

BOUSSARD & GAVAUDAN HOLDING LIMITED

JULY 2009 REVIEW

I. COMPANY INFORMATION

General information	
Investment Manager	Boussard & Gavaudan Asset Management, L.P.
Company Domicile	Guernsey
Website	www.bgholdingltd.com
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. 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	€1.4378	£10.9136
Estimated Month to date return	1.95%	1.63%
Estimated Year to date return	17.50%	12.32%
Estimated Inception to date return	14.38%	9.14%

Euro Shares	Amsterdam (AEX)	London (LSE)
Market close	€9.00	-
Premium / discount to estimated NAV	-21.31%	-

Sterling Shares	Amsterdam (AEX)	London (LSE)
Market close	-	GBX 830.00
Premium / discount to estimated NAV	-	-23.95%

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	60,347,179	1,689,104
Shares held in treasury	3,648,714	-
Shares outstanding	56,698,465	1,689,104

Total value of the investments of BGHL based on the estimated NAV for the shares outstanding	€670 million
Market capitalisation of BGHL based on the share price for the shares outstanding <i>Amsterdam (AEX) market close for the Euro Shares & London (LSE) market close for the Sterling shares</i>	€527 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 has one investment 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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European equities markets rallied in July with the Eurostoxx 50 up +9.8%. Volatilities on stock markets decreased: the VDAX index ended at 25.6% from 27.3% and the VSTOXX index at 28.1% from 30.2%. Credit spreads tightened this month with the iTraxx Crossover index finishing at 612bps from 713bps.

Credit strategies

In July, credit strategies contributed by +167bps* to the performance of the Fund.

Capital structure arbitrage returned +21bps*, while credit long/short trades were up +146bps*.

This performance stems largely from 3 situations.

First and foremost, the 1st part of a restructuring phase in one of our main investments was executed. This situation is on-going, and one can reasonably expect further upside from here. Second, another core position, not only benefited from the massive tightening in HY spreads, but also by the receding discount given, currently, to holding companies in the credit market. Finally, we took the opportunity of the rally in July to almost fully monetize one of our investments in a stressed cable company, and exited our investment from H2 2008 in Banca Italease, an Italian lease financing bank. Banco Popolare, its largest shareholder, launched a public tender offer on Banca Italease in order to delist the bank. Spreads on short dated senior FRNs were at Z+4250~ in January, we sold our last bonds in the Z+325 area.

We still have not reduced our short credit positions so far. This is not to say that we are very bearish on credit as an asset-class, and on cyclical industrials and several consumer IG/X-over companies more specifically. Indeed, we believe the rally in spreads can extend for another few weeks; as several strategists have pointed out, every bear market in history has had at least one major 50% retracement.

We think credit markets will be macro driven for the 2nd half of the year, as they have been mostly so far in 2009. We are hence vulnerable to any disappointment driven by a failure of economic data to validate a “V-shaped” recovery that is now priced in by the markets, in almost every asset class. iTraxx Main and X-over are now tighter (by 30bps and 10bps respectively) than the day Lehman collapsed! If one compares the economic data from September 2008 to today’s numbers, one will clearly see that today’s environment is in much poorer shape. We nevertheless agree that company specific 2Q results do look better than 4Q 2008 and 1Q 2009, which marked also the trough, so far,

* Estimated figures

of the most violent recession since the 1930s. That said, credit markets have rallied on the back of “Emergency Policies” set out by Central Banks in the G3, and these are only temporary.

Equity Strategies

Equity strategies posted a negative 122bps* to the performance of the Fund in July.

Negative contributions mostly arose from historical stakes in GFI Informatique and Camaïeu which underperformed their hedges during the market squeeze in the second half of the month (-110bps* in aggregate). We also suffered from Northgate plc following the company’s full year results and the announcement of the subsequent GBP114m capital increase through a placement and a right issue (-20bps*). To a lesser extent, our trade on PPR earnings also cost us as the company announced better-than-expected results (-10bps*).

Overall, our focus on shorter-term trades with hard catalysts performed well. This month, we took advantage of the right issue on Holcim to trade around the stock (+9bps*). We also continued to identify implied volatilities on some specific stocks which were not properly reflected in the market and sold volatility on those names. We played it on some cyclical French companies (+10bps*).

Volatility strategies

Convertible bond arbitrage

The convertible bonds (excl. Mandatories) portfolio contributed +127bps* to the Sark Fund's performance in July.

This was mainly driven by our trades in the Fortis CASHES +51bps* and in Jazztel +29bps*. The rest of our positions strongly benefited from the global richening of the European convertibles market which continued to be well bid by outright buying interest. This happened in a context of perceived reduced liquidity in the secondary market trading, probably reflecting the summer holiday season. Activity in most of the bonds issued in 2009 remained strong though, and some names traded a lot on the back of H1 results reporting.

The Jazztel restructuring closed in July, with the completion of the company's rights issue, thereby reducing by €140m the indebtedness of the Spanish operator. As expected last month the capital increase was entirely subscribed by shareholders and bondholders therefore did not receive any shares. We received c. €28 of cash for each €100 of bonds held, as well as warrants maturing in 4 years and already well in the money.

The Fortis CASHES bounced back strongly this month, following the small profit taking witnessed in June, as the issue caught up with the rest of the European Tier One market which had risen sharply during the course of H1 in a move that the CASHES had somewhat lagged. At current levels we continue to believe that the downside in those bonds is very limited given the credit strength of the issuer (which is being integrated in the BNP Paribas group), the very favourable outlook for cash dividends at Fortis going forward, and the prospects of a restructuring of the bonds by BNP Paribas. Incidentally Fortis owns call options on the French bank struck at €68 per share (compared to a BNP Paribas share price of €51.15 as of close of business 31 July 2009) granted by the Belgian government and which could well be used to restructure the CASHES.

New convertibles issuance remained sustained in July with 6 new issues raising around €2bn. We participated significantly *inter alia* in the GBP 350m British Airways convertible and in the €750m KfW into Deutsche Post exchangeable bond.

* Estimated figures

Mandatory convertible bond arbitrage

Mandatories contributed +52bps* to the performance of the Fund this month with most of the gains evenly coming from our largest positions. We believe this primarily reflects a significant improvement of prime brokerage conditions which greatly increases the returns one can expect on such trades, as well as a global reduction in the equity markets volatility.

The BBVA mandatory continued to trade higher, buoyed by the reduction in the perceived credit risk of UBS, higher dividend expectations for the Spanish bank, and a rising share price. The Fortis and the Fresenius mandatories were also marked higher, although not necessarily on the back of actual trades.

With the global tightening of prime brokerage financing conditions and despite the strong gains booked so far on our existing positions, we believe the discount to fair value of some of our mandatories has actually increased, which supports well the level of returns we expect to continue to see on this strategy.

In July we participated in the Vale ord/Vale pref 6.75% 2011 mandatory convertible preferred new issue. The mining group issued US\$ 950m of attractively priced 3-year bonds in which we received a very good allocation. The bonds traded up 2 points in the aftermarket and have continued to trade well since then.

Gamma trading

Equity markets started the month of July in the continuation of the late June correction. Even though realized vols had picked up slightly, this correction was orderly and implied vols did not pick up much. The second half of the month saw equity markets stage an impressive rally that further dampened implied skew and vols levels across the curve. During this month, we continued to carry an overall small net long vol bias on the Gamma books targeted mostly at specific opportunities in single stocks on the back of earnings...etc

Although most companies beat their earnings consensus estimates, moves on the stocks were mostly muted due to high expectations already priced in the equity market and we suffered a small 6bps* negative performance due to vol levels continuing to adjust lower.

Corporate Warrant Arbitrage

Corporate warrants arbitrage returned +3bps* for the Fund in July as we participated in the Imerys rights issue.

Trading

Trading contributed -14bps* in July. Small losses were spread across the board.

As of 1 August 2009, Sark Master Fund Limited's assets under management were approximately €1.1 billion.

* Estimated figures

ANNEX 1: SARK FUND GREEKS

Greeks		
Delta	-0.2%	-0.2 bps P&L variation for market +1%
Gamma	0.4%	Delta variation for market +1%
Vega	10.7 bps	By vol point
Vega with maturity weight (1/sqrt(T))	9.6 bps	By vol point
Theta	1.1 bps	By day
Rho	0.2 bps	For 1 bp of interest rates increasing
Credit sensitivity	-1.2 bps	For 1 bp of credit spreads widening

ANNEX 2: SARK FUND PERFORMANCE ATTRIBUTION

Contribution to the performance*	
Credit strategies	167 bps
Credit	146 bps
Capital Structure Arbitrage	21 bps
Equity strategies	-122 bps
Risk Arbitrage / Special Situations	2 bps
Value with Catalyst / Value	-124 bps
Volatility strategies	176 bps
Mandatory Convertible Bond Arbitrage	52 bps
Convertible Bond Arbitrage	127 bps
Gamma Trading	-6 bps
Warrant Arbitrage	3 bps
Trading	-14 bps
TOTAL	206 bps

ANNEX 3: SARK FUND EQUITY AT RISK

Equity at Risk	
Credit Strategies	12.1%
Credit	6.8%
Capital Structure Arbitrage	0.6%
Restructurings	4.6%
Equity Strategies	15.7%
Risk Arbitrage	0.3%
Special Situations	0.3%
Value with Catalyst	14.0%
Value	1.1%
Volatility Strategies	23.1%
Mandatory Arbitrage	17.1%
Convertible Bond Arbitrage	4.2%
Gamma Trading	1.9%
Warrants Arbitrage	0.0%
Trading	1.1%
Trading	1.1%
TOTAL	52.0%

* Estimated figures

ANNEX 4: SARK FUND GROSS EXPOSURE

		In M€
Credit strategies		
	Long	247
	Short	153
Equity strategies & Trading		
	Long	323
	Short	279
Convertible bond & Mandatory arbitrage		
	Long	800
	Short	584
Gamma trading		
	Long	140
	Short	140
Warrant arbitrage		
	Long	-
	Short	-
Gross Exposure		2,665

	<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 & trading</i>	\sum delta long	\sum Abs(delta short)
<i>Convertible bonds & 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%	9.69%
2004	1.07%	-0.12%	1.03%	0.22%	0.14%	-0.29%	-0.42%	-0.42%	-0.19%	-0.49%	1.18%	1.07%	2.81%	12.77%
2005	1.70%	1.06%	1.09%	-0.69%	0.27%	1.27%	1.16%	0.50%	1.00%	-0.44%	0.71%	0.77%	8.70%	22.58%
2006	-0.18%	1.56%	1.64%	0.86%	-0.47%	1.35%	0.40%	1.56%	2.73%	2.90%	2.34%	2.91%	18.99%	45.85%
2007	3.14%	1.46%	4.67%	0.74%	1.39%	-2.24%	0.87%	-2.20%	-0.31%	1.83%	-2.15%	-1.24%	5.85%	54.38%
2008	-2.08%	-0.01%	-2.35%	1.10%	1.13%	-2.33%	-1.39%	0.21%	-10.93%	-0.44%	-2.86%	0.18%	-18.58%	25.69%
2009	1.92%	-0.28%	0.90%	4.88%	4.10%	0.73%	2.06%*						15.12%*	44.69%*

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%	9.00%
2004	1.00%	-0.17%	0.96%	0.13%	0.07%	-0.35%	-0.47%	-0.47%	-0.24%	-0.59%	1.16%	1.06%	2.08%	11.27%
2005	1.66%	1.08%	1.09%	-0.64%	0.31%	1.30%	1.22%	0.62%	1.06%	-0.32%	0.81%	0.89%	9.45%	21.79%
2006	-0.01%	1.64%	1.78%	1.08%	-0.29%	1.49%	0.56%	1.74%	2.83%	3.06%	2.64%	3.01%	21.29%	47.72%
2007	3.19%	1.58%	4.82%	0.89%	1.45%	-2.15%	0.97%	-2.12%	-0.22%	1.92%	-2.13%	-1.17%	6.97%	58.02%
2008	-2.12%	-0.07%	-2.57%	1.02%	0.98%	-2.52%	-1.50%	0.21%	-10.63%	0.16%	-2.97%	0.22%	-18.56%	28.69%
2009	1.71%	-0.31%	0.84%	4.87%	4.29%	0.72%	2.08%*						14.98%*	47.96%*

* 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%	0.40%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0%	0.03%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0%	0.29%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0%	-0.25%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0%	-1.98%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0%	2.59%
7	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0%	-2.81%
8	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0%	-3.35%
9	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0%	-3.38%
10	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -12.5%	-2.88%
11	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -12.5%	-3.42%
12	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -12.5%	-3.45%
13	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 12.5%	-2.74%
14	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 12.5%	-3.28%
15	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 12.5%	-3.31%
16	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0%	-1.83%
17	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0%	-1.53%
18	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0%	-2.08%
19	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0%	2.85%
20	Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0%	2.36%
21	Equity Credit decorrelation 6	Spot : 0% ; Credit : 25% ; Vol : 10% ; Rates : 0%	-1.71%
22	Equity Credit decorrelation 7	Spot : 0% ; Credit : 25% ; Vol : -10% ; Rates : 0%	-2.22%
23	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0%	2.44%
24	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0%	2.72%
25	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0%	3.03%
26	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0%	2.67%
27	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0%	2.96%
28	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0%	3.30%
29	Market rally, Inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 12.5%	2.47%
30	Market rally, Inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 12.5%	2.74%
31	Market rally, Inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 12.5%	3.06%
32	Market rally, Inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 12.5%	2.70%
33	Market rally, Inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 12.5%	2.99%
34	Market rally, Inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 12.5%	3.33%
35	Market rally, Inflation 7	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 25%	2.49%
36	Market rally, Inflation 8	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 25%	2.77%
37	Market rally, Inflation 9	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 25%	3.09%
38	Market rally, Inflation 10	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 25%	2.73%
39	Market rally, Inflation 11	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 25%	3.02%
40	Market rally, Inflation 12	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 25%	3.36%
	Worst		-3.45%

❖ Stress tests with small and mid caps adjustments

	Scenario	Description	Impact % of NAV
1	Delta - spot up	Spot : 10% ; Credit : 0% ; Vol : 0% ; Rates : 0%	1.30%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0%	-0.85%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0%	0.29%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0%	-0.25%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0%	-1.98%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0%	2.59%
7	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0%	-3.69%
8	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0%	-5.05%
9	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0%	-5.90%
10	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -12.5%	-3.76%
11	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -12.5%	-5.12%
12	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -12.5%	-5.97%
13	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 12.5%	-3.62%
14	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 12.5%	-4.98%
15	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 12.5%	-5.83%
16	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0%	-1.38%
17	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0%	-1.08%
18	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0%	-1.63%
19	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0%	2.41%
20	Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0%	1.92%
21	Equity Credit decorrelation 6	Spot : 0% ; Credit : 25% ; Vol : 10% ; Rates : 0%	-1.71%
22	Equity Credit decorrelation 7	Spot : 0% ; Credit : 25% ; Vol : -10% ; Rates : 0%	-2.22%
23	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0%	2.89%
24	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0%	3.16%
25	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0%	3.48%
26	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0%	3.57%
27	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0%	3.86%
28	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0%	4.19%
29	Market rally, Inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 12.5%	2.91%
30	Market rally, Inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 12.5%	3.19%
31	Market rally, Inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 12.5%	3.51%
32	Market rally, Inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 12.5%	3.60%
33	Market rally, Inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 12.5%	3.89%
34	Market rally, Inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 12.5%	4.22%
35	Market rally, Inflation 7	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 25%	2.94%
36	Market rally, Inflation 8	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 25%	3.21%
37	Market rally, Inflation 9	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 25%	3.53%
38	Market rally, Inflation 10	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 25%	3.63%
39	Market rally, Inflation 11	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 25%	3.92%
40	Market rally, Inflation 12	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 25%	4.25%
	Worst		-5.97%

❖ **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%	0.59%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0%	-0.16%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0%	0.29%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0%	-0.25%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0%	-1.98%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0%	2.59%
7	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0%	-2.99%
8	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0%	-3.88%
9	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0%	-4.17%
10	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -12.5%	-3.06%
11	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -12.5%	-3.95%
12	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -12.5%	-4.24%
13	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 12.5%	-2.92%
14	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 12.5%	-3.81%
15	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 12.5%	-4.10%
16	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0%	-1.73%
17	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0%	-1.43%
18	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0%	-1.99%
19	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0%	2.76%
20	Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0%	2.26%
21	Equity Credit decorrelation 6	Spot : 0% ; Credit : 25% ; Vol : 10% ; Rates : 0%	-1.71%
22	Equity Credit decorrelation 7	Spot : 0% ; Credit : 25% ; Vol : -10% ; Rates : 0%	-2.22%
23	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0%	2.54%
24	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0%	2.81%
25	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0%	3.13%
26	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0%	2.86%
27	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0%	3.15%
28	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0%	3.48%
29	Market rally, Inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 12.5%	2.56%
30	Market rally, Inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 12.5%	2.84%
31	Market rally, Inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 12.5%	3.15%
32	Market rally, Inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 12.5%	2.89%
33	Market rally, Inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 12.5%	3.18%
34	Market rally, Inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 12.5%	3.51%
35	Market rally, Inflation 7	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 25%	2.59%
36	Market rally, Inflation 8	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 25%	2.86%
37	Market rally, Inflation 9	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 25%	3.18%
38	Market rally, Inflation 10	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 25%	2.92%
39	Market rally, Inflation 11	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 25%	3.21%
40	Market rally, Inflation 12	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 25%	3.54%
	Worst		-4.24%

B. PRIVATE EQUITY INVESTMENTS

On top of its investment in the Sark Fund, BGHL may enter into private equity investments. BGHL has one investment in the portfolio.

Rasaland

The Company entered into a private equity investment in Rasaland in June 2008 for \$10 million. This investment represents 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 (public database > notification > insider-transactions 5:60 wft);
- on the Company's website through a link to the AFM notification: www.bgholdingltd.com (Investment Manager > Regulatory information).

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

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

Organizational update

Emmanuel Gavaudan will be relocating to Hong Kong in September to investigate market opportunities in Asia.

We are pleased to welcome Xinghang Li who is joining BG to assist Emmanuel Gavaudan in developing the business in Hong Kong. Xinghang began his career in the Finance Department of the Danone Group in Paris, after which from 2004 he worked in Private Equity and M&A for Rothschild & Cie. In 2007 he joined ADI and was involved in the development of their interests in the Asian market. Xinghang holds a Master in Finance from the Ecole Supérieure de Commerce de Paris and a bachelor's degree in Economics and in French from Wuhan University in China.

Sincerely,

E. Boussard & E. Gavaudan

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Disclaimer

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The Company is established as a closed-ended investment company domiciled in Guernsey. The Company has received the necessary approval of the Guernsey Financial Services Commission and the States of Guernsey Policy Council. The Company is registered with the Dutch Authority for the Financial Markets as a collective investment scheme pursuant to article 2:73 in conjunction with 2:66 of the Dutch Financial Supervision Act (Wet op het financieel toezicht). The Company is listed on Euronext Amsterdam and on the London Stock Exchange ("LSE").

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

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

You should always bear in mind that:

- all 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.

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.