

OVERVIEW

Estimated AUM €343m

Firm AUM €2.5bn

Share price €22.30
(discount to NAV: 19%)

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 "capitalized EONIA".

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
2021	0.99%	0.57%	0.04%	2.81%	-0.24%	0.23%	0.45%	0.83%*					5.77%*
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%
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
+7.04%* since inception

Annualized Volatility
5.21%* since inception

Sharpe Ratio
1.24* since inception

**Beta to Euro Stoxx 50®
(Total Return)**
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 +0.83% (EUR share class) and +0.69% (USD A share class) respectively vs Euro Stoxx 50® Total Return (+2.63%).

		Equity Strategies Special Situations	Equity Strategies Catalyst & Value	Credit Strategies	Volatility Strategies	Trading Strategies
BG Fund Capital Allocation		27%	12%	23%	24%	13%
BG Fund Performance	Aug 2021	0.63%	-0.09%	0.02%	0.10%	0.03%
Attribution	Year-to-date	3.03%	-2.18%	1.94%	1.25%	0.57%

CORPORATE UPDATE

Since the restart of the share buyback program on 17 December 2019, the firm has bought back 3,539,466 shares. The current number of shares outstanding excluding treasury shares for both the EUR and GBP share classes is 12,514,263.

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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 31st August 2021 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	www.bgholdingltd.com
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 August 2021

Net Asset Value (NAV)	Euro share	Sterling share
Estimated NAV*	€ 27.4321	£23.7691
Estimated month to date return*	0.83%	0.67%
Estimated year to date return*	5.77%	4.39%
Estimated inception to date return*	174.32%	137.69%

Market information	Amsterdam (AEX)	London (LSE)
EUR share Market close	€ 22.30	-
EUR share Premium / discount to estimated NAV	-18.71%	-
Sterling share Market close	-	£18.00
Sterling share Premium / discount to estimated NAV	-	-24.27%

Transactions in own securities purchased into treasury	Euro share	Sterling share
Number of shares	145,000	-
Average Price	€ 21.70	-
Range of Price	-	-

Ordinary Shares	Euro share	Sterling share
Shares issued	12,714,769	294,494
Shares held in treasury	495,000	0
Shares outstanding	12,219,769	294,494

	BGHL
Total value of the investments of BGHL based on the estimated NAV for the shares outstanding	€ 343 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	€ 279 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
BGHL EUR NAV														
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%	0.83%*					5.77%*	174.32%*
BGHL GBP NAV														
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%	0.67%*					4.39%*	137.69%*

* 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 September 2021, 99.70% 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

European markets continued to rally in August with the Eurostoxx 50® up +2.63% and the iTraxx Crossover® (S35) tightening to 228bps from 236bps at the end of July. Implied volatility decreased slightly with VStoxx® ending the month at 18.8% from 20.9%.

BG Fund was up in August returning +0.69% (USD A estimate) for the month driven mainly by equity risk arbitrage and special situations. Despite general weakness in the risk arbitrage universe over the past two months, BG Fund has generated positive returns in this strategy and we have used the market weakness and deleveraging by competitors to add to a number of situations.

COMMENTARY

Volatility strategies

Mandatory convertible bond arbitrage

Mandatory convertible bond arbitrage contributed -2bps in August. Performance was due to a general small repricing in the market. There was no primary activity during this period in Europe, however we found opportunities to increase existing positions.

Convertible bond arbitrage

The convertible bond contribution (excl. mandatories) to the performance of the fund was +7bps in August. As expected August was quiet from both a primary, secondary and news flow perspective. Valuations remained broadly unchanged and performance was mostly due to an aggregation of small repricings.

Volatility Trading

Realized volatility in August vs implied forwards at the end of July *:

	30d Implied vol level on 30/07/21	Realised vol over the month	Difference
US	18.24	8.49	-9.76
Europe	20.93	8.10	-12.83

Variation of implied volatilities during August *:

	Sep. Vol Index Fut as of 30/07/21	Sep. Vol Index Fut as of 31/08/21	Vol move
US	22.07	18.62	-3.45
Europe	21.85	19.45	-2.40

Volatility Trading posted +7bps to the performance of the fund in August. Volatility remained lacklustre during the month in all asset classes, with both realised and implied volatility moving lower on limited news flow. We managed to avoid losses in this low volatility regime as we had reduced our theta spend into the summer months and our VIX downside options exposure contributed positively. Additionally, the majority of our single stock vs index dispersion positions carried well during the month and were re-marked higher as index volatility dropped.

* Source: Bloomberg

Warrant arbitrage

Warrant and SPAC arbitrage contributed +1bp in August.

Equity strategies

In August, the equity strategies returned +46bps. Performance came primarily from risk arbitrage and special situation positions.

On the risk arbitrage front, the month started with a continued general widening of spreads for a combination of reasons: firstly the termination of the merger between Willis Towers Watson and Aon led to some forced selling and a general risk-off mode in the merger arbitrage universe, and secondly strong policy changes in China which impacted the technology sector lead to a big increase in risk arbitrage spreads on deals with any link to Chinese regulation.

We used this weakness in the sector and the deleveraging by competitors who were overexposed to these situations to add to a number of positions which had sold off disproportionately. These positions subsequently tightened during the month and generated profits for the fund.

In special situations we benefited from our position in Vivendi. The stock finished the month up +13.4%, helped by a number of factors: positive results at the end of July, a well-received capital markets day for the music division on 25th August, and the decision by Pershing Square to purchase the full 10% of UMG. The shares were also supported by news that Vivendi would not be exiting the Eurostoxx index at the September review, contrary to market anticipation in July. Investors who had mistakenly prepositioned for this event had to cover underweight and short positions.

Credit strategies

Capital Structure Arbitrage

Capital structure arbitrage was flat in August.

Credit long / short

Credit long / short contributed +2bps in August. Over the month of August, high yield European credit markets gradually tightened by approximately 8bps on the Crossover. Volumes were subdued both in secondary and primary markets.

Credit special situations

Credit special situations contributed +1bp this month. Ecobat continues to receive buyer interest on the back of strong results and cash flow generation.

Trading

Trading contributed +7bps in August. Trend systematic and macro strategies were flat to marginally negative while the Equity Quantitative strategy delivered positive performance. The performance of the Equity Quantitative strategy was again largely driven by the reaction of stocks to changes in rates. Following, the robust performance of the past few months, we took some profit on the strategy and reduced the allocation by 10%.

B. DIRECT INVESTMENTS OTHER THAN BG FUND

On top of its investment in BG Fund, BGHL has other investments. As of 31 August 2021, 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 (professionals > registers > notifications > insider-transactions 5:60 wft);
- on the Company's website through a link to the AFM notification: www.bgholdingltd.com (Investment Manager > Regulatory information).

Transactions in the Company's own securities are also reported on:

- the AFM website: www.afm.nl (professionals > registers > notifications > price-sensitive press releases);
- the Company's website: www.bgholdingltd.com (Investor Relations > Financial announcements).

B. BGIM'S AUM

As of 1 September 2021, BG Fund assets under management are €2.09bn.

BG is a supporter of the Task Force on Climate-related Financial Disclosure (TCFD) and principle adverse impact (PAI) reporting according to SFDR is now computed for BG Fund. A quarterly ESG reporting is made available to investors on demand.

Sincerely,

E. Boussard and E. Gavaudan

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VII. ANNEXES ON BG FUND

Annex 1: Greeks	
Delta	3.8% 3.8 bps P&L variation for market +1%
Gamma	0.3% delta variation for market +1%
Vega	13 bps by vol point
Theta	4 bps by 30 days
Optional theta	-7 bps by 30 days
Rho	-1.7 bps for 1 bp of interest rates increasing
Credit sensitivity	-3.3 bps for 1% of credit spreads widening (in relative)

Annex 2: Performance Attribution *	
Volatility Strategies	13 bps
Mandatory convertible bond arbitrage	-2 bps
Convertible bond arbitrage (incl. credit convertible bonds)	7 bps
Volatility trading	7 bps
Warrant arbitrage	1 bps
Equity Strategies	46 bps
Risk arbitrage / Special situations	53 bps
Long / short trading with short-term catalyst & Value	-7 bps
Credit Strategies	3 bps
Credit long / short	2 bps
Capital structure arbitrage	0 bps
Credit special situations	1 bps
Trading	7 bps
Total	69 bps

Annex 3: Equity at Risk **	
Volatility Strategies	16.7%
Mandatory convertible bond arbitrage	5.8%
Convertible bond arbitrage (incl. credit convertible bonds)	7.0%
Volatility trading	0.4%
Warrant arbitrage	3.5%
Equity Strategies	27.0%
Risk arbitrage / Special situations	18.8%
Long / short trading with short-term catalyst & Value	8.2%
Credit Strategies	15.5%
Credit long / short	10.5%
Capital structure arbitrage	0.0%
Credit special situations	5.1%
Trading	9.1%
Quantitative equity trading	5.6%
Systematic trend following	1.9%
Other	1.6%
Cash Equivalents	1.5%
Total	69.8%

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

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

Annex 4: Gross Exposure (in % of AUM)

Volatility Strategies		
	Long	58.7%
Mandatory convertible bond arbitrage	Short equity	58.2%
	Short credit	0.0%
	Long	31.6%
Convertible bond arbitrage (incl. credit convertible bonds)	Short equity	22.0%
	Short credit	0.0%
	Long	2.4%
Volatility trading	Short	3.8%
	Long	9.2%
Warrant arbitrage	Short	0.0%
Equity Strategies		
Risk Arbitrage / Special Situations	Long	66.6%
	Short	23.0%
Long / Short trading with short-term catalyst / Value	Long	17.6%
	Short	16.3%
Credit Strategies		
Credit long / short	Long	11.8%
	Short	0.2%
Capital structure arbitrage	Long	0.2%
	Short	0.0%
Credit special situations	Long	5.9%
	Short	0.0%
Trading		
Quantitative equity trading	Long	23.8%
	Short	23.9%
Systematic trend following	Long	35.7%
	Short	7.2%
Other	Long	3.8%
	Short	3.2%
Gross Exposure		425.1%

	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)

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)
Sark Fund														
2003	-	-	0.67%	0.70%	0.77%	0.94%	0.84%	0.97%	1.15%	1.46%	1.01%	0.15%	9.00%	9.00%
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%	11.27%
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%	21.79%
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%	47.72%
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%	58.02%
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%	28.69%
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%	60.81%
BG Fund														
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%	76.77%
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%	67.86%
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%	82.12%
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%	103.17%
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%	111.75%
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%	134.56%
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%	153.39%
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%	172.97%
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%	165.33%
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%	180.91%
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%	216.09%
2021	0.64%	0.43%	-0.01%	2.71%	-0.25%	0.01%	0.32%	0.69%*					4.61%*	230.66%*
													Annualized Net Return	6.67%*

* 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)
Sark Fund														
2003	-	-	0.75%	0.76%	0.82%	1.04%	0.93%	1.06%	1.18%	1.55%	1.05%	0.17%	9.69%	9.69%
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%	12.77%
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%	22.58%
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%	45.85%
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%	54.38%
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%	25.69%
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%	57.27%
BG Fund														
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%	72.31%
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%	63.56%
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%	76.84%
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%	96.85%
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%	105.30%
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%	127.06%
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%	142.74%
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%	157.24%
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%	143.11%
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%	151.89%
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%	181.06%
2021	0.59%	0.39%	-0.07%	2.60%	-0.29%	-0.03%	0.27%	0.65%*					4.15%*	192.71%*
Annualized Net Return														5.97%*

GBP A Share Class

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
BG Fund														
2016	-	-	-	-	-	-	-	-	-	-	0.03%	1.26%	1.29%	1.29%
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%	8.05%
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%	3.25%
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%	8.35%
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%	20.71%
2021	0.64%	0.42%	-0.02%	2.69%	-0.26%	0.01%	0.31%	0.69%*					4.55%*	26.20%*
Annualized Net Return														4.93%*

* 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	0.59%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0	-0.01%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0	0.41%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0	-0.41%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.78%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0	0.85%
7	Market crash 0.5	Spot : -5% ; Credit : 25% ; Vol : 15% ; Rates : 0	-0.28%
8	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0	-0.38%
9	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0	0.11%
10	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0	0.91%
11	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -0.5	0.14%
12	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -0.5	0.63%
13	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -1	1.95%
14	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0.5	-0.85%
15	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0.5	-0.37%
16	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : <2y 0.5,>2y 1	0.04%
17	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.53%
18	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0	-0.13%
19	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0	-0.92%
20	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 0% ; Rates : 0	0.76%
21	Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.35%
22	Equity Credit decorrelation 6	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0	1.17%
23	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.67%
24	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.08%
25	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0	1.49%
26	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0	1.03%
27	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.42%
28	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0	1.82%
29	Market rally, Inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0.5	0.17%
30	Market rally, Inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0.5	0.57%
31	Market rally, Inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0.5	0.98%
32	Market rally, Inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : <2y 0.5,>2y 1	0.13%
33	Market rally, Inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : <2y 0.5,>2y 1	0.51%
34	Market rally, Inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : <2y 0.5,>2y 1	0.90%
	Worst		-0.92%

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	0.90%
2	Delta - spot down	-2.12%
3	Vega - vol up	0.41%
4	Vega - vol down	-0.41%
5	Credit spread widen	-0.78%
6	Credit spread tighten	0.85%
7	Market crash 0.5	-1.37%
8	Market crash 1	-2.88%
9	Market crash 2	-6.82%
10	Market crash 3	-8.96%
11	Market crash, rates down 1	-2.36%
12	Market crash, rates down 2	-6.17%
13	Market crash, rates down 3	-7.64%
14	Market crash, rates up 1	-3.36%
15	Market crash, rates up 2	-7.42%
16	Market crash, rates up 3	-10.06%
17	Equity Credit decorrelation 1	-0.37%
18	Equity Credit decorrelation 2	0.03%
19	Equity Credit decorrelation 3	-0.76%
20	Equity Credit decorrelation 4	-0.32%
21	Equity Credit decorrelation 5	0.09%
22	Equity Credit decorrelation 6	-0.72%
23	Market rally 1	0.83%
24	Market rally 2	1.24%
25	Market rally 3	1.65%
26	Market rally 4	1.35%
27	Market rally 5	1.74%
28	Market rally 6	2.14%
29	Market rally, Inflation 1	0.33%
30	Market rally, Inflation 2	0.73%
31	Market rally, Inflation 3	1.14%
32	Market rally, Inflation 4	0.45%
33	Market rally, Inflation 5	0.83%
34	Market rally, Inflation 6	1.22%
Worst		-10.06%

Annex 7: IFRS 13 Classification as of 31 July 2021

	% of NAV	Number of positions
Assets		
Level 1	57.1%	297
Level 2	62.3%	1494
Level 3	14.7%	101
Cash & cash equivalents	23.8%	4
Total Assets	157.9%	1896
Liabilities		
Level 1	-55.2%	268
Level 2	-2.7%	45
Total Liabilities	-57.9%	313
Total Assets + Liabilities	100.0%	2209

	% of NAV
• Encumbered cash and cash equivalents	
- Cash - Derivatives Clearing Organisation	3.2%
- Cash - Counterparties	2.2%
- Money market fund	3.3%
- Cash covering a short market value	0.0%
• Unencumbered cash and cash equivalents	
- Cash covering a short market value	15.1%
- Short-term papers < 90 days	0.0%
- Excess cash	0.0%
Total Cash and cash equivalents	23.8%

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%	100%
Gross method	200%	101%

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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