



**Boussard & Gavaudan Holding Limited**  
**A closed-ended investment company incorporated with limited liability under the laws of**  
**Guernsey, with registration number 45582.**

**Interim Management Statement**  
**For the Quarter ended 29<sup>th</sup> September 2023**

**I. PRINCIPAL ACTIVITIES**

Boussard & Gavaudan Holding Limited (“BGHL” or “the Company”), a closed-ended investment company incorporated under the laws of Guernsey, announces its interim management statement for the period from 1 July to 29 September 2023 (“the period”).

The Company is registered with the Dutch Authority for Financial Markets and is listed on the NYSE Euronext Amsterdam, and the London Stock Exchange.

During the period, BGHL has invested indirectly in BG Master Fund ICAV (“BG Fund” or “the Fund”), a Europe-focused multi-strategy hedge fund established in Ireland and authorised by the Central Bank as a Qualified Investor Fund (QIF), through a dedicated share class of the feeder fund, BG Umbrella Fund Plc. The Fund aims primarily at arbitraging instruments with linear or non-linear pay-offs on equities and credit markets. The overall investment objective of the Fund is to provide investors with consistent absolute returns, primarily through investing and trading in financial instruments of companies incorporated in, or whose principal operations are in, Europe.

In addition, a proportion of the net assets of BGHL may be invested in other hedge funds and/or other financial assets.

Boussard & Gavaudan Investment Management LLP (“BGIM” or “the Investment Manager”) is the Investment Manager for both the Company and the Fund.

## II. HIGHLIGHTS

	29-Sept-23	30-June-23
Assets under management (€m)	334	333
Market capitalisation (€m)	298	271
Shares outstanding	12,422,502	12,422,502

	NAV per Share		Share price*		Discount to NAV	
	€ shares	£ shares	€ shares	£ shares	€ shares	£ shares
29-Sept-23	€ 26.88	£23.90	€ 24.00	£20.50	-10.69%	-14.23%
30-June-23	€ 26.77	£23.72	€ 21.80	£18.95	-18.58%	-20.13%
Performance	0.37%	0.75%	10.09%	8.18%		

\*Amsterdam (AEX) market close for the Euro Share and London (LSE) market close for the Sterling share

## III. PERFORMANCE

Equity markets in Europe and the US were negative over the quarter from June to September 2023 with the EuroStoxx 50® Total Return and the S&P500® Total Return down -4.89% and -3.27% respectively for the period.

The market implied volatility measure VStoxx® increased slightly from 13.6% to 17.47% while the iTraxx Crossover® (S39) tightened across the quarter from 400bps to 369bps to an implied 405bps (taking into the account the cash settlement on Casino on top of the index closing level of 369bps).

In this context, BG Fund was up +84bps for the quarter (USD A shares), with gains coming primarily from equity strategies.

### 1. BG Fund

BG Fund (EUR B) contributed positively for the quarter.

#### 1.1. Volatility strategies

##### **Mandatory Convertible Bond Arbitrage**

Mandatory convertible bonds were almost flat during the quarter.

##### **Convertible Bond Arbitrage**

Convertible bond strategies contributed negatively to fund performance during the quarter with the majority of the weakness coming from Europe. New CB issuance has lagged so far in 2023 though the Investment Manager remains convinced that a delayed backlog of new issuance must start to hit the street soon, as companies look to get ahead of the coming refinancing wall and cheapen their debt burden through selling vol.

##### **Volatility Trading**

Volatility trading delivered a positive return to the fund this quarter. The period proved to be quite uneventful, with a trend of a low regime volatility punctuated by a few minor blips. While the overall tone remained

subdued, the investment manager continues to monitor the markets closely for potential shifts and opportunities.

### ***Warrant Trading***

Warrant arbitrage contributed positively this quarter.

## **1.2. Equity Strategies**

Equity strategies were the main positive driver to the performance of the fund this quarter. This welcome performance came primarily from risk arbitrage and special situations positions with events finally starting to crystallise, primarily as regulatory deals have begun to be agreed.

Overall, the Investment Manager has seen numerous green shoots of corporate activity coming back and notably the return of private equity bidders in competitive situations. As well as a reappearance of M&A activity, the market is also seeing the emergence of new primary and secondary trading opportunities as corporates are starting to raise capital following a sustained tightening of financing conditions.

## **1.3. Credit Strategies**

### ***Credit Long / Short***

Credit long / short contributed positively driven by the direct lending activity.

### ***Credit Special Situations***

The performance within credit special situations was slightly negative within a relatively stable book overall. Contributions came from re-marks on a few specific positions where a restructuring process is close to starting or already underway.

The Investment Manager is encouraged by this dynamic and expects idiosyncratic upside to come from the existing book and sees these developments as a precursor to further special situations that should start to appear.

## **1.4. Trading**

Trading contributed negatively overall for the period despite a positive contribution from Macro trading.

## **2. Investments Other Than BG Fund**

The contribution of this investment was flat on the period.

### **Rasaland Investors ("RLI")**

Rasa is a holding company structured as a private equity fund in terms of fees and organisation and managed by BK Partners. BGHL holds Rasa shares through Campastros, S.L.U., a wholly-owned holding company in Spain. Rasa is dedicated to investing in land, hotels and high-end resort developments in Mexico. Rasa'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, Rasa 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 Rasa shares was marked down on 31 August 2020, using the US\$0.12270 per share price as the estimated fair value of the Rasa shares. This price represents a circa 80% discount to the latest published NAV per share.

**IV. OUTLOOK**

On 29 August 2023, Boussard & Gavaudan Holding Limited (the “Company”) put forward proposals to the Company’s shareholders for a managed wind-down of the Company. On 28 September 2023 and 5 October 2023, all resolutions were passed to approve the managed wind-down. Consequently, the Company will pursue its investment objective by effecting: (i) an orderly realisation of its directly held assets; and (ii) a redemption of its Sub-Fund shares as of 1st November 2024, in a manner that will maximise Shareholder value and for the purpose of returning the net proceeds to Shareholders.

For further information contact:

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## **Disclaimer**

*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 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.*

*You should always bear in mind that:*

- *All investment is subject to risk;*
- *Results in the past are no guarantee 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.*

*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.*

VC 01.05.15.01