

# Burren Global Arbitrage UCITS Fund

## Global Event Driven

September 2020

### MARKET COMMENTARY

M&A activity continued to build throughout September, as a combination of backlogged deals and corporates tackling the challenges of the pandemic brought about a wave of consolidation.

This year has shown a mixed picture of the M&A landscape. A clear divide exists between the first half of 2020 and recent activity marking the busiest ever third quarter for \$5bn+ deals worldwide. Despite the 3Q resurgence, overall activity still logged the lowest year-to-date level since 2013. With interest rates firmly anchored around zero, corporations getting used to working within constraints of the pandemic and the uncertainty of the US Presidential election soon to be resolved, coming months may deliver a continuation of September's surging M&A activity.

On the heels of the July closing of its mega-merger with Eldorado Resorts, US casino operator Caesars agreed a £2.9bn takeover of bookmaker William Hill, in an attempt to better target the fast-growing US sports betting and online gaming market. Caesars plans to divest the non-US operations of William Hill following the acquisition. Private equity firm Apollo also made a separate approach for William Hill, giving rise to hopes that further bids may yet be elicited for the company.

Peugeot and Fiat Chrysler restructured the terms of their planned merger to conserve cash, with Fiat reducing the cash portion of a special dividend to its shareholders, and Peugeot postponing the planned spinoff of its 46% stake in parts maker Faurecia until after the merger's closing and thereby extending it to all shareholders of the new group. Our analysis was that this shoring-up of the balance sheet and additional estimated synergies make the transaction more likely to succeed and we added the position to our portfolio.

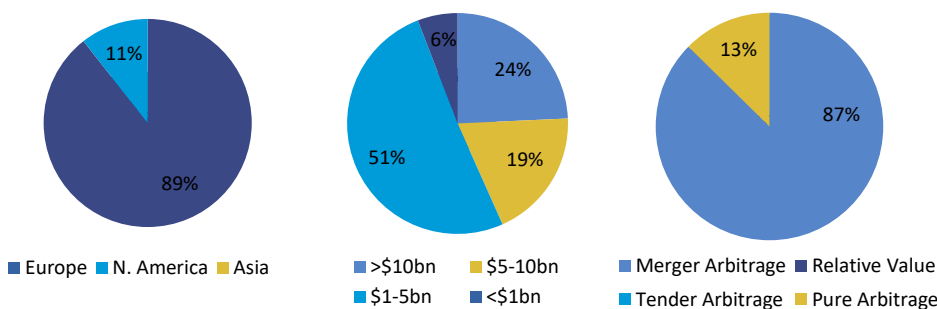
Aroundtown SA the largest German commercial REIT, issued a Dutch tender offer buy-back of its own shares. As the total number of shares for which the offer was accepted was below the minimum offer volume, the purchase price was equal to the highest of any of the tenders received (within the purchase price range of €4.60-€5.00) and therefore, on this basis, €5 per share. The fund gained from this transaction, which offered a very compelling IRR given the two week offering period.

IAG issued a 'three-for-two' rights issue. Despite being best known as the owner of British Airways, IAG is incorporated in Spain, thus the rights issue was conducted under Spanish law and therefore offered no compensation for shareholders failing to participate in the fundraising. Multi-option rights issues for companies with sizeable retail shareholder bases offer great risk-reward for specialists such as Burren and we expect coronavirus related rights issues to continue to offer opportunities going forward.

Short spread positions made small profits as Tiffany & Co / LVMH proceeded to court and the team traded well around news reports that the Google deal to purchase Fitbit is set to win EU antitrust approval.

The fund initiated 5 new strategies during the month.

### FUND EXPOSURES



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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2020	+0.13%	+0.07%	-3.22%	+1.29%	+0.50%	+0.67%	-0.42%	0.18%	-0.20%				-1.07%
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.

### 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.

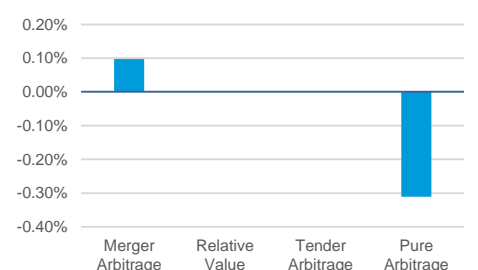
### PERFORMANCE

	MTD	ITD
BGA UCITS Fund	-0.20%	15.44%
HFRX Event Driven Index	0.37%	9.48%
HFRX Merger Arb. Index	0.88%	10.25%

### PORTFOLIO INFORMATION

Annualised return	2.64%
Avg. month return (S&P up)	0.36%
Avg. month return (S&P down)	-0.10%
No. of positions during month	19
Positions contributing a profit	11
Positions contributing a loss	8
% of profitable positions	58%
Best performing position	0.05%
Worst performing position	-0.31%
Largest allocation	3.04%
20 Day VaR (99%)	3.83
Volatility	3%
Sharpe	0.56
Sortino	0.82

### P&L BY STRATEGY (GROSS)



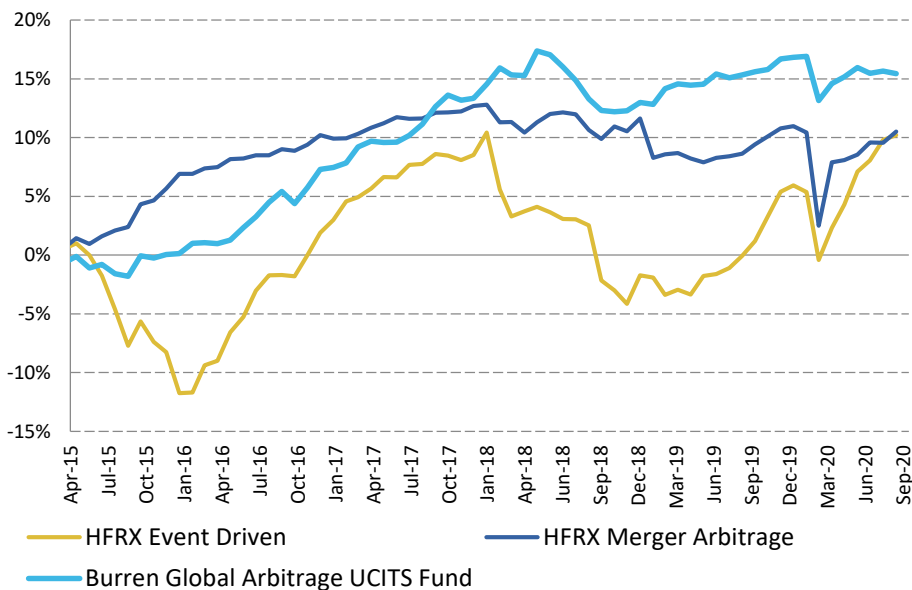
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NEW DEALS	SECTOR	COUNTRY	VALUE (USDM)
NTT DOCOMO Inc \ Nippon Telegraph & Telephone Corp	Communications	JPN	40,268
Immunomedics Inc \ Gilead Sciences Inc	Consumer, Non-cyclical	USA	19,375
METRO AG \ EP Global Commerce GmbH	Consumer, Non-cyclical	GER	7,883
WPX Energy Inc \ Devon Energy Corp	Energy	USA	5,988
G4S PLC \ Garda World Security Corp	Consumer, Non-cyclical	GBR	5,871

### BURREN GLOBAL ARBITRAGE UCITS FUND vs INDICES



### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$11.6 million
Strategy AUM	\$100.4 million
Inception	7 <sup>th</sup> April 2015

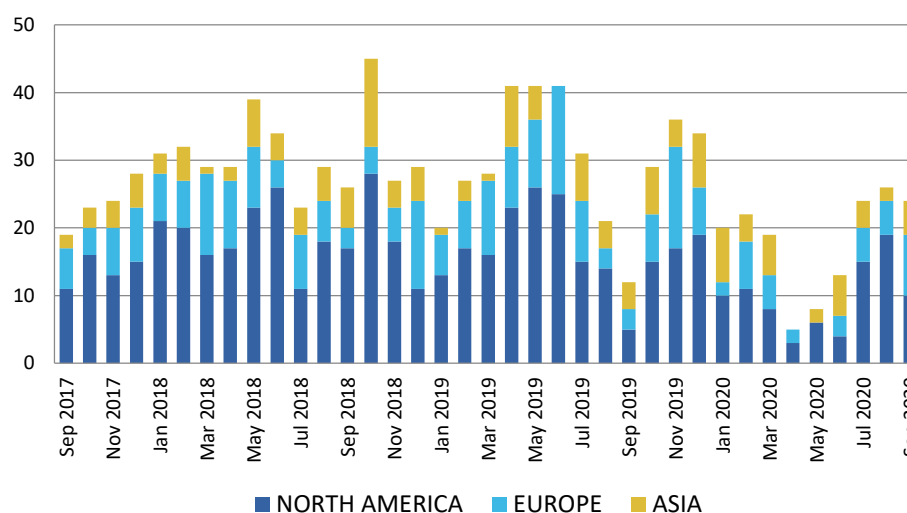
### Share Class Institutional/Institutional Pooled

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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