Frostrow CAPITAL

Menhaden

Menhaden Capital PLC

Information as at 31 October 2018 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 October 2018 (% of total assets)

Name	Total
X-ELIO *	20.7
Airbus	10.5
Safran	10.2
Alphabet	8.3
Calvin Capital **	5.1
Canadian Pacific Railway	4.4
Union Pacific	4.0
Terraform Power	3.8
Brookfield Renewable Energy	3.6
Ocean Wilsons	3.4
Total	**74.0**

*investment made through Helios Co-Invest LP

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

Commentary

During October, the Company's net asset value ('NAV') per share was down 3.2%, the share price was down 0.3%, while the MSCI World Index (total return, sterling adjusted) was down 5.4%.

We have been concerned that valuations have been over-stretched for some time, which has been reflected in how we have positioned the portfolio. While we are never satisfied with a negative return in any period, given the volatility of the last month, and the significant sell off, we note that our portfolio suffered less than markets in general. This is a key component of our approach to delivering superior long-term returns – that our defensive portfolio, which includes a circa 30% exposure to high quality private equity and private credit, and which has an emphasis all round on quality, offers a good degree of protection in times of market volatility, which over time should result in superior risk-adjusted returns. Moreover, the majority of our top ten equity holdings delivered strong results for the third quarter, and as a result we now hold our portfolio at more attractive multiples almost across the board.

Airbus was our biggest detractor for the month, declining by 10.1% (after a strong run during 2018 so far), which has cost us 1.1% of our NAV. Although the group's Q3 financial performance was in line with expectations, management downgraded their delivery and free cash flow guidance for the year due to engine delivery delays and some internal industrial issues. We remain confident the group will successfully work its way through these issues and continue to ramp up production across its new product lines (A320neo, A330neo & A350), which in turn should drive significantly improved profitability.

Alphabet was dragged down with the whole technology sector, declining by 7.4%, costing us 0.6%, in spite of broadly positive results. Revenues continued to grow at impressive rates, increasing 22% on a constant currency basis for Q3 with strong performance across all regions. Traffic acquisition costs, which have been a key focus, have stabilised as a percent of sales at 23%. The company continues to invest heavily, developing more than 20 data centres globally, while several of Google's 'Other Bets' have reached new milestones.

The commentary continues on page 2.

Risk Warnings

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. Before investing in the Company, or any other investment product, you should satisfy yourself as to its suitability and the risks involved, and you may wish to consult a financial adviser.

Any return you receive depends on future market performance and is uncertain. The Company does not seek any protection from future market performance so you could lose some or all of your investment. Shares of the Company are bought and sold on the London Stock Exchange. The price you pay or receive, like other listed shares, is determined by supply and demand and may be at a discount or premium to the underlying net asset value of the Company. Usually, at any given time, the price you pay for a share will be higher than the price you could sell it. For further information on the principal risks the Company is exposed to please refer to the Company's Annual Report or Investor Disclosure Document available at www.menhaden.com.

The Company, currently, deploys leverage using currency forwards. These are designed to, partially, protect/hedge the NAV from unfavourable movements in foreign exchange rates by reducing the Company's exposure to foreign currencies. The Company can borrow but does not currently.

Portfolio Manager Profile

Portfolio management services are provided by Menhaden Capital Management LLP ('Menhaden'). Three of the partners of Menhaden, Ben Goldsmith, Luciano Suana and Graham Thomas, form the Investment Committee, which makes all investment and divestment decisions in respect of the Company. Their investment philosophy is to assess all investment opportunities through a value lens, with the aim of acquiring investments with low downside risk, backed by identifiable assets and cash flows, at attractive valuations. The team seeks to invest with a long-term perspective and with high conviction. Menhaden is authorised and regulated by the Financial Conduct Authority.

Biographies

Graham Thomas is the non-executive chairman of the Investment Committee. Graham is the Chief Executive of Stage Capital, a private equity firm backed by Goldman Sachs Asset Management and Glendower Capital. Before Stage Capital, he chaired RIT Capital Partners plc's Executive Committee and was a member of its investment committee with responsibility for its private investments. Previously he held senior roles at Standard Bank Group, and was a partner at MidOcean Partners, having started his career at Goldman Sachs in London. Graham also serves on the investment committee of Apis Partners.

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.

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.

Jessica Kaur is a Research Analyst at Menhaden. Before joining Menhaden, Jessica was an Associate Director at UBS in the Research division, where she was a covering analyst in the UK Mid-cap team. Before UBS, Jessica was a Research Analyst in the Capital Goods team at Goldman Sachs.

Edward Pybus is a Research Analyst at Menhaden. Before joining Menhaden, Edward was an Analyst at Exane BNP Paribas in the Research division, where he was a member of the Oil & Gas team and covered European integrated oil companies. Edward is a CFA Charterholder and qualified as a Chartered Accountant at Deloitte.

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. 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 are headquartered in the UK, USA or Europe, it should be noted that many of those companies are 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.

Asset Allocation Breakdown as at 31 October 2018 (%)

Asset	Total
Public equities	47.0
Private investments	28.1
Yield investments	15.6
Liquidity	9.3
Total	**100.0**

Source: All portfolio information sourced from Frostrow Capital LLP

Geographic Breakdown as at 31 October 2018 (%)

Asset	Total
Europe	41.4
US	31.1
UK	5.1
Emerging Markets	4.4
Canada	4.4
Asia	3.1
Unquoted UK LPs	1.2
Liquidity	9.3
Total	**100.0**

Source: All portfolio information sourced from Frostrow Capital LLP. Geographic classification based on location of primary economic activity.

Standardised Discrete Performance (%)

Percentage Growth	1 month	YTD	1 Year	3 Years	Since Inception*
NAV	-3.2	+1.6	+3.4	+0.7	-4.2
Share Price	-0.3	+4.0	+4.8	-28.2	-28.8
Index ^	-5.4	+3.4	+5.1	+51.9	+49.0

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 receive back less than the original amount invested.

Source: Morningstar/Frostrow.
^ 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.

Commentary

Continued from page 1..

Safran declined by 6.0% for the month after recovering slightly on Q3 results, costing us 0.6% of our NAV. This is in spite of excellent results for the year to date delivering an organic growth of 10.5% for the first nine months of this year over the same period last year. The company is on track to deliver 1,100 LEAP engines for 2018 with transition costs from CFM 56 to LEAP running better than expectations. Management confirmed guidance for the full year, with revenues expected to grow between 7% to 9% on an organic basis and a free cash flow to be comfortably above 50% of adjusted recurring operating income. **Infigen** continued to slide during October, losing another 17.2% and costing us 0.5% of our NAV, in the face of an unpredictable and increasingly unfriendly policy environment for renewables in Australia. This is further compounded by the fact that a large number of power purchase agreements for Infigen's assets have expired or are progressively expiring and the market for new long term PPAs on attractive terms has dissipated. The stock continues to decline in line with electricity prices and LGCs given the high level of merchant exposure in the company's portfolio.

Brookfield Renewables Partners, a global operator of renewable power assets, declined by 8.3%, costing us 0.3% of our NAV. Whilst the group's Q3 results were negatively impacted by lower generation at its North American hydroelectric facilities, we consider the share price reaction to be out of step with the company's prospects. We see no reason as to why the group cannot continue to deliver its long term annual returns target of 12-15%. Management clearly laid out the organic drivers for annual FFO unit growth of 6-11% at its CMD in September and are also currently raising liquidity for future investments through asset sales. Our holding in private energy metering company

Calvin, backed by KKR's infrastructure team, was marked up by 10.5% in October, adding 0.5% to our NAV. Calvin has made significant progress during the last year, winning new large contracts across the UK – where the Company continues to occupy a market-leading position, and in Australia.

Important Information

Menhaden Capital PLC (the Company) is a public limited company whose shares are premium listed on the London Stock Exchange (LSE) and is registered with HMRC as an investment trust.

The Company has an indeterminate life although shareholders consider and vote on the continuation of the Company every five years (the next such vote will be held in 2020).

The Company may, but does not currently, borrow to purchase investments. Borrowing could potentially magnify any gains or losses made by the Company.

Fast Facts

AIC Sector	Environmental
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	31 December / 30 June
Capital Structure	80,000,001 Ordinary Shares of 1p

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

Trust Characteristics

Number of Holdings		18
Total Net Assets (£m)		£74.8m
Market Capitalisation (£m)		£57.0m
Dividend Policy		Target 2% per annum dividend yield once the Company's assets are substantially invested
Gearing (AIC basis) *		0%
Leverage:**	**Gross**	126.7%
	Commitment	100.2%
Share Price (p)		71.25
NAV (p)		93.54
(Discount) / Premium		(23.8%)

** Calculated as borrowings / by Net Assets*
*** Calculated as exposures (as defined in the AIFMD) / Net Assets. The Gross method takes the absolute exposure of all instruments, including hedging arrangements, whilst the commitment method takes the net exposure. The Board has set a maximum leverage level of 200% under the gross method and 120% under the commitment method.*

Codes

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