



Information as at 31 March 2017

www.menhaden.com

Investment Objective

Menhaden Capital PLC (the "Company") seeks to generate long-term shareholder returns, predominantly in the form of capital growth, by investing in businesses and opportunities, irrespective of their size, location or stage of development, delivering or benefiting from the efficient use of energy and resources. Whilst the intention is to pursue an active, non-benchmarked total return strategy, the Company will be cognisant of the positioning of its portfolio against the MSCI World Index (Total Return, Sterling adjusted).

10 Largest Holdings at 31 March 2017 (% of total assets)

Name	Total
X-ELIO *	14.3
Airbus	7.9
Terraform Power	7.4
Volkswagen - Preference	5.5
Calvin Capital **	5.0
Red Electrica	4.8
Brookfield Renewable Energy	4.3
Safran	4.2
WCP Growth Fund LP	4.2
Terraform Global	4.1
Total	61.7

*investment made through Helios Co-Invest LP

**investment made through KKR Evergreen Co-Invest II LP

Commentary

During the quarter to 31 March the Company's NAV per share was up 2.6%, the share price was down 2.8%, while the MSCI World Index (total return, sterling adjusted) was up 5.1%.

Public Equity

Most of the gain in NAV during the quarter came from the public equities component of our portfolio, of which the largest contributors to performance for the quarter were Airbus and FirstGroup PLC. There were no detractors of note amongst our public equity positions during the quarter. Airbus reported positive operational Q4 results that bolstered the stock price. The business possesses significant barriers to entry, a healthy order book and improving margins. It remains our largest public equity position. FirstGroup benefitted from a positive trading update in February with the substantial North American business showing signs of improvement and the UK Department for Transport award to operate the South Western rail franchise for at least seven years with JV partner MTR, which led to a 27% increase in its share price.

Over the quarter we initiated one position and sold four. We remain cautious over heady valuations in the public equity markets and when we initiate new positions it is where we believe they are positioned to benefit from change. Senvion (a German wind turbine manufacturer) is an example of this. The business has a particularly strong position in turbines suited to high wind speed locations in Western Europe and we believe that the company is well positioned for growth given constraints placed on them under previous ownership. It has significant cost cutting opportunities and is trading at a healthy discount to peers. The opposite goes for positions we decide to sell. A good example of this is a stock we sold in January, Acuity Brands. Acuity, a provider of LED lighting solutions, posted double digit volume growth for 14 consecutive quarters ending in November of last year. At 31 December Acuity was trading at 16x forward EBITDA estimates and was starting to show signs of slowing growth. At this point we felt the risk of loss outweighed the expectation of gain and so we sold the entire position. Since that point the share price has fallen by 20% on the back of further disappointing operational news. In the same vein, we also divested positions in Shimano, Wabtec Corporation and Johnson Matthey.

The commentary continues on page 3.

Portfolio Manager Profile

Menhaden Capital PLC has appointed Frostrow Capital LLP as its Alternative Investment Fund Manager ('AIFM'). The portfolio management services for which the AIFM has overall responsibility are carried out by the Investment Committee, comprising Graham Thomas, Ben Goldsmith, Alexander Vavalidis and Luciano Suana from Menhaden Capital Management LLP ('Menhaden'), who have been seconded to the AIFM for the purpose of performing such activities.

Biographies

Graham Thomas is the non-executive chairman of the Investment Committee. Before co-founding Menhaden, Graham chaired RIT Capital Partners plc's Executive Committee, was a member of its investment committee and had direct responsibility for its private investments. Prior to this Graham was the head of the Standard Bank Group's US\$3 billion Principal Investment Management division, which was established in 2008 under his leadership. Graham is currently a non-executive director of Tamar Energy and Lesmoir-Gordon, Boyle & Co, and is on the investment committee of Apis Partners, a private equity firm.

Ben Goldsmith is the Chief Executive Officer of Menhaden. Before co-founding Menhaden, Ben co-founded the WHEB group, one of Europe's leading energy and resource-focused fund investment businesses. Ben is a director of Cavamont Holdings, the Goldsmith family's investment holding vehicle and also chairs the UK Conservative Environment Network.

Alexander Vavalidis is an investment manager at Menhaden. Before co-founding Menhaden, Alexander worked at Manzanita Capital, a private equity firm founded by the Fisher family in London focusing on the prestige beauty industry. Before Manzanita Capital, Alexander worked in New York for the Financial Sponsors group at Credit Suisse and for the Illiquids Group at Dresdner Kleinwort in London.

Luciano Suana is an investment manager at Menhaden. Before joining Menhaden, Luciano was a Director for Barclays Capital in the Capital Markets division where he ran the credit trading operations for Brazil out of São Paulo. Before Barclays, Luciano was a Director at Dresdner Kleinwort in London. There he focused mainly on Infrastructure, Utilities and Real Estate assets as head of the Illiquids Credit group.

Investment Policy

The Company's investment objective is pursued through constructing a conviction-driven portfolio consisting primarily of direct listed and unlisted holdings across different asset classes and geographies. The Company invests, either directly or through external funds, in a portfolio that is comprised of three main allocations: listed equity; yield assets; and special situations. The flexibility to invest across asset classes affords the Company two main benefits: 1) It enables construction of a portfolio based on an assessment of market cycles; and 2) It enables investment in all opportunities which benefit from the investment theme. Once substantially invested, it is expected the portfolio will comprise approximately 20 to 25 positions. Typically, the portfolio will not comprise fewer than 20 positions or more than 50 positions. For these purposes, an investment in an external fund is treated as one position.

The portfolio will be predominantly focused on investments in developed markets, though if opportunities that present an attractive risk and reward profile are available in emerging markets then these may also be pursued. While many of the companies forming the portfolio will be headquartered in the UK, USA or Europe, it should be noted that many of those companies will be global in nature so their reporting currency may not reflect their actual geographic or currency exposures. Subject at all times to any applicable investment restrictions contained in the Listing Rules, the Company will not make an investment if it would cause a breach of any of the following limits at the point of investment: 1) no more than 20% of the Company's gross assets may be invested, directly or indirectly through external funds, in the securities of any single entity; and, 2) no more than 20% of the Company's gross assets may be invested in a single external fund.

Menhaden Capital PLC conducts its affairs so that its shares can be recommended by independent financial advisers ("IFAs") to retail private investors. The shares are excluded from the Financial Conduct Authority's ("FCA's") restrictions which apply to non-mainstream investment products because they are shares in a UK-listed investment trust.

Menhaden Capital PLC

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Asset Allocation Breakdown as at 31 March 2017 (%)

Asset	Total
Public equities	32.6
Private investments	25.3
Yield investments	25.0
Liquidity	17.1
Total	100.0

Source: All portfolio information sourced from Frostrow Capital LLP

Geographic Breakdown as at 31 March 2017 (%)

Asset	Total
Europe	38.8
US	25.3
UK	8.6
Unquoted UK LPs	6.1
Emerging Markets	4.1
Liquidity	17.1
Total	100.0

Source: All portfolio information sourced from Frostrow Capital LLP

Standardised Discrete Performance (%)

Percentage Growth	1 month	YTD	1 Year	Since Inception*
NAV	-1.1	+2.6**	+12.2	-10.3
Share Price	+3.2	-2.8	+9.3	-35.5
Index ^	+0.6	+5.1	+31.9	+35.4

Source: Morningstar.

^ MSCI World Index (Total Return, Sterling adjusted). The Company pursues an active, non-benchmarked strategy but is cognisant of the positioning and returns of its portfolio against the MSCI World Index.

*NAV performance calculated after IPO costs. Share price returns based on issue price of 100p.

** YTD NAV performance calculated using the audited NAV in the 31 December 2016 accounts.

Fast Facts

Launch Date	31 July 2015
Annual Management Fee	(payable by the Company) Portfolio Management Fee 1.25% p/a on first £150m of AUM, 1.0% thereafter; AIFM Fee 0.225% p/a up to £150m, 0.20% p/a thereafter up to £500m, 0.175% in excess of £500m.
Performance fee	See Prospectus for details
Ongoing charges*	2.1%
Continuation Vote	At AGM in 2020; every 5 years
Year / Half Year	December / June
Capital Structure	80,000,001 Ordinary Shares of 1p

Trust Characteristics

Number of Holdings	23
Total Net Assets (£m)	£70.1m
Market Capitalisation (£m)	£51.6m
Dividend Policy	Target 2% per annum dividend yield once the Company's assets are substantially invested
Gearing (AIC basis)	0%
Leverage	
Gross & Commitment	0%
Share Price (p)	64.50
NAV (p)	87.62
(Discount) / Premium	(26.4%)

Codes

Sedol	BZ0XWD0
ISIN	GB00BZ0XWD04
Legal Entity Identifier	2138004NTCUZTHFWXS17
Bloomberg	MHN LN
Epic	MHN

*Calculated at the financial year-end, includes management fees and all other operating expenses.

How to Contact Us

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Yield Investments

Our main positive contributor for the quarter was Terraform Global after the announcement that its board had initiated an exploration of strategic alternatives and the subsequent acquisition of the company by Brookfield Asset Management at \$5.10 per share, a 50% premium to the September 2016 price prior to the board announcement. This is expected to complete in the second half of 2017. Brookfield is also assuming the sponsor position from, the now bankrupt, SunEdison for Terraform Power and will keep the company listed whilst providing the resources to expand the operating portfolio. We hold Brookfield in high esteem and believe their expertise in asset management will enable Terraform Power to grow in a sustainable, profitable manner. Terraform Power ended the quarter slightly down.

We added two positions in the quarter. The first, Red Electrica, is sizeable, at 4.8% of NAV. Red Electrica is the monopoly owner of the Spanish transmission grid. The company develops the necessary infrastructure to facilitate the integration of renewable energy and implements demand-side management initiatives aimed at achieving greater electricity system efficiency. It possesses an irreplaceable and essential asset base and a highly visible business model. We started building a position in the second, Grivalia, a Greek commercial real estate company, but stopped as political turmoil in Greece increased. Grivalia is the market leader in energy efficient buildings in Greece. So much so that the IFC, the financing arm of the World Bank, provided a loan to the company to help boost energy efficiency in the sector. This position represents less than 0.5% of NAV.

Lastly, Abengoa's debt restructuring plan has been approved and creditors have injected over €1 billion euros into the company to enable it to continue operations and complete some late stage projects. We subscribed to the Company's portion of this capital injection, at just over €1 million, and believe that it is well collateralised by a stake in Atlantica Yield whilst offering reasonable upside.

Private Investments

We completed our second direct private equity investment of £3.5 million in one of the largest independent smart electricity meter providers in the UK, Calvin Capital, alongside the infrastructure arm of global investment firm KKR. Calvin Capital's business model is to purchase smart meters on behalf of energy suppliers, fund and pay for their installation and manage the billing process throughout their expected operating life of over 20 years. Given Calvin's market leading position, we believe it is well placed to capture the further rollout of smart meters in the UK over the next five years.

In March we divested half of our limited partner stake in Alpina Partners Fund LP (the 'LP') to limit the Company's potential exposure, as once fully invested the LP would represent nearly 15% of the Company's NAV. Given the limited track record of, and changes to, the Alpina team, the stake was sold at a significant discount to invested capital and in line with accounting requirements and the Company's 31 December 2016 audited accounts, the retained portion has been valued using the sale price. The sale and markdown impacted the NAV by 2p per share. The level of discount applied to the retained portion will be assessed on a quarterly basis, following review of the valuation report received from the LP's general partner, and we expect the level of discount to be reduced over time.

Finally, X-Elio, the solar developer and operator, is performing to expectations. Operating performance has been slightly above budget and we remain optimistic that X-Elio's management team has the capability to take advantage of the burgeoning solar opportunity. The fair value of X-Elio, which is currently equivalent to cost, remains unchanged in the quarter.

Outlook

As noted above, we remain cautious about public markets and as such hold a higher than normal amount of cash on the balance sheet. We continue to search for opportunities that we believe afford strong downside protection and offer asymmetry in risk and reward.

We would like to draw your attention to both our Annual Report (for the year ended 31 December 2016), which is available on the Company's website, www.menhaden.com, and our Impact Report (for the same period), which is expected to be published on the website by the end of April.

Important Information

Menhaden Capital PLC (the "Company") is a UK investment trust listed on the London Stock Exchange. As this Company may implement a gearing policy, investors should be aware that the share price movement may be more volatile than movements in the price of underlying investments. Past performance is not a guide to future performance. The value of investments and the income from them may fall as well as rise and is not guaranteed. An investor may not get back the original amount invested. Changes in the rates of exchange between currencies may cause the value of investments to fluctuate. Fluctuation in the share price may be particularly marked and the value of an investment may fall suddenly and substantially. There can be no assurance that the Company's investment objective will be achieved and investment results may vary substantially over time. This document is for information purposes only and does not constitute an offer or invitation to purchase shares in the Company and has not been prepared in connection with any such offer or invitation. Investment trust share prices may not fully reflect underlying net asset values. There may be a difference between the prices at which you may purchase ("the offer price") or sell ("the bid price") a share on the stock market which is known as "bid-offer" or "dealing" spread. Net Asset Value per share is calculated in accordance with the guidelines of the Association of Investment Companies. Net assets are stated inclusive of income received. Any opinions on individual stocks are those of the Company's Investment Committee and no reliance should be given on any such views. The views expressed herein do not constitute investment or any other advice and are subject to change. They do not necessarily reflect the views of Frostrow Capital LLP and no assurances are made as to their accuracy. Before investing in an investment company referred to in this document, you should satisfy yourself as to its suitability and the risks involved, and you may wish to consult a financial adviser.