

### FACTSHEET

#### Performance Returns

The MontLake Burren Global Arbitrage UCITS Fund finished down -0.80% in August.

#### Market Commentary

The fund returned -0.80% net for the month of August, compared to -2.90% for the HFRX Event Driven Index and -2.20% for the HFRX Global Hedge Fund Index. This is a very solid result given the prevailing market turmoil, aggressive risk off moves coupled with the seasonally low liquidity observed in the month of August. The ability to have successfully navigated through these volatile equity markets globally is testament to our risk management philosophy, process and focus on capital preservation.

The month observed a domino effect initially caused by the devaluation of the RMB causing major stress within the commodity, currency and equity markets. The best performing strategy was Pure Arbitrage which contributed +0.08% gross. Merger Arbitrage and Relative Value posted losses of -0.49% gross and -0.06% gross respectively. Geographical exposure was split approximately as follows: Europe 60%, Asia 3% and North America 37%.

The equity markets moved aggressively down across the board during the course of the month with substantial pick-up in volatility. The S&P, Eurostoxx and Nikkei ended down -6.3%, -9.2% and -8.3% respectively. However it was in China where the most sizable losses were observed with the Shanghai Composite ending down -12.5%. Gold rallied +3.6% on the month while Oil fell further, the WTI down -7.6%. Credit also widened with the Xover moving from 284 to 323. A significant move was also observed in the VIX which started the month at 12% and finished at 28%. The size and velocity of market moves in the month on several trading days displayed behaviour akin to market crashes.

The average number of new situations observed in any month since inception of the fund is 26. August was in line with this statistic with 27 new deal announcements, split roughly 74% North America, 22% Europe and 4% Asia. Even against an incredibly volatile backdrop and the seasonal lull usually observed in the month of August transactions continued to be announced. The aggregate total of the top 5 deal announcements in the month was still in excess of \$100 bn. Although confidence must be under attack within certain sectors, there is no sign of this feeding into a slowing pipeline or deal flow. Very encouragingly we have not observed such spikes in volatility nor such aggressive downward equity drafts since the times of the credit crisis. For this not to impact deal flow is testament to how things have evolved in our space.

New transactions in the month included numerous proposals, private equity type transactions and strategic acquisitions. Berkshire Hathaway's \$35.7bn acquisition of aerospace parts manufacturer was of particular note, as were Shire's \$30bn proposal to buy Baxalta and Zurich Insurance's \$8.8bn proposal to buy RSA Insurance. Within the current environment, however, we do not feel the need to move up the risk spectrum and take exposure within the proposal space. The returns which we can access within the definitive deal environment are far more exciting from a security and risk reward perspective.

Within Merger Arbitrage the best performers were Receptos INC / Celgene Corp which resulted in +0.09% returns for the fund off the back of deal closure. Hellermannntyton Group PLC / Delphi Automotive PLC resulted in a return of +0.06% for the fund off the back of general tightening in the spread. Dealertrack Technologies Inc / Cox Enterprises Inc returned 0.06% to the fund off the back of a general tightening in the spread.

The largest losers in the month within Merger Arbitrage were BG Group / Royal Dutch Shell PLC – B Shs which receded on a widening in the spread off the back of oil market moves, (-0.19% gross). TNT Express NV / FedexCorp lost -0.12% as a result of general risk off, unrelated to any particular news flow. Thoratecorp / St Jude Medical Inc returned -0.10% on widening in the spread on FDA headlines. We have exited the position as we were expecting a counter bid which did not materialise.

We were correctly hedged within Relative Value and as such the strategy benefited from the inclusion of candidates in the respective indices. Our telecoms basket which was initiated last month is catching up to the telecoms index (+0.08%) and we anticipate this trend will continue. The market sell-off impacted slightly our lower liquidity positions which we reduced accordingly, namely AA and BME. Our pharmaceutical positions were also impacted given general hedge fund deleveraging on both these names.

### THE MANAGER



**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
Share Class	<b>Institutional/Institutional Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.50%
Perf. Fee	20%
Min Init. Sub.	100,000
Inception	7.04.2015
ISIN Codes	EUR: IE00BVVB9450/IE00BVVB9D45 USD: IE00BVVB9781/IE00BVVB9H82 CHF: IE00BVVB9674/IE00BVVB9G75 GBP: IE00BVVB9567/IE00BVVB9F68
Share Class	<b>Retail Pooled</b>
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	50
Positions contributing a profit	22
Positions contributing a loss	28
% of profitable positions	44%
Best performing position	0.13%
Worst performing position	-0.19%
Largest allocation	9.80%

The best performers within Relative Value were Prosieben Sat. 1 Media AG – Reg which returned 0.13% to the fund and benefitted from index inclusion relative to their peers. Sophos Group Plc returned 0.11% off the back of index inclusion into FTSE250 vs. their peers. Telenet Group Holdings NV also provided a positive return of 0.08% to the fund.

The largest losses in the month within Relative Value were from the pharma basket which lost -0.10% off the back of general hedge fund deleveraging in certain names. B&M European Value Retail SA lost -0.07% also off the back of a general risk off mode as did AA PLC (-0.07%).

Although August was a trying month for the fund, relatively speaking performance was solid versus the equity markets, our peers and the major hedge fund indices. The significant majority of the loss in the month was attributed to end of month mark to mark. Most of this negative performance has been captured month to date already in September. We remain confident and excited about the opportunity set as it continues to improve in both size and volume. The current portfolio make-up should lead to continued strong results over the next few months.

### UCITS Monthly Performance\* (USD Institutional Founder Class B)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2015	-	-	-	-0.66%	0.54%	-0.96%	+0.28%	-0.80%					-1.59%

\*The performance figures quoted above represent the performance of the Burren Global Arbitrage UCITS Fund since its launch on 7<sup>th</sup> 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)
Precision Castparts Corp \ Berkshire Hathaway Inc	Industrial	US	35,657.61
Baxalta Inc \ Shire PLC	Consumer, Non-cyclical	US	29,336.93
Cameron International Corp \ Schlumberger Ltd	Energy	US	15,152.81
AGL Resources Inc \ Southern Co/The	Utilities	US	11,936.79
RSA Insurance Group PLC \ Zurich Insurance Group AG	Financial	UK	8,779.38

Completed Deals	Sector	Country	Value (USDM)
Pall Corp \ Danaher Corp	Industrial	US	13,779.46
Omnicare Inc \ CVS Health Corp	Consumer, Non-cyclical	US	11,294.46
Receptos Inc \ Celgene Corp	Consumer, Non-cyclical	US	6,777.96
Jazztel PLC \ Orange SA	Communications	UK	4,752.84
Informatica Corp \ Various	Technology	US	4,671.78

### Contact Details

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### Disclaimer

**Risk Warning:** Past performance is not a reliable indicator of future results, prices of investments and the income from them may fall as well as rise. Investments in equities are subject to market risk and, potentially, to exchange risk. The fund may use higher leverage and financial derivative instruments as part of the investment process. The distribution of this report does not constitute an offer or solicitation. Any investment in the fund should be based on the full details contained in the fund's Supplement Prospectus and Key Investor Information Documents which together with the Montlake UCITS Platform Prospectus may be downloaded from the MontLake website ([www.montlakeucits.com](http://www.montlakeucits.com)). Information given in this document has been obtained from, or based upon, sources believed by us to be reliable and accurate although neither ML Capital nor Burren Capital Advisors Ltd accepts liability for the accuracy of the contents. Burren Capital Advisors Ltd is authorised and regulated by the Financial Services Commission (FSC). ML Capital does not offer investment advice or make recommendations regarding investments. The Investment Manager and Promoter of the MontLake UCITS Platform plc is ML Capital Asset Management Ltd, a company regulated by the Central Bank of Ireland. MontLake UCITS Platform plc. is registered and regulated in Ireland as an open ended investment company with variable share capital and segregated liability between sub-funds. This notice shall not be construed as an offer of sale in the. This notice shall not be construed as an offer of sale in Burren Global Arbitrage Fund SICAV Plc or in any other fund managed or advised by Burren Capital Advisors Ltd.

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