

Boussard & Gavaudan (the “Firm”)

Statement in Relation to the Shareholder Rights Directive II

October 2019

1. INTRODUCTION

The Second Shareholder Rights Directive (“**SRD**”), which took effect in the UK on 10 June 2019, aims to improve shareholder engagement and increase transparency around stewardship. The Firm invests in listed equities and as such we are required to disclose and make publicly available our policies on how we engage with other shareholders and the companies that we invest in, and how our strategies create long-term value.

2. SRD AND THE FRC STEWARDSHIP CODE

The UK Stewardship Code (the “**Code**”) was established by the Financial Reporting Council in 2010. UK authorised asset managers have been required under the rules of the Financial Conduct Authority to produce a statement of commitment to the Code or to explain why it is not appropriate to its business model.

Unlike SRD, which applies to investments in listed equities globally, the Code focuses on investments in UK companies only which was one of the principal reasons for the Firm choosing not to be a signatory to the Code.

3. THE FIRM’S APPROACH

The Boussard & Gavaudan group (“**BG**” or the “**Group**”) manages investment funds in the best interests of its investors. To this end, BG employs several diverse strategies in the pursuit of superior diversified returns.

We are required to either:

- publicly disclose an **Engagement Policy** and a public statement on an annual basis on how the Engagement Policy has been implemented; or
- publicly disclose a clear and reasoned explanation of why the Firm has chosen not to make these disclosures.
- As a multi-strategy investment manager, the Firm has elected to publicly disclose its Engagement Policy with sole respect to the listed equities component, and this is set out in Section 4 below.

This Statement is reviewed annually and updated where necessary to reflect changes in circumstances and actual practice. Should the Firm’s position change we will review our commitment to SRD and make appropriate disclosure at that time.

4. ENGAGEMENT POLICY

BG is actively reviewing the SRD II Directive and assessing whether it will need to publish a full Engagement Policy. The Firm aims to update its policy and procedures, and, should it be required, publish a full Engagement policy no later than the end of Q2 2020.

Engagement

The Group believes engagement is an important part of the investment process. BG engages with investment companies for which we have identified specific issues or concerns, in order to obtain additional information and insight. Company management is normally engaged through regular one-to-one or group meetings and conference calls.

Active ownership

BG aims to be actively engaged with companies it invests in to generate additional value from its investment.

The Group owes its clients a duty of care in respect of services undertaken on the client’s behalf, including voting. To this end, where relevant, BG takes all reasonable steps to vote in the best interest of its clients.

The Firm maintains documentation in relation to its voting, including (i) a record of how the Firm voted, and (ii) any documents created by the portfolio manager or others, that were material to the voting decision.

5. IMPLEMENTATION OF THE ENGAGEMENT POLICY - ANNUAL DISCLOSURE

The Firm's initial Annual Disclosure shall be with respect to the calendar year 2020 and shall be made available in 2021.

6. DISCLOSURE TO INSTITUTIONAL INVESTORS

BG is in the process of reviewing annual disclosure requirements and preparing the required information in order to make disclosures in accordance with the requirements of the Directive. The Firm aims to respond to any disclosure requests in relation to SRD II promptly.

7. FURTHER INFORMATION

For further information on the FCA's application of SRD II, please refer to the Policy Statement (PS19/13) available [here](#) or contact Compliance at: bgcompliance@bgam-uk.com