



ESG & STEWARDSHIP REPORT

2024

BOUSSARD &
GAVAUDAN

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IMPORTANT INFORMATION

Boussard & Gavaudan Investment Management LLP is regulated by the UK Financial Conduct Authority (FRN: 61226) and, in conjunction with its affiliates (“BG” or the “Firm”), adheres to the principles of the UK Stewardship Code 2020 and the Shareholder Rights Directive II as transposed into UK regulation.

This report describes how BG believes it has incorporated and applied the 12 principles of good stewardship during 2024 in respect of the funds it manages as well as detail on its ongoing efforts in the ESG and Corporate Social Responsibility space.

In order to offer, full, fair and balanced transparency, the names of companies included in case studies have been redacted. This is to ensure that we can present both positive and negative cases of engagement without it having a detrimental effect on positions which may continue to be held by the funds we manage. Investors are invited to request further information should they require more details on our stewardship activity.

This report should be read in conjunction with our annual Engagement Report and ESG and Responsible Investment Policy published on our website www.boussard-gavaudan.com

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This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any investment, nor shall it or the fact of its distribution or communication form the basis of, or be relied on in connection with, any contract therefore.

The value of investments can go down as well as up and you may not recover the amount of your original investment. Past performance should not be taken as a guide to future performance.

BOUSSARD & GAVAUDAN INVESTMENT MANAGEMENT LLP

Address: 166 Piccadilly, London, W1J 9EF, United Kingdom
Telephone: +44 203 751 5400

BOUSSARD & GAVAUDAN GESTION SAS

Address: 69 Boulevard Haussmann, Paris, 75008, France
Telephone: +33 1 44 90 41 00

BOUSSARD & GAVAUDAN AMERICA LLC

Address: 295 Madison Ave, Suite 3800, New York, NY, 10017, USA
Telephone: +1 212 837 2300

FOREWORD

Boussard & Gavaudan ('BG') is an alternative investment management group based in London, Paris and New York serving a global client base. Our focus remains on delivering positive outcomes for investors through uncorrelated returns and a strong commitment to responsible investment practices and transparency.

Since its founding, BG has sought strong governance in investee companies and has regularly engaged with management on key issues. As a UNPRI signatory BG remains steadfast in its commitment to responsible investment practices.

The year 2024 proved to be one of the most complex and challenging periods for both BG and the broader hedge fund industry. Persistent geopolitical tensions, including conflicts in key regions, coupled with the uncertainty surrounding the U.S. presidential election, created significant headwinds for global markets. Economic challenges such as rising interest rates and fears of recession further compounded volatility, requiring careful navigation and strategic positioning.

Despite these challenges, BG's strategies demonstrated resilience. The fourth quarter marked a turning point, with active engagement driving strong performance. This reaffirms our approach to value creation through proactive stewardship, even in volatile market conditions. Our ability to adapt and identify opportunities amid sector-specific divergences was pivotal to delivering positive outcomes for our investors.

As an independent alternative investment manager, BG welcomes recent regulatory initiatives aimed at simplifying compliance and reducing administrative burdens. These changes will enable us to focus more resources on delivering value and transparency to our clients. Responding to evolving client demands remains central to our approach. In particular, we have seen growing

interest from investors in detailed ESG reporting and customised insights into their portfolios. To meet these needs, BG has enhanced its bespoke reporting capabilities, offering tailored solutions that provide greater clarity on how we integrate ESG considerations into our investment processes and deliver value through active stewardship.

We also continue to invest in the professional development of our team to ensure adaptability in a shifting regulatory and technological landscape. Recognising the growing influence of artificial intelligence, we have introduced a basic training program for staff and encourage further advanced learning in this transformative area.

Once again, we are proud to present our latest Stewardship Report detailing our stewardship and engagement activity during the year. This report is a product of the extensive collaboration of our ESG experts operating across our teams at BG.

As always, we value your feedback on our disclosures and reports. Should you have questions or suggestions please contact bgir@bgam-fr.com



A stylized, handwritten signature in dark ink, consisting of several fluid, overlapping loops and strokes.

Rubens Serenade

Chief Executive Officer

ABOUT US



EST. 2002



100% OWNED BY MANAGEMENT AND EMPLOYEES



> €1.2BN AUM



59 STAFF



21 STRONG INVESTMENT TEAM



ALL FUNDS CLASSIFIED AS SFDR ARTICLE 8



MULTISTRATEGY AND MULTIASSET



3 OFFICE LOCATIONS

RESPONSIBLE INVESTMENT

Since its founding BG has sought strong governance in its investee companies. In 2008 the Firm joined the Standards Board for Alternative Investment and it consolidated its commitment in 2016 becoming a signatory to the UN Principles for Responsible Investment.

In 2020 BG became a signatory to the Task Force on Climate related financial disclosures. This came at the same time as BG introduced its first ESG and Responsible Investment Policy which formalised our approach to responsible investment and ESG integration.

In 2021 BG began to offset its carbon footprint through approved schemes and BG became a supporter of the Paris Agreement.

In 2022 BG signed up to the Say on Climate initiative which campaigns for better disclosure and reporting from companies.

Following the introduction of the EU Sustainable Finance Disclosure Regulation in 2021 and subsequent regulatory guidance, since 2022 all of BG's funds are classified as Article 8, promoting environmental or social characteristics.

In 2024, BG was accepted as a signatory of the UK Stewardship Code, committing to produce this annual report in accordance with the Principles of the Code.

BG is keeping a close eye on regulatory developments, including the European Commission's review of the Sustainable Finance Disclosure Regulation.



2008

In 2008 BG first became a signatory of the Standards Board for Alternative Investment

2016

In 2016 BG became a signatory to the UN Principles for Responsible Investment



2020

In 2020, BG first became a signatory to the Task Force on Climate Related Financial Disclosures



2021

BG first began offsetting its carbon footprint through a recognised scheme in 2021



2022

BG classified its funds as Article 8 under the Sustainable Finance Disclosure Regulation



2024

BG was accepted as a signatory to the UK Stewardship Code in 2024



PRINCIPLE 1

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

PURPOSE & BELIEFS

Boussard & Gavaudan (the 'Firm') is a European asset management Firm, focused on alternative investment strategies. Our primary purpose is to generate long-term, risk-adjusted returns for our clients, deploying a multi-strategy investment approach which combines robust fundamental analysis with deep expertise in financial instruments.

The Firm invests across asset classes and investments are screened to focus on events, catalysts and arbitrage opportunities. Combining deep analysis with strong risk management and trading expertise is key in delivering idiosyncratic and uncorrelated returns. As such, a large part of the Firm's activity revolves around identifying exposures, selecting assets which appropriately compensate investors and establishing the most efficient strategy to mitigate risks while realising value.

Assessing a company's corporate governance practice and engaging with companies has always been part of BG's investment process. The Firm firmly believes that corporate governance is an important factor in the performance of companies and that the resolution of identified issues can be a powerful catalyst to unlock value. BG's investment strategy based on deep, fundamental, and exhaustive analysis of risks combined with a focus on maintaining market neutrality allows the Firm to participate in complex situations, providing the liquidity necessary for well-functioning markets, while delivering on our clients' investment objectives by generating attractive risk adjusted returns.

In 2020, Boussard & Gavaudan formalised its commitment to maintaining an investment practice that incorporates Environmental, Social, and Governance ("ESG") factors as well as responsible investment considerations to best serve its client's interests. The Firm's ESG and Responsible Investment Policy seeks to ensure the long-term interests of investors continue to be adequately protected by the Firm.

CULTURE

Boussard & Gavaudan was founded in 2002 and is 100% owned by its founders and partners. As such, BG has a long-term partnership culture, which is fundamental to the investment approach and is embedded into all aspects of the company. The Firm's culture is supported by thorough screening at the recruitment stage and a Remuneration Policy designed to foster a long-term approach by aligning and incentivising a long term approach to risk taking.

Remuneration at BG is split between a fixed salary and a variable bonus assessed on an annual basis. The provisions of the Remuneration Policy are designed to discourage excessive short-term risk taking and protect the interests of the Firm's clients. This is achieved by ensuring incentives align the interests of staff with that of its clients.

In determining variable remuneration, consideration is given to the member of staff's adherence to the Firm's policies and procedures, including the Firm's ESG and Responsible Investment Policy.

The provisions of the Remuneration Policy result in the interests of staff and partners being inextricably linked to the long-term framework of the Firm which includes consideration of sustainability risks and their integration into the Firm's processes and culture. The Firm believes its Remuneration Policy is conducive to achieving superior long-term returns for its clients whilst maintaining the highest standards of conduct.

Operating from the US, UK and France, the Firm believes that having a diverse mix of skills, perspectives and expertise is a key driver for success. Employees are encouraged to express themselves freely and are rewarded based on merit and the success of the Firm as a whole. BG's culture and alignment of interests contribute to a collaborative decision-making approach which in turn fosters individual responsibility and innovation.

The Firm's small size of just under 60 employees, a simple flat-structure and low turnover, allow the firm to remain dynamic and agile with each of its employees able to make material contributions to the direction of the business.

BG has 19 partners with an average of 27 years of experience in the industry. The five-person Investment Committee average 28 years of industry experience with 21 years at BG. Many within the Investment team have been with the firm for more than 10 years. BG Fund is supported by \$229m of long term capital from a recently launched Irish feeder fund. In a further alignment of interests through "skin in the game", BG's partners and employees have \$262m invested in BG's funds alongside investors.



SUPPORTING STEWARDSHIP

BG's investment strategy places particular attention on the identification of risks and the determination of the most efficient strategy for hedging, eliminating or mitigating these risks. The Firm's investment team carefully assess investee companies' potential environmental, social and governance issues and how they could be resolved.

One of the ways risks can be mitigated is through effective stewardship. Engaging with investee companies is a central pillar of BG's non-quantitative equity investment strategies and is a key input in the investment process. Our team of 21 investment professionals, operate a number of different investment strategies with a focus on corporate actions, capital market events and arbitrage. BG's 6 fundamental sector analysts use their extensive knowledge and experience to make investment recommendations to the Firm's Investment Committee.

BG Group

Investment Team Structure

BOUSSARD &
GAVAUDAN



BG's compensation structure also incentivises the investment team to engage with companies and search for effective solutions to any issues identified. Analyst compensation is linked to the long-term success of their investment ideas, promoting the effective management of risks and ensuring analysts are motivated to vote and engage with company management.

IMPLEMENTATION

Companies that are facing specific issues and are taking steps to resolve them represent potential investment

opportunities, as the resolution of issues is often a strong catalyst for re-rating of the underlying company. For this reason, BG's investment approach does not consist of systematically excluding companies with potential issues and is instead centred around identifying risks and paths that can lead to their resolution or mitigation. Our risk assessment method is discussed in Principle 4.

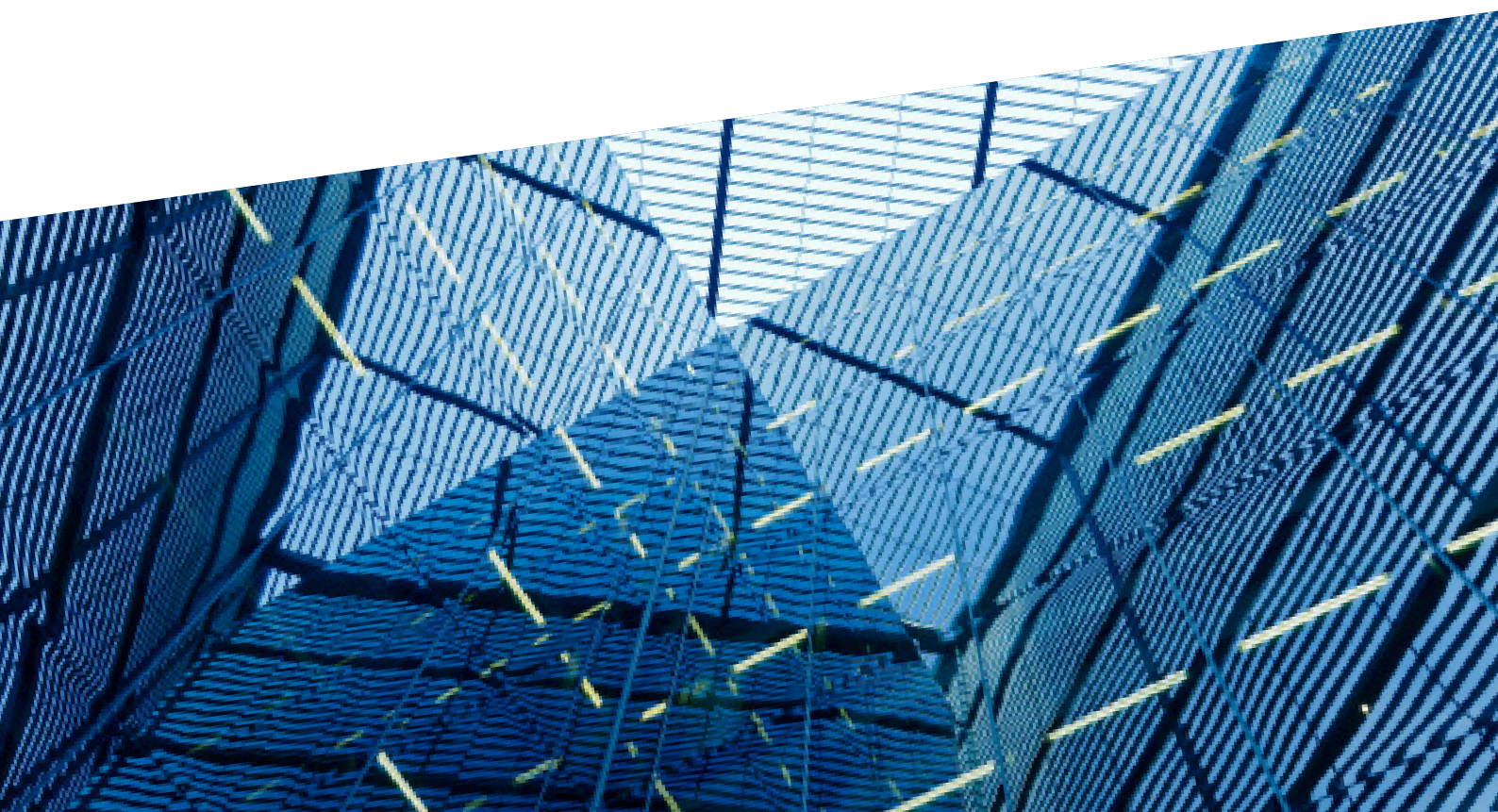
The Investment Committee reviews the investment thesis and weighs up the merits of an investment, assessing the alignment with BG's investment beliefs, the risk reward profile, and the appropriate engagement strategy for the position. As well as conducting its own proprietary research, BG sources investment research from third parties to complement and contrast the views of its analysts while also gaining access to industry specialists. To learn more about how we use third party data and research, see Principle 2 and Principle 8.

Engagement with investee companies forms part of the initial due diligence conducted by analysts on potential investments and is also part of the Firm's ongoing monitoring and oversight of investments. BG's analysts interact with investee company management in a variety of settings such as one-on-one meetings, group meetings with other investors or during conferences. Different settings can provide valuable insight into other investors in the company and inform our approach. At times, joining collective action with other shareholders can be a useful way for BG to amplify the effect of its stewardship activity. Collaborative engagement is further discussed in Principle 10 below.

OUTCOMES

BG's investor base is largely composed of institutional and professional investors and the Firm enjoys a high investor retention rate. The Firm's sales and investor services team regularly have meetings with clients, inviting them to contribute ideas and provide feedback.

In order to provide investors with transparency on BG's stewardship activity, investors are provided with a quarterly report on ESG and Responsible Investment which includes details of engagement and voting activity during the quarter. This enables investors to query BG's decisions which in turn drives improvement in policy and procedure so the Firm can continue to meet the needs of its clients.



PRINCIPLE 2

Signatories' governance, resources and incentives support stewardship

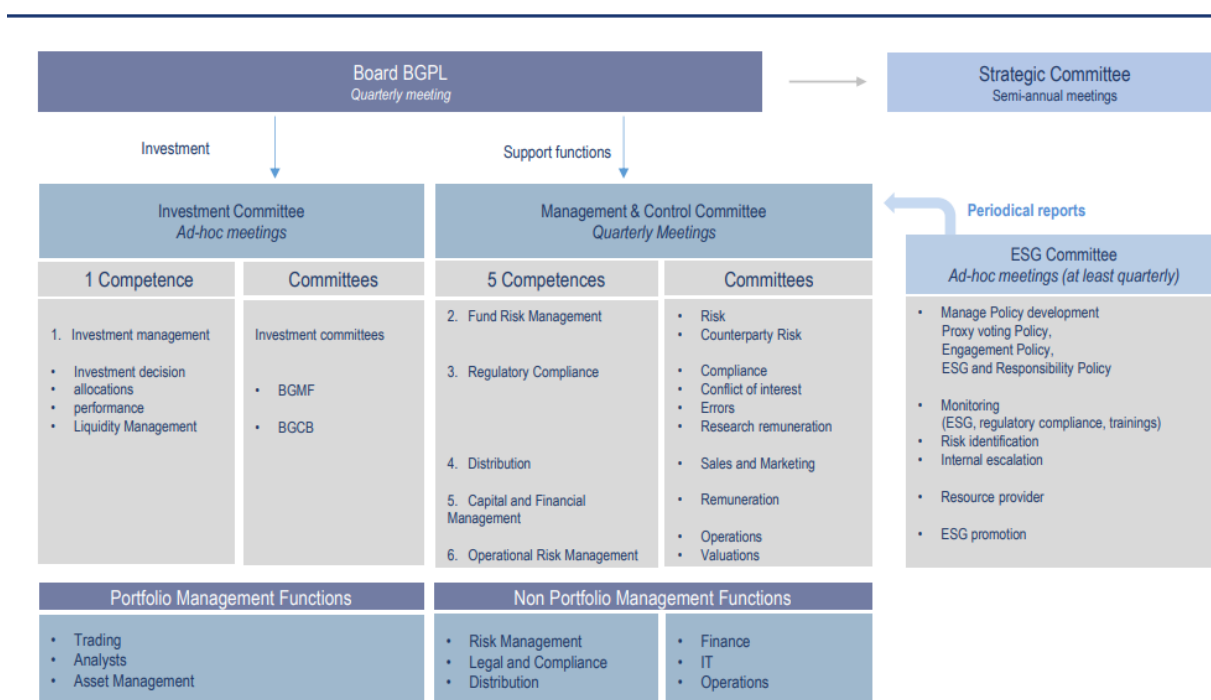
GOVERNANCE

Boussard & Gavaudan has a long-term partnership culture which drives all decisions taken at the company, from internal management to investment decisions. Since 2002, the main Partners at the Firm, alongside the founders, Emmanuel Boussard and Emmanuel Gavaudan, have worked closely together building experience and shared values over time. Their collective values, knowledge and experience drive the Firm's goal of achieving the best long-term outcomes for its clients.

Responsible stewardship of assets is one of the ways BG sets out to achieve positive long-term outcomes for its investors. BG supports its Stewardship activity with dedicated front office staff overseeing and collaborating in the day-to-day implementation of the Firm's Proxy Voting and Engagement policies. Oversight is further provided by the Firm's Compliance function and the ESG and Responsible Investment Committee.

Committees across the Firm are integrated by a diverse team with a wealth of experience in the industry and meet on a frequent basis to ensure a healthy exchange of ideas and to provide adequate oversight. The Firm's small size and flat structure supports effective communication and rapid action, while avoiding and preventing some of the conflicts of interest that can arise at larger entities. As can be seen from the governance structure below, BG operates through a number of committees of which the ESG, Management and Control, Strategic and Investment Committees are all involved to some degree in the monitoring of ESG risks and ensuring stewardship activity is conducted in line with the Firm's policies.

Boussard & Gavaudan Group - Governance



The ESG Committee is integrated by members from across the Firm's main business units and acts as a forum for responsible investment topics whilst also monitoring implementation of the Firm's ESG and Responsible Investment policy. ESG specific data is used as a high-level screen by the Investment Committee during the due diligence process for a potential investment. When the potential investee companies have ESG issues or controversies, identified as high risk by Sustainalytics, the Investment Committee makes sure that they are integrated in the investment case. This can impact the position size and lead to establishing an engagement strategy. The ESG Committee reviews stewardship activity on at least a quarterly basis, providing oversight of the Firm's engagement and voting activity during the period.

BG's size, flat structure, diversity and remuneration culture, incentivise innovative problem solving, realistic risk control and effective stewardship. The Firm is committed to avoiding groupthink and conformism which can lead to negative and dysfunctional outcomes.

The Firm seeks to combat groupthink and conformism by applying the provisions of its Diversity & Inclusion Policy. The main elements of this policy, available on our website, include encouraging equality and diversity across the Firm and ensuring healthy debate and discussion can take place by providing a collegiate environment free of any bullying or discrimination. The Diversity & Inclusion Policy also sets out the Firm's intent to help all staff reach their full potential by ensuring training and development opportunities are available. BG firmly believes its strength lies in the quality and motivation of its people.

The governance framework enables the Firm's industry specialist analysts to conduct their in-depth company research and advise on effective stewardship activity, in particular, voting and engagement with the investee company. BG's analysts will typically review company statements, filings, and market data, as well as research from brokers and other sources to have a complete understanding of investee companies and be able to determine whether the company is mispriced. In addition, analysts review companies in the context of data and research provided by third-party specialist ESG providers to identify material risks and opportunities.

Capital Goods, Health care & Consumer	Financials	Industrials, Chemicals	Global event-driven	Global event-driven	Global event-driven
Goldman Sachs HEC	Goldman Sachs L.S.E	Astellon Capital L.S.E	Goldman Sachs M.I.T	Credit Suisse University of Notre Dame	Perry Capital Duke University
27 years in Industry 22 years at BG	25 years in Industry 22 years at BG	19 years in Industry 6 years at BG	30 years in Industry 6 years at BG	14 years in Industry 6 years at BG	21 years in Industry 5 years at BG

In formulating the investment thesis to be proposed to the Investment Committee, analysts will seek to identify specific value catalysts and engagement strategies to realise shareholder value. Their engagement strategies often include direct communication with management on a particular issue and supporting corporate actions or capital restructuring through the exercise of voting rights.

The Firm's analysts and the Investment Committee ensure BG fulfills its long-term stewardship responsibilities by monitoring positions on an ongoing basis, exercising voting rights where relevant and engaging with management where it is in the best long-term interests of investors.

RESOURCES

BG seeks continuous improvement of its processes, procedures and outcomes by identifying expertise, tools and resources which can deliver enduring benefits to the Firm's long-term objectives, including those relating to Stewardship.

To this end BG has contracted the services of Sustainalytics and Bloomberg to provide ESG related data which assists in identifying and informing stewardship activity. In choosing ESG providers, the Firm conducted a thorough review of methodologies used by providers to ensure they aligned with our internal approach to ESG. Datapoints are frequently reviewed and contrasted to ensure they remain accurate.

In recent years, the Firm has built upon its progress in integrating ESG and responsible investment significantly. The Firm's Management & Control committee, in coordination with the ESG Committee has been driving a training programme to ensure staff can adequately implement new policies and produce reliable client reporting. BG believes that effective long-term stewardship stems from a skilled and experienced team. To this end, BG uses a third-party e-learning provider to support its own internal training programme.

In 2021, upon the request of senior management and under the supervision of the ESG Committee, the Firm held several dedicated training sessions on ESG. A live training session in Q1 saw a guest speaker and expert in the field deliver an interactive masterclass to staff on ESG in financial services and the integration of ESG into the investment process.

Live training continued in 2022 with the Firm holding a live training session on the Say on Climate initiative. The session explained the initiative and how it impacted BG specifically. In particular, the session covered how BG would engage with companies on climate as well as the reporting that would be produced for investors.

In 2024 the Firm once again rolled out online training modules for staff to complete, providing a more structured and general overview of ESG in asset management.

BG also uses third-party data providers to assist with its integration of ESG and responsible investment. ESG data is used for the on-going monitoring of positions as well as part of the initial due diligence process and thesis formulation. Wherever outlying data points, new items, or potential controversies are identified, the Firm's Risk Committee is notified and reviews the potential impact on shareholder value. Whilst there are currently no defined industry-standard ESG risk-metrics, BG believes using ESG data as an overlay for risk control is a useful addition to its traditional sources of information.

ESG COMMITTEE

BG's ESG Committee is entrusted with ensuring the Firm complies with policies and commitments in relation to ESG and responsible investment. The ESG Committee is also tasked with identifying opportunities and initiatives that could benefit the Firm, its clients, staff and society more widely.

The Committee is integrated by representatives of various teams across the Firm's functions and locations bringing a wealth of experience. Three members of the Committee have passed the CFA Certificate in ESG Investing with others currently undertaking training.

The ESG Committee meets on a quarterly basis to provide oversight of ESG integration and policy. During its meetings the Committee receives updates on upcoming ESG regulation, investor feedback and discussed new initiatives and proposals relating to ESG and responsible investment.

The Committee oversees, amongst other things, the Firm's carbon offsetting program which has been running since 2021 and seeks to offset the Firm's carbon footprint generated from its business activities by financing the planting of trees through verified programmes on an annual basis.

Looking forward to 2025 the Committee is working on corporate social responsibility initiatives, seeking to engage the rest of the Firm in activities that can provide a more direct positive impact on local communities. As of the end of 2024, the Committee is made up of the following members of staff:



FRANCISCO AMADO-WATERS*
Head of UK
Compliance



LUQIAN MAYHEW*
Head of Investor Ser-
vices



KHALID SALIM
US Office
Administrator



FRANCOIS CORNU
Chief Operations
Officer



ANASTASIA PETROVIC*
Compliance Analyst



LAURA SANGES
HR Manager



LUCIENNE LAO
Equity Trader



NICOLAS ROUSSELET*
Head of Business
Development

(*) denotes holders of CFA Certificate in ESG Investing

DIVERSITY

The Firm operates from offices in London, Paris and New York, employing around 60 staff from a diverse set of backgrounds. BG believes that a diverse team contributes to more varied thinking leading to better deci-

sion-making and outcomes.

Boussard & Gavaudan is committed to improving gender representation across the organisation setting itself targets for senior roles and has committed itself to a Diversity and Inclusion Policy, which can be found in Annex 4 of the ESG & Responsible Investment Policy available on the Firm's website.

The Firm's staff are based across the US, UK and France, with a majority of employees based in Paris. The Firm recognises the benefits of a diverse makeup of staff and firmly believes that having a diverse mix of skills, perspectives and expertise is a key driver for success at the Firm.

INCENTIVES

The Firm reviews performance of its investment team on a regular basis with formal appraisals held annually. Responsible investment forms an integral part of the investment process at the Firm and as a key tool for driving change, voting and engagement activity is an area investment staff are reviewed on. BG's Remuneration Policy ensures staff are incentivised in line with the long term interests of its investors, dissuading excessive short term risk taking.

Stewardship activity is a priority for the Firm's Investment Committee and ESG Committee as it often drives the success of the investments made on behalf of clients. The Investment Committee scrutinises investment ideas and reviews voting and engagement activity during the life of an investment, ensuring that stewardship activity is conducted in a way that the long-term economic interest of investors is protected. To this end, the Firm has adopted a Proxy Voting Policy to systematically exercise voting rights in investee companies.

The Firm is conscious of the current widespread use in the industry of external proxy voting providers that enable firms to exercise all voting rights by following the recommendations of the external provider. While the Firm appreciates the desire to exercise all voting rights, the Firm prefers a qualitative approach to proxy voting, rather than a purely quantitative approach. BG exercises voting rights in the best interest of its investors, using its own judgement to vote on a case-by-case basis where it feels material value can be delivered to its investors. While it could provide the Firm with attractive statistics, the Firm does not believe outsourcing voting decisions to be able to vote on all positions assures the best long-term interests of its investors. Instead, at BG, the relevant sector analyst will carefully study voting options and exercise voting rights using their own judgement to realise value and protect the long-term interest of investors. While this approach cannot be scaled to vote on all positions, particularly given the quantitative or multi-strategy nature of BG's funds, it does deliver a more discerning approach tailored specifically to the needs of BG's investors. BG's voting position is further explained in Principle 12.

For further detail on proxy voting please see the Firm's Proxy Voting Policy (available in Annex 2 of the ESG & Responsible Investment Policy which can be found online at <https://www.boussard-gavaudan.com/en/p/24/esg-policy>).

Proxy Voting Policy - Key Points

The Firm will typically exercise voting rights:

- When the position represents 0.25% or more of the Firm's assets under management and the Firm holds 0.25% or more of the investee company's voting rights; or,
- When the Firm holds 1.00% or more of the investee company's voting rights.

The Firm will from time-to-time exercise voting rights for positions that do not meet the above criteria where the Investment Committee feels it will deliver value to investors.

The Firm generally votes proxy proposals, amendments, consents, or resolutions relating to client securities, including interests in private investment funds, in accordance with the following guidelines:

- The Firm will generally support a current management initiative, if our view of the issuer's management is favourable;
- The Firm will generally vote to change the management structure of an issuer, if it would lead to an increase in shareholder value;
- The Firm will generally vote against management, if there is a clear conflict between the issuer's management and shareholder interest.

Finally, staff are incentivised to pursue successful long-term outcomes in accordance with the Firm's Remuneration Policy (available at www.boussard-gavaudan.com). The policy requires a significant part of risk taking staff's variable remuneration to be invested in the Firm's funds through mandatory lock-up requirements. Ownership and investment by management and staff ensures an alignment of interests with clients which ensures stewardship activity is always actively pursued through effective engagement to create long term value for client's, management, and staff.



PRINCIPLE 3

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

Boussard & Gavaudan is fully committed to maintaining the highest standards of professionalism, integrity and governance, and is committed to upholding its duty to act in the best interests of its clients. The Firm is 100% owned by its management with their interests strongly aligned with the Firm's clients through their personal holdings in the funds managed by the Firm.

APPROACH

BG recognises that during the course of normal business activity, from time to time, conflicts of interest may arise, particularly in the context of stewardship activities and company engagement. At BG, we maintain a rigorous Conflicts of Interest Policy that identifies potential conflicts and implements necessary controls. Our commitment is to uphold effective organisational and administrative processes, allowing us to identify, prevent, or manage both potential and actual conflicts within our business. The key elements of our policy are detailed below:

Structured Disclosure Escalation Procedure: To address conflicts effectively, we have established a structured procedure for disclosure escalation. This process involves assessing conflicts, implementing mitigating controls where feasible, and making appropriate disclosures.

Conflicts of Interest Committee: As part of our governance structure, an ad-hoc Conflicts of Interest Committee is convened by our Compliance team. This committee reviews new conflicts of interest and takes measures to control and mitigate them. When conflicts cannot be adequately managed, the matter is escalated to our Management and Control Committee.

Conflict Logging and Regular Review: All conflicts are meticulously logged in our Conflict of Interest Register. Our Compliance team conducts regular reviews to ensure compliance with our policies and procedures.

Focus Areas: In our engagement with listed companies, we recognise specific areas of higher risk:

- **Gifts and Hospitality:** We closely monitor the provision of gifts and hospitality to prevent any undue influence.
- **Personal Account Dealing:** Rigorous oversight ensures that staff adhere to guidelines regarding personal account dealings.

Our commitment to transparency and ethical conduct remains unwavering. By proactively addressing conflicts of interest, we uphold the trust placed in us by our stakeholders.

POLICIES

Our policies are designed to protect the Firm and its investors from potential conflicts of interest and cover different potential conflicts at the firm:

Conflicts of Interest Policy

Where staff undertake outside business activities which may conflict with the interests of the funds managed by the Firm.

No employee may engage in any additional occupation without the consent of the Board. In certain circumstances, consent may be withheld. Employees must not accept personal fiduciary appointments (such as trusteeships or executorships other than those resulting from family relationships) without first obtaining written approval from the Board. All approved outside interests are recorded in the Conflicts Register.

Proxy Voting Policy

A conflict could arise where a firm does not vote in the best long-term interests of its clients. This could be the case where a firm has a contractual relationship as well as being a shareholder in a company.

The Firm has procedures and controls in place to ensure that all voting is completed in the best interests of clients. Any potential conflicts of interest are reported to Compliance. Such controls are documented in the Firm's Proxy Voting Policy.

PA Dealing Policy

A conflict arises where an employee trades for their own personal account. This could give rise to market abuse issues such as frontrunning of fund trades. It can also give rise to conflicts where the employee's personal interests affect decisions the fund takes in relation to the stocks owned by the employee.

Given the significant conflict, most PA Dealing is prohibited at BG with limited exceptions from the prohibition such as investments in Exchange Traded Funds, collective investment schemes and private equity. Employees may only undertake personal investment activities that do not breach applicable law or regulation, do not unduly distract from their employment responsibilities and do not create an unacceptable risk to the company's reputation. Transactions should also be free from business and ethical conflicts of interest. Employees must never misuse proprietary or client confidential information in their personal dealings and must ensure that clients are never disadvantaged as a result of their dealings. BG's Personal Account Dealing Policy extends to dealings by staff on behalf of close associates and prohibits the passing of information relating to our funds to any third party.

All staff are required to seek pre-approval from the Personal Account Dealing Committee for personal dealing in non-exempt instruments and a complete record of transactions made by staff is maintained and reviewed regularly.

Gifts & Hospitality Policy

The policy aims to manage the risk from inducements that may arise from gifts and hospitality received or provided to brokers, companies or other service providers which could exercise undue influence on the business relationship.

No employee may accept from, or give to, any person any gift or other benefit that cannot properly be regarded as justifiable in all circumstances. Policies and procedures have been implemented to ensure that staff and their connected persons do not offer or accept gifts or inducements which may give the perception that decisions or actions are not impartial. Above €150 in value, all gifts or hospitality require written approval.

al from the Compliance Officer. Below this threshold, a record is kept by Compliance of the gift or hospitality received or provided by the Firm. The register is reviewed regularly and periodic monitoring is conducted by Compliance to identify any patterns which could cause concern.

ATTESTATIONS AND TRAINING

All staff at BG are required to avoid any activity or interest that may conflict with the interests of the Firm or its clients. All staff are required to complete an annual attestation confirming that all external activities which could give rise to a conflict of interest have been disclosed in accordance by the Firm's policy.

Staff at BG are also required to complete an annual Conflicts of Interest online training module and assessment, ensuring all staff understand and comply with the Firm's Conflicts of Interest Policy.

POTENTIAL CONFLICTS

One example of a potential conflict of interest relating to stewardship is where our funds own equity in a company which in turn is directly or indirectly an investor in the Firm's funds. The potential conflict raised is that the Firm could fear repercussions, such as redemptions, from the investee company's management should it vote against their interests. Conversely, the Firm could hope to secure additional subscriptions by supporting management's proposals. BG is aware of this conflict and has identified and assessed the risk. Mitigating controls include the separation of duties between analysts, who instruct voting along with the Investment Committee, and the sales and investors relations teams which have completely independent reporting lines. Voting activity is collated and monitored in order to provide transparency to clients through quarterly reporting. During the course of the reporting process BG collects voting data and commentary on voting decisions from analysts. At this stage, any concerns relating to voting would be reported to the ESG and Responsible Investment Committee for further review. Should it become apparent that a conflict of interest exists, the issue would be escalated to Compliance who pay particular attention to voting activity in investee companies that could give rise to conflicts of interest.

No instances of this conflict arising have occurred, however the Firm remains vigilant to ensure conflicts are avoided or mitigated.



PRINCIPLE 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

SYSTEMIC RISK MANAGEMENT

BG Fund is a multi-strategy hedge fund with volatility, equity, credit and quantitative trading strategies. This enables the Fund to diversify returns by adjusting to market conditions. BG has an opportunistic bottom-up investment approach, driven by market opportunities, rather than capital allocation to the main strategies, combined with extensive multi-asset and derivative expertise. It aims to always be long volatility, positive convexity and with investments generally structured with minimal directional market exposure. The allocation is dynamic to best ideas across the capital structure (equity, credit and volatility) depending on opportunity set and corporate cycle.

BG's analysis is therefore driven by its focus on maintaining market neutrality. Incidentally, this approach helps financial markets adjust for complex situations by providing liquidity, indispensable for well-functioning markets, while making rational use of our client's capital to deliver on the funds' objectives.

INVESTMENT MANAGEMENT PROCESS

The Firm's decision-making process uses a five-step approach to differentiate between systemic risk and idiosyncratic risk in order to reach a conclusion on an investment opportunity.

1. Identification of mispricing or investment opportunity

As part of BG's investment process, we ascertain the presence of a security's 'mispricing'—a potential arbitrage opportunity or an inherent investment prospect—through a comprehensive blend of research, fundamental analysis, and qualitative assessment. Our fundamental analysis encompasses debt and equity valuation, scrutiny of sell-side research, management interactions, and sector positioning. Meanwhile, our quantitative analysis, executed by our skilled traders, involves assessing the quantitative value of diverse corporate securities, analysing liquidity, evaluating the repo market, and considering implied volatilities and dividend swaps.

2. Explanation of the causes of the mispricing

The Firm aims to comprehensively assess investment risks and analyse the factors influencing the convergence or divergence toward fair value. This involves identifying the root causes of perceived mispricing, which may stem from liquidity considerations, complexity, or the fundamental attributes of the underlying instruments.

3. Identification of a catalyst for the convergence

The Firm will then try to identify the catalyst for the convergence of the security's price towards its fair value. The strength and expected timing of the catalyst will determine the expected maturity of the trade and con-

tribute to a better understanding of the markets and internal risks.

4. Identification of potential scenarios with an assigned probability

This step allows the Firm to assess the idiosyncratic risks associated with an investment opportunity, particularly in cases of complex corporate events while excluding systemic ones. During this step, the Investment Committee aims to quantify the risk-reward under various scenarios and to minimise any emotional bias of the lead manager regarding the investment opportunity. Furthermore, it also helps to quantify risks that are not captured by traditional risk systems, such as liquidity risk.

5. Identification of the most appropriate instrument

The Firm will select the most appropriate financial instrument to gain exposure to the company, typically through equity, debt, options, or swaps. Where appropriate, the Investment Committee will also consider the appropriate instruments with which to hedge a position which involves detailed analysis of correlations and liquidity.

Our analysis of systemic risk extends beyond the investment evaluation stage. Once the investment decision is made, we actively address systemic risk on a daily basis, recognising its potential impact on both our clients' wealth and our own.

Macroeconomic risks have far-reaching effects across multiple positions. These risks may stem from geopolitical uncertainty, macroeconomic fluctuations, or broader disruptions in financial markets. Consequently, we conduct stress tests nightly, applying variations to equity, volatility, dividends, yield curves, and credit prices. These stress tests are crucial for assessing risk thresholds.

The granularity of our analysis allows us to examine scenario results at different levels, Fund, strategy, account, or individual position. Approximately 50 scenarios simulate diverse market conditions, including rallies, inflationary pressures, and market crashes with varying interest rate levels and equity-credit decorrelation. Our stress tests assume a 100% correlation in equity prices, with the only decorrelation factor being the shock applied to each equity price based on its own Beta. Over the years we have built on the scenarios and shocks applied updating them in light of recent events and changing market structures.

RISK TEAM

The Firm's Risk Committee has ultimate authority over risk management decisions. It is responsible for and takes decisions on exposures, risks, methodologies, limits and policies. The Risk Committee is chaired by the Chief Risk Officer ('CRO') and operates on the basis of the reports and information provided by the quantitative and the qualitative risk teams.

Decisions at the Risk Committee are categorised into two types:

Type A decisions

The Committee ensures that the funds comply with their prospectus investment restrictions and limits. Non-Front Office members have a majority vote on Type A decisions.

Type B decisions

The Committee reviews, on a weekly basis, exposures which are:

- Within the fund's investment restrictions,
- Within the fund's primary limits,
- Potentially in breach of a non-primary limit.

Depending on the exposure data the Committee will take decisions regarding risks, hedges, and performance.

Front Office members have a majority vote on type B decisions. The purpose of the weekly review is to formalise and to share decisions on risks, hedges and exposures. The Committee may cut positions, increase market hedges, alter theta spending or take other actions which is deemed appropriate to maintain portfolio risk at appropriate levels. Idiosyncratic, macroeconomic and stress test exposures are the key indicators assessed but all risks indicators are reviewed.

The Risk Management team reports hierarchically to the CRO and functionally to the Risk Committee independently from the Front office. Risks and responsibilities are split between:

The quantitative risk team which oversees market risk, performs real time and daily risk exposure monitoring reviewing metrics such as the Greeks, daily stress tests, equity-at-risk calculations, idiosyncratic risk, and credit risk.

The qualitative risk team which reviews counterparty risk, operational risk, legal risk and regulatory risk.

MEASURABLE RESULTS

BG's funds aim to be market delta neutral and structurally long gamma by buying short-term equity options and delta hedging them. To achieve this, the funds spend between 0.5% and 1% of their AUM per month on theta, a level which is reassessed on a regular basis and depends on the market environment. This bias is designed to create a protection in case of significant market disruption.

Peak exposures of the Master Fund from 1st January 2024 to 31st December 2024

	Delta (%)	Gamma (%)
Average	6.3	1.4
Min	2.6	0.1
Max	10.9	2.9

Source: Boussard & Gavaudan

PROMOTION OF A WELL-FUNCTIONING FINANCIAL MARKET

As a small to mid-size asset manager, BG considers the most effective way it can contribute to a well-functioning financial system is through the initiatives led by the wider industry. To this end, BG is a member of professional associations such as AIMA and the French AFG, with which we liaise regularly on regulatory topics and best practices. BG has participated in several AFG working groups in the field of responsible investment on topics such as the EU Taxonomy, implementation of Article 29 of the French Energy-Climate Law on non-financial reporting by financial market participants. The Firm is also a signatory to the Standards Board for Alternative Investments ("SBAI") as well as the UN Principles for Responsible Investment ("PRI"), Task

Force on Climate-related Financial Disclosures (“TCFD”) and the Say on Climate initiative. BG will continue to explore opportunities to collaborate with its peers to promote a well-functioning financial system.

The Firm believes that by integrating ESG principles in our investment process and reporting on ESG matters to clients, BG contributes to the well-functioning financial system enabling asset owners to allocate capital in line with their objectives, improving the resilience of the financial system as a whole.

CLIMATE CHANGE

The Firm considers carbon emissions, the green-house gas effect they cause, and climate change more broadly, to pose an existential threat to society and consequently, constitute a market-wide systemic risk. Boussard & Gavaudan is committed to maintaining an investment approach that incorporates Environmental, Social, and Governance factors as well as responsible investment considerations to best serve its client’s interests. BG has decided to be part of the transition to a lower carbon global economy, as it considers climate change one of the key issues of the future, as well as a source of risks and opportunities.

BG targets international best practice and follows the recommendations of the Financial Stability Board’s Task Force on Climate-related Financial Disclosure (TCFD). The Firm also supports the Say on Climate initiative which gives a clear engagement roadmap for emissions management at investee companies. In line with the Firm’s market neutral investment philosophy, BG aims to keep its portfolio as neutral as possible in terms of GHG emissions.

To this end, the Firm has a targeted Coal Policy which seeks to promote the transition from coal fired power generation to less carbon intensive alternatives by setting criteria proposed investee companies must meet to be eligible for investment by the fund. The full policy is available on the Firm’s website.

CARBON EMISSIONS DATA

	Portfolio Longs	Portfolio Shorts	Units
Total Carbon Emissions (Absolute tonnes)	89,134.22	24,739.80	tCO2e
Weighted average carbon intensity (Carbon to Revenues)	130.65	148.87	tCO2e/mn EUR
Carbon to Value Invested	117.58	93.58	tCO2e/mn EUR
Carbon Intensity (Carbon to Revenues)	124.43	116.74	tCO2e/mn EUR
% Portfolio covered	86.97%	95.49%	

Source: Bloomberg, Boussard & Gavaudan, 31st December 2024

In line with TCFD recommendations, BG measures the GHG emissions of the Firm and neutralises its carbon footprint with the help of www.carbonfootprint.com

CASE STUDIES

During 2024, BG has engaged with a number of investee companies to work on initiatives which promote well-functioning markets. A selection of examples of this engagement activity is provided below.

Please note that in order to offer, full, fair and balanced transparency, the names of companies included in case studies have been redacted. This is to ensure that we can present both positive and negative cases of engagement without it having a detrimental effect on positions which may continue to be held by the funds we manage. Investors are invited to request further information should they require more details on our stewardship activity.

Asset Management Company Case Study

Category: Governance and shareholder rights

Issue: The company is an Italian asset manager that founds itself under tender offer from its single largest shareholder potentially creating a conflict at the Board level in its ability to extract the maximum price for all shareholders.

Action: BG actively engaged with the company and the bidder in a dedicated effort to defend the interest of minority shareholders by having the value of the company properly reflected in the bid. We have employed a multi-faceted approach:

- Regular Meetings with company's leadership: We have held repeated meetings with the firm's CEO and Head of Investor Relations. During these discussions, we have emphasized the importance of treating minority investors fairly.
- Meetings with the buyer's adviser: Discussing fair value and how it should be reflected in the bid.
- Vote at the buyer's AGM: As a shareholder also of the bidder, BG voted in favor of increased terms.

Outcome: Successful. The bidder significantly increased the premium on its bid. The tender offer is closing in April 2025.

Media Company Case Study

Category: Governance and shareholder rights

Issue: The company is an integrated content, media and communications holding. It is trading at a significant discount to the sum of its parts. This issue should have been resolved a long time ago but the largest minority shareholder has in effect an informal of the company and this governance issue is largely responsible for the discount.

Action: BG has been engaging with the company for a long time, asking the company to take actions to resolve the holding discount issue. In 2024, BG held continuous conversations with the company to push for a break up.

Outcome: Successful. The company has announced a spin off in 4 entities which was approved during the December AGM by more than 97.5%.

Payment Services Company Case Study

Category: Governance and Shareholder Rights

Issue: The company is a pan-European payment services provider that is mostly owned by multiple Private Equity funds and the Italian government thru its bank CDP. CDP is over-represented at Board level and may not have interests that are fully aligned with minority shareholders. The company had never distributed capital back to shareholders and the Board is due to be renewed at the 2025 AGM.

Action: BG engaged with the company's CEO and CFO as well as the representative of CDP to ask for more shareholder friendly distribution policy and a fairer Board representation.

Outcome: While the response regarding capital return was encouraging with the announcement of two share buyback programmes and the first ever dividend distribution, the renewal of the Board in 2025 remains on the agenda.



PRINCIPLE 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

MONITORING

At BG, our commitment to transparency and ethical conduct extends to our policies and reporting practices. We recognise that maintaining accurate, up-to-date policies is essential for effective risk management and compliance. Our approach to policy review and assurance can be described in four parts:

Regular Policy Review:

- **Policy Register:** BG maintains a comprehensive Policy Register that serves as a repository for all our policies. This register is regularly reviewed to ensure that policies remain accurate, relevant, and aligned with industry best practices.
- **Continuous Updates:** Our commitment to excellence drives us to revisit policies frequently. We actively seek feedback from stakeholders, monitor regulatory changes, and incorporate lessons learned from practical implementation.

Testing Policies and Controls:

- **Compliance Monitoring Plan:** To assess the effectiveness of our policies and controls, our Compliance team operates a robust Compliance Monitoring Plan. This plan periodically evaluates areas of risk within the firm.
- **Risk Mitigation:** By systematically testing policies against real-world scenarios, we identify gaps, weaknesses, and potential conflicts. Our goal is to ensure that our policies not only exist on paper but also function effectively in practice.

Fairness, Balance, and Understandability:

- **Reporting Clarity:** We recognise that our stakeholders rely on clear and concise reporting. Our policies are designed to promote transparency and provide meaningful information.
- **Balanced Approach:** We avoid bias and ensure that our reporting reflects a balanced view. This means acknowledging both strengths and challenges.
- **Plain Language:** Our policies are written in plain language, avoiding jargon and complexity. We want our stakeholders to understand our intentions, processes, and commitments without unnecessary difficulty.
- **Industry standards:** Where relevant, BG uses industry standard reporting to ensure clarity and comparability for investors.
- **Specific monitoring:** As an FCA regulated entity, all reporting and external communications are reviewed to ensure they are “fair, clear and not misleading” by the Firm’s Compliance department. In addition, an external consultancy firm conducts a sample review at least annually to ensure communications comply with the latest regulation and standards.

Committees for Rigorous Oversight:

- **Management and Control Committee:** This committee collaborates closely with our Compliance team. Their joint efforts ensure proper monitoring, policy review, and alignment with strategic objectives.
- **ESG Committee:** Our commitment to responsible investment and stewardship is overseen by the ESG Committee. They specifically review policies related to environmental, social, and governance considerations.

In summary, BG's approach to policy review and assurance is multifaceted. By maintaining a dynamic Policy Register, rigorously testing controls, prioritising clarity, and leveraging oversight committees, we ensure our policies and procedures remain effective.

FEEDBACK

Reports, data and other materials are frequently sent to investors as part of the Firm's transparency efforts. Investors are encouraged to provide the Firm with feedback and often request tailored reporting which the Firm is pleased to provide. As a small client focused Firm, BG takes great care to continually adapt and improve policies to align with client expectations. Feedback is particularly important to the Firm to ensure our stewardship reporting is fair, clear, objective, well-adjusted and understandable to all our clients.

Requests for tailored reports are reviewed and where appropriate changes may be made to all reporting to ensure that all investors benefit from any potential improvement.

An example of the Firm's continuously evolving approach is BG's Voting Policy, where the ESG Committee integrated an additional test whereby positions representing more than 1% of the investee company's voting rights require active exercise of voting rights. The Committee identified through client feedback that small companies will rarely represent 0.25% of the Firm's AUM. The new test was designed to ensure that where the Firm holds a significant position in a company, even where a materiality threshold is not reached, the Firm will vote on the position. With the revised thresholds, the Firm will now vote at investee company meetings when a position represents 0.25% or more of the Firm's assets under management and the Firm holds 0.25% or more of the investee company's voting rights; or, when the Firm holds 1.00% or more of the investee company's voting rights.

In response to client feedback, in 2023 our material voting threshold became a minimum commitment, with voting rights since then exercised on over 90% of eligible resolutions regardless of materiality.

DISCLOSURES

The firm endeavours to provide clear and transparent reporting to its investors in accordance with applicable rules. The Firm makes the following annually updated reports available on its website:

- Engagement Report in compliance with the Shareholder Rights Directive II.
- Article 29-LEC Report
- Article 10 disclosures under the Sustainable Finance Disclosure Regulation.

The Firm further publishes the following policies on its website to enhance transparency:

- ESG and Responsible Investment Policy
- Proxy Voting Policy
- Coal Policy
- Diversity and Inclusion Policy
- Good Governance Policy
- Remuneration Policy
- Engagement Policy

For investors that have opted in, an annual ESG report provides detailed metrics and analysis on ESG integration at BG.

MEMBERSHIPS

BG is committed to follow an active strategy of best practice implementation. To this end, the Firm is a member of professional associations such as the SBAI, AIMA, UNPRI, TCFD or the French AFG. Membership and active participation with these trade bodies ensures the Firm keeps up with industry best practice and is well placed to identify future trends and requirements.



In addition, the Firm encourages its staff to complete training and maintain memberships of relevant industry bodies. As a result, among its staff the Firm has members of the following recognised industry bodies:

- CFA Institute
- Chartered Institute of Securities and Investment
- Chartered Alternative Investment Analyst Association

PRINCIPLE 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

CLIENT FOCUS

BG is a small to medium client-focused asset manager, as such it must put particular emphasis on building and maintaining strong client relationships and delivering long-term value to these clients. Larger firms can maintain large capital expenditures on marketing and often have entire teams able to seek out and develop new business. BG has limited resources and therefore places particular importance on maintaining its existing client base. The Firm does this through frequent meetings and transparent disclosure.

Given the investment horizon of its products, the Firm is focussed on developing strong and long-lasting partnerships with sophisticated professional and institutional investors.

The Firm is conscious that due to its size and boutique nature it must offer a bespoke service, tailoring reporting and disclosures to client needs. While this process of tailoring can be burdensome on resources, it helps the Firm improve its general reporting and disclosures too, as anything considered an improvement is often extended across all reporting to the benefit of the whole client base.

One example of how BG takes into account client needs is in its drive for transparency by providing quarterly detailed reporting on ESG. Additional bespoke reporting is provided to investors upon their request, as some investors require more frequent reporting of holdings in particular sectors or holdings which are exposed to certain risks. Please see the below extract of a quarterly ESG Report (data does not reflect actual figures and is provided for illustrative purposes only):

Boussard & Gavaudan Q3 22 ESG Report			
Top 5 holdings			
Company	Weight (%) (on a netted basis) *	Sector	ESG Score issuer
XXX	6.60%	Industrials	13.4
XXX	5.31%	Health Care	23.3
XXX	5.54%	Communication Services	10.4
XXX	5.52%	Industrials	11.7
XXX	5.26%	Consumer Staples	27.7
(*) Longs and shorts in the same underlying are netted			
TCFD Climate Assessment of Portfolio			
Climate risk exposures			
Source: Bloomberg, company reports and internal sources as at 30/09/2022			
Carbon footprint			
	Portfolio Longs	Portfolio Shorts	Unit
Total Carbon Emissions (absolute tonnes)	114,172.45	84,110.71	tCO ₂ e
Weighted average carbon intensity (Carbon to Revenues)	94.22	119.23	tCO ₂ e/mn EUR
Carbon to Value Invested	39.93	63.93	tCO ₂ e/mn EUR
Carbon intensity (Carbon to Revenues)	119.28	113.46	tCO ₂ e/mn EUR
% Portfolio covered	86.60%	97.25%	
Exposure to Carbon-related Assets *			
	Q2 22 % MV	Q3 22 % MV	QoQ Change
Portfolio Longs	36.27%	42.10%	5.83%
Portfolio Shorts	61.10%	56.50%	-4.60%
(*) Carbon-related Assets are defined as: NACE code A, B, C, D, E, F, G, H			
Carbon exposure of Largest holdings (Top 5)			
Company	Portfolio exposure (%) (on a netted basis) *	Carbon intensity (tCO ₂ e/mn EUR)	Contribution to portfolio weighted average carbon intensity
XXX	6.60%	95.33	5.16
XXX	5.31%	79.17	3.84
XXX	5.54%	3.99	0.18
XXX	5.52%	18.38	0.83
XXX	5.26%	1.71	0.07
(*) Longs and shorts in the same underlying are netted			
Largest Contributors to Carbon Intensity			
Company	Portfolio exposure (%) (on a netted basis) *	Carbon intensity (tCO ₂ e/mn EUR)	Contribution to portfolio weighted average carbon intensity
XXX	3.93%	323.23	10.41
XXX	0.48%	1614.26	6.39
XXX	6.60%	95.33	5.16
XXX	0.09%	5744.93	4.14
XXX	0.21%	2326.04	3.97

SERVING CLIENTS

The Firm has a dedicated Investor Relations team that ensures the needs of clients are properly identified and responded to in a timely manner. Having clients mostly based across the EU, the UK and the US, the Firm applies a highest threshold approach in order to satisfy the needs of all its clients.

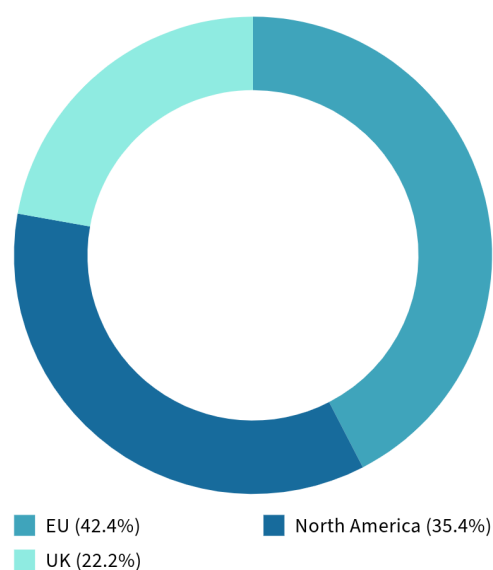
Please see a breakdown of BG's client base, strategy, product type, and client jurisdiction below.

Data calculated using rebased AUM as of 31st December 2024 :

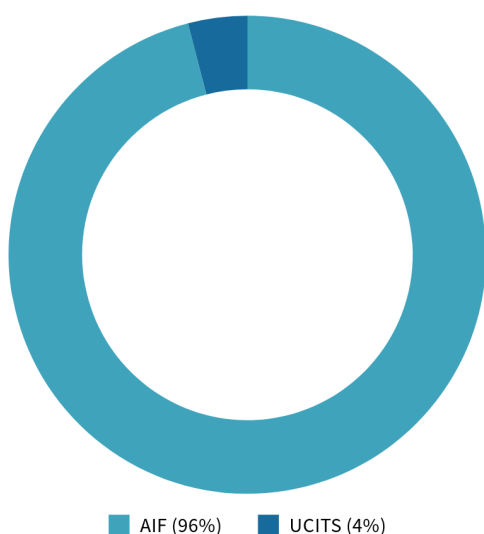
% AUM by Client Category



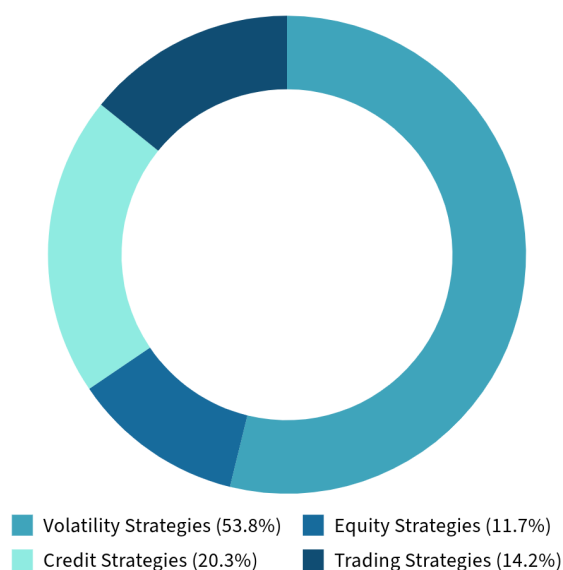
% AUM by Jurisdiction



% AUM by Product Type



% AUM Exposure by Strategy Type



ACTION

BG frequently provides newsletters, reports, and other communications describing the Firm's stewardship activity. An open dialogue is actively maintained with clients to ensure the Firm continues to provide the highest level of transparency and providing extensive insight into stewardship activity at BG.

A set of RSI (Responsible Stewardship and Investment) activity reports have been made available to investors. They include a breakdown of quarterly engagements, discussion of ESG issues, and provide illustrative case studies on undertakings and voting activities.

The Firm considers it a priority to adapt and improve its client reports continuously in order to meet its investors' needs. Feedback and regular interactions are the best way for the Firm to ensure its investor's requirements are met.

In response to a growing interest from both BG's investors and to be consistent with the Firm's beliefs, BG has become a supporter of the TCFD (Task Force on Climate-Related Financial Disclosures) and formed an ESG committee in 2020.

One example of particular consideration for the needs of its clients was where investors expressed concerns around investments in companies engaging in activities related to recreational cannabis. The concern was reviewed by the ESG Committee which in turn consulted with the investment team before implementing a restriction on companies exposed to recreational cannabis. This same investor has been instrumental in the elaboration of our quarterly ESG report to investors drawing on their extensive experience in the world of sustainable investing.



PRINCIPLE 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfill their responsibilities.

STRATEGY

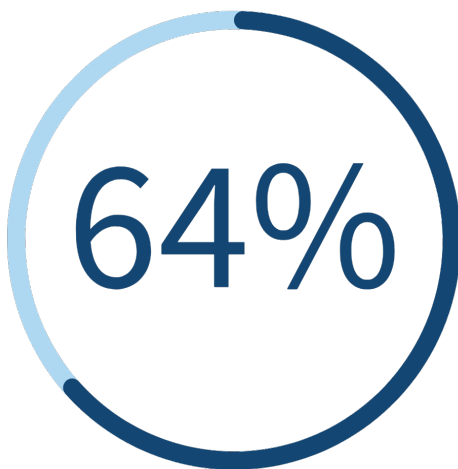
Since its creation in 2020, the ESG committee has ensured that the investment decision process includes consideration of material environmental, social and governance issues.

BG's ESG strategy is built on three key pillars:

- **Integration:** BG considers ESG as part of its investment decision making process, particularly where issues identified are relevant to the specific investment thesis.
- **Engagement:** BG seeks to obtain appropriate disclosure of ESG issues from investee companies. BG engages with investee companies for which it has identified specific issues or concerns, including ESG, to obtain additional information and insight.
- **Transparency:** At portfolio level, BG calculates exposure to a variety of ESG metrics to ensure that its funds are not overly exposed to ESG-related risks and communicates results to investors through quarterly reports.

The three pillars of ESG integration at BG apply across all geographies and cover over 60% of its invested assets. Quantitative strategies are only subject to the transparency pillar of BG's ESG strategy due to the high number of positions and their shorter holding periods.

As at the end of 2024, 63.75% of AUM was integrated with BG's ESG policy.



Source: Boussard & Gavaudan, 31st December 2024

INTEGRATION

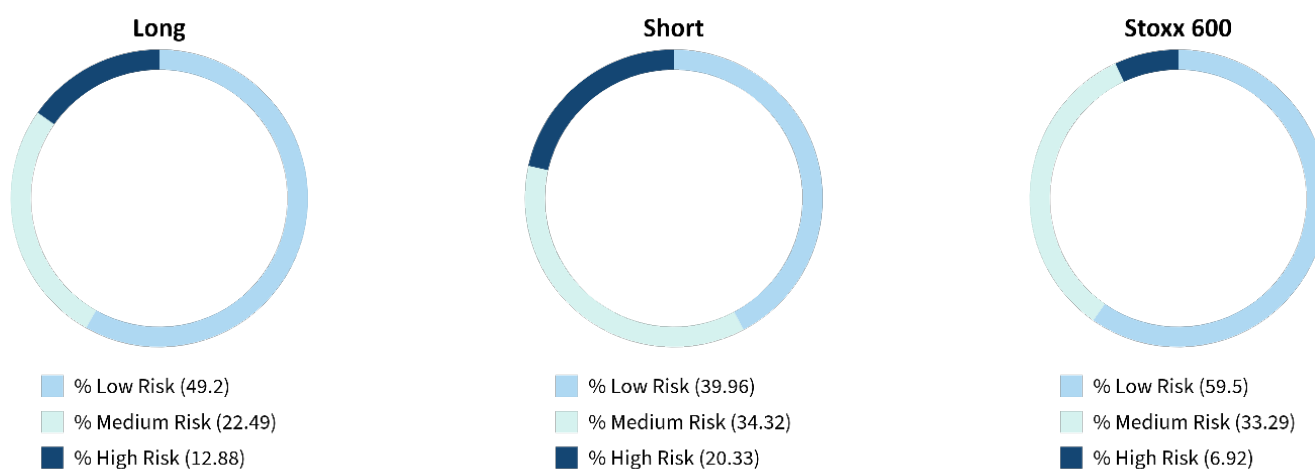
At BG, ESG considerations are woven into every stage of our investment process. From initial product or company screening to idea generation, investment decision-making, and ongoing risk management, we prioritise responsible investing. To enhance our analysis we collaborate with Sustainalytics, a specialised third-party ESG provider, which complements the work of our in-house analysts.

BG's Investment Committee diligently examines companies with elevated ESG risks. Meeting weekly, they assess investment projects, portfolio positions, and significant events—especially those related to ESG—that may impact our positions. Our rigorous and collaborative approach has steered the Firm successfully through past challenges, including the sub-prime crisis, pandemic shocks, and recent geopolitical tensions.

We firmly believe that integrating ESG and stewardship responsibilities into our investment decision-making process leads to superior long-term outcomes. By considering ESG factors, we enhance the resilience and sustainability of our investments.

The graph below illustrates the proportion of companies in the portfolio by ESG risk category (based on data from Sustainalytics) compared with the universe of the largest European companies.

Portfolio Distribution of ESG risks



Source: Sustainalytics, Boussard & Gavaudan, 31st December 2024

Our business covers complex, multi-asset investment strategies. Taking ESG factors into account in our investment decisions favours stronger and more sustainable returns over time. At the equity level, it is well recognised that companies with strong corporate governance perform better in the long term. Our strategies are subject to meeting quantitative and qualitative criteria and seek, through our security analysis, to identify competitive advantages and arbitrage opportunities. The combination of ESG criteria with more traditional financial criteria can lead to more rational decision making being achieved.

Aligned with our investment strategy targeting undervalued companies, we meticulously review potential risks. Each ESG criterion relevant to a specific case undergoes scrutiny. We analyse mitigating factors and actions that can transform threats into opportunities conscious of the fact that resolving ESG risks can often

act as a valuation catalyst, benefiting our investors.

Engagement and stewardship activity spans all geographic locations where BG invests. However, quantitative strategies do not currently factor in qualitative ESG considerations as the trading strategies employed are designed to take advantage of short-term moves and temporary arbitrage opportunities with trading conducted in baskets often across hundreds of individual stocks. Macro trading strategies are also currently excluded from ESG integration due to the difficulty in engaging with sovereign bond issuers.

ENGAGEMENT THEMES

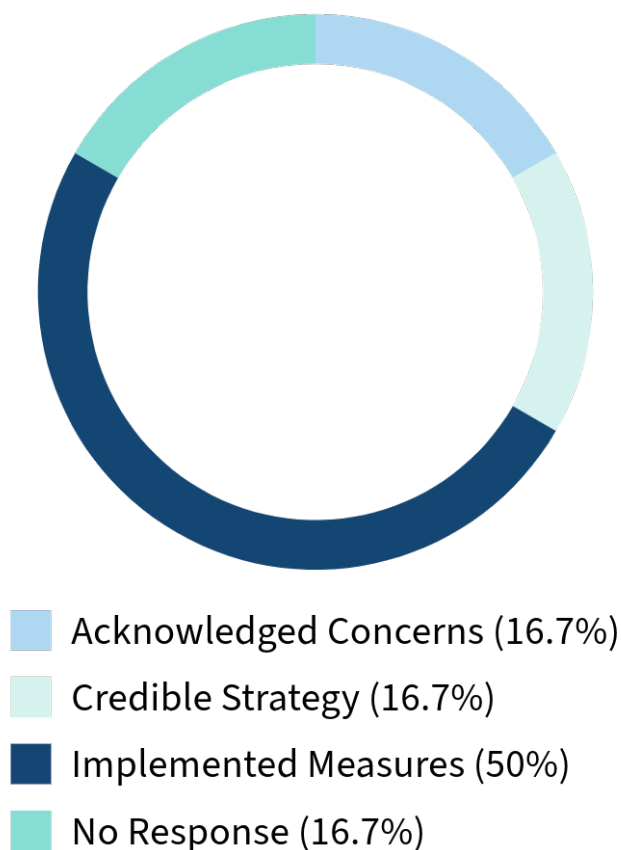
Engagement is an integral part of BG's investment process. Analysts continually engage with investee companies, in particular where specific issues or concerns are identified, in order to obtain additional information and to influence change.

Environment - Pollution and Waste	
Rationale	BG supports the objectives of the Paris Agreement and is a signatory to the United Nations Principles for Responsible Investment ("UN PRI"). Reduction in GHG emissions is therefore an important engagement theme for the firm.
Action taken	The analyst in charge of the position establishes dialogue with Investor Relations and Management to explain the need for the company to establish a clear GHG emissions reduction plan and have it voted by shareholders. BG joined "Say on Climate" in 2021 and will join other investors in voting favorably to shareholder resolutions requesting such course of action. In 2024, we engaged with firms such as Elis.
Outcomes	Establishment or improvements in GHG emissions reduction plans.

Governance - Shareholder rights	
Rationale	Assessing a company's corporate governance good practice has always been a key part of BG's investment process. The Firm firmly believes that companies which are well governed and operate transparently are best placed to increase shareholder value over time.
Action taken	The analyst in charge of the position establishes dialogue with Investor Relations, Management and Board to explain the identified issues and propose actions to resolve them. Escalation includes involvement of BG's partners, teaming up with other investors and submitting resolutions to the Board. In 2024, we engaged with firms such as Vivendi, Anima and Nexi.
Outcomes	Improved terms for minority shareholders.

During 2024, BG engaged with 6 different companies on a variety of themes. Of the 6 engagements during the year, the majority resulted in either direct action or a commitment to taking action. The remaining engagements have not so far resulted in a significant response from the investee company. BG will continue to consider potential escalation and divestment from these holdings.

Engagement Outcomes



Source: Boussard & Gavaudan, 31st December 2024

Voting and engagement are regarded as the responsibility of the lead analyst covering an investment. As part of the Firm's culture, management encourages discussion and debate within the investment team, particularly when considering ESG issues. Analysis may be revisited when controversies are identified, or engagement brings about new issues for consideration.

The Firm's middle office ensures that voting required under the Firm's policy occurs and the ESG committee reviews the process to ensure it is operating effectively. Quarterly reporting is provided to management and to investors upon request, ensuring transparency and integration with client needs.

Where initial engagement does not succeed, a well-defined process of escalation is in place to ensure deficiencies are addressed by the investee company.

Finally, third-party providers are important to BG's business, and as such, particular care is taken in their selection and ongoing relationship. Selection of third-party providers is subject to the Firm's rigorous due diligence process.

CASE STUDIES

Support Services Company Case Study

Category: Environment and Climate Change

Issue: The company provides multiservice solutions to various end markets including the hospitality, healthcare, and commerce industries. The company's products and services include providing flat linen, workwear, hygiene products, and well-being services. It is currently in merger talks with a provider of uniform rentals and workplace supplies. A combination would generate important synergies, as they mostly operate in different parts of the world, and could be the base of an ambitious carbon emissions reduction strategy.

Action: During 2024, BG held multiple meetings with the company's CEO to discuss the benefits of the merger and the opportunity for a carbon emissions reduction plan.

Outcome: Merger talks were terminated due to divergences on financial terms.

Waste Management Company Case Study

Category: Environment - Pollution, Waste

Issue: The company is a major diversified environmental services company offering services in waste management. The diversified nature of their business prevents them to develop their activities fully due to negative synergies.

Action: : BG engaged with the company's CFO and Investor Relations to encourage shift in strategy:

- Core business growth: Selling the hazardous waste disposal activity would allow to reinvest in the growth of their core business.
- Under-development of Environmental Services: A specialist would also be able to develop this important activity better.
- Pure play: The company will be better valued as pure play.

Outcome: The company has decided to sell a majority stake in its environmental services business and will be a "pure-play solid waste business" once the transaction is completed in Q1 2025.

PRINCIPLE 8

Signatories monitor and hold to account managers and/or service providers.

SERVICE PROVIDERS

Service providers play an important role in core areas of the investment process. Management and executive committees regularly review service providers to ensure they continue to meet the Firm's needs.

ESG service providers are reviewed and monitored by the ESG Committee at least annually. Since 2019 the Firm engaged the services of Vigeo Eiris in relation to ESG data and research. In 2020 the ESG Committee reviewed the relationship and explored alternative providers which it felt might better reflect the Firm's approach to ESG. Following a trial, the ESG Committee, in consultation with senior management, decided to switch providers to Sustainalytics as it felt that their approach, data and research was more closely aligned to that of BG's investment team.

The ESG data provider forms an integral part of BG's ESG strategy as it constitutes a primary source of ESG related research for analysts and the relevant committees. Research is used on an ongoing basis through the provider's web portal and data is imported monthly into BG's proprietary system to calculate ESG metrics at portfolio level. ESG data from Bloomberg is also imported and used to supplement and contrast data from Sustainalytics.

A table of service providers used which related to our stewardship activity is provided below:

Provider	Service	Last Review
<i>Sustainalytics</i>	<i>Data</i>	<i>2024</i>
<i>Bloomberg</i>	<i>Data</i>	<i>2024</i>
<i>Urgewald</i>	<i>Data</i>	<i>2024</i>
<i>Refinitiv</i>	<i>Data</i>	<i>2024</i>
<i>Skillcast</i>	<i>Training</i>	<i>2024</i>
<i>Broadridge</i>	<i>Voting platform</i>	<i>2024</i>
<i>ISS</i>	<i>Voting platform</i>	<i>2024</i>

VOTING

BG does not employ the services of a proxy advisor choosing to instead rely on its expert in-house analyst team to make decisions on how it will vote at investee company meetings. In ensuring it is the Firm's analysts who formulate the investment thesis to decide on the exercise of voting rights, BG encourages full integration of stewardship during the entire life of an investment. The Firm considered outsourcing voting activity and reviewed providers of these services, however, the Firm felt that this would not offer the same level of attention to detail, granularity and flexibility offered by internal analysis.

REVIEW

The Firm maintains a register of external service providers and these are reviewed frequently to ensure their services continue to meet our needs. Conversations with alternative providers are held from time to time to ensure we continue to obtain value from our existing providers.

During 2024 our service providers continued to meet the needs of BG and its investors by providing the service they were contracted to provide at or above expectations. While we continue to encounter some data quality issues with data provided by our data providers this is considered to be at acceptable levels and in line with market standards.



PRINCIPLE 9

Signatories engage with issuers to maintain or enhance the value of assets.

ENGAGEMENT

As discussed previously, BG has a strong client focus seeking to unlock shareholder value identified in BG's analysis which often involves strong stewardship and engagement activity.

Areas of particular interest for engagement typically include:

- Corporate capital and financing structure.
- Divergence by the company from its stated strategic objectives.
- Controversies that arise with potential to impact shareholder value, including environmental, social and governance matters.

Depending on the type of issue to engage, BG typically has three engagement strategies available:

- Direct Meetings: One-on-one discussions with company management.
- Collaborative Sessions: Group meetings with investors and investee companies.
- Insights from Events: Participation in industry conferences and investor days.

During our engagement meetings, we delve into specific concerns, potential opportunities, and broader topics. These discussions enhance our understanding of investee companies' business, culture, and governance processes. To ensure accuracy, we maintain an internal record of these interactions, cross-referencing it with data from brokers.

When BG holds an equity position, we proactively seek to influence investee company behaviour. This involves frequent direct engagement with company management through emails, calls, and meetings. Our approach emphasises constructive conversations, avoiding confrontation, and fostering an effective and friendly dialogue. This consistent philosophy extends across asset classes and geographies, treating all funds equally.

In exceptional cases, escalation in engagement occurs based on individual circumstances, as outlined in Principle 11.

OUTCOMES

BG's engagement efforts often revolve around ESG-related topics, which serve as catalysts for realising shareholder value. In 2024, we engaged with 6 companies, successfully developing credible strategies in 5 of those cases to achieve our engagement objectives.

Our collaborative approach consistently yields positive outcomes. Rather than confrontation, we work alongside management, offering alternative solutions and suggesting improvements. This constructive engagement benefits all stakeholders.

Notably, our approach remains consistent across funds, assets, and geographies. Where voting rights are held these are exercised in line with Firm's Proxy Voting Policy, where voting rights are not held, such as with fixed income assets, BG engages with management and can seek amendments to terms and conditions or restructuring.

CASE STUDY

Materials Company Case Study

Category: Strategy, Financial and Reporting

Issue: The company is a global manufacturer of a wide range of building materials facing the challenge of multiple and sometimes conflicting ESG regulations.

Action: BG identified an opportunity for the firm to answer better to local ESG regulations by separating US and EU assets and met with Chairman to discuss the idea of the separation of US and EU assets and the associated benefits in answer local regulations separately.

Outcome: Ongoing conversation, the company seems open to the suggested course of action.



PRINCIPLE 10

Signatories, where necessary, participate in collaborative engagement to influence issuers.

COLLABORATIVE ENGAGEMENT

Where permitted by applicable laws and regulation, BG collaborates with fellow shareholders in engaging companies where it believes it would be in its client's best interests to do so. This collective engagement can take the form of joint voting at meetings, acting as co-plaintiffs in class action lawsuits or participation in shareholder group forums.

The Principles for Responsible Investment (UNPRI or PRI) is a United Nations-supported international network of investors working together to implement its six aspirational principles. BG is a signatory to the UNPRI and commits to promoting the six principles:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities invested in.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

BG targets international best practice and follows the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD). Within this framework, BG will be engaging with companies, in collaboration with other supporters, to seek additional disclosures from issuers. To this end, BG monitors the UNPRI Collaboration Platform and has participated in its initiatives. One recent example of participation was our involvement in the Votes Against Slavery initiative spearheaded by Rathbones which secured support from 154 investors, including BG. Please see the case study below for further information on the Votes Against Slavery collaborative initiative.

CASE STUDY

Collaborative Engagement Case Study

Category: Social - Human Capital

Issue: Modern slavery is a widespread, criminal activity which has a significant economic impact globally. It is estimated to be a \$150 billion trade which involves approximately 50 million people facing a form of modern slavery and human trafficking globally, including 28 million in forced labour. The exploitation of people through forced labour and sexual slavery has been fueled by a growing number of global migrants in search of prosperity, more complex supply chains (brought about by globalisation) and weak enforcement by regulators.

We believe that businesses have a key role to play in tackling this issue by making their own supply chains more robust. To do so is in the interests of investors as they may suffer significant brand and reputational damage if human trafficking is found in their business and no effort has been made by the company to provide remediation. Given the systemic nature of modern slavery and the serious risk it poses to businesses and investors, we expect all UK businesses covered by the UK Modern Slavery Act to meet the reporting requirements of the Act.

The 2015 Modern Slavery Act was a landmark piece of legislation, requiring all companies over a certain size operating in the UK to report in detail on their approach to finding and eliminating modern slavery within their supply chains. The quality of reporting delivered under Section 54 of the Act can act as an important marker for how seriously senior management are taking this risk. It improves accountability and enables companies to identify the areas of their business most at risk. Companies which meet the reporting requirements and clearly disclose the areas of their businesses most susceptible to modern slavery benefit from increased investor confidence. Conversely, non-compliance with the Modern Slavery Act poses as a serious risk to long-term investors and questions the suitability of investing in such companies.

The Votes Against Slavery project is focused narrowly on disclosure. It should be seen as complementary to work conducted under a different investor collation called 'Find it, Fix it, Prevent it', which is encouraging companies to discover modern slavery within their supply chains and to provide the appropriate care and remedy.

Action: As an investor in UK companies, BG supports the "Votes Against Slavery" initiative and signed the letters addressed to non-compliant FTSE 350 companies during Q1 2025.

Outcome: The initiative wrote to 32 FTSE 350 companies in 2024. In 2025, progress was made as only 26 letters needed to be sent, 19 of which have already committed to make the necessary changes in 2025 and only 4 are yet to reply.

PRINCIPLE 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

ENGAGEMENT

BG engages with companies regularly, and often collaboratively. Given the size of the Firm, engagement with other shareholders collectively is often the most effective means of achieving positive outcomes for BG's clients. Opportunities for collaborative engagement often arise organically, with shareholders identifying and communicating with other shareholders to amplify the effect of engagement. BG also monitors the PRI Collaboration Platform to identify situations in which it can join forces with other shareholders to enhance its influence over investee companies on ESG related issues.

Engagement is often related to governance issues, a core element of any investment thesis formulated by BG's analysts. Within the Firm's fundamental strategies, all assets are subject to a best governance assessment as set out in the Firm's Good Governance Policy (available at <https://www.boussard-gavaudan.com/en/p/24/esg-policy>). This approach applies regardless of asset class or geography as the Firm believes mediation, communication and collaboration achieve positive long-term outcomes. Where a governance issue is identified, an assessment must be included in the investment case presented to the Investment Committee and a path to resolution must be identified. In addition, BG's investment team may, from time to time, engage directly with companies to address concerns or to remedy issues with respect to governance as the Firm prefers to resolve matters with the investee company's management in a constructive and amicable manner.

ESCALATION PROCESS

BG typically hopes to address any concerns it has about an investee company during its regular meetings with company management. Where it becomes apparent that concerns have not been addressed, the Firm may decide to enhance its engagement activity by requesting further meetings with senior management. Should persistence prove unsuccessful, the Firm may choose to employ the following methods of escalation:

- Communication with the company's board
- Seeking collaborative intervention with other investors
- Filing/co-filing/submitting a shareholder resolution or proposal
- Publicly engaging the entity (e.g. formal letter to the board)
- Voting against management at meetings
- Voting against the re-election of one or more board directors
- Voting against the chair of the board of directors
- Voting against the annual financial report
- Divesting or implementing an exit strategy

Where a vote against the management of a company with which a dialogue have been engaged becomes the sole option, the management is made aware of BG concerns and voting intention prior to the vote. When a vote take place against a management recommendation, it is informed of our decision, the reason behind it and it is invited to future dialogue. The last resort is always to divest from the Company.

Escalation activity is recorded and reported to BG's clients on a quarterly basis with oversight provided by the Investment Committee and ESG Committee.



PRINCIPLE 12

Signatories actively exercise their rights and responsibilities.

PROXY VOTING

In line with our investment beliefs, BG's investment team take an active long-term stewardship approach to their fundamental positions. BG ensures a fair and appropriate approach to the use of its voting rights and applies the same process and policy across asset classes, funds and geographies. In order to prevent any preferential treatment or conflict of interest, BG does not accept client requests to override house policies in the exercise of listed equity voting rights.

The Firm's investment strategy often includes direct engagement with management on a particular issue and supporting corporate actions or capital restructuring through the exercise of voting rights in accordance with the Firm's Proxy Voting Policy, available as an Annex to the ESG & Responsible Investment policy available on BG website www.boussard-gavaudan.com

EXERCISE OF RIGHTS

BG has always actively voted on material positions and issues within its portfolio. Unlike asset managers who delegate their voting responsibilities to third-parties, BG is responsible for 100% of the voting decisions it takes with no outsourcing. As a minimum commitment, BG will vote on all positions that meet the materiality criteria:

- If the position represents 0.25% or more of BG Firm's assets under management and BG Firm holds 0.25% or more of the investee company's voting rights; or,
- If BG Firm holds 1.00% or more of the investee company's voting rights.

In practice, BG votes on far more positions than those that meet the materiality criteria (see voting data below).

In regard to its UCITS funds, BG uses the Institutional Shareholder Services (ISS) to highlight the main voting issues requiring review by our investment team. For its AIFs, Broadridge's ProxyEdge online platform is used. This service is very efficient in simplifying the voting process by alerting our team to any upcoming votes providing a portal through which we can exercise voting rights. Moreover, it also simplifies the record keeping of our voting activity. Quarterly voting reports containing detailed voting records are available upon request.

Policies are applied to all our funds without distinction and are discussed in more detail under Principle 3. BG applies its standard policy and procedures, while paying particular attention to local market codes of best practice. Certain principles are considered of core importance to the Firm:

- Management and Board Accountability
- Transparency
- Shareholder rights

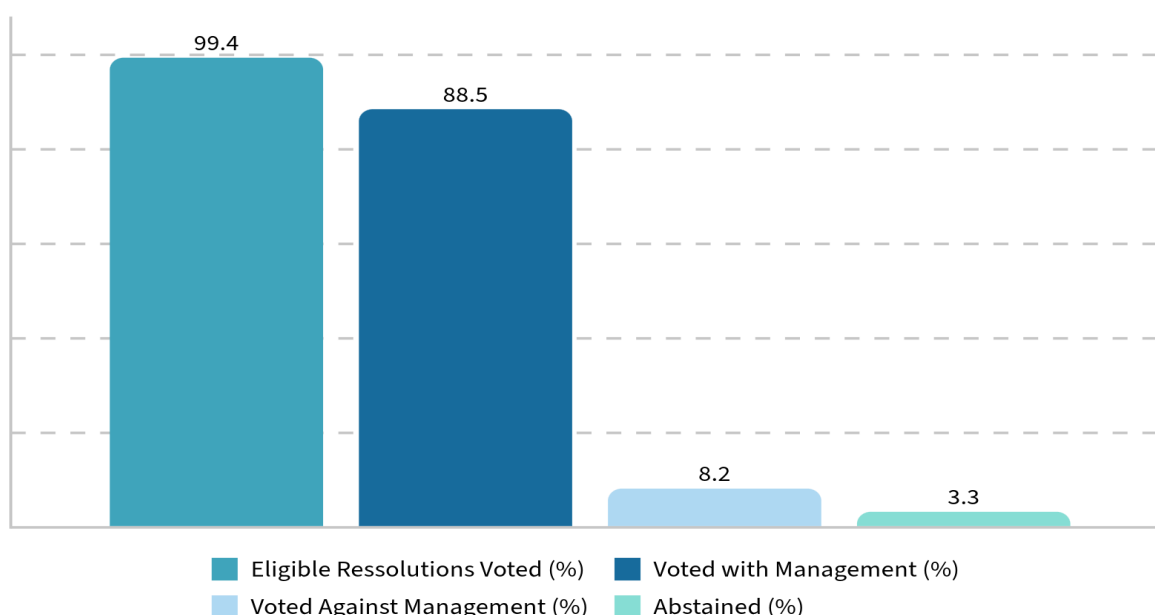
- Rigorous internal controls

In accordance with the Firm's policy, and wherever possible, BG will use voting rights to defend the principles above and ensure the long-term interest of clients.

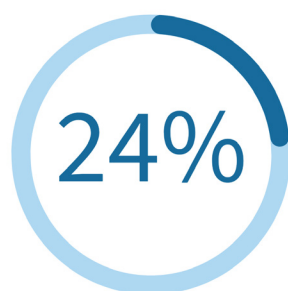
VOTING ACTIVITY

During 2024 BG has increased its voting activity with respect to previous years by dedicating internal resources to analyse resolutions and vote where we are eligible. In 2024, BG was eligible to vote at 127 meetings and on 1202 resolutions.

Statistics on how BG voted are provided in the graph below:



During 2024, BG voted against at least one management resolution at 23.6% of meetings.



CASE STUDIES

Please see below a selection of case studies from 2024 where BG has voted against management as a form of escalated engagement. Despite the unfavourable outcomes, BG's voting demonstrates its firm commitment to stewardship while sending a message to investee companies.

Software Company

Category: Voting

Background: In the second quarter of 2024, BG had a position of 0.6% of the company. Given the materiality of the position and the sensitive nature of the vote, BG exercised its voting rights in the May general meeting.

Summary of the resolution: Authorise Management Board to issue 10 percent additional with no preferential rights to existing shareholders.

Rationale for the voting decision: BG voted in favor of the shareholder proposal, as Board independence is central to BG voting policy and BG believed that adding a shareholder-nominee would strengthen it.

Outcome: BG voted in favour of the resolution and the resolution was adopted.

Support Services Company

Category: Voting, voting against management

Background: In the second quarter of 2024, BG had a position of 1.1% in the company. Given the materiality of the position and the sensitive nature of the vote, BG exercised its voting rights in the May general meeting.

Summary of the resolution: Authorise Management Board to issue shares representing an additional 10 percent of the total outstanding with no preferential rights to existing shareholders.

Rationale for the voting decision: The proposed resolution would allow too great a dilution of existing shareholders without giving them ability not to be diluted.

Outcome: Despite BG voting against the resolution, the resolution was approved.

Internet Software and Services Company

Category: Voting

Background: In the second quarter of 2024, BG had a position of 0.4% in the company. The position was below the materiality threshold but BG aims to vote on ESG related shareholders proposals, hence BG exercised its voting rights in May.

Summary of the resolution: Shareholder proposal to prepare an independent third-party audit on drivers health and safety.

Rationale for the voting decision: BG voted in favor of the shareholder proposal. The company is suffering from controversies regarding the treatment of its drivers and therefore it is necessary to take action to address the issue.

Outcome : Despite BG voting in favour of the resolution, the resolution was not adopted.

ESG AND CORPORATE SOCIAL RESPONSIBILITY

At portfolio level, BG calculates exposure to a variety of ESG metrics, in particular to carbon emissions, in order to ensure that its funds are not overly exposed to ESG-related risks. This also allows BG to report to clients a variety of metrics including SFDR PAI and the following TCFD recommended Climate VaR scenarios:

TCFD

Scenario	Parameters	Portfolio Impact
Orderly transition to 2 degrees	-2.7% yearly decline of GHG over 10 years	-1.01%
Disorderly transition to 1.5 degrees	-54.6% decline of GHG	-2.74%

While the quality of reporting at investee companies continues to improve, especially for carbon emissions related data, some other domains such as Biodiversity and Water consumption data remain very challenging.

BG's ESG reports are produced quarterly and are available to all investors upon request.

Global Warming Potential	Long Portfolio	Short Portfolio
Implied temperature increase (°C)	+2.77	+2.63

CORPORATE SOCIAL RESPONSIBILITY

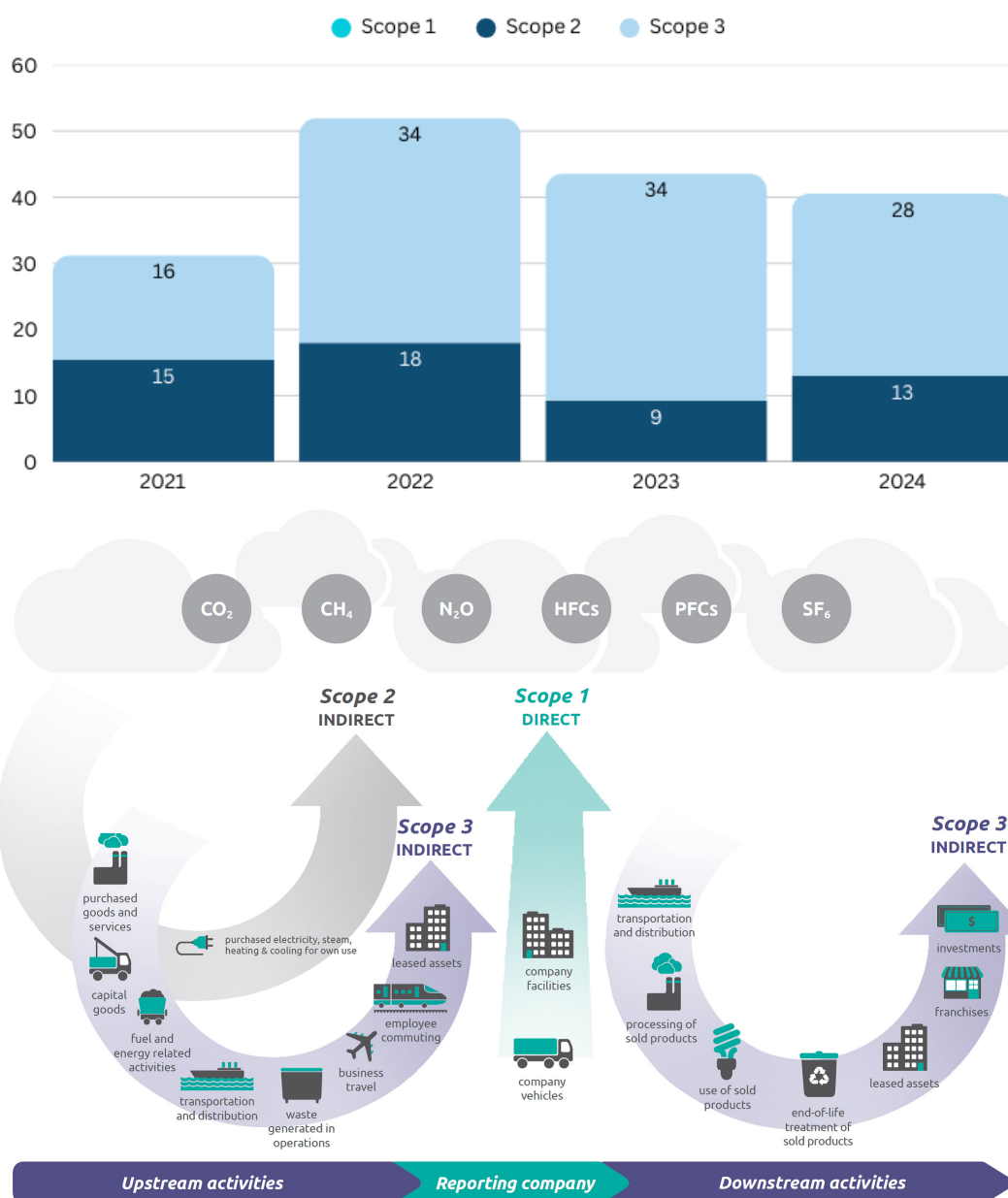
BG is owned and managed by its founders, who are deeply committed to making a positive contribution to society. Reflecting this commitment, BG actively supports the Emmanuel Boussard Foundation, which funds research aimed at enhancing the understanding of kidney disease mechanisms and progression, as well as improving therapeutic care, including transplantation and dialysis. Additionally, BG periodically contributes to educational and cultural initiatives.

During the reporting period, BG conducted an ESG-focused review of its service providers, including the implementation of a requirement for suppliers to adhere to our Supplier Code of Conduct, with particular emphasis on respect for human rights.

Since 2021, BG has measured its carbon footprint annually and offsets its emissions through verified carbon reduction projects in the following year. In line with this approach, BG will offset its 2024 carbon footprint in 2025. Scope 1 emissions continue at 0 given the activity of the firm.

The significant increase in BG's carbon footprint observed in 2022 is primarily attributable to the exceptionally low travel activity in 2021 due to COVID-19 restrictions and the expansion of BG's New York office. As a result, 2022 provides a more representative baseline for BG's future carbon footprint, as it reflects the firm's current level of activity without pandemic-related travel limitations.

BG Carbon Footprint (CO2 tons)



Source: GHG Protocol

While most of our past objectives have been achieved, BG will continue to refine and develop its approach to ESG from investment process, risk management and reporting perspectives. Specific initiatives for the year ahead include:

- Review of ESG data providers
- Increase engagement activity
- Transition from TCFD to IFRS S2.

BG also continues to work with its investors to refine its processes and help develop reporting to suit investor needs.