

# Boussard & Gavaudan Holding Limited

*a closed-ended investment company incorporated with limited liability under the laws of Guernsey with registration number 45582*

## Announcement of new proposal

5 August 2019

Further to the announcement made by the Company on 16 July 2019, the Board received feedback from certain Shareholders on the proposal set out in the announcement. Following consultation with Shareholders and its own advisers, the Board is now considering a new proposal (the "**New Proposal**") which addresses issues that were raised in connection with the earlier proposal.

Under the New Proposal, the Company will carry out a tender offer pursuant to which eligible Shareholders will be given the option to have their Euro Shares and Sterling Shares bought back by the Company in consideration for the issue to such Shareholders of new shares ("**NewCo Shares**") in a yet to be established open-ended (with limited liquidity) umbrella type Irish Qualifying Investor Alternative Investment Fund or "QIAIF" ("**NewCo**") (the "**Rollover**"). Depending on the extent of Shareholder participation in the Rollover, the Company will transfer a pro rata share of its portfolio to NewCo. NewCo Shares will be unlisted and shall be redeemable at NAV, subject to an initial three-year lock up period, with a monthly cap on redemptions equal to an amount equal to 4 per cent. of the NewCo Shares held by the redeeming Shareholder as at the end of the lock-up period.

Shareholders electing not to participate in the Rollover (or ineligible to do so) will remain invested in the Company, which will continue to carry on business in accordance with its investment policy.

The Rollover requires Shareholder approvals which will be sought at an extraordinary general meeting of Shareholders proposed to be held later this year. A shareholder circular (the "**Circular**") setting out full details of the New Proposal and containing a notice convening the Shareholder meeting will be posted to Shareholders once the requisite regulatory approvals have been obtained. Subject to obtaining these regulatory approvals and the requisite Shareholder approvals, it is intended that the Rollover will take place by the end of 2019.

The Board believes that the New Proposal provides an opportunity for Shareholders who participate in the Rollover to receive, over time, the NAV attributable to their NewCo Shares in full. At the same time, Shareholders who wish to remain invested in the Company (or are ineligible to participate in the Rollover) will continue to benefit from the strong investment track record of the Investment Manager via a listed security on unchanged terms. Importantly, the New Proposal means that no Shareholder will be made a forced seller of its Shares (which was a concern raised about the earlier proposal). Consequently, the Board believes that the New Proposal is in the best interests of all Shareholders, irrespective of whether they intend to (or are eligible to) participate in the Rollover.

Under the New Proposal, the Investment Manager will remain in strong alignment with the interests of Shareholders, in both BGHL and NewCo, by being significantly invested in both entities. As of today, employees and partners of Boussard & Gavaudan hold in aggregate c.28% of the Company's issued share capital. This percentage is expected to be initially reduced pursuant to the Rollover; however, following the Rollover, employees and partners of Boussard & Gavaudan will be able to purchase BGHL shares in the market, while the existing and future remuneration policy of the Investment Manager will continue to include a strong element of deferred compensation invested in BGHL Shares. The New Proposal should also allow the Board to consider carrying out share buy-backs on an ad hoc basis, should the Board consider such buy-backs to be in the best interests of the BGHL shareholders. Going forward, the Board intends to support the BGHL share price by more active marketing including, inter alia, strong investor communications.

Andrew Henton, Chairman of the Board, commented:

*"The Board is grateful for the constructive engagement with Shareholders since the announcement on 16 July. Under the New Proposal, the Company's shares will continue to exist in their current form and will remain listed. We believe the share price will benefit from potentially renewed share buy-back activity in the future and from more deliberate marketing activity. At the same time the New Proposal provides an attractive opportunity for Shareholders who participate in the Rollover, over time, to receive in full the NAV attributable to their NewCo Shares. On that basis, the Board recommends the New Proposal to the Company's shareholders."*

Emmanuel Gavaudan, CEO of Boussard & Gavaudan Investment Management LLP, commented:

*"We thank the Board for acting upon the feedback of Shareholders and we are supportive of the New Proposal. It is our intention to remain strongly aligned with the interests of Shareholders in both the BGHL and NewCo by remaining significantly invested in both. We expect to participate in the Rollover for part of our holding in the Company and, subsequently, will be free to buy additional BGHL shares in the open market."*

### **Boussard & Gavaudan Investment Management LLP**

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The Company is established as a closed-ended investment company domiciled in Guernsey. The Company is authorised by the Guernsey Financial Services Commission pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 and the Authorised Closed-Ended Investment Schemes Rules 2008. The Company is registered with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) 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 the regulated market operated by Euronext Amsterdam N.V. 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.

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

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