



## 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 30 September 2017 (% of total assets)

Name	Total
X-ELIO *	14.7
Airbus	9.2
Terraform Power	7.4
Volkswagen	6.5
Safran	6.5
Calvin Capital **	5.0
Red Electrica	4.9
Senvion	4.7
Infigen Energy	4.6
Brookfield Renewable Energy	4.6
<b>Total</b>	<b>68.1</b>

\*investment made through Helios Co-Invest LP

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

## Commentary

During September, the Company's NAV per share was down 2.5%, the share price was down 1.5%, while the MSCI World Index (total return, sterling adjusted) was down 1.8%.

The leading detractors during the month were Terraform Power (which cost us -0.7% of NAV), X-Elio (-0.6%) and Terraform Global (-0.4%), all of which were negatively impacted by the strengthening of GBP against the USD. Red Electrica also declined during the month (-0.5%) due to the strengthening of GBP against the Euro and in response to jitters surrounding the Catalan independence vote, a situation which we are monitoring closely in respect of this position.

There were two material contributors during the month: Airbus, which contributed 0.7% following news of significant new orders, and Volkswagen, which added 0.3%.

## Portfolio Manager Profile

Portfolio management services are provided by Menhaden Capital Management LLP ('Menhaden'). 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. 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.

**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

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

### Asset Allocation Breakdown as at 30 September 2017 (%)

Asset	Total
Public equities	40.1
Private investments	25.9
Yield investments	24.2
Liquidity	9.8
<b>Total</b>	<b>100.0</b>

Source: All portfolio information sourced from Frostrow Capital LLP

### Geographic Breakdown as at 30 September 2017 (%)

Asset	Total
Europe	46.6
US	20.4
UK	8.2
Unquoted UK LPs	5.2
Emerging Markets	5.2
Asia	4.6
Liquidity	9.8
<b>Total</b>	<b>100.0</b>

Source: All portfolio information sourced from Frostrow Capital LLP

### Standardised Discrete Performance (%)

Percentage Growth	1 month	YTD	1 Year	Since Inception*
NAV	-2.5	+2.3	+2.3	-10.6
Share Price	-1.5	+2.5	+17.2	-32.0
Index ^	-1.8	+6.8	+14.4	+37.7

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.

## 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 advertorial, you should satisfy yourself as to its suitability and the risks involved, and you may wish to consult a financial adviser.

### Fast Facts

<b>Launch Date</b>	31 July 2015
<b>Annual Management Fee</b>	(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.
<b>Performance fee</b>	See Prospectus for details
<b>Ongoing charges*</b>	2.1%
<b>Continuation Vote</b>	At AGM in 2020; every 5 years
<b>Year / Half Year</b>	December / June
<b>Capital Structure</b>	80,000,001 Ordinary Shares of 1p

### Trust Characteristics

<b>Number of Holdings</b>	20
<b>Total Net Assets (£m)</b>	£69.9m
<b>Market Capitalisation (£m)</b>	£54.4m
<b>Dividend Policy</b>	Target 2% per annum dividend yield once the Company's assets are substantially invested
<b>Gearing (AIC basis)</b>	0%
<b>Leverage</b>	
<b>Gross &amp; Commitment</b>	0%
<b>Share Price (p)</b>	68.00
<b>NAV (p)</b>	87.33
<b>(Discount) / Premium</b>	(22.1%)

### Codes

<b>Sedol</b>	BZ0XWD0
<b>ISIN</b>	GB00BZ0XWD04
<b>Legal Entity Identifier</b>	2138004NTCUZTHFWXS17
<b>Bloomberg</b>	MHN LN
<b>Epic</b>	MHN

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

### How to Contact Us

**Frostrow Capital LLP**  
25 Southampton Buildings, London, WC2A 1AL  
Tel.: 0203 0084910  
Fax: 0203 0438889  
Website: [www.frostrow.com](http://www.frostrow.com)

**Grant Challis**  
Tel.: 0203 0084912  
[grant.challis@frostrow.com](mailto:grant.challis@frostrow.com)

**David Harris**  
Tel.: 0203 4273835  
[david.harris@frostrow.com](mailto:david.harris@frostrow.com)

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