

# Burren Global Arbitrage UCITS Fund

## Global Event Driven

January 2020

### MARKET COMMENTARY

Global dealmaking got off to its slowest start in seven years in 2020, marking the quietest month for takeovers since April 2013. After a strong end to 2019, in which December volumes grew nearly 50% YoY, January volumes reversed this trend, falling 55% YoY, with weakness across jurisdictions, deal sizes and deal type. The US saw the largest decline, with volumes down 63%, followed by China, which fell 55%, and Europe 28%. The January decline is exaggerated by the \$93bn Celgene/Bristol-Myers Squibb transaction announced last year, as there were no large cap deal announcements in the month, while deals <\$10bn in value were down ~20% vs January 2019.

This is not to say that January was not an eventful month. Global stock markets wiped out gains for the year as investors contended with a US drone strike that killed Qassem Soleimani, the head of Iran's paramilitary force and Iranian retribution, President Donald Trump's impeachment trial, fears of far left-leaning Democratic presidential candidates, and the WHO declaring the coronavirus outbreak a global public health emergency. Facing this geopolitical uncertainty, fund returns were pleasingly uncorrelated.

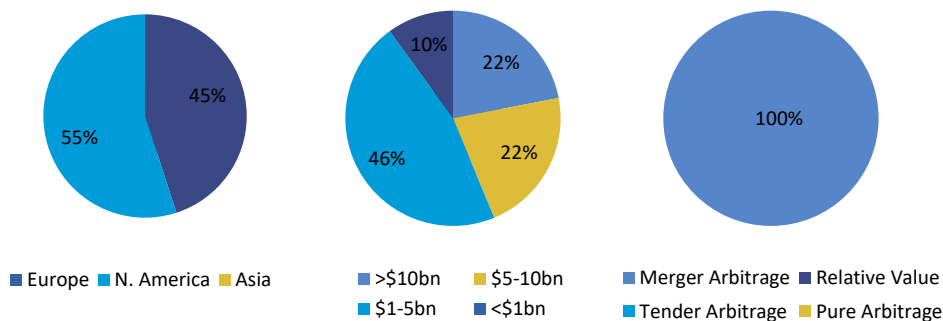
Post-January's weakness, Goldman Sachs still estimates that; given constructive management commentary around M&A from 4Q19 earnings; industry backlogs that are up 10% YoY; as well as positive leading indicators, global M&A volumes should grow 6% over the next twelve months.

Indeed, Boeing suppliers Hexcel and Woodward are combining in a \$7.6bn all-stock deal to create one of the largest aerospace manufacturers in the world. Shares of Delphi Technologies gained 60% after BorgWarner announced that it was acquiring the company in a \$3.3bn all stock deal. And in Asia, CapitaLand proposed a \$6.1bn merger of its mall and office REITs. Meanwhile, ZF Friedrichshafen won U.S. antitrust approval for its \$7 billion deal to buy rival Wabco.

January completion volumes also fell across almost all regions and deal categories. Nonetheless, several notable deals completed including: the £4bn acquisition of the UK aerospace and defence supplier Cobham by US buyout group Advent; the \$17bn merger of US health insurers Centene Corp. and WellCare Health Plans; and the cross-border acquisition of direct-selling company Avon Products by Brazilian cosmetics company Natura & Co to create the world's fourth-largest beauty group.

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%												+0.13%
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



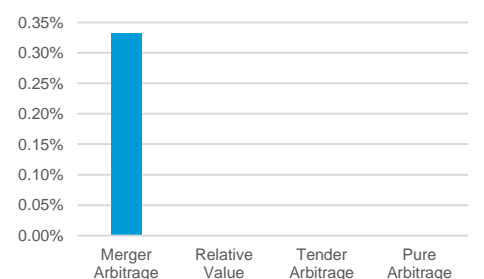
**Andrew McGrath, CIO** founded Burren Capital Advisors Limited in 2010. Andrew obtained a European Baccalaureate in 1995 from the European School in Oxfordshire and then graduated in 1998 with a Bachelor of Commerce, Banking & Finance (Hons) from University College Dublin. After working for Morgan Stanley (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	0.13%	16.84%
HFRX Event Driven Index	0.51%	5.21%
HFRX Merger Arb. Index	0.17%	10.70%

### PORTFOLIO INFORMATION

Annualised return	3.27%
Avg. month return (S&P up)	0.35%
Avg. month return (S&P down)	0.08%
No. of positions during month	27
Positions contributing a profit	21
Positions contributing a loss	6
% of profitable positions	78%
Best performing position	0.11%
Worst performing position	-0.03%
Largest allocation	9.96%
20 Day VaR (99%)	3.55
Volatility	3%
Sharpe	0.85
Sortino	1.49

### P&L BY STRATEGY (GROSS)



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NEW DEALS	SECTOR	COUNTRY	VALUE (USDM)
CapitaLand Commercial Trust \ CapitaLand Mall Trust	Financial	SIN	7,824
Hexcel Corp \ Woodward Inc	Industrial	USA	7,494
Axel Springer \ KKR	Communications	GER	5,974
Hitachi High-Technologies Corp \ Hitachi Ltd	Industrial	JPN	4,898
Anixter International \ WESCO	Consumer, Cyclical	USA	4,113

### FUND FACTS

<b>Structure</b>	UCITS Fund
<b>Domicile</b>	Ireland
<b>Liquidity</b>	Daily
<b>Fund AUM</b>	\$14.0 million
<b>Strategy AUM</b>	\$104.2 million
<b>Inception</b>	7 <sup>th</sup> April 2015

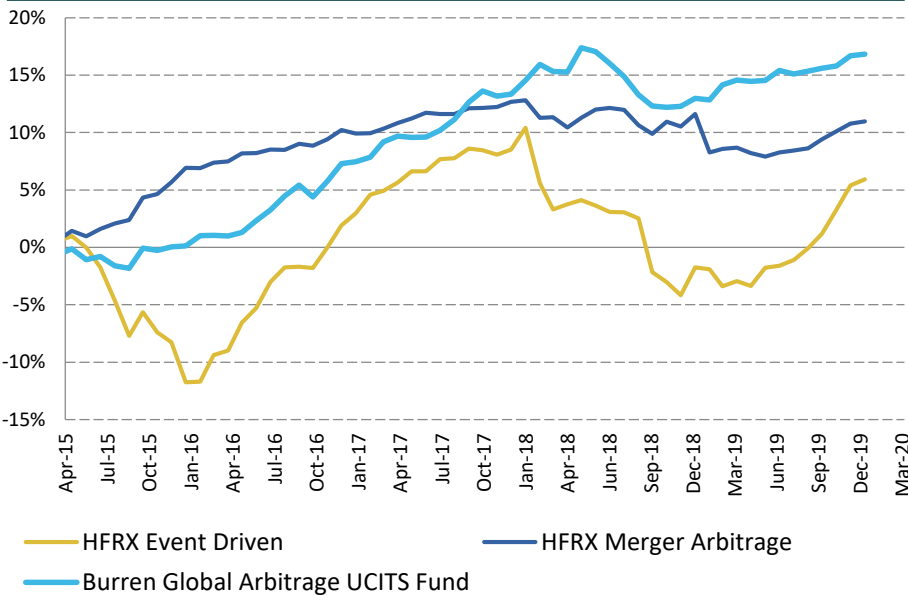
### Share Class Institutional/Institutional Pooled

<b>Currency</b>	EUR/GBP/CHF/USD
<b>Mgt. Fee</b>	1.5%
<b>Perf. Fee</b>	20%
<b>Min Init. Sub.</b>	100,000
<b>ISIN Codes</b>	EUR: IE00BVBV9450 / IE00BVBV9D45 USD: IE00BVBV9781 / IE00BVBV9H82 CHF: IE00BVBV9674 / IE00BVBV9G75 GBP: IE00BVBV9567 / IE00BVBV9F68

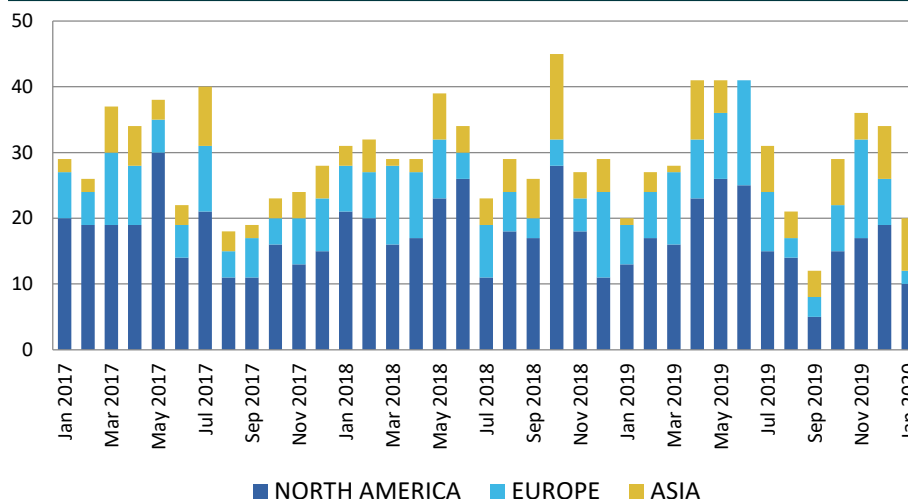
### Share Class Retail Pooled

<b>Currency</b>	EUR/GBP/CHF/USD
<b>Mgt. Fee</b>	2%
<b>Perf. Fee</b>	20%
<b>Min Init. Sub.</b>	10,000
<b>ISIN Codes</b>	EUR: IE00BVBV9J07 USD: IE00BVBV9M36 CHF: IE00BVBV9L29 GBP: IE00BVBV9K12

### BURREN GLOBAL ARBITRAGE UCITS FUND vs INDICES



### 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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