

Investment Objective

Menhaden Resource Efficiency Plc (the "Company") seeks to generate long-term shareholder returns, predominantly in the form of capital growth, by investing in businesses and opportunities that are demonstrably delivering or benefiting significantly, from the efficient use of energy and resources, irrespective of their size, location or stage of development. To reflect its non-benchmarked total return investment strategy, the Company uses RPI+3% as its primary long term financial performance comparator. In addition to this absolute return performance measure, the Company also uses a range of specialist, sectoral and peer group benchmarks to assess its relative performance.

Menhaden

Fast Facts

| | |
|--|----------------------------------|
| AIC Sector | Environmental |
| Launch Date | 31 July 2015 |
| Annual Management Fee (payable by the Company): Portfolio Management Fee 1.25% p/a on first £100m of AUM, 1.0% thereafter; AIFM Fee 0.225% p/a up to £100m, 0.20% p/a thereafter up to £500m, 0.175% in excess of £500m | |
| Performance fee | See Annual Report for details |
| Ongoing charges* | 2.0% |
| Continuation Vote | At AGM in 2020; every 5 years |
| Year / Half Year | 31 December / 30 June |
| Capital Structure | 80,000,001 Ordinary Shares of 1p |

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

Trust Characteristics

| | |
|-----------------------------------|---------|
| Number of Holdings | 17 |
| Total Net Assets (£m) | £120.9m |
| Market Capitalisation (£m) | £90.4m |
| Gearing (AIC basis) * | 0% |
| Leverage**: | |
| Gross | 145.8% |
| Commitment | 102.1% |
| Share Price (p) | 113.00 |
| NAV (p) | 151.16 |
| (Discount) / Premium | (25.2%) |

* Calculated as borrowings / by Net Assets

** Calculated as exposures (as defined in the AIFMD) / Net Assets. The Gross method takes the absolute exposure of all instruments, including hedging arrangements, whilst the commitment method takes the net exposure. The Board has set a maximum leverage level of 200% under the gross method and the commitment method.

Ten Largest Holdings as at 30 September 2021

| Name | Total |
|--|-------------|
| Alphabet | 26.8 |
| Charter Communications | 20.5 |
| Microsoft | 10.8 |
| X-ELIO * | 8.5 |
| Safran | 7.1 |
| Canadian Pacific Railway | 7.0 |
| VINCI | 5.4 |
| Canadian National Railway | 4.9 |
| Ocean Wilsons | 3.2 |
| Waste Management | 2.0 |
| Total | 96.2 |
| *investment made through Helios Co-Invest LP | |

Menhaden Resource Efficiency 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.

Asset Allocation Breakdown as at 30 September 2021 (%)

| Asset | Total |
|---|--------------|
| Public equities | 88.2 |
| Private investments | 8.3 |
| Yield investments | 1.1 |
| Liquidity | 2.4 |
| Total | 100.0 |
| Source: All portfolio information sourced from Frostrow Capital LLP | |

Geographical Breakdown as at 30 September 2021 (%)

| Asset | Total |
|------------------|--------------|
| US | 60.5 |
| Europe | 22.3 |
| Canada | 11.7 |
| Emerging Markets | 3.1 |
| Liquidity | 2.4 |
| Total | 100.0 |

Source: All portfolio information sourced from Frostrow Capital LLP. Geographic classification based on location of primary economic activity

Standardised Discrete Performance (%)

| Percentage Growth | 1 month | YTD | 1 Year | 3 Years | 5 Years | Since Inception |
|-------------------|---------|-------|--------|---------|---------|-----------------|
| NAV | -5.2% | 13.9% | 28.1% | 58.0% | 78.9% | 56.4% |
| Share Price | 3.2% | 14.1% | 29.1% | 60.2% | 97.5% | 11.8% |
| Index | 0.9% | 6.2% | 8.0% | 18.3% | 35.0% | 41.6% |

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 receive back less than the original amount invested.

Source: Morningstar/Frostrow.

^ RPI +3%, and the data is quoted on a month lag.

Commentary

During September, the Company's net asset value ('NAV') per share was down 5.2%, the share price was up 3.2%, while the RPI+3% was up 0.9%.

Our public equities portfolio fell broadly in line with the US equity market over the month, detracting 4.8% from our NAV. **Charter Communications** contributed 1.9% of this NAV reduction, partly due to market concerns around the cable industry's ability to continue adding new internet subscribers following comments from the management teams of two competitors. Our holdings in **Alphabet** and **Microsoft** also retraced from their recent highs, detracting 1.5% and 0.5% from our NAV respectively.

Codes

| | |
|--------------------------------|----------------------|
| Sedol | BZ0XWD0 |
| ISIN | GB00BZ0XWD04 |
| Legal Entity Identifier | 2138004NTCUZTHFWXS17 |
| Bloomberg | MHN LN |
| Epic | MHN |

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. It is expected the portfolio will comprise approximately 15 to 30 positions.

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 are headquartered in the UK, USA or Europe, it should be noted that many of those companies are global in nature so their reporting currency may not reflect their actual geographic or currency exposures. Subject to any applicable investment restrictions contained in the Listing Rules from time to time, 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.

Risk Warnings

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. Before investing in the Company, or any other investment product, you should satisfy yourself as to its suitability and the risks involved, and you may wish to consult a financial adviser.

Any return you receive depends on future market performance and is uncertain. The Company does not seek any protection from future market performance so you could lose some or all of your investment. Shares of the Company are bought and sold on the London Stock Exchange. The price you pay or receive, like other listed shares, is determined by supply and demand and may be at a discount or premium to the underlying net asset value of the Company. Usually, at any given time, the price you pay for a share will be higher than the price you could sell it. For further information on the principal risks the Company is exposed to please refer to the Company's Annual Report or Investor Disclosure Document available at www.menhaden.com.

The Company currently deploys leverage using currency forwards. These are designed to partially protect/hedge the NAV from unfavourable movements in foreign exchange rates by reducing the Company's exposure to foreign currencies. The Company can borrow but does not currently.

Important Information

Menhaden Resource Efficiency Plc (the Company) is a public limited company whose shares are premium listed on the London Stock Exchange (LSE) and is registered with HMRC as an investment trust.

The Company has an indeterminate life although shareholders consider and vote on the continuation of the Company every five years (the next such vote will be held in 2025).

The Company may, but does not currently, borrow to purchase investments. Borrowing could potentially magnify any gains or losses made by the Company.

How to Contact Us

Frostrow Capital LLP
25 Southampton Buildings,
London, WC2A 1AL

Tel.: 0203 0084910

Fax: 0203 0438889

Website: www.frostrow.com

Email: info@frostrow.com

This **financial promotion** is issued by Frostrow Capital LLP which is authorised and regulated by the Financial Conduct Authority ("FCA").

