

Article 10(SFDR) Website Disclosure for an Article 8 Fund

Summary

This disclosure is made pursuant to the requirements under Article 10(1) of Regulation (EU) 2019/2088 on behalf of:

- BG Master Fund ICAV (“the Fund”) - 549300XLB80LJSFDO158

Boussard & Gavaudan Gestion (“BGG” or “the Investment Manager”) has prepared this disclosure in accordance with the rules contained under Regulation (EU) 2021/1288.

Boussard & Gavaudan Investment Management LLP (“BGIM”) acts as investment advisor to the Investment Manager. This disclosure should be read in conjunction with the prospectus of the fund and the pre-contractual disclosures mandated by SFDR contained therein.

No sustainable investment objective

The Fund promotes environmental and/or social characteristics but does not have sustainable investment as its objective.

Environmental or social characteristics of the financial product

The Fund promotes the transition away from carbon, particularly in the power generation sector. As such, the Fund will not invest in issuers related to greenfield or brownfield thermal coal mines, coal plants, and related infrastructure.

The Fund aims to engage with companies to promote the transition away from carbon and promote good governance practices.

The Fund does not have a reference benchmark designated for the purpose of attaining the environmental or social characteristics it promotes.

Investment strategy

The Fund is actively managed and is not managed in reference to any benchmark. The Fund does not follow a best-in-class selection approach to integrate ESG factors.

The ESG committee (which is in place within the Investment Manager) regularly reviews the Fund’s environmental characteristics relative to an index, namely the Stoxx Europe 50 Total Return (SX5T) in order to determine the impact, compare, and measure the ESG performance of the Fund’s ESG policy. However, this index is not a reference benchmark designated for the purpose of attaining the environmental characteristics the Fund promotes.

The Fund will not invest in issuers related to greenfield or brownfield thermal coal mines, coal plants, and related infrastructure (including completely new sites or sites with previous developments which have been shut down).

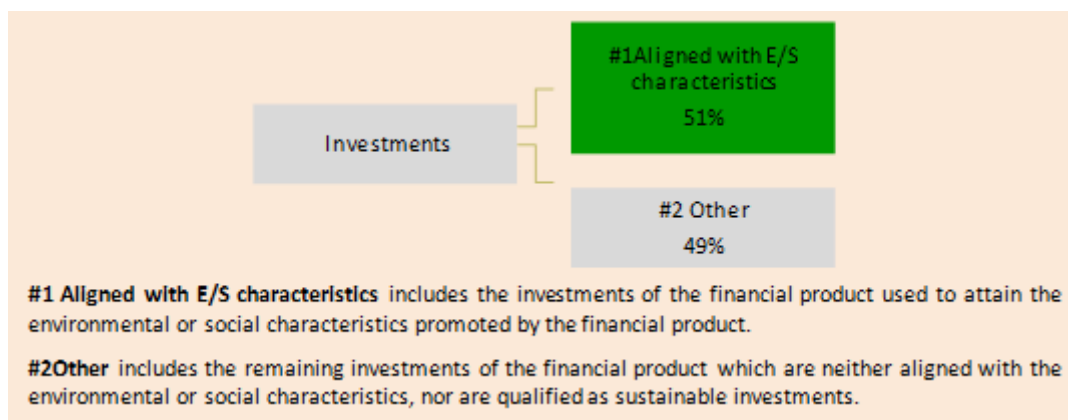
To this end the Investment Manager implements a restricted list which excludes companies who have been identified by a third-party provider as investing in greenfield or brownfield thermal coal mines, coal plants and related infrastructure. Once placed on the restricted list, investment in a company is prohibited and enforced with a lock on the Investment Manager’s order management system which prevents trading.

In addition, the Investment Manager reviews ESG scores provided by an external provider in respect of its most material investments as well as at overall portfolio level and looks at overall carbon emissions. These ESG scores, together with other metrics, can be used to identify areas that require improvement. Where relevant, these metrics

are used to trigger engagement with an issuer.

In the event of a material negative change with a particular investment following investment by the Fund and relating to the environmental characteristics promoted by the Fund, the ESG committee will flag the change to the investment committee who will in turn determine how best to either liquidate the position, if appropriate, or where applicable, take action to remediate the situation through active engagement with the issuer, either independently or in collaboration with fellow shareholders. This determination will be made in accordance with the Investment Manager's engagement policy which is available on the Investment Manager's website. In summary, where the Investment Manager identifies concerns or opportunities that could promote the transition away from carbon and maintain shareholder value, the Investment Manager will typically engage with the company by seeking a meeting with their management. Where possible and permitted by legislation, the Investment Manager may seek to engage with companies collaboratively with other investors in order to augment the impact of its engagement.

Proportion of investments



The Investment Manager operates a diverse and constantly evolving asset allocation - based on opportunity set - across the range of strategies, markets and asset classes. Positions will be subjected to the Investment Manager's ESG and Responsible Investment Policy as part of the investment process.

As the Fund employs a multi-asset investment strategy, the Investment Manager measures its asset allocation using the "equity-at-risk" method. Equity-at-risk replicates the margining methodology applied by prime brokers on the Fund's assets. It indicates how much margin (i.e. Fund equity) is used to collateralise positions and how much margin is left and available to the Fund. The level of excess margin is therefore the level of spare risk available to, increase positions, initiate new positions or meet margin calls without having to raise additional cash.

The Investment Manager's investment approach does not typically obtain exposure to investment ideas using single securities. Instead, the Investment Manager structures its trades in bundles such that specific risks can be hedged away by obtaining exposure to related instruments from different issuers, often using derivatives and other asset classes. The equity-at-risk of a trade bundle therefore measures the total size of the assets allocated to the investment idea. This industry standard approach provides the Investment Manager, and those viewing the portfolio, a holistic view of the portfolio across strategies and trade ideas, independently of the instruments used to obtain the exposure.

Using an equity-at-risk calculation, the Investment Manager commits to the following asset allocation:

#1 Aligned with E/S characteristics: minimum of 51%

#2 Other: maximum of 49%

The Investment Manager expects the asset allocation to "#1 Aligned with E/S characteristics" to be significantly above the minimum commitment provided. The Investment Manager needs to maintain flexibility to manage assets in the best interests of its investors particularly during times of market stress. Therefore, actual asset allocation to "#1 Aligned with E/S characteristics" will fluctuate depending on market conditions and strategic asset allocation.

While the Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investments” within the meaning of the SFDR. Accordingly, it should be noted that the investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

Monitoring of environmental or social characteristics

Attainment of the environmental characteristics being promoted by the Fund is measured on a qualitative basis by the ESG Committee of the Investment Manager (the “ESG Committee”), by considering the impact of engagement on carbon emissions in the power generation sector. BG’s ESG Committee reviews carbon emissions data for the power generation sector as a whole and the carbon emissions data for its investments to determine the attainment of transition away from carbon in the power generation sector.

Methodologies

Carbon emissions data is collected and reviewed internally before comparing portfolio data to the power generation sector.

The Investment Manager also reviews ESG scores provided by an external provider in respect of its most material investments as well as at overall portfolio level and looks at overall carbon emissions. These ESG scores, together with other metrics, can be used to identify areas that require improvement. Where relevant, these metrics are used to trigger engagement with an issuer.

Data sources and processing

BG’s team uses several sources to information in order to measure and monitor attainment of the environmental and social characteristics promoted by its funds. This includes, among other sources, marketing leading subscription ESG data providers which are used to provide ESG ratings and associated data.

Limitations to methodologies and data

Data sources are subject to limitations in terms of data availability and the accuracy of this data. Often issuers do not provide data or it is not provided in a standardised form which can cause issues when comparing ratings.

Inevitably, limitations on the quality of data impact the methodologies applied as ratings may not always be entirely representative or comparable.

Due diligence

BG seeks to integrate material ESG factors within the investment research process and conducts a holistic assessment of opportunities and risks which form part of the investment thesis.

Engagement policies

The Fund aims to engage with companies to promote the transition away from carbon and promote good governance practices. BG's investment policy is available on its website: https://www.boussard-gavaudan.com/files/upload/Regulatory-disclosure/Engagement_Policy_2022_v5_FINAL.pdf

Reference Benchmark

No benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.