

# Burren Global Arbitrage UCITS Fund

## Global Event Driven

February 2021

### MARKET COMMENTARY

February saw continuation of solid M&A activity, with announcements particularly robust in the US, where mid-cap (\$1-10bn) deals showed strength, suggesting good breadth; and China, led by strategic large cap deals. Announced activity across both strategic and sponsor deals was strong, though global large cap deal announcements fell 44% as the sole source of large cap announcements was the US, where activity continued to be strong and increased 83% YoY. Cross border dealmaking has picked-up significantly and accounted for ~25% of global announced M&A in February; mainly on US and China acquirer activity, although European cross-border activity also grew 57% YoY. US acquirers now account for ~45% of total cross border activity versus just ~20% historically.

In regard to sector volumes, Healthcare and Energy have increased materially YTD along with the Technology sector which continues to gain share as a percentage of announced deal volumes. Interestingly, Financials has seen the largest share loss of announced deal volumes YTD, despite the longstanding and well-known need for consolidation within banking. Nonetheless, Groupe BPCE announced intention to acquire the 29% of Natixis that it does not already own via a tender offer and we initiated a position.

The largest deal announced in the month was the acquisition of PRA Health Sciences by Dublin headquartered clinical research organization ICON Public Limited Company for \$12bn. Motivation for Energy sector transactions was evidenced by Wall Street Journal reporting Exxon Mobil and Chevron spoke about merging during the height of the pandemic last year. Indeed, just days after, Chevron submitted a non-binding proposal to fully acquire pipeline operator Noble Midstream Partners. Chevron is already the indirect the majority owner of Noble Midstream with a 62% stake. Another pipeline operator Enable Midstream Partners agreed to be acquired by energy infrastructure giant Energy Transfer in a \$7.2bn all-equity transaction.

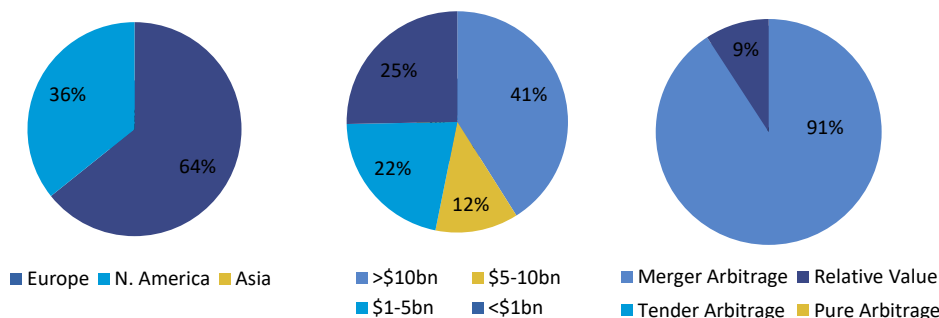
In Europe, generator hire firm Aggreko has entered discussions with a private equity consortium. We think a deal is within reach and initiated a position. Meanwhile the G4S bidding war concluded with Allied Universal Security Services emerging as the victor.

Whilst we have elected to stick to our knitting and not participate in the SPAC frenzy, it would be remiss not to note that February also saw a new record set for SPAC IPOs filed with 96 SPAC IPOs raising over \$30bn. However, SPAC premiums have fallen from 27% to 10% of NAV, suggesting at least some froth has come out of the space, for now.

Although still early in the year, annualizing YTD volumes and deal counts suggest 2021 could be a record breaking year for M&A activity.

The fund initiated 5 new strategies during the month.

### FUND EXPOSURES



### THE MANAGER



**Andrew McGrath, CIO** founded Burren Capital Advisors Limited in 2010. Andrew 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.

### PERFORMANCE

	MTD	ITD
BGA UCITS Fund	-0.32%	15.40%
HFRX Event Driven Index	1.33%	16.22%
HFRX Merger Arb. Index	1.02%	18.96%

### PORTFOLIO INFORMATION

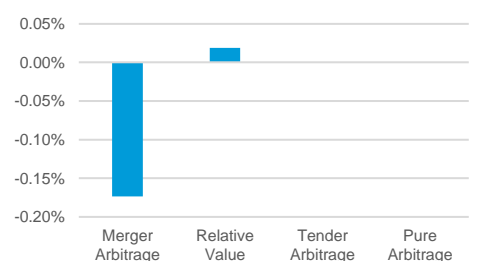
Annualised return	2.45%
Avg. month return (S&P up)	0.35%
Avg. month return (S&P down)	-0.12%
No. of positions during month	18
Positions contributing a profit	10
Positions contributing a loss	8
% of profitable positions	56%
Best performing position	0.06%
Worst performing position	-0.13%
Largest allocation	5.16%
20 Day VaR (99%)	3.66
Volatility	3%
Sharpe	0.53
Sortino	0.78

### UCITS MONTHLY PERFORMANCE\* (USD INSTITUTIONAL FOUNDER CLASS B)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2021	-0.06%	-0.32%											-0.38%
2020	+0.13%	+0.07%	-3.22%	+1.29%	+0.50%	+0.67%	-0.42%	0.18%	-0.20%	-0.58%	0.93%	0.00%	-0.73%
2019	+0.61%	-0.13%	+1.18%	+0.35%	-0.10%	+0.09%	+0.76%	-0.27%	+0.20%	+0.24%	+0.16%	0.77%	+3.92%
2018	+1.07%	+1.20%	-0.52%	-0.05%	+1.84%	-0.29%	-0.87%	-0.98%	-1.37%	-0.87%	-0.11%	+0.09%	-0.92%
2017	+0.15%	+0.36%	+1.25%	+0.46%	-0.10%	+0.02%	+0.53%	+0.86%	+1.35%	+0.88%	-0.40%	+0.14%	+5.63%
2016	+0.07%	+0.89%	+0.05%	-0.08%	+0.31%	+1.03%	+0.91%	+1.18%	+0.91%	-0.99%	+1.30%	+1.47%	+7.25%
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 reliable guide to future performance.

### P&L BY STRATEGY (GROSS)



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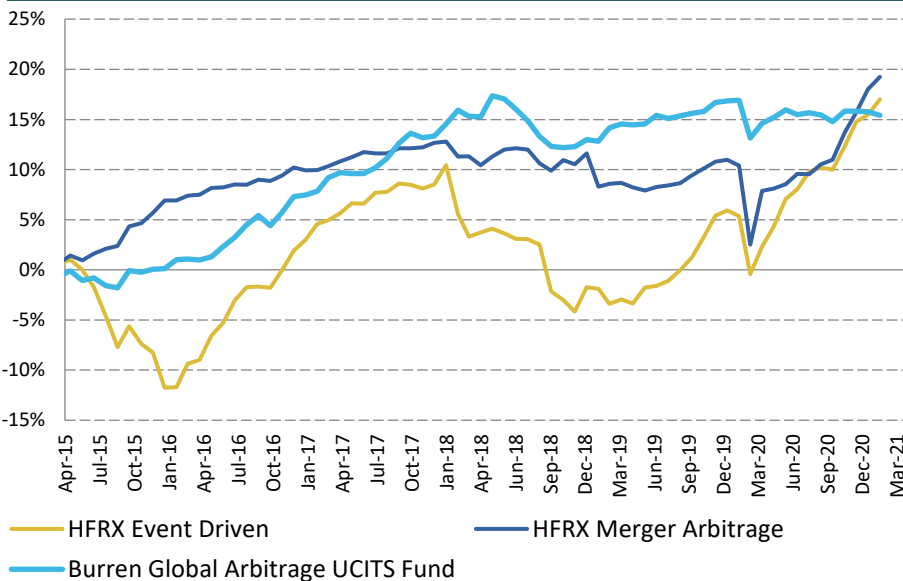
February 2021

NEW DEALS	SECTOR	COUNTRY	VALUE (USDM)
Suez SA \ Veolia Environnement SA	Utilities	FRA	22,655
PRA Health Sciences Inc \ ICON PLC	Consumer, Non-cyclical	USA	11,733
Inter Pipeline Ltd \ Brookfield Infrastructure Corp	Energy	CAN	10,080
CoreLogic Inc \ CoStar Group	Consumer, Non-cyclical	USA	8,489
CoreLogic Inc \ PE consortium	Consumer, Non-cyclical	USA	7,610

### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$11.5 million
Strategy AUM	\$100.1 million
Inception	7 <sup>th</sup> April 2015

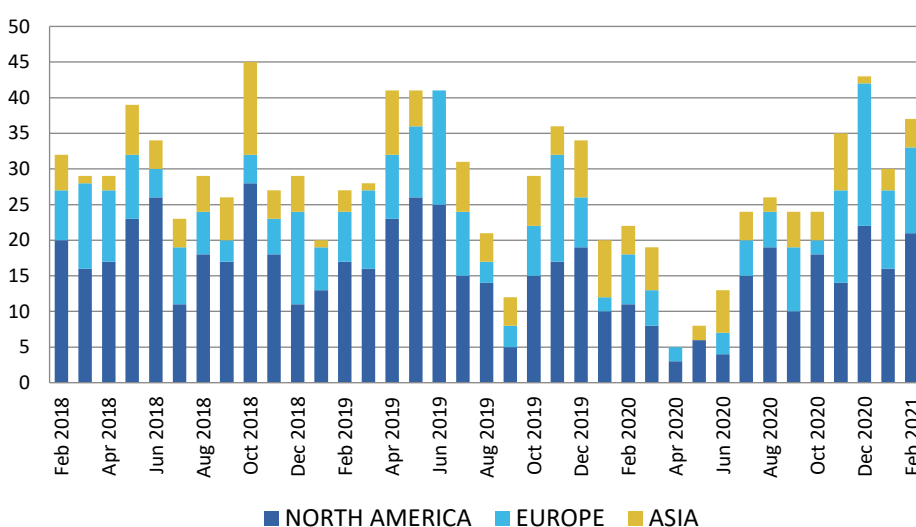
### BURREN GLOBAL ARBITRAGE UCITS FUND vs INDICES



Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.5%
Perf. Fee	20%
Min Init. Sub.	100,000
ISIN Codes	EUR: IE00BVBV9450 / IE00BVBV9D45 USD: IE00BVBV9781 / IE00BVBV9H82 CHF: IE00BVBV9674 / IE00BVBV9G75 GBP: IE00BVBV9567 / IE00BVBV9F68

Share Class	Retail Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	2%
Perf. Fee	20%
Min Init. Sub.	10,000
ISIN Codes	EUR: IE00BVBV9J07 USD: IE00BVBV9M36 CHF: IE00BVBV9L29 GBP: IE00BVBV9K12

### NUMBER OF ELIGIBLE OPPORTUNITIES BY REGION / MONTH



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