Menhaden

Menhaden PLC
Half Year Report
for the six months ended 30 June 2019

Contents

Financial Highlights

Performance	As at 30 June 2019	As at 31 December 2018
Net asset value per share	101.7p	90.6p
Share price	83.0p	67.0p
Discount	18.4%	26.1%

Total returns	Six months to 30 June 2019	Year to 31 December 2018
Net asset value per share	13.0%	(1.6%)
Share price	25.0%	(2.2%)

	Six months to 30 June 2019	Year to 31 December 2018
Ongoing charges*	2.1%	2.1%

Source: Frostrow Capital LLP/Bloomberg.

* 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

I am pleased to report on your Company's activities in the six months to 30 June 2019 and on its financial position as at that date; almost four years since its launch.

Performance

During the first half of the year, the Company's net asset value ("NAV") per share rose 13.0% on a total return basis (2018: fell 1.6%). At the same time, the market value of the Company's shares increased by 25.0% (2018: declined by 2.2%) so that, at the end of June, the share price stood at a 18.4% discount to the NAV per share, having narrowed from 26.1% at the end of 2018.

While the Company does not have a formal benchmark and our Portfolio Manager does not invest by reference to any index, over the same period the MSCI World Total Return Index (in sterling), rose by 17.1% (2018: fell by 3.0%). By way of additional comparison, the WilderHill New Energy Global Innovation Index (in sterling) increased by 21.3% and the AIC Environmental Sector grew by 20.3%.

The increase in the Company's NAV was primarily due to the public equities and yield investments in the portfolio. In particular, Airbus, Air Products and Brookfield Renewable Partners performed well. Our Portfolio Manager has provided a comprehensive analysis of all the factors contributing to the Company's performance during the period in their report beginning on page 7.

Discount

The Board is pleased with the share price performance over the first half of the year, with the discount to the NAV per share narrowing significantly. The improvement is due to both the good performance of the portfolio over the first half of the year and the continuing focus on the Company's marketing and distribution strategies.

Nevertheless, we remain conscious of the level of the share price discount. Overall, the Board remains of the opinion that share buybacks would not be in the interests of shareholders as they reduce the size of the Company, increase the ongoing charges ratio and reduce the liquidity of the Company's shares. Instead, the Board will continue to focus on investment performance and the marketing effort, keeping the situation under close review.

Dividend

The Board recommended to shareholders the payment of a small dividend of 0.7p per share in respect of the year ended 31 December 2018, as required by investment trust rules. This was approved by shareholders at the annual general meeting held on 29 May 2019 and paid on 5 June 2019.

The Board has not declared an interim dividend for this half year.

Corporate Governance

The Board continuously monitors the performance of the Company's principal service providers and formally assesses the Company's management arrangements annually. As the Company enters its fifth year of trading and approaches its first continuation vote in May 2020, the Board will be undertaking a comprehensive review of costs in order to ensure that shareholders are achieving value for money. The review will include an audit tender, led by the Audit Committee reporting to the Board, with a view to the selected firm auditing the financial statements for this year ending 31 December 2019. The tender process will take place between October and December 2019 with the final decision expected to be announced in late December 2019. The process, together with the results of the wider review, will be described in the next annual report.

Outlook

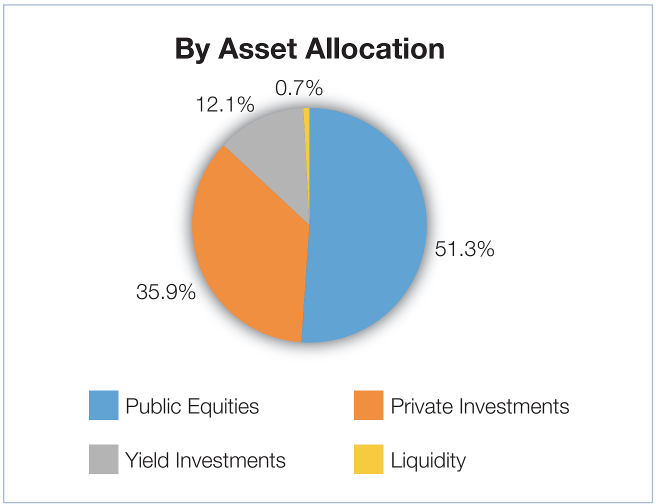
Global growth continues to slow and geopolitical, environmental and technological risks continue to cause uncertainty and volatility in stock markets. However, there has been a notably improved focus on tackling the global climate crisis and the investment community is well placed to engage with sustainability issues and achieve a real impact. Our Portfolio Manager is optimistic about the long-term outlook for the companies in your portfolio and will continue to focus on selecting competitively advantaged businesses which deliver or benefit from the efficient use of resources. The Board supports this investment strategy and believes that the premise on which the Company was launched is more compelling than ever.

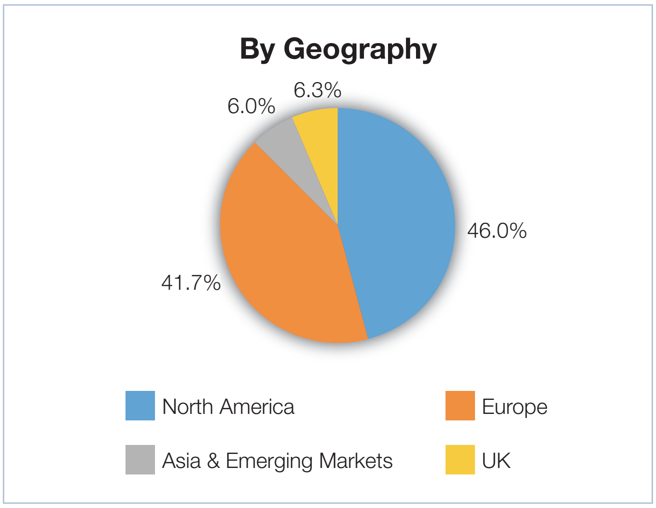
Sir Ian Cheshire
Chairman
24 September 2019

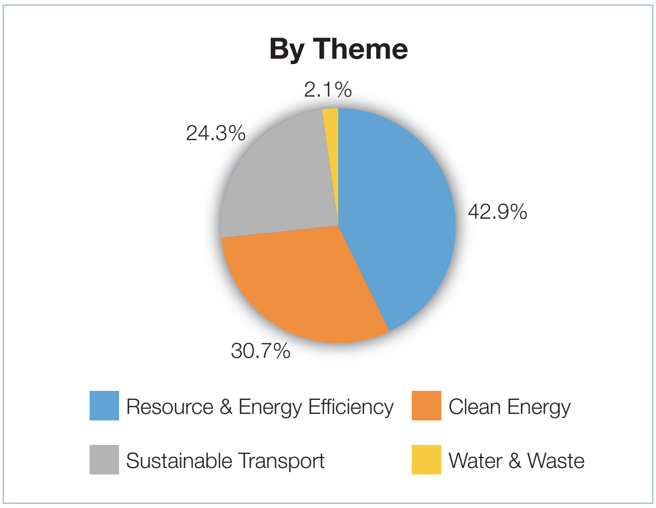
Portfolio Summary

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 better ways to manage water and waste







Portfolio as at 30 June 2019

Investment	Country	Fair Value £'000	% of net assets
X-ELIO*[1]	Spain	16,523	20.3
Safran	France	7,886	9.7
Alphabet	United States	7,609	9.4
Charter Communications	United States	6,493	8.0
ADO Group*[2]	Germany	5,676	7.0
Brookfield Renewable Partners	Canada	4,908	6.0
Canadian Pacific	Canada	4,250	5.2
Calvin Capital*[3]	UK	4,072	5.0
Union Pacific	United States	3,880	4.8
Airbus	France	3,585	4.4
Top 10 investments		**64,882**	**79.8**
Terraform Power	United States	3,368	4.1
Ocean Wilsons Holdings	Bermuda	2,914	3.6
Perfin Apollo 12*	Brazil	1,943	2.4
Waste Management	United States	1,700	2.1
Air Products & Chemicals	United States	1,695	2.1
Microsoft	United States	1,684	2.1
TCI Real Estate	United States	1,570	1.9
WCP Growth Fund LP*[4]	UK	1,017	1.3
Total investments		**80,773**	**99.3**
Net current assets (including cash)		569	0.7
Total net assets		**81,342**	**100.0**

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

[2] Investment made through CGE Investments.

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

[4] The data regarding the WCP Growth Fund LP (the "Partnership") does not necessarily reflect the current or expected future performance of the Partnership and should not be used to compare returns of the Partnership against returns of other private equity funds.

* Unquoted.

Business Description	Theme
Develops and operates solar energy assets	Clean energy production
Supplies energy efficient systems/equipment for aerospace, defence & security	Sustainable transport
Parent company of Google which uses 100% renewable energy	Resource and energy efficiency
Telecomms company providing infrastructure for the 'internet of things'	Resource and energy efficiency
Invests in energy efficient real estate in Berlin	Resource and energy efficiency
Open-ended fund investing in hydroelectric and wind facilities	Clean energy production
Owns and operates (fuel-efficient) freight railways in Canada and the USA	Sustainable transport
Invests in utility infrastructure assets including smart meters	Resource and energy efficiency
Provides (fuel-efficient) rail freight services across the USA	Sustainable transport
Designs and manufactures aircraft with fuel-efficient engines	Sustainable transport
Operates contracted renewable energy assets	Clean energy production
Operates ports and provides (lower climate impact) maritime services in Brazil	Resource and energy efficiency
Builds and operates electricity transmissions lines in Brazil	Resource and energy efficiency
North American provider of waste management and environmental services	Water and waste management
Sells gases and chemicals which help industries use energy more efficiently	Resource and energy efficiency
Multinational technology company which provides energy-efficient datacenters	Resource and energy efficiency
Invests in energy efficient real estate projects	Resource and energy efficiency
Growth capital fund managed by specialist environmental PE firm, Alpina Partners	Resource and energy efficiency

Portfolio Manager's Review

Performance

During the first half of 2019, the Company's NAV per share increased from 90.6p to 101.7p. This represents a total return of 13.0% and compares to the MSCI World Index (sterling) total return of 17.1%. The Company's share price traded at a 18.4% discount to NAV as at 30 June 2019.

The contribution to the NAV per share increase over the year is summarised below:

Asset Category	30 June 2019 NAV %	Contribution %
Public Equities	51.3	11.6
Private Investments	35.9	(0.5)
Yield Investments	12.1	3.1
Liquidity	1.7	–
Foreign exchange forwards	(1.1)	(0.0)
Dividend Paid		(0.8)
Expenses		(1.1)
Net Assets	**100.0**	
Net Return		**12.2**
Reinvested Dividend		0.8
Total Return		**13.0**

Figure 1. Source: Frostrow Capital LLP

Following a difficult end to 2018, equity markets rapidly bounced back with the S&P 500 managing to reach a new all-time high in the first half of this year. Investors who moved to cash in the fourth quarter likely had cause to regret their timing. As always we remain patient and fully aware of the risks of trying to correctly time financial markets. Although our portfolio outperformed the market in 2018, we still recorded a small loss of 1.6%. Consequently, we are pleased with the return to positive performance so far this year, with our quoted and yield investments performing particularly well.

Public Equities

Our portfolio of public equities represented 51.3% of our total NAV as at 30 June 2019 and added 11.6% to our NAV. These results substantially outperformed the MSCI World Index (sterling) by 8.2% on a total return basis.

Investment	Increase/ Decrease %	Contribution to NAV %
Airbus	49.3	4.2
Safran	24.2	2.3
Canadian Pacific	33.1	1.4
Air Products and Chemicals	43.0	1.1
Union Pacific	23.6	1.0
Charter Communications	11.7	0.8
Waste Management	30.8	0.6
Alphabet	3.5	0.3
Microsoft	15.8	0.2
Ocean Wilsons	(5.1)	(0.2)
NJS	(10.9)	(0.1)
Infigen	(4.2)	(0.0)
Total		**11.6**

Figure 2. Source: Frostrow Capital LLP

Airbus was the single biggest contributor to our performance. The group is working hard to help transition the aviation industry to a more sustainable footing with its new A320neo aircraft delivering 20% fuel efficiency savings compared to its predecessor. This will represent a key lever for the whole industry to achieve its goal of stabilising carbon emissions from 2020 to 2035 and to then reduce emissions to half of 2005 levels by 2050, under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). Operationally, Airbus reported strong annual results in February, announced its intention to incrementally raise the production of its A320 program by 2021 and the planned end of production on its loss-making A380 program. Airbus also enjoyed a strong showing at this year's Paris Air Show, with new orders for 363 commercial aircraft, including 149 firm orders and 214 commitments. We chose to crystallise a portion of our substantial gains in Airbus during the period because, due to the shares' stellar performance, we believed the forward returns no longer justified such an outsized position.

Meanwhile **Safran**, the aircraft engine manufacturer, continues to perform strongly. As part of the wider aviation industry's drive towards a more sustainable platform, the group continues to develop more efficient means of aircraft propulsion. Deliveries of the new LEAP engine, which offers 15% fuel efficiency savings compared to its predecessor, continue to ramp up and the firm is also investing to help develop new electric power systems for aircraft. More broadly, the group is benefiting from robust organic growth across its product and services portfolio, with the civil aftermarket continuing to enjoy double digit growth. Over the Paris Air Show, Safran recorded new orders and commitments for >1,150 LEAP engines and long-term services agreements equivalent to US$50.2 billion at list prices. Although the group is exposed to Boeing's lower rate of production of the 737 MAX, the near-term financial impact is very limited. This is because Safran earns the vast majority of its profits on the LEAP engine from aftermarket service revenues many years into the future. Admittedly, if Safran's installed base of engines did not grow as anticipated, due in part to permanently lower 737 MAX deliveries, this would be negative. However, we do not expect this scenario to occur with Boeing currently working hard to return the MAX to the skies.

Our Northern American freight rail operators, **Canadian Pacific** and **Union Pacific**, both delivered significant gains. We believe that freight rail operators can continue to take market share from the trucking sector, especially on long distance routes. Rail is the most environmentally friendly way to transport freight over land, with current locomotives four times more fuel efficient than trucking on a per unit basis. Canadian Pacific recovered strongly from severe winter weather at the start of the year, with volumes set to continue to benefit from multiple new contracts and facility expansions by existing customers over the coming years. Meanwhile Union Pacific is still in the early stages of its planned precision scheduled railroading (PSR) implementation which holds the potential to expand operating margins by improving asset efficiency and labour productivity.

After a relatively uneventful 2018, **Air Products** surged higher. Importantly, the group's products and services enable its customers to avoid 54 million tons of carbon dioxide emissions, equivalent to 11 million cars and almost double the group's own direct and indirect carbon dioxide emissions. Whilst we continue to like the business model and expect the current development pipeline to underpin strong earnings growth, we exited our position after the half year end because we believed the group's elevated multiple would likely hinder future returns.

Our position in **Alphabet** remains one of our core holdings, with the position currently representing 9.5% of NAV. We took advantage of volatility in the group's share price, in the wake of the group's first quarter results, to incrementally add to our position. The market negatively interpreted the management's comments around the likely pace of future growth, soon after which the US Department of Justice announced a new probe into potential antitrust issues related to Google's dominant position in search. In our view, Alphabet's dominant position in search and its ability to monetise its unparalleled levels of user interaction can underpin revenue growth for many years. Furthermore, we believe that the group has the potential to increase its operating margins beyond market expectations as its different business units (YouTube, Cloud and Hardware) mature and improve their profitability. Although the market has yet to agree with us, we are content to remain patient.

In April we used the proceeds of our partial sale of Airbus to initiate a position in US cable business **Charter Communications**, where we saw a materially higher upside with lower associated risk. We view Charter's hybrid fibre coax network, which encompasses 50 million households in the US, as a key piece of infrastructure for enabling the development of the 'internet of things' (IoT). The IoT is already transforming the way resources are produced, distributed and consumed, and has the potential to drive significant energy efficiency savings, with McKinsey previously estimating these could be worth $540 billion across residential and commercial buildings. We believe that Charter can deliver meaningfully higher free cash flow in the years ahead based upon a combination of modest revenue growth, falling capital intensity and lower customer churn. Although it is still early in our investment time horizon, we are pleased by recent performance.

We also initiated a position in **Microsoft** in the same month. Microsoft is at the forefront of putting the growth of data (and data centres) on a sustainable footing with its Azure Cloud services being up to 93% more energy efficient than traditional enterprise datacentres. We believe that Microsoft benefits from immense economies of scale, high switching costs and established enterprise sales relationships which should underpin Azure's rapid growth trajectory, whilst we think Office 365 should continue to profit from entrenched network effects and the benefits associated with cloud-based subscriptions compared to traditional licenses.

Finally, we exited our positions in Australian renewable power operator, Infigen, and Japanese water consultancy firm, NJS, in April as well. With no clear resolution in sight on renewables policy in Australia and limited prospect of a takeover at a higher price, we decided that we could put our funds deployed in Infigen to better use elsewhere. Whilst NJS remains undeniably cheap, with its cash holding nearly equivalent to its market capitalisation alone, the lack of a clear timeline as to when this anomaly would correct meant we similarly decided to redeploy capital into other opportunities.

Yield Investments

Our portfolio of yield investments represented 12.1% of our total NAV as at 30 June 2019 and added 3.1% to our NAV. Although our yield investments outperformed the MSCI World Index (sterling) by 11.9% on a total return basis in the first half of the year, we do not expect this to repeat frequently.

Investment	Increase/ Decrease %	Contribution to NAV %
Brookfield Renewable Partners	37.9	1.8
Terraform Power	34.2	1.3
TCI Real Estate Partners Fund III	13.1	0.3
Atlantica Yield	(9.1)	(0.3)
Total		3.1

Figure 3. Source: Frostrow Capital LLP

After a poor end to 2018, **Brookfield Renewable Partners** eagerly bounced back with the shares reaching new all-time highs in the first half of this year. As we wrote previously, we were perplexed by the shares' weakness throughout last year even as US treasury yields began to roll over in the fourth quarter. We attribute the rally to a better appreciation of the group's improving dividend coverage and lower US treasury yields. Regardless, in our view Brookfield Renewable Partners remains both a best in class operator and allocator of capital, which possesses a portfolio of advantaged renewable power assets. With the current organic development pipeline and contract escalators underpinning both cash flow and distribution growth, we continue to see a bright future ahead for the group.

Brookfield Renewable Partners' subsidiary, **Terraform Power**, also delivered a standout performance. Management continues to execute well on its plan to deliver mid-single digit distribution growth over the coming years from organic initiatives, whilst the possibility of a better than expected regulated return on Spanish solar assets offers upside.

Meanwhile we are patiently waiting for the **TCI Real Estate Partners Fund III**, which currently represents 1.8% of NAV, to draw down additional capital from our US$15 million commitment, of which US $13.1 million remains undrawn. This fund will provide asset-backed loans to prime real estate development projects that are best in class in terms of energy efficiency and environmental standards. We believe these loans offer an outstanding risk-reward proposition with multiple layers of downside protection including seniority in the capital structure, loan-to-value ratios of below 65% and third party guarantees as additional collateral where required. The strategy has historically generated returns of circa 11% annually since inception.

In January we sold our position in Atlantica Yield and crystallised a loss in the period. We reacted to fears related to the bankruptcy of California utility PG&E, which is the offtaker for Atlantica's Mojave solar project (280MW). Although we believed that a positive resolution, which would safeguard payments to Atlantica, was achievable, we decided that Brookfield Renewable Partners offered better probability-weighted future returns at that moment and swiftly reallocated our capital.

Private Investments

Our portfolio of private investments represented 35.9% of our total NAV as at 30 June 2019 and detracted 0.5% from our NAV.

Investment	Increase/ Decrease %	Contribution to NAV %
Perfin Apollo 12	158.9	1.6
X-ELIO	6.0	1.3
Calvin Capital	5.2	0.3
ADO Group	(32.6)	(3.8)
WCP Growth	6.0	0.1
Total		(0.5)

Figure 4. Source: Frostrow Capital LLP

Although **X-ELIO**, the Spanish solar operator and developer, remained our single largest holding representing 19.5% of our NAV at the half year end, Brookfield Renewable Partners and KKR announced an agreement to form a 50/50 joint venture for the group at the start of July. Brookfield will acquire a 50% stake in X-ELIO from existing investors for a total commitment in the region of US$500 million, with the deal expected to close in Q4 2019. We intend to sell 50-75% of our holding in the transaction. If the deal completes as expected, this will be the first significant successful realisation from our portfolio of private investments.

In March we received a positive update from **Perfin Apollo 12**, which is developing electricity transmission line infrastructure in Brazil. Each of Perfin's three greenfield projects are progressing ahead of schedule. Moreover, the group has been able to increase its use of project financing and achieve a lower cost of debt than was originally forecast. Consequently, in light of improved visibility on both construction costs and debt financing, the manager marked up the value of our investment.

In the same month, we also entered into an agreement for a new co-investment managed by private equity firm Apollo. This is a private investment alongside General Oriental, the Goldsmith family investment vehicle, in the listed Israeli holding company, **ADO Group**, which effectively controls ADO Properties. This effectively provides us with exposure to the Berlin real estate portfolio owned by ADO Properties at a discount. In line with our previous co-investments, this will be on a fee-free basis. Importantly, ADO Properties offers a near symbiotic relationship between increasing energy efficiency (from upgrading its building stock) and growing real estate values (derived from higher rents).

Initially, we incurred a significant write-down on this investment, which was driven by fears around the impact of a proposed local government bill to freeze rents on residential properties in Berlin for five years. With the draft bill appearing unlikely to alleviate the current shortage of residential apartments in the city, we did not believe the intrinsic value of the underlying real estate portfolio ever changed despite the market reaction. Consequently, we were pleased when it was recently announced that ADLER Real Estate AG had entered into a merger agreement with ADO Group in September, with the agreed consideration representing a premium to our original investment price. The transaction is expected to close in December this year.

Foreign Exchange Forwards

Our currency hedging strategy remains unchanged and we continue to use the foreign exchange forwards, which we initiated in 2017. Our sole aim is to lower the volatility of our sterling denominated returns by reducing our non-sterling exposure related to our investments denominated in other currencies. We expect to continue employing this strategy.

Outlook

Our quoted portfolio consists of competitively advantaged businesses, which benefit from robust barriers to entry and which can deliver material earnings growth over the long term. We expect our yield investments to be bolstered by the TCI Real Estate Partners III Fund as it calls down capital in due course. We believe our private investments represent a source of value which will continue to emerge over time. Meanwhile the completion of the partial sale of our stake in X-ELIO will provide us with fresh liquidity for new opportunities which meet our strict investment criteria, while realising a significant gain for shareholders.

We remain conscious that global economic growth is slowing. Meanwhile investors today are having to contend with significant external risks to business models, such as the threat from climate change, disruption from technological innovation and rapidly evolving consumer tastes and expectations. By their very nature, these risks are difficult to quantify and evaluate. Consequently, we will continue to own businesses which are both sustainable and competitively advantaged, with real and resilient barriers to entry. In our view, such businesses possess the best prospects in a world of rapid change, increasing environmental challenges and growing disruption.

We remain fully aligned with shareholders, with our own capital invested in the Company, and will maintain a focus on capital preservation by deploying it into opportunities which offer the best balance between risk and reward across asset classes.

Menhaden Capital Management LLP
Portfolio Manager
24 September 2019

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 2018 (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.

This half year report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the date of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Sir Ian Cheshire
Chairman
24 September 2019

Condensed Income Statement

	Note	Six months to 30 June 2019 (unaudited) Revenue £'000	Capital £'000	Total £'000	Six months to 30 June 2018 (unaudited) Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments at fair value through profit or loss		–	9,442	9,442	–	1,185	1,185
Income from investments	5	792	–	792	989	–	989
AIFM and portfolio management fees	6	(116)	(464)	(580)	(106)	(423)	(529)
Other expenses		(222)	–	(222)	(201)	–	(201)
Net return before taxation		454	8,978	9,432	682	762	1,444
Taxation on net return		(38)	–	(38)	(101)	–	(101)
Net return after taxation		416	8,978	9,394	581	762	1,343
Return per share	7	0.5p	11.2p	11.7p	0.7p	1.0p	1.7p

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	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Six months to 30 June 2018 (unaudited)					
Balance at 31 December 2017	800	77,371	(4,539)	60	73,692
Net return after taxation	–	–	762	581	1,343
Balance at 30 June 2018	800	77,371	(3,777)	641	75,035
Six months to 30 June 2019 (unaudited)					
Balance at 31 December 2018	800	77,371	(6,447)	784	72,508
Net return after taxation	–	–	8,978	416	9,394
Dividends paid	–	–	–	(560)	(560)
Balance at 30 June 2019	800	77,371	2,531	640	81,342

Condensed Statement of Financial Position

	Note	As at 30 June 2019 (unaudited) £'000	As at 31 December 2018 (audited) £'000
Fixed assets			
Investments at fair value through profit or loss		80,773	65,611
Current assets			
Debtors		110	131
Cash		1,512	7,732
		1,622	7,863
Current liabilities			
Derivative financial instruments at fair value through profit or loss		(866)	(784)
Creditors: amounts falling due within one year		(187)	(182)
		(1,053)	(966)
Net current assets		569	6,897
Net assets		81,342	72,508
Capital and reserves			
Ordinary share capital		800	800
Special reserve		77,371	77,371
Capital reserve		2,531	(6,447)
Revenue reserve		640	784
Equity shareholders' funds		81,342	72,508
Net asset value per share	8	101.7p	90.6p

Condensed Cash Flow Statement

	Six months to 30 June 2019 (unaudited) £'000	Six months to 30 June 2018 (unaudited) £'000
Net cash (outflow)/inflow from operating activities	(24)	83
Investing activities		
Purchases of investments	(18,713)	(20,100)
Sales of investments	13,077	18,258
Net cash outflow from investing activities	(5,636)	(1,842)
Financing activities		
Dividends paid	(560)	–
Decrease in cash and cash equivalents	(6,220)	(1,759)
Cash and cash equivalents at beginning of period	7,732	9,987
Cash and cash equivalents at end of period	1,512	8,228

Notes to the 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 2019 and 30 June 2018 has not been audited or reviewed by the Company's external auditors.

The information for the year ended 31 December 2018 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 2019 and using the same accounting policies as set out in the Company's Annual Report for the year ended 31 December 2018.

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 2018.

5 INCOME

	Six months to 30 June 2019 £'000	Six months to 30 June 2018 £'000
Income from investments		
UK dividends	–	71
Overseas dividends	785	911
Fixed interest income	7	7
Total income	792	989

6 AIFM AND PORTFOLIO MANAGEMENT FEES

	Six months to 30 June 2019 (unaudited)			Six months to 30 June 2018 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
AIFM fee	18	71	89	16	65	81
Portfolio management fee	98	393	491	90	358	448
	116	464	580	106	423	529

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 2019 and 30 June 2018.

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 2019 and 31 December 2018 of 80,000,001.

9 TRANSACTION COSTS

Purchase transaction costs for the six months ended 30 June 2019 were £2,000 (six months ended 30 June 2018: £7,000). These comprise mainly commission and stamp duty. Sales transaction costs for the six months ended 30 June 2019 were £9,000 (six months ended 30 June 2018: £12,000). 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 2019.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 30 June 2019				
Investments	49,971	–	30,802	**80,773**
Derivatives	–	(866)	–	**(866)**
As at 31 December 2018				
Investments	42,814	159	22,638	**65,611**
Derivatives	–	(784)	–	**(784)**

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. It changed its name to Menhaden Capital PLC on 19 June 2015 and to Menhaden PLC on 14 December 2018.

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

Auditor

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

Registrar

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone (in UK): 0871 664 0300†
Telephone (from overseas): + 44 371 664 0300
E-mail: enquiries@linkgroup.co.uk
Website: www.linkassetservices.com
Shareholder Portal: www.signalshares.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 training 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