

### FACTSHEET

#### Performance Returns

The MontLake Burren Global Arbitrage UCITS Fund was up 0.54% in May.

#### Market Commentary

The fund returned +0.54% net for the month of May, compared to +0.48% for the HFR Event Driven EUR Index and +0.83% for the HFR Merger Arbitrage Index. The best performing strategy was Merger Arbitrage which contributed +0.88% gross followed by Pure Arbitrage which contributed +0.17% gross. Geographical exposure was split approximately as follows: Europe 41%, Asia 2% and North America 57%. The fund's volatility was 2.94%.

The key equity indices posted positive returns in the month with S&P 500 ending up +1.05% and the Nikkei and Shanghai posting positive returns up +5.34% and +3.83% respectively. The EuroStoxx bucked this trend finishing down -1.24% on the month. Oil exhibited less volatility than in previous months with crude falling just -1.00% on the month. We continue to keep a close eye on this crucial data point, whilst considering its impact on our broader space.

The US dollar strengthened against both the Euro and Yen over the course of May. As discussed in previous newsletters, we see US dollar strengthening as having a positive impact on our opportunity set as more US corporates utilise their balance sheets to acquire in foreign jurisdictions. We have already started to see the acceleration of cross border activity, which based on the annualising 2015 rate is expected to be up over 40% from 2014. Its share of overall M&A volume is currently at a record high (42%) according to research published by Citi.

Payments by Greece to the IMF and ECB are looming on the horizon. Although markets do not appear overly concerned about a Greek default situation, news flow and general uncertainty is causing much intra-day volatility. The VIX however remains low and even fell slightly on the month, closing at 13.84%. Credit markets remain benign, with the ITRX EUR XOVER closing up marginally in the month of May.

In May we identified 34 new situations within our universe, split roughly 74% North America, 15% Europe and 11% Asia. There is currently no sign of this deal flow or this upward trend abating and in the month of May our space and opportunity set continued to expand rapidly across markets globally. Although Europe is in general lagging behind North America, M&A activity in North America is approaching levels not seen since 2007. Large strategic transactions are driving this flow, with the top five transactions announced in the month totalling \$148bn vs \$167bn in April. Charter's \$79bn acquisition of Time Warner is a clear indication that boards are now comfortable with taking bold steps in the search for growth. Other notable transactions in the month include Avago's \$30bn acquisition of Broadcom, Danaher's \$14bn acquisition of Pall and CVS's \$11bn acquisition of Omnicare. The size and breadth of these announcements is remarkable and further underlines the rapidly expanding and exciting opportunity set we are experiencing.

The negative antitrust theme continued in the month of May with the FTC announcing that they would begin proceedings to block Steris' \$2.5bn acquisition of Synergy Health causing Synergy's share price to drop by more than 20% intra month. This was a significant shock as on paper it appeared that a small amount of divestitures could be made to alleviate any FTC concerns. However, it now appears that the FTC has much greater competitive issues under consideration. There is also speculation that the FTC may be under some political influence by the White House in reaching a negative conclusion due to the nature of the tax inversion transaction. We are sceptical about this line of thinking and continue to analyse the situation. The fund did not have any exposure to this transaction as we did not believe the combination of both antitrust risk, no matter how manageable, coupled with the potential inversion political risk were being adequately compensated for by the market.

Within Merger Arbitrage, the biggest winners in the month were Spirit / Green King, which provided a gross return of +0.16% as a result of a tightening in the spread. We are now on the home straight with this deal, with the CMA set to approve the transaction in the coming weeks with minimal divestitures. The fund benefited from its exposure to the Hospira / Pfizer position which provided a return of +0.12%. Although the FTC did request further information from the companies, we remain confident that this transaction will close very shortly. Lorillard / Reynolds contributed +0.16% as the transaction was approved by the FTC and is set to close imminently. The largest losers in the month were Rexam / Ball which provided a loss of -0.11%, Delhaize / Ahold -0.09% and Alcatel / Nokia -0.09%, all of which were related to adverse spread movements. There was no specific news that could be attributed to these movements. The fund also lost -0.08% on the Dresser-Rand / Siemens transaction. We held a short position in anticipation of the EU issuing a statement of objections. Unfortunately this did not materialise and the resulting tightening of the spread caused the loss.

Relative Value provided a return of approximately -0.07% gross for the month. Our pharmaceutical M&A investment thesis continued to generate positive returns of +0.17% this month. We successfully anticipated the inclusion of B&M European Value Retail into the Stoxx600 which produced +0.13% and profited on the Lorillard / Reynold regulatory approval via Imperial Tobacco contributing +0.09% gross performance. However the positive performance was entirely cancelled by our YHOO / Alibaba position which lost -0.33% on the announcement the IRS could change its tax free spin-off policy. Although disappointing at a market-to-market level, we continue to have conviction that Yahoo will find a way to successfully and efficiently monetise their remaining Alibaba stake, whether through a tax free spin-off or by other means. We maintain our initial view on the transaction and as such the position.

Merger Arbitrage continues to provide consistent returns to the overall fund. The combination of the Merger Arbitrage exposure with the Pure Arbitrage and Relative Value is providing a high quality annualised rate of return at the fund level with relatively low continued volatility. Although we are still underweight Tender Arbitrage which is purely opportunity related we are now starting to see portfolio make up returns move back in line to pre-financial crisis times. We remain optimistic about the space for the medium term and the positioning of the portfolio to capture the opportunity in the short to medium term.

### 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   |
| Share Class    | <b>Institutional/Institutional Pooled</b>  |
| Currency       | EUR/GBP/CHF/USD  |
| Mgt. Fee       | 1.50%  |
| Perf. Fee      | 20%  |
| Min Init. Sub. | 100,000  |
| Inception      | 7.04.2015  |
| ISIN Codes     | EUR: IE00BVVB9450/IE00BVVB9D45<br>USD: IE00BVVB9781/IE00BVVB9H82<br>CHF: IE00BVVB9674/IE00BVVB9G75<br>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<br>USD: IE00BVVB9M36<br>CHF: IE00BVVB9L29<br>GBP: IE00BVVB9K12   |

#### PORTFOLIO INFORMATION

|                                 |        |
|---------------------------------|--------|
| No. of positions                | 67     |
| Positions contributing a profit | 45     |
| Positions contributing a loss   | 22     |
| % of profitable positions       | 67%    |
| Best performing position        | 0.17%  |
| Worst performing position       | -0.33% |
| Largest allocation              | 9.9%   |

### 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% |     |     |     |      |     |     |     | -0.12% |

\*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.

### Monthly Performance' (USD)

|      | Jan    | Feb   | Mar    | Apr    | May    | Jun    | Jul    | Aug   | Sept   | Oct    | Nov    | Dec    | Y-T-D  |
|------|--------|-------|--------|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|
| 2010 | -      | -     | -      | -      | -      | -      | 0.30%  | 0.09% | 0.26%  | -0.23% | 0.21%  | 0.00%  | 0.63%  |
| 2011 | 0.63%  | 0.41% | 0.81%  | 0.28%  | 0.30%  | 0.22%  | -0.05% | 0.41% | 0.24%  | 0.02%  | 0.10%  | 0.50%  | 3.94%  |
| 2012 | 0.08%  | 0.30% | 0.63%  | 0.06%  | 0.69%  | -0.70% | -0.27% | 0.14% | -0.47% | -0.37% | -0.06% | 0.77%  | 0.79%  |
| 2013 | -0.74% | 1.53% | 0.28%  | 0.20%  | 0.17%  | 0.41%  | 0.20%  | 0.03% | 0.57%  | 0.48%  | 0.32%  | 0.47%  | 4.00%  |
| 2014 | 0.00%  | 0.83% | -0.16% | -0.07% | -0.22% | 0.87%  | -0.08% | 0.78% | -0.40% | -3.46% | 2.20%  | -0.57% | -0.39% |
| 2015 | 0.00%  | 2.10% | 1.37%  | 0.02%  | 0.70%  |        |        |       |        |        |        |        | 4.30%  |

The above performance pertains to the Burren Global Arbitrage Fund SICAV ("BGAF") and is not representative of the Burren Global Arbitrage UCITS Fund. The Burren Global Arbitrage UCITS Fund follows the same investment strategy as the BGAF within UCITS rules and regulations, however will employ a higher level of leverage of anywhere up to 2X the BGAF strategy dependent on the opportunity set. Consequently the performance of the Burren Global Arbitrage UCITS Fund may not be similar to that of the above.

### New Deals

|  | Sector                 | Country | Value (USDM) |
|--|------------------------|---------|--------------|
| Time Warner Cable Inc \ Charter Communications Inc | Communications         | US      | 79,249.70    |
| Broadcom Corp \ Avago Technologies Ltd             | Technology             | US      | 29,805.90    |
| Williams Partners LP \ Williams Cos Inc/The        | Energy                 | US      | 14,129.35    |
| Pall Corp \ Danaher Corp                           | Industrial             | US      | 13,779.46    |
| Omnicare Inc \ CVS Health Corp                     | Consumer, Non-cyclical | US      | 11,294.46    |

### Completed Deals

|   | Sector                 | Country | Value (USDM) |
|---|------------------------|---------|--------------|
| Pharmacyclics Inc \ AbbVie Inc                          | Consumer, Non-cyclical | US      | 19,776.89    |
| Talisman Energy Inc \ Repsol SA                         | Energy                 | Canada  | 12,949.33    |
| ZF TRW Automotive Holdings Corp \ ZF Friedrichshafen AG | Consumer, Cyclical     | US      | 12,857.30    |
| Exelis Inc \ Harris Corp                                | Industrial             | US      | 4,735.56     |
| Catlin Group Ltd \ XL Group PLC                         | Financial              | Bermuda | 3,889.09     |

### Contact Details

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### 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.

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