Menhaden Resource Efficiency PLC
Information as at 31 December 2023

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.

Ten Largest Holdings as at 31 December 2023 (%)

Name	Theme	Total
Airbus	Sustainable Infrastructure and Transportation	12.7
Alphabet	Digitalisation	12.3
Microsoft	Digitalisation	10.6
Safran	Industrial Emissions Reduction	9.1
VINCI	Sustainable Infrastructure and Transportation	8.3
Canadian Pacific Kansas City	Sustainable Infrastructure and Transportation	7.3
Canadian National Railway	Sustainable Infrastructure and Transportation	6.8
Amazon	Digitalisation	5.0
TCI Real Estate Partners IV	Sustainable Infrastructure and Transportation	4.7
John Laing Group	Sustainable Infrastructure and Transportation	3.7
Total		**80.5**

*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.

Commentary

During December, the Company's net asset value ('NAV') per share was up 2.6%, the share price was up 4.4%, while the RPI+3% was up 0.1%.

Our public equities portfolio increased 3.5% over the month, contributing 2.7% to our NAV.

Freight railroad operators, **Canadian National Railway** and **Canadian Pacific Kansas City** performed strongly, increasing 9% and 10% in USD respectively, contributing 0.5% and 0.6% to our NAV. This reversed weak performance in the period from August to October. Positively, freight volumes in the month rose on a year-over-year basis.

Alphabet's share price increased 5% in USD, contributing 0.6% to our NAV. The management team announced plans to restructure the company's advertising sales unit, as the company increasingly turns to artificial intelligence to improve productivity. The company also launched its Gemini AI model at the start of the month, with full availability scheduled for early next year.

Shares of European aircraft manufacturer, **Airbus**, also increased 3% in EUR and contributed 0.4% to our NAV.

Within our private portfolio, we received a £0.9m distribution from **TCI Real Estate Partners Fund IV**. This was an equalisation payment upon the Fund's fourth close. This left the position representing 4.7% of NAV at the month end.

Following the month end, we received cash proceeds of £1.6m upon the settlement of our currency hedges. We first hedged currency exposure in November 2017, after a prolonged phase of Sterling weakness to which we were exposed. We do not intend to renew the hedges, given the risks of mark to market exposure with currency volatility, exacerbated by a new requirement to cash collateralise such exposure daily (whereas in the past these were only cash settled, or paid out, on expiry).

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*	1.8%
Continuation Vote	At AGM in 2025; every 5 years
Year / Half Year	31 December / 30 June
Capital Structure	79,025,001 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)		£126.6m
Market Capitalisation (£m)		£79.6m
Gearing (AIC basis) *		0%
Leverage:**	**Gross**	130.0%
	Commitment	68.3%
Share Price (p)		100.75
NAV (p)		160.20
(Discount) / Premium		(37.1%)

** 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.*

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Asset Allocation Breakdown as at 31 December 2023 (%)

Asset	Total
Public equities	78.3
Private investments	9.8
Liquidity	11.9
Total	100.0

Source: All portfolio information sourced from Frostrow Capital LLP

Geographical Breakdown as at 31 December 2023 (%)

Asset	Total
US	36.2
Europe	30.6
Canada	14.2
UK	3.7
Emerging Markets	3.4
Liquidity	11.9
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 December 2023 (%)

Sustainable Infrastructure and Transportation	49.0
Digitalisation	29.3
Industrial Emissions Reduction	9.1
Water & Waste Management	0.7
Liquidity	11.9
Total	**100.0**

Full description of each investment theme can be found on page 4 of the Company's Annual Report for the year ended 31 December 2022.

Standardised Discrete Performance as at 31 December 2023 (%)

Percentage Growth	1 month	YTD	1 Year	3 Years	5 Years	Since Inception
NAV	2.6%	23.8%	23.8%	21.2%	79.4%	66.5%
Share Price	4.4%	13.6%	13.6%	2.4%	53.3%	0.2%
Index^	0.1%	8.5%	8.5%	40.6%	53.9%	85.8%

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.

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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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