

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*	1.7%
Continuation Vote	At AGM in 2025; every 5 years
Year / Half Year	31 December / 30 June
Capital Structure	78,825,001 Ordinary Shares of 1p

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

Trust Characteristics

Number of Holdings	18
Total Net Assets (£m)	£131.6m
Market Capitalisation (£m)	£78.0m
Gearing *	0%
Leverage*:	
Gross	94.5%
Commitment	100.5%
Share Price (p)	99.00
NAV (p)	167.01
(Discount) / Premium	(40.7%)

* 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 31 August 2024 (% of gross assets)

Name	Investment Theme	Total
Alphabet	Digitalisation	11.6
Safran	Industrial Emissions Reduction	10.7
Airbus	Sustainable Infrastructure & Transportation	10.1
Avantus	Clean Energy	10.1
Microsoft	Digitalisation	9.1
VINCI	Sustainable Infrastructure & Transportation	8.1
TCI Real Estate Partners IV	Sustainable Infrastructure & Transportation	7.0
Canadian Pacific Kansas City	Sustainable Infrastructure & Transportation	6.6
Canadian National Railway	Sustainable Infrastructure & Transportation	5.5
Amazon	Digitalisation	4.4
Total		83.2

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.

Commentary

During August, the Company's net asset value ('NAV') per share was down 1.5%, the share price was down 3.9%, while the RPI+3% was up 0.3%.

Our public equities portfolio decreased 1.8% over the month, reducing our NAV by 1.3%.

Ocean Wilsons increased 17%, adding 0.6% to our NAV. The company's strategic review of its stake in Wilson Sons remains ongoing, with management confirming that it was in discussions with I Squared Capital Advisors regarding a potential sale in late August. We believe that the company could unlock significant value, with the shares still trading around a 40% discount to NAV.

Alphabet decreased 5% in USD, reducing our NAV by 0.8%. The company lost the antitrust case brought by the US Department of Justice concerning Google Search in August. Alphabet intends to appeal this ruling. We await further information on proposed remedies. In our view Google has the best search product providing the best user experience and we believe most users will continue to use Google.

The weakening of the US dollar relative to Sterling reduced our NAV by 1.3% on a standalone basis.

Asset Allocation Breakdown as at 31 August 2024 (% of portfolio)

Asset	Total
Public equities	72.6
Private investments	21.4
Liquidity	6.0
Total	100.0

Source: All portfolio information sourced from Frostrow Capital LLP

Geographical Breakdown as at 31 August 2024 (% of portfolio)

Asset	Total
US	45.1
Europe	29.4
Canada	12.1
Emerging Markets	3.9
UK	3.5
Liquidity	6.0
Total	100.0

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

Portfolio split by investment theme as at 31 August 2024 (%)

Sustainable Infrastructure and Transportation	46.2
Digitalisation	26.2
Industrial Emissions Reduction	10.7
Clean Energy	10.1
Water & Waste Management	0.8
Liquidity	6.0
Total	100.0

Full description of each investment theme can be found on page 14 of the Company's Annual Report for the year ended 31 December 2023.

Standardised Discrete Performance as at 31 August 2024 (%)

Percentage Growth	1 month	YTD	1 Year	3 Years	5 Years	Since Inception
NAV	-1.5%	4.7%	9.8%	5.7%	60.6%	74.5%
Share Price	-3.9%	-0.9%	4.0%	-8.3%	23.8%	-0.7%
Index [^]	0.3%	4.0%	6.7%	38.7%	55.4%	94.6%

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.

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 predominantly of a combination of listed equities and private equity investments. 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.

Target Market

The Company is suitable for investors seeking an investment that aims to deliver total returns over the longer term (at least five years), is compatible with the needs for retail clients, professional clients and eligible counterparties, and is eligible for all distribution channels.

The Company may not be suitable for investors who are concerned about short-term volatility and performance, have low or no risk tolerance or are looking for capital protection, who are seeking a guaranteed or regular income, or a predictable return profile. The Company does not offer capital protection.

Value Assessment

Frostrow Capital LLP has conducted an annual Value Assessment on the Company in line with Financial Conduct Authority (FCA) rules set out in the Consumer Duty regulation. The Assessment focuses on the nature of the product, including benefits received and its quality, limitations that are part of the product, expected total costs to clients and target market considerations.

Within this, the assessment considers quality of services, performance of the Company (against both benchmark and peers), total fees (including management fees and entry and exit fees as applicable to the Company), and also considers whether vulnerable consumers are able to receive fair value from the product.

Frostrow Capital LLP concluded that the Company is providing value based on the above assessment.

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.

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

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