



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 2017 (% of total assets)

Name	Total
X-ELIO *	15.0
Airbus	8.1
Terraform Power	7.0
Volkswagen	5.4
Red Electrica	5.3
Calvin Capital **	4.9
Safran	4.8
Brookfield Renewable Energy	4.4
FirstGroup	4.0
Terraform Global	4.0
Total	62.9

*investment made through Helios Co-Invest LP

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

Commentary

During May, the Company's NAV per share was up 1.6%, the share price was unchanged, while the MSCI World Index (total return, sterling adjusted) was up 2.3%.

X-Elio and Red Electrica were the top positive contributors to performance during the month. X-Elio was marked up by 10.2% in its Q1 report this year resulting in a 1.4% increase in NAV. Previously the investment had been held at cost. The increase in value comes from a combination of the underlying cash flow produced by the operating base of solar farms and progress in the development pipeline. We plan on giving a more fulsome update on X-Elio in our Q2 update. Red Electrica contributed 0.7% to the NAV after the stock rose on the back of a solid Q1 and analyst upgrades.

Our stake in the private equity fund WCP Growth Fund LP, formerly named WHEB Ventures Private Equity Fund 2 LP, was the top detractor (1.9%) after the portfolio was marked down as of the end of Q1. One portfolio company was written down to zero and another was sold at below value. Since inception this stake has been the most significant detractor to the NAV with a loss of £6.4 million.

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.

www.menhaden.com

Menhaden Capital PLC

Asset Allocation Breakdown as at 31 May 2017 (%)

Asset	Total
Public equities	33.8
Yield investments	26.4
Private investments	24.4
Liquidity	15.4
Total	100.0

Source: All portfolio information sourced from Frostrow Capital LLP

Geographic Breakdown as at 31 May 2017 (%)

Asset	Total
Europe	44.3
US	22.8
UK	8.9
Unquoted UK LPs	4.5
Emerging Markets	4.1
Liquidity	15.4
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	+1.6	+4.3	+17.0	-8.8
Share Price	0.0	-5.1	+1.6	-37.0
Index ^	+2.3	+5.5	+31.3	+35.9

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

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	21
Total Net Assets (£m)	£71.3m
Market Capitalisation (£m)	£50.4m
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)	63.00
NAV (p)	89.07
(Discount) / Premium	(29.3%)

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.

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