

Menhaden Capital PLC

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

Name	Total
X-ELIO *	17.2
Airbus	10.4
Safran	9.2
Alphabet	7.1
Porsche Holdings	6.4
Infigen Energy	6.2
Alpina Partners Fund	4.9
Calvin Capital **	4.7
Senvion	4.0
Brookfield Renewable Energy	4.0
Total	74.1

*investment made through Helios Co-Invest LP

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

Commentary

During May, the Company's net asset value ("NAV") per share was up 1.6%, the share price was up 8.0%, while the MSCI World Index (total return, sterling adjusted) was up 4.2%.

The biggest contributor during the month was our holding in private solar developer/ operator **X-Elio**, in which we are invested alongside KKR's infrastructure team. X-Elio was marked up by 11.7% at the end of Q1, which added 1.8% to the NAV. This is partly in recognition of the revaluation of their solar assets that has taken place since our initial investment. X-Elio has also moved its development pipeline along significantly, with 1.5 GW of solar assets now at various stages of development across Japan, Mexico and Spain.

Alphabet gained 11.7% during the month, adding 0.8% to the NAV. Australian wind power player **Infigen** continued to make up lost ground following the successful refinancing of its global debt facility earlier this year, gaining 13.1% during May, which added 0.7% to the NAV. And **Safran** gained 6.2%, adding 0.5% to the NAV.

The commentary continues on page 2.

Any opinions on individual stocks are those of the Company's Portfolio Manager and no reliance should be given on any such views. Any research in this document has been procured and may have been acted upon by Menhaden for its own purposes. The results are being made available to you only incidentally. 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.

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 May 2018 (%)

Asset	Total
Public equities	52.5
Private investments	28.8
Yield investments	12.5
Liquidity	6.2
Total	100.0

Source: All portfolio information sourced from Frostrow Capital LLP

Geographic Breakdown as at 31 May 2018 (%)

Asset	Total
Europe	47.2
US	23.3
Emerging Markets	6.1
Unquoted UK LPs	6.0
Asia	6.5
UK	4.7
Liquidity	6.2
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	Since Inception*
NAV	+1.6	+0.7	+4.1	-5.0
Share Price	+8.0	+4.0	+13.1	-28.8
Index ^	+4.2	+2.1	+8.2	+47.1

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..

We sold our position in **Volkswagen** during May, crystallising a gain of 2.4p per share, excluding dividends. Initially we took the decision to redeploy the proceeds into **Porsche Holdings**, which offers exposure to Volkswagen (of which Porsche is the holding company) at a significant discount. However Porsche declined sharply in the days after this redeployment and we took the decision quickly to cut our losses (0.7% of the NAV) and sell the position entirely. Whilst we believe that Volkswagen is well placed to take a leading position in the global market for electric vehicles we have begun to question the attractiveness of the broader autos industry at what is, in our view, an increasingly late stage of the global economic cycle.

The WCP Private Equity Fund saw a further write-down of 27.2% in its NAV at the end of Q1, costing us 0.4% of NAV. This position now represents 1.1% of NAV, taking account of the 25% discount to its NAV at which we continue to hold the position.

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

Trust Characteristics

Number of Holdings	22
Total Net Assets (£m)	£74.2m
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	128.8%
Commitment	99.9%
Share Price (p)	71.25
NAV (p)	92.75
(Discount) / Premium	(23.2%)

* 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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