

### FACTSHEET

#### Performance Returns

The MontLake Burren Global Arbitrage UCITS Fund finished down 0.10% in May.

#### Market Commentary

The Burren Global Arbitrage UCITS Fund returned -0.10% net for the month of May, compared to +0.93% for the HFRX Event Driven Index, +0.36% for the HFRX Merger Arbitrage Index and +0.24% for the HFRX Global Hedge Fund Index. In the month of May geographical exposure was split approximately as follows: Europe 43% and North America 57%. The fund had no exposure to Asia in the month. The fund's volatility was 2.61% and correlation against the sharpe remained at approximately 1.56%.

It was a mixed month for equity markets with the S&P, EuroStoxx and Nikkei returning +1.16%, -0.14% and +2.36% respectively over the course of May. The USD weakened further against the EUR, falling by 3.20%. The VIX again remained at its lows closing the month at 10.41. However, over the course of the month there was a very short term spike in volatility with the VIX peaking at 16, while gold and treasuries rallied as markets reacted more aggressively to noises out of Washington. The dismissal of James Comey, the FBI director sent shudders through the market that the President could face impeachment. Although this view has been floated continuously since his election, the effects were most noticeable in the month of May. Despite this, the markets quickly recovered their losses.

In the month of May, 38 new deals were announced, split approximately 79% North America, 13% Europe and 8% Asia. The Top 5 deals in aggregate totalled approximately \$64bn. Deals of significant note include the politically charged \$34bn acquisition of Abertis by Atlantia. Although the downside on this deal is limited, the upside is too in our opinion. Any increase in terms is likely to be minimal and with no current spread, a long timeline, potentially higher level of leverage and a significant political element, we have not taken a position and as such continue to monitor. Clariant's \$10bn merger of equals with Huntsman is however far more compelling. This strategic transaction is of interest on several levels. Firstly both companies have been rumoured targets for many years while Huntsman recently announced that it was spinning off its pigment business. The sector has been in consolidation mode for some time and pressure to deliver top line growth and margin expansion is clearly evident. The answer was a merger of equals. Whilst there is some antitrust risk, we don't expect the deal to face any significant issues. However we believe that there is a significant chance that another player could look to acquire Clariant. As such we have opened a long position in the name.

Sinclair's \$6bn acquisition of Tribune was also of note in the month of May. The strategic transaction was executed in order to gain scale. In fact Sinclair will gain access to approximately 70% of US households which has only become possible from an antitrust perspective due to the recent waiver of the FCC's 39% viewer cap. However there is an ongoing federal appeals court battle to reverse this change, thus leaving this transaction vulnerable to risk should the public policy group Free Press succeed in their petition. As such, this is not the type of exposure we are seeking and do not maintain a position.

Merger Arbitrage was the best performing strategy in the month of May, producing a gross return of +0.14%. The best performer was United Internet acquisition of Drillisch delivering +0.29% gross performance to the fund. Upon the announcement of the transaction, we quickly identified that this opportunistic transaction was rich with optionality. We perceived the bid as low in value and basically a zero premium merger with a strong and strategic buyer, not to mention the cash floor of the bid coupled with the upside valuation optionality that the market did not appreciate. As such we took a position which we have traded around over the month, but retain a core position. Our position in Actelion continued to deliver producing +0.09% gross performance as the valuation of the spin-off continues to receive positive traction. Reynolds / British American Tobacco added +0.06% gross performance on the back of a tightening of the spread on no specific news.

During May, the Fund lost -0.23% on our Huntsman / Clariant position. As discussed above, we find this position interesting on several levels and as such retain the position. Cabela / Bass Pro Outdoor impacted the fund by -0.11% on the back of a widening of the spread. The fundamental backdrop within Cabela and the sector has recently deteriorated and we no longer find the position compelling. As such this position has now been exited. Atkins / SNC Lavalin produced a return of -0.09% gross. This was on the back of the spread reverting towards zero as the chances of an interloper decayed as we approach deal closure. We retain the position in the event that one does however materialise. There is now no more downside in our opinion to this situation.

### 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	\$11 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

<b>Share Class</b>	<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	15
Positions contributing a loss	12
% of profitable positions	56%
Best performing position	0.29%
Worst performing position	-0.23%
Largest allocation	7.08%

May was disappointing from a performance perspective. Saying this, the negative performance was solely due to market to market losses rather than any crystallised deal specific ones. We are now again finding more interesting situations to gain exposure to. European political risk has finally subdued again and with it our opportunity set within Europe is without doubt expanding. We expect this trend to continue. When the political narrative calms down within the US we expect the same to occur across the Atlantic also.

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2017	+0.15%	+0.36%	+1.25%	+0.46%	-0.10%								+2.13%
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 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)
Abertis Infraestructuras SA \ Atlantia SpA	Consumer, Non-cyclical	SPAIN	34,388.44
Huntsman Corp \ Clariant AG	Basic Materials	US	9,984.68
Patheon NV \ Thermo Fisher Scientific Inc	Consumer, Non-cyclical	NETHERLANDS	7,096.97
Tribune Media Co \ Sinclair Broadcast Group Inc	Communications	US	6,587.26
VWR Corp \ Avantor Performance Materials Inc	Consumer, Non-cyclical	US	6,311.76

### Completed Deals

	Sector	Country	Value (USDM)
Syngenta AG \ China National Chemical Corp	Basic Materials	SWITZERLAND	46,311.73
DUET Group \ Power Assets Holdings Ltd, Cheung Kong Infrastructure Holdings Ltd	Utilities	AUSTRALIA	9,781.70
Calsonic Kansei Corp \ KKR & Co LP	Consumer, Cyclical	JAPAN	3,112.00
Milestone Apartments Real Estate Investment Trust \ Starwood Capital Group LLC	Financial	US	2,839.32
Janus Capital Group Inc \ Janus Henderson Group PLC	Financial	US	2,640.55

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