

Part 2A of Form ADV: Firm *Brochure*

Boussard & Gavaudan Investment Management LLP

Item 1 Cover Page

This brochure provides information about the qualifications and business practices of Boussard & Gavaudan Investment Management LLP, an Investment Manager ("BGIM").

If you have any questions about the content of this brochure, please contact Deborah Gewinner, Head of Legal and Compliance, who is responsible for BGIM's legal and regulatory requirements, by phone on +44 203 751 5400 or by email at d.gewinner@bgam-uk.com.

Additional SEC disclosures can be found in Part 1 of Form ADV, which can be located on the internet through www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for BGIM is 172298.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

This brochure was updated on 29 June 2018.

Thank you.

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Item 2 Material Changes

There have been no material changes to the business of Boussard & Gavaudan Investment Management LLP since our last Form ADV filing.

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Item 4 Advisory Business

A. Description of the advisory firm and principal owner

Description of the advisory firm

In 2002, Emmanuel Boussard and Emmanuel Gavaudan co-founded Boussard & Gavaudan Asset Management LP ("BGAM") and Boussard & Gavaudan Partners Limited ("BGPL"), the General Partner. Both companies are established in London.

BGAM, a limited partnership, was incorporated in England on 11 July 2002 and registered under reference number LP8216.

BGAM was authorised as an "Investment Management Firm" by the UK Financial Conduct Authority ("FCA") in December 2002 with reference 216849 (FCA Permission under Part IV of the Financial Services and Markets Act 2000). In November 2013, BGAM became authorised as an "UCITS Investment Firm" (CPMI).

BGAM was also granted registration as an "Investment Adviser" by the US Securities and Exchange Commission ("SEC") in November 2005 under Section 203(c) of the Investment Advisers Act of 1940. Boussard & Gavaudan Investment Management LLP ("BGIM" or the "firm") has succeeded BGAM in terms of the SEC registration.

BGAM is in charge of the UCITs of the group.

They also founded :

Boussard & Gavaudan Gestion SAS ("BGG"), an investment management company based in Paris.

BGG, a French "Société par Actions Simplifiée", was incorporated in Paris on 2 August 2002 and registered under reference number 443 014 584.

BGG was granted approval as a "Société de Gestion de Portefeuille" (Investment Management Firm) by the French "Autorité des Marchés Financiers" ("AMF") in April 2003 with reference GP03008.

BGG is an Exempt Reporting Adviser notified with the SEC under the CRD number 162723.

Boussard & Gavaudan America LLC ("BGA"), a Foreign limited liability company incorporated in New York on 24 August 2016 and registered under reference number 4998127. Registered with the NFA under ID :0503040

Boussard & Gavaudan Investment Management LLP was incorporated in England on 5 November 2013 and registered under the reference number OC388967. BGIM is an affiliate of BGAM. BGIM was authorised as an "Investment Management Firm" by the UK Financial Conduct Authority ("FCA") in July 2014 with reference 612226.

BGIM, BGAM and BGG are collectively referred to as "BG" or "BG Group".

The purpose of BGIM is to carry out the regulated activity of being an Alternative Investment Fund Manager ("AIFM") within the BG Group and specifically to act as AIFM for the Alternative Investment Fund ("AIF") of the BG Group.

BGIM provides discretionary investment management services to clients which include foreign investment companies and other commingled pooled accounts that are exempt from registration under the Investment Company Act of 1940 (the "1940 Act") and the Securities Act of 1933 and also serves as a sub-adviser to an open-ended management investment company registered under the 1940 Act (the "US Mutual Fund" and collectively with all other pooled vehicles the "Funds").

BGIM manages in particular:

- the firm's flagship hedge fund established in Ireland named BG Master Fund ICAV ("BG Fund");
- BG Trend Systematic Master Fund ICAV established in Ireland ("BG Trend Fund");
- BG Liquid Strategies Fund ICAV (BGLS),
- a listed vehicle on London Stock Exchange and Euronext Boussard and Gavaudan Holding Limited ("BGHL");

As stated above, BGIM also serves as a sub-adviser to a US Mutual Fund and a Cayman Fund.

BG Group is independent and wholly owned by its founders and partners. This independence guarantees objectivity in the management style as well as in the stock picking. It also brings the group's interests into line with those of the investors'.

Principal owners

Our principal owners are:

- Emmanuel Gavaudan
- Emmanuel Boussard
- Boussard & Gavaudan Partners Limited

Emmanuel Gavaudan and Emmanuel Boussard, both founding partners of BG Group, are the principal individuals involved in the management of the assets of the different Funds. Their details are set out below:

Emmanuel Gavaudan

In July 2002, Mr Gavaudan co-founded Boussard & Gavaudan and has been a partner of the Investment Manager and chief executive officer of the General Partner since that date. Prior to this, he spent over 13 years at Goldman Sachs in London and Zurich. He served first as a portfolio manager for very large family offices, trusts and foundations, managing equities, bonds, derivatives and currencies. He served as portfolio manager for a diversified SICAV Part II using all asset classes between 1994 and 1998. He became a Managing Director in 1998 and went to Zurich as the General Manager of Goldman Sachs & Co Bank, responsible for all divisions of Goldman Sachs in Switzerland. He returned to London in 2000 as Partner in the Investment Management Division. He joined the European Management Committee, the board of Goldman Sachs International, the board of Goldman Sachs & Co Bank as well as the PWM Global Operating Committee. Mr Gavaudan obtained his MBA from the Wharton School, University of Pennsylvania and a JD in Law from Paris University-Assas. He is a graduate of the Institut d'Etudes Politiques de Paris.

Emmanuel Boussard

In July 2002, Mr Boussard co-founded Boussard & Gavaudan and has been a partner of the Investment Manager and chief investment officer of the General Partner since that date. Emmanuel Boussard was with Goldman Sachs International from August 1996 until July 2002. Most recently he was an Executive Director of Goldman Sachs International based in Paris, where he was responsible for European equity derivatives proprietary trading. From January 1998 until June 2001, he was in charge of the French stock options book. Between August 1996 and June 1998, he held responsibility for the Goldman Sachs' "World Book" which contained options involving correlation on equity indices around the world. Prior to that, Mr Boussard was at Bankers Trust International where from March 1996 to July 1996 he was a derivatives trader on the path dependent options book. From August 1994 to February 1996, he was at Bankers Trust Company where he traded swaps, futures and currencies in South East Asian, South American and European Markets and completed the Associate MBA training programme. Between August 1990 and August 1994 he completed the doctoral programme in mathematics at the École Normale Supérieure in Paris.

Boussard & Gavaudan Partners Limited

BGIM acts through its managing member, BGPL (the “managing member”). The managing member was incorporated in England and Wales on 24 June 2002. The directors of the managing member are Emmanuel Boussard, Emmanuel Gavaudan and Pascal Gillot.

B. Types of advisory services

BGIM has been appointed as Investment Manager to manage and invest the assets of the Funds and also acts as promoter of the Funds.

The Investment Manager has full discretion, subject to the overall review and control of the Directors, to manage and invest the assets of the Funds in pursuit of the investment objective and determine the approach and strategies, subject to the investment restrictions described in the Prospectus.

The management style combines Fundamental analysis with a thorough expertise of financial instruments. Our analysis is multi-asset class (equity, credit and volatility) and our investments are rigorously screened for catalysts to generate value.

C. Client Assets

Assets under management on a discretionary basis **\$ 3,369,176,358 as of 30 April 2018**

Assets under management on a non-discretionary basis 0 as of **30 April 2018**

Item 5 Fees and Compensation

BGIM manages several Funds and each of the Funds may have several share classes with differing fee structures. The standard management fee is 1.5% of assets under management annually, and the standard performance fee is 20%. Investors should consult the relevant Fund’s offering documents for the specific fee information applicable to the particular investment under consideration.

However, fees are negotiable and certain investors may have a lower management or performance fee structure. Separate fee arrangements are in place with respect to the US Mutual Fund and are disclosed in the mutual Fund’s prospectus. For managed accounts, BGIM negotiates its management fee and if applicable, performance fees with its clients.

The Management Fee is accrued and calculated by the Funds’ administrator on each Valuation Day (before deduction of that month’s Management Fee and before deduction of any accrued Performance Fees) and is payable monthly in arrears.

Item 6 Performance-Based Fees and Side-By-Side Management

The Investment Manager is also entitled to receive from the Funds a 20% Performance Fee on the appreciation in the Net Asset Value of the shares. As stated above, certain investors may pay lower than the standard Performance Fee.

This Performance Fee is calculated by the Funds administrator in respect of each period of twelve months ending on 31 December each year (a “Calculation Period”). The Performance Fee is deemed to accrue on a monthly basis as at each Valuation Day and is payable annually.

Performance-based fee arrangements may create an incentive for BGIM to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favour higher fee-paying accounts over other accounts in the allocation of investment opportunities. BGIM has procedures

designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 Types of Clients

BGIM has been appointed as Investment Manager to manage and invest the assets of the Funds and also acts as promoter of the Funds.

Our investors are Qualified Purchasers, as defined in the 1940 Act or professional Investors only as defined in the European regulation, including:

- Corporations
- Designated bodies
- Individuals (high net worth only)
- Asset manager
- Limited Liabilities Companies
- Partnerships
- Trusts

The minimum initial investment for the funds is €100,000 or its equivalent in US Dollars in aggregate across all Classes subscribed. BGIM may waive the minimum investment level at its discretion.

Item 8 **Methods of Analysis, Investment Strategies and Risk of Loss**

A. Methods of analysis.

The Investment Manager uses a five-step approach to come to a conclusion on an investment opportunity.

Step 1: Identification of mispricing or investment opportunity

Based on the research and analysis process, the Investment Manager identifies the existence of a security's "mispricing" that may be arbitrated or the existence of an investment opportunity per se. This step combines a fundamental and a quantitative analysis. The fundamental analysis of corporates includes debt and equity valuation, review of sell-side research, management meetings, positioning within sector, etc. The quantitative analysis is performed by the investment manager's traders. It includes quantitative valuations of the various corporates securities, liquidity analysis, repo market, implied volatilities, dividend swaps, etc.

Step 2: Explanation of the causes of the mispricing

The Investment Manager will seek to understand the specific risks of the investment and the drivers of the convergence/divergence to the fair value by determining the causes of the perceived mispricing. These may be related to liquidity, complexity, or to the fundamentals of the underlying instruments.

Step 3: Identification of a catalyst for the convergence

The Investment Manager 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 contribute to a better understanding of the risk.

Step 4: Identification of potential scenarios and assignment of probabilities to those scenarios

This step allows the Investment Manager to assess the idiosyncratic risks associated with an investment opportunity, particularly in cases of complex corporate events. During this step, the investment committee of the Investment Manager aims to quantify the risk-reward under various scenarios and to minimize 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 (e.g. liquidity risk). Given the expected returns and assigned probabilities under each scenario, the Investment Manager calculates an expected Sharpe Ratio: for the trade to be considered further it will generally have to be above 1.

Step 5: Identification of the most appropriate instrument

The Investment Manager will select the most appropriate instrument to express the respective view (stock, debt, option, dividend, etc.).

Once a trade has passed the scrutiny of the five-step decision process, the investment committee of the Investment Manager discusses the trade idea and if approved makes a decision on the optimal size of the trade. This decision is based on a multi-criteria approach taking into consideration the risk-reward profile (both absolute and relative), the liquidity of the underlying instrument(s), the estimated holding period, the contribution of each new trade to the Fund's overall risk profile and the saturation of each risk constraint (e.g. stress tests and limits on Greeks). Following the calculation of the expected Sharpe Ratio, the Investment Manager calculates the maximum acceptable size of the position depending on the idiosyncratic worst case scenario, crowdedness issues and marginal contribution to each risk bucket. Once this assessment process is completed, the Investment Manager, mostly through its in-house team of traders, will execute the trade in an opportunistic fashion aiming to minimize any market impact.

B. Investment strategies

The investment strategies focus on European securities and European related securities and are predominantly of a non-directional nature. They may include any one or more of the following from time to time:

Volatility strategies:

- Convertible bond arbitrage, including mandatory convertible bond arbitrage: seeking to take advantage of the fixed income and equity characteristics of a convertible bond through an arbitrage when the price of the convertible bond differs from the sum of the value of each of its components. The equity component is often hedged by short selling the underlying common stock, and may also involve seeking to hedge interest rate or credit exposures.
- Gamma trading: seeking to take advantage of significant anticipated or unanticipated dislocations in financial markets, such as market crashes, through the trading of options and other derivative instruments.
- Volatility arbitrage: seeking to take advantage of volatility pricing discrepancies across related instruments. This strategy is referred to as corporate warrant arbitrage, which seeks to take advantage of pricing differences between warrants issued by a company to its shareholders and the corresponding equivalent options available in the market.

Equity strategies:

- Merger arbitrage: a type of special situations strategy centred specifically on announced merger and takeover transactions.
- Special situations strategies: involving the trading of the securities of a company involved in a significant anticipated corporate event or “special situation”. Examples include spinoffs, divestitures, re-organizations, liquidations, restructurings, and share buybacks.
- Catalyst driven equity long/short strategies: involving the construction of a portfolio of long and short equity positions, sometimes supplemented with derivatives. The Investment Manager will generally attempt to add value primarily through stock selection and the determination of corporate events acting as catalysts for changes in valuation. This strategy may also include holdings arbitrage, seeking to take advantage of pricing discrepancies between holding companies and their operating subsidiaries.
- Value strategies: seeking to purchase equity securities issued by companies that are perceived to be significantly undervalued versus their perceived intrinsic fair value.

Credit strategies:

- Capital structure arbitrage: seeking to take advantage of pricing inefficiencies among various components within the capital structure of the same company or a related company.
- Credit long/short strategies: involving the identification of relative value opportunities between corporate securities of companies in similar industries or sectors and seeking to capture either the divergence or convergence of credit spreads.
- Restructuring/distressed securities strategies: involving the purchase of securities, often debt instruments, issued by companies that are or are perceived as likely to be in distress

In addition, the Fund has a “trading strategy” with smaller risk allocations dedicated to short-term directional trading.

C. Risks of loss and material risks

There is a risk that the Funds may fail to meet their performance objectives and that capital invested may not be recovered in full. The strategies adopted by the Investment Manager may result in a loss of capital. Investing in securities involves risk of loss that clients should be prepared to bear.

The Fund is exposed to market risk as a result of the investments it makes. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market variables.

The Fund takes significant market risk exposure from the investments it makes.

When assessing market risks the Investment Manager always combines:

- a macroeconomic, portfolio level with a microeconomic, position specific, approach
- quantitative measures with qualitative assessments
- a local risk measurement which captures the impact of limited market moves with stress scenarios type measurements which captures large market moves

For the Investment Manager, a “trade” generally means a combination of financial instruments which contribute to the same arbitrage.

Macroeconomic risk

Macroeconomic risk is defined as the risk having a wide ranging effect on the entire portfolio or on a significant portion of it. It results from exogenous events such as economic changes, geopolitical uncertainty or general market disruptions.

Quantitative analysis

For limited market moves, the Investment Manager assesses exposure by using Greek sensitivity factors (“Greeks”) mainly to equity, credit, interest rate, foreign exchange. Greeks are used for real time portfolio hedging.

For extreme market variations, stress scenarios are run to measure the impact, on the portfolio, of a large panel of market situations. Scenarios, which stress all types of market data, are produced daily and can be generated on demand. To apprehend convexity, each scenario requires a full recalculation of the portfolio. The reports allow looking at risks from the portfolio level down into each strategy, sub-strategy, trade and finally individual instrument in order to identify the main contributors to losses. Scenarios are graduated from level 1 to 5 with level 5 scenarios bearing the largest shocks. Level 3 scenarios are tested against the tolerance limits and trigger adjustment of the portfolio when limits are breached. Results are checked daily by the front office and the quantitative risk management. Given the non-linear nature of the portfolio and the wide range of instruments and strategies used, stress scenario calculations have been judged more accurate than value at risk calculations.

A wide range of reports are also produced to monitor exposures and concentrations of risk. “What-if type scenarios” as well as other risk indicators which aggregate all types of exposure in different ways are scrutinized. A non aggregated vision, focusing on nominal and/or notional amounts, is also used to track excessive concentrations of risk.

Qualitative analysis

The qualitative assessment will focus on hard to measure risks such as potential changes in the liquidity of various underlying financial instruments. Small and mid caps, levered positions as well as speculative (crowded) positions entailing a hedge Fund liquidation risk are examples of positions exposed to liquidity changes. The qualitative approach may require exchange of information with market participants to get a better feel of the general situation.

Microeconomic risk

Microeconomic risk is defined as the risk applying to a specific “trade” position in the portfolio and one of its main components is the idiosyncratic risk which measures the risks applying to one single issuer to whom a Fund has exposure. Idiosyncratic risk can assess events such as bankruptcy, takeovers, bond offers, credit rating changes or any other credit event. Idiosyncratic risks are identified in the decision-making phases before the investment takes place and during the investment’s life.

Quantitative analysis

For limited market moves the Investment Manager assesses exposure by using the Greeks by issuer.

For extreme market variations, crash tests by issuer are run. The scenario which aims at assessing the bankruptcy of an issuer aggregates all the positions of a Fund by issuer and then applies extreme shocks, the magnitude of which depends on each financial instrument type contributing to the trade and on the recovery rate, which in itself depends on the seniority of the instruments.

Qualitative analysis

Qualitative analysis contemplates many events such as regulatory changes, changes in the management and also liquidity risk. Liquidity risk is the risk that a Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It also means the ability for a Fund to unwind a specific trade in a reasonable timeframe. Liquidity has, by definition, an idiosyncratic component, but, as seen, it also varies according to macroeconomic conditions.

(i) Equity price risk

Equity risk is the risk of changes in the fair values of equities or equity-linked financial instruments as the result of changes in the levels of equity indices and the value of individual shares. Equity risk exposure

arises from a Fund's investments in equity securities, from equity securities sold short, from equity-linked derivatives and from hybrid instruments such as convertible bonds.

The Funds take significant equity risk exposure from the investments they make.

Macroeconomic risk

For limited market moves and for portfolio real time hedging equity exposure is assessed by using Greek sensitivity factors to equity. The delta sensitivity of the Fund is calculated by aggregating the delta sensitivity of each underlying weighted by their respective Beta. The Beta is the estimated correlation of the return of a given stock to the return of its reference index. The convexity of the portfolio is locally captured and monitored by its Gamma sensitivity.

For extreme market variations, a large panel of stress scenarios is run. Different assumptions representing different market conditions are made. Equity positions are stressed according to their Beta which is their sensitivity to the market but also without Beta assuming each equity moves as its reference market. Risk Arbitrage scenarios assume that one third of the positions collapse by applying a significant widening between the price of the predator and the one of the target company. Small and mid caps scenarios try to capture hedging disruption under stressed market conditions by increasing significantly betas of small and mid caps with respect to normal market conditions.

The portfolio is protected against extreme movements by trading equity options which provide positive convexity to the portfolio. Options will behave as insurance to the portfolio in particular through their Gamma sensitivity which gives them a lot of value in the case of a market crash. As a prudent risk management policy the Gamma is maintained strictly positive. The daily cost of this insurance is the Theta which is the sensitivity of the value of the portfolio of options to the passage of time. A Fund usually hedges most of the equity sensitivity of instruments used for volatility arbitrage strategies such as convertibles or derivatives for which gains are mainly sought through volatility.

Microeconomic risk

The Fund manages the concentration of risks by limiting the exposure to the share capital of any single entity. Delta and Gamma sensitivities are reviewed by underlying. Exposures are diversified across industry sectors. Given the specialized nature of a Fund, geographical exposure is concentrated on Western European countries.

(ii) Credit risk

The market component of credit risk is the risk of loss due to a debtor's non-payment of a bond, a loan or any other line of credit. Default includes events such as delay in repayments, restructuring of borrower repayments, and bankruptcy. Loss can either be the principal and/or the interest amount. The market component of credit risk is not limited to the risk of default. It also is the risk that the market value of an instrument in the portfolio is significantly impacted by the change in the credit profile. The change of profile, which does not require a default, can be defined as the market perception of the debtor's/issuer's ability and willingness to service its debt in a timely fashion.

The Fund takes significant credit risk exposure from the investments it makes.

Macroeconomic risk

The Investment Manager conducts credit risk analysis in order to assess the market component of credit risk. Concentrations of risk are managed by diversifying the credit sensitivity of the portfolio across sectors, countries and maturities.

Funds take or hedge credit risk exposure by entering into over-the-counter credit derivative transactions such as credit default swap ("CDS").

A Fund's portfolio exposure to extreme variation is managed by running a large panel of scenarios stressing credit.

Microeconomic risk

The management of the portfolio's credit risk by the Investment Manager relies on fundamental analysis carried on an issuer by issuer basis. Such analysis focuses on (i) the probability of default and (ii) on the potential recovery in case of default. Idiosyncratic risk, defined as the maximum loss upon default of an issuer, is tested against a Fund's tolerance limit and implies adjustment of the portfolio when the limit is breached.

(iii) Currency risk

Foreign currency risk is the risk the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Funds invest in financial instruments denominated in currencies other than the Euro which is the functional currency. Accordingly, the value of a Fund's assets may be affected favorably or unfavorably by fluctuations in currency, notwithstanding any efforts made to hedge such fluctuations, and will be subject to foreign exchange risks.

A Fund may buy or sell currencies and enter into forward foreign exchange contracts to increase, mitigate or reduce the currency risk of the portfolio. A Fund measures its exposure to foreign currency risk by calculating the delta sensitivity of the portfolio to foreign exchange rate.

(iv) Interest rate risk

A Fund is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its consolidated financial position and consolidated cash flows.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. Volatility in interest rates could negatively cause the prices of long or short positions to move in directions not initially anticipated and could decrease the returns that a Fund's investments generate. A Fund may use interest rate derivatives such as futures and swaps to hedge totally or partially the interest risk component of its bonds and loans portfolio. A Fund may also take directional positions using futures or other financial instruments.

Volatility in interest rates could make it more difficult or expensive for a Fund to obtain financing from its prime brokers.

The Investment Manager measures the exposure of a Fund to interest rate risk using delta sensitivities

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BGIM or the integrity of BGIM's management. BGIM has no direct information applicable to this Item, but BGIM considers that the information concerning the regulatory proceeding against BGG could be material for its clients.

- Regulatory proceeding against BGG

In a decision published on February 17, 2009, on the website of the French Regulator, the AMF Enforcement Committee ("Committee") issued a fine of €50,000 against BGG for "failed settlement". The decision, which is public, can be found on the AMF website at the address below.

<http://www.amf-france.org>

The Committee's decision set out that Boussard & Gavaudan Gestion had failed to meet the regulatory delivery deadline while it was short selling shares in Infogrames in September 2006 and January 2007.

The Committee explains that the three-day delivery period, starting from the trade date, applicable to trades in financial instruments was established on the recommendation of the Committee and in the interest of the market so as to maintain smooth operation and prevent fails. Failure to deliver shares during that three day period – amounts to a breach of the Article 560-1 of the General Rules of the AMF – and may be penalized even though conditions for triggering a "buy in" procedure are not met (shares not delivered within 10 days after the trade).

Still the Committee underlined both the lack of clarity in the rule prior to September 2008 and the exceptional circumstances of the situation with regard to the involvement of BGG in the Infogrames restructuring, and accordingly decided to lower the fine.

The Committee noted that "prior to the decision of the commission dated September 4, 2008, the exact scope of the rule of failed settlement and its combination with the provisions relating to the procedure of buy in could not be displayed fully, and, secondly, that, given the conditions that BGG has given its guarantee for the capital increase, the forthcoming creation of new shares to the outcome of this operation was certain".

The decision has been published in the "Bulletin des Annonces Legales Obligatoires", on the AMF's website and in the "Revue de l'Autorité des Marchés Financiers" AMF monthly review.

On 11 May 2012 the French Tribunal (Tribunal de Grande Instance de Paris) discharged Emmanuel Boussard from all alleged breaches of French insider trading regulations.

In a decision published on 21 June 2012, on the website of the French Regulator, the AMF Enforcement Committee discharged Boussard & Gavaudan Gestion and Emmanuel Boussard from all alleged breaches of French insider trading regulations

The decision, which is public, can be found on the AMF website at the address below.

<http://www.amf-france.org>

Item 10 Other Financial Industry Activities and Affiliations

Relationship or arrangement that is material:

Sub-Investment Manager

Pursuant to the terms of a sub-advisory agreement between BGG and the Investment Manager, BGG has been delegated responsibility for the management of part of the assets of the Funds and has been appointed to provide such other services to the Investment Manager in relation to its management of the investments of the Funds as may be agreed from time to time.

The sole shareholder of BGG is BGPL, the ultimate shareholders of which are Emmanuel Boussard and Emmanuel Gavaudan.

The Sub-Investment Manager will be entitled at its own expense to appoint third parties to provide services to it in connection with its duties in relation to the Funds. Without limitation to the foregoing, BGG expects to enter into a service provider agreement with La Compagnie des Ecréhous (a société par actions simplifiée incorporated in France on October 19, 2006) ("CDE"), pursuant to which CDE will provide certain non-regulated business consulting and risk management services to BGG. The main individual responsible for the provision of such services and the majority shareholder of CDE is Emmanuel Boussard.

BG Group Conflict of Interest Policy

The prevention and management of conflicts of interest at BG is found in the list of Principles for Business set out by the Markets in Financial Instruments Directive (MIFID), which came into force in Europe with the implementation of the MIFID.

The regulator legislation imposes the following obligations to:

- Establish a policy to manage conflicts of interest
- Identify situations where a conflict of interest has arisen
- Keep a register of situations where a conflict of interest has arisen
- Inform clients when a conflict of interest cannot be resolved.

The BG conflict of interest prevention and management policy aims to define organisational measures and procedures in order to detect and manage conflicts of interest which may surface in the course of providing investment services.

BG attaches high priority to the interests of its clients. Conflicts of interest, however, can cast doubt on the integrity and professionalism of the company. Therefore situations involving a conflict of interest must be dealt with as soon as possible. If the emergence of a conflict of interest is unavoidable, it should be managed fairly and with the best interests of the client in mind.

In view of this, detecting potential or existing conflicts of interest which could be detrimental to the interests of the clients, managing them and limiting the impact of these conflicts of interest is an integral part of the duty and obligations of BG.

Conflict of interest situations can take various forms, whether or not BG suffers a financial loss, or the actions or motivations of the employees involved were deliberate. At least five types of situation should be examined by BG, in order to judge whether a conflict of interest has the potential to arise:

1. BG or an employee realises a financial gain or avoids a potential loss at the expense of the client,
2. BG or an employee has an interest in the result of a service provided to a client or in the result of a transaction realised for their own account, which is different from the client's interest,
3. BG or an employee is encouraged, for reasons financial or otherwise, to favour the interests of another client or group of clients over those of the client for whom the service is provided,

4. BG or an employee is involved in the same professional activity as the client,
5. BG or an employee receives or is to receive a benefit in relation to a service provided to the client, whatever form the benefit may take, other than the commission or fees normally invoiced for that service.

BG has identified the situations where a conflict of interest could potentially arise in its activities. Such situations may be encountered by BG or its employees at the time of delivery of their services for their clients. In each situation BG has analysed whether this is an existing or potential risk for one or more of its clients.

BG has created a conflict of interest policy enabling us to prevent potential conflicts of interest, to manage established conflicts of interest and to advise clients of them. This policy relies on prevention, detection and management of conflicts of interest as well as communication with clients and archiving of information.

Prevention: BG informs its employees about the engagements and restrictions that fall under the conflict of interest management policy put in place by the company. BG is equipped with internal rules, compliance measures and in particular a personal account dealing policy which alerts its employees to the different cases of conflict of interest which could occur. Regularly held training sessions are carried out by the Compliance Department to maintain this awareness.

Detection: BG has inventoried existing and potential conflicts of interest from an internal and group perspective. This was done through the use of a conflict of interest map, which identifies the types of situations which generate conflicts of interest and their associated risks.

Management: BG manages existing or potential conflict of interest situations using the following rules:

- compliance principles taken from the compliance measures to which all the partners of BG are required to conform. Among these rules: client priority; equity; impartiality; respect for sensitive information; integrity in the market; and compliance with rules and the law;
- restricting or controlling multiple activities exercised by partners;
- declaration and monitoring of the personal account dealing of all staff members;
- a monitoring programme, which prevents conflicts of interest and provides corrective measures for when they take place;
- when dealing with situations where there are existing or potential conflicts of interest, BG can:
 - refuse to act, where acting could potentially create a conflict of interest,
 - accept the deal and the conflict of interest created, by putting in place measures to manage the situation in an appropriate fashion, so that the interests of the client are not undermined, or,
 - advise the client in cases where a conflict of interest cannot be dealt with correctly, by communicating to them the necessary information regarding the nature and origin of the conflicts of interest, so that they may decide how to proceed in full possession of the facts. In such a case BGIM must be sure to receive the client's consent for dealing to continue despite of the conflict of interest.
- The conflict of interest committee meets during the Management & Control Committee (MCC). The MCC headed up by the CEO Emmanuel Gavaudan, will address the conflicts of interest on a quarterly basis. The MCC will make decisions on the basis of analysis prepared by operational managers and/or specialised ad hoc committees. The MCC report to the board on a quarterly basis or as often as necessary.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

BGIM has adopted a Code of Ethics (the “Code”) for all employees of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumour mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All employees at BGIM must acknowledge the terms of the Code.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of BGIM will not interfere with (i) making decisions in the best interest of the Funds and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of BGIM’s clients. In addition, the Code requires pre-clearance of transactions, and restricts trading in securities held in any Fund’s portfolio.

Employee trading is continually monitored under the Code, to reasonably prevent conflicts of interest between BGIM and its clients.

Inside Information

BGIM maintains Information Barriers, Restricted Lists (Grey List), and other operational measures to limit market abuse. The risk of market abuse arising is covered in the Grey List Policy, and the efficiency of BGIM’s systems and controls to combat market abuse is tested on a regular basis as part of the Compliance Monitoring Programme.

Nevertheless, only those persons who need to have access to sensitive data to perform their function are given inside information. Further, “strategic leaks” or rumours are unacceptable and will not be tolerated, even where they appear to be in the firm’s interest.

Employees and Partners have primary responsibility for ensuring the confidentiality of inside information, but may be justified in disclosing inside information to certain categories of recipient (in addition to those of its own employees who require the information to perform their functions) providing those persons owe a duty of confidentiality. Mere reliance on confidentiality undertakings without more may, however, no longer be sufficient. BGIM requires that parties to whom inside information is disclosed have robust controls to prevent leakage.

Summary of our Personal Account Dealing Policy.

BGIM is an Investment Manager who manages Funds. The key point of our personal account (“PA”) dealing policy is to avoid any conflict of interest.

PA dealing relates to “personal transactions” and applies to all BG Group Employees and Partners (relevant persons). A personal transaction is a trade in a designated investment by a BG relevant persons. All personal account dealing by relevant persons must be undertaken in accordance with BG’s personal account dealing policy, which is set out below. New relevant persons must report all securities holdings at employment.

The PAD rules are the following

- all personal trades must be pre-approved by compliance,
- no trade on listed financial instruments (ex :shares, bonds including listed and OTC derivatives),
- trade can be done only on 8 specific UCITS funds managed by BG or Amundi.

For all other UCITS, ETF and BG product a pre approval from the PAD committee who meet on a quarterly basis must be requested,

- no short term dealing, instruments must be kept one month (30 days),

- a detailed confirmation of the personal trades must be provided to compliance after each trade
- checks on the personal bank statement are done on an annual basis.

The PAD committee will meet on an ad hoc basis or at least every quarter :

- To authorise the purchase of other products as UCITS, ETF and BG product not included in the list,
- to authorise the sale of pre-existing financial instruments own in portfolio before the prohibition to trade on listed financial instruments or
- to discuss a special situation link with PAD (inheritance etc.).

The London based compliance officer can rely on the help of the Paris based compliance officer, fully approved by the French authorities "AMF", to ensure the implementation of this procedure.

All BG employees will provide the London compliance officer with any prior approvals and conformity checks for their PA dealings.

After the compliance officer has given permission to a relevant person to enter into a PA deal, the transaction's details must be provided to the compliance officer immediately after the transaction has been effected.

Relevant persons are also required to provide a copy of the deal confirmation (or contract note) shortly after execution. This may be sent directly to the compliance officer by the firm executing the trade.

The compliance officer keeps a record of all permissions given or refused, confirmations received and each notification made by staff. These records are kept for a period of five years. The compliance officer also keeps a record (for a five-year period) of these PA dealing rules and of any amendment made:

- Annual report of holdings by all employees or/and partners,
- Annual audit by compliance officer,
- File containing the information of PA transactions in the trade
- Authorization file.

BGIM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Deborah Gewinner.

Item 12 Brokerage Practices

The Investment Manager selects its brokers according to their execution capacity and/or to their research services.

On the main equities markets, the Investment Manager has a standard brokerage fee level which is applied consistently across all its executing brokers. When selecting an executing broker, the Investment Manager requires that the broker agrees to the schedule. On emerging markets the conditions are discussed on a country by country basis. The Investment Manager also has an agreement and an electronic direct market access in place with one broker. The large volumes executed through that access allows having very competitive execution fees.

Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments (hereinafter, "MiFID II"), aims to make the European Economic Area financial markets more efficient, resilient and transparent. A key objective is improving investor protection. This is to be achieved partly through a tighter inducements regime, including specific rules governing the provision of research.

The research Cost Allocation between the funds managed by BG is the following:

Approach

BG seeks to apportion costs fairly between funds taking all reasonable steps to avoid cross-subsidy between funds.

Consequently, BG considers that a fund's contribution to research costs should be determined by two factors; the intensity of research usage, and, the amount of investment idea capital capacity consumed by the funds.

Intensity

The intensity of research consumption is a function of the activity on the fund. Therefore, a higher churn rate results in higher research consumption.

Capital Capacity

BG consumes research in order to generate investment ideas. The investment ideas generated by research consumption have a finite capital capacity beyond which they cease to be effective investments. In order to expand investment capital capacity BG must hire additional analysts which leads to an increase in research consumption.

Impact

BG's approach to allocating research costs between funds will result in leveraged and long only funds paying proportionately different rates of research costs with respect to BG's non-leveraged hedge funds.

Leveraged Funds

Consistent with the approach, a 2x leveraged fund will pay double the research costs compared to a non-leveraged fund. BG considers this to be fair given that the 2x leveraged fund will consume double the capital capacity of a non-levered fund applying the same strategy.

Long Only Funds

Long only funds can only participate in the long portion of ideas generated by research, as a result they use less capital capacity generated by investment ideas and will therefore pay proportionately less for research than BG's hedge funds. In addition, long only funds make more stable, long term, investments, resulting in lower intensity of research usage.

New Fund Launches

New funds will be allocated research costs based on the approach outlined above, with a pro-rata calculation applied to account for when during the year a fund is launched. It is envisaged that a newly launched fund's research budget will have to be regularly reviewed during the first year to account for increasing AUM. This is to account for increasing use of capital capacity generated by investment research.

New fund launches will not impact the agreed budget for pre-existing funds.

Budget

Research fees are separated from execution fees, and constitute a separate charge for the funds.

The creation of this new charge will be neutral for the funds as the execution fees has decreased.

Item 13 Review of Accounts

Reports and Financial Statements

The financial year of the BG Fund will end on 31 December each year.

An annual report and audited annual accounts for the Fund in respect of each financial year, prepared in Euros and in accordance with International Financial Reporting Standards, will be sent to investors at least 21 days before the annual general meeting of the BG Fund and in any event to investors, the Central Bank and the Irish Stock Exchange within four months of the end of the financial year, whichever is the earlier.

Audited annual financial statements of the Fund will be sent to each Investors free of charge and will be made available for inspection at the offices of the Administrator and the registered office of the Fund.

Each client's investors receive reports from the client pursuant to the terms of each client's offering memoranda or as otherwise described in the offering document of the client.

Item 14 Client Referrals and Other Compensation

BGIM does not compensate, directly or indirectly, persons for prospective prospective investor or client referrals

Item 15 Custody

Under SEC Rule 206(4)-2, BGIM may be viewed for regulatory purposes as having custody of certain client assets. However, as an offshore investment adviser to offshore Funds, the Custody Rule does not apply to BGIM's custody over the Funds. Nevertheless, all clients' assets are physically held by third-party financial institutions, such as banks and prime brokers. and the Funds are subject to an annual audit by an independent audit firm. The audited financial statements will be distributed to each Investor within 120 days of each Fund's fiscal year end.

Item 16 Investment Discretion

BGIM has been appointed by the Funds pursuant to an investment management and distribution agreement (the "Investment Management and Distribution Agreement"). Under the Investment Management and Distribution Agreement, the Investment Manager has full discretion, subject to the overall review and control of the Directors, to manage and invest the assets of the Funds in pursuit of the investment objective, approach and strategies and subject to the investment restrictions described in the Prospectus.

Item 17 Voting Client Securities

BGIM's clients are not permitted to direct their votes in a particular solicitation.

Our voting policy provides for thresholds in share capital beyond which we are bound to exercise our voting rights pursuant to the principles set up in the policy. More specifically, the Investment Manager will generally vote on Annual General Meeting resolutions if the investment represents more than 1% of the shares in issue of the company, or if the investment represents more than 5% of the AUM of a Fund. Below such thresholds, voting rights are exercised on a discretionary basis, as the analyst responsible for the trade will judge appropriate.

Our voting policy is based on general standards of corporate governance.

Voting rights are exercised with a view to maximizing the return on investment in the underlying company, based on our clients' best interest. Additionally, we undertake to ensure that companies understand the rationale.

Where conflicts of interest arise, arrangements will be made to ensure that decisions are taken in the long term interest of clients. We monitor potential conflicts of interest with a member of staff dedicated to this function.

BGIM's clients or prospective clients may request a copy of the firm's proxy voting policies by contacting Deborah Gewinner.

Clients may obtain a copy of the firm's proxy voting policies and procedures and information about how the firm voted a client's proxies by contacting Deborah Gewinner by email at d.gewinner@bgam-uk.com or by telephone at 0044 203 751 5400.

Item 18 Financial Information

BGIM has no financial commitment that impairs its ability to meet confidential and fiduciary commitments to its clients and has not been the subject of a bankruptcy proceeding.