

OVERVIEW

Estimated AUM €366m

Firm AUM €2.7bn

Share price €23.30
(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%	1.80%	0.12%*	12.61%*	Annualized Performance +7.32%* 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 5.31%* 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 1.28* 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 +0.12% (EUR share class) and +0.24% (USD A share class) respectively vs Euro Stoxx 50® Total Return (+5.81%).

		Equity Strategies Special Situations	Equity Strategies Catalyst & Value	Credit Strategies	Volatility Strategies	Trading Strategies
BG Fund Capital Allocation		32%	14%	19%	22%	13%
BG Fund Performance	Dec 2021	-0.02%	-0.28%	0.19%	0.33%	0.03%
Attribution	Year-to-date	5.36%	0.19%	2.44%	2.45%	1.16%

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 12,517,315.

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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 December 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 December 2021

Net Asset Value (NAV)	Euro share	Sterling share
Estimated NAV*	€ 29.2048	£25.3094
Estimated month to date return*	0.12%	0.12%
Estimated year to date return*	12.61%	11.16%
Estimated inception to date return*	192.05%	153.09%

Market information	Amsterdam (AEX)	London (LSE)
EUR share Market close	€ 23.30	-
EUR share Premium / discount to estimated NAV	-20.22%	-
Sterling share Market close	-	£19.00
Sterling share Premium / discount to estimated NAV	-	-24.93%

Transactions in own securities purchased into treasury	Euro share	Sterling share
Number of shares	0	-
Average Price	€ 0.00	-
Range of Price	-	-

Ordinary Shares	Euro share	Sterling share
Shares issued	12,387,061	130,254
Shares held in treasury	0	0
Shares outstanding	12,387,061	130,254

	BGHL
Total value of the investments of BGHL based on the estimated NAV for the shares outstanding	€ 366 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	€ 292 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%	0.80%	1.72%	2.71%	1.80%	0.12%*	12.61%*	192.05%*
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%	0.65%	1.76%	2.68%	1.81%	0.12%*	11.16%*	153.09%*

* 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 January 2022, 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

2021 REVIEW AND 2022 OUTLOOK

For 2021 overall BG Fund (USD A) has returned +11.60% net to investors. This follows the solid +12.52% delivered in 2020.

As is typical for the fund, these returns have been generated with minimal market directionality - over the past 18 years it has delivered its returns with a beta of less than 0.1 to the STOXX Europe 600® and a standard deviation of 4.86%.

Performance attribution for 2021 was positive across all strategies - Equity, Volatility, Credit and Trading - with Equity Risk Arbitrage and Special Situations leading returns with an attribution of +536bps. Convertible Bond and Mandatory Convertible Bond arbitrage were also a significant source of returns generating +142bps, as was credit special situations delivering +140bps (see Annex 9 for 2021 full attribution breakdown).

We believe the very attractive opportunity set that continued in 2021 for European event driven, special situations and arbitrage will persist into the foreseeable future. After many years on the side lines, primarily due to the after effects of the GFC followed by the European sovereign & banking crisis and Brexit, the European environment is now emerging as a global bright spot on an absolute and relative basis. The vastly improved European opportunity set comes at a time when the US narrative is potentially shifting in the opposite direction with regard to growth, regulation, spending and rates.

As a brief overview, we point to the following tailwinds which should continue to provide excellent non-directional and uncorrelated alpha opportunities over the next several years. (For an in-depth discussion, analysis and current positions please contact us for further information):

- **Regional Valuations:** European equity valuations now look cheaper than at the beginning of 2021, despite the strong performance during the year, due to strong earnings and earnings revisions. With a forward P/E of circa 16x and a dividend yield of circa 3%, there is value in European equities versus the US and other asset classes. This cheapness makes European companies extremely attractive for takeovers and buyouts by strategic buyers and private equity, especially in mid-cap, cyclical and value stocks.
- **Risk arbitrage, private equity and competitive bid situations:** private equity has witnessed significant capital inflows and many buyout funds are sitting on large pools of undeployed capital. Previously, due to the uncertainty of Brexit and difficulties in modelling future scenarios, PE and international corporates had largely avoided acquisitions in the European region for the last few years. However, this picture has materially changed post Brexit and, combined with dislocations caused by COVID, European M&A has surged in 2021. While much of the risk arbitrage opportunities in the US have typically been return / spread compression trades (with a resultant short-put risk profile), the European risk arbitrage picture has recently been characterized by competitive bid situations, with material price appreciation post the initial deal announcement. We have frequently seen aggressive moves by interlopers resulting in several rounds of competitive bidding. In numerous cases, buyout firms are competing against not only each other but also strategic buyers. This differentiated European backdrop for risk arbitrage has not only resulted in better risk-adjusted returns but also less correlation to traditional risk-arbitrage spread trades, especially during periods of HF industry deleveraging and volatility caused by situations such as the Willis Towers Watson/ AON, KSU or Xilinx/AMD deals. Competitive bid situations along with idiosyncratic individual European country takeover rules and minority shareholder protections creates the opportunity for establishing attractive 'long call' risk arb payoffs which provide a floor to the asset value in addition to long upside optionality.

- **European regulatory improvements:** Over the past 18 months there has been a tangible shift in the stance of regulations from many European agencies which have signalled a more friendly approach towards consolidation. For example:
 - European Governments have been at the forefront in encouraging the creation of ‘Green majors’. In 2021 we participated in the merger of the two biggest wastewater treatment companies in the world – Suez and Veolia. Both companies are head-quartered and listed in France. In addition, decarbonization and the continued separation of green energy from other legacy assets continues to pave the way for numerous special sits, spin offs, splits, restructurings, and demerger opportunities particularly in the utility, energy, power generation and transmission space. Recent examples have included Fortum / Uniper, EDF / Equans / Bouygues, RWE / Innogy, Veridor / KKR.
 - In the telecoms sector, the historical focus of European governments on consumer price protection has led to a relative under-investment in capex and a lag in the widespread roll out of technologies such as fiber and 5G. The industry has too many domestic players, and the current fragmentation in Europe with sub-optimised business models based on national markets and high costs for national spectrum licenses has retarded development compared to other regions. There has been an acknowledgement by industry, governments and regulators (partly catalysed by COVID and working from home (WFH) mandates) that investment is needed to drive connectivity infrastructure in order to support Europe’s digital economy. Consolidation will play a central role. This comes at a time that European telecom and media assets trade at multiples which are a fraction of their historical averages. This has led to significant corporate activity as entrepreneurs, majority shareholders and PE sponsors take companies private and buy out minorities (Iliad, Altice Europe, MasMovil, Talk Talk, Orange Belgium), media companies merge or spin off undervalued assets (TF1 / Canal+, Vivendi / UMG) and there is even takeover activity and interest at a national carrier level (Tele Denmark, Telecom Italia, KPN).
 - In the European banking sector, where there has been almost no international consolidation in the years following the GFC, the ECB updated its supervisory approach towards domestic as well as cross-border banking consolidation. Not only were there shifts in the tone towards supporting consolidation but there were material rule changes. Notably, rules relating to the treatment of bad will and the calculation of risk weighted assets. Specifically, bad will can now be incorporated into Tier 1 capital and used against integration costs, restructuring and non-performing loans. Recent deals in the sector have included Caixa / Bankinter and Intesa / UBI.
- As we look further forward, the European convertible bond arbitrage opportunity could also become a source of significant interest. Notably, as the environment for interest rates, tapering and bond purchases shifts towards a less dovish stance, corporates will increasingly look to the issuance of hybrid paper to finance their corporate needs. In conjunction with the theme of accelerating M&A activity, if the cycle gathers pace and strategic buyers become increasingly involved in larger acquisitions, greater financing requirements could signal a rebound in the issuance of sizeable mandatory convertible bonds. Finally, in addition to an increase in primary issuance, as global QE abates and there is an uptick in aspects of volatility, the mispricing and arbitrage opportunities inherent within convertibles will also become increasingly attractive.

DECEMBER HIGHLIGHTS

European equity markets continued their rally in December and the Eurostoxx 50[®] Net Total Return finished the month strongly, rising +5.81% and bringing the full year 2021 return to +23.34%. In this context BG Fund delivered a small positive return (+0.24% USD A estimate) with positive contributions from mandatory convertible bond arbitrage and a number of corporate M&A events.

Similarly with the generally positive sentiment in equities iTraxx Crossover[®] (S36) tightened by 46bps to 242bps down from 288bps at the end of November. The market implied volatility measure VStoxx[®] continued to fall further, dropping from 30.1% to 19.3% over December.

DECEMBER COMMENTARY

Volatility strategies

Mandatory convertible bond arbitrage

Mandatory convertible bonds made a nice positive contribution (+24bps) this month. Most of the positive performance resulted from a tender offer from ArcelorMittal on its mandatory bonds as the company decided to buy back around €300m of notional via CitiBank. The offer was at a decent premium to fair value and we consequently tendered all of our holdings. There was no primary activity during this period in Europe.

Convertible bond arbitrage

Convertible bonds (excl. mandatories) contributed +6bps to the performance of the fund in December.

As is typical in December, primary issuance was muted in the European CB market and secondary market flows were limited. Overall valuations were slightly skewed to the downside.

In the US, more seasoned CBs, and in-the-money bonds in particular, turned in a strong performance for the month. While for recently issued CBs, performance was soft as premiums disappeared as Nasdaq stocks suffered a mini-meltdown.

Volatility Trading

Realised volatility vs implied forwards at the end of November *:

	30d Implied vol level on 30/11/21	Realised vol over the month	Difference
US	27.19	16.96	-10.23
Europe	30.06	18.11	-11.95

Variation of implied volatilities during December *:

	Jan. Vol Index Fut as of 30/11/21	Jan. Vol Index Fut as of 31/12/21	Vol move
US	26.48	19.67	-6.81
Europe	26.20	20.55	-5.65

Volatility trading posted +5bps to the performance of the fund in December.

Volatility continued to grind significantly higher during the first sessions of the month before falling sharply throughout the rest of December.

This created some interesting opportunities and we were able to pro-actively trade around our positions. Early in December, we locked in some gains from the initial jump in vol and then positioned for the expected volatility normalization that followed throughout the month which saw a big fall in implied and realised volatilities.

Our dispersion positions also carried well and were re-marked up at the end of the month. We expect to continue to selectively size up and add to the portfolio in January as new opportunities arise.

Warrant arbitrage

Warrant arbitrage and SPACS contributed -3bps in December.

Equity strategies

Equity strategies contributed -30bps overall in December.

Corporate activity continued to remain elevated throughout December creating new opportunities.

* Source: Bloomberg

Specifically in the pharmaceutical sector, takeover offers were announced for Clinigen and for Vifor Pharma and we were able to participate profitably in both of these situations.

The portfolio was held back by a few specific events: there was a negative contribution from our investment in Swedish Orphan Biovitrum (SOBI), a biotech company which was subject to a takeover offer from private equity and in a tender process for its shares. AstraZeneca, an 8% shareholder, decided not to tender and effectively blocked the deal: the tender rate reached 87.3%, just short of the 90% threshold, while all other conditions were met. The stock finished the month down -16%.

Our position in Intertrust gave back a portion of its positive performance in November. As mentioned last month, multiple potential acquirers had approached the company, but some of these buyers walked away leaving CSC who finally launched a formal offer at a price of €20, above where we had originally purchased but below its November closing price.

The portfolio was also impacted by our position in EDF as the company announced that it had to stop some nuclear reactors, for checks and repairs. This caused a shortage of electricity generation which the company had to cover by buying supply from competitors in the market at elevated cost due to soaring power prices in December.

Credit strategies

Capital Structure Arbitrage

Capital structure arbitrage was flat this month.

Credit long / short

Over December, the Crossover index tightened by 46bps to close the year near historical lows. Leading the high yield market, bellwether bonds traded better. In this context, credit long / short contributed +8bps mostly driven by CGG.

Credit special situations

Credit special situations contributed +11bps with all positions contributing positively. Ecobat paid out a dividend thanks to strong cash flow generation. Pizza Express benefitted from strong Q3 results with new management's strategy yielding results while KCA Deutag was supported by continued high oil prices.

Trading

Trading strategies delivered an aggregate +3ps in December. Positive performances from Systematic trend and Macro were offset by the underperformance of Equity Quantitative Trading.

Systematic Trend Following saw strong gains on rates, stock indices and commodities. Macro trading attribution was positive in December thanks to our constructive view for the start of 2022. We think the consensus is underestimating the volatility which is likely to be triggered by Fed's liquidity withdrawal. This could become a theme for H1 2022 where shocks such as higher yields or surging commodity prices may destabilize markets in the coming months.

Equity Quantitative strategy underperformed partially through stock selection and also through its negative net beta as markets rallied with easing Omicron concerns. Stoxx 600 (futures) gained more than 5% driven by sectors that benefit from the economy reopening such as Travel & Leisure.

B. DIRECT INVESTMENTS OTHER THAN BG FUND

On top of its investment in BG Fund, BGHL has other investments. As of 31 December 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 January 2022, BG Fund assets under management are €2.35bn.

A quarterly ESG report is made available to investors on request.

We would like to thank our investors for their continued support throughout the year and wish you all the best for 2022.

Sincerely,

E. Boussard and E. Gavaudan

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VII. ANNEXES ON BG FUND

Annex 1: Greeks	
Delta	5.6% 5.6 bps P&L variation for market +1%
Gamma	0.5% delta variation for market +1%
Vega	10 bps by vol point
Theta	-2 bps by 30 days
Optional theta	-10 bps by 30 days
Rho	-0.6 bps for 1 bp of interest rates increasing
Credit sensitivity	-2.5 bps for 1% of credit spreads widening (in relative)

Annex 2: Performance Attribution *	
Volatility Strategies	33 bps
Mandatory convertible bond arbitrage	24 bps
Convertible bond arbitrage (incl. credit convertible bonds)	6 bps
Volatility trading	5 bps
Warrant arbitrage	-3 bps
Equity Strategies	-30 bps
Risk arbitrage / Special situations	-2 bps
Long / short trading with short-term catalyst & Value	-28 bps
Credit Strategies	19 bps
Credit long / short	8 bps
Capital structure arbitrage	0 bps
Credit special situations	11 bps
Trading	3 bps
Total	24 bps

Annex 3: Equity at Risk **	
Volatility Strategies	14.8%
Mandatory convertible bond arbitrage	4.0%
Convertible bond arbitrage (incl. credit convertible bonds)	6.5%
Volatility trading	0.3%
Warrant arbitrage	4.0%
Equity Strategies	31.3%
Risk arbitrage / Special situations	21.9%
Long / short trading with short-term catalyst & Value	9.4%
Credit Strategies	13.0%
Credit long / short	8.2%
Capital structure arbitrage	0.0%
Credit special situations	4.8%
Trading	9.2%
Quantitative equity trading	4.9%
Systematic trend following	1.5%
Other	2.7%
Cash Equivalents	0.0%
Total	68.4%

* 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	34.9%
Mandatory convertible bond arbitrage	Short equity	35.6%
	Short credit	0.0%
	Long	32.1%
Convertible bond arbitrage (incl. credit convertible bonds)	Short equity	23.1%
	Short credit	0.0%
Volatility trading	Long	2.6%
	Short	3.7%
Warrant arbitrage	Long	9.0%
	Short	0.0%
Equity Strategies		
	Long	79.0%
Risk Arbitrage / Special Situations	Short	32.0%
	Long	15.2%
Long / Short trading with short-term catalyst / Value	Short	13.1%
Credit Strategies		
	Long	9.1%
Credit long / short	Short	0.2%
	Long	0.0%
Capital structure arbitrage	Short	0.0%
	Long	5.4%
Credit special situations	Short	0.7%
Trading		
	Long	21.1%
Quantitative equity trading	Short	21.3%
	Long	22.7%
Systematic trend following	Short	15.8%
	Long	7.6%
Other	Short	2.8%
Gross Exposure		387.0%

	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%	0.67%	1.75%	2.78%	1.79%	0.24%*	11.60%*	252.74%*
													Annualized Net Return	6.92%*

* 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%	0.63%	1.74%	2.73%	1.82%	0.09%*	10.92%*	211.74%*
													Annualized Net Return	6.22%*

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%	0.67%	1.79%	2.71%	1.91%	0.14%*	11.51%*	34.60%*
													Annualized Net Return	5.92%*

* 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	0.71%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0	-0.41%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0	0.33%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0	-0.31%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.60%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0	0.63%
7	Market crash 0.5	Spot : -5% ; Credit : 25% ; Vol : 15% ; Rates : 0	-0.37%
8	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0	-0.60%
9	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0	-0.56%
10	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0	-0.23%
11	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -0.5	-0.31%
12	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -0.5	-0.27%
13	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -1	0.37%
14	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0.5	-0.88%
15	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0.5	-0.83%
16	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : <2y 0.5,>2y 1	-0.62%
17	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.26%
18	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0	0.06%
19	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0	-0.56%
20	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 0% ; Rates : 0	0.38%
21	Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.07%
22	Equity Credit decorrelation 6	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0	0.72%
23	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.65%
24	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0	0.96%
25	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0	1.28%
26	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0	1.04%
27	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.33%
28	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0	1.66%
29	Market rally, Inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0.5	0.34%
30	Market rally, Inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0.5	0.64%
31	Market rally, Inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0.5	0.97%
32	Market rally, Inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : <2y 0.5,>2y 1	0.55%
33	Market rally, Inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : <2y 0.5,>2y 1	0.85%
34	Market rally, Inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : <2y 0.5,>2y 1	1.18%
	Worst		-0.88%

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	Spot : 10% ; Credit : 0% ; Vol : 0% ; Rates : 0	1.08%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0	-3.06%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0	0.33%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0	-0.31%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.60%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0	0.63%
7	Market crash 0.5	Spot : -5% ; Credit : 25% ; Vol : 15% ; Rates : 0	-1.71%
8	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0	-3.34%
9	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0	-7.90%
10	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0	-10.26%
11	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -0.5	-3.04%
12	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -0.5	-7.59%
13	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -1	-9.65%
14	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0.5	-3.62%
15	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0.5	-8.17%
16	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : <2y 0.5,>2y 1	-10.66%
17	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.08%
18	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0	0.24%
19	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0	-0.37%
20	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 0% ; Rates : 0	-0.94%
21	Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0	-0.61%
22	Equity Credit decorrelation 6	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0	-1.26%
23	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.83%
24	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.14%
25	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0	1.47%
26	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0	1.40%
27	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.70%
28	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0	2.03%
29	Market rally, Inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0.5	0.52%
30	Market rally, Inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0.5	0.82%
31	Market rally, Inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0.5	1.15%
32	Market rally, Inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : <2y 0.5,>2y 1	0.91%
33	Market rally, Inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : <2y 0.5,>2y 1	1.22%
34	Market rally, Inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : <2y 0.5,>2y 1	1.55%
Worst			-10.66%

Annex 7: IFRS 13 Classification as of 30 November 2021

	% of NAV	Number of positions
Assets		
Level 1	61.4%	334
Level 2	63.2%	1484
Level 3	13.3%	100
Cash & cash equivalents	25.6%	4
Total Assets	163.5%	1922
Liabilities		
Level 1	-57.7%	231
Level 2	-5.7%	94
Total Liabilities	-63.5%	325
Total Assets + Liabilities	100.0%	2247

	% of NAV
• Encumbered cash and cash equivalents	
- Cash - Derivatives Clearing Organisation	2.6%
- Cash - Counterparties	3.9%
- Money market fund	3.5%
- Cash covering a short market value	0.0%
• Unencumbered cash and cash equivalents	
- Cash covering a short market value	9.7%
- Short-term papers < 90 days	5.9%
- Excess cash	0.0%
Total Cash and cash equivalents	25.6%

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%	103%
Gross method	200%	103%

Annex 9: FY 2021 Performance Attribution *

Volatility Strategies	245 bps
Mandatory convertible bond arbitrage	73 bps
Convertible bond arbitrage (incl. credit convertible bonds)	69 bps
Volatility trading	18 bps
Warrant arbitrage	86 bps
Equity Strategies	555 bps
Risk arbitrage / Special situations	536 bps
Long / short trading with short-term catalyst & Value	19 bps
Credit Strategies	244 bps
Credit long / short	104 bps
Capital structure arbitrage	0 bps
Credit special situations	140 bps
Trading	116 bps
Total	1,160 bps

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

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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