

OVERVIEW

Estimated AUM €341m

Firm AUM €2.5bn

Share price €22.40
(discount to NAV: 18%)

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 "Compounded euro short-term rate index".

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		
2022	-3.11%	0.55%	-0.07%	1.42%	-1.36%	-0.68%	-2.99%*							-6.15%*	Annualized Performance +6.63%* since inception
2021	0.99%	0.57%	0.04%	2.81%	-0.24%	0.23%	0.45%	0.80%	1.72%	2.71%	1.80%	0.11%	12.59%		
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%	Annualized Volatility 5.31%* since inception	
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%	Sharpe Ratio 1.15* since inception	
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%	Beta to Euro Stoxx 50® (Total Return) 0.04* since inception	
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%		

*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 down -2.99% (EUR share class) and -2.74% (USD A share class) respectively vs Euro Stoxx 50® Total Return (+7.44%).

		Equity Strategies Special Situations	Equity Strategies Catalyst & Value	Credit Strategies	Volatility Strategies	Trading Strategies
BG Fund Capital Allocation		24%	15%	20%	22%	19%
BG Fund Performance	Jul 2022	-2.09%	0.09%	0.01%	0.59%	-1.34%
Attribution	Year-to-date	-5.86%	0.46%	-0.07%	0.28%	-0.13%

CORPORATE UPDATE

Since the restart of the share buyback program on 17 December 2019, the firm has bought back 3,609,939 shares. The current number of shares outstanding excluding treasury shares for both the EUR and GBP share classes is 12,446,842.

CONTACTS

Emmanuel Gavaudan ☎+44 20 3751 5389 ✉ eg@bgam-uk.com

François-Xavier Baud ☎+ 33 1 4490 3947 ✉ fx.baud@bgam-fr.com

Vanessa Levi ☎ + 44 20 3751 5422 ✉ vanessa.levi@bgam-uk.com

Benjamin Sturges ☎+ 44 20 3751 5417 ✉ benjamin.sturges@bgam-uk.com

Robin Lowe ☎+1 212 837 2302 ✉ robin.lowe@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 of 30th June 2022 unless otherwise stated.

Source: Bloomberg, Boussard & Gavaudan.

HIGHLIGHTS

Equity markets in Europe and the US rallied sharply in July, reversing the trend of recent months. The Euro Stoxx 50® Total Return finished the month up +7.44% and the S&P500® Total Return up +9.22%. Credit markets also tightened with iTraxx Crossover® (S37) moving to 509bps from 580bps over the course of the month. The market implied volatility measure VStoxx® decreased from 29.8% to 22.3%.

In July BG Fund returned -2.74% (USD A class) with positive contributions from convertible bonds, volatility trading and mandatories strategies overshadowed by idiosyncratic moves on several specific equity special situations which drove the majority of negative performance, along with a negative contribution from trading strategies.

While the equity market backdrop remains choppy and low liquidity prevails in many asset classes, the forward-looking opportunity set is starting to become very interesting as we transition to a new paradigm: the end of negative rates, easy financing and always-positive equity markets has moved to a state of high inflation, economic slowdown, likely recession, and continued interest rate increases.

The markets in Europe and elsewhere are becoming far more discriminating in the type and pricing of financing offered to corporates needed to both re-finance and meet growing needs for capital in a more challenging environment. Given the enormously higher cost of borrowing, with both rates and credit spreads widening, we expect a significant resurgence in the issuance of new hybrid paper (convertible bonds, mandatories, and private deals/ corporate collars) which makes for a potentially very attractive arbitrage environment. Bank syndicate desks see the potential pipeline for primary building, and we hear the same story directly from European corporate CFOs who have been readjusting expectations and many expect to be coming to market with hybrids to meet their financing needs. As well as the expectations of primary issuance, in the secondary market we are starting to see new arbitrage and distressed opportunities emerge, particularly with dislocations between credit and equity valuations. We expect the flow of new issuance to help the market re-price, resetting long-only manager holdings which should improve overall liquidity.

This environment should be favourable for BG Fund across the full range of its core arbitrage strategies. We are positioned to deploy more capital into these areas while continuing to drive returns from the event and special situations strategies which continue to offer idiosyncratic risk premia with hard catalysts. The portfolio remains well-hedged with its characteristic long vol/convexity and delta neutral risk profile.

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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