

**MONTHLY NEWSLETTER JULY 2020**

**Estimated NAV** BGHL NA € 23.36  
BGHS LN £ 20.69

**OVERVIEW**

**Estimated AUM** €337m

**Firm AUM** €2.6bn

**Share price** €16.70  
(discount to NAV: 29%)

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	
2020	1.12%	2.55%	-10.12%	4.98%	1.41%	1.70%	1.10%*						<b>2.02%*</b>	<b>Annualized Performance</b> <b>+6.36%*</b> since inception
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%	<b>4.07%</b>	
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%	<b>-6.15%</b>	<b>Annualized Volatility</b> <b>5.22%*</b> 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%	<b>5.87%</b>	
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%	<b>7.22%</b>	<b>Sharpe Ratio</b> <b>1.09*</b> since inception
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%	<b>15.65%</b>	
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%	<b>6.85%</b>	<b>Beta to Euro Stoxx 50®</b> <b>0.04*</b> since inception
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%	<b>13.60%</b>	
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%	<b>9.45%</b>	
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%	<b>-2.58%</b>	
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%	<b>11.49%</b>	
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%	<b>27.15%</b>	
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%	<b>-12.30%</b>	
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%	<b>5.56%</b>	
2006	-	-	-	-	-	-	-	-	-	-	2.27%	2.82%	<b>5.15%</b>	

\*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 +1.10% (EUR share class) and +0.78% (USD A share class) respectively vs Eurostoxx 50® (-1.85%).

		Equity Strategies Special Situations	Equity Strategies Catalyst & Value	Credit Strategies	Volatility Strategies	Trading Strategies
<b>BG Fund Capital Allocation</b>		20%	34%	18%	14%	13%
<b>BG Fund Performance Attribution</b>	July 2020	0.25%	-0.53%	0.34%	-0.26%	0.98%
	Year-to-date	0.69%	-3.28%	-0.82%	1.04%	3.82%

**CORPORATE UPDATE**

Since the restart of the share buyback program on 17 December 2019, the firm has bought back 1,091,243 shares. The current number of shares outstanding excluding treasury shares for both the EUR and GBP share classes is 14,412,603.

**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 at 31<sup>st</sup> July 2020 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	<a href="http://www.bgholdingltd.com">www.bgholdingltd.com</a>
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 31 July 2020

Net Asset Value (NAV)	Euro share	Sterling share
Estimated NAV*	€ 23.3615	£20.6909
Estimated month to date return*	1.10%	0.88%
Estimated year to date return*	2.02%	0.26%
Estimated inception to date return*	133.62%	106.91%

Market information	Amsterdam (AEX)	London (LSE)
EUR share Market close	€ 16.70	-
EUR share Premium / discount to estimated NAV	-28.51%	-
Sterling share Market close	-	£15.00
Sterling share Premium / discount to estimated NAV	-	-27.50%

Transactions in own securities purchased into treasury	Euro share	Sterling share
Number of shares	145,840	-
Average Price	€ 17.40	-
Range of Price	-	-

Ordinary Shares	Euro share	Sterling share
Shares issued	14,256,907	301,536
Shares held in treasury	145,840	0
Shares outstanding	14,111,067	301,536

	BGHL
Total value of the investments of BGHL based on the estimated NAV for the shares outstanding	€ 337 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	€ 241 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
<b>BGHL EUR NAV</b>														
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%	1.10%*						2.02%*	133.62%*
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
<b>BGHL GBP NAV</b>														
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%	0.88%*						0.26%*	106.91%*

\* 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 August 2020, 98.55% 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 July, the Euro Stoxx 50<sup>©</sup> total return index fell by -1.6%, while BG Fund (USD A class) gained +0.78% with the largest contributions coming from trading, risk arbitrage and credit special situation positions.

In terms of other market indicators volatility decreased moderately with VStoxx<sup>©</sup> finishing the month at 26.7%, down from 31.7%. Credit remained stable with iTraxx Crossover (S33) <sup>©</sup> ending the month at 377bps (5bps tighter than June).

July saw varied risk-on/risk-off sentiment during the month, with some strong specific corporate earnings releases tempered by an uncertain macro backdrop with signs of a second Covid 19 wave in Europe starting to emerge, and fiscal stimulus and unemployment benefit schemes, scheduled to roll off in the Autumn, remaining under debate by policy makers.

Capital markets however have remained very active and we expect the core themes of refinancing, restructuring and balance-sheet strengthening to continue as corporates adjust to the new environment.

The portfolio is well invested in some very interesting opportunities and we are continuing to deploy capital into new positions. We continue to expect M&A to pick up and further new restructuring opportunities to emerge post-summer.

#### Volatility strategies

##### ***Mandatory convertible bond arbitrage***

Mandatory convertible bonds detracted -16bps from performance this month. A large private transaction which was initiated in June, and which generated strong positive performance last month, experienced a modest give-back in July. We expect this position to deliver a significant positive contribution over its lifetime. We continue to see activity in mandatory convertible bonds both in new primary issues and secondary market trading. We are continuing to remain very active, building new positions and adding to existing holdings.

##### ***Convertible bond arbitrage***

Convertible bond contribution (excl. mandatories) to the performance of the fund was +2bps in July. During the month, the majority of opportunities were concentrated in the primary market. Nevertheless, European issuance has lagged the US. The majority of European primary issues were from corporates who had previously issued CBs such as STM and Worldline, however, we also saw Zalando issue a CB for the first time and the placing was a success. We participated in many of these new issues:

Name	Amount	Ccy	Maturity	Premium	CDS	Vol	Delta
Worldline 0% 2025	600	EUR	30-jul-25	57.50%	100 bps	35.8	34
STM 0% 2025	750	USD	4-aug-25	47.50%	50 bps	33.0	41
STM 0% 2027	750	USD	4-aug-27	52.50%	75 bps	33.5	45
Besi 0.75% 2027	150	EUR	5-aug-27	37.50%	350 bps	29.0	46
Zalando 0.05% b2025	500	EUR	6-aug-25	42.50%	275 bps	30.5	49
Zalando 0.625% 2027	500	EUR	6-aug-27	50.00%	300 bps	32.5	55

#### ***Volatility Trading***

Realised volatility vs implied forwards at the end of June\*:

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\* Source: Bloomberg

	30d Implied vol level on 30/06/20	Realised vol over the month	Difference
US	30.43	13.79	-16.64
EUROPE	31.72	18.62	-13.10

Variation of implied volatilities during July \*:

	Aug. Vol Index Fut as of 30/06/20	Aug. Vol Index Fut as of 31/07/20	Vol move
US	31.82	26.82	-5.00
Europe	30.40	26.25	-4.15

Volatility trading was a slight detractor to the performance of the fund this month (-7bps). Losses were primarily from theta drag on long gamma positions. In the majority of situations, positions were impacted by poor realised volatility and a reset of implied volatility.

### ***Warrant arbitrage***

Warrant arbitrage contributed -5bps in July.

### **Equity strategies**

Equity strategies lost 28bps in July. While risk arbitrage positions and capital markets activity generated nice positive returns, value-with-catalyst equities detracted along with long gamma due to low realised vol.

In general, equity investments with slightly 'softer' catalysts underperformed, partly impacted by the general sell-off in value.

On the positive side, one of our core positions Spie, a European leader in multi-technical services, delivered a very good set of earnings, which demonstrated the resilience of the business model with free cashflow and leverage meaningfully beating market expectations. Detracting from returns was an investment in Bayer. After the run up in June, the stock sold off on the uncertainty surrounding last month's agreed settlement, which is being challenged by a US judge. We continue to believe in the fundamental strength of underlying business units and our sum-of-parts valuation shows significant upside.

Risk arbitrage positions continue to perform strongly. In July one key position contributing to returns was the Dutch biotech company Qiagen. During the month, Thermo Fisher increased its offer for Qiagen by 10% from €39 to €43 per share.

Overall, our long gamma exposure was a net cost to equity positions this month, despite reducing the amount of theta at the end of June. Nevertheless, we will continue with this component of the strategy as being long gamma has been a net positive contributor to returns in the second quarter and in our view remains attractive in the uncertain environment.

### **Credit strategies**

#### ***Capital Structure Arbitrage***

Capital structure arbitrage was flat in July.

#### ***Credit long / short***

Credit spreads have remained resilient and in a tight range during the month of July, both in high yield and in Financials. Earnings releases did not reveal any major surprises overall and this translated into a lacklustre monthly performance of +6bps.

#### ***Credit special situations***

Credit special situations contributed +27bps in July. The special situation in Solocal took a positive turn in July where a key step of the restructuring process was voted for by shareholders and subsequently validated by a French court.

Both bonds and loans were up by approximately +38% at the beginning of July. We expect further improvement in the price of both debt instruments with the next step of the restructuring process, an equity rights issuance scheduled for September, which will provide €85m of new money.

On KCA Deutag, a consensual restructuring agreement has been found where KCA Deutag debtholders will partially equitise their debt. The company is highly cash flow generative and does not require new money.

## Trading

Trading contributed +98bps in July, mainly driven by Equity Quantitative Trading.

Equity Quantitative Strategy performance was overall very strong this month. Initially June's dynamic continued to deliver solid performance, while mid-month positive macro catalysts (upbeat Covid vaccine news and agreement on the European resolution fund) reversed some gains. Into the end of the month momentum in the technology sector resumed (due to strong earnings results) while macro concerns led to risk-off trading sessions and gains for the strategy. In line with our mean reversion methodology we have now taken some profits and reduced risk by about 10%.

Systematic Trend Following had a positive performance, concentrated on interest rate and momentum stocks. We saw interest rate curves flatten in August, causing 10 year and longer-term contracts to appreciate, especially OAT and BTP contracts in Europe. Momentum stocks outperformed value stocks (partly due to long-term rates declining) and technology stocks in the US outperformed the market, with both moves benefiting performance. Commodities generated a profit as well with gold and silver rising sharply.

Macro trading continued to contribute positively this month, primarily benefiting from our long gold position and we have initiated a structurally long EURUSD position. We believe that the search for real assets will now intensify given the collapse in real global sovereign yields. In our view, this trend is only starting as central banks will be forced to keep yields low, while governments are only just starting to engage into what we think will be a long process of significant fiscal reflation.

## **B. DIRECT INVESTMENTS OTHER THAN BG FUND**

On top of its investment in BG Fund, BGHL has other investments. As of 31 July 2020, the net asset value of these investments represents about 1.26% of the net asset value of BGHL.

### **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 investing in land, hotels and high-end resort developments in Mexico. RLI main asset is a majority interest in ACTUR its private subsidiary. ACTUR's other shareholders are Mexican public institutions. ACTUR owns land developing assets and a minority interest in the publicly-traded company RLH Properties (ticker: RLHA:MM).

In July, RLI announced a proposal to return US\$0.27730 per share to its shareholders, by way of a capital reduction expected during the fourth quarter of 2020. RLI will be funding the distribution using proceeds of the recently completed sale of RLH Properties. The distribution represents circa 55% of RLI's asset value in BGHL's book. The valuation of our BGHL's investment in RLI remains unchanged: a circa 45% discount is applied by BGHL to RLI's administrator latest published NAV, before distribution.

## **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](http://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](http://www.bgholdingltd.com) (Investment Manager > Regulatory information).

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

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

## B. BGIM'S AUM

As of 1 August 2020, BG Fund assets under management are €1.89bn.

Be well, stay safe.

Sincerely,

E. Boussard and E. Gavaudan

Investment Manager
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## VII. ANNEXES ON BG FUND

Annex 1: Greeks		
Delta	-3.3%	-3.3 bps P&L variation for market +1%
Gamma	1.5%	delta variation for market +1%
Vega	19 bps	by vol point
Theta	-35 bps	by 30 days
Optional theta	-50 bps	by 30 days
Rho	-2.9 bps	for 1 bp of interest rates increasing
Credit sensitivity	-2.9	for 1% of credit spreads widening (in relative)

Annex 2: Performance Attribution *	
<b>Volatility Strategies</b>	<b>-26 bps</b>
Mandatory convertible bond arbitrage	-16 bps
Convertible bond arbitrage (incl. credit convertible bonds)	2 bps
Volatility trading	-7 bps
Warrant arbitrage	-5 bps
<b>Equity Strategies</b>	<b>-28 bps</b>
Risk arbitrage / Special situations	25 bps
Long / short trading with short-term catalyst & Value	-53 bps
<b>Credit Strategies</b>	<b>34 bps</b>
Credit long / short	6 bps
Capital structure arbitrage	0 bps
Credit special situations	27 bps
<b>Trading</b>	<b>98 bps</b>
<b>Total</b>	<b>78 bps</b>

Annex 3: Equity at Risk	
<b>Volatility Strategies</b>	<b>9.5%</b>
Mandatory convertible bond arbitrage	5.1%
Convertible bond arbitrage (incl. credit convertible bonds)	2.2%
Volatility trading	0.4%
Warrant arbitrage	1.8%
<b>Equity Strategies</b>	<b>36.3%</b>
Risk arbitrage / Special situations	13.5%
Long / short trading with short-term catalyst & Value	22.7%
<b>Credit Strategies</b>	<b>12.4%</b>
Credit long / short	8.1%
Capital structure arbitrage	0.0%
Credit special situations	4.3%
<b>Trading</b>	<b>9.1%</b>
Quantitative equity trading	5.9%
Systematic trend following	1.3%
Other	1.8%
<b>Cash Equivalents</b>	<b>1.7%</b>
<b>Total</b>	<b>68.8%</b>

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

Annex 4: Gross Exposure (in % of AUM)		
<b>Volatility Strategies</b>		
	Long	52.9%
Mandatory convertible bond arbitrage	Short equity	45.6%
	Short credit	0.0%
	Long	13.8%
Convertible bond arbitrage (incl. credit convertible bonds)	Short equity	3.0%
	Short credit	0.0%
	Long	4.2%
Volatility trading	Short	4.4%
	Long	5.4%
Warrant arbitrage	Short	0.0%
	<b>Equity Strategies</b>	
Risk Arbitrage / Special Situations	Long	59.6%
	Short	39.3%
Long / Short trading with short-term catalyst / Value	Long	81.4%
	Short	81.7%
<b>Credit Strategies</b>		
Credit long / short	Long	11.5%
	Short	0.1%
Capital structure arbitrage	Long	0.0%
	Short	0.0%
Credit special situations	Long	4.7%
	Short	0.0%
<b>Trading</b>		
Quantitative equity trading	Long	22.2%
	Short	20.8%
Systematic trend following	Long	39.0%
	Short	5.3%
Other	Long	7.0%
	Short	4.5%
<b>Gross Exposure</b>		<b>506.4%</b>

	<b>Long</b>	<b>Short</b>
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 <sup>(4)</sup>
<b>Sark Fund</b>														
2003	-	-	0.67%	0.70%	0.77%	0.94%	0.84%	0.97%	1.15%	1.46%	1.01%	0.15%	9.00%	<b>9.00%</b>
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%	<b>11.27%</b>
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%	<b>21.79%</b>
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%	<b>47.72%</b>
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%	<b>58.02%</b>
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%	<b>28.69%</b>
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%	<b>60.81%</b>
<b>BG Fund</b>														
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%	<b>76.77%</b>
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%	<b>67.86%</b>
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%	<b>82.12%</b>
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%	<b>103.17%</b>
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%	<b>111.75%</b>
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%	<b>134.56%</b>
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%	<b>153.39%</b>
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%	<b>172.97%</b>
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%	<b>165.33%</b>
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%	<b>180.91%</b>
2020	0.91%	2.08%	-9.61%	4.99%	1.42%	1.54%	0.78*						1.46%*	<b>185.01%*</b>
													<b>Annualized Net Return</b>	<b>6.20%*</b>

\* 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)
<b>Sark Fund</b>														
2003	-	-	0.75%	0.76%	0.82%	1.04%	0.93%	1.06%	1.18%	1.55%	1.05%	0.17%	9.69%	<b>9.69%</b>
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%	<b>12.77%</b>
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%	<b>22.58%</b>
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%	<b>45.85%</b>
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%	<b>54.38%</b>
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%	<b>25.69%</b>
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%	<b>57.27%</b>
<b>BG Fund</b>														
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%	<b>72.31%</b>
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%	<b>63.56%</b>
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%	<b>76.84%</b>
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%	<b>96.85%</b>
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%	<b>105.30%</b>
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%	<b>127.06%</b>
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%	<b>142.74%</b>
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%	<b>157.24%</b>
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%	<b>143.11%</b>
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%	<b>151.89%</b>
2020	0.95%	2.19%	-10.28%	4.91%	1.37%	1.64%	0.87%*						0.90%*	<b>154.17%*</b>
<b>Annualized Net Return</b>														<b>5.50%*</b>

## GBP A Share Class

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
<b>BG Fund</b>														
2016	-	-	-	-	-	-	-	-	-	-	0.03%	1.26%	1.29%	<b>1.29%</b>
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%	<b>8.05%</b>
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%	<b>3.25%</b>
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%	<b>8.35%</b>
2020	0.84%	2.09%	-10.27%	4.89%	1.50%	1.69%	0.72%*						0.74%*	<b>9.15%*</b>
<b>Annualized Net Return</b>														<b>2.36*</b>

\* 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	0.65%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0	1.03%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0	0.55%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0	-0.55%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.69%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0	0.74%
7	Market crash 0.5	Spot : -5% ; Credit : 25% ; Vol : 15% ; Rates : 0	0.38%
8	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0	0.97%
9	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0	2.76%
10	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0	4.94%
11	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -0.5	2.11%
12	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -0.5	3.69%
13	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -0.5	5.87%
14	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0.5	0.12%
15	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0.5	2.08%
16	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 1	3.58%
17	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.63%
18	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0	0.00%
19	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0	-1.27%
20	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0	1.57%
21	Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.64%
22	Equity Credit decorrelation 6	Spot : 0% ; Credit : 25% ; Vol : 10% ; Rates : 0	-0.14%
23	Equity Credit decorrelation 7	Spot : 0% ; Credit : 25% ; Vol : -10% ; Rates : 0	-1.24%
24	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.16%
25	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0	0.79%
26	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0	1.43%
27	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.68%
28	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.38%
29	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0	2.06%
30	Market rally, Inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0.5	-0.73%
31	Market rally, Inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0.5	-0.08%
32	Market rally, Inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0.5	0.57%
33	Market rally, Inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0.5	-0.19%
34	Market rally, Inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 1	-0.29%
35	Market rally, Inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 1	0.41%
36	Market rally, Inflation 7	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 1	-1.58%
37	Market rally, Inflation 8	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 1	-0.92%
38	Market rally, Inflation 9	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 2	-1.83%
39	Market rally, Inflation 10	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 2	-2.58%
40	Market rally, Inflation 11	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 2	-1.84%
41	Market rally, Inflation 12	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 2	-1.13%
	<b>Worst</b>		<b>-2.58%</b>

## 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%
<b>Small (&lt;1bn)</b>	2.00	1.75	1.50	1.30
<b>Mid (1bn-5bn)</b>	1.50	1.50	1.25	1.20
<b>Large (5bn-20bn)</b>	1.20	1.15	1.10	1.05
<b>Mega (&gt;20bn)</b>	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 =  $\text{Max}(\text{Shifted Price} - 5\% * \text{Max}(\text{Credit spread shift} - 25\%, 0), \text{Parity})$

Others : Adj. price =  $\text{Max}(\text{Shifted Price} - 5\% * \text{Max}(\text{Credit spread shift} - 25\%, 0), 0)$

	Scenario	Description	Impact % of NAV
1	Delta - spot up	Spot : 10% ; Credit : 0% ; Vol : 0% ; Rates : 0	1.83%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0	-4.70%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0	0.55%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0	-0.55%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.69%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0	0.74%
7	Market crash 0.5	Spot : -5% ; Credit : 25% ; Vol : 15% ; Rates : 0	-2.49%
8	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0	-4.80%
9	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0	-8.65%
10	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0	-9.63%
11	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -0.5	-3.66%
12	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -0.5	-7.50%
13	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -0.5	-8.46%
14	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0.5	-5.65%
15	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0.5	-9.50%
16	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 1	<b>-11.32%</b>
17	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.04%
18	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0	0.60%
19	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0	-0.67%
20	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0	-1.29%
21	Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0	-2.22%
22	Equity Credit decorrelation 6	Spot : 0% ; Credit : 25% ; Vol : 10% ; Rates : 0	-0.14%
23	Equity Credit decorrelation 7	Spot : 0% ; Credit : 25% ; Vol : -10% ; Rates : 0	-1.24%
24	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.75%
25	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.39%
26	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0	2.02%
27	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0	1.86%
28	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0	2.47%
29	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0	3.01%
30	Market rally, Inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0.5	-0.14%
31	Market rally, Inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0.5	0.52%
32	Market rally, Inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0.5	1.16%
33	Market rally, Inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0.5	0.99%
34	Market rally, Inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 1	0.89%
35	Market rally, Inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 1	1.59%
36	Market rally, Inflation 7	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 1	-0.99%
37	Market rally, Inflation 8	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 1	-0.32%
38	Market rally, Inflation 9	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 2	-1.24%
39	Market rally, Inflation 10	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 2	-1.40%
40	Market rally, Inflation 11	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 2	-0.66%
41	Market rally, Inflation 12	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 2	0.05%
	<b>Worst</b>		<b>-11.32%</b>

## Annex 7: IFRS 13 Classification as of 31 May 2020

	% of NAV	Number of positions
<b>Assets</b>		
Level 1	46.1%	242
Level 2	48.4%	1173
Level 3	11.1%	93
Cash & cash equivalents	24.9%	4
<b>Total Assets</b>	<b>130.5%</b>	<b>1512</b>
<b>Liabilities</b>		
Level 1	-16.9%	142
Level 2	-13.7%	106
<b>Total Liabilities</b>	<b>-30.5%</b>	<b>248</b>
<b>Total Assets + Liabilities</b>	<b>100.0%</b>	<b>1760</b>

	% of NAV
• Encumbered cash and cash equivalents	
- Cash - Derivatives Clearing Organisation	6.8%
- Cash - Counterparties	4.1%
- Money market fund	2.6%
- Cash covering a short market value	0.0%
• Unencumbered cash and cash equivalents	
- Cash covering a short market value	10.5%
- Short-term papers < 90 days	0.8%
- Excess cash	0.0%
<b>Total Cash and cash equivalents</b>	<b>24.9%</b>



## 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%	99%
Gross method	200%	100%

### 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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