

# Burren Global Arbitrage UCITS Fund

## Global Event Driven

April 2020

### MARKET COMMENTARY

Risk assets did not wait for economists to conclude debates on whether the shape of a post Covid-19 economic recovery might be identified by a 'V', 'L', 'W', or indeed by some other letter. Spurred on by central banks, in particular the Federal Reserve's announcements of unprecedented (and essentially open-ended) purchases of treasuries, mortgage backed securities, commercial paper and even junk bond ETFs, stock markets retraced significant portions of the Q1 drawdowns, whilst corporate credit spreads (especially investment grade), and merger spreads settled to levels only slightly wider than pre-crisis. These moves were as fast and violent as those exhibited during the corresponding previous drawdowns.

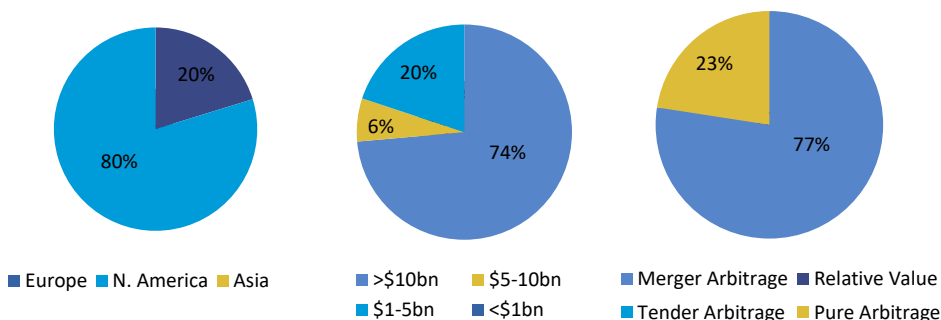
Prices of financial assets notwithstanding, the world has obviously changed. A simple illustration of this is that the majority of our investors are now reading this letter while working from home. We anticipate that, in the very short term, buyers and sellers will struggle to reach agreeable valuation terms while so much economic uncertainty is prevalent. In most industries today, trailing 12-month revenue and earnings figures provide little insight into current and future earnings. As a result, new deal flow is likely to be curtailed. Taking April as example and examining the chart of eligible prospective deals on page two of this factsheet, barely a single new deal of note surfaced on our radar.

Nonetheless, we believe that over time merger activity will prove to be more perennial than most observers expect and is likely to surprise to the upside versus expectations. Once lockdowns are at least partially released and a fresh equilibrium or 'new normal' is reached, valuations can again be leant upon by participants in order to reach a clearing price and consolidation within sectors will continue under increased pressure to gain scale, reduce costs and acquire the growth needed for corporate survival. Alongside this, opportunistic transactions will take place as buyout funds find opportunities to purchase and restructure companies.

Presently, our portfolio is positioned cautiously with a balance between positions that will benefit from a continued return toward normality, alongside others where we feel deal spreads have tightened to an extent that offer better risk/reward as shorts. In the pursuit of delivering an uncorrelated return stream, we are happy to forego some limited further market upside in exchange for resilience should the market tone once again turn negative.

In line with the above, the fund initiated just one new strategy during the month. Whilst we remain patient and disciplined during this unprecedented period, we remain optimistic on the future of our opportunity set and believe that exciting and high conviction situations will present themselves in the not to distant future.

### 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%									-1.78%
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.

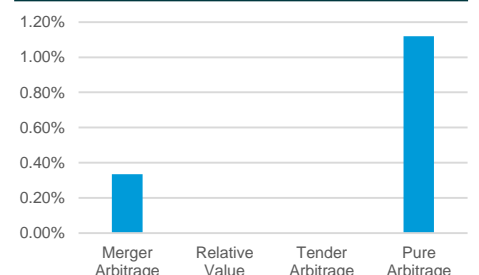
### PERFORMANCE

	MTD	ITD
BGA UCITS Fund	1.29%	14.61%
HFRX Event Driven Index	2.73%	1.62%
HFRX Merger Arb. Index	5.24%	7.62%

### PORTFOLIO INFORMATION

Annualised return	2.72%
Avg. month return (S&P up)	0.37%
Avg. month return (S&P down)	-0.10%
No. of positions during month	10
Positions contributing a profit	5
Positions contributing a loss	5
% of profitable positions	50%
Best performing position	1.12%
Worst performing position	-0.08%
Largest allocation	9.74%
20 Day VaR (99%)	5.53
Volatility	3%
Sharpe	0.55
Sortino	0.79

### P&L BY STRATEGY (GROSS)



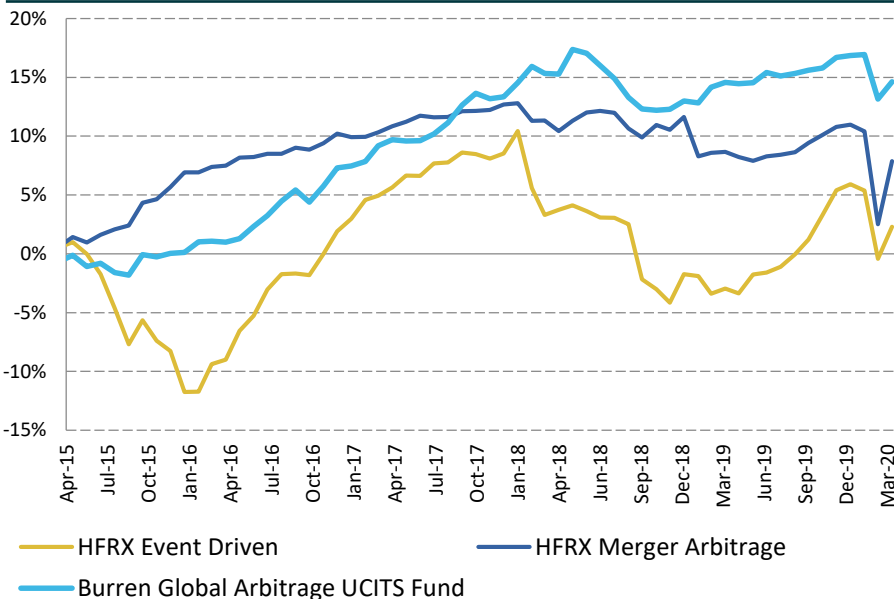
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NEW DEALS	SECTOR	COUNTRY	VALUE (USDM)
MVV Energie AG \ First Sentier Investors	Utilities	GER	2,656
US Foods Holding Corp \ KKR & Co	Consumer, Non-cyclical	USA	500
RHOEN-KLINIKUM AG \ Broermann Holding	Consumer, Non-cyclical	GER	481
Standard Diversified \ Turning Point Brands	Consumer, Non-cyclical	USA	362
Vir Biotechnology \ GlaxoSmithKline	Consumer, Non-cyclical	USA	250

### BURREN GLOBAL ARBITRAGE UCITS FUND vs INDICES



### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$11.5 million
Strategy AUM	\$100.2 million
Inception	7 <sup>th</sup> April 2015

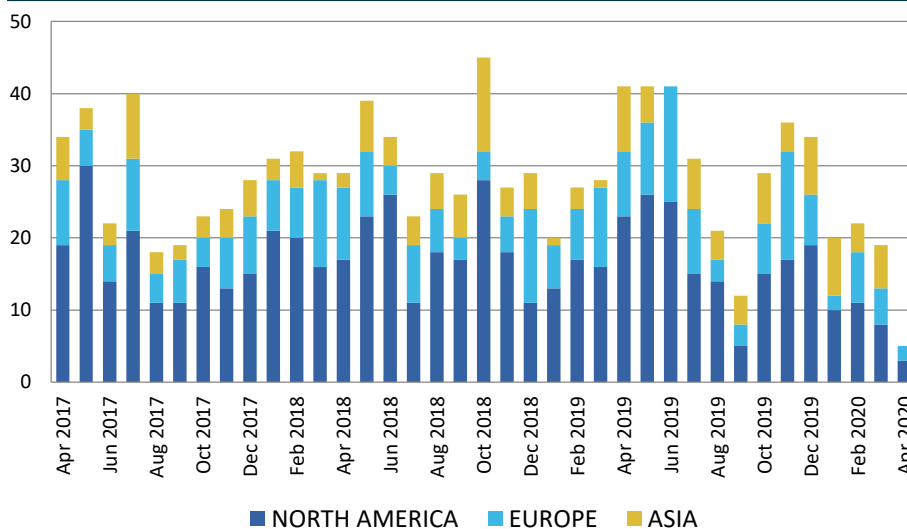
### Share Class Institutional/Institutional Pooled

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



### Contact Details

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### Disclaimer

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