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# Menhaden Capital Plc



## Business Overview

**ESTABLISHED:** July 2015

**LOCATION:** London

**LISTING:** LSE  
NEX Exchange, SSX Segment

**TYPE OF COMPANY:** For profit

**NUMBER OF EMPLOYEES:** None, as all work is undertaken by external service providers

**ISSUED SHARE CAPITAL:**  
80,000,001 shares

### BUSINESS AREA:

Investments in businesses and opportunities, delivering or benefiting from the efficient use of energy and resources.

**COMPANY WEBSITE:**  
[www.menhadencapital.com](http://www.menhadencapital.com)

### BUSINESS OVERVIEW

Menhaden Capital Plc (Menhaden) is a listed Investment Trust whose investment objective is to generate long-term shareholder returns, predominantly in the form of capital growth, by investing in businesses delivering or benefiting from the efficient use of energy and resources irrespective of their size, location or stage of development.

The company's investment objective is pursued through constructing a conviction-driven portfolio consisting primarily of direct listed and unlisted holdings across asset classes and geographies.

Menhaden's conviction driven portfolio has invested millions of pounds in businesses offering solutions to the sustainability challenges facing the world, and provides investors with access to a diverse range of green projects and companies.

Menhaden takes a long-term, patient approach to investment, and the company believes that this approach good for society, for the environment and for investors.

### SOCIAL MISSION

Menhaden's positive impacts are achieved through the companies in which they invest. The four core investment themes are:

**CLEAN ENERGY:** Companies producing power from clean sources such as solar or wind.

### RESOURCE AND ENERGY

**EFFICIENCY:** Companies focused on improving energy efficiency for example in buildings or manufacturing processes, or creating emissions reduction products or services.

### SUSTAINABLE TRANSPORT:

Transport sector-related companies focused on helping to reduce harmful air emissions or distance travelled.

### WATER & WASTE MANAGEMENT:

Companies with products or services that enable reductions in usage and volumes of water and waste together with smarter water and waste management.

The company also intends to have a positive influence on social and governance issues such as protection of human and labour rights, and to foster transparent corporate governance.

### WHO BENEFITS?

**NATURAL ENVIRONMENT:** Through investments in companies that can reduce the use of natural resources, limiting or reducing emissions and promoting energy efficiency.

**INVESTORS IN THE TRUST:** Positive environmental impact is increasingly correlated with attractive financial returns. This directly benefits investors in the trust.

**INVESTEES COMPANIES, EMPLOYEES AND CO-OWNERS:** Increased investment in portfolio companies supports them in expanding and further developing technologies, also leading to additional employment.

## Commercial and Financial Summary

### CORPORATE STRUCTURE

Menhaden is an externally managed investment trust and its shares are premium listed on the Official List and traded on the main market of the London Stock Exchange.

All of Menhaden's day to day management and administrative functions are outsourced to service providers. As a result, Menhaden has no executive directors, employees or internal operations.

### FINANCIAL PERFORMANCE

Year end (£m)	31-Dec-2015	31-Dec-2016
Number of holdings	24	24
Total Net Assets	68.4	70.0
Market Capitalisation	61.6	53.4
Premium / (discount) %	(9.9)	(24.1)
Share Price (p)	77.0	66.4
NAV per share (p)	85.5	87.5

### BUSINESS HIGHLIGHTS

Raised £80m at launch in July 2015.

Over £20m invested in high-growth, low-carbon companies via private equity investments. These are businesses with the potential to help drive the transition to a low-carbon economy.

Achieved an average carbon footprint within the public portfolio that was less than a third of a comparable global index as at 31 December 2015.

During 2016, the Company's NAV per share increased from 83.9p to 87.5p. This represents an increase of 4.3% for the period.

As at 31 December 2016, net asset allocations were as follows: Listed Equity: 34.1%; Private equity 25.1%; Yield: 18.2%; Liquidity: 22.7%.

As at 31 December 2016, geographical allocations were: USA: 29.1%; Europe: 29.3%; Unquoted UK LPs 10.6%; Liquidity: 22.7%; Asia 1.3%; Emerging Markets: 3.4%; Global: 2.4% and UK: 3.6%.

For the same period the MSCI World Total Return Index (in sterling) returned 28.9%. The performance of the index in sterling was largely driven by the depreciation of sterling after the EU referendum in the UK. The same index in US dollars returned 7.3%.

The Company's share price traded at a 24.1% discount to NAV per share as at 31 December 2016.

## Impact Assessment Matrix

### ECONOMIC IMPACT

	MEASUREMENT	REPORTED OUTCOME
<b>Capital for low carbon companies</b>	Investments amount raised at launch	£80m
	Amount invested in high-growth, low-carbon companies via private equity investments.	Over £20m

### SOCIAL IMPACT

	MEASUREMENT	REPORTED OUTCOME
<b>None reported</b>	Specific criteria for measuring social impact are not currently identified.	None reported

### ENVIRONMENTAL IMPACT<sup>1</sup>

	MEASUREMENT	REPORTED OUTCOME
<b>Clean Energy</b>	Investments in clean energy production	Represented 34.6% of portfolio. Menhaden's largest investment is in renewable energy producer X-Elio. In a single year X-Elio generated over 650,000 GJ of renewable energy, thus avoiding 68,190 tons of CO <sub>2</sub> emissions. Equivalent to taking almost 15,000 passenger vehicles off the road <sup>2</sup> .
<b>Emissions reductions</b>	Carbon footprint	The average carbon footprint of Menhaden's public portfolio was less than a third of a Russell-developed set of global small- and mid-cap (SMID) companies <sup>3</sup> .
	Investments in Resource and Energy	Efficiency represented over 50% of portfolio. Cumulative carbon emission reductions in private equity funds-held in the portfolio of 360,074 tonnes, equivalent to the carbon footprint of 50,310 individuals.
<b>Waste Management</b>	Investments in Water and Waste management	Represented 6.7% of portfolio. Cumulative landfill avoidance of 2,440 tonnes in private equity funds-held in the portfolio, equivalent to the waste generated by 9,300 individuals.

### GOVERNANCE

	MEASUREMENT	REPORTED OUTCOME
<b>Corporate Governance</b>	No. of Non-Executive Directors	4 of 4 (100%)
	Non-Executive Chairman	Yes
	Committees for Audit and Management Engagement	Yes
	Compliance with UK Corporate Governance Code and the AIC Code of Corporate Governance	Fully compliant with all provisions applicable to an externally managed investment trust
<b>Diversity</b>	% of female board members	25%

<sup>1</sup> As reported in 2016 Impact Report. Data as of 31 December 2015, unless otherwise stated; [http://www.menhaden.com/files/4914/6157/3751/Menhaden\\_Impact\\_Report\\_FINAL.pdf](http://www.menhaden.com/files/4914/6157/3751/Menhaden_Impact_Report_FINAL.pdf)

<sup>2</sup> [http://www.x-elio.com/sites/default/files/MemSos\\_Solar\\_2014\\_EN.pdf](http://www.x-elio.com/sites/default/files/MemSos_Solar_2014_EN.pdf)

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