individual stock level with a wide range of performance. Positive sentiment in the first two weeks of the year helped some of our fundamental investments perform well and we saw some positive events such as Saint Gobain increasing its profit estimate in the first week of January leading to some nice pnl. We continue to anticipate there is going to be significant amount of corporate activity during 2021 and we took the opportunity of the strong start of the year to reduce the size of our value with catalyst strategy by circa 20% in order to reallocate to opportunities with stronger catalysts and more attractive risk reward notably in special sits and risk arbitrage.

The second half of the month was dominated by a global de-risking from many funds driven by a short-squeeze by retail flows. This created a rapid reversal of some recent upward trends and BG Fund was impacted by several positions. For example, utility companies exposed to renewable energy underperformed significantly after a stellar performance at the end of last year.

On special situations and risk arbitrage, the month was challenging from a pnl perspective. On one hand, activity remains elevated with many deals announced or rumored. In addition, several deals reached completion such as the Fiat / Peugeot merger and the Altice minority buyout and as such we closed out these successful positions. On the other hand, we saw a couple of deals announced and then subsequently fail. For example, Entain was approached by MGM, however the two companies could not agree on a price and discussions did not lead to a firm offer. Secondly Carrefour was approached for a takeover by Alimentation Couche Tard, but the French government was opposed to the transaction and the Canadian company walked away. Both these companies remain interesting and will likely be involved in corporate activity.

We strongly believe there will be plenty of opportunities to come in 2021 and corporate activity will continue to stay buoyant in the current environment.

Credit strategies

Capital Structure Arbitrage

Capital structure arbitrage was flat in January.

Credit long / short

Despite the generally widening of credit indices in Jan, credit long/short returned +16bps in January with our position in Vallourec driving a significant share of the pnl due to positive news flow on the energy sector.

Credit special situations

Credit special situations continued to perform, returning +13bps for January. The main contributor was KCA Deutag which benefited from its continued recovery following its restructuring.

Trading

Trading delivered +13bps to performance with the Equity Quantitative Strategy contributing a large part of the pnl. The beginning of the month was a continuation of trends witnessed at the end of 2020, with a strong market and rotation into value. This seemed to pause in the last two weeks of January with defensive and growth sectors starting to perform again, helping our strategy to profit. We will continue to adjust the capital allocation in line with our mean reverting strategy.

January was profitable for the CTA though a last-minute reversal in key trends limited the month's overall gain. Stock indices generated a decent return although, with the exception of Switzerland and Russell 2000, Western markets hardly contributed and most profit was concentrated on Nikkei, China A50 and emerging markets. The most significant return was generated by our market-neutral portfolio which is heavily allocated towards technology and basic resources, which significantly outperformed the rest of the market in January.

Macro trading was slightly negative in January following a too-early defensive approach at the start of the month, but which started to benefit as risk appetite corrected at the end of the month.

B. DIRECT INVESTMENTS OTHER THAN BG FUND

On top of its investment in BG Fund, BGHL has other investments. As of 29 January 2021, the net asset value of these investments represents less than 1.00% of the net asset value of BGHL.

Rasaland Investors ("RLI")

Rasaland Investors ("RLI") RLI is a Malta-based holding company structured as a private equity fund in terms of fees and organisation and managed by BK Partners. RLI is dedicated to land, hotels and high-end resort developments in Mexico. RLI'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 December 2020, RLI returned US\$0.27730 per share to its shareholders, by way of a capital reduction. RLI funded the distribution using the proceeds of the sale of its minority interest in the publicly-traded company RLH Properties.

In July 2020, RLI made a cash tender offer to buy back its own shares, for a price per share of US\$0.12270 (post distribution price compared to US\$0.40 pre-distribution). Shareholders, representing approximately 11.71% of the share capital, elected to tender their RLI shares. BGHL elected not to participate.

The valuation of BGHL's investment in RLI shares was marked down on 31 August 2020, using the US\$0.12270 per share price as the estimated fair value of the RLI shares. This price represents a circa 80% discount to the latest published NAV per share.

VI. BOUSSARD & GAVAUDAN INVESTMENT MANAGEMENT UPDATE

A. TRANSACTION IN THE COMPANY'S SECURITIES

Please note that transactions in the Company's securities that have been performed by officers, directors and persons referred to in the section 5:60 of the Financial Supervision Act ("Wft") are reported:

- directly on the AFM website: www.afm.nl (professionals > registers > notifications > insider-transactions 5:60 wft);
- on the Company's website through a link to the AFM notification: www.bgholdingltd.com (Investment Manager > Regulatory information).

Transactions in the Company's own securities are also reported on:

- the AFM website: www.afm.nl (professionals > registers > notifications > price-sensitive press releases);
- the Company's website: www.bgholdingltd.com (Investor Relations > Financial announcements).

B. BGIM'S AUM

As of 1 February 2021, BG Fund assets under management are €1.98bn.

Sincerely,

E. Boussard and E. Gavaudan

Investment Manager

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VII. ANNEXES ON BG FUND

Annex 1: Greeks		
Delta	-0.9%	-0.9 bps P&L variation for market +1%
Gamma	1.0%	delta variation for market +1%
Vega	11 bps	by vol point
Theta	-10 bps	by 30 days
Optional theta	-20 bps	by 30 days
Rho	-3.1 bps	for 1 bp of interest rates increasing
Credit sensitivity	-2.2	for 1% of credit spreads widening (in relative)

Annex 2: Performance Attribution *	
Volatility Strategies	50 bps
Mandatory convertible bond arbitrage	-9 bps
Convertible bond arbitrage (incl. credit convertible bonds)	4 bps
Volatility trading	0 bps
Warrant arbitrage	54 bps
Equity Strategies	-27 bps
Risk arbitrage / Special situations	-21 bps
Long / short trading with short-term catalyst & Value	-7 bps
Credit Strategies	29 bps
Credit long / short	16 bps
Capital structure arbitrage	0 bps
Credit special situations	13 bps
Trading	13 bps
Total	65 bps

Annex 3: Equity at Risk	
Volatility Strategies	8.3%
Mandatory convertible bond arbitrage	4.3%
Convertible bond arbitrage (incl. credit convertible bonds)	1.8%
Volatility trading	0.2%
Warrant arbitrage	2.0%
Equity Strategies	40.2%
Risk arbitrage / Special situations	17.1%
Long / short trading with short-term catalyst & Value	23.1%
Credit Strategies	12.7%
Credit long / short	8.7%
Capital structure arbitrage	0.0%
Credit special situations	4.0%
Trading	6.9%
Quantitative equity trading	2.6%
Systematic trend following	1.7%
Other	2.7%
Cash Equivalents	0.0%
Total	68.2%

* Monthly estimated figures for USD A share class, net of fees. The data is not audited.

Annex 4: Gross Exposure (in % of AUM)

Volatility Strategies		
	Long	50.2%
Mandatory convertible bond arbitrage	Short equity	47.9%
	Short credit	0.0%
	Long	16.4%
Convertible bond arbitrage (incl. credit convertible bonds)	Short equity	5.4%
	Short credit	0.0%
	Long	2.3%
Volatility trading	Short	2.0%
	Long	5.3%
Warrant arbitrage	Short	0.1%
Equity Strategies		
Risk Arbitrage / Special Situations	Long	76.1%
	Short	38.1%
Long / Short trading with short-term catalyst / Value	Long	64.7%
	Short	67.9%
Credit Strategies		
Credit long / short	Long	12.6%
	Short	0.0%
Capital structure arbitrage	Long	0.0%
	Short	0.0%
Credit special situations	Long	5.0%
	Short	0.0%
Trading		
Quantitative equity trading	Long	10.3%
	Short	10.1%
Systematic trend following	Long	54.8%
	Short	3.2%
Other	Long	15.4%
	Short	16.6%
Gross Exposure		504.4%

	Long	Short
Mandatory convertible bond arbitrage and Convertible bond arbitrage	\sum market value long	Abs (\sum [delta equity + options]) + \sum notional long for CDS
Volatility Trading	\sum Abs (delta)	\sum Abs (delta)
Warrant Arbitrage	\sum delta long	\sum Abs (delta short)
Equity Strategies	\sum delta long	\sum Abs (delta short)
Credit Strategies	\sum market value long + \sum Abs (notional short for CDS)	\sum Abs (market value short) + \sum notional long for CDS
Trading	\sum delta long	\sum Abs (delta short)

Annex 5: Investment Manager's Track Record – Historical Returns Summary (Net of Fees)

USD A Share Class

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD (4)
Sark Fund														
2003	-	-	0.67%	0.70%	0.77%	0.94%	0.84%	0.97%	1.15%	1.46%	1.01%	0.15%	9.00%	9.00%
2004	1.00%	-0.17%	0.96%	0.13%	0.07%	-0.35%	-0.47%	-0.47%	-0.24%	-0.59%	1.16%	1.06%	2.08%	11.27%
2005	1.66%	1.08%	1.09%	-0.64%	0.31%	1.30%	1.22%	0.62%	1.06%	-0.32%	0.81%	0.89%	9.45%	21.79%
2006	-0.01%	1.64%	1.78%	1.08%	-0.29%	1.49%	0.56%	1.74%	2.83%	3.06%	2.64%	3.01%	21.29%	47.72%
2007	3.19%	1.58%	4.82%	0.89%	1.45%	-2.15%	0.97%	-2.12%	-0.22%	1.92%	-2.13%	-1.17%	6.97%	58.02%
2008	-2.12%	-0.07%	-2.57%	1.02%	0.98%	-2.52%	-1.50%	0.21%	-10.63%	0.16%	-2.97%	0.22%	-18.56%	28.69%
2009	1.71%	-0.31%	0.84%	4.87%	4.29%	0.72%	2.01%	3.26%	3.48%	1.11%	0.21%	0.46%	24.96%	60.81%
BG Fund														
2010	1.24%	0.36%	1.58%	0.73%	-1.41%	0.77%	2.16%	-0.33%	0.67%	2.05%	-0.15%	1.88%	9.92%	76.77%
2011	0.65%	0.35%	1.93%	-0.15%	-0.12%	-1.35%	-1.00%	-0.30%	-2.72%	2.56%	-4.41%	-0.40%	-5.04%	67.86%
2012	4.03%	2.13%	-0.23%	0.49%	-0.66%	-0.26%	0.14%	1.08%	0.01%	0.87%	0.46%	0.20%	8.49%	82.12%
2013	0.84%	0.65%	-0.69%	0.28%	1.19%	0.73%	1.02%	0.48%	1.16%	1.23%	1.97%	2.17%	11.56%	103.17%
2014	2.41%	0.06%	-1.01%	0.60%	1.18%	-1.07%	0.20%	0.85%	-0.69%	-0.34%	1.76%	0.25%	4.23%	111.75%
2015	2.10%	0.87%	-0.20%	1.01%	1.76%	-1.72%	2.60%	0.81%	-0.97%	0.51%	2.47%	1.12%	10.77%	134.56%
2016	0.05%	2.04%	1.35%	0.86%	1.64%	-0.55%	1.16%	0.52%	0.14%	-0.81%	0.03%	1.35%	8.03%	153.39%
2017	0.63%	1.59%	0.38%	3.93%	1.42%	0.09%	0.34%	0.05%	-0.36%	0.01%	-0.96%	0.41%	7.73%	172.97%
2018	0.82%	1.37%	-0.34%	-0.35%	0.24%	-0.03%	-2.20%	0.42%	0.56%	-1.74%	-1.04%	-0.48%	-2.80%	165.33%
2019	-0.10%	-0.28%	1.19%	-0.42%	0.82%	1.13%	1.69%	1.34%	-1.03%	-0.19%	0.80%	0.79%	5.87%	180.91%
2020	0.91%	2.08%	-9.61%	4.99%	1.42%	1.54%	0.92%	0.05%	1.83%	1.38%	4.32%	2.79%	12.52%	216.09%
2021	0.65%*												0.65%*	218.16%*
													Annualized Net Return	6.67%*

* Estimated numbers, net of fees. The data is not audited.

From March 2003 to Oct 2010, the fund was named Sark Fund before being renamed as BG Fund. No change took place in investment manager, strategies, or fee structure. Performance above is dividends reinvested and net of all fees.

EUR A Share Class

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD (4)
Sark Fund														
2003	-	-	0.75%	0.76%	0.82%	1.04%	0.93%	1.06%	1.18%	1.55%	1.05%	0.17%	9.69%	9.69%
2004	1.07%	-0.12%	1.03%	0.22%	0.14%	-0.29%	-0.42%	-0.42%	-0.19%	-0.49%	1.18%	1.07%	2.81%	12.77%
2005	1.70%	1.06%	1.09%	-0.69%	0.27%	1.27%	1.16%	0.50%	1.00%	-0.44%	0.71%	0.77%	8.70%	22.58%
2006	-0.18%	1.56%	1.64%	0.86%	-0.47%	1.35%	0.40%	1.56%	2.73%	2.90%	2.34%	2.91%	18.99%	45.85%
2007	3.14%	1.46%	4.67%	0.74%	1.39%	-2.24%	0.87%	-2.20%	-0.31%	1.83%	-2.15%	-1.24%	5.85%	54.38%
2008	-2.08%	-0.01%	-2.35%	1.10%	1.13%	-2.33%	-1.39%	0.21%	-10.93%	-0.44%	-2.86%	0.18%	-18.58%	25.69%
2009	1.92%	-0.28%	0.90%	4.88%	4.10%	0.73%	1.99%	3.21%	3.48%	1.13%	0.22%	0.48%	25.13%	57.27%
BG Fund														
2010	1.26%	0.37%	1.60%	0.74%	-1.49%	0.74%	2.01%	-0.34%	0.62%	2.02%	-0.14%	1.85%	9.56%	72.31%
2011	0.65%	0.38%	1.94%	-0.09%	-0.07%	-1.27%	-0.95%	-0.24%	-2.86%	2.47%	-4.50%	-0.49%	-5.08%	63.56%
2012	4.01%	2.12%	-0.28%	0.47%	-0.71%	-0.26%	0.10%	1.03%	-0.01%	0.84%	0.43%	0.17%	8.12%	76.84%
2013	0.80%	0.65%	-0.71%	0.25%	1.19%	0.71%	0.99%	0.48%	1.11%	1.22%	1.97%	2.14%	11.31%	96.85%
2014	2.47%	0.05%	-1.01%	0.61%	1.21%	-1.06%	0.20%	0.86%	-0.71%	-0.36%	1.75%	0.27%	4.29%	105.30%
2015	2.22%	0.85%	-0.21%	0.93%	1.79%	-1.73%	2.58%	0.78%	-1.01%	0.47%	2.59%	0.96%	10.60%	127.06%
2016	0.00%	1.98%	1.21%	0.79%	1.62%	-0.65%	1.07%	0.43%	0.03%	-0.92%	-0.03%	1.21%	6.91%	142.74%
2017	0.51%	1.53%	0.26%	3.75%	1.24%	-0.06%	0.19%	-0.10%	-0.47%	-0.11%	-1.08%	0.22%	5.97%	157.24%
2018	0.67%	1.24%	-0.55%	-0.53%	0.04%	-0.22%	-2.66%	0.18%	0.46%	-2.14%	-1.27%	-0.78%	-5.49%	143.11%
2019	-0.36%	-0.52%	0.96%	-0.69%	0.55%	0.88%	1.79%	1.45%	-1.51%	-0.48%	0.83%	0.71%	3.62%	151.89%
2020	0.95%	2.19%	-10.28%	4.91%	1.37%	1.64%	1.02%	0.01%	2.02%	1.33%	4.13%	2.58%	11.58%	181.06%
2021	0.60%*												0.60%*	182.75%*
													Annualized Net Return	5.97%*

GBP A Share Class

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
BG Fund														
2016	-	-	-	-	-	-	-	-	-	-	0.03%	1.26%	1.29%	1.29%
2017	0.57%	1.57%	0.32%	3.74%	1.37%	0.01%	0.26%	-0.01%	-0.46%	-0.06%	-1.02%	0.29%	6.68%	8.05%
2018	0.72%	1.32%	-0.46%	-0.46%	0.10%	-0.16%	-2.51%	0.29%	0.56%	-2.03%	-1.14%	-0.69%	-4.44%	3.25%
2019	-0.24%	-0.41%	1.06%	-0.58%	0.66%	0.99%	1.92%	1.47%	-1.29%	-0.36%	0.92%	0.75%	4.94%	8.35%
2020	0.84%	2.09%	-10.27%	4.89%	1.50%	1.69%	0.86%	0.04%	1.88%	1.37%	4.16%	2.63%	11.40%	20.71%
2021	0.65%*												0.65%*	21.50%*
													Annualized Net Return	4.69%*

* Estimated numbers, net of fees. The data is not audited.

From March 2003 to Oct 2010, the fund was named Sark Fund before being renamed as BG Fund. No change took place in investment manager, strategies, or fee structure. Performance above is dividends reinvested and net of all fees.

Annex 6: Macroeconomic Risks Through Stress Tests

General Stress Tests

	Scenario	Description	Impact % of NAV
1	Delta - spot up	Spot : 10% ; Credit : 0% ; Vol : 0% ; Rates : 0	0.32%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0	0.59%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0	0.20%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0	-0.25%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.64%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0	0.57%
7	Market crash 0.5	Spot : -5% ; Credit : 25% ; Vol : 15% ; Rates : 0	-0.05%
8	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0	0.07%
9	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0	0.81%
10	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0	1.68%
11	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -0.5	1.20%
12	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -0.5	1.94%
13	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -1	3.87%
14	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0.5	-1.29%
15	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0.5	-0.36%
16	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : <2y 0.5,>2y 1	0.00%
17	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.60%
18	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0	-0.35%
19	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0	-0.86%
20	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 0% ; Rates : 0	0.78%
21	Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.60%
22	Equity Credit decorrelation 6	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0	0.96%
23	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.38%
24	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0	0.59%
25	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0	0.80%
26	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.68%
27	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0	0.88%
28	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0	1.09%
29	Market rally, Inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0.5	-0.92%
30	Market rally, Inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0.5	-0.66%
31	Market rally, Inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0.5	-0.40%
32	Market rally, Inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : <2y 0.5,>2y 1	-1.28%
33	Market rally, Inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : <2y 0.5,>2y 1	-1.03%
34	Market rally, Inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : <2y 0.5,>2y 1	-0.77%
	Worst		-1.29%

Hedge Funds Liquidation Stress Tests

Stress tests' scenarios have been improved in order to take into account liquidity issues. This scenario aims at reflecting, to some extent, how the fund would react in distressed market environment (as was the case in late 2008). These stress tests combine the three following adjustments:

- Small, Mid and Large caps adjustment

In certain market conditions, beta may become much higher than its level in normal market conditions and thus the hedging of such positions may not be effective. To address this kind of circumstance we apply a corrective factor to the beta of small, mid and large caps respectively. Since April 2019, the corrective factors have been calibrated on the amplitude of the stresses by looking at worst historical scenario since 1987.

	-5%	-10%	-20%	-30%
Small (<1bn)	2.00	1.75	1.50	1.30
Mid (1bn-5bn)	1.50	1.50	1.25	1.20
Large (5bn-20bn)	1.20	1.15	1.10	1.05
Mega (>20bn)	1.00	1.00	1.00	1.00

- Risk arbitrage adjustment

The risk of risk arbitrage positions is taken into account differently in case the market drops by more than 10%. We consider that one third of risk arbitrage positions will collapse.

- Liquidity adjustment

An average discount (realized in 2008) is applied to bond, convertible bond (including mandatory convertible bond) and loan prices in case credit spreads widen by more than 25%.

Mandatories: Adj. price = Max(Shifted Price – 5% * Max(Credit spread shift – 25%, 0), Parity)

Others : Adj. price = Max(Shifted Price – 5% * Max(Credit spread shift – 25%, 0), 0)

Scenario	Description	Impact % of NAV
1	Delta - spot up	0.55%
2	Delta - spot down	-2.45%
3	Vega - vol up	0.20%
4	Vega - vol down	-0.25%
5	Credit spread widen	-0.64%
6	Credit spread tighten	0.57%
7	Market crash 0.5	-1.64%
8	Market crash 1	-3.37%
9	Market crash 2	-7.10%
10	Market crash 3	-8.91%
11	Market crash, rates down 1	-1.95%
12	Market crash, rates down 2	-5.68%
13	Market crash, rates down 3	-6.18%
14	Market crash, rates up 1	-4.74%
15	Market crash, rates up 2	-8.47%
16	Market crash, rates up 3	-11.01%
17	Equity Credit decorrelation 1	-0.46%
18	Equity Credit decorrelation 2	-0.21%
19	Equity Credit decorrelation 3	-0.72%
20	Equity Credit decorrelation 4	-0.61%
21	Equity Credit decorrelation 5	-0.38%
22	Equity Credit decorrelation 6	-0.83%
23	Market rally 1	0.49%
24	Market rally 2	0.71%
25	Market rally 3	0.91%
26	Market rally 4	0.90%
27	Market rally 5	1.11%
28	Market rally 6	1.32%
29	Market rally, Inflation 1	-0.78%
30	Market rally, Inflation 2	-0.52%
31	Market rally, Inflation 3	-0.26%
32	Market rally, Inflation 4	-1.00%
33	Market rally, Inflation 5	-0.75%
34	Market rally, Inflation 6	-0.49%
Worst		-11.01%

Annex 7: IFRS 13 Classification as of 31 December 2020

	% of NAV	Number of positions
Assets		
Level 1	73.8%	208
Level 2	46.0%	1196
Level 3	14.4%	116
Cash & cash equivalents	15.2%	4
Total Assets	149.5%	1524
Liabilities		
Level 1	-43.7%	159
Level 2	-5.7%	49
Total Liabilities	-49.5%	208
Total Assets + Liabilities	100.0%	1732

	% of NAV
• Encumbered cash and cash equivalents	
- Cash - Derivatives Clearing Organisation	4.4%
- Cash - Counterparties	1.4%
- Money market fund	3.3%
- Cash covering a short market value	0.0%
• Unencumbered cash and cash equivalents	
- Cash covering a short market value	5.9%
- Short-term papers < 90 days	0.2%
- Excess cash	0.0%
Total Cash and cash equivalents	15.2%

Annex 8: AIFMD disclosure to investor

In compliance with AIFMD, BGIM will report in the newsletter the information hereafter:

- The percentage of assets which are subject to special arrangements arising from their illiquid nature:

Nothing to report

- Any new arrangements for managing the liquidity of the AIF:

Nothing to report

- The current risk profile of the AIF and a description of the risk management systems employed by BGIM to manage market risk, liquidity risk, counterparty risk and other risks, including operational risk:

Please refer to this newsletter for the current risk profile of the Fund.

The backbone of the portfolio and risk management systems at BGIM relies on several components all interfaced together to ensure a full Straight Through Processing. The main system is FusionInvest provided by Misys used for position keeping and risk management. FusionInvest is interfaced to a real time market data vendor for real time P&L and risk calculation. Another key system is Trade Smart, the Execution Management System provided by Trading Screen that is interfaced to an in-house implemented Order Management System, itself connected in real time to FusionInvest. All figures used for qualitative and quantitative risk management are produced out of FusionInvest.

- The gross investment exposure of the Company at any time may represent a maximum of 2 times the Net Asset Value at the time of investment.

	Maximum limit	Current usage
Commitment method	200%	102%
Gross method	200%	102%

Important Information

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 have 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 investments are subject to risk;
- past performance is not a reliable indicator 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.
- any reference to individual investments within this document should not be taken as a recommendation to buy or sell.

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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