



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

Interim Management Statement
For the Quarter ended 30 September 2021

I. PRINCIPAL ACTIVITIES

Boussard & Gavaudan Holding Limited (“BGHL” or “the Company”), a closed-ended investment company incorporated under the laws of Guernsey, announces its interim management statement for the period from 1 July to 30 September 2021 (“the period”).

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

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

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

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

II. HIGHLIGHTS

	30-Sept-21	30-June-21
Assets under management (€m)	349	347
Market capitalisation (€m)	287	279
Shares outstanding	12,514,263	12,809,263

	NAV per Share		Share price*		Discount to NAV	
	€ shares	£ shares	€ shares	£ shares	€ shares	£ shares
30-Sept-21	€ 27.90	£24.18	€ 23.00	£18.50	-17.56%	-23.50%
30-June-21	€ 27.09	£23.54	€ 21.80	£18.00	-19.51%	-23.54%
Performance	3.00%	2.72%	5.50%	2.78%		

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

III. PERFORMANCE

From 1 July to 30 September 2021, European markets were almost flat with the Eurostoxx 50® Total Return delivering -0.15% for the quarter. The volatility index VStoxx® finished September at 23.2%, up from 18.2% at the start of the quarter and iTraxx Crossover® (S35) ended the quarter at 235bps (3bps wider).

1. BG Fund

BG Fund (EUR B) made a solid positive contribution for the quarter.

1.1. Volatility strategies

Mandatory Convertible Bond Arbitrage

Mandatory convertible bond arbitrage contributed positively mainly thanks to an options arbitrage position. There were no new primary market mandatory issues during the quarter in Europe, however the Investment Manager found opportunities to increase existing positions.

Convertible Bond Arbitrage

Convertible bonds made a positive contribution to performance. The European secondary market was quiet, as were primary markets, with the exception of one surprising new issue. Valuations remained broadly unchanged and overall performance was due to repricing on specific situations where profits were taken. US convertible bonds also performed well over the period.

Volatility Trading

Volatility trading was flat for the quarter. Long gamma positions remained difficult to carry with realised volatility still lagging implied. The Investment Manager managed to avoid losses in this low volatility regime by reducing theta spend over the course of the summer. The Investment Manager was also able to increase dispersion positions at improved entry levels.

Warrant Trading

Warrant and SPAC arbitrage was overall flat for the quarter.

1.2. Equity Strategies

Equity strategies were the main contributor to overall performance in particular due to risk arbitrage and special situation positions. The quarter started with a general widening of risk arbitrage spreads, and the Investment Manager used this market weakness, which was intensified by deleveraging by competitors, to add to a number of positions which had disproportionately sold-off. The Fund generally benefited from a very active European special situations and risk arbitrage market with many idiosyncratic opportunities. Corporate activity was both vibrant and very diverse with multiple participants from both industry and private equity. Many of the deals were highly competitive situations with multiple bumps to the offer price and improvements on deal terms

1.3. Credit Strategies

Capital Structure Arbitrage

Capital structure arbitrage was flat during the quarter.

Credit Long / Short

Contribution was positive for the quarter with performance spread across multiple positions. Market volumes were subdued both in secondary and primary markets.

Credit Special Situations

Credit special situations contributed well this period with a number of specific positions seeing positive newsflows and results.

1.4. Trading

Trading strategies performed well led by equity quantitative trading.

2. Investments Other Than BG Fund

The contribution of this investment was almost flat on the period.

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.

IV. OUTLOOK

Entering Q4 2021, and looking forward to 2022, the Investment Manager remains very positive on the environment for event driven, arbitrage and volatility trading in Europe. M&A and corporate activity remains very strong with increasing numbers of strategic and industrial buyers becoming active after several years of relative dormancy. The European regulatory backdrop also continues to be supportive, with few of the recent

headwinds experienced in the US and China. Combining this with significant private equity dry powder and competitive activity, the Investment Manager thinks the event driven opportunity set is going to continue to present multiple exciting opportunities with attractive risk adjusted returns.

The Investment Manager continues to be fully committed to the strategies of the Company.

For further information contact:

Boussard & Gavaudan Investment Management LLP

Emmanuel Gavaudan	(London)	+44 (0)20 3751 5389
François-Xavier Baud	(Paris)	+33 1 44 90 39 47

Disclaimer

The Company is established as a closed-ended investment company domiciled in Guernsey. The Company has received the necessary approval of the Guernsey Financial Services Commission and the States of Guernsey Policy Council. The Company is registered with the Dutch Authority for the Financial Markets as a collective investment scheme pursuant to article 2:73 in conjunction with 2:66 of the Dutch Financial Supervision Act (Wet op het financieel toezicht). The shares of the Company (the "Shares") are listed on Euronext Amsterdam. The Shares are also listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange plc's main market for listed securities.

This is not an offer to sell or a solicitation of any offer to buy any securities in the United States or in any other jurisdiction. This announcement is not intended to and does not constitute, or form part of, any offer or invitation to purchase any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law.

Neither the Company nor BG Fund has been, and neither will be, registered under the US Investment Company Act of 1940, as amended (the "Investment Company Act"). In addition the securities referenced in this announcement have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"). Consequently any such securities may not be offered, sold or otherwise transferred within the United States or to, or for the account or benefit of, US persons except in accordance with the Securities Act or an exemption therefrom and under circumstances which will not require the issuer of such securities to register under the Investment Company Act. No public offering of any securities will be made in the United States.

You should always bear in mind that:

- *All investment is subject to risk;*
- *Results in the past are no guarantee of future results;*
- *The investment performance of BGHL may go down as well as up. You may not get back all of your original investment; and*
- *If you are in any doubt about the contents of this communication or if you consider making an investment decision, you are advised to seek expert financial advice.*

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