

# Boussard & Gavaudan Absolute Return

A compartment of Boussard & Gavaudan SICAV

UCITS by Boussard & Gavaudan Asset Management

## MARCH 2024 NEWSLETTER

Share class	NAV per Share	Month to Date Performance	Year to Date Performance	Inception to Date Performance	Inception date
Z - EUR LU1063708694	€ 1,126.89	-1.07%	-1.37%	12.69%	17 November 2014
Z - USD LU1063708850	\$1,279.81	-0.94%	-1.01%	27.98%	6 February 2015
Z - GBP LU1063708934	£1,190.77	-0.97%	-1.06%	19.08%	5 March 2015
R - EUR LU1136399976	€ 993.55	-1.15%	-1.61%	-0.65%	2 March 2015
R - USD LU1304491829	\$1,087.99	-1.02%	-1.26%	8.80%	30 August 2016
R - GBP LU1304492041	£1,002.40	-1.04%	-1.31%	0.24%	9 May 2017
I - EUR LU1537768738	€ 1,008.71	-1.08%	-1.40%	0.87%	30 March 2017
I - GBP LU1537768902	£1,026.41	-0.97%	-1.08%	2.64%	17 July 2017
P - USD LU1755395651	\$1,016.22	-0.94%	-1.01%	1.62%	12 July 2022

Asset Under Management	
Boussard & Gavaudan Absolute Return	€ 65.27M

**Risk warning:** investors should be aware that past performance does not predict future returns. Where the currency in which the past performance displayed differs from the currency of the country in which you reside, due to exchange rate fluctuations the performance shown may differ if converted into your local currency. The Fund is actively managed (the management team has discretion over the composition of its portfolio) and is not managed in reference to any benchmark index.

## MARCH 2024 HIGHLIGHTS

The strong bull sentiment continued, with equity markets in both Europe and the US rallying in March driving the EuroStoxx 50<sup>®</sup> Total Return and the S&P500<sup>®</sup> Total Return up +4.33% and +3.22% respectively.

The market implied volatility measure VStoxx<sup>®</sup> decreased moderately, finishing the month at 13.4% and the iTraxx Crossover<sup>®</sup> (S39) tightened slightly moving from 305bps to 297bps.

Against this market backdrop, BG Absolute Return was down in March (-107bps, Z EUR share) with solid trading book performance offset by volatility strategies and specific positions in credit and equity special situations which we expect to reverse in the next few months.

## MARCH COMMENTARY

### Volatility strategies

#### ***Mandatory convertible bond arbitrage***

Mandatory convertible bonds contributed -6bps this month.

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

Convertible bond strategies contributed -3bps in March with a mix of positive and negative contributors.

In Europe, primary markets continued to be frustratingly quiet. In general the European book performed solidly, with the exception of one very idiosyncratic special situation which traded down on extremely thin volume. These frustrations notwithstanding, we remain confident of regaining this negative mark-to-market during the next quarter.

The US convertible market had a decent performance in March, with a slow but steady rise in valuations across the board. Interest rates, both 2-year and 5-year, were essentially unchanged, as was the HY CDX, which fell slightly from 340bps to 330bps. Primary issuance remained active. In credit-oriented CBs, Saudi Arabia's PIF made a new \$1bn investment in EV manufacturer Lucid, which caused the convertible bond to jump by circa +7 points. There were no other major idiosyncratic events worth mentioning.

#### ***Volatility Trading***

Realised volatility vs implied forwards at the end of February \* :

	30d Implied vol level on 29/02/24	Realised vol over the month	Difference
<b>US (VIX<sup>®</sup>)</b>	<b>13.40</b>	<b>9.97</b>	<b>-3.43</b>
<b>EUROPE (Vstoxx<sup>®</sup>)</b>	<b>13.78</b>	<b>8.32</b>	<b>-5.46</b>

Variation of implied volatilities during March \*:

	Apr. Vol Index Fut as of 29/02/24	Apr. Vol Index Fut as of 28/03/24	Vol move
<b>US (VIX<sup>®</sup>)</b>	<b>15.05</b>	<b>14.37</b>	<b>-0.68</b>
<b>EUROPE (Vstoxx<sup>®</sup>)</b>	<b>15.30</b>	<b>14.15</b>	<b>-1.15</b>

\* Source: Bloomberg

Volatility trading contributed -23bps to the performance of the fund this month.

March was challenging for volatility strategies as realised and implied volatility remained subdued in the continued bull market environment.

In a month characterised by risk-on sentiment, the implied skew continued to be heavily bid, indicating general bullishness among investors. Positive economic indicators and accommodative policies further buoyed market sentiment. However, muted volatility across assets made it difficult to capitalise on market fluctuations. Despite limited opportunities, we remain disciplined with our risk taking.

### ***Warrant arbitrage***

Warrant arbitrage delivered +1bp in March.

### **Equity strategies**

In March, the equity portfolio experienced both positive and negative news flow leading to a mix of outcomes. Overall equities returned -8bps.

On the positive side, after Mondi approached DS Smith with an indicative merger offer, International Paper stepped in with a counteroffer on slightly improved terms. The situation remains live with the two suitors still interested.

The bid for Network International by a group of private equity firms is moving closer to completion as the UAE has given its approval for the transaction. This was seen as the gating event, although a few more approvals are required to finally close the deal after a longer delay than initially projected.

On other transactions, the offer for Smart Metering Systems is being finalised and the bidding war for Applus Services is expected to be completed in April.

It is encouraging to see corporate activity in Europe of this nature, particularly competitive bidding situations, however volumes are still relatively limited so far and focused on small deals.

In terms of events that failed to complete, in Europe the Belgian insurance company Ageas had approached Direct Line about a merger, but after a few weeks of negotiations, did not manage to convert discussions into a firm bid.

In the US, the takeover of US Steel by Nippon Steel suffered another setback. After various unions had initially opposed the deal President Biden came out in support of the unions saying he wanted the company to remain in domestic hands. This has raised serious doubts as to whether there is still a way forward as a majority of union workers reside in presidential election battleground states.

### **Credit strategies**

#### ***Credit long / short***

The performing credit books contributed +4bps this month.

#### ***Credit special situations***

Credit special situations was down this month (-100bps) impacted primarily by two specific idiosyncratic positions: Orpea shares traded lower on a lack of new information and Atos bonds were extremely volatile on thin volume, in reaction to news relating to the ongoing discussions on a potential restructuring of the company's balance sheet.

## Trading

Trading strategies had a positive month and contributed +28bps in March.

In systematic trend following, indices primarily drove the month's good performance. Index performance was broad-based with former laggards like Switzerland, Italy, Spain, and the UK finally catching up. Interest rates and currency positions had no significant impact.

Macro trading was positive in March. The general increase in risk appetite was consistent with a broadening of the equity rally and we continue to see US equity markets underperforming Europe and Japan. We continue to monitor liquidity and fiscal positions very closely to assess the extent of the current business cycle.

Sincerely,

E. Bousard and E. Gavaudan

Specifications	
Inception date:	17 November 2014
Fund	UCITS
Domicile:	Luxembourg
Liquidity:	Daily
Currency:	Euro (€) US Dollar (US\$) Pound (GBP) Swiss Franc (CHF)

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## Annex 1: Greeks

Delta	9.5%	9.5% bps P&L variation for market +1%
Gamma	0.2%	delta variation for market +1%
Vega Mat Weighted	10.46 bps	by vol point
CBs contribution to Vega Mat Weighted	10.71 bps	by vol point
Optional theta	-10.60 bps	by 30 days
Rho	-0.02 bps	for 1% of interest rates increasing
Credit sensitivity	-6.61 bps	for 1% of credit spreads widening (in relative)

## Annex 2: Performance Attribution

<b>Volatility Strategies</b>	<b>-31 bps</b>
Mandatory convertible bond arbitrage	-6 bps
Convertible bond arbitrage (incl. credit convertible bonds)	-3 bps
Volatility trading	-23 bps
Warrant arbitrage	1 bps
<b>Equity Strategies</b>	<b>-8 bps</b>
Risk arbitrage / Special situations	-42 bps
Long / short trading with short-term catalyst & Value	35 bps
<b>Credit Strategies</b>	<b>-97 bps</b>
Credit long / short	4 bps
Credit Special Situations	-100 bps
<b>Trading</b>	<b>28 bps</b>
<b>Total</b>	<b>-107 bps</b>

**Annex 3: Gross Exposure (in % of AUM)**

<b>Volatility Strategies</b>		
	Long	23.3%
Mandatory convertible bond arbitrage	Short equity	20.4%
	Short credit	0.0%
Convertible bond arbitrage (incl. credit convertible bonds)	Long	66.3%
	Short equity	55.7%
	Short credit	0.0%
Volatility trading	Long	11.8%
	Short	17.0%
Warrant arbitrage	Long	0.1%
	Short	0.0%
<b>Equity Strategies</b>		
Risk arbitrage / Special situations	Long	38.9%
	Short	25.8%
Long / short trading with short-term catalyst & Value	Long	12.4%
	Short	12.5%
<b>Credit Strategies</b>		
Credit long / short	Long	4.3%
	Short	2.6%
Credit Special Situations	Long	14.7%
	Short	0.0%
<b>Trading</b>		
	Long	39.5%
	Short	28.1%
<b>Gross Exposure</b>		<b>373.4%</b>

	<b>Long</b>	<b>Short</b>
Mandatory convertible bond arbitrage and Convertible bond arbitrage	$\sum$ market value long	Abs ( $\sum$ [delta equity + options]) + $\sum$ notional long for CDS
Volatility Trading	$\sum$ Abs (delta)	$\sum$ Abs (delta)
Warrant Arbitrage	$\sum$ delta long	$\sum$ Abs (delta short)
Equity Strategies	$\sum$ delta long	$\sum$ Abs (delta short)
Credit Strategies	$\sum$ market value long + $\sum$ Abs (notional short for CDS)	$\sum$ Abs (market value short) + $\sum$ notional long for CDS
Trading	$\sum$ delta long	$\sum$ Abs (delta short)

**Annex 4: Gearing (in % of AUM)**

Gearing % AUM	732.1%
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## Annex 5: Track Record – Historical Returns Summary (Net of Fees)

### Z- Euro Share Class <sup>(1)</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2024	0.42%	-0.72%	-1.07%										-1.37%	<b>12.69%</b>
2023	-2.06%	-0.23%	-2.51%	1.29%	-1.33%	1.22%	-1.28%	1.49%	0.52%	-1.89%	3.55%	0.13%	-1.28%	<b>14.25%</b>
2022	-2.78%	0.04%	-1.04%	1.93%	-1.60%	-0.48%	-3.89%	4.89%	-1.39%	-0.44%	-1.78%	1.95%	-4.79%	<b>15.73%</b>
2021	-0.89%	-0.46%	-0.76%	2.92%	-1.76%	0.55%	-0.07%	1.18%	0.85%	2.66%	1.23%	-0.16%	5.32%	<b>21.55%</b>
2020	1.08%	2.14%	-10.61%	3.81%	1.88%	1.49%	0.62%	-0.88%	0.75%	1.17%	3.75%	1.61%	6.17%	<b>15.41%</b>
2019	-0.65%	-0.57%	0.62%	-0.75%	1.22%	0.31%	1.71%	1.93%	-1.23%	-0.82%	1.54%	0.35%	3.64%	<b>8.71%</b>
2018	0.53%	0.94%	-1.26%	-0.78%	0.00%	-0.41%	-2.42%	0.34%	0.78%	-2.03%	-1.13%	-0.44%	-5.79%	<b>4.89%</b>
2017	0.03%	1.47%	0.05%	2.02%	0.85%	0.19%	-0.01%	-0.19%	-0.71%	-1.08%	-0.49%	0.50%	2.62%	<b>11.34%</b>
2016	-0.88%	2.01%	1.43%	0.46%	1.84%	-0.72%	1.47%	0.14%	0.29%	-1.10%	-1.01%	0.83%	4.78%	<b>8.50%</b>
2015	2.20%	0.93%	-0.57%	0.90%	2.03%	-1.89%	2.35%	-0.16%	-1.66%	-0.22%	-1.39%	1.00%	3.45%	<b>3.55%</b>
2014	-	-	-	-	-	-	-	-	-	-	0.57%	-0.47%	0.10%	<b>0.10%</b>

### Z- USD Share Class <sup>(2)</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2024	0.51%	-0.58%	-0.94%										-1.01%	<b>27.98%</b>
2023	-1.87%	-0.01%	-2.31%	1.45%	-1.17%	1.37%	-1.12%	1.68%	0.65%	-1.77%	3.58%	0.28%	0.60%	<b>29.29%</b>
2022	-2.69%	0.09%	-0.87%	1.96%	-1.47%	-0.32%	-3.61%	5.13%	-1.19%	-0.26%	-1.68%	2.25%	-2.93%	<b>28.52%</b>
2021	-0.84%	-0.40%	-0.59%	2.93%	-1.69%	0.65%	0.00%	1.22%	0.92%	2.71%	1.25%	-0.02%	6.20%	<b>32.40%</b>
2020	1.12%	2.17%	-9.95%	4.00%	2.03%	1.54%	0.55%	-0.78%	0.73%	1.12%	3.67%	1.75%	7.46%	<b>24.67%</b>
2019	-0.39%	-0.31%	0.85%	-0.50%	1.50%	0.56%	1.91%	1.93%	-0.89%	-0.54%	1.57%	0.60%	6.39%	<b>16.02%</b>
2018	0.70%	1.08%	-1.02%	-0.55%	0.23%	-0.16%	-2.17%	0.58%	0.99%	-1.84%	-0.85%	-0.14%	-3.15%	<b>9.05%</b>
2017	0.19%	1.56%	0.18%	2.14%	0.99%	0.31%	0.10%	-0.03%	-0.55%	-0.95%	-0.38%	0.87%	4.47%	<b>12.60%</b>
2016	-0.80%	1.98%	1.59%	0.52%	1.89%	-0.61%	1.57%	0.26%	0.39%	-0.98%	-0.83%	1.01%	6.08%	<b>7.78%</b>
2015	-	0.84%	-0.58%	0.96%	2.12%	-1.76%	2.41%	-0.15%	-1.60%	-0.18%	-1.51%	1.15%	1.60%	<b>1.60%</b>

### Z- GBP Share Class <sup>(3)</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2024	0.52%	-0.61%	-0.97%										-1.06%	<b>19.08%</b>
2023	-1.94%	-0.08%	-2.35%	1.42%	-1.24%	1.32%	-1.15%	1.65%	0.64%	-1.78%	3.67%	0.24%	0.22%	<b>20.36%</b>
2022	-2.72%	0.12%	-1.01%	2.04%	-1.45%	-0.32%	-3.66%	5.07%	-1.28%	-0.22%	-1.63%	2.13%	-3.19%	<b>20.09%</b>
2021	-0.85%	-0.37%	-0.62%	2.92%	-1.68%	0.60%	-0.01%	1.20%	0.89%	2.74%	1.27%	-0.10%	6.05%	<b>24.05%</b>
2020	1.06%	2.13%	-10.85%	3.88%	2.00%	1.57%	0.65%	-0.81%	0.73%	1.13%	3.60%	1.68%	6.10%	<b>16.97%</b>
2019	-0.52%	-0.45%	0.70%	-0.64%	1.32%	0.41%	1.82%	2.01%	-1.10%	-0.66%	1.66%	0.49%	5.08%	<b>10.25%</b>
2018	0.60%	0.99%	-1.17%	-0.65%	0.10%	-0.33%	-2.37%	0.41%	0.86%	-1.96%	-1.01%	-0.32%	-4.80%	<b>4.92%</b>
2017	0.13%	1.51%	0.11%	2.08%	0.92%	0.24%	0.02%	-0.15%	-0.61%	-1.04%	-0.43%	0.55%	3.35%	<b>10.21%</b>
2016	-0.80%	1.98%	1.55%	0.54%	1.89%	-0.53%	1.54%	0.21%	0.34%	-1.04%	-0.89%	0.92%	5.78%	<b>6.64%</b>
2015	-	-	-0.56%	0.95%	2.09%	-1.83%	2.40%	-0.12%	-1.61%	-0.12%	-1.40%	1.09%	0.81%	<b>0.81%</b>

(1) Launch date: 17 November 2014

(2) Launch date: 6 February 2015

(3) Launch date: 5 March 2015

## R- EUR Share Class <sup>(4)</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2024	0.33%	-0.80%	-1.15%										-1.61%	<b>-0.65%</b>
2023	-2.14%	-0.31%	-2.59%	1.22%	-1.42%	1.13%	-1.36%	1.41%	0.44%	-1.98%	3.46%	0.04%	-2.26%	<b>0.98%</b>
2022	-2.86%	-0.04%	-1.12%	1.85%	-1.69%	-0.56%	-3.97%	4.80%	-1.48%	-0.52%	-1.86%	1.86%	-5.73%	<b>3.31%</b>
2021	-0.97%	-0.53%	-0.85%	2.84%	-1.84%	0.46%	-0.16%	1.16%	0.73%	2.44%	1.09%	-0.24%	4.10%	<b>9.60%</b>
2020	0.99%	2.16%	-10.77%	3.73%	1.80%	1.41%	0.53%	-0.96%	0.66%	1.09%	3.90%	1.55%	5.39%	<b>5.28%</b>
2019	-0.74%	-0.65%	0.54%	-0.83%	1.13%	0.23%	1.61%	1.84%	-1.31%	-0.91%	1.47%	0.26%	2.61%	<b>-0.10%</b>
2018	0.43%	0.82%	-1.26%	-0.89%	-0.08%	-0.49%	-2.51%	0.25%	0.70%	-2.12%	-1.21%	-0.52%	-6.73%	<b>-2.64%</b>
2017	-0.05%	1.34%	-0.02%	1.84%	0.72%	0.11%	-0.08%	-0.25%	-0.74%	-1.09%	-0.56%	0.43%	1.62%	<b>4.38%</b>
2016	-0.96%	2.02%	1.28%	0.30%	1.65%	-0.79%	1.32%	0.06%	0.20%	-1.11%	-1.02%	0.70%	3.66%	<b>2.72%</b>
2015	-	-	-0.83%	0.81%	1.84%	-2.01%	2.30%	-0.21%	-1.77%	-0.33%	-1.63%	1.04%	-0.90%	<b>-0.90%</b>

## R- USD Share Class <sup>(5)</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2024	0.43%	-0.67%	-1.02%										-1.26%	<b>8.80%</b>
2023	-1.95%	-0.09%	-2.39%	1.38%	-1.26%	1.31%	-1.20%	1.59%	0.56%	-1.85%	3.52%	0.20%	-0.37%	<b>10.18%</b>
2022	-2.78%	-0.01%	-0.96%	1.88%	-1.56%	-0.40%	-3.72%	5.04%	-1.27%	-0.34%	-1.75%	2.16%	-3.94%	<b>10.59%</b>
2021	-0.92%	-0.47%	-0.69%	2.84%	-1.73%	0.55%	-0.09%	1.13%	0.79%	2.49%	1.10%	-0.11%	4.89%	<b>15.13%</b>
2020	0.97%	1.98%	-9.87%	3.90%	1.94%	1.51%	0.45%	-0.81%	0.66%	0.98%	3.39%	1.56%	6.12%	<b>9.76%</b>
2019	-0.47%	-0.39%	0.77%	-0.83%	1.42%	0.46%	1.87%	1.94%	-0.96%	-0.72%	1.57%	0.51%	5.23%	<b>3.43%</b>
2018	0.58%	0.95%	-1.03%	-0.60%	0.17%	-0.24%	-2.29%	0.51%	0.91%	-1.91%	-0.93%	-0.20%	-4.06%	<b>-1.71%</b>
2017	0.17%	1.39%	0.09%	1.95%	0.81%	0.23%	0.05%	-0.10%	-0.59%	-0.98%	-0.40%	0.73%	3.35%	<b>2.45%</b>
2016	-	-	-	-	-	-	-	-0.24%	0.30%	-1.19%	-1.00%	1.28%	-0.87%	<b>-0.87%</b>

## R- GBP Share Class <sup>(6)</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2024	0.43%	-0.70%	-1.04%										-1.31%	<b>0.24%</b>
2023	-2.01%	-0.20%	-2.43%	1.31%	-1.30%	1.24%	-1.23%	1.56%	0.57%	-1.87%	3.58%	0.15%	-0.81%	<b>1.57%</b>
2022	-2.82%	0.03%	-1.04%	1.97%	-1.53%	-0.42%	-3.75%	4.99%	-1.33%	-0.31%	-1.71%	2.07%	-4.07%	<b>2.41%</b>
2021	-0.93%	-0.47%	-0.75%	2.84%	-1.75%	0.52%	-0.10%	1.14%	0.77%	2.50%	1.13%	-0.18%	4.73%	<b>6.75%</b>
2020	1.10%	2.26%	-11.26%	3.78%	1.92%	1.49%	0.58%	-0.90%	0.64%	1.14%	3.85%	1.49%	5.30%	<b>1.93%</b>
2019	-0.56%	-0.54%	0.61%	-0.73%	1.24%	0.34%	1.75%	1.95%	-1.20%	-0.79%	1.56%	0.38%	4.02%	<b>-3.20%</b>
2018	0.60%	0.96%	-1.33%	-0.80%	0.02%	-0.42%	-2.45%	0.34%	0.79%	-2.04%	-1.12%	-0.42%	-5.78%	<b>-6.94%</b>
2017	-	-	-	-	0.81%	0.18%	-0.03%	-0.22%	-0.70%	-1.24%	-0.53%	0.52%	-1.23%	<b>-1.23%</b>

(4) Launch date: 2 March 2015

(5) Launch date: 30 August 2016

(6) Launch date: 9 May 2017



## I- EUR Share Class <sup>(7)</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2024	0.41%	-0.73%	-1.08%										-1.40%	<b>0.87%</b>
2023	-2.07%	-0.24%	-2.52%	1.29%	-1.34%	1.20%	-1.29%	1.48%	0.51%	-1.90%	3.54%	0.12%	-1.39%	<b>2.30%</b>
2022	-2.79%	0.03%	-1.05%	1.92%	-1.61%	-0.49%	-3.90%	4.88%	-1.40%	-0.45%	-1.79%	1.94%	-4.89%	<b>3.75%</b>
2021	-0.90%	-0.46%	-0.77%	2.92%	-1.77%	0.54%	-0.08%	1.18%	0.84%	2.65%	1.22%	-0.17%	5.20%	<b>9.08%</b>
2020	1.07%	2.13%	-10.61%	3.81%	1.88%	1.48%	0.61%	-0.89%	0.74%	1.16%	3.74%	1.57%	6.01%	<b>3.69%</b>
2019	-0.66%	-0.58%	0.61%	-0.76%	1.21%	0.30%	1.70%	1.92%	-1.24%	-0.83%	1.54%	0.34%	3.53%	<b>-2.19%</b>
2018	0.46%	0.96%	-1.27%	-0.82%	-0.01%	-0.42%	-2.43%	0.33%	0.77%	-2.04%	-1.14%	-0.45%	-5.96%	<b>-5.53%</b>
2017	-	-	0.00%	1.87%	0.76%	0.14%	-0.04%	-0.22%	-0.71%	-1.23%	-0.57%	0.49%	0.46%	<b>0.46%</b>

## I- GBP Share Class <sup>(8)</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2024	0.47%	-0.57%	-0.97%										-1.08%	<b>2.64%</b>
2023	-	-	-	-	-	0.91%	-1.10%	1.52%	0.57%	-1.63%	3.31%	0.21%	3.77%	<b>3.77%</b>

## P- USD Share Class <sup>(9)</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2024	0.44%	-0.51%	-0.94%										-1.01%	<b>1.62%</b>
2023	-1.87%	-0.01%	-2.30%	1.46%	-1.17%	1.39%	-1.12%	1.68%	0.63%	-1.77%	3.52%	0.24%	0.51%	<b>2.66%</b>
2022	-	-	-	-	-	-	-1.60%	4.59%	-1.01%	-0.22%	-1.40%	1.90%	2.14%	<b>2.14%</b>

(7) Launch date: 30 March 2017

(8) Launch date: 8 June 2023

(9) Launch date: 12 July 2022

## Annex 6: Macroeconomic Risks Through Stress Tests

### General Stress Tests

Scenario	Description	Impact
Delta - spot up	Spot : 10% ; Credit : 0% ; Vol : 0% ; Rates : 0	0.94%
Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0	-1.06%
Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0	0.73%
Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0	-0.71%
Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0	-1.52%
Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.84%
Rates Up	Spot : 0% ; Credit : 0% ; Vol : 0% ; Rates : -0.5	0.05%
Rates Down	Spot : 0% ; Credit : 0% ; Vol : 0% ; Rates : 0.5	0.00%
Rates Up (<2y => +0.5 & >2y => +1)	Spot : 0% ; Credit : 0% ; Vol : 0% ; Rates : <2y 0.5   >2y 1	-0.05%
Market crash 0.5	Spot : -5% ; Credit : 25% ; Vol : 15% ; Rates : 0	-0.91%
Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0	-1.72%
Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0	-2.50%
Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0	-2.96%
Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -0.5	-1.68%
Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -0.5	-2.44%
Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -1	-2.82%
Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0.5	-1.72%
Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0.5	-2.49%
Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : <2y 0.5,>2y 1	<b>-3.54%</b>
Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0	-1.04%
Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0	-0.32%
Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0	-1.75%
Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.33%
Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0	0.60%
Equity Credit decorrelation 6	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0	2.07%
Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0	1.56%
Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0	2.29%
Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0	3.04%
Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0	2.01%
Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0	2.75%
Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0	3.50%
Market rally, inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0.5	1.54%
Market rally, inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0.5	2.26%
Market rally, inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0.5	3.00%
Market rally, inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : <2y 0.5,>2y 1	1.99%
Market rally, inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : <2y 0.5,>2y 1	2.70%
Market rally, inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : <2y 0.5,>2y 1	3.43%
<b>Worst</b>		<b>-3.54%</b>

## Hedge Funds Liquidation Stress Tests

Stress tests' scenarios have been improved in order to take into account liquidity issues. This scenario aims at reflecting, to some extent, how the fund would react in distressed market environment (as was the case in late 2008). These stress tests combine the three following adjustments:

- Small, Mid and Large caps adjustment

In certain market conditions, beta may become much higher than its level in normal market conditions and thus the hedging of such positions may not be effective. To address this kind of circumstance we apply a corrective factor to the beta of small, mid and large caps respectively. Since April 2019, the corrective factors have been calibrated on the amplitude of the stresses by looking at worst historical scenario since 1987.

	-5%	-10%	-20%	-30%
<b>Small (&lt;1bn)</b>	2.00	1.75	1.50	1.30
<b>Mid (1bn-5bn)</b>	1.50	1.50	1.25	1.20
<b>Large (5bn-20bn)</b>	1.20	1.15	1.10	1.05
<b>Mega (&gt;20bn)</b>	1.00	1.00	1.00	1.00

- Risk arbitrage adjustment

The risk of risk arbitrage positions is taken into account differently in case the market drops by more than 10%. We consider that one third of risk arbitrage positions will collapse.

- Liquidity adjustment

An average discount (realised in 2008) is applied to bond, convertible bond (including mandatory convertible bond) and loan prices in case credit spreads widen by more than 25%.

Mandatories: Adj. price = Max(Shifted Price – 5% \* Max(Credit spread shift – 25%, 0), Parity)

Others : Adj. price = Max(Shifted Price – 5% \* Max(Credit spread shift – 25%, 0), 0)

Scenario	Description	Impact % of NAV	
1	Delta - spot up	Spot : 10% ; Credit : 0% ; Vol : 0% ; Rates : 0	1.10%
2	Delta - spot down	Spot : -10% ; Credit : 0% ; Vol : 0% ; Rates : 0	-1.35%
3	Vega - vol up	Spot : 0% ; Credit : 0% ; Vol : 10% ; Rates : 0	0.73%
4	Vega - vol down	Spot : 0% ; Credit : 0% ; Vol : -10% ; Rates : 0	-0.71%
5	Credit spread widen	Spot : 0% ; Credit : 25% ; Vol : 0% ; Rates : 0	-1.52%
6	Credit spread tighten	Spot : 0% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.84%
7	Rates Up	Spot : 0% ; Credit : 0% ; Vol : 0% ; Rates : -0.5	0.05%
8	Rates Down	Spot : 0% ; Credit : 0% ; Vol : 0% ; Rates : 0.5	0.00%
9	Rates Up (<2y => +0.5 & >2y => +1)	Spot : 0% ; Credit : 0% ; Vol : 0% ; Rates : <2y 0.5  >2y 1	-0.05%
10	Market crash 0.5	Spot : -5% ; Credit : 25% ; Vol : 15% ; Rates : 0	-1.19%
11	Market crash 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0	-2.52%
12	Market crash 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0	-5.34%
13	Market crash 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : 0	-6.87%
14	Market crash, rates down 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : -0.5	-2.47%
15	Market crash, rates down 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : -0.5	-5.28%
16	Market crash, rates down 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : -1	-6.70%
17	Market crash, rates up 1	Spot : -10% ; Credit : 50% ; Vol : 30% ; Rates : 0.5	-2.54%
18	Market crash, rates up 2	Spot : -20% ; Credit : 75% ; Vol : 50% ; Rates : 0.5	-5.37%
19	Market crash, rates up 3	Spot : -30% ; Credit : 100% ; Vol : 70% ; Rates : <2y 0.5,>2y 1	<b>-7.45%</b>
20	Equity Credit decorrelation 1	Spot : 5% ; Credit : 25% ; Vol : 0% ; Rates : 0	-0.96%
21	Equity Credit decorrelation 2	Spot : 5% ; Credit : 25% ; Vol : 10% ; Rates : 0	-0.23%
22	Equity Credit decorrelation 3	Spot : 5% ; Credit : 25% ; Vol : -10% ; Rates : 0	-1.66%
23	Equity Credit decorrelation 4	Spot : -5% ; Credit : -25% ; Vol : 0% ; Rates : 0	1.13%
24	Equity Credit decorrelation 5	Spot : -5% ; Credit : -25% ; Vol : -10% ; Rates : 0	1.86%
25	Equity Credit decorrelation 6	Spot : -5% ; Credit : -25% ; Vol : 10% ; Rates : 0	0.40%
26	Market rally 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0	1.64%
27	Market rally 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0	2.37%
28	Market rally 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0	3.12%
29	Market rally 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : 0	2.17%
30	Market rally 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : 0	2.91%
31	Market rally 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : 0	3.67%
32	Market rally, inflation 1	Spot : 5% ; Credit : -25% ; Vol : -10% ; Rates : 0.5	1.63%
33	Market rally, inflation 2	Spot : 5% ; Credit : -25% ; Vol : 0% ; Rates : 0.5	2.35%
34	Market rally, inflation 3	Spot : 5% ; Credit : -25% ; Vol : 10% ; Rates : 0.5	3.08%
35	Market rally, inflation 4	Spot : 10% ; Credit : -25% ; Vol : -10% ; Rates : <2y 0.5,>2y 1	2.15%
36	Market rally, inflation 5	Spot : 10% ; Credit : -25% ; Vol : 0% ; Rates : <2y 0.5,>2y 1	2.86%
37	Market rally, inflation 6	Spot : 10% ; Credit : -25% ; Vol : 10% ; Rates : <2y 0.5,>2y 1	3.60%
<b>Worst</b>		<b>-7.45%</b>	

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