

Boussard & Gavaudan Holding Limited

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

Proposed conversion of Existing Shares into new classes of unlisted, open-ended Class B Shares

16 July 2019

The Board has been considering various options for addressing the liquidity and the discount to net asset value ("**NAV**") at which the Company's Shares have been trading. Following consultation with certain Shareholders and advisers in recent weeks, the Board is now considering proposals to convert on a NAV for NAV basis the existing listed Euro Shares and Sterling Shares (the "**Existing Shares**") into newly created corresponding redeemable ordinary shares which will be unlisted and will not be admitted to trading on any stock exchange ("**Class B Shares**") (the "**Conversions**").

Following the Conversions, the Existing Shares will immediately cease to exist and will cease to trade on Euronext Amsterdam and the London Stock Exchange and the Company will have an open-ended rather than closed-ended structure. Each Class B Shareholder will, following a lock-up period of three years from the date of the Conversions, have the option to redeem at NAV some or all of its Class B Shares (limited to a monthly cap equal to an amount equal to 4 per cent. of the Class B Shares held by the redeeming Shareholder at the expiry of the lock-up period).

The Existing Shares currently trade, and have been consistently trading for a prolonged period of time, at a significant discount to their respective NAV per share on Euronext Amsterdam and the London Stock Exchange. Further, contrary to the expectations of the Board at the time of the Company's listings on Euronext Amsterdam and the London Stock Exchange (the "**Listings**"), the Listings have provided low levels of liquidity and daily turnover on both exchanges.

The advantage of the Conversions is that it will, over time, enable Shareholders to receive their share of the NAV of the Company in full. Given the significant discount to NAV at which the Existing Shares currently trade, this is expected to provide a substantial financial advantage to Shareholders. Furthermore, the conversion of the Company from a closed-ended structure to an open-ended structure is intended to provide greater liquidity to Shareholders in due course. The Conversions will also reduce the on-going regulatory and other costs associated with the Listings. However, it is expected that following the Conversions, the Company will continue to provide, inter alia, the daily estimates of the Company's NAV and a monthly newsletter by Boussard & Gavaudan Investment Management LLP (the "**Investment Manager**").

The implementation of the proposals requires the approval of Shareholders by special resolution¹, which will be sought at Shareholder meetings proposed to be held in mid-September 2019. It is currently expected that a circular to Shareholders (the "**Circular**"), which will contain full details of the proposals and a notice convening the Shareholder meetings, will be posted to Shareholders in late July 2019. Subject to obtaining the requisite Shareholder approvals, it is intended that the Conversions will take place by the end of 2019.

A further announcement in relation to the proposals will be made in due course.

Andrew Henton, Chairman of the Board, commented:

"The Board has been actively engaging with Shareholders regarding the lack of liquidity and the discount to NAV at which the Company's Shares have been trading. We believe the proposed Conversions provide an attractive opportunity for Shareholders, in time, to receive their share of the

¹ Under the Company's Articles, a special resolution at any shareholder meeting requires the approval of 75% of the Shareholders who vote in person or by proxy at such meeting.

NAV in full, while also being able to continue benefitting from the strong investment track record of the Investment Manager".

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

"Boussard & Gavaudan Investment Management is very grateful for the long-standing support of the Board and Shareholders and welcomes the proposed Conversions. We look forward to continue managing the Company's assets through to the expiry of the lock-up period and beyond. Employees and partners of Boussard & Gavaudan, holding in aggregate c.28% of the Company's issued share capital, are supportive of the proposal".

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

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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 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.

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Neither the Company 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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