

Boussard & Gavaudan Absolute Return

A compartment of Boussard & Gavaudan SICAV

UCITS by Boussard & Gavaudan Asset Management

SEPTEMBER 2023 NEWSLETTER

Share class	NAV per Share	Month to Date Performance	Year to Date Performance	Inception to Date Performance	Inception date
Z - EUR LU1063708694	€ 1,123.23	0.52%	-2.94%	12.32%	17 November 2014
Z - USD LU1063708850	\$1,267.18	0.65%	-1.40%	26.72%	6 February 2015
Z - GBP LU1063708934	£1,179.22	0.64%	-1.80%	17.92%	5 March 2015
R - EUR LU1136399976	€ 995.26	0.44%	-3.66%	-0.47%	2 March 2015
R - USD LU1304491829	\$1,082.33	0.56%	-2.13%	8.23%	30 August 2016
R - GBP LU1304492041	£997.81	0.57%	-2.56%	-0.22%	9 May 2017
I - EUR LU1537768738	€ 1,006.01	0.51%	-3.03%	0.60%	30 March 2017
I - USD LU1537768811	\$1,103.90	0.63%	-1.42%	10.39%	1 June 2017
I - GBP LU1537768902	£1,018.96	0.57%	1.90%	1.90%	17 July 2017
P - EUR LU1755395578	€ 1,044.79	0.51%	-2.94%	0.91%	26 April 2018
P - USD LU1755395651	\$1,007.11	0.63%	-1.40%	0.71%	12 July 2022

Asset Under Management		
Boussard & Gavaudan Absolute Return		€ 80.66M

Risk warning: investors should be aware that past performance does not predict future returns. Where the currency in which the past performance displayed differs from the currency of the country in which you reside, due to exchange rate fluctuations the performance shown may differ if converted into your local currency. The Fund is actively managed (the management team has discretion over the composition of its portfolio) and is not managed in reference to any benchmark index.

SEPTEMBER 2023 HIGHLIGHTS

The impact of sustained interest rate hikes weighed on equities markets in September. Markets in Europe and the US saw a steady downward trend with the EuroStoxx 50® Total Return and the S&P500® Total Return down -2.79% and -4.77% respectively over the month.

The sell off was orderly however and the market implied volatility measure VStoxx® increased marginally from 16.1% to 17.5% while credit spreads were slightly wider with the iTraxx Crossover® (S39) increasing across the month from 396bps to an implied 405bps (taking into the account the cash settlement on Casino on top of the index closing level of 369bps).

Against this market backdrop, BG Absolute Return was up +52bps (Z EUR share) during the month with positive returns coming from equity strategies, credit strategies, trading and held back by volatility strategies.

SEPTEMBER COMMENTARY

Volatility strategies

Mandatory convertible bond arbitrage

Mandatory convertible bonds contributed -5bps this month.

Convertible bond arbitrage

Convertible bond strategies contributed -10bps to the fund performance in September with the majority of the weakness coming from Europe.

European CBs continued to suffer in a soft market context where both hedge and long-only funds were operating in wait-and-see mode due to general uncertainty over how long central banks will sustain the new higher interest rate environment.

September is historically the busiest month in Europe for new issuance however the primary markets have so far disappointed in terms of volume and pricing. New CB issuance has lagged so far in 2023 (€10bn YTD vs 3-year average of €13.5bn) and surprisingly the pricing for September's deals was also unattractive. We declined to participate and secondary trading saw these new issues fall by 2 to 4 implied volatility points. We remain convinced that a delayed backlog of new issuance must start to hit the street soon, as companies look to get ahead of the coming refinancing wall and cheapen their debt burden through selling vol.

US convertible arbitrage managed to tread water this month, delivering quite decent outperformance in a month where the 5-year yield rose from 4.25% to 4.60% and HY CDX spreads widened from 425bps to 480bps. There was also a fair amount of new issues coming to the market, although none of the new issues were particularly interesting and almost all traded flat in delta-neutral terms on day one.

Volatility Trading

Volatility trading was slightly negative in September (-4bps).

Realised volatility vs implied forwards at the end of August:

	30d Implied vol level on 31/08/23	Realised vol over the month	Difference
US (VIX®)	13.57	11.33	-2.24
EUROPE (Vstoxx®)	16.06	11.38	-4.68

Variation of implied volatilities during September:

	Sep. Vol Index Fut as of 31/08/23	Sep. Vol Index Fut as of 29/09/23	Vol move
US (VIX®)	16.37	17.77	1.40
EUROPE (Vstoxx®)	17.10	17.70	0.60

The month proved to be quite uneventful, continuing the summer trend of a low regime volatility punctuated by a few minor blips.

Managing the negative carry of our long gamma positions remained a challenge however, there was a glimmer of activity towards the end of the month, as volatility picked up slightly following the Federal Reserve meeting.

While the overall tone remained subdued, we continue to monitor the markets closely for potential shifts and opportunities.

Warrant arbitrage

Warrant arbitrage was almost flat (+1bp) in September.

Equity strategies

In September equity strategies returned +50bps, primarily driven by risk arbitrage.

There were a welcome series of positive news on several risk arbitrage situations, which led to spread tightening:

- Amgen finally reached an agreement with the US FTC on the Horizon Therapeutics takeover which will now close on 6th October.
- The UK CMA said they are minded to approve the Activision takeover by Microsoft after the new concessions that were proposed.
- The takeover of VM Ware by Broadcom is progressing and, although it is still awaiting Chinese regulatory approval, we and the market are not expecting this to be a major roadblock.

Overall we have seen numerous green shoots of corporate activity coming back and notably the return of private equity bidders in competitive situations. Several notable new deals have emerged: an announced merger of Westrock and Smurfit Kappa, an approach by Blackstone and Permira for Adevinta, and discussions between ADNOC and Covestro for a potential takeover.

As well as a reappearance of M&A activity we are also seeing the emergence of new primary and secondary trading opportunities as corporates are starting to raise capital following the sustained tightening of financing conditions.

Credit strategies

Credit long / short

Credit long short contributed (+10bps) in September. Despite drifting wider credit markets overall exhibited general resilience this month. There was even a significant improvement in the last week of trading, primarily attributed to the index roll. Cash markets followed a similar pattern, although there were a few exceptions on specific companies. ATOS for example raised concerns about potential roadblocks in the restructuring process during their shareholder meeting and consequently saw a sharp sell off in their bonds.

Conversely CGG was a good illustration of idiosyncratic credit resilience and it contributed a nice positive performance in September.

Credit special situations

Credit special situations was down slightly (-1bp) in September. We see idiosyncratic upside to come from our existing book and it is a precursor to further special situations we are confident will start to arrive.

Trading

Trading contributed +11bps in September. Systematic Trend Following was down marginally: a sell off in treasuries was again a positive contributor however, this gain was offset by a higher US dollar and weakening equity indices due to rising risk-off sentiment. Macro trading was slightly up in September. We benefitted from our positioning around the fact that policy makers were starting to become constrained, the Bank of England would not be able to raise rates any further and the ECB would also end its hiking cycle. We continue to monitor liquidity and fiscal conditions very closely to assess the extent of the current business cycle.

Sincerely,

E. Boussard and E. Gavaudan

Specifications		Investment Manager
Inception date:	17 November 2014	Boussard & Gavaudan Gestion SAS 69, boulevard Haussmann – 75008 Paris
Fund	UCITS	Emmanuel Gavaudan ☎ +44 20 3751 5389 ✉ eg@bgam-uk.com
Domicile:	Luxembourg	François-Xavier Baud ☎ +33 1 4490 3947 ✉ fx.baud@bgam-fr.com
Liquidity:	Daily	Benjamin Sturges ☎ +44 20 3751 5417 ✉ benjamin.sturges@bgam-uk.com
Currency:	Euro (€) US Dollar (US\$) Pound (GBP) Swiss Franc (CHF)	Vanessa Levi ☎ +44 20 3751 5422 ✉ vanessa.levi@bgam-uk.com

Annex 1: Greeks

Delta	4.8% 4.8% bps P&L variation for market +1%
Gamma	1.2% delta variation for market +1%
Vega Mat Weighted	25.64 bps by vol point
CBs contribution to Vega Mat Weighted	9.81 bps by vol point
Optional theta	-26.12 bps by 30 days
Rho	0.92 bps for 1% of interest rates increasing
Credit sensitivity	-3.90 bps for 1% of credit spreads widening (in relative)

Annex 2: Performance Attribution

Volatility Strategies	-18 bps
Mandatory convertible bond arbitrage	-5 bps
Convertible bond arbitrage (incl. credit convertible bonds)	-10 bps
Volatility trading	-4 bps
Warrant arbitrage	1 bps
Equity Strategies	50 bps
Risk arbitrage / Special situations	32 bps
Long / short trading with short-term catalyst & Value	18 bps
Credit Strategies	9 bps
Credit long / short	10 bps
Credit Special Situations	-1 bps
Trading	11 bps
Total	52 bps

Annex 3: Gross Exposure (in % of AUM)

Volatility Strategies		
	Long	21.1%
Mandatory convertible bond arbitrage	Short equity	16.9%
	Short credit	0.0%
	Long	61.9%
Convertible bond arbitrage (incl. credit convertible bonds)	Short equity	55.1%
	Short credit	0.0%
	Long	17.1%
Volatility trading	Short	19.4%
	Long	0.0%
Warrant arbitrage	Short	0.0%
Equity Strategies		
Risk arbitrage / Special situations	Long	44.4%
	Short	19.4%
Long / short trading with short-term catalyst & Value	Long	16.3%
	Short	16.5%
Credit Strategies		
Credit long / short	Long	5.5%
	Short	3.1%
Credit Special Situations	Long	13.9%
	Short	0.3%
Trading		
	Long	57.5%
	Short	72.7%
Gross Exposure		
		441.2%

	Long	Short
Mandatory convertible bond arbitrage and Convertible bond arbitrage	\sum market value long	\sum 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 4: Gearing (in % of AUM)

Gearing % AUM	1636.1%
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Annex 5: Track Record – Historical Returns Summary (Net of Fees)

Z- Euro Share Class ⁽¹⁾

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2014	-	-	-	-	-	-	-	-	-	-	0.57%	-0.47%	0.10%	0.10%
2015	2.20%	0.93%	-0.57%	0.90%	2.03%	-1.89%	2.35%	-0.16%	-1.66%	-0.22%	-1.39%	1.00%	3.45%	3.55%
2016	-0.88%	2.01%	1.43%	0.46%	1.84%	-0.72%	1.47%	0.14%	0.29%	-1.10%	-1.01%	0.83%	4.78%	8.50%
2017	0.03%	1.47%	0.05%	2.02%	0.85%	0.19%	-0.01%	-0.19%	-0.71%	-1.08%	-0.49%	0.50%	2.62%	11.34%
2018	0.53%	0.94%	-1.26%	-0.78%	0.00%	-0.41%	-2.42%	0.34%	0.78%	-2.03%	-1.13%	-0.44%	-5.79%	4.89%
2019	-0.65%	-0.57%	0.62%	-0.75%	1.22%	0.31%	1.71%	1.93%	-1.23%	-0.82%	1.54%	0.35%	3.64%	8.71%
2020	1.08%	2.14%	-10.61%	3.81%	1.88%	1.49%	0.62%	-0.88%	0.75%	1.17%	3.75%	1.61%	6.17%	15.41%
2021	-0.89%	-0.46%	-0.76%	2.92%	-1.76%	0.55%	-0.07%	1.18%	0.85%	2.66%	1.23%	-0.16%	5.32%	21.55%
2022	-2.78%	0.04%	-1.04%	1.93%	-1.60%	-0.48%	-3.89%	4.89%	-1.39%	-0.44%	-1.78%	1.95%	-4.79%	15.73%
2023	-2.06%	-0.23%	-2.51%	1.29%	-1.33%	1.22%	-1.28%	1.49%	0.52%				-2.94%	12.32%

Z- USD Share Class ⁽²⁾

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2015	-	0.84%	-0.58%	0.96%	2.12%	-1.76%	2.41%	-0.15%	-1.60%	-0.18%	-1.51%	1.15%	1.60%	1.60%
2016	-0.80%	1.98%	1.59%	0.52%	1.89%	-0.61%	1.57%	0.26%	0.39%	-0.98%	-0.83%	1.01%	6.08%	7.78%
2017	0.19%	1.56%	0.18%	2.14%	0.99%	0.31%	0.10%	-0.03%	-0.55%	-0.95%	-0.38%	0.87%	4.47%	12.60%
2018	0.70%	1.08%	-1.02%	-0.55%	0.23%	-0.16%	-2.17%	0.58%	0.99%	-1.84%	-0.85%	-0.14%	-3.15%	9.05%
2019	-0.39%	-0.31%	0.85%	-0.50%	1.50%	0.56%	1.91%	1.93%	-0.89%	-0.54%	1.57%	0.60%	6.39%	16.02%
2020	1.12%	2.17%	-9.95%	4.00%	2.03%	1.54%	0.55%	-0.78%	0.73%	1.12%	3.67%	1.75%	7.46%	24.67%
2021	-0.84%	-0.40%	-0.59%	2.93%	-1.69%	0.65%	0.00%	1.22%	0.92%	2.71%	1.25%	-0.02%	6.20%	32.40%
2022	-2.69%	0.09%	-0.87%	1.96%	-1.47%	-0.32%	-3.61%	5.13%	-1.19%	-0.26%	-1.68%	2.25%	-2.93%	28.52%
2023	-1.87%	-0.01%	-2.31%	1.45%	-1.17%	1.37%	-1.12%	1.68%	0.65%				-1.40%	26.72%

Z- GBP Share Class ⁽³⁾

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2015	-	-	-0.56%	0.95%	2.09%	-1.83%	2.40%	-0.12%	-1.61%	-0.12%	-1.40%	1.09%	0.81%	0.81%
2016	-0.80%	1.98%	1.55%	0.54%	1.89%	-0.53%	1.54%	0.21%	0.34%	-1.04%	-0.89%	0.92%	5.78%	6.64%
2017	0.13%	1.51%	0.11%	2.08%	0.92%	0.24%	0.02%	-0.15%	-0.61%	-1.04%	-0.43%	0.55%	3.35%	10.21%
2018	0.60%	0.99%	-1.17%	-0.65%	0.10%	-0.33%	-2.37%	0.41%	0.86%	-1.96%	-1.01%	-0.32%	-4.80%	4.92%
2019	-0.52%	-0.45%	0.70%	-0.64%	1.32%	0.41%	1.82%	2.01%	-1.10%	-0.66%	1.66%	0.49%	5.08%	10.25%
2020	1.06%	2.13%	-10.85%	3.88%	2.00%	1.57%	0.65%	-0.81%	0.73%	1.13%	3.60%	1.68%	6.10%	16.97%
2021	-0.85%	-0.37%	-0.62%	2.92%	-1.68%	0.60%	-0.01%	1.20%	0.89%	2.74%	1.27%	-0.10%	6.05%	24.05%
2022	-2.72%	0.12%	-1.01%	2.04%	-1.45%	-0.32%	-3.66%	5.07%	-1.28%	-0.22%	-1.63%	2.13%	-3.19%	20.09%
2023	-1.94%	-0.08%	-2.35%	1.42%	-1.24%	1.32%	-1.15%	1.65%	0.64%				-1.80%	17.92%

(1) Launch date: 17 November 2014

(2) Launch date: 6 February 2015

(3) Launch date: 5 March 2015

R- EUR Share Class ⁽⁴⁾

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2015	-	-	-0.83%	0.81%	1.84%	-2.01%	2.30%	-0.21%	-1.77%	-0.33%	-1.63%	1.04%	-0.90%	-0.90%
2016	-0.96%	2.02%	1.28%	0.30%	1.65%	-0.79%	1.32%	0.06%	0.20%	-1.11%	-1.02%	0.70%	3.66%	2.72%
2017	-0.05%	1.34%	-0.02%	1.84%	0.72%	0.11%	-0.08%	-0.25%	-0.74%	-1.09%	-0.56%	0.43%	1.62%	4.38%
2018	0.43%	0.82%	-1.26%	-0.89%	-0.08%	-0.49%	-2.51%	0.25%	0.70%	-2.12%	-1.21%	-0.52%	-6.73%	-2.64%
2019	-0.74%	-0.65%	0.54%	-0.83%	1.13%	0.23%	1.61%	1.84%	-1.31%	-0.91%	1.47%	0.26%	2.61%	-0.10%
2020	0.99%	2.16%	-10.77%	3.73%	1.80%	1.41%	0.53%	-0.96%	0.66%	1.09%	3.90%	1.55%	5.39%	5.28%
2021	-0.97%	-0.53%	-0.85%	2.84%	-1.84%	0.46%	-0.16%	1.16%	0.73%	2.44%	1.09%	-0.24%	4.10%	9.60%
2022	-2.86%	-0.04%	-1.12%	1.85%	-1.69%	-0.56%	-3.97%	4.80%	-1.48%	-0.52%	-1.86%	1.86%	-5.73%	3.31%
2023	-2.14%	-0.31%	-2.59%	1.22%	-1.42%	1.13%	-1.36%	1.41%	0.44%				-3.66%	-0.47%

R- USD Share Class ⁽⁵⁾

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2016	-	-	-	-	-	-	-	-0.24%	0.30%	-1.19%	-1.00%	1.28%	-0.87%	-0.87%
2017	0.17%	1.39%	0.09%	1.95%	0.81%	0.23%	0.05%	-0.10%	-0.59%	-0.98%	-0.40%	0.73%	3.35%	2.45%
2018	0.58%	0.95%	-1.03%	-0.60%	0.17%	-0.24%	-2.29%	0.51%	0.91%	-1.91%	-0.93%	-0.20%	-4.06%	-1.71%
2019	-0.47%	-0.39%	0.77%	-0.83%	1.42%	0.46%	1.87%	1.94%	-0.96%	-0.72%	1.57%	0.51%	5.23%	3.43%
2020	0.97%	1.98%	-9.87%	3.90%	1.94%	1.51%	0.45%	-0.81%	0.66%	0.98%	3.39%	1.56%	6.12%	9.76%
2021	-0.92%	-0.47%	-0.69%	2.84%	-1.73%	0.55%	-0.09%	1.13%	0.79%	2.49%	1.10%	-0.11%	4.89%	15.13%
2022	-2.78%	-0.01%	-0.96%	1.88%	-1.56%	-0.40%	-3.72%	5.04%	-1.27%	-0.34%	-1.75%	2.16%	-3.94%	10.59%
2023	-1.95%	-0.09%	-2.39%	1.38%	-1.26%	1.31%	-1.20%	1.59%	0.56%				-2.13%	8.23%

R- GBP Share Class ⁽⁶⁾

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2017	-	-	-	-	0.81%	0.18%	-0.03%	-0.22%	-0.70%	-1.24%	-0.53%	0.52%	-1.23%	-1.23%
2018	0.60%	0.96%	-1.33%	-0.80%	0.02%	-0.42%	-2.45%	0.34%	0.79%	-2.04%	-1.12%	-0.42%	-5.78%	-6.94%
2019	-0.56%	-0.54%	0.61%	-0.73%	1.24%	0.34%	1.75%	1.95%	-1.20%	-0.79%	1.56%	0.38%	4.02%	-3.20%
2020	1.10%	2.26%	-11.26%	3.78%	1.92%	1.49%	0.58%	-0.90%	0.64%	1.14%	3.85%	1.49%	5.30%	1.93%
2021	-0.93%	-0.47%	-0.75%	2.84%	-1.75%	0.52%	-0.10%	1.14%	0.77%	2.50%	1.13%	-0.18%	4.73%	6.75%
2022	-2.82%	0.03%	-1.04%	1.97%	-1.53%	-0.42%	-3.75%	4.99%	-1.33%	-0.31%	-1.71%	2.07%	-4.07%	2.41%
2023	-2.01%	-0.20%	-2.43%	1.31%	-1.30%	1.24%	-1.23%	1.56%	0.57%				-2.56%	-0.22%

(4) Launch date: 2 March 2015

(5) Launch date: 30 August 2016

(6) Launch date: 9 May 2017

I- EUR Share Class ⁽⁷⁾

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2017	-	-	0.00%	1.87%	0.76%	0.14%	-0.04%	-0.22%	-0.71%	-1.23%	-0.57%	0.49%	0.46%	0.46%
2018	0.46%	0.96%	-1.27%	-0.82%	-0.01%	-0.42%	-2.43%	0.33%	0.77%	-2.04%	-1.14%	-0.45%	-5.96%	-5.53%
2019	-0.66%	-0.58%	0.61%	-0.76%	1.21%	0.30%	1.70%	1.92%	-1.24%	-0.83%	1.54%	0.34%	3.53%	-2.19%
2020	1.07%	2.13%	-10.61%	3.81%	1.88%	1.48%	0.61%	-0.89%	0.74%	1.16%	3.74%	1.57%	6.01%	3.69%
2021	-0.90%	-0.46%	-0.77%	2.92%	-1.77%	0.54%	-0.08%	1.18%	0.84%	2.65%	1.22%	-0.17%	5.20%	9.08%
2022	-2.79%	0.03%	-1.05%	1.92%	-1.61%	-0.49%	-3.90%	4.88%	-1.40%	-0.45%	-1.79%	1.94%	-4.89%	3.75%
2023	-2.07%	-0.24%	-2.52%	1.29%	-1.34%	1.20%	-1.29%	1.48%	0.51%				-3.03%	0.60%

I- USD Share Class ⁽⁸⁾

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2017	-	-	-	-	-	0.01%	0.07%	-0.07%	-0.66%	-1.10%	-0.44%	0.90%	-1.28%	-1.28%
2018	0.74%	1.13%	-1.09%	-0.62%	0.25%	-0.19%	-2.22%	0.58%	0.98%	-1.84%	-0.86%	-0.15%	-3.30%	-4.54%
2019	-0.40%	-0.32%	0.84%	-0.51%	1.49%	0.55%	1.95%	2.03%	-0.90%	-0.61%	1.61%	0.51%	6.35%	1.53%
2020	1.10%	2.16%	-9.97%	3.97%	2.01%	1.55%	0.54%	-0.76%	0.74%	1.06%	3.73%	1.71%	7.33%	8.97%
2021	-0.85%	-0.41%	-0.61%	2.94%	-1.68%	0.62%	-0.02%	1.20%	0.90%	2.70%	1.23%	-0.03%	6.04%	15.56%
2022	-2.71%	0.06%	-0.89%	1.95%	-1.48%	-0.33%	-3.65%	5.13%	-1.20%	-0.27%	-1.68%	2.24%	-3.10%	11.98%
2023	-1.82%	-0.02%	-2.31%	1.44%	-1.18%	1.38%	-1.13%	1.67%	0.63%				-1.42%	10.39%

I- GBP Share Class ⁽⁹⁾

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2023	-	-	-	-	-	0.91%	-1.10%	1.52%	0.57%				1.90%	1.90%

P- EUR Share Class ⁽¹⁰⁾

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2018	-	-	-	-0.09%	-0.01%	-0.41%	-2.42%	0.34%	0.78%	-2.03%	-1.13%	-0.44%	-5.34%	-5.34%
2019	-0.65%	-0.57%	0.62%	-0.75%	1.22%	0.31%	1.71%	1.93%	-1.23%	-0.82%	1.54%	0.35%	3.64%	-1.89%
2020	1.07%	2.15%	-10.60%	3.82%	1.88%	1.49%	0.62%	-0.88%	0.75%	1.17%	3.66%	1.53%	6.00%	4.00%
2021	-0.89%	-0.46%	-0.76%	2.87%	-1.71%	0.55%	-0.07%	1.14%	0.80%	2.52%	1.16%	-0.17%	4.99%	9.19%
2022	-2.78%	0.05%	-1.04%	1.93%	-1.61%	-0.48%	-3.89%	4.89%	-1.39%	-0.44%	-1.78%	1.95%	-4.79%	3.97%
2023	-2.06%	-0.23%	-2.51%	1.29%	-1.33%	1.23%	-1.28%	1.49%	0.51%				-2.94%	0.91%

P- USD Share Class ⁽¹¹⁾

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2022	-	-	-	-	-	-	-1.60%	4.59%	-1.01%	-0.22%	-1.40%	1.90%	2.14%	2.14%
2023	-1.87%	-0.01%	-2.30%	1.46%	-1.17%	1.39%	-1.12%	1.68%	0.63%				-1.40%	0.71%

(7) Launch date: 30 March 2017

(8) Launch date: 1 June 2017

(9) Launch date: 8 June 2023

(10) Launch date: 26 April 2018

(11) Launch date: 12 July 2022

General Stress Tests

Scenario	Description	Impact
Delta - spot up	Spot : 10% ; Credit : 0% ; Vol : 0% ; Rates : 0	0.90%
Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0	-0.02%
Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0	0.90%
Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0	-0.87%
Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.94%
Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.01%
Rates Up	Spot : 0% ; Credit : 0% ; Vol : 0% ; Rates : -0.5	-0.40%
Rates Down	Spot : 0% ; Credit : 0% ; Vol : 0% ; Rates : 0.5	0.43%
Rates Up (<2y => +0.5 & >2y => +1)	Spot : 0% ; Credit : 0% ; Vol : 0% ; Rates : <2y 0.5 >2y 1	0.22%
Market crash 0.5	Spot : -5% ; Credit : 25% ; Vol : 15% ; Rates : 0	0.25%
Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0	0.70%
Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0	1.92%
Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0	3.22%
Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -0.5	0.30%
Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -0.5	1.53%
Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -1	2.52%
Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0.5	1.12%
Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0.5	2.33%
Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : <2y 0.5,>2y 1	3.40%
Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.55%
Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0	0.32%
Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0	-1.38%
Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 0% ; Rates : 0	0.90%
Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.02%
Equity Credit decorrelation 6	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0	1.81%
Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.51%
Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.38%
Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0	2.28%
Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0	1.02%
Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.88%
Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0	2.77%
Market rally, inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0.5	0.94%
Market rally, inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0.5	1.80%
Market rally, inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0.5	2.69%
Market rally, inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : <2y 0.5,>2y 1	1.27%
Market rally, inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : <2y 0.5,>2y 1	2.12%
Market rally, inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : <2y 0.5,>2y 1	2.98%
Worst		-1.38%

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 (realised 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	1.24%
2	Delta - spot down	-0.74%
3	Vega - vol up	0.90%
4	Vega - vol down	-0.87%
5	Credit spread widen	-0.94%
6	Credit spread tighten	1.01%
7	Rates Up	-0.40%
8	Rates Down	0.43%
9	Rates Up (<2y => +0.5 & >2y => +1)	0.22%
10	Market crash 0.5	-0.20%
11	Market crash 1	-2.15%
12	Market crash 2	-3.56%
13	Market crash 3	-3.55%
14	Market crash, rates down 1	-2.54%
15	Market crash, rates down 2	-3.94%
16	Market crash, rates down 3	-4.29%
17	Market crash, rates up 1	-1.74%
18	Market crash, rates up 2	-3.16%
19	Market crash, rates up 3	-3.36%
20	Equity Credit decorrelation 1	-0.38%
21	Equity Credit decorrelation 2	0.49%
22	Equity Credit decorrelation 3	-1.21%
23	Equity Credit decorrelation 4	0.49%
24	Equity Credit decorrelation 5	1.38%
25	Equity Credit decorrelation 6	-0.38%
26	Market rally 1	0.68%
27	Market rally 2	1.55%
28	Market rally 3	2.45%
29	Market rally 4	1.36%
30	Market rally 5	2.22%
31	Market rally 6	3.09%
32	Market rally, inflation 1	1.11%
33	Market rally, inflation 2	1.97%
34	Market rally, inflation 3	2.86%
35	Market rally, inflation 4	1.61%
36	Market rally, inflation 5	2.46%
37	Market rally, inflation 6	3.27%
Worst		-4.29%

IMPORTANT INFORMATION

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