

MONTHLY NEWSLETTER OCTOBER 2021

Estimated NAV BGHL NA € 28.65
BGHS LN £ 24.83

OVERVIEW

Estimated AUM €359m

Firm AUM €2.5bn

Share price €23.00
(discount to NAV: 20%)

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% | 0.80% | 1.72% | 2.71%* | | | 10.48%* | Annualized Performance +7.27%* since inception |
| 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% | Annualized Volatility 5.33%* since inception |
| 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% | Sharpe Ratio 1.26* since inception |
| 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% | Beta to Euro Stoxx 50® (Total Return) 0.04* since inception |
| 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 up +2.71% (EUR share class) and +2.77% (USD A share class) respectively vs Euro Stoxx 50® Total Return (+5.15%).

| | | Equity Strategies Special Situations | Equity Strategies Catalyst & Value | Credit Strategies | Volatility Strategies | Trading Strategies |
|-----------------------------------|---------------------|---|---------------------------------------|-------------------|-----------------------|--------------------|
| BG Fund Capital Allocation | | 29% | 13% | 20% | 24% | 13% |
| BG Fund Performance | Oct 2021 | 0.85% | 1.16% | -0.02% | 0.35% | 0.43% |
| Attribution | Year-to-date | 4.95% | -0.65% | 2.11% | 2.01% | 0.95% |

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.

CONTACTS

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

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

Rafael Serrano ☎+44 20 3751 5422 ✉rafael.serrano@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 29th October 2021 unless otherwise stated.

Source: Bloomberg, Boussard & Gavaudan.

HIGHLIGHTS

European markets rose steadily in October with the Eurostoxx 50® Net Total Return up +5.15% while conversely the iTraxx Crossover® (S35) widened to 242bps from 235bps at the end of September. Market volatility was subdued and implied volatility decreased over the month taking VStoxx® to 17.6% down from 23.2%.

BG Fund delivered a solid performance in October returning +2.77% (USD A estimate) for the month. As usual, the Fund is positioned Delta neutral. The majority of October's return was driven by realisation of specific corporate events in equity strategies, although nearly all strategies delivered positive returns, with notable contributions from mandatories, convertibles and trading. We continue to focus the portfolio on idiosyncratic events and arbitrage opportunities.

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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