Burren Global Arbitrage UCITS Fund

Global Event Driven

February 2016

FACTSHEET

Performance Returns

The MontLake Burren Global Arbitrage UCITS Fund finished up 0.89% in February.

Market Commentary

The fund returned +0.89% net for the month of February compared to -0.06% for the HFRX Event Driven Index, -0.01% for the HFRX Merger Arbitrage Index and -0.32% for the HFRX Global Hedge Fund Index. The return for the month continues to demonstrate outperformance and consistency of returns relative to the main indices and to the peer group. The return further supports the nominal correlation the portfolio and fund have even in a stressed macro environment and with the heightened volatility recently observed in the broader markets.

The equity markets generally finished the month in negative territory in what many investors could consider to be a highly stressed environment. The S&P finished the month down -0.41%, the Eurostoxx down -3.26%, the Nikkei down -8.51% and the Shanghai Composite down -1.81%. The VIX peaked at 28.1 but fell by the end of the month to 20.5. There were most definitely moments of panic, but participants were calmer by the end of the month. Flight to safety caused a large rally in gold, up nearly 11% on the month and a rally in the USD against GBP (+2.3%) and JPY (+6.98%). The Euro held its ground and was marginally unchanged over the course of the month. Oil continued its slide, down -4.93% on the month, but again this only portrayed part of the story with an intra month low of $26.21 and high at the end of the month of $33.75. These violent moves caused a great deal of anxiety within the equity markets. This is clearly illustrated by the low to high moves in the equity markets: S&P 6.7%, Eurostoxx 12.7%, Nikkei 19.5% and Shanghai Composite 9.0%.

Correlation between asset classes remained elevated, driving currencies, equities and general volatility. Chinese macro concerns abated and the oil price eventually stabilised. By the end of the month markets were certainly calmer. Risk off moves became less frequent even though some economic data was confusing; weaker confidence statistics vs. higher growth figures. Focus is now on the ECB's next move and the potential reaction. Overall markets grinded towards flat the back end of the month.

Against an uncertain and volatile backdrop, Merger Arbitrage activity continued in full swing without abatement. In the month of February 32 new deals were announced split roughly 56% North America, 31% Europe and 13% Asia. The Top 5 deals in aggregate totalled approximately $94bn signalling another strong month for the space. The month's activity portrayed a mixture of cross-border, strategic and high yield transactions showing health at all levels within our space.

Of particular note in the month was the announced Syngenta \ China National Chemical $46bn deal, a politically fuelled and high risk transaction. Our view is that this is a long-term transaction where there will be significant uncertainty against a backdrop of an uncertain US Presidential election and at the time of writing, this deal is not interesting enough for us to take a position in at this time. We anticipate taking a position at some point before the close, but are currently seeking the right opportunity to participate.

For the month of February confirmation of the London Stock Exchange \ Deutsche Bourse $13.8bn potential transaction was also one of particular note, a merger of equals where discussions are ongoing. We await finalisation of the terms before taking a position. In our opinion this is a potentially very interesting situation on which we continue to work.

A substantial, high quality LBO transaction, the largest of the year so far, was also announced this month. Apollo's $12.3bn acquisition of ADT clearly demonstrates the current availability of credit. Apollo will merge its security arm, number four player in security and automation solutions with six times larger ADT, a distinct market leader. Koch is also participating as an equity partner adding a strategic element to the transaction.

The best performing strategy in the month was Merger Arbitrage which contributed +0.93% gross whilst Relative Value and Tender Arbitrage posted positive results of +0.07 and +0.05% gross respectively. Geographical exposure was split approximately as follows: Europe 65% and North America 35%. There was no exposure to Asia by the end of the month. The fund's volatility was 2.77%.

Within Merger Arbitrage the best performers were Home Retail Group / Sainsbury +0.41%, a counterbid from Steinhoff putting the situation into a competitive bidding one. We maintain a position. Keurig Green Mountain / JAB contributed +0.15% off the back of deal closure. Meda / Mylan contributed +0.14% gross, perhaps the most interesting new situation of the month in our opinion. This is a complex cross-border transaction with the added benefit of a complex currency and equity collar. In our opinion this opportunity was completely mispriced by the market in the first two days of trading. We assumed a position in order to take advantage of this mispricing. There were no substantial losers in the month of February within Merger Arbitrage.

THE MANAGER

BURREN CAPITAL ADVISORS

Andrew McGrath obtained a European Baccalaureate in 1995 from the European School in Oxfordshire and then graduated in 1998 with a Bachelor of Commerce, Banking & Finance (Hons) from University College Dublin. After working for Morgan Stanley (1998-2001) as an associate in the Equity Structured Products Group, Andrew moved to Cater Allen International Limited as Head of Equity Relative Value Proprietary Trading (2001-2003). Andrew then moved to Lehman Brothers International Europe where he co-founded the Special Situations portfolio within Lehman Equity Strategies. After nearly 3 years at Lehman Brothers (2003-2006), he moved to BNP Paribas and assumed the role of European Head of Special Situations & Risk Arbitrage Proprietary Trading. In 2009 Andrew founded Burren Capital Advisors Limited.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	$10 million
Inception	7th April, 2015
Share Class	**Institutional/Institutional Pooled**
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.50%
Perf. Fee	20%
Min Init. Sub.	100,000
ISIN Codes	EUR: IE00BVVB9450/IE00BVVB9D45
	USD: IE00BVVB9781/IE00BVVB9H82
	CHF: IE00BVVB9674/IE00BVVB9G75
	GBP: IE00BVVB9567/IE00BVVB9F68
Share Class	**Retail Pooled**
Currency	EUR/GBP/CHF/USD
Mgt. Fee	2.00%
Perf. Fee	20%
Min Init. Sub.	100,000
ISIN Codes	EUR: IE00BVVB9J07
	USD: IE00BVVB9M36
	CHF: IE00BVVB9L29
	GBP: IE00BVVB9K12

PORTFOLIO INFORMATION

No. of positions	31
Positions contributing a profit	22
Positions contributing a loss	9
% of profitable positions	71%
Best performing position	0.41%
Worst performing position	-0.08%
Largest allocation	9.67%

Relative Value posted a return of +0.07% in the month. We reduced our exposure to Relative Values given the market volatility, locking in a gain on the month in this strategy. The fund's MSCI candidates provided a +0.17% return gross on the month. We positioned the fund to take advantage of the reversal of candidates excluded from FTSE & MSCI, a strategy which delivered positive results. We subsequently closed the position with a +0.15% gain for the month. Our position in Syngenta posted a return of +0.06% in the month - a position we initiated in anticipation of the Chemchina offer and exited on the deal announcement. The fund's semiconductor basket posted a gain of +0.02%.

The fund had minimal exposure to Tender Arbitrage in the month however the strategy still posted a return of +0.05%. The fund's position in Scholastic provided much of this return. Further to our previous newsletter, this Dutch Tender was cancelled due to the market volatility in January. As this was not cancelled for any reason associated with Scholastic, we retained the position as the price movement was too aggressive on the downside. The name recovered over the month of February and we exited taking a profit.

Relatively speaking performance of the fund continues to bode well versus the equity markets, our peers and the major hedge fund indices. February displayed the highest M&A volume observed since 2007 according to Citi reports. The same research further confirmed that the majority of industries saw an increase in M&A volume of which Western Europe accounted for 40% of volume, up over 20% year on year. February cross-border M&A was approximately $160bn, constituting 43% of total volume. Given this backdrop we remain confident and excited about our opportunity set. We anticipate further good months of performance ahead.

UCITS Monthly Performance* (USD Institutional Founder Class B)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2016	+0.07%	+0.89%											**+0.96%**
2015	-	-	-	-0.66%	+0.54%	-0.96%	+0.28%	-0.80%	-0.22%	+1.77%	-0.18%	+0.30%	**+0.05%**

**The performance figures quoted above represent the performance of the Burren Global Arbitrage UCITS Fund since its launch on 7th April 2015. These performance figures refer to the past and past performance is not a guarantee of future performance or a reliable guide to future performance.*

New Deals

	Sector	Country	Value (USDM)
Syngenta AG \ China National Chemical Corp	Basic Materials	SWITZERLAND	46,311.73
London Stock Exchange Group PLC \ Deutsche Boerse AG	Financial	UK	13,809.84
ADT Corp/The \ Apollo Global Management LLC	Consumer, Non-cyclical	US	12,303.80
ITC Holdings Corp \ Fortis Inc/Canada	Utilities	US	11,149.67
Meda AB \ Mylan NV	Consumer, Non-cyclical	SWEDEN	10,198.12

Completed Deals

	Sector	Country	Value (USDM)
BG Group PLC \ Royal Dutch Shell PLC	Energy	UK	79,308.49
Precision Castparts Corp \ Berkshire Hathaway Inc	Industrial	US	35,657.61
Broadcom Corp \ Avago Technologies Ltd	Technology	US	29,805.90
Plum Creek Timber Co Inc \ Weyerhaeuser Co	Financial	US	11,406.00
Targa Resources Partners LP \ Targa Resources Corp	Energy	US	11,378.48

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