

# Menhaden

Menhaden PLC  
Half Year Report  
for the six months ended 30 June 2020

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## Financial Highlights

	As at 30 June 2020	As at 31 December 2019
<b>Performance</b>		
Net asset value ('NAV') per share	112.5p	117.5p
Share price	84.0p	96.5p
Share price discount to the NAV per share <sup>^</sup>	25.3%	17.9%
<b>Total returns</b>	Six months to 30 June 2020	Year to 31 December 2019
Net asset value per share <sup>^</sup>	(4.3%)	30.5%
Share price <sup>^</sup>	(13.0%)	45.3%
	Six months to 30 June 2020	Year to 31 December 2019
Ongoing charges <sup>**</sup>	2.0%	2.0%

Source: Frostrow Capital LLP/Bloomberg.

\* Ongoing charges are calculated as a percentage of shareholders' funds using average net assets over the period and calculated in line with the AIC's recommended methodology.

<sup>^</sup> Alternative Performance Measure (see Glossary)

Please refer to the Glossary on page 20 for definitions of these terms and the basis of their calculations.

## Chairman's Statement

I am pleased to report on your Company's activities in the six months to 30 June 2020 and on its financial position as at that date; almost six years since its launch.

### Performance

During the first half of the year, the Company's net asset value ("NAV") per share fell 4.3% on a total return basis (2019: rose 13.0%). Over the corresponding six month period, the market value of the Company's shares decreased by 13.0% (2019: increased by 25.0%) so that, at the end of June, the share price stood at a 25.3% discount to the NAV per share, having widened from 17.9% at the end of 2019.

The Company's portfolio has remained relatively resilient through the market turmoil brought about by the Covid-19 pandemic. The decrease in the Company's NAV was largely due to the public equities in the portfolio, with Ocean Wilsons Holdings and Airbus, in particular, continuing to suffer significantly as a result of the pandemic. Our Portfolio Manager's report provides a comprehensive analysis of all the factors contributing to the Company's performance during the period.

### Investment Objective and Performance Measurement

The overall investment objective of the company is unchanged and continues to be "to generate long-term shareholder returns, predominantly in the form of capital growth, by investing in businesses and opportunities *that are demonstrably* delivering or benefiting *significantly*, from the efficient use of energy and resources, irrespective of their size, location or stage of development". The italicised words are for clarification purposes only.

To better reflect our non-benchmarked total return investment strategy, the Board has decided to use RPI+3% as its primary long term financial performance comparator and to remove reference to the MSCI World Total Return Index from the investment objective. This more meaningfully aligns with the company's investment strategy which does not consider any stock market index weightings. During the current reporting period, RPI +3% was 4.1%.

In addition to this absolute return performance measure, the Board will continue to use a range of specialist, sectoral and peer group benchmarks to assess the

Company's relative performance. For example, the Board reviews have noted that the AIC Environmental Sector (which largely comprises public equity investments) fell by 8.5% in the first half of 2020 (2019 grew by 20.3%).

As the changes described above are not considered to be material changes, the Board has resolved to make them with immediate effect.

### Continuation of the Company

The Board was pleased to see and is grateful to shareholders for their strong support of the Company and its investment proposition at the Annual General Meeting in June, with 98% of votes cast (by proxy) in favour of the Company continuing as an investment trust for a further five years. The Directors will now focus on performance, marketing and cost reduction; and achieving the long-term ambitions for the development of the Company.

### Management Arrangements

The Board would like to reassure shareholders that all operational aspects of the Company have continued to operate smoothly despite the necessary move to remote working by the Portfolio Manager and the Company's other principal service providers. We have kept and will remain closely in touch with the key providers to ensure that this remains the case. The Board itself has continued to meet on schedule, using video conferencing facilities.

### Share Price Discount

The Company's share price performance deteriorated over the first half of the year, with the discount to the NAV per share widening as a result of the market turmoil brought about by Covid-19. Although the share rating has improved since the substantial falls in March, the improvements we were beginning to see towards the end of last year have not been fully regained.

The Board keeps the possibility of share buybacks under review and the Board has authority from shareholders to buy back up to 14.99% of the Company's issued share capital in the market. However, to date the Board has been of the opinion that share buy backs are not always in the best interests of shareholders as they reduce the size of the Company, reduce liquidity in the secondary market and increase the ongoing charges ratio. The Board has also been conscious of the increased volatility

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across markets globally over the past few months, caused by the impact of Covid-19, and is doubtful that, in current conditions, share buybacks would significantly reduce the discount for any material time. In addition, and as mentioned above, our aim is for the Company to eventually be in a position to grow through the issuance of new shares. For these reasons, while the position is kept under regular review, the Board continues to focus on the AIFM's and the Portfolio Manager's performance and marketing efforts.

## Dividend

In April, the Board declared a small interim dividend of 0.4p per share in respect of the year ended 31 December 2019, to allow the Company to comply with investment trust rules. The dividend was paid on 12 June 2020.

The Board chose to declare an interim dividend in order to ensure that it would be paid irrespective of whether the Company's Annual General Meeting was able to proceed given the logistical difficulties created by the Covid-19 pandemic. The Board has not declared an interim dividend in respect of this half year and it is expected that the Board will revert to recommending a final dividend (if required to maintain investment trust status) for shareholders' approval next year.

## Outlook

The impact on global growth caused by the Covid-19 pandemic has led to significant and continued uncertainty in stock markets over the last few months with unprecedented social and economic damage experienced all over the world. The pandemic also saw a shift in focus from another global crisis, climate change. While it is difficult to estimate how quickly and the extent to which markets will recover from the damage once circumstances improve, when this does occur, even greater attention may be placed on tackling the climate crisis as public pressure following the pandemic forces governments and businesses to take positive action regarding the management of resources. The Board, like the Portfolio Manager, remains confident in the resilience of the portfolio and is optimistic regarding its long-term prospects as well as the prospects of the environmental and resource-efficiency sectors.

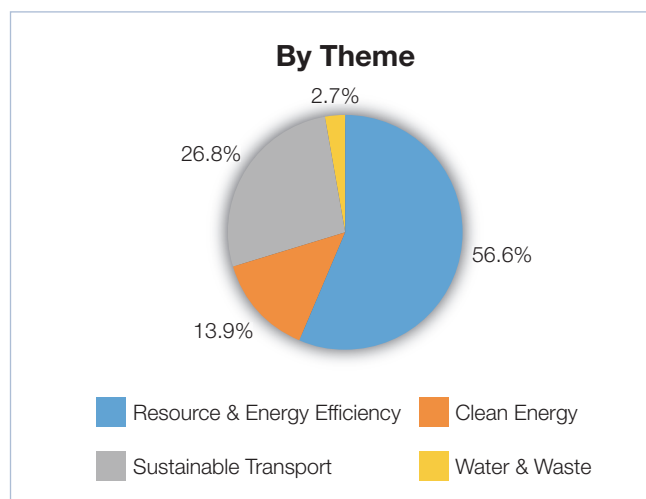
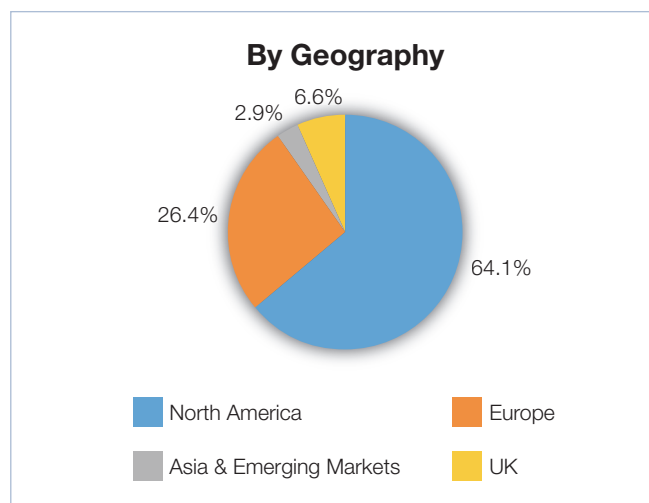
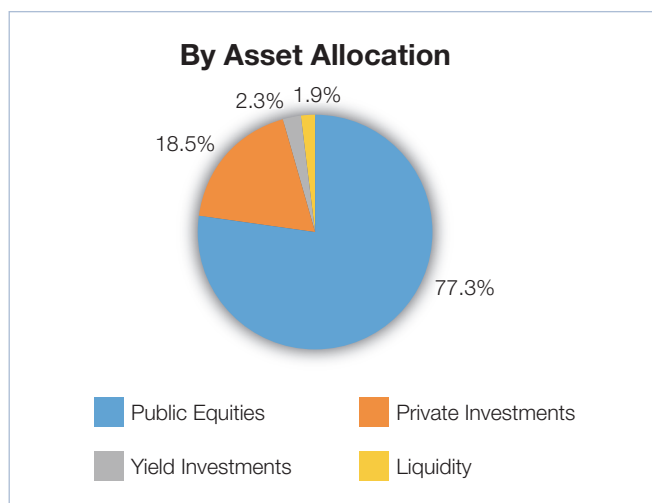
## Sir Ian Cheshire

Chairman  
24 September 2020

# Portfolio Summary

## Investment Themes

Theme	Description
Clean energy production	Companies producing power from clean sources such as solar or wind
Resource and energy efficiency	Companies focused on improving energy efficiency (e.g. in buildings or manufacturing processes) or creating emissions reduction products or services
Sustainable transport	Companies in the transport sector focused on helping to reduce harmful air emissions/distance travelled
Water and waste management	Companies with products or services that enable reductions in usage/volumes and/or better ways to manage water and waste



## Portfolio as at 30 June 2020

Investment	Country	Fair Value £'000	% of net assets
Alphabet	United States	18,648	20.7
Charter Communications	United States	17,584	19.5
X-ELIO* <sup>1</sup>	Spain	12,302	13.7
Safran	France	8,872	9.9
Canadian Pacific	Canada	6,402	7.1
Microsoft	United States	4,726	5.2
Canadian National	Canada	4,584	5.1
Calisen PLC* <sup>2</sup>	UK	4,208	4.7
Ocean Wilsons Holdings	Bermuda	2,591	2.9
Airbus	France	2,540	2.8
<b>Top 10 investments</b>		<b>82,457</b>	<b>91.6</b>
Waste Management	United States	2,356	2.6
TCI Real Estate*	United States	2,112	2.3
Union Pacific	United States	1,230	1.4
WCP Growth Fund LP* <sup>3</sup>	UK	141	0.2
<b>Total investments</b>		<b>88,296</b>	<b>98.1</b>
Net current assets (including cash)		1,737	1.9
<b>Total net assets</b>		<b>90,033</b>	<b>100.0</b>

<sup>1</sup> Investment made through Helios Co-Invest L.P.

<sup>2</sup> Investment made through KKR Evergreen Co-Invest L.P.

<sup>3</sup> The data regarding WCP Growth Fund LP (the "Partnership") does not necessarily reflect the current or expected future performance of the Partnership and should not be used to compare returns of the Partnership against returns of other private equity funds.

\* Unquoted.

Business Description	Theme
Parent company of Google which uses 100% renewable energy	Resource and energy efficiency
Telecommunications company providing infrastructure for the 'internet of things'	Resource and energy efficiency
Develops and operates solar energy assets	Clean energy production
Supplies energy-efficient systems & equipment for aerospace, defence & security	Sustainable transport
Owns and operates (fuel-efficient) freight railways in Canada and the USA	Sustainable transport
Multinational technology company which provides energy-efficient cloud-based datacentres, amongst other products and services	Resource and energy efficiency
Owns and operates (fuel-efficient) freight railways in Canada and the USA	Sustainable transport
Invests in utility infrastructure assets including smart meters	Resource and energy efficiency
Operates ports and provides (lower climate impact) maritime services in Brazil	Resource and energy efficiency
Designs and manufactures aircraft with fuel-efficient engines	Sustainable transport
North American provider of waste management and environmental services	Water and waste management
Invests in energy-efficient real estate projects	Resource and energy efficiency
Provides (fuel-efficient) rail freight services across the USA	Sustainable transport
Growth capital fund managed by specialist environmental PE firm, Alpina Partners	Resource and energy efficiency



## Portfolio Manager's Review

### Performance

During the first half of 2020, the Company's NAV per share decreased from 117.5p to 112.5p. This represents a decrease of 4.3%, adjusted for the dividend paid. The Company's share price traded at a 25.3% discount to NAV as at 30 June 2020. The contribution to the 4.3% NAV per share total return decrease over the period is summarised below:

Asset Category	30 June 2020 NAV %	Contribution %
Public Equities	77.3	0.4
Yield Investments	2.3	0.4
Private Investments	18.5	0.2
Liquidity	2.3	0.0
Foreign exchange forwards	(0.4)	(4.0)
Expenses	–	(1.0)
<b>Total Return</b>	<b>–</b>	<b>(4.0)</b>
Dividend Paid	–	(0.3)
<b>Net Assets</b>	<b>100</b>	<b>(4.3)</b>

Figure 1. Source: Frostrow Capital LLP

Despite the market turmoil stemming from the coronavirus pandemic, the subsequent recovery has left global equity markets close to their previous highs. This can partly be attributed to the magnitude, speed and coordinated nature of policy response from governments and central banks. Whilst never satisfied with negative returns, we were pleased that the Company's portfolio proved relatively robust through the turmoil. We were also pleased to be able to deploy a significant portion of the crystallised gains from our private investments across our existing public equities portfolio at what we considered to be very attractive prices. We believe these investments should position the Company to deliver good performance over the coming years.

### Quoted Equities

Our portfolio of quoted equities represented 77.3% of our total NAV as at 30 June 2020, delivering positive total returns of 0.5% during the period and adding 0.4% to our NAV. Quoted equities currently represent more of our portfolio than we aim for over the long run, due largely to our success in realising some of our private positions. We

are actively looking for new private investments, but while we do so, we preferred to keep the Company's cash at work, especially at the attractive valuations at which we were able to deploy it.

Investment	Increase/Decrease %	Contribution to NAV %
Alphabet	5.9	2.3
Charter Communications	5.1	2.0
Microsoft Corp	29.0	1.4
Canadian Pacific	0.2	0.5
Canadian National	(2.1)	0.4
Waste Management Inc	(7.1)	0.0
Union Pacific	1.2	0.0
Ocean Wilsons Holdings	(32.3)	(1.1)
Airbus	(51.3)	(2.3)
Safran	(35.2)	(2.7)

Figure 2. Source: Frostrow Capital LLP

Note: Percentage increase/decrease for individual holdings is calculated on their local currency and based over the holding period if bought or sold during the year.

Our position in **Alphabet** remains one of our core holdings, with the holding currently representing 20.7% of NAV. Whilst the group's advertising business will suffer this year, we remain optimistic on its longer term prospects, given its leading position in search and its ability to further monetise its unparalleled levels of user interaction. We also expect capital allocation to continue improving under the current management team. Meanwhile the company continues to push forward its sustainability agenda and remains the largest corporate buyer of renewable power worldwide, with agreements covering 5.5GW of wind and solar capacity.

**Charter Communications**, the US cable business, has remained relatively resilient through the coronavirus pandemic. The enforced lockdown and quarantine measures have only served to emphasise reliance on broadband connectivity, as people have been working and learning remotely. We expect Charter's hybrid fibre coax network will serve as a key piece of infrastructure for enabling the development of the so called 'internet of things' (IoT) and become increasingly valuable. We remain optimistic on the group's prospects as we continue to believe that the business can deliver meaningfully higher

free cash flow in the years ahead based upon a combination of modest revenue growth, lower customer churn and falling capital intensity.

**Microsoft** has been an extremely strong performer this year and we were happy to take advantage of the market dislocation to significantly add to our position in March. The holding now represents 5.3% of our NAV. We have been swiftly rewarded for this, with the group's shares making new highs only a few months later. The company is at the forefront of putting the growth of data (and data centres) on a sustainable footing, with its Azure Cloud services being up to 93% more energy efficient than traditional, onsite enterprise datacentres. As the key technology partner for nearly all enterprises, we expect the group to continue benefiting from the secular digitisation theme for many years.

The Canadian freight rail operators, **Canadian National** and **Canadian Pacific**, remain core positions within the portfolio. These businesses possess strong competitive positions and benefit from genuine pricing power. Although volumes were naturally impacted by the economic slowdown, their share prices have proven relatively resilient. We believe that these two companies can continue to take share from other railroads and the trucking sector, especially on long distance routes. Rail is the most environmentally friendly way to transport freight over land, with current locomotives four times more fuel efficient than trucking on a per unit basis. We also opted to reopen a position in **Union Pacific**, with the group's implementation of precision scheduled railroading progressing well. We believe the group will be able to meaningfully expand operating margins through improving asset efficiency and labour productivity.

Brazilian ports operator, **Ocean Wilsons**, suffered during the market turmoil and has yet to recover. Whilst container and towage volumes at its ports have been negatively impacted, we expect this to reverse as the Brazilian economy reopens. Longer term we still believe a growing Brazilian market will drive a significant improvement in the group's financial performance. Furthermore, there is significant value in the shares, with the current price implying a value for the ports business of only circa 3x normalised EBITDA.

Aerospace companies have suffered significantly from the coronavirus related market sell-off and **Airbus** was no exception. In our view the company remains financially

sound, with sufficient liquidity to manage through the next two or three years, when new aircraft deliveries appear set to be depressed. Longer term, we do not believe that the current market turmoil fundamentally alters the drivers underpinning the secular growth of aviation and still believe that Airbus has an important role to play in helping the industry transition to a more sustainable footing. The industry's current targets include stabilising carbon emissions from 2020 to 2035 and then reducing emissions to half of 2005 levels by 2050, under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). The group's new A320neo aircraft is delivering 20% fuel efficiency savings compared to its predecessor.

**Safran** has also been negatively affected by the lower air traffic volumes caused by the coronavirus pandemic. Along with Airbus, the group also remains committed to helping aviation transition to a more sustainable footing. Whilst management decreased annual research and development expenditure by 30% to conserve cash, it opted to maintain spending related to "green aviation". We expect the aftermarket services and sales to recover first as airlines resume operations. Consequently, we chose to materially increase our position in Safran with the belief that, at the current price, the shares offer attractive returns over the next two to three years.

## Yield Investments

Our portfolio of yield investments represented 2.3% of our total NAV as at 30 June 2019, and delivered total returns of 23.1% during the period, adding 0.4% to our NAV.

Investment	Increase/ Decrease %	Contribution to NAV %
TCI Real Estate	4.5	0.2
Brookfield Renewable Energy	3.7	0.2

Figure 3. Source: Frostrow Capital LLP

Note: Percentage increase/decrease for individual holdings is calculated on their local currency and based over the holding period if bought or sold during the year.

We continue to search for attractive yield investments in the current low interest rate environment, with prospective returns not suitably compensating investors for the associated risk. Whilst we did expect the **TCI Real Estate Partners Fund III**, which currently represents 2.3% of NAV, to draw down additional capital from our

commitment over the coming year, the economic impact of the pandemic has made that less certain. Our current undrawn commitment stands at approximately US \$12.0 million at the end of the period. This fund provides asset-backed loans to prime real estate development projects that are best in class in terms of energy efficiency and environmental standards. We believe these loans offer an outstanding risk-reward proposition with multiple layers of downside protection including seniority in the capital structure, loan-to-value ratios of below 65% and third party guarantees as additional collateral where required. The strategy has historically generated returns of circa 11% annually since inception.

We opted to sell all of our remaining stake in **Brookfield Renewable Partners** on valuation grounds during the period and in order to redeploy the proceeds into Safran. Since initiating this position in January 2016, and subsequently adding during periods of weakness, our investment in Brookfield delivered a total return (including dividends) of 1.8x over a period of just over four years.

## Private Investments

Our portfolio of private investments represented 18.5% of our total NAV as at 30 June 2019, and delivered total returns of 1.0% during the period, adding 0.2% to our NAV.

Investment	Increase/ Decrease %	Contribution to NAV %
X-ELIO	0.0	0.9
Perfin Apollo 12	N/A	(0.1)
WCP Growth Fund LP	(78.9)	(0.2)
Calisen Group (formerly Calvin Capital)	(24.9)	(0.4)

Figure 4. Source: Frostrow Capital LLP

Note: Percentage increase/decrease for individual holdings is calculated on their local currency and based over the holding period if bought or sold during the year.

Spanish solar operator and developer, **X-ELIO**, remained our single largest private holding, representing 13.6% of NAV at the year end. This was after we received cash proceeds from the partial sale of our investment to Brookfield. We sold 30% of our holding, and approximately 20% of the proceeds from the sale were retained by the KKR-managed holding entity for the

purpose of funding X-ELIO's near term growth, resulting in a distribution to Menhaden of \$4.9 million. The transaction was completed in line with carrying value.

Meanwhile KKR completed an initial public offering for **Calisen Group** (formerly known as Calvin Capital) in February with a market capitalisation of approximately £1.3 billion. This remains a private holding for us, given our investment held via a KKR-controlled holding entity. Whilst the group's shares have fallen since its initial public offering, its business has continued for the most part unaffected. Its portfolio of smart meters continues to generate cash, although the rate of new installations did slow. The group also recently completed a refinancing of its outstanding debt with better terms.

Electricity transmission infrastructure developer and operator, **Perfin Apollo 12**, completed its initial public offering in January. We received the cash proceeds arising from the sale of our entire holding. This completed a successful investment which has generated a return of nearly four times our initial sterling investment in just two and a half years.

The **WCP Growth Fund** continues to progress towards its full liquidation and the holding now represents only 0.2% of NAV at the period end. We received a small distribution following the sale of one of its penultimate business interests, leaving Resysta, which produces an ecologically friendly wood replacement, as the one remaining asset. We continue to hold the position at a 50% discount to the manager's valuation.

## FX Hedges

The sole aim of our currency hedging is to lower the volatility of our sterling denominated returns by reducing our non-sterling exposure related to our investments denominated in other currencies. We have been using currency forward contracts to hedge approximately two thirds of our EUR and USD denominated exposures. The depreciation of sterling during the period meant that we incurred a loss on these currency forward contracts on a standalone basis, which detracted 4.0% from our NAV.

## Outlook

Record fiscal and monetary stimulus appear to have staved off economic collapse arising from the coronavirus pandemic, but we are acutely aware of valid questions

around the long-term effect of the actions taken to date. For our part, we intend to stick to our measured and patient investment approach, which focuses on trying to identify the more predictable opportunities, with limited downside risk and identifiable assets and cash flows, which can be acquired at attractive valuations, which also meet our resource efficiency criteria. Within our quoted portfolio this continues to translate into businesses with strong competitive positioning and which benefit from resilient barriers to entry.

The Company's net asset value has now successfully compounded at circa 9% annually, after fees, for over four years and we remain optimistic on both our current portfolio's prospects and the broader resource efficiency theme.

	Net Asset Value	NAV per share
30 June 2016	64,325	80.4
30 June 2020	90,033	112.5
<b>Annualised Net Return</b>		<b>8.8%</b>

Figure 5. Source: Frostrow Capital LLP

## Menhaden Capital Management LLP

Portfolio Manager

24 September 2020

## Regulatory Disclosures

### Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company are explained in detail within the Company's Annual Report for the year ended 31 December 2019 (the "Annual Report"). The Board believes that the Company's principal risks and uncertainties have not changed materially since the date of the Annual Report and are not expected to change materially for the remaining six months of the Company's financial year.

Equity markets experienced substantial falls during the period associated with uncertainties linked to the Covid-19 pandemic and continue to be volatile. The Directors have considered the impact of the continued uncertainty on the Company's financial position and, based on the information available to them at the date of this report, have concluded that no adjustments are required to the accounts as at 30 June 2020.

### Related Parties Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

### Going Concern

The Directors believe, having considered the Company's investment objective, risk management policies, capital management policies and procedures, the nature of the portfolio and the expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least twelve months from the date of the approval of this half year report. For these reasons, the Directors consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts. In reviewing the position as at the date of this report, the Board has considered the guidance on this matter issued by the Financial Reporting Council.

### Directors' Responsibilities Statement

The Board of Directors confirms that, to the best of its knowledge:

- (i) the condensed set of financial statements contained within the half year report has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and return of the Company; and
- (ii) the interim management report includes a fair review of the information required by sections 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

This half year report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the date of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

**Sir Ian Cheshire**

Chairman

24 September 2020

## Condensed Income Statement

	Note	Six months to 30 June 2020 (unaudited)			Six months to 30 June 2019 (unaudited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments at fair value through profit or loss		–	(3,026)	(3,026)	–	9,442	9,442
Income from investments	5	278	–	278	792	–	792
AIFM and portfolio management fees	6	(131)	(523)	(654)	(116)	(464)	(580)
Other expenses		(252)	–	(252)	(222)	–	(222)
<b>Net returns before taxation</b>		<b>(105)</b>	<b>(3,549)</b>	<b>(3,654)</b>	<b>454</b>	<b>8,978</b>	<b>9,432</b>
Taxation on net loss/(return)		8	–	8	(38)	–	(38)
<b>Net (losses)/returns after taxation</b>		<b>(97)</b>	<b>(3,549)</b>	<b>(3,646)</b>	<b>416</b>	<b>8,978</b>	<b>9,394</b>
<b>Basic and diluted (losses)/returns per share</b>	7	<b>(0.1)p</b>	<b>(4.5)p</b>	<b>(4.6)p</b>	<b>0.5p</b>	<b>11.2p</b>	<b>11.7p</b>

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital columns are prepared under guidance issued by the Association of Investment Companies' Statement of Recommended Practice.

All revenue and capital items in the above statement derive from continuing operations.

There are no recognised gains or losses other than those shown above and therefore no Statement of Total Comprehensive Income has been presented.

## Condensed Statement of Changes in Equity

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>Six months to 30 June 2019 (unaudited)</b>					
Balance at 31 December 2018	800	77,371	(6,447)	784	72,508
Net return after taxation	–	–	8,978	416	9,394
Dividends paid	–	–	–	(560)	(560)
<b>Balance at 30 June 2019</b>	<b>800</b>	<b>77,371</b>	<b>2,531</b>	<b>640</b>	<b>81,342</b>
<b>Six months to 30 June 2020 (unaudited)</b>					
Balance at 31 December 2019	800	77,371	15,280	548	93,999
Net return after taxation	–	–	(3,549)	(97)	(3,646)
Dividends paid	–	–	–	(320)	(320)
<b>Balance at 30 June 2020</b>	<b>800</b>	<b>77,371</b>	<b>11,731</b>	<b>131</b>	<b>90,033</b>

## Condensed Statement of Financial Position

	Note	As at 30 June 2020 (unaudited) £'000	As at 31 December 2019 (audited) £'000
<b>Fixed assets</b>			
Investments at fair value through profit or loss		88,296	76,847
<b>Current assets</b>			
Debtors		92	108
Derivative financial instruments at fair value through profit or loss		–	1,393
Cash		2,231	15,879
		<b>2,323</b>	<b>17,380</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year		(223)	(228)
Derivative financial instruments at fair value through profit or loss		(363)	–
<b>Net current assets</b>		<b>1,737</b>	<b>17,152</b>
<b>Net assets</b>		<b>90,033</b>	<b>93,999</b>
<b>Capital and reserves</b>			
Ordinary share capital		800	800
Special reserve		77,371	77,371
Capital reserve		11,731	15,280
Revenue reserve		131	548
<b>Total shareholders' funds</b>		<b>90,033</b>	<b>93,999</b>
<b>Net asset value per share</b>	<b>8</b>	<b>112.5p</b>	<b>117.5p</b>



## Condensed Cash Flow Statement

	Six months to 30 June 2020 (unaudited) £'000	Six months to 30 June 2019 (unaudited) £'000
Net cash (outflow)/inflow from operating activities	(610)	(24)
<b>Investing activities</b>		
Purchases of investments	(23,347)	(18,713)
Sales of investments	10,629	13,077
<b>Net cash outflow from investing activities</b>	<b>(12,718)</b>	<b>(5,636)</b>
<b>Financing activities</b>		
Dividends paid	(320)	(560)
<b>Decrease in cash and cash equivalents</b>	<b>(13,648)</b>	<b>(6,220)</b>
Cash and cash equivalents at beginning of period	15,879	7,732
<b>Cash and cash equivalents at end of period</b>	<b>2,231</b>	<b>1,512</b>

## Notes to the Financial Statements

### 1 FINANCIAL STATEMENTS

The condensed financial statements contained in this interim financial report do not constitute statutory accounts as defined in s434 of the Companies Act 2006. The financial information for the six months to 30 June 2020 and 30 June 2019 has not been audited or reviewed by the Company's external auditors.

The information for the year ended 31 December 2019 has been extracted from the latest published audited financial statements. Those statutory financial statements have been filed with the Registrar of Companies and included the report of the auditors, which was unqualified and did not contain a statement under Sections 498(2) or (3) of the Companies Act 2006.

### 2 ACCOUNTING POLICIES

These condensed financial statements have been prepared on a going concern basis in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, FRS 104 'Interim Financial Reporting', the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in November 2014 and updated in October 2019 and using the same accounting policies as set out in the Company's Annual Report for the year ended 31 December 2019.

### 3 GOING CONCERN

After making enquiries, and having reviewed the investments, Statement of Financial Position and projected income and expenditure for the next 12 months, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. The Directors have therefore adopted the going concern basis in preparing these financial statements.

### 4 PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Company together with an explanation of these risks and how they are managed is contained in the Strategic Report and note 14 of the Company's Annual Report for the year ended 31 December 2019.

### 5 INCOME

	Six months to 30 June 2020 £'000	Six months to 30 June 2019 £'000
Income from investments		
Overseas dividends	278	785
Fixed interest income	–	7
Total income	278	792

## Notes to the Financial Statements

### 6 AIFM AND PORTFOLIO MANAGEMENT FEES

	Six months to 30 June 2020 (unaudited)			Six months to 30 June 2019 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
AIFM fee	20	80	100	18	71	89
Portfolio management fee	111	443	554	98	393	491
	<b>131</b>	<b>523</b>	<b>654</b>	<b>116</b>	<b>464</b>	<b>580</b>

### 7 (LOSSES)/RETURNS PER SHARE

The revenue and capital (losses)/returns per share are based on 80,000,001 shares, being the weighted average number of Ordinary shares in issue during the six months to 30 June 2020 and 30 June 2019.

The calculation of the total, revenue and capital losses per share is carried out in accordance with IAS 33, "Earnings per Share".

There are no dilutive instruments in the Company.

### 8 NET ASSET VALUE PER SHARE

The net asset value per share is based on the number of shares in issue at 30 June 2020 and 31 December 2019 of 80,000,001.

### 9 TRANSACTION COSTS

Purchase transaction costs for the six months ended 30 June 2020 were £15,000 (six months ended 30 June 2019: £2,000). These comprise mainly commission and stamp duty. Sales transaction costs for the six months ended 30 June 2020 were £1,000 (six months ended 30 June 2019: £9,000). These comprise mainly commission.

### 10 FAIR VALUE HIERARCHY

The methods of fair value measurement are classified into a hierarchy based on reliability of the information used to determine the valuation.

Level 1 – Quoted prices in active markets.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data), either directly or indirectly.

Level 3 – Inputs are unobservable (i.e. for which market data is unavailable).

The table below sets out the Company's fair value hierarchy investments as at 30 June 2020.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>As at 30 June 2020</b>				
Investments	69,533	–	18,763	88,296
Derivatives	–	(363)	–	(363)
<b>As at 31 December 2019</b>				
Investments	49,560	–	27,287	76,847
Derivatives	–	1,393	–	1,393

## Notes to the Financial Statements

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### 11 2020 ACCOUNTS

These are not statutory accounts in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory accounts for the year to 31 December 2019, which received an unqualified audit report, have been lodged with the Registrar of Companies. No statutory accounts in respect of any period after 31 December 2019 have been reported on by the Company's auditor or delivered to the Registrar of Companies.

Earnings for the first six months should not be taken as a guide to the results for the full year.

## Glossary of Terms

### Alternative Performance Measures (“APMs”)

The measures the Board of Directors uses to assess the Company’s performance, which are not specifically defined under the International Financial Reporting Standards but which are viewed as particularly relevant for investment trusts. Definitions of the terms used and the basis of calculation are set out in this Glossary and the APMs are indicated with a caret (^).

### Net Asset Value (NAV) Per Share

The value of the Company’s assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV is also described as ‘shareholders’ funds’ per share. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company’s shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares.

### NAV Total Return<sup>^</sup>

The theoretical total return on shareholders’ funds per share, reflecting the change in NAV assuming that dividends paid to shareholders were reinvested at NAV at the time the shares were quoted ex-dividend. A way of measuring investment management performance of investment trusts which is not affected by movements in the share price.

	30 June 2020	31 December 2019
Opening NAV	117.5p	90.6p
(Decrease)/increase in NAV	(5.0p)	26.9p
Closing NAV	112.5p	117.5p
% (decrease)/increase in NAV	(4.3%)	29.7%
Impact of reinvested dividends	–	0.8%
NAV Total Return	(4.3%)	30.5%

### Ongoing Charges<sup>^</sup>

Ongoing charges are calculated by taking the Company’s annualised operating expenses excluding finance costs, taxation and exceptional items, and expressing them as a percentage of the average daily net asset value of the Company over the period. The costs of buying and selling

investments are excluded, as are interest costs, taxation, costs of buying back or issuing shares and other non-recurring costs. These items are excluded because if included, they could distort the understanding of the Company’s performance for the period and the comparability between periods.

	30 June 2020 £’000	31 December 2019 £’000
Total Operating Expenses	907	1,678
Average Net Assets during the year	89,190	83,249
Ongoing Charges	2.0%	2.0%

### Share Price Discount (or Premium) to the NAV Per Share<sup>^</sup>

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

### Share Price Total Return<sup>^</sup>

Share price total return to a shareholder, on a last traded price to a last traded price basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

	30 June 2020	31 December 2019
Opening share price	96.5p	67.0p
(Decrease)/increase in share price	(12.5)p	29.5p
Closing share price	84.0p	96.5p
% (decrease)/increase in share price	(13.0%)	44.0%
Impact of reinvested dividends	–	1.3%
Share Price Total Return	(13.0%)	45.3%

## Company Information

### Directors

Sir Ian Cheshire (Chairman)  
Duncan Budge  
Emma Howard Boyd  
Howard Pearce

### Company Registration Number

09242421 (Registered in England and Wales)  
The Company is an investment company as defined under Section 833 of the Companies Act 2006

The Company was incorporated in England and Wales on 30 September 2014. The Company was incorporated as BGT Capital PLC. Its name was changed to Menhaden Capital PLC on 19 June 2015 and to Menhaden PLC on 14 December 2018.

### Website

Website: [www.menhaden.com](http://www.menhaden.com)

### Alternative Investment Fund Manager, Company Secretary and Administrator

Frostrow Capital LLP  
25 Southampton Buildings, London WC2A 1AL  
Telephone: 0203 008 4910  
E-mail: [info@frostrow.com](mailto:info@frostrow.com)  
Website: [www.frostrow.com](http://www.frostrow.com)

Authorised and regulated by the Financial Conduct Authority

If you have an enquiry about the Company or if you would like to receive a copy of the Company's monthly fact sheet by email, please contact Frostrow Capital using the above e-mail address.

### Portfolio Manager

Menhaden Capital Management LLP  
14 Curzon Street  
London  
W1J 5HN

Authorised and regulated by the Financial Conduct Authority

### Depository

J.P. Morgan Europe Limited  
25 Bank Street  
London E14 5JP

### Auditor

Mazars LLP  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

### Corporate Broker

Numis Securities Limited  
London Stock Exchange Building  
10 Paternoster Square  
London EC4M 7LT

### Registrar

Link Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU  
Telephone (in UK): 0871 664 0300†  
Telephone (from overseas): + 44 371 664 0300  
E-mail: [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk)  
Website: [www.linkassetsservices.com](http://www.linkassetsservices.com)  
Shareholder Portal: [www.signalshares.com](http://www.signalshares.com)

Please contact the Registrars if you have a query about a certificated holding in the Company's shares.

†Calls cost 12p per minute plus your phone company's access charge and may be recorded for training purposes. Lines are open from 9.00 a.m. to 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

### Share Price Listings

The price of your shares can be found in various publications including the Financial Times, The Daily Telegraph, The Times and The Scotsman.

The Company's net asset value per share is announced monthly and is available, together with the share price, on the TrustNet website at [www.trustnet.com](http://www.trustnet.com).

### Identification Codes

Shares:	SEDOL:	BZOXWDO
	ISIN:	GB00B20XWD04
	BLOOMBERG:	MHN LN
	EPIC:	MHN

Legal Entity Identifier:  
2138004NTCUZTHFWXS17

