

### FACTSHEET

#### Performance Returns

The MontLake Burren Global Arbitrage UCITS Fund finished up +0.28% in July.

#### Market Commentary

The fund returned +0.28% net for the month of July, an excellent result considering the tumultuous markets we successfully navigated during the month. This result also compares very favourably to -1.73% for the HFR Event Driven Index and -0.03% for the HFR Global Hedge Fund Index. The best performing strategy was Merger Arbitrage which contributed +0.28% gross followed by Relative Value, +0.35% gross. Geographical exposure was split approximately: Europe 50%, Asia 3% and North America 47%. The fund's volatility was 2.54%.

The key equity indices posted positive returns for the month, the S&P finishing in positive territory, +1.97%. The Eurostoxx and the Nikkei gained +5.15% and +1.73% respectively. This is in direct contrast to Chinese markets where the Shanghai Composite closed down on the month by over -14%. General deleveraging, fears of slowing consumer demand combined with the speed and size of the market correction sent shockwaves through markets globally over the course of the month. These violent moves coupled with conflicting noise and the last minute "solution" in Greece made for an exceptionally difficult month to navigate. Commodities and metals sold off aggressively, gold, silver and oil down -6.5%, -6.0% and -20.7% respectively. Apart from exposure to the BG/ Royal Dutch Shell transaction which is one of our highest conviction positions, we are avoiding exposure to corporates which have exposure to said volatile markets, especially any situation involving a Chinese bidder. The ITRX EUR Xover fell by -13.7% over the course of the month, providing further comfort and support within the credit markets, illustrating an element of relief over an unpredictable Greek situation. The month also observed a reduction in market volatility with the VIX closing just above 12%, a recent low.

On a more positive note however, as we reach the end of Q2 reporting season in the US, earnings continue to surprise positively. With more than 75% of S&P 500 companies having reported at the time of writing, more than 73% have positively surprised on earnings. Cementing the fundamental backdrop and with Greek monetary problems at best being quasi resolved, worst case with the can being kicked further down the road, the macro backdrop is stabilising which should encourage further corporate activity in our space. In the month of July the Euro and Sterling receded by -1.5% and -0.6% respectively vs. the US dollar, however other currencies observed an appreciation, the Yen by +1.1% and the Swiss Franc by +3.3% vs. the US Dollar.

In July we identified 41 new situations within our universe, split roughly 49% North America, 41% Europe and 10% Asia, the largest number of new situations announced since the inception of the fund. The situations generally were reasonably well balanced across size, geography and type of buyer. The top 5 announced deals in the month exceeded \$150bn in aggregate value. Deal flow is showing no sign of abating even against some aggressive macro noise. Within the first six months of the year, we observed the largest number of \$10bn+ deals announced ever and Q2 was the second strongest ever for M&A, mainly due to strategic and transformational transactions.

Mega deals dominated the month of July, especially within healthcare and healthcare insurance sectors. The highly anticipated acquisition of Cigna by Anthem (\$50bn) and Humana by Aetna (\$29bn) dominated the news flow. However, in both of these cases, the deal spreads were exceptionally wide underlining the high level of antitrust and political risk associated with these situations. In fact as we mentioned in previous newsletters, the level of antitrust risk in general has increased, not by the fact that scrutiny is at elevated levels, but by the fact that more aggressive transactions are being announced. In some cases this risk is significantly mispriced in our view; however in many situations the significantly wide spreads are absolutely justified. We continue to conduct exhaustive analysis on all situations to ensure we mitigate this risk as far as possible.

The other key theme in the month was the focus on any situation which had a read across from the Chinese market turmoil. Any situation where the buyer was related to China saw a dramatic widening of spread. The most violent spread movements were in the cases where "proposals" were made by Chinese buyers and most of these situations traded as if the buyer was no longer committed. However even in the cases where definitive deals had been agreed with Chinese buyers, spreads also widened significantly. The fund had minor exposure to a few such definitive deals; however we were quick to cut exposure when it became clear the Chinese markets were in significant turmoil. As such, there was virtually no impact to the fund's performance from these moves. In periods such as July, capital preservation and highly reactive and acute risk management are essential, something we have consistently executed over the past five years since inception of the fund.

Merger Arbitrage attributed approximately +0.28% gross of performance to the fund in the month of July. Within Merger Arbitrage the best performers were Cleco Corporation / British Columbia Investment (+0.11% gross) off a tightening in spread surrounding confidence of regulatory clearance and deal closing, DirectTV/ AT&T Inc providing a +0.09% return on the deal closing. Hospira Inc / Pfizer Inc produced +0.07% on the back of tightening in the spread in anticipation of 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
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 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	52
Positions contributing a profit	32
Positions contributing a loss	20
% of profitable positions	62%
Best performing position	0.22%
Worst performing position	-0.15%
Largest allocation	9.88%

The largest losers in the month within Merger Arbitrage were YAHOO! which receded on a widening in the spread off the back of antitrust concerns, (-0.10% gross), Pharma Basket which lost -0.09% off the back of general widening in the spreads and Telenet Group Holding NV, which resulted in a loss of -0.02%.

Relative Value generated a positive result of +0.35% gross for the month of July. We reduced our market exposure until the "resolution" of the Greek crisis and added to risk post the referendum. We re-established a position in Autotrader to capture performance post the earnings announcement on which the stock rallied +11% on the month, increased positions in UK indices candidates, which continued to perform well. BME and Sophos respectively posted a +0.06% and +0.04% performance at the fund level. We took advantage of less demanding valuations to implement a telecom basket in Europe in anticipation of potential sector consolidation. On the loss making positions, the Yahoo/Alibaba stub behaved disappointingly in absence of any comment on the spin-off tax implications during the earnings conference call. We also gave back -0.08% of performance on our pharmaceutical positions after 4 months of consecutive gains.

Tender Arbitrage provided a negative return for the month of July, returning -0.08%. This was entirely due to our Wendy's position which was a victim of the overhang of the largest investor post the completion of the Dutch tender. Whilst the Dutch tender produced a positive performance result in the previous month, the back end trade did not and the position was closed with an overall strategy profit.

Our enthusiasm and excitement of investing grows on a daily basis. A strong opportunity set with continued momentum will assist the current portfolio to produce good results over the coming months.

### 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%

\*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)
Cigna Corp \ Anthem Inc	Consumer, Non-cyclical	US	50,382.29
Chubb Corp/The \ ACE Ltd	Financial	US	28,985.65
Humana Inc \ Aetna Inc	Consumer, Non-cyclical	US	28,906.13
Micron Technology Inc \ Tsinghua Holdings Co Ltd	Technology	US	22,973.16
MarkWest Energy Partners LP \ MPLX LP	Energy	US	20,210.91

#### Completed Deals

	Sector	Country	Value (USDM)
DIRECTV \ AT&T Inc	Communications	US	66,668.80
Kraft Foods Group Inc \ Kraft Heinz Foods Co	Consumer, Non-cyclical	US	55,422.87
Lafarge SA \ LafargeHolcim Ltd	Industrial	FRANCE	34,833.76
Catamaran Corp \ UnitedHealth Group Inc	Consumer, Non-cyclical	US	13,226.57
MeadWestvaco Corp \ Rock-Tenn Co	Industrial	US	9,712.62

#### Contact Details

##### Investor Contact

**ML Capital Ltd**  
29 Farm Street  
London, W1J 5RL  
T: +44 20 3709 4510  
info@mlcapital.com

##### Investment Manager

**ML Capital Asset Management Ltd**  
26 Fitzwilliam Street Upper  
Dublin 2, Ireland  
T: +353 1 535 0912  
info@mlcapital.com

##### Sub Investment Manager

**Burren Capital Advisors Ltd**  
20<sup>th</sup> Floor, 125 Old Broad Street  
London, EC2N 1AR  
T: +44 207 382 8620  
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