

OVERVIEW

Estimated AUM €337m

Firm AUM €2.6bn

Share price €17.65
(discount to NAV: 24%)

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

BG Fund aims to deliver a net return of Eonia capitalized +400 to 600 bps over the business cycle irrespective of the market performance.

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%	1.84%*							1.05%*
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%
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%
2017	0.59%	1.55%	0.08%	3.78%	1.16%	-0.07%	0.43%	-0.11%	-0.52%	-0.13%	-1.16%	0.22%	5.87%
2016	0.48%	2.02%	1.18%	0.70%	1.68%	-0.59%	0.78%	0.47%	-0.01%	-1.08%	0.09%	1.32%	7.22%
2015	2.96%	1.15%	-0.36%	1.12%	2.06%	-1.92%	3.56%	0.87%	-1.47%	0.80%	4.80%	1.25%	15.65%
2014	2.81%	-0.01%	-0.74%	1.62%	1.53%	-0.58%	0.08%	0.52%	-1.08%	-0.93%	3.16%	0.37%	6.85%
2013	0.89%	0.74%	-0.59%	0.24%	1.27%	0.83%	0.96%	0.47%	1.07%	1.57%	2.28%	3.14%	13.60%
2012	3.90%	2.01%	-0.16%	0.54%	-0.61%	-0.32%	0.12%	1.29%	0.04%	0.83%	0.42%	1.08%	9.45%
2011	0.71%	0.57%	2.16%	0.01%	-0.05%	-0.85%	-0.80%	-0.20%	-2.17%	2.49%	-3.92%	-0.39%	-2.58%
2010	1.35%	0.59%	1.62%	0.81%	-1.10%	1.00%	2.11%	-0.32%	0.79%	2.11%	0.04%	1.97%	11.49%
2009	3.34%	-0.17%	1.20%	5.01%	4.17%	0.92%	1.91%	2.63%	2.92%	1.47%	0.30%	0.69%	27.15%
2008	-2.10%	-0.01%	-2.32%	0.78%	1.29%	-2.98%	-1.19%	0.32%	-10.49%	1.67%	1.55%	1.09%	-12.30%
2007	3.13%	1.45%	4.68%	0.73%	1.38%	-2.27%	0.85%	-2.21%	-0.32%	1.82%	-2.16%	-1.38%	5.56%
2006	-	-	-	-	-	-	-	-	-	-	2.27%	2.82%	5.15%

Annualized Performance
+6.33%* since inception

Annualized Volatility
5.21%* since inception

Sharpe Ratio
1.09* since inception

Beta to Euro Stoxx 50®
0.04* since inception

*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 +1.84% (EUR share class) and +1.66% (USD A share class) respectively vs Eurostoxx 50® (+6.03%).

		Equity Strategies Special Situations	Equity Strategies Catalyst & Value	Credit Strategies	Volatility Strategies	Trading Strategies
BG Fund Capital Allocation		20%	34%	18%	14%	14%
BG Fund Performance	June 2020	1.04%	0.02%	0.31%	0.31%	-0.02%
Attribution	Year-to-date	0.41%	-2.63%	-1.12%	1.36%	2.78%

CORPORATE UPDATE

Since the restart of the share buyback program on 17 December 2019, the firm has bought back 945,403 shares. The current number of shares outstanding excluding treasury shares for both the EUR and GBP share classes is 14,558,443.

CONTACT

François-Xavier Baud ☎ + 44 20 3751 5395 ✉ fx.baud@bgam-uk.com

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 30th June 2020 unless otherwise stated.

Source: Bloomberg, Boussard & Gavaudan.

HIGHLIGHTS

In June, the Euro Stoxx 50[®] Total Return rose +6%, volatility remained elevated with VStoxx[®] finishing the month slightly higher at 31.7%, up from 31.1%. Credit continued to tighten and iTraxx Crossover (S33) [®] ended the month at 382bps (47bps tighter than May).

BG Fund (USD A class) gained +1.66% in June mainly driven by risk arbitrage and special situations. BG Fund is now +0.79% vs Euro Stoxx 50[®] Total Return at -12.37% for the year to end June. We believe BG Fund is well-positioned to generate significant market-neutral alpha in the coming months.

Given the breath of opportunities, BG Fund has reopened its original monthly liquidity 60-day notice share class, which has been closed to subscriptions for the past 3.5 years.

Equities carried their significant rally from May strongly into June. There was a brief and sharp falter into the second week - where market participants thought we might see a much-hoped-for further sell-off - but equities recovered and continued to grind steadily higher for the rest of the month.

Implied and realised volatility has remained elevated and BG Fund's natural long gamma positioning has enabled the team to trade actively and profitably.

June saw active buyers of upside calls as investors continued to chase the rally, however downside skew remains very elevated. Despite the positive tone in equities, the volatility market seems reluctant to re-load the short-convexity carry positions that caused so much pain in March. We expect volatility to remain elevated and the fund should continue to monetise this.

Capital markets activity has been buoyant with significant volumes in block placements, IPOs and some notable new issuance in mandatory convertibles. We expect activity to continue after the usual summer slowdown and to generate more opportunities into the second half of the year. Importantly we anticipate that new M&A deals - which have been largely absent during the crisis - will also emerge post summer as companies consolidate and take advantage of weakened competitors.

Several anticipated catalysts materialised in June generating nice idiosyncratic profit events for the fund. The portfolio remains very well positioned in multiple equity and credit special situations and we expect to crystalize profits from events in the coming months.

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.

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