

## FACTSHEET

Performance Returns

The MontLake Burren Global Arbitrage UCITS Fund finished down -0.18% in November

Market Commentary

The fund returned -0.18% net for the month of November, compared to -1.85% for the HFRX Event Driven Index and -0.72% for the HFRX Global Hedge Fund Index. Sentiment within the equity markets changed over the course of the month and by the end, the market was practically entirely focussed on talks of an imminent Fed rate hike. The equity markets did however finish the month in positive territory despite the spike in intra-month volatility. The S&P, Eurostoxx and Nikkei ended up 0.05%, 2.58% and 3.48% respectively. The Shanghai Composite also ended the month up 1.86%. The strengthening in the USD and large sell-off in commodities generated substantial intra-month moves, creating a difficult trading environment. Gold and silver fell -6.77% and -9.42% on the month as did Oil, the WTI down -9.05%. There was nominal change in credit and the VIX over the course of the month.

US equity markets are within touching distance to all-time highs and as we enter US holiday season with thanksgiving, there was little abatement in deal flow. While all eyes are on the Fed's imminent rate rise – we continue to avoid private equity deals on a rate of return basis, only initiating positions which provide a secondary catalyst. Year end is clearly in sight and as such, we would expect deal flow to accelerate in the coming weeks, with those looking to confirm deals before the New Year coming to market imminently. Not only do we expect such flow to generate interesting opportunities, but most importantly back fill the Event Driven investment pipeline for 2016. European PMIs have given cause for optimism, showing the fastest rate of expansion in the Euro area since May 2011. We expect this type of economic news to further support European corporate activity in 2016 and have high expectations for a disproportionately strong event environment for developed European markets next year. Something that falls directly into our core competency.

In the month of November, 44 new deals were announced split roughly 57% North America, 25% Europe and 18% Asia. The Top 5 deals in aggregate totalled approximately \$260bn further reinforcing the theme of strength in mega deals. After a few particularly volatile months which could have been difficult for corporates to digest, deal flow continues to remain strong with the equity market moves having little to no impact on deal flow ensuring our investment universe remains strong and exciting. The most significant headline in the month was the agreement between Pfizer and Allergan to execute a tax inversion led deal totalling more than \$183bn. Although a comforting observation, we are struggling to find a reason to be involved in this transaction at present given the scrutiny with which recent similar deals have been under. The timeline to completion is elongated and political noise could become deafening at points in the future. Whilst the downside is relatively low, we continue to monitor entry points and trading opportunities in the situation and are sitting on the sideline for now. Air Liquide's \$13bn acquisition of Airgas in the US was also a significant announcement. Whilst there is a reasonable amount of antitrust work to be completed, this type of cross-border transaction is always very encouraging to see, adding further momentum to the space.

The best performing strategy in the month was Merger Arbitrage which contributed +0.37% gross whilst Relative Value posted a loss of -0.30% gross. Geographical exposure was split approximately as follows: Europe 72% and North America 28%. There was no exposure to Asia by the end of the month. The fund's volatility was 2.58% and correlation against the S&P was approximately 13%.

Within Merger Arbitrage the best performers were Rexam/Ball +0.19% which was as a result of a tightening of the spread from where it had been continuously mispriced by the market. The main catalyst for the tightening was the announcement that Ball had offered substantial concessions to the EU in order to receive regulatory approval. Media reports suggested in fact Ball had offered to divest a larger amount of assets to secure approval, far greater than the market expected, underlining their commitment to the deal. We have closed this position on the back of the spread tightening.

BG Group / Royal Dutch Shell contributed +0.09% gross. This tightening was on the back of receipt of ACCC approval in Australia. In fact at the time of writing, this deal is only awaiting Chinese approval, its final regulatory approval and of course shareholder approval. We have reduced this position by half as a result of the deal spread tightening, in expectation of shareholder noise in the coming weeks. We remain firmly convinced that this deal will be successful, no matter how the oil price performs and are excited about increasing the size off the back of soft holders selling on unfounded media reports of shareholder dissatisfaction with the transaction.

Integrated Silicon Solution / Summitview Capital provided a return of +0.09% of the back of spread tightened on an imminent deal closure.

## 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 million
Inception	7 <sup>th</sup> April, 2015
<b>Share Class</b>	<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: IE00BVVB9450/IE00BVVB9D45 USD: IE00BVVB9781/IE00BVVB9H82 CHF: IE00BVVB9674/IE00BVVB9G75 GBP: IE00BVVB9567/IE00BVVB9F68

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: IE00BVVB9J07 USD: IE00BVVB9M36 CHF: IE00BVVB9L29 GBP: IE00BVVB9K12

PORTFOLIO INFORMATION

No. of positions	27
Positions contributing a profit	11
Positions contributing a loss	16
% of profitable positions	41%
Best performing position	0.19%
Worst performing position	-0.22%
Largest allocation	9.87%

The largest loser in the month within Merger Arbitrage was Cleco / British Columbia Investment which produced -0.22% gross. The widening of spread was caused by a focus on the ongoing public hearings in Louisiana. While this situation will remain reasonably political until final approvals are received, we remain confident that the end game will be a positive result and importantly the risk of deal failure has been mispriced by the market. As such we retain the position.

Relative Value posted a -0.30% loss in the month, mainly due to B&M European Value Retail on the back of disappointing results and its failure to enter the MSCI. Our other MSCI candidates recovered from the previous month, producing +0.09% gross. Our telecom basket posted a loss (-0.09%), driven by uncertainties on Telecom Italia's situation and out-performance of our index hedge. The customer M&A basket continued to underperform (-0.09%) and we took the decision to exit the position.

The fund had no exposure to Tender Arbitrage in the month however there are some interesting opportunities on the horizon within this strategy which we anticipate will start to produce some positive P&L from December. November was a difficult month for the space and for our peer group in general. Relatively speaking performance of the fund continues to bode well versus the equity markets, our peers and the major hedge fund indices. We remain confident and excited about the opportunity set as it continues to improve in both size and volume and anticipate further good months ahead.

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2015	-	-	-	-0.66%	+0.54%	-0.96%	+0.28%	-0.80%	-0.22%	+1.77%	-0.18%		-0.25%

\*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)
Pfizer Inc \ Allergan plc	Consumer, Non-cyclical	US	183,744.09
Norfolk Southern Corp \ Canadian Pacific Railway Ltd	Industrial	US	37,812.86
Starwood Hotels & Resorts Worldwide Inc \ Marriott International Inc/MD	Consumer, Cyclical	US	13,453.04
Airgas Inc \ Air Liquide SA	Basic Materials	US	13,246.56
Plum Creek Timber Co Inc \ Weyerhaeuser Co	Financial	US	11,406.00

### Completed Deals

	Sector	Country	Value (USDM)
Sigma-Aldrich Corp \ Merck KGaA	Basic Materials	US	16,394.56
Pirelli & C. SpA \ Cam Finanziaria SpA,China National Chemical Corp,Silk Road Fund Co Ltd	Consumer, Cyclical	ITALY	7,104.10
City National Corp/CA \ Royal Bank of Canada	Financial	US	5,608.68
Hudson City Bancorp Inc \ M&T Bank Corp	Financial	US	5,314.17
Synergy Health PLC \ STERIS PLC	Consumer, Non-cyclical	UK	2,064.32

### Contact Details

Investor Contact	Investment Manager	Sub Investment Manager
<b>ML Capital Ltd</b>	<b>ML Capital Asset Management Ltd</b>	<b>Burren Capital Advisors Ltd</b>
29 Farm Street	26 Fitzwilliam Street Upper	20 <sup>th</sup> Floor, 125 Old Broad Street
London, W1J 5RL	Dublin 2, Ireland	London, EC2N 1AR
T: +44 20 3709 4510	T: +353 1 535 0912	T: +44 207 382 8620
info@mlcapital.com	info@mlcapital.com	shabir.chowdhary@burrencap.com

### Disclaimer

**Risk Warning:** Past performance is not a reliable indicator of future results, prices of investments and the income from them may fall as well as rise. Investments in equities are subject to market risk and, potentially, to exchange risk. 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 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 Investment Manager and Promoter of the MontLake UCITS Platform plc is ML Capital Asset Management Ltd, a company regulated by the Central Bank of Ireland. MontLake UCITS Platform plc. is registered and regulated in Ireland as an open ended investment company with variable share capital and segregated liability between sub-funds. This notice shall not be construed as an offer of sale in the. This notice shall not be construed as an offer of sale in Burren Global Arbitrage Fund SICAV Plc or in any other fund managed or advised by Burren Capital Advisors Ltd.

Issued and approved by ML Capital Asset Management Ltd. Authorised and Regulated by the Central Bank of Ireland