HALF YEARLY REPORT AND UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Boussard & Gavaudan Holding Limited

For the six months ended 30 June 2020

Boussard & Gavaudan Holding Limited
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Boussard & Gavaudan Holding Limited
Glossary of Terms
For the six months ended 30 June 2020

Described below are the legal entities underlying funds, management companies, as well as some other commonly used terms and their acronyms or defined terms used within this report.

Management companies

BGIM / Investment Manager	Boussard & Gavaudan Investment Management LLP

Funds

BGHL / the Company	Boussard & Gavaudan Holding Limited
Umbrella Fund	BG Umbrella Fund PLC
BGF	BG Fund (a sub-fund of the Umbrella Fund)
Master Fund	BG Master Fund ICAV
The Dublin Fund	BG Eire Fund ICAV

Commonly used terms

AIFMD	The Alternative Investment Fund Managers Directive, Directive 2011/61/EU
AIFM	Alternative Investment Fund Manager for the purposes of the AIFMD
AIF	Alternative Investment Fund for the purposes of the AIFMD
AIFMD Regulations	The Alternative Investment Fund Managers Regulations 2013 made by H.M. Treasury in the United Kingdom
Board	The Board of Directors
Code	The UK Corporate Governance Code,2018 published by the UK's Financial Reporting Council
Companies Law	The Companies (Guernsey) Law, 2008, as amended
EONIA	Euro Overnight Index Average (Euro benchmark based on interbank lending)
€STR	The Euro Short Term Rate which is the risk-free rate of the Euro area
Exane	Exane BNP Paribas
NAV	Net asset value
Period	The six months ended 30 June 2020
IFRS	International Financial Reporting Standards (as adopted by the European Union)
AFM	Authority for the Financial Markets
AUM	Assets Under Management
Financial Statements	Unaudited Interim Condensed Financial Statements

Dear Shareholders,

I am pleased to present the half-yearly report and unaudited interim condensed financial statements of BGHL for the six months ended 30 June 2020.

From 1 January to 30 June 2020, BGHL's NAV for the Euro shares increased by 0.92% and for the Sterling Shares decreased by (0.63)%, whilst the associated market prices decreased by 1.94% and 3.85% for each respective currency class. As at 21 August 2020 (the last practicable date prior to publication of this report) the share price discount to NAV for the Euro shares stood at circa 29%.

The Board is broadly satisfied with the relative performance of the Investment Manager as measured by NAV total return. With its investment strategy focussed predominantly on Euro opportunities, a positive return of 0.92% compares to the "STOXX Europe 600" index falling by 13.2% over the same period. This relative performance evidences the low level of beta correlation that has been a long-term feature of the Company's NAV performance, one of its enduring defensive features. However, in absolute terms performance during the first half of the year was below the target of EONIA+500bps. This is a target which the Board measures over the duration of an economic cycle, and the absolute return over the past five years for the Euro shares is 4.25%. The COVID pandemic and associated market volatility in March were unprecedented, and it is in that context that the Board is sanguine about short term performance. The Investment Manager is positive about the range of new opportunities now presenting themselves, not least those associated with an increase in volatility measures. BGHL, which was conservatively positioned going into the COVID pandemic, is well placed to allocate capital into new positions that are expected to generate attractive returns.

As at 21 August 2020, the fact that the level of the discount has returned to 29% is a source of both disappointment and frustration to the Board. Since the restructuring in 2019, the Company recommenced a share buyback programme and a total of 1,091,243 shares have been repurchased by the Company at an average discount of approximately 25%. This total represents 7.04% of the Company's issued share capital, and is in line with the commitment given by the Board to exercise in full its authority to buy back 14.99% of the Company annually. At current levels of discount, this activity is highly accretive to Shareholders. It is nonetheless evident that the share buyback programme, and the relaunched website and newsletters, have not yet had the desired impact on the level of share price discount. The Board has been deliberate in wanting to allow a period of time to measure the effect of its actions to date on the share price. We will be debating the relative merits of alternative interventions to address the level of the discount during the second half of 2020. We remain committed to the goal of giving Shareholders the opportunity to participate more fully in the value that the Company generates, as measured by its NAV per share.

As part of its continuous review of Board effectiveness to ensure adherence with best practise, we have considered the size of the Board relative to peer group companies and it is our intention to appoint an additional independent director during the second half of 2020. This will increase the number of directors to four. Consultants will be engaged to support the Board in managing this process. Shareholders will be updated about this appointment in due course, and will have the opportunity formally to ratify the appointment at the next Annual General Meeting in 2021.

As we move into the second half of 2020 it is far from clear that the disruptive impact of COVID-19 on global trade, markets and society more generally will diminish in the short term. We remain confident that the Investment Manager's Business Continuity Plan is sufficiently resilient to remain effective into the medium and longer term however. We continue also to liaise closely with our key service providers and to obtain ongoing assurance about their ability to maintain "business as usual" notwithstanding the strictures of social distancing.

With regard to the review of the business, performance, allocation and risk analysis, I refer you to the Investment Manager's Report and Financial Highlights. In addition, I refer you to the Directors' Report, which describes BGHL's corporate governance systems.

For your continuing information, BGHL publishes on its website (www.bgholdingltd.com) daily and monthly NAVs and monthly newsletters based on data provided to it by the Sub-Administrator and the Investment Manager.

On behalf of the Board, I would like to thank you once again for your continued support. The Board will liaise further with Shareholders over the course of the next six months as part of the ongoing discount management programme.



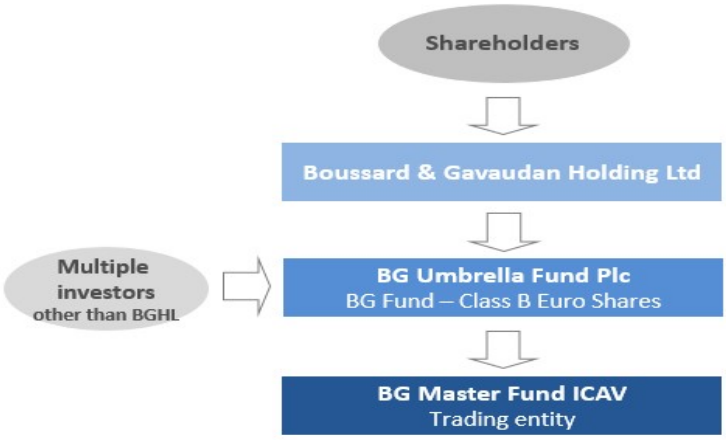
Andrew Henton
Chairman

27 August 2020

1. Background and Structure

Boussard & Gavaudan Investment Management LLP is the Investment Manager of BGHL, the Umbrella Fund and of the Master Fund.

The Umbrella Fund, BGF and the Master Fund structure.



BGHL invests in Class B Euro shares which are a separate Euro-denominated share class of BGF. BGF is a sub fund of the Umbrella Fund, predominantly owned by investors other than BGHL. BGHL is not subject to management fees and performance fees at BGF level in order to avoid multiple layering of fees. The Investment Manager receives management fees and performance fees in respect of its role as Investment Manager of BGHL.

The Umbrella Fund was incorporated under the laws of Ireland as a public company with limited liability on 16 November 2011 under the Companies Act 1990 with registration number 506116. The Umbrella Fund is authorised by the Central Bank of Ireland (the "Central Bank") as a designated investment company pursuant to Part XIII of the Companies Act, 1990 and also as a qualifying investor alternative investment fund (QIAIF). The Umbrella Fund is structured as an umbrella fund with segregated liability between sub-funds. Each sub-fund of the Umbrella Fund maintains a single pool of assets subject to any allocations made to a class in accordance with the requirements of the Central Bank. The assets of each sub-fund are segregated from one another and are invested in accordance with the investment objectives and investment policies applicable to each such sub-fund and as set out in the relevant supplement to the Umbrella Fund's prospectus.

BGF is a sub-fund of the Umbrella Fund, launched on 3 January 2012, which invests substantially all of its assets into the Master Fund. BGHL is therefore exposed to the strategies offered by the Master Fund.

The Master Fund is an open-ended Irish collective asset-management vehicle (ICAV) with variable capital incorporated under the laws of Ireland under the Irish Collective Asset-management Vehicles Act 2015 with registration number C154515. The Master Fund is also authorised by the Central Bank of Ireland as a QIAIF. The Master Fund, which is the trading entity, maintains a single pool of assets subject to any allocations made to a share class in accordance with the requirements of the Central Bank.

2 Investment policies

2.1 BGHL's investment policy

BGHL invests its assets in order to deliver an exposure to multiple alternative investment strategies. The Investment Manager is responsible for the day-to-day management of BGHL's investments. BGHL seeks to achieve its investment objective by investing the proceeds of fund raising, net of any amounts retained to be used for working capital requirements, into BGF. BGF in turn invests in the Master Fund and, by utilising its borrowing powers, makes leveraged investments. BGHL invests through a share class which will not be subject to management or performance fees at the level of the underlying hedge fund.

BGHL investments may include the acquisition of minority or majority interests in unlisted companies or listed companies. The Investment Manager may also make private equity investments through investing in funds that have a private equity investment focus.

When taken with the returns achieved from BGF, investments other than the investment in BGF as described above are intended to allow BGHL to achieve an attractive return. BGHL's investments in assets other than BGF are expected to consist of investment opportunities that are identified by the Investment Manager but which are not pursued by BGF due to risk profiles or liquidity profiles inconsistent with those of BGF.

The exhaustive investment policy, which includes gearing and allocation is available on BGHL's website.

2.2 The Master Fund's investment policy

The investment objective of the Master Fund, in which BGF is mainly invested, is to seek to achieve an attractive return on capital consistent with principles designed to manage risk of capital loss. The Master Fund arbitrages linear and non-linear instruments that can be exchange traded or traded over the counter. The Investment Manager may use derivative financial instruments for investment purposes or to hedge against fluctuations in the relative values of the Master Fund's portfolio positions. The investments are subject to normal market fluctuations and to the risks inherent to investment in securities. There can be no assurances that appreciation will occur. The value of financial instruments can increase as well as decrease and the Master Fund may not realise its initial investment on the disposal of its investments.

The Master Fund carries the following strategies and sub-strategies:

Volatility strategies:

- mandatory convertible bond arbitrage
- convertible bond arbitrage
- volatility trading

Equity strategies:

- merger arbitrage & special situations
- long / short trading with short-term catalyst & value

Credit strategies:

- credit long / short
- capital structure arbitrage
- restructuring / distressed securities strategies

Trading strategies:

- These are quantitative strategies involving the use of models and data analysis based on factors. Factors may include economic indicators, market data, fundamental, and valuation factors. The strategies may involve the systematic use of trading rules or machine learning techniques.

3. Highlights and review of the development of the business

The Investment Manager's role is to allocate BGHL's capital in accordance with its investment objective which is to produce long term appreciation of BGHL's assets. Except for its working capital, BGHL has fully invested its net assets.

The decrease in BGHL's net assets was driven by the share buy back activity and by performance.

BGHL (in Euro)	30 June 2020	31 Dec 2019	Variation %
Net assets	336,234,809	348,724,824	(3.58)%

The ongoing COVID-19 pandemic remains the most significant event affecting the Period. The business continuity plan remains enacted within the Investment Manager's London and Paris offices and substantially all staff have continued to work from home. The dual location of systems and teams in Paris and London means that there is an embedded level of resilience and IT redundancy that provides a degree of additional risk mitigation. Systems are such that trade execution and position management has continued with no substantive procedural changes. Measures remain in place by which to monitor and oversee performance delivered by service providers notwithstanding requirements for remote working and social distancing.

The impact of COVID-19 on global economies has impacted the financial markets in which the Investment Manager invests. The extensive range of stress tests performed at Master Fund level has proven effective in allowing the Investment Manager to model position taking and contain downside risk through effective hedging. Leverage is monitored prudently as described in section 6.2 below.

The Investment Manager is committed to maintaining an investment approach that incorporates environmental, social and governance ("ESG") as well as responsible investment considerations. The Investment Manager is a signatory to the United Nations' Principles for Responsible Investment ("UNPRI"). The Investment Manager has run exclusionary lists on controversial weapons for many years and has adopted a formal ESG policy which covers, inter alia: embedding ESG principles within the group; committing to the principles of the UNPRI; implementing ESG factors into investment analysis; operating restricted lists; having an active corporate engagement and voting policy; and ensuring transparency and clear reporting to investors. The Investment Manager expects its approach to ESG to evolve over time to reflect changes in the industry, regulation and best practice.

4. Performance

BGHL's Euro and Sterling Share prices and NAV per Share performed as follows:

		Price		Performance	
BGHL	**Ticker Bloomberg**	**30 June 2020**	**31 Dec 19**	**2020**	**5 years annualised**
Euro share – Price	BGHL NA Equity	€17.65	€18.00	(1.94)%	3.03%
Euro share – NAV	-	€23.11	€22.90	0.92%	4.25%
Sterling share – Price	BGHS LN Equity	£15.00	£15.60	(3.85)%	3.59%
Sterling share – NAV	-	£20.51	£20.64	(0.63)%	4.32%
EONIA Capitalized	EONCAPL7 Index	138.65	138.97	(0.23)%	(0.35)%
€STR Capitalized	ESTRON Index	(0.555)	(0.531)	(0.27)%	-%
Euro Index					
HFRX Equal Weighted Strategies Index	HFRXEWE Index	1,047.28	1,068.85	(2.02)%	(1.44)%
US Dollar Index					
HFRX Equal Weighted Strategies Index	HFRXEW Index	1,257.37	1,271.68	(1.13)%	0.78%

BGHL's NAV is calculated by BGHL's Sub-Administrator, SS&C Financial Services LLC. BGHL's Euro and Sterling Share prices are provided by Euronext Amsterdam and the London Stock Exchange, respectively. Past performances are not indicative of future results.

The NAV appreciation of the Euro Share was 0.92% over the Period and 4.25% annualised over the past five years. The capitalized Eonia returned (0.35)% over the past five years, leading to an outperformance by the fund of 4.60%, in line with its long term objective. 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 for these purposes is "capitalized EONIA". The €STR capitalized index, published since October 2019, will progressively replace the EONIA Index which is expected to cease being published on 3 January 2022.

BGHL has outperformed the Euro HFRX Equal Weighted Strategies Index over the past five years. As BGHL is invested in a Euro share class, the comparator disclosed above is a Euro based hedge fund index. The difference compared to its US Dollar based equivalent is due to hedging costs reflecting the interest rate differential between the two currencies.

The Investment Manager's actions affect BGHL's performance and NAV per Share. Although the NAV per Share influences BGHL's Share price on the Amsterdam and London stock exchanges, the Investment Manager has little direct influence on the Share price and on the discount between the Share price and the NAV per Share. The performance of BGHL's Sterling NAV per share tracks the performance of BGHL's Euro NAV per share, plus/minus the impact of the EUR/GBP hedge compared to a perfect hedge.

5. Risk Management

Through a rigorous investment process, the Investment Manager identifies and assesses risks before investing.

5.1 Risk Management Organisation and Policy

The Investment Manager has established a Risk Management unit, segregated from the Portfolio Management unit, which reports to its Chief Executive Officer. Risks and responsibilities are split between the Quantitative Risk Management team which is in charge of market risk and the Qualitative Risk Management team which is in charge of counterparty and operational risk. A Risk Management Committee oversees the Risk Management unit. Exposures are calculated using a risk management system which is a third-party proprietary software package provided by a leading risk and portfolio management solution provider. The system provides extensive real time information on the Master Fund's exposures and limits, generates sensitivity analyses and calculates stress-test scenarios. The open architecture of the system allows the Investment Manager to create specific in-house reports for risk management purposes.

5.2 Capital allocation process and Equity-at-Risk methodology.

The Investment Manager uses the "Equity-at-Risk" methodology as a key indicator to monitor the leverage and solvency of the Master Fund and to allocate capital across strategies. Within each strategy, the Equity-at-Risk allocated to each trade is used to calculate the return on equity which is the ratio used to assess the profitability of a trade. The Investment Manager secures the "Excess Margin" of the funds it manages by signing agreements which allow "Haircut" levels to be fixed over a pre-agreed period of time.

Equity-at-Risk and Excess Margin methodology

Prime brokers, when providing financing to hedge funds, take a risk that they assess using their own methodology. Even though each prime broker has its own methodology and risk measure, approaches tend to be similar. Risk measures are achieved by the use of "Haircuts". Haircuts reflect the level of risk attributed by a prime broker to a position. The higher the level of haircut, the higher the risk is. These methodologies take into account, to a large extent, the benefits of hedging by applying specific haircut and netting effects to hedged positions. Under these methodologies, an amount of equity, considered at risk, is allocated through the use of haircuts to each position. Each prime broker calculates its risk exposure to the sole portion of the fund's portfolio it holds. Given that prime brokers are the main financing and leverage providers, their view of the risk is central to the Investment Manager and so is the consequence of any restriction they may impose. Their measure constitutes an independent risk measurement.

The Investment Manager replicates the methodology applied by prime brokers through a model, named "Equity-at-Risk". The model, applied to the entire portfolio, is a proxy for the calculations of the prime brokers. The difference between the assets under management and the Equity-at-Risk is the "Excess-Margin". The level of Excess-Margin is the level of spare risk to increase positions or enter into additional ones without having to raise additional cash. An Excess-Margin of 25%, which corresponds to a 75% level of Equity-at-Risk, means that the Master Fund can theoretically increase all of the positions in its portfolio by approximately 33% without having to raise further cash. The model provides an estimation of the fund's potential for additional leverage across its prime brokers. Equity-at-Risk calculations are run every night and compared to the prime broker's calculations.

6. Capital allocation, risk and risk adjusted returns:

6.1 BGHL exposure

BGHL's investments are diversified thanks to its exposure, through BGF, to the investment strategies of the Master Fund which is its main investment.

BGHL's assets were allocated as shown in the tables below.

	Holding in % AUM		
	30-Jun-20 Exposure	**Minimum Period Exposure**	**Maximum Period Exposure**
BGHL	99.23%	98.71%	100.76%
BGF Euro B Class – NAV	100.00%	100.00%	100.00%
BGF Euro B Class – Under exposure	(2.14)%	(2.68)%	(0.53)%
Other Investments	1.37%	1.28%	1.43%

***Source**: Boussard & Gavaudan Investment Management LLP*
BGF Euro Class B's NAV is calculated by the Administrator, SS&C Financial Services LLC

BGHL's assets performed as shown in the table below.

	Performance 2020	
	Euro Share	**Sterling Share**
BGHL	**0.92%**	**(0.63)%**
BGF Euro B Class - NAV	0.79%	0.79%
BGF Euro B Class – Under exposure	(0.20)%	(0.23)%
Other Investments	(0.01)%	(0.01)%
Foreign Exchange	-	(0.29)%
Share buyback	1.18%	-
Fees, miscellaneous	(0.84)%	(0.89)%

During the reporting period, BGHL complied with its Investment Policy and has maintained its gross and commitment exposure, as required under AIFMD, within the limits established by the Investment Manager.

BGHL % AUM	**AIFMD Commitment method**		**AIFMD Gross method**	
	Exposure	**Limit**	**Exposure**	**Limit**
30 June 2020	97.4%	200.0%	98.8%	200.0%
31 December 2019	99.5%	200.0%	100.9%	200.0%

6.2 The Master Fund exposure

The Master Fund's investments are diversified thanks to its exposure to its multiple investment strategies. The Investment Manager allocates the capital of the Master Fund according to the Equity-at-Risk methodology.

The Master Fund's usage of Equity-at-Risk and performance by strategies were as follows:

Master Fund (% AUM)	Performance	Equity-at-Risk	
	30 June 2020	30 June 2020	31 December 2019
Volatility strategies	1.62%	11.10%	3.30%
Equity strategies	(2.91)%	36.10%	35.50%
Credit strategies	(1.45)%	12.30%	10.50%
Trading	3.53%	9.50%	10.60%
Others	0.00%	0.00%	1.60%
BGF Euro B Class – NAV	**0.79%**	**69.00%**	**61.50%**
	Excess Margin	**31.00%**	**38.50%**
	Total Risk	**100.00%**	**100.0%**

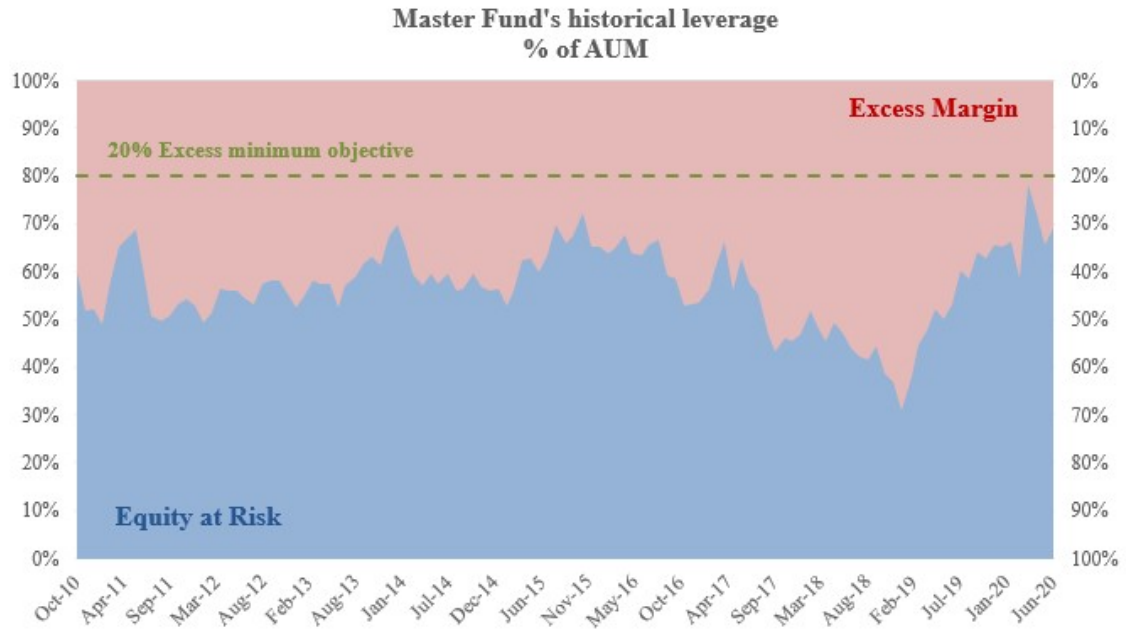
Source: Boussard & Gavaudan Investment Management LLP

The Investment Manager is very selective when deploying Equity-at-Risk and seeks to maintain, at the Master Fund level, a prudent Excess-Margin level at any time.

The Period was challenging. Global markets experienced an extreme bout of volatility on the back of the Coronavirus outbreak. The Eurostoxx 50 TR dropped dramatically and was down as much as (36)% by mid-March before gradually rallying back to finish down (12)% at the end of Period. The VStoxx (a benchmark index of share price volatility) started the Period at 14%, peaked at 85% by mid-March and finished significantly up at 31%. The iTraxx Crossover S32 (a credit default index which can be used as a proxy for measuring changes in credit quality) followed a similar pattern and ended the Period at 364bps, 157bps wider than at year end but significantly tighter than the 700bps or more level seen in mid-March.

The significant market dislocation, increase in volatility and spread widening caused by the pandemic has created a wide array of opportunities for the Master Fund, some of which have been largely absent for the last 5 to 10 years. Many of these opportunities and strategies are non-directional arbitrage or volatility-based situations where the risk-reward is very attractive and often combined with clearly identifiable, idiosyncratic catalysts capable of crystallising a pay-off. During the course of the sell-off and thereafter the Master Fund has maintained robust levels of excess margin and unencumbered cash. The Investment Manager has used this excess capital to exploit market stress by adding to high conviction positions. In addition, the Investment Manager has been building positions in new opportunity areas as evidenced by the level of Equity-at-Risk.

The graph below illustrates the evolution of the Master Fund's leverage:



Source: Boussard & Gavaudan Investment Management LLP

The Investment Manager monitors carefully the risk of the asset classes to which the Master Fund is sensitive. The main asset classes are the equity, credit and volatility asset classes whose sensitivities are shown and explained below.

			30 June 2020		31 December 2019	
Asset Class	Index	Ticker Bloomberg	EUR B class's beta vs Index (5 years)	Index volatility (5 years)	EUR B class's beta vs Index (5 years)	Index volatility (5 years)
Equity	Stoxx 600	SXXP index	0.11	17.93%	0.03	13.80%
Credit	Bbg Barclays Euro Aggregate Corporate TR	LECPTREU index	0.73	2.58%	0.40	2.17%
Interest rate	Bloomberg / EFFAS	BCEE1T Index	0.28	3.97%	0.13	3.90%

Source: Boussard & Gavaudan Investment Management LLP

Equity. A beta sensitivity of 0.10 versus an index means that if the index increases or decreases by 1%, the Master Fund is likely to increase or decrease by 0.1%. The "Stoxx 600" index is an equity market index which represents large, mid and small capitalisation companies across the main countries of the European region.

Credit. The "Bbg Barclays Euro Aggregate Corporate TR" index is a credit market index which includes Euro issues from corporate entities. The Investment Manager believes that these indices are the most relevant equity and credit indices to compare the Master Fund with.

Interest Rate. Given that interest rate risks are essentially hedged, the Master Fund has low beta sensitivity versus the "Bloomberg/EFFAS" index which is a government bond market index.

Asset Class	Master Fund's Vega
Volatility	17 basis point by volatility point

Source: Boussard & Gavaudan Investment Management LLP

Volatility. A vega sensitivity of 1 basis point means that an increase in volatility by 1 percentage point leads to a performance of 0.01% for the Master Fund. The Vega measures the sensitivity to volatility for a given instrument. For a given instrument, it is the derivative of its price with respect to the volatility of its underlying. The Investment Manager considers the Vega to be the best proxy of the Master Fund's sensitivity to volatility and believes there are no relevant indices to compare its volatility sensitivity against.

During the Period, the Master Fund complied with its Investment Policy and has maintained the gross and commitment exposures, as required under AIFMD, within the limits established by the Investment Manager.

Master Fund %AUM	AIFMD Commitment method		AIFMD Gross method	
	Exposure	Limit	Exposure	Limit
30 June 2020	446.0%	700.0%	915.0%	2,000.0%
31 December 2019	412.8%	700.0%	593.5%	2,000.0%

Source: Boussard & Gavaudan Investment Management LLP

7. Detailed performance analysis

7.1. Detailed allocation and performance analysis of the Master Fund

The Master Fund contributed 0.59% (0.79% NAV and (0.20)% Leveraged) to BGHL's performance during the Period.

Volatility strategies

Mandatory Convertible Bond Arbitrage

Mandatory convertible bonds contributed positively thanks to new transactions, two of which were in the public markets and two of which were private transactions where the Master Fund was a significant investor. Apart from these new issues, secondary trading in mandatories was limited.

Convertible Bond Arbitrage

Convertible bonds made a positive contribution for the Period. Inventory held prior to March was intentionally light, but market volatility going into April allowed the Investment Manager to identify very interesting opportunities. Despite limited liquidity, the Master Fund was able to selectively add to a number of conviction trades. There were also several new attractive convertible bond issues which were a source of profit. On the downside however, the portfolio was negatively impacted by one position which was subject to an allegation of fraud on the underlying name; the Investment Manager has completely sold down this position. Overall, positions that have been contributing positively continue to do so and the Investment Manager remains positive about the outlook.

Volatility Trading

Volatility strategies contributed positively during the market turmoil. Implied and realised volatility jumped significantly higher across all asset classes. Both implied and realised volatilities have remained elevated throughout the Period. The Investment Manager has been able to generate profits from a long gamma bias.

Warrant arbitrage

Warrant arbitrage contributed positively.

Equity Strategies

Equity strategies had a negative impact overall on performance for the Period. Risk arbitrage and special situation strategies, along with very active primary and secondary markets, saw decent profits. However, these were offset by negative performance in "value-with-catalyst" and specific value positions. It is important to note that even at the peak of the market stress, the Master Fund's strong capital position meant that it was at no point a forced seller. To the contrary, the Master Fund took advantage of its surplus capital to upgrade the portfolio, cutting positions where catalysts have been weakened or postponed and reallocating to positions where conviction is strongest. The book is well positioned in a number of very interesting and solid businesses where catalysts should crystallise value in coming months. "Corporate Merger & Acquisition" activity remains muted at present but the Investment Manager expects new transactions to emerge post-summer.

Credit Strategies

Capital Structure Arbitrage

Capital Structure Arbitrage was flat during the Period.

Credit Long / Short

Credit long/short made a negative contribution. After a solid start to the year, credit markets sold-off aggressively in March alongside other risk assets. The Investment Manager used the market sell-off to reduce short strategies and has since been actively adding (where liquidity has allowed) to the highest conviction positions. Strong policy action from central banks helped the market to stabilise overall and recover strongly in the second quarter. The Investment Manager took the opportunity of this positive momentum to reduce some positions and focus the portfolio on higher conviction positions in special- and catalyst-driven situations.

Credit Special Situations

Credit special situations contributed negatively over the Period. However, market volatility has allowed the Investment Manager to continue to add to several of its highest conviction positions. The Master Fund is actively involved in many of these special situations as a member of the creditor committee and/or as a bond holder, and the Investment Manager expects these to realise material value in the coming months. It is also anticipated that more opportunities will emerge over the course of the summer.

Direct Lending

The Master Fund invests in loans originated by Fiduciam Nominees Limited (https://fiduciam.co.uk). Fiduciam makes loans to small and medium sized enterprises in several Western European jurisdictions. The loans are secured on real property. The size of the portfolio at the end of the Period was circa €128 million but the contribution to the Master Fund's performance was flat.

Trading

Trading contributed positively during the first half of the year, primarily driven by Equity Quantitative Trading, Systematic Trend Following and, to a lesser extent, by Macro Trading.

7.2. Detailed performance analysis of assets other than the Master Fund

On top of its investment in the Master Fund, BGHL has an investment in Rasaland Investors plc ("RLI") which net asset value, at the end of the Period, represented 1.3% of the net asset value of BGHL. The contribution of RLI was flat for the period.

RLI is a Malta-based holding company structured as a private equity fund in terms of fees and organisation and is managed by BK Partners. RLI invests in land, hotels and high-end resort developments in Mexico. RLI's main asset is a majority interest in ACTUR, another private company. ACTUR's other shareholders are Mexican public institutions. ACTUR owns land development assets.

On 4 March 2020, ACTUR successfully completed the sale of its stake in the publicly traded company RLH Properties through a capital reduction. The amount of the sale proceeds, which represents circa 55% of RLI's asset value in BGHL's book, will be paid during the second half of 2020.

In June 2020, the RLI shareholders approved a further extension of RLI's life term from January 2022 to January 2027. As the land development is projected to take at least another 10 years, the Investment Manager anticipates RLI's investment in ACTUR to be further extended in the future. The life extension is the driver of the

Investment Manager's application of a significant discount to carrying value, and motivator for looking to the secondary market for an exit.

At the end of the Period, BGIM left unchanged the valuation in BGHL of its investment in RLI. A discount of circa 45% continues to be applied to the most recent NAV published by RLI's administrator.

8. Review of important events since the end of the Period

There have been no important events except for those disclosed in note 15 of the Financial Statements.

9. Principal and Emerging Risks, and Uncertainties

The principal risks and uncertainties are listed and described in the Directors' report. The Investment Manager views key risks to be as follows:

- the level of return generated relative to market returns, and the relative variability in those returns;
- the impact on NAV if sudden materially adverse movements occur in financial markets; and
- valuation or liquidation of assets (including assets held within the Master Fund on a look-through basis) which cannot be priced by reference to observable prices in a liquid market.

BGHL's main investment exposures, including the main risks to which the Master Fund is exposed, have been described in this report. The key market risks are equity price risk, interest rate risk, foreign currency risk, credit risk, volatility risk and liquidity risk. In addition, the Master Fund has exposure to a diversified range of idiosyncratic risks relating to individual corporate entities. The diversified nature of the investments within the Master Fund mitigates the apparent concentration risk within BGHL.

The Investment Manager aims to continue to perform in accordance with its long-term objective of delivering consistent NAV appreciation. The Equity-at-Risk of the Master Fund is deployed into attractive investment opportunities that are identified. These investments are generally made with the benefit of leverage at the Master Fund level.

In terms of headline emerging risks in 2020, the rapid spread of the COVID-19 virus and its material effect on global economic activity has superseded all others. Its potential impact is likely to persist throughout 2020 and thereafter. The pandemic is having a material adverse impact on global GDP by virtue of the disruption being caused to supply chains, combined with sharply reduced demand in certain industry sectors. Whilst the Investment Manager seeks actively to protect positions against systematic risks such as a COVID-19 induced sell-off, the sheer scale of the viral outbreak, and the measures being implemented by national governments to contain it, are unprecedented.

In addition to the COVID-19 pandemic, there remain residual risks following the formal exit of the UK from the European Union since the political, legal and regulatory environments continue to be uncertain. In addition, the dynamic geo-political environment has been exacerbated by the pandemic and threatens global growth with shifting alliances and the restructuring of trade deals. The risks of climate change and from damage to the environment are starting to become more apparent both for the corporate world and on society at large.

Brexit and its impact on Sterling versus the Euro had no material impact on BGHL's hedging programme. The Euro base currency, which is also the functional currency of BGHL, creates potential FX exposure for Sterling share investors and, to protect the starting capital in Sterling terms against Euro/Sterling FX moves during the month, the starting capital is hedged with a Euro /Sterling FX forward rolled on a monthly basis. Hedges are rolled only on the starting capital each month and Sterling share investors remain exposed to intra-month currency risk on the profit or loss made in Euro terms over the course of each month.

The Investment Manager is comfortable that BGHL currently has enough liquidity to meet all expenses over the coming 12 months. A long-term liquidity gating at the Master Fund level would still allow BGHL to receive at least 10% of any redemption request. The low fixed cost base of BGHL, with operating expenses representing less than 2% of its NAV, means that enough liquidity can be maintained to meet those predictable expenses.

As regards RLI, the illiquid nature of the investment and the political environment in Mexico are factors which could potentially push down its carrying value further. The valuation of RLI is already marked at a significant discount to its net asset value however, and the Investment Manager believes further downside risk on this investment is limited.

Boussard & Gavaudan Investment Management LLP
Acting by its managing member,
Boussard & Gavaudan Partners Limited

27 August 2020

The Directors present their half-yearly report and uaudited interim condensed financial statements for the Period.

Principal Activities

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 for these purposes is "capitalized EONIA".

During the Period, BGHL continued to invest substantially all of its net assets in BGF, a feeder fund fully invested in the Master Fund. The Master Fund implements diversified investment strategies, including volatility, equity and credit strategies. The overall investment objective of the Master Fund is to provide investors with consistent absolute returns primarily through investing and trading in the financial instruments of companies incorporated in, or whose principal operations are in Europe.

In addition to its investment in BGF and as described in BGHL's offering memorandum and investment policy, BGHL enters into other investments, including private equity investments.

Performance of Investment Manager and Continued Appointment

From 1 January to 30 June 2020, BGHL's NAVs for the Euro shares increased by 0.92% and Sterling shares decreased by (0.63%), whilst the market price decreased by (1.94%) and (3.85%) respectively.

BGHL's performance remains at the bottom end of its target range. In relative terms, BGHL outperformed the HFRX Global Index and HFRX Equally Weighted Strategies during the Period. The Board continues to believe that the analytical discipline and hedging techniques employed by the Investment Manager will contribute to maintaining the longer term track record of BGHL delivering uncorrelated NAV returns.

BGIM was appointed as Investment Manager and AIFM by BGHL, BGF and the Master Fund on 21 July 2014. The Investment Manager was registered on 5 November 2013 as a limited liability partnership or "LLP" in England and Wales for the purpose of complying with AIFMD Regulations, and the Investment Manager was authorised by the FCA on 11 July 2014 to perform the regulated activity of managing an AIF and remains so authorised.

The Board has reviewed the performance of the Investment Manager since the date of its appointment and is satisfied that the continued appointment of the Investment Manager on the terms agreed is in the interests of the Shareholders. Please refer to the Investment Manager's Report for a review of the performance of BGHL over the Period. Please also refer to note 8 to the financial statements for further details on the terms of the investment management agreement.

Results for the Period and State of Affairs at 30 June 2020

The Condensed Statement of Financial Position and the Condensed Statement of Comprehensive Income for the Period are set out in the financial statements.

Directors

The Directors as at 30 June 2020 and as at the date of this report were:

- Andrew Henton, Chairman;
- Andrew Howat, Senior Independent Director; and
- Sylvie Sauton

Mr. Andrew Howat was appointed as a director effective 1 July, 2017 and elected by the Company's shareholders at the annual general meeting held on 27 July, 2017. Mrs Sylvie Sauton was appointed as a director on 29 June, 2018 and re-elected by the Company's shareholders at the annual general meeting held on 28 June, 2019. BGHL's articles of incorporation require that all Directors who held office at the two preceding annual general meetings shall retire and, if willing, offer themselves for re-election. Each of the directors was re-elected by the Company's shareholders at the annual general meeting held on 29 July 2020. It is the Company's policy for all directors to offer themselves for re-election annually in order to comply with the Code.

The Board has considered its composition in the light of guidance received and the continuous process of best practice development in the context of corporate governance. In consequence of this review a process will be initiated during H2 2020 to select and appoint an additional independent director to the Board. This will increase the number of directors to four.

Directors' interests in shares

As of 30 June 2020, Directors are invested in shares of BGHL as below:

Name	Number of shares
Andrew Henton	6,000
Sylvie Sauton	6,177
Andrew Howat	-

Significant shareholders

As at 30 June 2020, to the best of the knowledge of the Directors, the following shareholders owned more than 3% of the Company:

Emmanuel Gavaudan	13.04%
Kempen	9.01%
M&G Plc	8.96%
Baillie Gifford	7.47%
Boussard & Gavaudan Gestion	5.89%
Smith & Williamson	4.85%
Brookdale International Partner LP	3.11%

The Investment Manager concert party held 21.48% as at 30 June 2020.

The information disclosed has been collected from the AFM Website as of the 30 June 2020. The figures are those disclosed at the time of disclosure and they may have varied with the cancellation or conversion of shares.

Share buy-back programme and Liquidity Enhancement Agreement

BGHL's shares are dual listed on the London Stock Exchange and Euronext Amsterdam.

Since its listing, BGHL has operated a share buyback programme approved at each annual general meeting by its shareholders. Historically, this programme has been the key methodology by which the Board has sought to reduce the discount to the prevailing NAV at which BGHL's shares are trading, and to improve liquidity in the shares. However, although the Board seeks to minimise its level, such discount is largely driven by market forces beyond BGHL's control. BGHL's share buy-back programme is financed by redemptions of BGF shares. BGF has monthly liquidity, which means that redemptions are payable once in every calendar month. On 29 July 2020, the shareholders renewed BGHL's authority to make market purchases of its shares.

Any repurchases under the Share buy-back programme will be made at a discount to the prevailing NAV and will therefore be accretive to the NAV. They will therefore contribute to the different performance of BGHL's NAV relative to that of BGF.

During the Period, BGHL bought back the following number of Euro shares. No Sterling shares were repurchased.

Repurchase of own shares for the Period ended:	30 June 2020	31 December 2019
Treasury Shares	645,403	300,000
Average Gross Price	€17.17	€17.55
Net Amount Euro	€11,084,567	€5,266,580

The discounts of the shares with respect to their NAVs were as follows

Discount to NAV	30 June 2020	31 Dec 2019
Euro Shares	(23.6)%	(21.4)%
Sterling Shares	(26.9)%	(24.4)%

Below is a graph showing the discount to their NAV at which BGHL's Euro shares have traded and the Euro share buy-back activity since BGHL's inception.



Directors' Interests and Remuneration

Save as disclosed in these financial statements, BGHL is not aware of any potential conflicts of interest between any duty owed to BGHL by any of the Directors and their respective private interests. Each Director is currently paid an annual fee of €20,000 other than the Chairman, who is entitled to receive €38,000 per annum, and the Chairman of the Audit Committee, who receives an additional fee of €7,500 per annum.

Due to the nature of their roles and in light of BGHL's stated investment objective and policy, no discretionary compensation payments are ordinarily made to the Directors. No Director has a contract for services and none of them is entitled to compensation in lieu of notice.

Shareholders are at each annual general meeting given the opportunity to vote on the Directors' remuneration.

Directors' Duties and Responsibilities

The Directors' responsibilities are as follows:

- Statutory obligations and public disclosure; including the promotion of the success of the Company for the members as a whole;
- Strategic matters and financial reporting;
- Oversight of management and advisors' matters;
- Risk assessment and management, including reporting, monitoring, governance and control; and
- Other matters having a material effect on BGHL.

Principal and Emerging Risks, and Uncertainties

BGHL's business model involves identifying and taking positions on assets whose market price does not reflect the Investment Manager's assessment of intrinsic value. As market prices trend towards the Investment Manager's assessment of intrinsic value, profits are generated. In adopting this strategy, BGHL is deliberately and consciously exposed to various types of market risk which are described in the report of the Investment Manager. Additional risks are described in the notes to the accompanying financial statements. The Report of the Audit Committee available in 2019 audited financial statements describes financial reporting risks and how these risks have been mitigated. The Board believes that these disclosures are accurate, complete and not misleading.

The COVID-19 pandemic continues to have a significant impact on markets at both macro and micro levels. Whilst increased volatility has created opportunities for the Investment Manager, the pandemic remains a major emerging risk whose long term impact on the Company cannot be predicted with any accuracy.

The most significant risk identified by the Directors is lack of liquidity in BGHL's shares exacerbating the discount to NAV at which they trade. This creates a potential arbitrage opportunity and threat to the long term future of the Company notwithstanding the track record of strong NAV appreciation. The second principal risk is that of the investment strategy pursued by the Master Fund no longer achieving its investment objectives, leading to non-achievement by BGHL of a long term appreciation in its asset value on a "per share" basis. This might be occasioned if the pricing relationships between and within different asset classes diverged materially from historical patterns, or the quality of investment analysis conducted within the Investment Manager was materially degraded. The next most significant risk is considered to be a significant systemic market event which cannot be anticipated in advance and is associated with geopolitical or other non-financial risk. COVID-19 falls into this latter category.

Whilst its impact on investor sentiment, trading volumes and asset valuations is uncertain, the future trading relationship between the UK and EU member states post Brexit is not considered to pose a particular risk to BGHL. The hedging strategy adopted in relation to the Sterling share class is described in the report of the Investment Manager. BGIM is regulated to carry out investment management activities in both the UK and France, and has the necessary infrastructure to carry out such activity in both jurisdictions. In the event that political, regulatory or macro economic conditions changed such that it was beneficial for the Investment Manager to consolidate its activities in only one of these locations, the necessary changes could be implemented swiftly relying on procedures that are regularly tested as part of the business continuity plan.

The Investment Manager seeks to deliver risk adjusted returns which are attractive. The main information provided by the Investment Manager to the Board, and by which risk exposures are assessed, are as follows:

Relative performance analysis: NAV accretion or dilution is reported monthly, and broken down by attribution to each specific strategy pursued within the Master Fund. Individual and aggregated strategy performances are compared to relevant indices or benchmarks. This serves to highlight over and under performances, and also any divergence from historic trends.

Stress testing: The impact on NAV is modelled each month against a series of downside scenarios. These scenarios make allowance not just for market movements, but also for liquidity related events (for example "mid cap" stocks falling by a greater amount that the main index due to materially reduced trading volumes in smaller company stocks). Different scenarios are modelled both singly, and in combination so that "contagion" risks are considered. Portfolio construction is informed by the results of this modelling.

Pricing analysis: The Investment Manager shares with the Board of Directors analysis that is prepared by the administrator of the Master Fund. This highlights the percentage of NAV in the Master Fund which is based on prices that cannot be independently verified by reference to an independent or market source. The existence of instruments for which independent pricing is not available is deemed to be a risk factor, and any such instruments are subjected to additional ongoing scrutiny.

In addition to the various financial and market risks, the Board actively monitors operational and commercial risk. Key risks in this regard are the following:

Prevailing share price: BGHL's shares continue to trade at a discount to NAV. Whilst, this is a function of supply and demand for BGHL's shares in the market and cannot be controlled by the Board, measures were taken during 2019 that are intended to reduce the level of discount. Restarting the share buyback programme has been a core element of this programme. For so long as the prevailing share price is markedly less than NAV, it is value accretive to shareholders when BGHL buys back its own shares at that price. Notwithstanding the benefits of the share buy back programme, the Board continues actively to assess additional measures that might better support the share price.

Scale of operations: The Board reviews the operational plans of the Investment Manager at least annually. In so doing it seeks assurances that adequate resources are available to maintain an effective and compliant operating infrastructure. Future business development plans, headcount, organisational structure and the experience of operational incidents (if any) are all taken into account

Service providers: BGHL places reliance on the administrator, sub-administrator, depositary and sub-custodian of the Master Fund. To the extent that independent assurance statements or reports can be obtained in relation to these firms, the Board of Directors requests them. Oversight is also exercised via open market sources (credit ratings), direct enquiry of the Investment Manager and feedback from other independent advisers (including the auditor).

Cyber security: The threat posed by "hackers" to companies operating in the financial services sector, (the nature of whose activities involves the management of assets readily convertible into cash) is acknowledged by the Board of Directors. The measures in place to mitigate these risks (including those measures intended to identify and contain intrusions, should they occur) form part of the oversight regime directed at the Investment Manager and key service providers.

The Business Risk Assessment is used to monitor risk in its wider sense, including both identified risks and emerging issues which might pose additional risks. This document identifies and describes key risks under seven categories (investment, liquidity, credit, market, counterparty, operational, governance and anti-money laundering), identifying the relevant controls by which to mitigate the associated risks. Impact assessments (a function both of likelihood and severity of impact) are considered for every risk identified, and the document informs both resource allocation (including the allocation of operational responsibility) and decision making about changes or additions to the control environment.

Risk Management and Internal Control Systems

The Audit Committee and Management Engagement Committee conducted a review in January 2020 of BGHL's system of internal controls and further information is given in the Report of the Audit Committee within the annual accounts.

The Board is ultimately responsible for BGHL's system of internal controls and for reviewing its effectiveness. The Board has developed a framework that is designed to manage, rather than to eliminate the risk of failure to achieve BGHL's business objectives. The framework involves identifying sources of risk, the potential significance (financial and operational) of any risk impact(s), and the associated controls in place to identify, pre-empt and mitigate those potential impacts. This is documented in a Business Risk Assessment which is considered at least annually by the Board. The framework is discussed with the Investment Manager, and members of the Audit Committee conduct an onsite review meeting with the Investment Manager to review the effectiveness of controls and any breaches / errors that have occurred since the last inspection visit. Any such control failures are also recorded on an exceptions basis and reported at quarterly Board meetings or in real time if sufficiently significant. No significant failings or weaknesses have been identified. These processes ensure an at least annual review of BGHL's system of internal controls, including financial, operational, compliance and risk management. The system can only provide reasonable and not absolute assurance against material misstatements.

The Board has delegated the management of BGHL's investment portfolio, the provision of custody services, the administration (including the independent calculation of BGHL's NAV), share registration, corporate secretarial functions and the production of the half-yearly and annual independently audited financial reports. The Board retains accountability for the functions it delegates. Formal contractual arrangements have been put in place between BGHL and the providers of these services.

Compliance reports are provided at each quarterly Board meeting by BGHL's Secretary. The Board considers that its internal control processes meet best practice as recommended in the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting published by the UK's Financial Reporting Council as an adjunct to the UK Corporate Governance Code.

Regulatory Compliance

BGHL keeps abreast of regulatory and statutory changes and responds as appropriate. The Board continues to take advice on AIFMD from external professional advisers and to implement necessary measures to ensure compliance with relevant requirements of the AIFMD Regulations. The Chief Compliance Officer within the Investment Manager is also a resource relied upon by the Board in this regard. Although the majority of the obligations associated with AIFMD are applicable to the AIFM, the Board is satisfied that BGHL as an AIF complies fully with its relevant obligations under the UK's AIFMD and the AIFMD Regulations 2013. Key Information Documents ("KIDs") have been produced in accordance with the Packaged Retail and Insurance-based Investment Products ("PRIIPs") regulation and are available at https://www.bgholdingltd.com/priips.php

BGHL falls within the scope of The EU General Data Protection Regulation ("GDPR") and had put in place measures to ensure compliance. Policies have been enacted both to ensure ongoing compliance by BGHL, and also to oversee compliance by third party service providers who process or hold relevant data belonging to BGHL.

Going Concern

The Board conducts a rigorous and proportionate assessment of BGHL's operational and financial risks with reference to cash flow requirements, and the liquidity of investments on a quarterly basis. BGHL incurs ongoing fees and expenses associated with its day to day operations, provides cash collateral under currency hedging transactions and uses cash to repurchase its own shares.

The Directors regularly consider the financial solvency of BGHL and are required by the Companies Law to do so on every occasion that any distribution is to be declared, including, but not limited to, the redemption and conversion of shares, and repurchases by BGHL of its own shares. The Directors are confident that BGHL's assets exceed its liabilities and that BGHL has sufficient liquid assets to meet its liabilities as they fall due. Substantially all of the net assets of BGHL are currently invested in BGF shares. BGF shareholders have a monthly redemption right with 60 calendar day prior notice. This is evidenced by a formal solvency statement.

The Board is comfortable that BGHL currently has the ability to meet all expenses over the coming 12 months. BGHL's annual operating expenses (excluding any performance fees payable to the Investment Manager) are relatively low at less than 2% of NAV. The predictable nature of those expenses means that the Company is able on a monthly basis to calculate and accurately predict how much cash is required to meet them. In order to generate the necessary liquidity to pay expenses, the Company redeems shares in the Master Fund on a regular

basis. Should BGHL have insufficient cash to meet its expenses, BGHL expects that it would rapidly be able to realise sufficient investments to meet such expenses.

The Directors have also reviewed the possible impact of an excessive number of redemption requests at the Master Fund level caused by the market turmoil following the COVID-19 pandemic. Whilst any long-term liquidity lock up would impact the cash reserves of BGHL and its ability to meet its obligations, to date there have been no suspensions of redemption requests at the Master Fund level. If a gate was to be imposed by the Master Fund, at least 10% of any redemption request would continue to be honoured. This would allow BGHL to realise sufficient liquidity to meet its operating costs.

After making enquiries, the Board has a reasonable expectation that BGHL has adequate resources to continue in operational existence for at least the next twelve months. Therefore, the financial statements have been prepared on a going concern basis.

Relations with Shareholders

BGHL engages with institutional shareholders both directly and indirectly (via the Investment Manager and the retained broker). A programme by which the Company's website was relaunched during 2020 has been completed, with the objective of that becoming a more useful and user friendly source of information about the Company. Shareholders continue to be welcome to contact the Board of BGHL in writing via the Secretary, should they wish to have a dialogue and/or provide any feedback.

Furthermore, at a minimum, the Chairman of the Board and the Chairman of the Audit Committee attend BGHL's annual general meeting. Separate resolutions are proposed for each item at the general meeting of shareholders, including a vote on BGHL's annual financial report, and forms of proxy issued by BGHL for use at each general meeting provide for three way voting – for, against or vote withheld. Notices of annual general meetings are sent at least 20 working days before the meeting and in accordance with the notice periods set out in the Companies Law.

After each general meeting, the results of the meeting are announced and the announcement of results is also made available on the BGHL's website. As a matter of best practice, all resolutions are voted upon by a poll. Finally, if required, BGHL can also make available representatives of the Investment Manager to shareholders.

While BGHL reports formally to its shareholders twice a year, it also maintains a website which contains comprehensive information (www.bgholdingltd.com). This includes historic communications, investment philosophy, risk management policies, Investment Manager's reports, statistical information and corporate governance guidelines.

By order of the Board



Andrew Henton
Chairman



Andrew Howat
Director

27 August 2020

In accordance with the requirements of the Disclosure Guidance and Transparency Rules (UK Financial Conduct Authority Handbook) the Directors each confirm to the best of their knowledge that:

(a) the interim condensed financial statements for the period ended 30 June 2020 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and loss of BGHL.

(b) the condensed half yearly report includes a fair review of the development and performance of the business and the position of BGHL for the year to date, together with a description of the principal risks and uncertainties that BGHL faces for the remaining six months of the financial year.

(c) There were no related party transactions in the Period, nor any changes in related party transactions described in the last annual report, that could have a material effect on the financial position of BGHL in the Period, other than as disclosed in the financial statements. Details of related parties are set out in note 6 to the financial statements.

By order of the Board





Andrew Henton
Chairman

Andrew Howat
Director

27 August 2020

INDEPENDENT REVIEW REPORT TO BOUSSARD & GAVAUDAN HOLDING LIMITED ("the Company")

Introduction

We have been engaged by the Company to review the unaudited interim condensed financial statements in the Half-yearly financial report for the six months ended 30 June 2020 which comprise the Condensed Interim Statement of Financial Position, Condensed Interim Statement of Comprehensive Income, Condensed Interim Statement of Changes in Equity, Condensed Interim Statement of Cash Flows and related notes 1 to 16.We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the unaudited interim condensed financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The unaudited interim condensed financial statements included in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

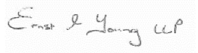
Our responsibility is to express to the Company a conclusion on the unaudited interim condensed financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the unaudited interim condensed financial statements in the half-yearly financial report for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.



Ernst & Young LLP
Guernsey, Channel Islands
27 August 2020

Notes:
1. The maintenance and integrity of the Boussard & Gavaudan Holding Limited web site is the responsibility of the directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the unaudited interim condensed financial statements since they were initially presented on the web site.

2. Legislation in Guernsey governing the preparation and dissemination of unaudited interim condensed financial statements may differ from legislation in other jurisdictions.

Boussard & Gavaudan Holding Limited
Condensed Interim Statement of Financial Position
As at 30 June 2020

	Note	UNAUDITED As at 30 June 2020 €	AUDITED As at 31 Dec 2019 €
Assets			
Investments at fair value through profit or loss			
Cost €204,908,234 (2019: €214,549,129)	3	333,516,011	348,549,793
Unrealized gain on forward derivatives contracts	3	130,339	76,778
Due from brokers	13	990,000	850,000
Other Assets		34,147	-
Cash and cash equivalents		3,071,196	1,041,187
Total assets		**337,741,693**	**350,517,758**
Liabilities			
Unrealized loss on forward derivatives contracts	3	124,428	-
Due to brokers	13	62,124	334
Performance fees payable	8	681	-
Management fees payable	8	1,221,293	1,705,271
Other liabilities		98,358	87,329
Total liabilities		**1,506,884**	**1,792,934**
Equity			
Share capital		199,708,132	199,708,196
Treasury shares		(1,178,611)	(5,266,580)
Retained earnings		137,705,288	154,283,208
Total equity		**336,234,809**	**348,724,824**
Total equity and liabilities		**337,741,693**	**350,517,758**
Net asset value per share:			
Class A EURO shares outstanding 14,256,907 (2019: 14,804,678)		€ 23.1068	€ 22.8994
Class A GBP shares outstanding 301,536 (2019: 398,542)		£ 20.5108	£ 20.6363

The financial statements on pages 21 to 36 were approved by the Board of Directors on 27 August 2020 and signed on its behalf by:

Andrew Henton
Chairman

Andrew Howat
Director

The accompanying notes on pages 25 to 36 form an integral part of these financial statements

Boussard & Gavaudan Holding Limited
Condensed Interim Statement of Comprehensive Income
For the six months ended 30 June 2020

	Note	UNAUDITED For six months ended 30 June 2020 €	UNAUDITED For six months Ended 30 June 2019 €
Income			
Net realised gain on financial assets and liabilities at fair value through profit or loss		6,906,467	2,236,678
Change in unrealised (loss)/gain on financial instruments at fair value through profit or loss		(5,463,753)	8,782,700
Net gain on financial assets at fair value through profit or loss		1,442,714	11,019,378
Other realised and unrealised foreign currency gain/(loss)		22,873	(361)
Total income		**1,465,587**	**11,019,017**
Interest expense on loan		-	561,970
Interest expense on cash equivalent		2,259	2,553
Performance fees	8	681	-
Management fees	8	2,535,806	4,835,232
Administrative fees	7	60,587	56,017
Directors fees	6	45,278	43,771
Professional fees		80,067	-
Audit fees		32,492	29,592
Other expenses		113,865	81,448
Total expenses		**2,871,035**	**5,610,583**
Net (loss)/profit before tax		**(1,405,448)**	**5,408,434**
Taxation			
Withholding tax		-	-
Net (loss)/profit and total comprehensive (loss)/income		**(1,405,448)**	**5,408,434**
Basic and diluted earnings per share			
Class A EURO €586,950 Loss /14,406,661 shares, (2019: €5,160,322 Profit /28,782,231 shares)		-€ 0.0407	€ 0.1793
Class A GBP £739,233 Loss /350,039 shares, (2019: £209,396 Profit / 608,712 shares)		-£2.1119	£0.3440

There is no statement of Other Comprehensive Income presented as there was no other comprehensive income during the Period.

All activities are of a continuing nature.

The accompanying notes on pages 25 to 36 form an integral part of these financial statements

Boussard & Gavaudan Holding Limited
Condensed Interim Statement of Changes in Equity
For the six months ended 30 June 2020

2020 - UNAUDITED	Share Capital €	Distributable Reserve €	Treasury Shares €	Retained Earnings €	Total Equity €
Balance as at 1 January 2020	199,708,196	-	(5,266,580)	154,283,208	348,724,824
Total comprehensive loss	-	-	-	(1,405,448)	(1,405,448)
Treasury shares acquired	-	-	(11,084,567)	-	(11,084,567)
Treasury shares cancelled	(64)	(15,172,472)	15,172,536	-	-
Transfer to retained earnings	-	15,172,472	-	(15,172,472)	-
Balance as at 30 June 2020	**199,708,132**	**-**	**(1,178,611)**	**137,705,288**	**336,234,809**

2019 – UNAUDITED	Share Capital €	Distributable Reserve €	Treasury Shares €	Retained Earnings €	Total Equity €
Balance as at 1 January 2019	511,878,078	-	-	134,773,228	646,651,306
Total comprehensive income	-	-	-	5,408,434	5,408,434
Balance as at 30 June 2019	**511,878,078**	**-**	**-**	**140,181,662**	**652,059,740**

The accompanying notes on pages 25 to 36 form an integral part of these financial statements

Boussard & Gavaudan Holding Limited
Condensed Interim Statement of Cash Flows
For the six months ended 30 June 2020

	Note	UNAUDITED For six months ended 30 June 2020 €	UNAUDITED For six months Ended 30 June 2019 €
Cash flows from operating activities			
Net (loss)/profit and total comprehensive (loss)/income		(1,405,448)	5,408,434
Adjustments to reconcile net profit/(loss) to net cash used in operating activities:			
Unrealised loss/(gain) on financial instruments at fair value through profit and loss		5,463,753	(8,782,700)
Realised gain on financial instruments at fair value through profit and loss		(6,906,467)	(2,236,678)
Increase in other assets		(34,147)	(18,125)
(Increase)/decrease in due from brokers		(140,000)	380,000
Increase in interest payable		-	1,322
Increase/(decrease) in due to brokers		61,790	(77)
Increase in performance fee payable		681	-
Decrease in management fee payable		(483,978)	(69,790)
Increase/(decrease) in other liabilities		11,029	(353)
Net cash used in operating activities		(3,432,787)	(5,317,967)
Cash flows from investing activities			
Sales of investments at fair value through profit or loss	3.2	17,150,000	5,600,000
Net cash provided by investing activities		17,150,000	5,600,000
Cash flows from financing activities			
Treasury shares acquired		(11,084,567)	-
Net purchases of foreign exchange forward derivative contracts		(602,637)	(141,110)
Net cash used in financing activities		(11,687,204)	(141,110)
Cash and cash equivalents			
Beginning of the period		1,041,187	1,229,554
Net movement in cash and cash equivalents		2,030,009	140,923
Cash and cash equivalents at 30 June		**3,071,196**	**1,370,477**
Supplementary information			
Interest paid		(2,259)	(563,201)

The accompanying notes on pages 25 to 36 form an integral part of these financial statements

1. General information

1.1 BGHL

BGHL is a limited liability closed-ended investment company incorporated in Guernsey on 3 October 2006 with registration number 45582.

BGHL was admitted to the Eurolist Market operated by Euronext Amsterdam on 3 November 2006. As a result of listing and trading of the shares on Euronext Amsterdam, BGHL is subject to Dutch securities regulations and to supervision by the relevant Dutch authorities. BGHL is registered with the Dutch Authority for the Financial Markets as a collective investment scheme.

On 28 July 2008, BGHL's shares were also admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange Plc's main market for listed securities. As a result of admission to the Official List of the UK Listing Authority, BGHL is subject to the UK Listing Authority's Listing, Prospectus, Disclosure Guidance and Transparency Rules, save where Dutch securities regulations take precedence. BGHL's share issue costs were borne by the Investment Manager.

At the time of this dual listing, BGHL created a class of shares denominated in Sterling (the "Sterling Shares") through the conversion of existing Euro shares into new Sterling shares at the prevailing NAV per Euro share as at 30 June 2008. From that date, shareholders have been able to convert their existing holding of shares in BGHL from one class into another class. Conversions, from one class to another, are effected once a year on the last business day of November in compliance with the procedure published on BGHL's website.

On 1 November 2019, following a proposal by the Board approved by the shareholders, 13,887,723 BGHL shares, representing 47.25% of BGHL's share capital, participated in a share exchange offer. BGHL redeemed the participating shares and paid the redemption in kind. Holders of participating shares received new shares in BG Eire Fund, an alternative investment fund domiciled in Ireland and managed by Boussard & Gavaudan Investment Management LLP. BG Eire Fund received the portion of the BGHL assets attributable to the participating shares.

1.2 The Investment Manager

Boussard & Gavaudan Investment Management LLP is the Investment Manager of BGHL. The Investment Manager is an English limited liability partnership. The Investment Manager is authorised by the United Kingdom's Financial Conduct Authority to perform the activity of managing alternative investment funds.

The Investment Manager also manages BGF and the Master Fund.

The Administrator arranges for the monthly publication of the NAV of BGHL as at the end of the previous month and the Investment Manager provides daily estimates.

Neither of BGHL and BGF have or have ever had any employees or own or has ever owned any facilities.

2. Accounting policies

Basis of preparation and statement of compliance

The financial statements have been prepared on a historical cost basis except for financial assets and liabilities held at fair value through profit or loss that have been measured at fair value.

The financial statements are prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted by the European Union and with legislation and rules pertaining to Amsterdam Euronext and London Stock Exchange for listed companies, as well as in accordance with the Companies Law.

The financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with BGHL's annual financial statements for the year ended 31 December 2019, which are prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The accounting policies have been applied consistently by BGHL and are consistent with those used in the previous period. Major accounting policies are described below.

Going Concern

As set out in the Directors' Report, the Board has a reasonable expectation that BGHL has adequate resources to continue in operational existence for at least the next twelve months. Therefore, the financial statements have been prepared on a going concern basis.

In arriving at their conclusion the Board conducts a rigorous and proportionate assessment of BGHL's operational and financial risks with reference to cash flow requirements, and the liquidity of investments on a quarterly basis. BGHL incurs ongoing fees and expenses associated with its day to day operations, provides cash collateral under currency hedging transactions and uses cash to repurchase its own shares. The Directors regularly consider the financial solvency of BGHL and are required by the Companies Law to do so on every occasion that any distribution is to be declared, including, but not limited to, the redemption and conversion of shares, and repurchases by BGHL of its own shares.

The Directors are confident that BGHL's assets exceed its liabilities and that BGHL has sufficient liquid assets to meet its liabilities as they fall due. Substantially all of the net assets of BGHL are currently invested in BGF shares. BGF shareholders have a monthly redemption right with 60 calendar day prior notice. BGHL's annual operating expenses (excluding any performance fees payable to the Investment Manager) are relatively low at less than 2% of NAV. The predictable nature of those expenses means that the Company is able on a monthly basis to calculate and accurately predict how much cash is required to meet them. In order to generate the necessary liquidity to pay expenses, the Company redeems shares in the Master Fund on a regular basis. The Directors have also reviewed the possible impact of an excessive number of redemption requests at the Master Fund level caused by the market turmoil following the COVID-19 pandemic. Whilst any long-term liquidity lock up would impact the cash reserves of BGHL and its ability to meet its obligations, to date there have been no suspensions of redemption requests at the Master Fund level. If a gate was to be imposed by the Master Fund, at least 10% of any redemption request would continue to be honoured. This would allow BGHL to realise sufficient liquidity to meet its operating costs.

New standards, amendments and interpretations issued but not effective for the Period beginning 1 January 2020 and not early adopted by BGHL

There are no standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant or material impact on BGHL.

New standards, amendments and interpretations effective for the Period beginning 1 January 2020 and adopted by BGHL

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

BGHL adopted the amendments on its effective date of 1 January 2020 and such adoption has no impact on BGHL's financial statements.

There are no other standards, amendments to standards or interpretations that are effective for periods beginning on 1 January 2020 that have a material effect on the financial statements of BGHL.

Significant accounting judgements, estimates and assumptions

The preparation of BGHL's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying BGHL's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Fair Value

Carrying value of all financial assets and liabilities are reasonable approximation of the fair values. When the fair value of financial assets cannot be derived from active markets, their fair value is determined using valuation techniques that may include the use of valuation models. BGHL applies judgement when selecting the method of valuation. For a description of methods and assumptions used in assessing fair value of financial assets, please refer to Note 3.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. BGHL based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of BGHL. Such changes are reflected in the assumptions when they occur.

Fair Value

The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position and the level where the instruments are disclosed in the fair value hierarchy.

The models are tested for validity by calibration against prices from any observable current market transactions in the same instrument (without modification or repackaging) when available. To assess the significance of a particular input to the entire measurement, BGHL performs sensitivity analysis or stress testing techniques.

BGHL may invest in private equity funds, which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets.

The Investment Manager considers the valuation techniques and inputs used in valuing these investments as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the NAV of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the fund and fund manager. In measuring fair value, consideration is also paid to any transactions in the shares of the fund.

When assessing the fair value of the RLI position, BGHL made an estimation of the level of discount to the valuation reported by RLI reflecting the value currently realisable by BGHL.

For a description of estimates and assumptions used in assessing fair value of financial assets, please refer to Note 3. Management believes that the estimates utilised in preparing its financial statements and management judgements applied are reasonable. However, actual results could differ from these estimates.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which BGHL operates ('the functional currency'). The functional currency is Euro, which reflects BGHL's primary activity of investing in Euro denominated securities. BGHL has adopted the Euro as its presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Financial assets and liabilities at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

(c) At initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Included within this category are:

- Investments in equity instruments;
- Investments in debt instruments that are held under a business model to manage them on a fair value basis for investment income and fair value gains; and
- Derivative forward contracts that are in an asset position.

Investments in equity are initially recognised at fair value excluding attributable purchase costs. For equity and debt instruments that are listed they are subsequently valued by using quoted prices, whereas non-listed equities are determined by using the NAV determined by independent administrator as its basis or by using valuation models. The valuation methodology is discussed in note 3.

Derivative forward contract

A forward contract is a contract which obliges one party to the contract to buy, and the other party to sell, the asset that is the subject of the contract for a fixed price at a future date. Forward contracts are initially recorded at fair value. A forward currency contract involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward foreign exchange contracts are subsequently valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward currency contracts is calculated as the difference between the contract rate and this forward price, and is recognised in the Statement of Financial Position.

Changes in the fair value of investments are recorded in the Statement of Comprehensive Income in net unrealised gain/loss on financial assets at fair value through profit or loss.

Any transfers between levels of the fair value hierarchy, are deemed to have occurred at the end of the reporting Period.

Financial liabilities at fair value through profit or loss

A financial derivative liability is required to be measured at fair value through profit or loss. Included within this category are:

- Derivative forward contracts that are in a liability position.

Accounting policy for forward contracts in liability position is the same as described in financial assets at fair value through profit or loss.

Recognition/derecognition of financial assets and liabilities at fair value

Purchases and sales of financial assets and liabilities at fair value are recognised on the trade date - the date on which BGHL commits to purchase or sell the investment. Financial assets and liabilities are derecognised when the rights to receive cash flows from the investments have expired or BGHL has transferred substantially all risks and rewards of ownership.

Loans payable

Loans payable are carried at amortised cost.

Due from and due to brokers

Amounts due from and to brokers represent deposits held with brokers, receivables for securities sold, payables or payments for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively, and cash pledged as collateral on derivative contracts. Amounts due from brokers is initially measured at fair value plus transaction costs and subsequently measured at cost less impairment. Amounts due to brokers is initially measured at fair value less transaction costs and subsequently measured at amortised cost.

Impairment of financial assets

While cash and cash equivalents and balances due from brokers are also subject to the impairment requirements of IFRS 9, there has been no impairment loss identified. Investments held at fair value through profit or loss are not subject to IFRS 9 impairment requirements.

For receivables the Company uses a 12 month expected loss allowance. The Company has completed some high-level analysis and forward looking qualitative and quantitative information, to determine if the receivables are low credit risk. Based on this analysis the expected credit loss ("ECL") on receivables is not material and therefore no impairment adjustments were accounted for.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts.

Taxation

Current income tax assets and liabilities for the current Period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where BGHL directly and through the Master Fund, operates and generates taxable income.

BGHL invests in foreign countries which may levy withholding tax at source on revenues derived by non-residents. Where such tax is withheld at source by the broker or another party BGHL records the revenue on a gross basis in Statement of Comprehensive Income (the revenue is grossed up and offset against an expense representing the tax withheld at source).

Expenses

Expenses are accounted for as they occur on an accrual basis. Expenses are charged to the Statement of Comprehensive Income.

Interest income and expense

Interest income, arising on due from brokers and interest expense on due to broker and short term loans are recognised in the Statement of Comprehensive Income within interest income and interest expense.

Dividend income

Dividend income is recognised on ex-dividend date.

Investment entity

BGHL has unrelated investors and holds multiple investments. Ownership interests in BGHL are in the form of equity shares which are exposed to variable returns from changes in the fair value of BGHL's assets and liabilities. BGHL has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

(a) BGHL has obtained funds for the purpose of providing investors with investment management services.
(b) BGHL's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through investments.
(c) The performance of investments is measured and evaluated on a fair value basis.

BGHL's exit strategy with respect to its investment in BGF is that BGHL may redeem its shares in BGF on a monthly basis and does not have any special or preferential rights in BGF. Redemptions and subscriptions in BGF are made in order to manage BGHL's exposure in accordance with BGHL's investment policy.

Basic and diluted earnings per share, and NAV per share

Basic earnings per share are calculated by dividing the net income by the weighted average number of registered shares in issue, during the Period. There is no difference between the basic and diluted earnings per share.
NAV per share is calculated by dividing the net assets at the Statement of Financial Position date by the number of shares outstanding at the Statement of Financial Position date.

Treasury shares

When BGHL purchases its own equity instruments (treasury shares), they are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of BGHL's own equity instruments.

3. Fair value of financial instruments

The following tables analyse BGHL's net assets between the three levels of the fair value hierarchy:

30 June 2020	Level 1	Level 2	Level 3	Total Fair Value	Total Cost
Financial assets at fair value €:					
BG Fund	-	329,046,193	-	329,046,193	202,248,745
Private equity investments	-	-	4,469,818	4,469,818	2,659,489
Sub-Total €	-	329,046,193	4,469,818	333,516,011	204,908,234
Derivatives					
Forward foreign exchange contracts	-	130,339	-	130,339	-
Total €		**329,176,532**	**4,469,818**	**333,646,350**	**204,908,234**
Financial liabilities at fair value €:					
Derivatives					
Forward foreign exchange contracts	-	(124,428)	-	(124,428)	-
Total €	-	**329,052,104**	**4,469,818**	**333,521,922**	**204,908,234**
31 December 2019	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**	**Total Cost**
Financial assets at fair value €:					
BG Fund	-	344,077,387	-	344,077,387	211,889,640
Private equity investments	-	-	4,472,406	4,472,406	2,659,489
Sub-Total €		344,077,387	4,472,406	348,549,793	214,549,129
Derivatives					
Forward foreign exchange contracts	-	76,778	-	76,778	-
Total €	-	**344,154,165**	**4,472,406**	**348,626,571**	**214,549,129**

Other short term operating assets and liabilities are excluded from the table due to their nature.

In accordance with IFRS, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants. The above tables analyse BGHL's investment into the three levels of fair value hierarchy in accordance with IFRS 13 as described below:

Level 1 – quoted prices in active markets for identical investments that BGHL has the ability to access.
Level 2 – valuations based on other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment spreads, credit risk, etc.) or quoted prices from inactive exchanges. Forward contracts are valued primarily based on market observable inputs such as a share price or forward foreign currency curves at the balance sheet date.
Level 3 – valuations based on significant unobservable inputs (including BGHL's own assumptions in determining the fair value of investments)

3.1 Level 3 investments

Financial assets €	30 June 2020	31 Dec 2019
Opening Balance	**4,472,406**	**8,311,616**
Redemption in specie	-	(4,024,229)
Realised loss	-	(1,698,068)
Unrealised (loss)/gain	(2,588)	1,883,087
Closing Balance	**4,469,818**	**4,472,406**

The above tables present the movements in Level 3 investments. There were no transfers between levels for the Period.

In 2019 the decrease in Level 3 investments is due to a transfer of the Rasaland position at exactly the same proportion as the exchange of share described under note 1.1. No capital gain or loss was realized because the transfer was made at fair value close of business 31 October 2019.

Rasaland Investors Plc ("RLI")

RLI is classified as a Level 3 asset for valuation purposes since its fair value uses significant unobservable inputs. RLI is administered by Francis J. Vassallo & Associates, a Maltese company. RLI management value the net assets of the company using a documented valuation procedure. The key significant unobservable input used in this process is land values in Mexico sourced from independent professional advisers, Cushman & Wakefield. These "area based" land values are applied without adjustment to individual properties, the existence and ownership of which is also independently verified by law firm Baker & Mackenzie. The administrator, Francis J. Vassallo & Associates, only performs an annual valuation each 31 December. In addition, on an annual basis RLI request PricewaterhouseCoopers to undertake an agreed upon procedure exercise on the consistency and accurate application of various aspects of the agreed valuation methodology.

In accordance with BGHL's valuation policy, RLI is treated as a private equity investment at fair value. In determining the fair value at 30 June 2020, BGHL has considered the impact of any significant events that it is aware of that could impact the latest NAV available of RLI since 31 December 2019.

The COVID-19 pandemic is having a significant impact on the hotel and travel industry. By RLI successfully selling its stake in its sole operating assets in March 2020, RLI has materially limited the impact of the COVID-19. In addition, the impact on RLI long term land project development is expected to be limited.

In June 2020, RLI's life term was extended until January 2027. The Investment Manager has received a fairly strong indication that it is going to be at least another 10 years until RLI realises its assets. BGHL's exit horizon is likely to be within a much shorter time frame. BGHL is likely to exit its RLI investment on the secondary market, at a material discount to the net asset value of RLI if it wishes to exit before the expected term. As a consequence, since May 2017, the Investment Manager's valuation committee has applied an illiquidity discount to the NAV per share calculated by the administrator. In addition, the Investment Manager scrutinizes the secondary market on which there has been no significant transactions during the Period.

After considering the impact of the events described above the company has concluded there is no change in the valuation of RLI since 31 December 2019 and a discount of 45% continues to be applied to the most recent NAV.

As of the date of this report, BGHL holds 10,064,202 (31 December 2019: 10,064,202) shares which is approximately 5.05% (31 December 2019: 5.33%) of the share capital. The change in unrealised loss on RLI investment for the Period arising purely as a result of change in foreign exchange rates amounted to €2,588 (30 June 2019: gain €43,792).

3.2 Level 2 investments

The significant majority of BGHL's gross assets are invested in the Master Fund. Notwithstanding the significance of BGHL as a material investor in the Umbrella Fund, BGHL does not enjoy any special or particular rights in relation to the management of the Master Fund because of the voting rights attached to its investment. Specifically, it receives no information from the Umbrella Fund that is not communicated simultaneously to other investors, has no right to appoint a Director or attend board meetings, and has no influence on investment and operational decisions. Therefore, BGHL has no control over the Umbrella Fund nor, in the opinion of the Directors, could it exercise significant influence as described in IAS 28.

BGHL's investment in BGF is classified as Level 2 in the fair value hierarchy because the only inputs to valuation are number of shares and the quoted observable market price of those shares. The quoted price is published on the Irish Stock Exchange. BGHL classifies the interest in BGF as Level 2 because there is not a continuous active market in BGF's shares. The market is active only once a month when investors can transact in BGF shares at the published price which is calculated by the administrator of BGF based on its NAV.

The underlying investments of BGF, which are principally held by the Master Fund, are predominantly classified as Level 1 and Level 2 in the fair value hierarchy.

The proportion of Level 3 investments of the Master Fund is disclosed in the table below including the proportion of the investments which are fair valued by the Investment Manager using a variety of techniques including discounted cash flows and public/private company comparables.

Master Fund % AUM (*)	30 June 2020	31 Dec 2019	Variation %
Level 3	6.01%	5.84%	0.17%
of which Investment Manager's Valuation	1.82%	0.03%	1.79%

Source: Administrator, SS&C Financial Services LLC

(*) Profit & Loss of the FX to hedge investors is included in the AUM of the Master Fund.

In addition the proportion of Level 3 investments of the BG Select Investments (Ireland) Limited, a subsidiary fully owned by the Master Fund are disclosed in the table below:

BG Select Investments %AUM of Master fund (*)	30 June 2020	31 Dec 2019	Variation %
Level 3	4.36%	6.00%	(1.64)%
of which Investment Manager's Valuation	1.63%	3.06%	(1.43)%

Source: Administrator, SS&C Financial Services LLC

Instruments held by the Master Fund are valued in the risk management system which is fed by real time market data in order to price the portfolio. Some instruments such as, but not limited to, derivatives are priced by using in-house developed models.

The system calculates profits and losses as well as net asset values. Inputs are used in applying the various valuation techniques and broadly based on the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, spot and volatility prices, interest rate, credit and foreign exchange levels, default probabilities, liquidity factors as well as other data.

BGHL does not have access to the detail of the underlying valuations nor to the sensitivities and strategies of the Umbrella Fund, BGF and the Master Fund other than as explained in the Investment Manager's Report. BGHL does not have the ability nor the responsibility to direct or to implement the Master Fund's investment objective and policy. As a consequence BGHL does not consider that it is appropriate to seek to disclose in the notes of the financial statements all quantitative information relating to the underlying investments held by the Master Fund in its financial statements. General information about the Master Fund's exposure can be found in the Investment Manager's Report.

Umbrella Fund

BGHL's holding of voting shares in the Umbrella Fund is disclosed in the table below:

BGHL's holdings	30 June 2020	31 Dec 2019
Voting shares - Umbrella Fund	14.35%	13.02%

The investment in the Umbrella Fund is measured at fair value through profit or loss.

Investment by BGHL into BGF in €	30-June-20	31-Dec-19
Subscriptions	-	-
Redemptions	(17,150,000)	(393,502,367)*
Change in holding	**(17,150,000)**	**(393,502,367)**

*Included in the total redemption for December 2019 is a redemption in specie to the amount of EUR 305,902,367 transferred from BGHL to BG EIRE Fund as a result of the share exchange offer described in General Information on page 25. The net cashflow from redemptions for the year was EUR 87,600,000 of which a significant portion was used to repay the loan.

As at 30 June 2020 and 31 December 2019 there were no capital commitment obligations and no amounts due to BGF for unsettled purchases.

4. Financial instruments and associated risks

BGHL's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in BGHL's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to BGHL's continuing profitability. BGHL is exposed to market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

Risk management structure

The Investment Manager is responsible for identifying and controlling risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management of BGHL.

The unaudited interim condensed financial statements do not include financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with BGHL's annual financial statements as at 31 December 2019.

There have been no changes in the risk management department or in any risk management policies since the year end and it is envisaged that the principal risks and uncertainties expected by the Investment Manager and Board of Directors in the next 6 months will be similar to the last 6 months and will be managed in the same way.

Liquidity risk

BGHL manages its liquidity risk by combining the unencumbered cash held for working capital purposes and the redemptions in BGF. BGHL invests into BGF by subscribing redeemable participating shares. BGHL may redeem its shares in BGF on a monthly basis with a 60-day notification and does not have any special or preferential rights in BGF.

The Investment Manager of the Master Fund monitors the liquidity adequacy between assets and liabilities on an ongoing basis. As part of this monitoring, attention is paid to the liquidity and the maturity of the assets in the portfolio.

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities. However, as noted in note 3.1, a circa 45% liquidity discount to net asset value per share has been applied to the latest RLI NAV received by the Investment Manager representing a liquidity risk associated with the asset.

Credit risk

BGHL's credit risk is assessed as low since its exposure to brokers/dealers is with reputable broker/dealers, all securities transactions of BGHL are cleared by major securities firms pursuant to customer agreements, BGHL's appointed Custodian is a large financial institution having investment grade ratings from the major rating agencies and all of BGHL's exposures to counterparties are with reputable financial institutions.

While cash and cash equivalents and balances due from brokers are also subject to the impairment requirements of IFRS 9, there has been no impairment loss identified. Investments held at fair value through profit or loss is not subject to IFRS 9 impairment requirements.

For receivables the Company uses a 12 month expected loss allowance. The Company has completed some high-level analysis and forward looking qualitative and quantitative information, to determine if the receivables are low credit risk. Based on this analysis the expected credit loss ("ECL") on receivables is not material and therefore no impairment adjustments were accounted for.

5. Capital management

BGHL is not subject to any externally imposed capital requirements. When managing the capital of BGHL as detailed below, the Investment Manager seeks to provide consistent absolute returns in accordance with BGHL's investment objectives and policies, for example those related to gearing.

BGHL operated a share buy-back programme designed to reduce its capital, which has had the favourable effect of increasing the NAV per Share since the Shares were repurchased at a discount to their NAV. Transactions under the programme are disclosed in note 10.

6. Related Party transactions

The relationship between BGHL and the Investment Manager and the fees earned are disclosed in note 8. Each Director is entitled to an annual fee of €20,000 (31 December 2019: €20,000) for an annualised total of €40,000 (31 December 2019: €40,000); the Chairman is entitled to receive €38,000 (31 December 2019: €38,000) per annum and the Chairman of the audit committee is entitled to receive an additional fee of €7,500 (2019: €7,500) per annum.

As of 30 June 2020, Directors Sylvie Sauton and Andrew Henton are invested respectively for 6,177 and 6,000 (31 December 2019: 6,177 and 6,000) in shares of BGHL.

The issued share capital of BGHL is owned by numerous parties and therefore in the opinion of the Directors, there is no ultimate and immediate controlling party as no BGHL investors hold more than 50% of total shares in issue.

7. Administration fees

JTC Fund Solutions (Guernsey) Limited, the Administrator, is entitled to an annual fee. In addition, the Administrator outsources the accounting to SS&C Financial Services LLC for an annual service fee payable

monthly. As of 30 June 2020 the administration expenses during the Period was €60,587 (31 December 2019: €109,173) and payable at the end of the Period was €24,517 (31 December 2019: €25,178).

8. Management fees and Performance fees

Under the Investment Management Agreement, the Investment Manager has been given responsibility for the day-to-day discretionary management of BGHL's assets in accordance with BGHL's investment objective and policy, subject to the overall supervision of the Directors. The Investment Management Agreement is terminable by either party giving to the other not less than twelve months notice in writing, except in certain circumstances where, inter alia, the Investment Manager ceases to have all necessary regulatory permissions, becomes insolvent or is in material breach of the Investment Management Agreement, in which case the Investment Management Agreement may be terminated forthwith. If the Investment Management Agreement is terminated before 31 December in any period, the performance fee in respect of the then current calculation period is calculated and paid as though the date of termination were the end of the relevant calculation period.

The Investment Manager receives a management fee, accrued monthly and payable quarterly, calculated at the annual rate of 1.5 percent of the NAV.

The Investment Manager is also entitled to receive a performance fee. The performance fee is calculated in respect of each calculation period. The performance fee is deemed to accrue on a monthly basis as at each valuation day. For each calculation period, the performance fee is equal to 20 percent of the appreciation in the NAV per share during that calculation period above the previous high NAV per Share of the relevant class (the "Base NAV per Share"). The Base NAV per Share is the highest NAV per Share achieved as at the end of any previous calculation period (if any).

For the Period the Management fees and the Performance fees were as follows:

	Expense during the Period €	Payable as at the end of the Period €	Expense during the period ended 30 June 2019 €	Payable as at 31 December 2019 €
Management Fees	2,535,806	1,221,293	4,835,232	1,705,271
Performance Fees	681	681	-	-

9. Expense Ratio

Expense ratios, which do not take into account performance fees, are as below:

Period ended	AUM € Period Average	Management Fees	Administration & Depositary Fees	Other Fees	Expense Ratio
30 June 2020	337,680,335	1.50%	0.04%	0.16%	1.70%
30 June 2019	645,598,998	1.50%	0.02%	0.05%	1.56%

10. Share Capital and Treasury Shares

Authorised share Capital
The authorised share capital of BGHL is €1,010,000 divided into 5,100,000,000 ordinary shares of €0.0001 each and 5,000,000,000 C Shares of €0.0001 each. During the Period there was no class C shares in issue.

Allotted, issued and fully paid
The share capital detail as of 30 June 2020 is as follows:

Class A Shares	Euro Shares				Sterling Shares
Share balances	Issued and fully paid	Treasury Shares	Outstanding Shares	% Treasury Shares (*)	Issued and fully paid
At 1 January 2019	**28,782,231**	**-**	**28,782,231**	**0.0%**	**608,712**
Repurchase of own shares	-	(300,000)	(300,000)		-
Shares redeemed**	(13,677,553)	-	(13,677,553)		(210,170)
At 31 December 2019	**15,104,678**	**(300,000)**	**14,804,678**	**1.99%**	**398,542**
Repurchase of own shares	-	(645,403)	(645,403)		-
Share Cancelled	(877,683)	877,683	-		
Share conversions	97,632	-	97,632		(97,006)
At 30 June 2020	**14,324,627**	**(67,720)**	**14,256,907**	**0.47%**	**301,536**

(*) Under the Companies Law and the listing rules of EuroNext Amsterdam and the UK Listing Authority, BGHL is only allowed to acquire its own shares with the prior approval of its members in general meeting and that authority is limited to a maximum of 14.99% of its issued share capital on the date that the members' resolution is

passed. As explained in the Directors' Report, authority to repurchase 14.99% of the issued share capital was sought and granted at the annual general meeting held on 29 July 2020. All shares held in treasury are cancelled after each month end and BGHL seeks renewal of its authority to repurchase its own shares at each annual general meeting.

(**) These shares were converted to Class B shares from Class A shares as disclosed in the exchange offer in note 1.1 on page 25.

Voting

The shareholders are entitled to receive notice of and to attend and vote at general meetings of BGHL and each holder of shares being present in person or by proxy or corporate representative at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by corporate representative shall have one vote in respect of each share held by him.

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in BGHL may be issued with such preferred, deferred or other special rights or restrictions whether as to dividend, voting, return of capital or otherwise as BGHL at any time by ordinary resolution may determine and subject to and in default of such determination as the Board may determine. Subject to the provisions of the Companies Law, the terms and rights attaching to any class of shares, the Articles and any guidelines established from time to time by the Directors, BGHL may from time to time, purchase or enter into a contract, under which it will or may purchase any of its own shares.

If at any time the share capital is divided into further classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may whether or not BGHL is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class. On a winding-up, the shareholders are entitled to the surplus assets remaining after payment of all the creditors of BGHL.

11. Segment information

For management purposes, BGHL is engaged in one main operating segment, which invests in financial instruments. All of BGHL's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of BGHL as one segment. The financial results from this segment are equivalent to the financial statements of BGHL as a whole.

The following table analyses BGHL's total income per geographical location. The basis for attributing the total income is the place of incorporation of the instrument's counterparty.

In EURO	30 June 2020	30 June 2019
Ireland	2,118,807	11,017,461
United Kingdom	(674,108)	(42,320)
Rest of the world	20,888	43,876
Total	**1,465,587**	**11,019,017**

The following table analyses BGHL's operating income per investment type.

In EURO	30 June 2020	30 June 2019
Equity securities	2,116,219	11,061,252
Derivative financial instruments	(673,505)	(41,874)
Foreign exchange gain/(loss) on financial instruments not at fair value through profit or loss	22,873	(361)
Total	**1,465,587**	**11,019,017**

12. Taxation

BGHL has been granted exemption under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 from Guernsey Income Tax, and is charged the annual fee of £1,200 (2019: £1,200). As a result, no provision for income tax has been made in the financial statements.

BGHL invests in foreign countries which may levy withholding tax at source on revenues derived by non residents. Where such tax is withheld at source by the broker or another party BGHL records the revenue on a gross basis in Statement of Comprehensive Income (the revenue is grossed up and offset against an expense representing the tax withheld at source).

13. Due from brokers and due to brokers

Amount due from brokers include €990,000 (31 December 2019: €850,000) of cash pledged as collateral on forward foreign exchange contracts. Amount due to brokers include €62,124 (31 December 2019: €334) on forward foreign exchange contracts.

14. Comparatives

Comparative information for the condensed interim statement of comprehensive income, statement of changes in equity and statement of cash flows has been provided for the six months from 1 January 2019 to 30 June 2019, whereas comparative information for the condensed interim statement of financial position has been presented as at 31 December 2019.

15. Post balance sheet events

There were no material post balance sheet events since the period-end.

16. Approval of financial statements

The financial statements were approved and authorized for issue by the Board on 27 August 2020, at which date these financial statements were considered final.