

# Burren Global Arbitrage UCITS Fund

## Global Event Driven

March 2020

### MARKET COMMENTARY

March capped what for several indices was their worst quarterly return ever, as markets continued to assess the impact of the global coronavirus pandemic. Several new data records were set, the most eye-catching being weekly US initial jobless claims, which first leapt by 3.3m and then 6.6m claims, a more than 3,000% increase over pre-pandemic levels.

Last month we wrote that our portfolio would not be immune from a true risk-off environment and this proved prescient. However portfolio management decisions taken in regard to deal selection, position sizing and through holding short deal spread positions in the portfolio, mitigated losses and avoided a larger drawdown.

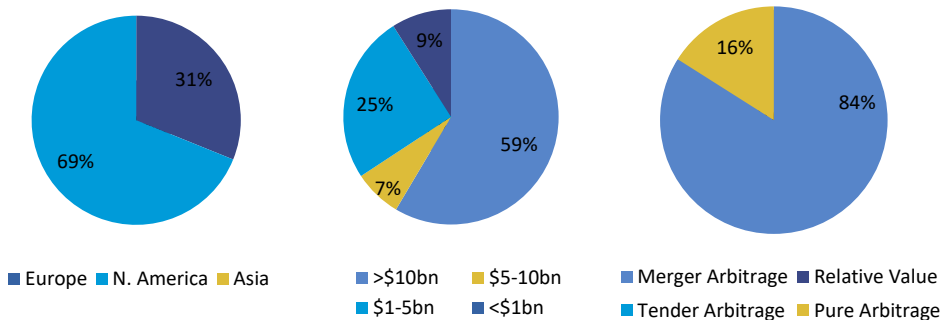
During the equity market sell-off, levered funds were forced to de-risk and reduce positions as VaR limits were reached and margins were increased. This exacerbated the impact on M&A transaction deal spreads which at points were implying over 20% annualised returns even for relatively straightforward and well financed transactions such as LVMH's acquisition of Tiffany's. Even AbbVie's \$63bn acquisition of Allergan traded at a spread of over 12%. As we communicated to clients in real-time, this situation could not last and spreads have since recovered to ~5%.

Some allocators have questioned the outlook for M&A in a post-coronavirus world. In our opinion, the need for consolidation is greater across many sectors and growing through acquisition appealing in a low organic growth environment. Nonetheless, transaction volume is down approximately 1/3<sup>rd</sup> versus 2019. Unsurprisingly, the amount of all-stock deals has increased significantly this year, given the benefits stock transactions provide in determining relative value amidst equity market volatility. Once the immediate volatility subsides, we expect transactions will continue and that arbitrageurs such as ourselves will be better compensated compared to recent years.

Despite the turbulence of March, a number of notable transactions were announced including Thermo Fisher Scientific's \$11bn acquisition of Dutch molecular diagnostics company QUIAGEN, Gilead Sciences takeover of cancer therapy company Forty Seven, and the \$31bn mega-merger of professional services companies Willis Towers Watson and Aon.

The fund initiated 3 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%										-3.02%
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



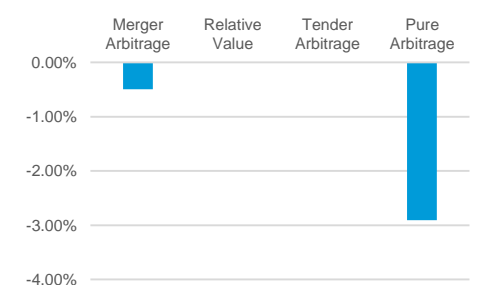
**Andrew McGrath, CIO** founded Burren Capital Advisors Limited in 2010. Andrew obtained a European Baccalaureate in 1995 from the European School in Oxfordshire and then graduated in 1998 with a Bachelor of Commerce, Banking & Finance (Hons) from University College Dublin. After working for Morgan Stanley (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	-3.22%	13.16%
HFRX Event Driven Index	-5.48%	-1.09%
HFRX Merger Arb. Index	-7.16%	2.26%

### PORTFOLIO INFORMATION

Annualised return	2.50%
Avg. month return (S&P up)	0.35%
Avg. month return (S&P down)	-0.10%
No. of positions during month	16
Positions contributing a profit	6
Positions contributing a loss	10
% of profitable positions	38%
Best performing position	0.51%
Worst performing position	-2.91%
Largest allocation	9.33%
20 Day VaR (99%)	4.96
Volatility	3%
Sharpe	0.47
Sortino	0.68

### P&L BY STRATEGY (GROSS)



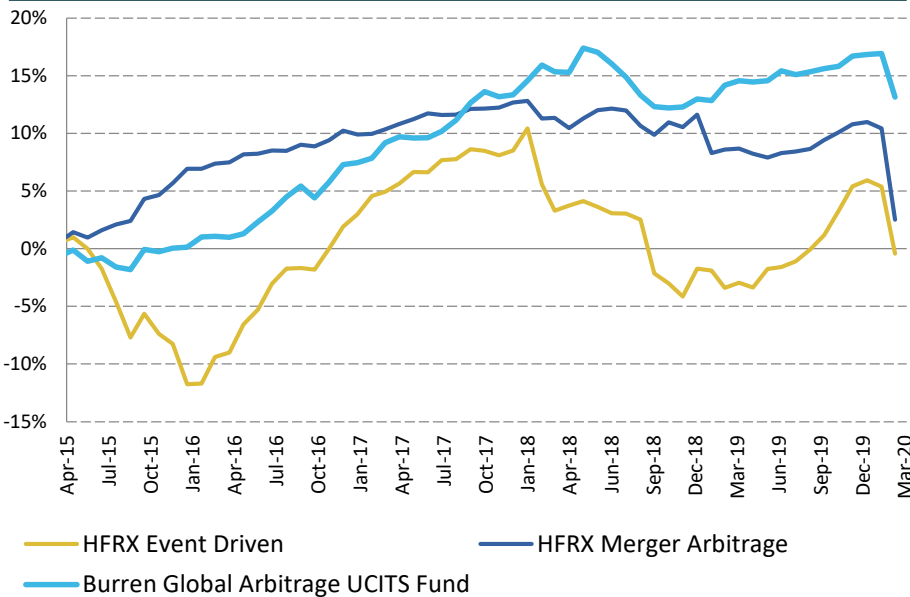
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NEW DEALS	SECTOR	COUNTRY	VALUE (USDM)
Willis Towers Watson \ Aon PLC	Communications	GBR	31,440
QIAGEN NV \ Thermo Fisher Scientific Inc	Financial	NLD	11,020
Forty Seven Inc \ Gilead Sciences Inc	Communications	USA	4,407
Mobile Mini Inc \ WillScot Corp	Communications	USA	3,008
Pargesa Holding \ Power Corp of Canada	Consumer, Cyclical	SWI	2,765

### BURREN GLOBAL ARBITRAGE UCITS FUND vs INDICES



### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$11.3 million
Strategy AUM	\$99.2 million
Inception	7 <sup>th</sup> April 2015

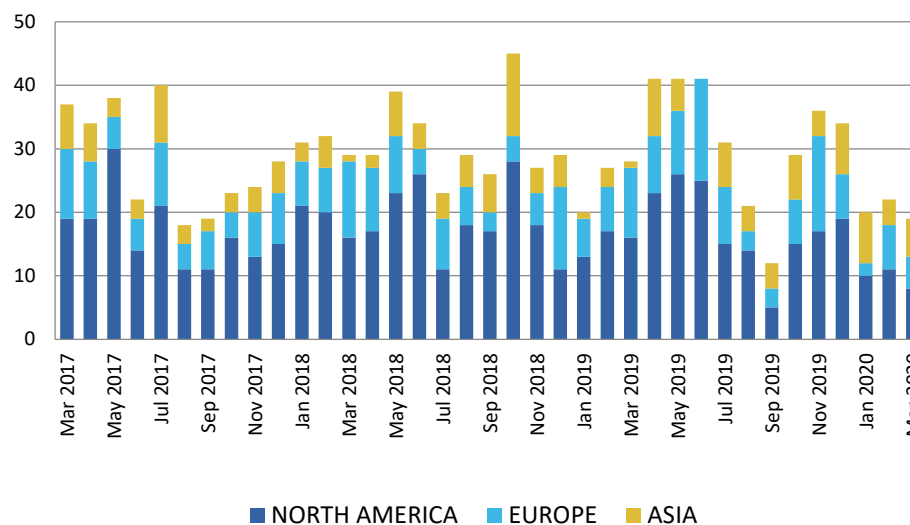
#### Share Class Institutional/Institutional Pooled

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

#### Investment Manager Contact

**Burren Capital Advisors Ltd**  
1 Poultry  
London, EC2R 8EJ  
T: +44 20 8132 8963  
andrew.relph@burrencap.com

#### Management Company

**MontLake Management Ltd**  
23 St. Stephen's Green  
Dublin 2, Ireland  
T: +353 1 533 7020  
investorrelations@montlakefunds.com

#### Investor Contact

**MontLake Funds (UK) Ltd**  
Park House, 116 Park Street  
London, W1K 6AF  
T: +44 20 3709 4510  
investorrelations@montlakefunds.com

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