Menhaden

Menhaden Capital PLC
Half Year Report
for the six months ended 30 June 2017

Contents

Financial Highlights

Performance	As at 30 June 2017	As at 31 December 2016
Net asset value per share	87.6p	85.4p
Share price	65.5p	66.4p
Discount	25.2%	22.2%

Total returns	Six months to 30 June 2017	Year to 31 December 2016
Net asset value per share	2.6%	1.8%
Share price	(1.4%)	(13.8%)
MSCI World Index (sterling adjusted)	5.3%	28.2%

	Six months to 30 June 2017	Year to 31 December 2016
Ongoing charges*	2.1%	2.1%

Source: Frostrow Capital LLP

* 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.

Chairman's Statement

This report covers your Company's progress in the six months to 30 June 2017 and its financial position as at that date, almost two years since its launch.

Performance

During the first half of the year, the Company's net asset value ("NAV") per share grew by 2.6% (2016: -4.2%). The increase in the NAV was primarily due to the good performance of the public equities component of the portfolio. The market value of the Company's shares decreased by 1.4% over the period (2016: -19.5%) at the end of which the share price stood at a 25.2% discount to the NAV per share.

While the Company does not have a formal benchmark and our Portfolio Manager does not invest by reference to an index, over the same period the MSCI World Total Return Index (in sterling), rose by 5.3% (2016: +11.0%). By way of additional comparison, the WilderHill New Energy Global Innovation Index (in sterling) rose by 8.3% and the AIC Environmental Sector rose by 5.4%.

Our Portfolio Manager has provided a comprehensive analysis of all the factors contributing to the Company's performance during the period later in this report (pages 7 to 9).

Discount

The Board remains conscious of the level of the share price discount to NAV per share and reviews the situation at each Board meeting. As I stated in the last Annual Report, the Board has considered the possibility of share buybacks but has decided that it would not be in the interests of shareholders to reduce the size of the Company at this stage of its development. Instead, the Board will continue to focus on the Portfolio Manager's performance and the effectiveness of marketing and distribution.

Dividend

The Board's policy is to pay dividends as required to maintain UK investment trust status; thus no interim dividend will be declared for this period.

The Company's prospectus contains an undertaking to target an annual dividend yield of 2% of the average NAV by a target implementation date of 31 December 2017. Having reviewed the Company's income forecasts the Board believes that it will not achieve the target dividend without paying a significant portion out of capital. The Board does not believe that this would be appropriate under current circumstances. The Board will keep the dividend target under close review and continue to advise shareholders accordingly.

Management

Since the Company's launch in 2015, the partners of Menhaden Capital Management LLP ("MCM") have been seconded to the Company's AIFM, Frostrow Capital LLP ("Frostrow"), in order to carry out the Company's portfolio management responsibilities. In the Company's last Annual Report, it was stated that the Menhaden Team had applied to the Financial Conduct Authority for MCM to be authorised to perform portfolio management activities in its own right and the Board is pleased to report that such authorisation was granted by the FCA on 11 August.

As a result, the secondment of the Menhaden Team to Frostrow has now ended and Frostrow has, with the Board's consent, delegated the Company's day-to-day portfolio management activities to MCM by way of a portfolio management agreement. The portfolio management and performance fees have not been affected.

Outlook

Our Portfolio Manager firmly believes that the long-term prospects for companies delivering or benefiting from the efficient use of energy and resources remain good. The Board has been encouraged by steady improvements in the Company's NAV per share over the past year and believes that the premise on which the Company was launched and its underlying investment strategy remain valid.

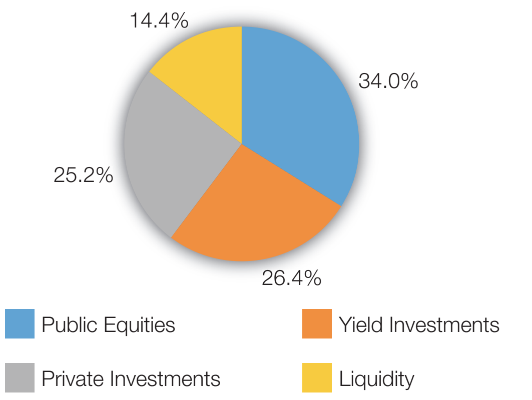
Sir Ian Cheshire
Chairman

20 September 2017

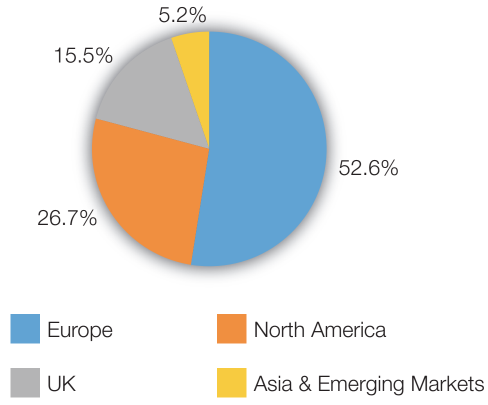
Investment Themes

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 smarter ways to manage water and waste

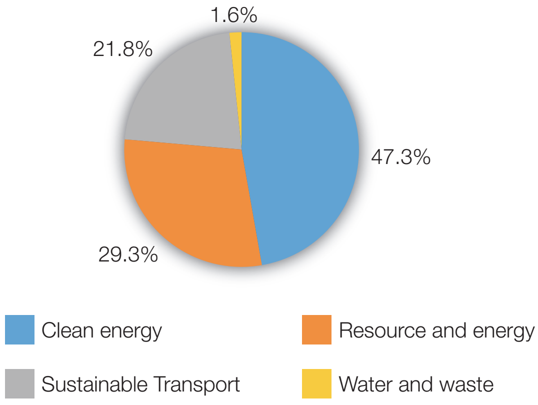
By Asset Allocation



By Geography



By Theme



Portfolio Summary as at 30 June 2017

Investment	Country	Fair Value £'000	% of net assets
X-ELIO*[1]	Spain	10,633	15.2
Airbus	France	5,754	8.2
Terraform Power	United States	4,813	6.9
Volkswagen	Germany	3,890	5.5
Red Electrica De Espana	Spain	3,519	5.0
Safran	France	3,501	5.0
Calvin Capital*[2]	UK	3,500	5.0
Brookfield Renewable Energy	Canada	3,153	4.5
Terraform Global	Emerging Markets	2,895	4.1
Senvion	Luxembourg	2,799	4.0
Top 10 investments		**44,457**	**63.4**
Atlantica Yield	United States	2,533	3.6
FirstGroup	UK	2,399	3.4
Alpina Partners Fund LP*	UK	2,226	3.2
Air Products & Chemicals	United States	2,157	3.1
Abengoa – Bonds	Spain	1,356	2.0
WCP Growth Fund LP*	UK	1,204	1.7
Rockwell Automation	United States	1,170	1.7
Adient	Ireland	1,052	1.5
Stericycle	United States	967	1.4
Atlantica Yield – Bonds	United States	163	0.2
Top 20 investments		**59,684**	**85.2**
Terra Santa Agro	Brazil	125	0.2
Perfin Apollo*	Brazil	97	0.1
Grivalia Properties	Greece	75	0.1
Total investments		**59,981**	**85.6**
Net current assets (including cash)		10,111	14.4
Total net assets		**70,092**	**100.0**

[1] Investment made through Helios Co-Invest L.P.

[2] Investment made through KKR Evergreen Co-Invest L.P.

* Unquoted

Business Description	Theme
Develops and operates solar energy projects	Clean energy production
Designs and manufactures aircraft	Sustainable transport
Operates contracted renewable energy assets	Clean energy production
Designs and manufactures cars and light commercial vehicles	Sustainable transport
Operates the national electricity grid in Spain	Resource and energy efficiency
Supplies systems and equipment for aerospace, defence and security	Sustainable transport
Invests in utility infrastructure assets	Resource and energy efficiency
Open-ended fund investing in hydroelectric and wind facilities	Clean energy production
Operates contracted renewable energy assets in emerging markets	Resource and energy efficiency
Manufactures wind turbines	Clean energy production
Owns and manages contracted renewable energy assets	Resource and energy efficiency
Operates transport services in the UK, Ireland, Canada and United States	Sustainable transport
Growth capital fund managed by specialist environmental PE firm, Alpina Partners	Resource and energy efficiency
Sells gases and chemicals for industrial uses	Resource and energy efficiency
Operates and develops renewable energy assets	Clean energy production
Growth capital fund managed by specialist environmental PE firm, Alpina Partners	Resource and energy efficiency
Provides integrated systems for process manufacturing	Resource and energy efficiency
Manufacturer of lightweight automotive seating components	Sustainable transport
Provides medical and pharmaceutical waste management	Water and waste management
Owns and manages contracted renewable energy assets	Clean energy production
Brazilian agricultural production and land development company	Resource and energy efficiency
Builds and operates energy transmissions lines in Brazil	Resource and energy efficiency
Real estate investment company in Greece	Resource and energy efficiency

Portfolio Manager's Review

Performance

For the half year under review, the Company's NAV per share increased by 2.6% to 87.6p. Total net assets increased by £1.8 million to £70.1 million during the period.

The contribution to the increase over the year is summarised below:

Asset Category	30 June 2017 NAV %	Contribution %
Public Equities	34.0	4.1
Private Investments	25.2	(1.5)
Yield Investments	26.4	1.1
Liquidity	14.4	–
Gross Return	1	3.7
Expenses		(1.1)
Net Assets	100.0	2.6

Public Equities

Most of the gain in NAV during the period came from the public equities component of our portfolio, of which the largest contributors to performance for the quarter were Airbus, contributing 1.4%, Safran, 0.9%, and Senvion, 0.6%. There were no detractors of note amongst our public equity positions.

Airbus shares rose 20% over the period. First quarter revenues at Airbus Commercial rose 13% year-over-year driven by a 9% increase in aircraft deliveries. Year-to-date, global airline passenger growth is running well above trend at 8% and load factors (capacity utilisation) are at a record high. Airlines require new aircraft to support this growth and both Airbus and Boeing are planning to increase production rates to fulfil the demand. Airbus now has an order book of over 6,700 aircraft which is 10 years of current production.

Airbus Commercial margins were weak due to fewer than expected deliveries of A320neos. Pratt & Whitney ("P&W") are having to change the design of the GTF (one of the engines that powers the aircraft) due to problems discovered since the engine entered into service last year. Customers are unwilling to take the aircraft before P&W has introduced a permanent solution to the problems, which means that deliveries of A320neos will be heavily weighted to Q4. Airbus currently has about 30 A320neos in Toulouse without engines that cannot be delivered and this will negatively impact margins and cash flow in Q2 and Q3. Nevertheless, the A320neo delivers a 15% fuel burn saving compared to current single aisle aircraft operations, with targets to achieve a 20% reduction in fuel burn and CO2 emissions by 2020. The A350 ramp-up is on track and Airbus is optimistic that 2017 will be a much better year for the programme. The A350 is still expected to break even in 2019, with price escalation being the main driver of this profit growth as launch pricing rolls off in 2018/2019.

Airbus' key engines supplier, **Safran** reported very strong first quarter revenues with civil aftermarket sales up 18% year-over-year. Safran is focused on producing engines that are significantly more efficient and less polluting. The company delivered 81 LEAP engines in the quarter, up from 44 in Q4 2016, which indicates that the ramp-up is progressing well. LEAP production is on track to reach 500 engines in 2017. The LEAP-1A (which powers the Airbus A320neo) is now in operation with nine airlines, with 80,000 flight hours accumulated to date. It is meeting all performance specifications. The strong aftermarket growth and steady production ramp-up suggests profit growth should be very good this year.

The activist campaign by The Children's Investment Fund against the proposed acquisition of Zodiac by Safran led to better proposed terms for the deal. Safran is financing the transaction mostly with low cost debt so the deal will be extremely accretive to earnings per share. Zodiac has two divisions: a) Aerosystems, which makes equipment such as power distribution and safety systems with substantial overlap with Safran's Aircraft Equipment business. Most of the targeted synergies of €200 million will come from this division; and b) Aircraft Interiors, which makes cabin equipment (such as galleys and toilets) and seats. Revenues are over €3 billion but due to poorly priced, overly complex contracts and poor execution this division is currently making losses. If the deal with Zodiac closes, the combined company will be approximately 50% engines and 50% aircraft equipment and the business mix will remain extremely attractive.

Over the half year we initiated three new positions . We remain cautious over heady valuations in the public equity markets and when we initiate new positions it is where we believe they are positioned to benefit from changed circumstances.

Senvion, a German wind turbine manufacturer with a particularly strong position in turbines suited to high wind speed locations, is an example of this. Senvion is, we believe, well positioned for growth given the lifting of significant constraints placed on the business by the previous owners, and the recent appointment of a world-class management team from the German automotive sector. Senvion has significant cost cutting opportunities and is trading at a healthy discount to peers. Year-to-date, Senvion has shown significant progress. First quarter financials showed 8% growth year-over-year and disciplined working capital. Two orders from new markets (Ireland and the Czech Republic) came through and significant interest savings were achieved in a recently completed refinancing.

Adient, a position we initiated in Q2, is one of the world's largest automotive seating suppliers, spun out of Johnson Controls late last year. Adient's innovative weight optimized components contribute to reduced fuel consumption and thus allow for lower greenhouse gas emissions. We like Adient in part because the business is part of a rational, oligopolistic market that possesses significant barriers to entry. Moreover, Adient has a clear path to improving operating performance (Adient's expenses as a percentage of revenue are approximately 200bps higher than its nearest competitor).

In May we initiated a position in **Terra Santa Agro**, a Brazil-based company primarily involved in the agricultural sector. Terra Santa focuses on the cultivation of soybean, cotton and corn and owns approximately 89,000 hectares in the state of Mato Grosso. Brazil has one of the strictest environmental frameworks for land ownership, in the case of Terra Santa, 47,000 hectares are environmental reserves. 70% of the soy produced by Terra Santa Agro has the RTRS certification (Roundtable on Responsible Soy Association) with the intention to achieve 100% in the next 5-8 years. 100% of the cotton produced by Terra Santa has the Better Cotton Initiative certification. We believe the company is currently trading with a discount to NAV of approximately 70%.

During the period we divested a number of positions. In January we sold our position in Acuity Brands, a leading provider of LED lighting solutions. Acuity posted double digit volume growth for 14 consecutive quarters ending in November of last year. At 31 December, Acuity was trading at 16x forward EBITDA estimates and was starting to show signs of slowing growth. At this point we felt the risk of loss outweighed the expectation of gain and so we sold the entire position. Since that point the share price has fallen by 20% on the back of further disappointing operational news. In the same vein, we also divested positions in Shimano, Wabtec Corporation, Roper Technologies, BorgWarner and Johnson Matthey.

Private Investments

In January we completed our second direct private equity investment of £3.5 million in one of the largest independent smart electricity meter providers in the UK, **Calvin Capital**, alongside the infrastructure arm of global investment firm KKR. Calvin Capital's business model is to purchase smart meters on behalf of energy suppliers, fund and pay for their installation and manage the billing process throughout their expected operating life of over 20 years. Given Calvin's market leading position, we believe the business is well placed to capture the further rollout of smart meters in the UK over the next five years.

X-Elio, the solar developer and operator which represents our largest single position in the portfolio, is performing to expectations. Operating performance has been slightly above budget and we remain optimistic that X-Elio's management team has the capability to take advantage of the burgeoning global solar opportunity. Our X-Elio position contributed 0.8% in the quarter, largely due to a revaluation of the portfolio.

As set out in the Company's annual report for the year ended 31 December 2016 (the "Annual Report"), in March 2017 we divested half of our limited partner stake in **Alpina Partners Fund LP*** to limit the Company's potential exposure to this fund, as once fully invested it would have represented nearly 15% of the Company's NAV. The stake was sold at a discount to invested capital and was valued in the Annual Report using the sale price. The level of discount applied to the retained portion will be assessed on a quarterly basis, following review of the valuation report received from the fund's general partner.

Meanwhile, our stake in the **WCP Growth Fund LP*** was the greatest detractor in the period, with a 2.4% negative impact on NAV; one portfolio company was written down to zero and another was sold at below holding value.

In Q2 we completed our third direct private equity investment in **Perfin Apollo 12**, with a total commitment of approximately £4.4 million. Perfin is an investment vehicle focused on the development of Brazilian electricity transmission assets, alongside one of the largest public transmission companies in Brazil, Alupar. Brazil is the second largest producer of hydroelectric power in the world, trailing only China, and the country depends on hydroelectricity for more than 75% of its electric power supply. Perfin Apollo 12 participated in the latest round of government auctions for transmission licences and will hold 49% of the equity of each individual transmission asset with Alupar holding the rest. The expected returns for the transmission assets in Brazilian Reals are inflation plus 10-12%. Perfin Apollo 12 also holds a put option that allows it to sell the assets back to Alupar, regardless of performance, at inflation plus 5% nine years after deployment.

Yield Investments

The main positive contributor for the period was **Terraform Global** after the announcement that its board had initiated an exploration of strategic alternatives and the subsequent acquisition of the company by Brookfield Asset Management at $5.10 per share, a 50% premium to the September 2016 price prior to the board announcement. This is expected to complete in the second half of 2017. Brookfield is also assuming the sponsor position from (now bankrupt) SunEdison for Terraform Power and will keep the company listed whilst providing the resources to expand the operating portfolio. We hold Brookfield in high esteem and believe their expertise in asset management will enable Terraform Power to grow in a sustainable, profitable manner.

We added two positions in the quarter. The first, **Red Electrica**, is sizeable at nearly 5% of NAV. Red Electrica is the monopoly owner of the Spanish transmission grid. The company develops the necessary infrastructure to facilitate the integration of renewable energy and implements demand-side management initiatives aimed at achieving greater electricity system efficiency. Red Electrica possesses an irreplaceable and essential asset base and a highly visible business model. We started building a position in the second, **Grivalia**, a Greek commercial real estate company, but stopped as political turmoil in Greece increased. Grivalia is the market leader in energy efficient buildings in Greece. So much so that the IFC, the financing arm of the World Bank, provided a loan to the company to help boost energy efficiency in the sector. This position represents less than 0.5% of NAV.

Lastly, **Abengoa's** debt restructuring plan was approved and creditors injected over €1 billion into the company to enable it to continue operations and complete some late stage projects. We subscribed to the Company's portion of this capital injection, which was well collateralised by a stake in Atlantica Yield, at just over €1 million. After the restructuring the bonds increased in value and, after the half-year end, we decided to exit the position as we felt the bonds no longer offered a material upside at their new level.

Personnel

In terms of our portfolio management team, as previously announced by the Company, Alexander Vavalidis resigned as a partner of Menhaden Capital Management LLP and consequently his membership of the Investment Committee ceased with effect from 15 September 2017. Ben Goldsmith and Luciano Suana will continue to carry out the day to day portfolio management activities of the Company, identifying and presenting investment opportunities to the Investment Committee, which is chaired by Graham Thomas. The Investment Committee makes all investment and divestment decisions in respect of the Company. We are also actively recruiting to strengthen the team.

We would like to express our appreciation to Alexander for his contribution since the Company's launch in July 2015.

Outlook

We remain cautious in respect of markets generally, given high levels of private and public debt globally, sluggish earnings growth across sectors and generally exuberant valuations. We are therefore very focused on looking for value, in the form of opportunities to acquire clearly identifiable assets and cash flows at attractive prices. The energy and resource efficiency theme, and particularly renewable energy, continues to mature and grow, and yet within it remain pockets of value. We benefit from an exceptional origination capability and as such we have a pipeline of potentially attractive ideas under review.

Menhaden Capital Management LLP
Portfolio Manager

20 September 2017

*The data regarding Alpina Partners Fund LP and WCP Growth Fund LP (together, the "Partnerships") does not necessarily reflect the current or expected future performance of the Partnerships and should not be used to compare returns of the Partnerships against returns of other private equity funds.

Regulatory Disclosures

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company were explained in detail within the Company's prospectus issued in July 2015 (the "Prospectus") and the Annual Report for the year ended 31 December 2016 (the "Annual Report"). The Directors are not aware of any new risks or uncertainties for the Company and its investors for the period under review and moving forward, beyond those stated within the Prospectus and the Annual Report.

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.

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.

Sir Ian Cheshire
Chairman

20 September 2017

Condensed Income Statement

	Note	Six months to 30 June 2017 (unaudited) Revenue £'000	Capital £'000	Total £'000	Six months to 30 June 2016 (unaudited) Revenue £'000	Capital £'000	Total £'000
Gains/(Losses) on investments at fair value through profit or loss		–	2,074	2,074	–	(2,421)	(2,421)
Income from investments	5	570	–	570	309	–	309
AIFM and portfolio management fees	6	(103)	(412)	(515)	(93)	(369)	(462)
Other expenses		(251)	(35)	(286)	(192)	–	(192)
Net return/(loss) before taxation		**216**	**1,627**	**1,843**	**24**	**(2,790)**	**(2,766)**
Taxation on net return		(34)	–	(34)	(24)	–	(24)
Net return/(loss) after taxation		**182**	**1,627**	**1,809**	**–**	**(2,790)**	**(2,790)**
Return/(loss) per share	7	**0.2p**	**2.0p**	**2.2p**	**0.0p**	**(3.5)p**	**(3.5)p**

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	Share premium account £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Six months to 30 June 2016 (unaudited)						
Balance at 31 December 2015	800	77,371	–	(11,129)	73	67,115
Conversion of share premium account*	–	(77,371)	77,371	–	–	–
Net (loss) after taxation	–	–	–	(2,790)	–	(2,790)
Balance at 30 June 2016	800	–	77,371	(13,919)	73	64,325
Six months to 30 June 2017 (unaudited)						
Balance at 31 December 2016	800	–	77,371	(9,831)	(57)	68,283
Net return after taxation	–	–	–	1,627	182	1,809
Balance at 30 June 2017	800	–	77,371	(8,204)	125	70,092

* The share premium account was cancelled in June 2016 and the 'Special Reserve' created.

Condensed Statement of Financial Position

	Note	As at 30 June 2017 (unaudited) £'000	As at 31 December 2016 (audited) £'000
Fixed assets			
Investments at fair value through profit or loss		59,981	52,547
Current assets			
Debtors		166	65
Cash		10,087	15,872
		10,253	15,937
Current liabilities			
Creditors: amounts falling due within one year		(142)	(201)
Net current assets		10,111	15,736
Net assets		70,092	68,283
Capital and reserves			
Ordinary share capital		800	800
Special reserve		77,371	77,371
Capital reserve		(8,204)	(9,831)
Revenue reserve		125	(57)
Equity shareholders' funds		70,092	68,283
Net asset value per share	8	87.6p	85.4p

Condensed Cash Flow Statement

	Six months to 30 June 2017 (unaudited) £'000	Six months to 30 June 2016 (unaudited) £'000
Net cash (outflow) from operating activities	(451)	(386)
Investing activities		
Purchases of investments	(15,429)	(8,605)
Sales of investments	10,095	14,902
Net cash (outflow)/inflow from investing activities	(5,334)	6,297
(Decrease)/Increase in cash and cash equivalents	(5,785)	5,911
Cash and cash equivalents at beginning of period	15,872	3,371
Cash and cash equivalents at end of period	10,087	9,282

Notes to the Condensed Interim 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 2017 and 30 June 2016 has not been audited or reviewed by the Company's external auditors.

The information for the year ended 31 December 2016 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 January 2017 and using the same accounting policies as set out in the Company's Annual Report for the year ended 31 December 2016.

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 2016.

5 INCOME

	Six months to 30 June 2017 £'000	Six months to 30 June 2016 £'000
Income from investments		
UK listed dividends	62	37
Overseas dividends	462	269
Fixed interest income	46	3
Total income	570	309

6 AIFM AND PORTFOLIO MANAGEMENT FEES

	Six months to 30 June 2017 (unaudited)			Six months to 30 June 2016 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
AIFM fee	16	63	79	14	56	70
Portfolio management fee	87	349	436	79	313	392
	103	412	515	93	369	462

7 RETURN PER SHARE

The revenue and capital 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 2017 and 30 June 2016.

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

8 NET ASSET VALUE PER SHARE

The net asset value per share is based on the number of shares in issue at 30 June 2017 and 31 December 2016 of 80,000,001.

9 TRANSACTION COSTS

Purchase transaction costs for the six months ended 30 June 2017 were £9,000 (six months ended 30 June 2016: £4,000). These comprise mainly commission and stamp duty. Sales transaction costs for the six months ended 30 June 2017 were £27,000 (six months ended 30 June 2016: £24,000). 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 2017.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 30 June 2017				
Investments	40,966	1,355	17,660	59,981
As at 31 December 2016				
Investments	36,292	314	15,941	52,547

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.

Website

Website: 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
Website: 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

Depositary

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

Auditors

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Corporate Broker

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

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone (in UK): 0871 664 0300†
Telephone (from overseas): + 44 208 639 3399
Facsimile: + 44 (0) 1484 600911
E-mail: shareholderenquiries@capita.co.uk
Website: www.capitaassetservices.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 traning 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.

Identification Codes

Shares:	SEDOL:	BZ0XWD0
	ISIN:	GB00B20XWD04
	BLOOMBERG:	MHN LN
	EPIC:	MHN

Legal Entity Identifier:
2138004NTCUZTHFWXS17