

## FACTSHEET

## Performance Returns

The MontLake Burren Global Arbitrage UCITS Fund finished up 0.36% in February.

## Market Commentary

The Burren Global Arbitrage Fund returned 0.36% net for the month of February, compared to +1.55% for the HFRX Event Driven Index, +0.03% for the HFRX Merger Arbitrage Index and +1.12% for the HFRX Global Hedge Fund Index. For the month of February geographical exposure was split approximately as follows: Europe 40% and North America 60%. The fund had no exposure to Asia in the month. The fund's volatility was 2.67% and sharpe ratio remained at approximately 1.43.

Equity markets continue to rally with uncertainty surrounding US policy being shrugged off continuously. The S&P, EuroStoxx and Nikkei returned +3.72%, +2.75% and +0.41% respectively over the course of February. This coupled with USD strength over the month underlines how much traction Trump's headline business friendly approach is achieving. US Dollar strengthened against GBP and EUR, appreciating +1.58% and +2.06% respectively. Changes to tax reform and infrastructure spending are at the forefront of this rally, with uncertainty on the timing of these events being the main unknown for the markets. With the VIX little changed on the month, one would be remiss not to question these moves, at least the longevity of them.

In the month of February, 26 new deals were announced, split approximately 73% North America, 19% Europe and 8% Asia. The Top 5 deals in aggregate totalled approximately \$47bn. It was a disappointing and slow month for deal flow. Reckitt's \$17bn acquisition of Mead Johnson was the highlight with little else to get excited about. It seems as if deal flow is being held back currently. This could be attributed to uncertainty generated by the new Trump administration's regulatory approach, coupled with the lack of details associated with potential plans around tax reform. Certainly the re-staffing of the US regulators is not moving as quickly as one would expect, creating further uncertainty for prospective buyers. Within Europe, deal flow has been marginally muted. In our opinion this is largely off the back of political uncertainty surrounding the Dutch and French elections which are tabled over the coming months. We do expect however for this abatement of deal flow to be short-lived and expect normal levels of activity to resume over the short term.

Merger Arbitrage was the best performing strategy in the month of February, producing a gross return of +0.42%. Manitoba Telecom / BCE produced a gross return of +0.22% on the back of receiving all regulatory approvals to conclude the transaction. This was one of the most mispriced situations within our deal universe, trading at approximately 5% spread the day before the approvals were announced. Our Actelion / J&J position recovered somewhat over the month, producing a gross return of +0.14% over the month. This move was on the back of the market becoming more comfortable on the previously announced investigation into Uptavi, one of Actelion's key drugs. As anticipated, it is unlikely that any consequences of the investigation will occur before the deal closes and market participants are again focused on the upside valuation of the spin-off. Convert / Venovia contributed +0.11% to the Fund in February. This free optionality trade is working well and we await earnings from Venovia due in March. We have high expectations from this position going forward. There were a relatively small number of negative situations over the month. The Dell / VMware spread widened slightly causing a gross loss of -0.07% on no news and the G&K / Cintas spread widened with a loss of -0.06%, again on little news flow.

Relative Value produced a gross return of +0.06% in the month of February. This was mainly attributed to our position in Atos where we successfully captured the potential CAC40 rebalancing in March ahead of the Atos announced earnings. Atos outperformed its peers by 5% in 3 days. We avoided the FTSE reshuffling, avoiding the short squeeze in Intu Properties and disappointed earnings from Scottish Mortgage Trust. We have been monitoring the MSCI May inclusion/exclusion candidates which are now underperforming and are awaiting a better entry point. We initiated a position in Veeco and RPC Group to capture the rerating post the rights issue and are further selectively adding exposure to the Relative Value component of the portfolio.

## 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	\$10.8 million
Inception	7 <sup>th</sup> April, 2015
Share Class	<b>Institutional/Institutional Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.50%
Perf. Fee	20%
Min Init. Sub.	100,000
ISIN Codes	EUR: IE00BVBV9450/IE00BVBV89D45 USD: IE00BVBV9781/IE00BVBV89H82 CHF: IE00BVBV9674/IE00BVBV89G75 GBP: IE00BVBV9567/IE00BVBV89F68

## 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: IE00BVBV9J07 USD: IE00BVBV9M36 CHF: IE00BVBV9L29 GBP: IE00BVBV9K12

## PORTFOLIO INFORMATION

No. of positions	25
Positions contributing a profit	14
Positions contributing a loss	11
% of profitable positions	56%
Best performing position	0.22%
Worst performing position	-0.06%
Largest allocation	9.62%

February was a frustrating month with limited deal flow. We are optimistic that this holding pattern environment will be short lived however and normal service will resume shortly. We believe the stage is set for a comeback of large scale corporate activity globally and as such are just waiting for the performers to arrive on the scene. With greater confidence gleaned from a more confident understanding on the new rules of engagement under which they will be playing we expect them to arrive in droves. The fact that this is taking longer than anticipated is frustrating, however we remain focused and disciplined, only selecting positions which meet our stringent investment criteria. As we have learnt over the years, the investment universe and within it the opportunity set can change dramatically over a very short period of time. We remain poised to take advantage of this change as it takes place, which we believe will take place in the very short term.

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2017	+0.15%	+0.36%											<b>+0.50%</b>
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%	<b>+7.25%</b>
2015	-	-	-	-0.66%	+0.54%	-0.96%	+0.28%	-0.80%	-0.22%	+1.77%	-0.18%	+0.30%	<b>+0.05%</b>

\*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)
Mead Johnson Nutrition Co \ Reckitt Benckiser Group PLC	Consumer, Non-cyclical	US	17,809.81
ONEOK Partners LP \ ONEOK Inc	Energy	US	17,378.16
STADA Arzneimittel AG \ Advent International Corp	Consumer, Non-cyclical	GERMANY	5,251.17
DigitalGlobe Inc \ MacDonald Dettwiler & Associates Ltd	Communications	US	3,211.31
Fortress Investment Group LLC \ SoftBank Group Corp	Financial	US	3,119.26

Completed Deals	Sector	Country	Value (USDM)
Spectra Energy Corp \ Enbridge Inc	Energy	US	42,223.61
Team Health Holdings Inc \ Caisse de depot	Consumer, Non-cyclical	US	5,581.46
ARIAD Pharmaceuticals Inc \ Takeda Pharmaceutical Co Ltd	Consumer, Non-cyclical	US	4,912.42
CLARCOR Inc \ Parker-Hannifin Corp	Industrial	US	4,289.15
Bats Global Markets Inc \ CBOE Holdings Inc	Financial	US	3,445.65

### Contact Details

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### Disclaimer

**Risk Warning:** Past performance is not a reliable indicator of future results, prices of investments and the returns from them may fall as well as rise. Investments in equities are subject to market risk and, potentially, to currency exchange risk. The Burren Global Arbitrage UCITS Fund (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 ICAV 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 Manager of the Fund is MLC Management Ltd, a company regulated by the Central Bank of Ireland. The MontLake UCITS Platform ICAV is registered and regulated as an open-ended Irish collective asset-management vehicle with segregated liability between sub-Funds formed in Ireland under the Irish Collective Asset-management Vehicles Act 2015 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. ML Capital Asset Management Ltd is regulated by the Central Bank of Ireland. This notice shall not be construed as an offer of sale in the Fund or in any other fund managed or advised by Burren Capital Advisors Ltd.

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