

# BOUSSARD & GAVAUDAN HOLDING LIMITED

## APRIL 2009 REVIEW

### I. COMPANY INFORMATION

General information	
Investment Manager	Boussard & Gavaudan Asset Management, L.P.
Company Domicile	Guernsey
Website	<a href="http://www.bgholdingltd.com">www.bgholdingltd.com</a>
Management fee	1.5% p.a.
Performance fee	20%

	SEDOL	ISIN	Reuters	Bloomberg
EUR LSE	B28ZZQ1	GG00B1FQG453	BGHLx.L	BGHL LN
EUR Euronext	B1FQG45	GG00B1FQG453	BGHL.AS	BGHL NA
GBX LSE	B39VMM0	GG00B39VMM07	BGHS.L	BGHS LN
GBX Euronext	B39VMM1	GG00B39VMM07	BGHS.AS	BGHS NA

### II. OVERVIEW

Boussard & Gavaudan Holding Limited (“BGHL”) is a Guernsey closed-ended investment company and is registered with the Dutch Authority for the Financial Markets as a collective investment scheme under article 1:107 of the Dutch Financial Markets Supervision Act. BGHL invests its assets in order to deliver an exposure to multiple alternative investment strategies managed by the Investment Manager. The investment objective is to seek to produce long-term appreciation of its assets. BGHL will seek to achieve this by investing into Sark Fund Limited (“Sark Fund”). In addition, a proportion of the net assets of BGHL may, at the discretion of the Investment Manager, be invested in other hedge funds and/or other financial assets selected by the Investment Manager. As at today’s note, two investments have been made. BGHL aims to generate a target annualised return in excess of 10% (net of all fees).

### III. SHARE INFORMATION

NAV	Euro Shares	Sterling Shares
Estimated NAV	€10.6420	£10.3192
Estimated Month to date return	4.72%	3.55%
Estimated Year to date return	9.32%	6.21%
Estimated Inception to date return	6.42%	3.19%

Euro Shares	Amsterdam (AEX)	London (LSE)
Market close	€7.63	-
Premium / discount to estimated NAV	-28.30%	-

Sterling Shares	Amsterdam (AEX)	London (LSE)
Market close	-	GBX 745.00
Premium / discount to estimated NAV	-	-27.80%

In the context of the current discount to NAV, the Company continues to purchase some of its own shares into treasury.

	Euro Shares	Sterling Shares
Shares issued	63,461,967	2,285,568
Shares held in treasury	4,623,065	442,750
<b>Shares outstanding</b>	<b>58,838,902</b>	<b>1,842,818</b>

Total value of the investments of BGHL based on the estimated NAV for the shares outstanding	€647 million
Market capitalisation of BGHL based on the share price for the shares outstanding <i>Amsterdam (AEX) market close for the Euro Shares &amp; London (LSE) market close for the Sterling shares</i>	€464 million

## IV. BGHL COMPOSITION

The proceeds of the initial and secondary public offerings have been invested into the Sark Fund (net of a certain amount retained by BGHL for working capital requirements and other requirements).

In addition to having substantially 100% of its assets under management invested into the Sark Fund, BGHL is invested in private equity companies.

### A. SARK FUND LIMITED

Note that trade examples detailed in each strategy below are among the best and worst performances of the month.

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The rally on European equity markets intensified in April with the Eurostoxx 50 up 14.7%. Volatilities on stock markets decreased: the VDAX index ended at 32.6% from 38.0% and the VSTOXX index at 36.9% from 42.4%. Credit spreads tightened this month with the iTraxx Crossover index finishing at 808bps from 945bps.

#### *Credit strategies*

Credit positions returned a net 5bps\* in April.

Credit spreads have performed beyond our expectations in April. Apart from the rally in equities, the tightening of IG was driven by the ongoing dramatic change of dynamics in the financial sector, and a relatively good performance, still, of new issues. In HY space, very little secondary market activity in the last 2 weeks coupled with an extraordinary equity bull market froze institutional investor activity. We are told by JPMorgan that mutual fund secondary activity is nevertheless up 40% y-o-y vs. hedge funds who are down 10%, in terms of volumes traded (IG+HY).

The HY market saw no sellers of cash bonds because mutual funds are still shorts relative to their index, ... and of course, no new issues because overall yields are still well above the 12% frontier. "Don't sell at any price", and "it's too soon to be long" is the new conundrum this spring. The formal exit is to buy some BBB new issues on cyclical names to compensate their dramatic underperformance in 2008. This allowed many companies to come to the market again this month (Accor – for the 2<sup>nd</sup> time! - Holcim, Michelin, Peugeot, PPR ...), and explains the outperformance of the iTraxx HiVol index vs. the Main and Crossover. In April, the iTraxx Main IG index tightened 35bps (20% of spread) and outperformed the Crossover index (137bps tighter ⇔ 14.5% of spread) on a relative basis, the Hivol tightened 107bps (28.2% of spread).

We do not dismiss the high yield new-issue market coming alive again. As a matter of fact, a “new” new-issue market has emerged (debt-for-debt exchanges) for levered credits; however this is only open for higher quality issuers (ex: UPC). We therefore think the bulk of the improvement in spreads lies with what several participants call “systemic repair”, benefitting mostly financials and better quality/senior instruments.

Therefore, against the recent high beta rally, we continue to think that it is probably still too early in the cycle to allocate capital massively to crossover/high yield risk in aggregate (immediate events with a potential negative impact: US stress tests, completion of inventory rebuild, etc...). In the coming weeks, we will look to monetize fully our investments in the distressed financials. Further

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\* Estimated figures

more, being involved in two restructurings (see last month's comment), we can confirm that this part of the market, as a whole, clearly lacks fresh money for exit financing... we are also convinced there will be little ability to digest the pace and depth of unprecedented volumes of defaulting debt, which will lead to lower recoveries ...

We have suffered on our shorts, but have not reduced them at all in April.

### ***Equity Strategies***

Equity strategies posted 13bps\* to the performance of the fund this month.

The bulk of the performance came mostly from some of our historical trades (+141bps\*). GFI Informatique continued to outperform its hedges and Northgate rallied notably as positive broker research reports were published on the UK company highlighting its ability to refinance the existing debt and hence bolstering the market. To a lesser extent, our play around building materials companies also performed well (+8bps\*).

On the negative side, Camaïeu, the French women retailer, underperformed its hedges this month (-67bps\*). Other losses were spread across small shorter term trades on liquid names where we went short as we thought some stocks were overvalued. With the strong rally taking place in April, these trades went against us (-30bps\* in aggregate). We remained rigorous in our risk management process and cut our positions rather early on the way up.

### ***Volatility strategies***

#### ***Convertible bond arbitrage***

Convertible bonds (excl. mandatories) returned +324bps\* in April. The biggest contributor was the Fortis CASHES, with a +167bps\* contribution to the performance of the fund as the new revised deal with BNP Paribas, which was announced at the beginning of February, was at last voted by Fortis SA/NV's shareholders at the 28 and 29 April 2009 General Meeting. The approval (at an unexpectedly large majority of 73%) of the transaction between the Belgian government and the French bank removes some of the long-running uncertainty surrounding Fortis Holding and Fortis Bank Belgium. In addition, the shareholders voted a proposed double capital reduction. This aimed at reducing the par value per share and at creating new distributable reserves, which will allow Fortis to implement the Alternative Coupon Satisfaction Method (ACSM) for the coupon due in June and will enable the distribution of dividends going forward. The revised agreement with BNP Paribas gives Fortis SA/NV a consistent international insurance business and a much reduced exposure to the structured credit SPV, and as a result increases the likelihood of a re-instatement of dividends and/or share buybacks in the short-term, which is very positive for the CASHES and for the Fortis mandatories due 2010 as well.

The primary market was also a significant contributor to the convertibles book performance. Following the first CB issue in Europe since last summer, a €1.25bn deal by ArcelorMittal launched at the end of March, there were five new deals raising around €3.2bn, including a second issue by ArcelorMittal. We participated in all of them, and received large allocations in the convertibles issued by Anglo American (US\$1.5bn, 5-year, 4% coupon, 35% premium), Cap Gemini (€75m, 4.7-year, 3.5% coupon, 35% premium) and Unibail (€75m, 5.7-year, 3.5% coupon, 30% premium). All deals went extremely well and met very strong demand. As pricings are currently mostly driven by outright accounts (which in short require a not too high premium of around 30%, and a coupon in excess of the 5-year swap rate of around 3%), they can actually be extremely attractive on an arbitrage basis for the stronger credits and the more volatile names.

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\* Estimated figures

Our more short-dated/credit sensitive bonds also performed very well, contributing +100bps\* for the fund, on the back of the strong credit spread tightening across the board, in particular for crossover names like e.g. Alcatel.

#### *Mandatory convertible bond arbitrage*

Mandatories performed strongly in April, returning +182bps\* for the Sark Fund. This was mainly driven by our position in the Bayer mandatory, for which the 'averaging period' started on 29 April and which is due for redemption on 1 June 2009. The discount to fair value continued to tighten on this bond, and we also earned a significant amount of theta thanks to the options we had sold in the market as a dynamic hedge to our long call position embedded in the mandatory.

The Fresenius mandatory due 2011 continued to trade higher, following last month's gains, as well as the UBS / BBVA mandatory; we also booked some gamma gains on the BBVA options we had bought in this account to hedge our downside exposure in the mandatory.

Prime brokerage conditions have started to ease a bit, the use of capital remains limited for most of our mandatory convertible bonds, and a number of them have short residual maturities, which means that returns on equity remain very compelling despite the recent increase in valuations.

#### *Gamma trading*

Gamma trading posted -30bps\* this month. Equities performed very well this month with low volatility and a decrease in implied volatilities in both indices and single stocks. In spite of gamma exposure kept at a minimum, the little moves on the upside almost everyday made it hard for us to capture much money.

#### *Trading*

Trading contributed -30bps\* in April. Small losses were spread across the board on some short positions in financial, auto and retail sectors. These trades have been closed during the month.

As of 1 May 2009, Sark Master Fund Limited's assets under management were approximately €1.09 billion.

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\* Estimated figures

## ANNEX 1: SARK FUND GREEKS

Greeks		
Delta	-4.2%	-4.2 bps P&L variation for market +1%
Gamma	3.8%	Delta variation for market +1%
Vega	20.5 bps	By vol point
Vega with maturity weight (1/sqrt(T))	15.2 bps	By vol point
Theta	-4.7 bps	By day
Rho	-0.0 bps	For 1 bp of interest rates increasing
Credit sensitivity	-1.4 bps	For 1 bp of credit spreads widening

## ANNEX 2: SARK FUND PERFORMANCE ATTRIBUTION

Contribution to the performance*	
<b>Credit strategies</b>	<b>5 bps</b>
Credit	1 bps
Capital Structure Arbitrage	4 bps
<b>Equity strategies</b>	<b>13 bps</b>
Risk Arbitrage / Special Situations	-22 bps
Value with Catalyst / Value	35 bps
<b>Volatility strategies</b>	<b>476 bps</b>
Mandatory Convertible Bond Arbitrage	182 bps
Convertible Bond Arbitrage	324 bps
Gamma Trading	-30 bps
Warrant Arbitrage	0 bps
<b>Trading</b>	<b>-30 bps</b>
<b>TOTAL</b>	<b>464 bps</b>

## ANNEX 3: SARK FUND EQUITY AT RISK

Equity at Risk	
<b>Credit Strategies</b>	<b>12.6%</b>
Credit	6.7%
Capital Structure Arbitrage	0.7%
Restructurings	5.2%
<b>Equity Strategies</b>	<b>13.2%</b>
Risk Arbitrage	-
Special Situations	-
Value with Catalyst	11.9%
Value	1.2%
<b>Volatility Strategies</b>	<b>32.8%</b>
Mandatory Arbitrage	24.4%
Convertible Bond Arbitrage	6.5%
Gamma Trading	1.9%
Warrants Arbitrage	0.1%
<b>Trading</b>	<b>1.2%</b>
Trading	1.2%
<b>TOTAL</b>	<b>59.9%</b>

\* Estimated figures

#### ANNEX 4: SARK FUND GROSS EXPOSURE

		In M€
<b>Credit strategies</b>		
	Long	266
	Short	157
<b>Equity strategies &amp; Trading</b>		
	Long	280
	Short	172
<b>Convertible bond &amp; Mandatory arbitrage</b>		
	Long	1,538
	Short	977
<b>Gamma trading</b>		
	Long	112
	Short	112
<b>Warrant arbitrage</b>		
	Long	33
	Short	41
<b>Gross Exposure</b>		<b>3,687</b>

	<i>Long</i>	<i>Short</i>
<i>Credit strategies</i>	$\sum$ market value long	$\sum$ Abs(market value short)
	$\sum$ Abs (notional short for CDS)	$\sum$ notional long for CDS
<i>Equity strategies &amp; trading</i>	$\sum$ delta long	$\sum$ Abs( delta short)
<i>Convertible bonds &amp; Mandatory arbitrage</i>	$\sum$ market value long	Abs( $\sum$ [delta equity + options])
<i>Gamma trading</i>	$\sum$ Abs (delta equity)	$\sum$ Abs(delta equity)
<i>Warrant arbitrage</i>	$\sum$ delta long	$\sum$ Abs(delta short)

## ANNEX 5: SARK FUND HISTORICAL RETURNS SUMMARY

### Sark Fund Euro share class

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2003	-	-	0.75%	0.76%	0.82%	1.04%	0.93%	1.06%	1.18%	1.55%	1.05%	0.17%	9.69%	<b>9.69%</b>
2004	1.07%	-0.12%	1.03%	0.22%	0.14%	-0.29%	-0.42%	-0.42%	-0.19%	-0.49%	1.18%	1.07%	2.81%	<b>12.77%</b>
2005	1.70%	1.06%	1.09%	-0.69%	0.27%	1.27%	1.16%	0.50%	1.00%	-0.44%	0.71%	0.77%	8.70%	<b>22.58%</b>
2006	-0.18%	1.56%	1.64%	0.86%	-0.47%	1.35%	0.40%	1.56%	2.73%	2.90%	2.34%	2.91%	18.99%	<b>45.85%</b>
2007	3.14%	1.46%	4.67%	0.74%	1.39%	-2.24%	0.87%	-2.20%	-0.31%	1.83%	-2.15%	-1.24%	5.85%	<b>54.38%</b>
2008	-2.08%	-0.01%	-2.35%	1.10%	1.13%	-2.33%	-1.39%	0.21%	-10.93%	-0.44%	-2.86%	0.18%	-18.58%	<b>25.69%</b>
2009	1.92%	-0.28%	0.90%	4.64%*									7.31%*	<b>34.88%*</b>

### Sark Fund US Dollar share class

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2003	-	-	0.67%	0.70%	0.77%	0.94%	0.84%	0.97%	1.15%	1.46%	1.01%	0.15%	9.00%	<b>9.00%</b>
2004	1.00%	-0.17%	0.96%	0.13%	0.07%	-0.35%	-0.47%	-0.47%	-0.24%	-0.59%	1.16%	1.06%	2.08%	<b>11.27%</b>
2005	1.66%	1.08%	1.09%	-0.64%	0.31%	1.30%	1.22%	0.62%	1.06%	-0.32%	0.81%	0.89%	9.45%	<b>21.79%</b>
2006	-0.01%	1.64%	1.78%	1.08%	-0.29%	1.49%	0.56%	1.74%	2.83%	3.06%	2.64%	3.01%	21.29%	<b>47.72%</b>
2007	3.19%	1.58%	4.82%	0.89%	1.45%	-2.15%	0.97%	-2.12%	-0.22%	1.92%	-2.13%	-1.17%	6.97%	<b>58.02%</b>
2008	-2.12%	-0.07%	-2.57%	1.02%	0.98%	-2.52%	-1.50%	0.21%	-10.63%	0.16%	-2.97%	0.22%	-18.56%	<b>28.69%</b>
2009	1.71%	-0.31%	0.84%	4.62%*									6.97%*	<b>37.65%*</b>

\* Estimated figures

## ANNEX 6: SARK FUND MACROECONOMIC RISKS THROUGH STRESS TESTS

### ◇ General stress tests

	Scenario	Description	Impact % of NAV
1	Delta - spot up	Spot : 10% ; Credit : 0% ; Vol : 0% ; Rates : 0%	0.75%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0%	1.39%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0%	0.72%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0%	-0.70%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0%	-2.73%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0%	3.58%
7	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0%	-1.94%
8	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0%	-2.76%
9	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0%	-4.18%
10	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -12.5%	-1.95%
11	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -12.5%	-2.75%
12	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -12.5%	-4.16%
13	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 12.5%	-1.94%
14	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 12.5%	-2.78%
15	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 12.5%	<b>-4.20%</b>
16	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0%	-2.49%
17	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0%	-1.76%
18	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0%	-3.19%
19	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0%	4.85%
20	Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0%	3.58%
21	Equity Credit decorrelation 6	Spot : 0% ; Credit : 25% ; Vol : 10% ; Rates : 0%	-2.03%
22	Equity Credit decorrelation 7	Spot : 0% ; Credit : 25% ; Vol : -10% ; Rates : 0%	-3.42%
23	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0%	3.04%
24	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0%	3.77%
25	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0%	4.52%
26	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0%	3.52%
27	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0%	4.27%
28	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0%	5.05%
29	Market rally, Inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 12.5%	3.01%
30	Market rally, Inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 12.5%	3.74%
31	Market rally, Inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 12.5%	4.50%
32	Market rally, Inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 12.5%	3.49%
33	Market rally, Inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 12.5%	4.25%
34	Market rally, Inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 12.5%	5.03%
35	Market rally, Inflation 7	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 25%	2.98%
36	Market rally, Inflation 8	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 25%	3.71%
37	Market rally, Inflation 9	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 25%	4.47%
38	Market rally, Inflation 10	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 25%	3.47%
39	Market rally, Inflation 11	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 25%	4.23%
40	Market rally, Inflation 12	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 25%	5.02%
	<b>Worst</b>		<b>-4.20%</b>

❖ **Stress tests with small and mid caps adjustments**

	<b>Scenario</b>	<b>Description</b>	<b>Impact % of NAV</b>
1	Delta - spot up	Spot : 10% ; Credit : 0% ; Vol : 0% ; Rates : 0%	1.36%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0%	0.80%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0%	0.72%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0%	-0.70%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0%	-2.73%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0%	3.58%
7	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0%	-2.58%
8	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0%	-4.05%
9	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0%	-6.12%
10	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -12.5%	-2.58%
11	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -12.5%	-4.03%
12	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -12.5%	-6.10%
13	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 12.5%	-2.57%
14	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 12.5%	-4.07%
15	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 12.5%	<b>-6.14%</b>
16	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0%	-2.18%
17	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0%	-1.45%
18	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0%	-2.88%
19	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0%	4.55%
20	Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0%	3.29%
21	Equity Credit decorrelation 6	Spot : 0% ; Credit : 25% ; Vol : 10% ; Rates : 0%	-2.03%
22	Equity Credit decorrelation 7	Spot : 0% ; Credit : 25% ; Vol : -10% ; Rates : 0%	-3.42%
23	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0%	3.34%
24	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0%	4.07%
25	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0%	4.82%
26	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0%	4.12%
27	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0%	4.88%
28	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0%	5.66%
29	Market rally, Inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 12.5%	3.31%
30	Market rally, Inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 12.5%	4.04%
31	Market rally, Inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 12.5%	4.80%
32	Market rally, Inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 12.5%	4.10%
33	Market rally, Inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 12.5%	4.86%
34	Market rally, Inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 12.5%	5.64%
35	Market rally, Inflation 7	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 25%	3.28%
36	Market rally, Inflation 8	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 25%	4.01%
37	Market rally, Inflation 9	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 25%	4.77%
38	Market rally, Inflation 10	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 25%	4.07%
39	Market rally, Inflation 11	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 25%	4.84%
40	Market rally, Inflation 12	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 25%	5.62%
	<b>Worst</b>		<b>-6.14%</b>

❖ **Stress tests assuming a third of risk arbitrage trades breaks in case market drops by more than 10%**

	Scenario	Description	Impact % of NAV
1	Delta - spot up	Spot : 10% ; Credit : 0% ; Vol : 0% ; Rates : 0%	1.00%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0%	1.14%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0%	0.72%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0%	-0.70%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0%	-2.73%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0%	3.58%
7	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0%	-2.20%
8	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0%	-3.41%
9	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0%	-5.16%
10	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -12.5%	-2.20%
11	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -12.5%	-3.40%
12	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -12.5%	-5.13%
13	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 12.5%	-2.19%
14	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 12.5%	-3.43%
15	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 12.5%	<b>-5.18%</b>
16	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0%	-2.36%
17	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0%	-1.63%
18	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0%	-3.06%
19	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0%	4.72%
20	Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0%	3.46%
21	Equity Credit decorrelation 6	Spot : 0% ; Credit : 25% ; Vol : 10% ; Rates : 0%	-2.03%
22	Equity Credit decorrelation 7	Spot : 0% ; Credit : 25% ; Vol : -10% ; Rates : 0%	-3.42%
23	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0%	3.17%
24	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0%	3.89%
25	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0%	4.65%
26	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0%	3.77%
27	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0%	4.52%
28	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0%	5.30%
29	Market rally, Inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 12.5%	3.14%
30	Market rally, Inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 12.5%	3.87%
31	Market rally, Inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 12.5%	4.62%
32	Market rally, Inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 12.5%	3.74%
33	Market rally, Inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 12.5%	4.50%
34	Market rally, Inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 12.5%	5.28%
35	Market rally, Inflation 7	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 25%	3.11%
36	Market rally, Inflation 8	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 25%	3.84%
37	Market rally, Inflation 9	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 25%	4.60%
38	Market rally, Inflation 10	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 25%	3.72%
39	Market rally, Inflation 11	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 25%	4.49%
40	Market rally, Inflation 12	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 25%	5.27%
	<b>Worst</b>		<b>-5.18%</b>

## **B. PRIVATE EQUITY INVESTMENTS**

On top of its investment in the Sark Fund, BGHL may enter into private equity investments financed by a loan facility. BGHL has the following investments in the portfolio.

### Countrywide Plc

This investment, entered into in May 2007, is in the unlisted securities resulting from the public offer made by Apollo on Countrywide Plc, the largest network of UK real estate agents. The historical price paid by BGHL for the unlisted securities was approximately £12m.

### Rasaland

The Company entered into a second private equity investment in Rasaland in June 2008 for \$10 million.

Both investments represent in aggregate approximately 1% of the assets under management.

## **V. BOUSSARD & GAVAUDAN ASSET MANAGEMENT UPDATE**

### **Transaction in the Company's securities**

Please note that transactions in the Company's securities that have been performed by officers, directors and persons referred to in the section 5:60 of the Financial Supervision Act ("Wft") are reported:

- directly on the AFM website: [www.afm.nl](http://www.afm.nl) (public database > notification > insider-transactions 5:60 wft);
- on the Company's website through a link to the AFM notification: [www.bgholdingltd.com](http://www.bgholdingltd.com) (Investment Manager > Regulatory information).

Transactions in the Company's own securities are also reported on:

- the AFM website: [www.afm.nl](http://www.afm.nl) (public database > notification > price-sensitive press releases);
- the Company's website: [www.bgholdingltd.com](http://www.bgholdingltd.com) (Investor Relations > Financial announcements).

### **Result of conversion**

The Company announced on 21 April 2009 the result of the facility to convert existing holdings of:

- Euro Shares in the Company ("Euro Shares") into Sterling Shares in the Company (the "Sterling Shares"); and
- Sterling Shares into Euro Shares,

(together, the "Conversion") for the 31 March 2009 conversion calculation date (the "March Conversion Calculation Date").

### Conversion requests

The aggregate number of shares for which conversion request forms were received for the March Conversion Calculation Date was:

23,350 Euro Shares  
737,381 Sterling Shares

## Conversion ratios

The net asset values per share as at the March Conversion Calculation Date were:	The spot currency conversion rates as at the March Conversion Calculation Date were:	On the basis of the above, the conversion ratios are as follows:
Euro Shares: €10.1627	Euro GBP : 0.92664	0.944958 Sterling Shares for every one Euro Share
Sterling Shares: £9.9657	Euro GBP : 0.92664	1.058248 Euro Shares for every one Sterling Share

## Cancellation

As a result of the Conversion, the number of Euro Shares will be increased by 756,981.

As a result of the Conversion, the number of Sterling Shares will be reduced by 715,317.

## Results of conversion

With effect from Conversion, the issued share capital of B&G Holding was on 31 March 2009:

63,461,967 Euro Shares  
2,285,568 Sterling Shares

## Admission of new shares

Application has been made for:

780,331 Euro Shares to be admitted to listing and trading on Euronext Amsterdam,  
22,064 Sterling Shares to be 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.

## Next conversion

The next conversion calculation date will be 30 June 2009 (the "June Conversion Calculation Date"). Shareholders wishing to convert between share classes should complete the appropriate conversion request form, which is available from the Company's website [www.bgholdingltd.com](http://www.bgholdingltd.com).

Sincerely,

E. Boussard & E. Gavaudan

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## **Disclaimer**

This newsletter contains forward-looking statements, including statements relating to market conditions and environments, estimated performance of investment strategies, investment activities and funding of BGHL. Such forward-looking statements involve unknown risk, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievement of BGHL, or market conditions or investment strategies, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. BGHL does not undertake an obligation to update its forward-looking statements to reflect future events.

This announcement is not (i) an offer to sell or a solicitation of any offer to buy the ordinary shares of BGHL (the "Securities") or any other securities in the United States or in any other jurisdiction, (ii) any invitation or inducement to engage in investment activity or financial promotion of any kind, or (iii) investment advice or a recommendation.

BGHL is established as an investment company domiciled in Guernsey. BGHL has received the necessary approval of the Guernsey Financial Services Commission and the States of Guernsey Policy Council. BGHL is registered with the Dutch Authority for the Financial Markets as a collective investment scheme under article 1:107 of the Dutch Financial Markets Supervision Act.

You should always bear in mind that:

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

BGHL has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "Investment Company Act"). In addition, the Securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"). Consequently, the Securities may not be offered, sold or otherwise transferred within the United States or to, or for the account or benefit of, US persons except in accordance with the Securities Act or an exemption there from and under circumstances which will not require BGHL to register under the Investment Company Act. Accordingly, US Persons acquiring the Securities are subject to significant restrictions on transfer. In addition, US persons who are not qualified purchasers (within the meaning of section 3(c)(7) of the Investment Company Act) will be prohibited from purchasing the Securities at any time, including on the secondary market. No public offering of the Securities has been or will be made in the United States.

This communication is for information purposes only and the information contained in this communication should not be relied upon as a substitute for financial or other professional advice.