

## OVERVIEW

**Estimated AUM** €354m

**Firm AUM** €2.6bn

**Share price** €22.60  
(discount to NAV: 21%)

BGHL is a closed-ended investment company which invests in BG Fund, Boussard & Gavaudan's flagship fund with 18 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 "Compounded euro short-term rate index".

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	
2022	-3.11%	0.55%	-0.07%	1.42%	-1.26%*								-2.50%*	<b>Annualized Performance</b> <b>+6.94%*</b> since inception
2021	0.99%	0.57%	0.04%	2.81%	-0.24%	0.23%	0.45%	0.80%	1.72%	2.71%	1.80%	0.11%	<b>12.59%</b>	
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%	<b>13.26%</b>	
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>	<b>Annualized Volatility</b> <b>5.31%*</b> since inception
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>	
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>1.21*</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>	
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>	<b>Beta to Euro Stoxx 50®</b> <b>(Total Return)</b> <b>0.04*</b> since inception
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>	<b>Beta to Euro Stoxx 50®</b> <b>(Total Return)</b> <b>0.04*</b> since inception
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>	<b>Beta to Euro Stoxx 50®</b> <b>(Total Return)</b> <b>0.04*</b> since inception
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 down -1.26% (EUR share class) and -1.16% (USD A share class) respectively vs Euro Stoxx 50® Total Return (+0.87%).

		Equity Strategies Special Situations	Equity Strategies Catalyst & Value	Credit Strategies	Volatility Strategies	Trading Strategies
<b>BG Fund Capital Allocation</b>		26%	15%	20%	21%	18%
<b>BG Fund Performance Attribution</b>	May 2022	-0.09%	0.19%	-0.06%	-0.34%	-0.85%
	Year-to-date	-2.86%	-0.13%	0.02%	0.15%	0.70%

## CORPORATE UPDATE

Since the restart of the share buyback program on 17 December 2019, the firm has bought back 3,609,939 shares. The current number of shares outstanding excluding treasury shares for both the EUR and GBP share classes is 12,446,842.

## CONTACTS

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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 30<sup>th</sup> April 2022 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 May 2022

Net Asset Value (NAV)	Euro share	Sterling share
Estimated NAV*	€ 28.4691	£24.7590
Estimated month to date return*	-1.26%	-1.13%
Estimated year to date return*	-2.50%	-2.16%
Estimated inception to date return*	184.69%	147.59%

Market information	Amsterdam (AEX)	London (LSE)
EUR share Market close	€ 22.60	-
EUR share Premium / discount to estimated NAV	-20.62%	-
Sterling share Market close	-	£20.00
Sterling share Premium / discount to estimated NAV	-	-19.22%

Transactions in own securities purchased into treasury	Euro share	Sterling share
Number of shares	0	-
Average Price	€ 0.00	-
Range of Price	-	-

Ordinary Shares	Euro share	Sterling share
Shares issued	12,316,588	130,254
Shares held in treasury	0	0
Shares outstanding	12,316,588	130,254

	BGHL
Total value of the investments of BGHL based on the estimated NAV for the shares outstanding	€ 354 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	€ 281 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%	1.25%	-0.25%	1.93%	1.45%	4.37%	2.98%	13.26%	159.36%	
2021	0.99%	0.57%	0.04%	2.81%	-0.24%	0.23%	0.45%	0.80%	1.72%	2.71%	1.80%	0.11%	12.59%	192.00%	
2022	-3.11%	0.55%	-0.07%	1.42%	-1.26%*								-2.50*	184.69%*	
<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%	1.01%	-0.19%	1.85%	1.32%	4.04%	2.56%	10.33%	127.69	
2021	0.63%	0.42%	-0.04%	2.64%	-0.27%	0.00%	0.29%	0.65%	1.76%	2.68%	1.81%	0.10%	11.14%	153.05%	
2022	-3.03%	0.63%	-0.09%	1.51%	-1.13%*								-2.16%*	147.59%*	

\* 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 June 2022, 99.67% 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

#### MAY HIGHLIGHTS

Equity markets around the world experienced some large up and down swings during May but saw a final rally into month end. The Euro Stoxx 50<sup>®</sup> Total Return ended in slightly positive territory +0.9% and the S&P 500<sup>®</sup> finished up +0.20%. Meanwhile credit markets marginally widened with iTraxx Crossover<sup>®</sup> (S37) moving to 437bps from 428bps at the end of April while the market implied volatility measure VStoxx<sup>®</sup> dropped to 25.3% down from 30.8%.

#### MAY COMMENTARY

##### Volatility strategies

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

Mandatory convertible bonds contributed -1bp this month. There was little activity of note in May and most of performance was due to a small positive repricing in the market overall. There was no primary activity during this period in Europe.

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

Convertible bonds (excl. mandatories) contributed -35bps to the performance of the fund in May. The European convertible market has dramatically cheapened with inflation and its implications for both equity and credit being the main drivers of this move. The sell-off was also compounded by low liquidity in the market with selling flows from both long-only and hedge fund investors. Average implied volatility fell by 1.5 points while credit spreads also widened on average by 75bps. Primary markets are still very limited with only one new issue this month on a non-dilutive convertible bond.

In this context, many of our positions were impacted, giving back much of the previous months' performance. Specific valuations are currently looking highly discounted. With the expectation of future primary issuance, this is creating the opportunity to buy attractive CBs with very well-priced convexity.

Similarly, the US CB market also had a difficult time in May, with the second and third weeks being particularly tough, although ending the month on an upbeat note with the last two trading days being nicely positive. We had winners and losers in individual names, however our net drag primarily came from our interest rate hedges which sold off as 5-year rates tightened from 2.95% to 2.82%, while the corresponding rise in convertible bonds prices did not materialise given the lack of demand for cash bonds.

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

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

	30d Implied vol level on 29/04/22	Realised vol over the month	Difference
US	33.40	32.68	-0.72
EUROPE	30.77	25.10	-5.67

Variation of implied volatility during May \*:

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\* Source: Bloomberg

	June Vol Index Fut as of 29/04/22	June Vol Index Fut as of 31/05/22	Vol move
US	31.21	26.41	-4.80
Europe	30.50	25.85	-4.65

Volatility trading delivered +8bps to the performance of the fund in May. The volatility regime has clearly shifted higher during recent months with implied volatility continuing to trade higher than historical realised volatility.

The most notable feature in May's volatility market was the poor performance of skew, due to an apparent lack of demand from investors to add downside protection at current market spot levels.

In this environment our portfolio performed well, primarily due to active trading and helped by the higher volatility of volatility. Furthermore, due to our careful stock selection the earnings season has been profitable for most of our core long gamma positions.

### ***Warrant arbitrage***

Warrant arbitrage and SPACS returned -7bps this month.

### **Equity strategies**

In May, the equity portfolio was up +10bps, with relatively dispersed performance across strategies.

After a pause in activity following the sharp increase in interest rates and the Russian attack on Ukraine, corporates and private equity firms seem to be much more active and willing to invest again in Europe. The portfolio benefited from a general resumption of corporate M&A activity in Europe which saw multiple new transactions being announced; for example, Philip Morris announced the \$16bn acquisition of Swedish Match, a Scandinavian tobacco company specialising in smokeless tobacco products, while Brookfield agreed a £4bn takeover of Homeserve, a UK property service company.

On the other hand, we continue to witness a repricing of risk, with risk arbitrage spreads widening, and particularly so on the more complicated situations even if these are still likely to go through. For example, AVAST trades at a very large discount to the offer from Norton because it was referred to a phase 2 review by the UK competition commission, despite being cleared by all the other global regulators.

These factors create a strong forward opportunity set, with demonstratively active and motivated market participants driving deals. We have been adding to and establishing positions, often at extremely attractive entry points.

### **Credit strategies**

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

Capital structure arbitrage was flat this month.

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

Credit long / short was flat overall this month. Although the High Yield Crossover index widened only 9bps over the month, the volatility of the index during May was considerable, seeing the largest credit stress since March 2020. The crossover blew out as much as 68bps (moving from 420 to 488) during the second half of the month due to concerns over inflation, central bank tightening and negative macro news flow. This move was exacerbated due to the market environment where liquidity has considerably decreased.

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

Credit special situations contributed -6bps in May. The negative contribution was mainly due to KCA Deutag.

### **Trading**

Trading contributed -85bps to the performance of the fund in May. The equity quantitative strategy and systematic trend-following strategy were negative, Macro trading was positive.

The negative contribution for the equity quantitative strategy occurred primarily during the last week of the month as certain sectors, such as retail, along with growth factors (which had suffered since the beginning of the year) started to bounce back along with a general risk-on mode. The Euro Stoxx 50® Total Return gained c. 4% during this period and about half of the strategy loss is explained by its negative beta. The systematic trend-following strategy has been materially reducing its exposure to interest rates and commodities; however it still retains exposure and was therefore impacted by the strong correction in the prevailing trends, especially in US Treasuries and European gas, aluminum, corn, cotton and lumber. FX exposures also suffered from the general weakness in the US dollar. Lastly, stock indices eased during the month, and the strategy is now holding a slightly short position.

Macro trading attribution was slightly positive in May, starting the month benefiting from a defensive stance, which reversed with the bullish tone at the end of the month.

### Organisational Update

We would like to announce the appointment of Rubens Serenade as CEO of BG. Rubens will report into the newly created Executive Committee consisting of Emmanuel Boussard, Emmanuel Gavaudan and Charles-Edouard Joseph. Rubens is based in the Paris office and has been with BG for several years working closely with Emmanuel and Manny. Rubens will focus on further strengthening BG's Finance, HR, Legal, Compliance, Operations & IT departments. We would like to congratulate Rubens on his appointment.

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

On top of its investment in BG Fund, BGHL has other investments. As of 31 May 2022, 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 July 2020, RLI 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 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](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 June 2022, BG Fund assets under management are €2.28bn.

The annual and quarterly ESG reports are made available to investors on request.

Sincerely,

E. Boussard and E. Gavaudan

Investment Manager

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## VII. ANNEXES ON BG FUND

Annex 1: Greeks	
Delta	-0.4% -0.4 bps P&L variation for market +1%
Gamma	0.8% delta variation for market +1%
Vega	21 bps by vol point
Theta	-24 bps by 30 days
Optional theta	-38 bps by 30 days
Rho	0.02 bps for 1 bp of interest rates increasing
Credit sensitivity	-4.8 bps for 1% of credit spreads widening (in relative)

Annex 2: Performance Attribution *	
<b>Volatility Strategies</b>	<b>-34 bps</b>
Mandatory convertible bond arbitrage	-1 bps
Convertible bond arbitrage (incl. credit convertible bonds)	-35 bps
Volatility trading	8 bps
Warrant arbitrage	-7 bps
<b>Equity Strategies</b>	<b>10 bps</b>
Risk arbitrage / Special situations	-9 bps
Long / short trading with short-term catalyst & Value	19 bps
<b>Credit Strategies</b>	<b>-6 bps</b>
Credit long / short	0 bps
Capital structure arbitrage	0 bps
Credit special situations	-6 bps
<b>Trading</b>	<b>-85 bps</b>
<b>Total</b>	<b>-116 bps</b>

Annex 3: Equity at Risk **	
<b>Volatility Strategies</b>	<b>15.0%</b>
Mandatory convertible bond arbitrage	2.1%
Convertible bond arbitrage (incl. credit convertible bonds)	8.3%
Volatility trading	0.5%
Warrant arbitrage	4.1%
<b>Equity Strategies</b>	<b>28.8%</b>
Risk arbitrage / Special situations	18.1%
Long / short trading with short-term catalyst & Value	10.7%
<b>Credit Strategies</b>	<b>13.7%</b>
Credit long / short	8.9%
Capital structure arbitrage	0.0%
Credit special situations	4.8%
<b>Trading</b>	<b>12.3%</b>
Quantitative equity trading	8.8%
Systematic trend following	1.3%
Other	2.2%
<b>Cash Equivalents</b>	<b>0.0%</b>
<b>Total</b>	<b>69.8%</b>

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

## Annex 4: Gross Exposure (in % of AUM)

Volatility Strategies		
	Long	1.1%
Mandatory convertible bond arbitrage	Short equity	1.1%
	Short credit	0.0%
	Long	48.5%
Convertible bond arbitrage (incl. credit convertible bonds)	Short equity	36.2%
	Short credit	0.0%
	Long	3.2%
Volatility trading	Short	4.5%
	Long	9.9%
Warrant arbitrage	Short	0.1%
Equity Strategies		
Risk Arbitrage / Special Situations	Long	60.9%
	Short	26.9%
Long / Short trading with short-term catalyst / Value	Long	15.2%
	Short	15.1%
Credit Strategies		
Credit long / short	Long	9.6%
	Short	0.2%
Capital structure arbitrage	Long	0.0%
	Short	0.0%
Credit special situations	Long	5.8%
	Short	0.5%
Trading		
Quantitative equity trading	Long	34.0%
	Short	34.3%
Systematic trend following	Long	5.0%
	Short	23.8%
Other	Long	6.0%
	Short	5.2%
<b>Gross Exposure</b>		<b>347.1%</b>

	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)

\*\* In July 2021 the EAR methodology was adjusted to better reflect the risk as if all positions were on a single PB account.

## 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)
<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%	0.92%	0.05%	1.83%	1.38%	4.32%	2.79%	12.52%	<b>216.09%</b>
2021	0.64%	0.43%	-0.01%	2.71%	-0.25%	0.01%	0.32%	0.67%	1.75%	2.78%	1.79%	0.26%	11.62%	<b>252.81%</b>
2022	-2.95%	0.60%	-0.04%	1.47%	-1.16%*								-2.12%*	<b>245.33%*</b>

*Annualized Net Return* 6.65%\*

\* 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%	1.02%	0.01%	2.02%	1.33%	4.13%	2.58%	11.58%	<b>181.06%</b>
2021	0.59%	0.39%	-0.07%	2.60%	-0.29%	-0.03%	0.27%	0.63%	1.74%	2.73%	1.82%	0.11%	10.94%	<b>211.81%</b>
2022	-3.05%	0.55%	-0.16%	1.45%	-1.27%*								-2.51%*	<b>203.97%*</b>

**Annualized Net Return 5.94%\***

## 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%	0.86%	0.04%	1.88%	1.37%	4.16%	2.63%	11.40%	<b>20.71%</b>
2021	0.64%	0.42%	-0.02%	2.69%	-0.26%	0.01%	0.31%	0.67%	1.79%	2.71%	1.91%	0.15%	11.53%	<b>34.62%</b>
2022	-2.97%	0.64%	-0.07%	1.54%	-1.14%*								-2.03%*	<b>31.89%*</b>

**Annualized Net Return 5.08%\***

\* 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	0.19%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0	0.69%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0	0.82%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0	-0.80%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0	-1.06%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.14%
7	Market crash 0.5	Spot : -5% ; Credit : 25% ; Vol : 15% ; Rates : 0	0.34%
8	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0	0.99%
9	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0	2.85%
10	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0	5.08%
11	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -0.5	0.79%
12	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -0.5	2.69%
13	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -1	4.82%
14	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0.5	1.25%
15	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0.5	3.05%
16	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : <2y 0.5,>2y 1	5.33%
17	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0	-1.03%
18	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0	-0.22%
19	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0	<b>-1.80%</b>
20	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.33%
21	Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.52%
22	Equity Credit decorrelation 6	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0	2.00%
23	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.35%
24	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.15%
25	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0	1.84%
26	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.51%
27	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.30%
28	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0	1.96%
29	Market rally, Inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0.5	0.56%
30	Market rally, Inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0.5	1.35%
31	Market rally, Inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0.5	2.02%
32	Market rally, Inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : <2y 0.5,>2y 1	0.75%
33	Market rally, Inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : <2y 0.5,>2y 1	1.49%
34	Market rally, Inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : <2y 0.5,>2y 1	2.15%
	<b>Worst</b>		<b>-1.80%</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%
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	Spot : 10% ; Credit : 0% ; Vol : 0% ; Rates : 0	0.57%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0	-2.41%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0	0.82%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0	-0.80%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0	-1.06%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.14%
7	Market crash 0.5	Spot : -5% ; Credit : 25% ; Vol : 15% ; Rates : 0	-1.25%
8	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0	-2.19%
9	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0	-5.02%
10	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0	-5.03%
11	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -0.5	-2.38%
12	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -0.5	-5.21%
13	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -1	-5.34%
14	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0.5	-1.94%
15	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0.5	-4.77%
16	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : <2y 0.5,>2y 1	-4.74%
17	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.83%
18	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0	-0.03%
19	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0	-1.61%
20	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 0% ; Rates : 0	-0.23%
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	-1.04%
23	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.54%
24	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.33%
25	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0	1.99%
26	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.89%
27	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.60%
28	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0	2.26%
29	Market rally, Inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0.5	0.76%
30	Market rally, Inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0.5	1.51%
31	Market rally, Inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0.5	2.17%
32	Market rally, Inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : <2y 0.5,>2y 1	1.13%
33	Market rally, Inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : <2y 0.5,>2y 1	1.80%
34	Market rally, Inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : <2y 0.5,>2y 1	2.46%
	<b>Worst</b>		<b>-5.34%</b>

**Annex 7: IFRS 13 Classification as of 30 April 2022**

	<b>% of NAV</b>	<b>Number of positions</b>
<b>Assets</b>		
Level 1	55.6%	399
Level 2	29.7%	1142
Level 3	13.0%	83
Cash & cash equivalents	28.8%	5
<b>Total Assets</b>	<b>127.1%</b>	<b>1629</b>
<b>Liabilities</b>		
Level 1	-19.7%	167
Level 2	-7.4%	92
<b>Total Liabilities</b>	<b>-27.1%</b>	<b>259</b>
<b>Total Assets + Liabilities</b>	<b>100.0%</b>	<b>1888</b>

	<b>% of NAV</b>
• Encumbered cash and cash equivalents	
- Cash - Derivatives Clearing Organisation	-0.1%
- Cash - Counterparties	6.7%
- Money market fund	2.9%
- Cash covering a short market value	0.0%
• Unencumbered cash and cash equivalents	
- Cash covering a short market value	19.3%
- Short-term papers < 90 days	0.0%
- Excess cash	0.0%
<b>Total Cash and cash equivalents</b>	<b>28.8%</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%	101%
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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