IMPAX Asset Management

Impax Global Environmental Markets Fund

Quarterly Commentary

All data as of 12/31/2022

Performance summary

- The Impax Global Environmental Markets Fund outperformed global equity markets (MSCI ACWI) as well as the comparative environmental markets index (FTSE EOAS) during the fourth quarter.

Market review

- Global equity markets were stronger over the quarter on expectations that the Federal Reserve (Fed) would reduce the pace and amount of monetary tightening after US inflation numbers were weaker than expected. The Fed did raise interest rates in December by a smaller increment than the recent trend, however Fed Chair, Jerome Powell also signaled that rates were likely to stay higher for longer as inflation remains elevated. Economic data has generally been weaker, with Purchasing Managers' Indices (PMIs) in the US signaling contraction, and Europe remaining in negative territory. The US dollar weakened against the backdrop of a softer economy and a less aggressive rate hike cycle. While US 10-year bond yields were little changed over the quarter, the yield curve remained inverted, signaling the bond market anticipates a recession. This also provide support in December for quality and defensive stocks with better earnings growth after the more economically sensitive sectors performed better earlier in the quarter. In China, sentiment towards the market has improved with the easing of Covid-19 related mobility restrictions and further policy support for the property sector.

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Performance — as of 12/31/2022

	1m	Qtr	YTD	1y	3y	5y	10y	Incep[1]
Investor Class	-4.21	15.58	-22.62	-22.62	5.86	5.36	8.67	6.12
Class A	-4.21	15.61	-22.58	-22.58	5.85	5.35	8.67	6.13
Institutional Class	-4.17	15.70	-22.39	-22.39	6.13	5.62	8.95	6.39
MSCI ACWI (Net) Index[2]	-3.94	9.76	-18.36	-18.36	4.00	5.23	7.98	5.59

Performance after sales charge — as of 12/31/2022

	1m	Qtr	YTD	1y	3y	5y	10y	Incep[1]
Class A (Load)	-9.47	9.24	-26.83	-26.83	3.87	4.16	8.06	5.72

Performance data quoted represent past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For most recent month-end performance information, visit www.impaxam.com.

Figures include reinvested dividends, capital gains distributions, and changes in principal value.

1 The inception date for the Impax Global Environmental Markets Fund Institutional Class and the Investor Class is March 27, 2008. The Class A shares inception date is May 1, 2013.

Total annual Global Environmental Markets Fund operating expenses, gross of any fee waivers or reimbursements, for Institutional Class, Investor Class and Class A shares are 0.90%, 1.15%, and 1.15%, respectively, as of 5/1/2022 prospectus. Total annual Global Environmental Markets Fund operating expenses, net of any fee waivers, reimbursements and acquired fund fees and expenses, for Institutional Class, Investor Class, and Class A shares were 0.90%, 1.15% and 1.15%, respectively.

The performance information shown for Class A represents the performance of the Investor Class shares for the period prior to Class A inception. Expenses have not been adjusted to reflect the expenses allocable to Class A shares. Class A inception date return since May 1, 2013 is 8.04% (annualized). A 1.00% CDSC (contingent deferred sales charge) may be charged on any shares sold within 18 months of purchase over $1 million. POP (public offering price) reflects the maximum sales load for the Fund's Class A Shares of 5.50%.

Market review, continued

- Corporate results have been mixed over the period with revenues remaining strong, but a more mixed picture on earnings as higher costs impact margins. Investors are focusing more on the outlooks for 2023, which in aggregate have trended lower. Against this backdrop of further weakening economic data and slower earnings growth, especially expected during the first half of 2023, Impax believes that companies with long term structural growth and innovative solutions continue to present attractive opportunities. Environmental and sustainable equities continue to see policy support and Impax believes that higher energy prices and a renewed focus on energy security are supportive of opportunities across a wide range of sustainable solutions. The investment team remains focused on finding companies with strong pricing protection and attractive valuations.

Contributors

- The share price of Vestas (Wind Power Generation Equipment, Denmark) rose during the fourth quarter, due to a pick-up in orders and strong turbine pricing discipline, as well as softening supply chain cost pressures.
- Linde (Water Treatment, US) produced strong quarterly results indicating continued strength in volumes and pricing of industrial gas demand globally amid a backdrop of elevated inflation. The stock also attracted investor attention from a deeper articulation of the company's opportunities presented by the Inflation Reduction Act in the US.

Detractors

- Republic Services (General Waste Management, US) has performed well in 2022 due to the durable nature of the waste management industry. Despite another positive earnings announcement with continued revenue and pricing growth, the stock lagged during this risk-on quarter as investors rotated away from defensive names that had held up better than the broader market.
- Trimble (Efficient IT, US) declined in the fourth following a disappointing earnings announcement as investors focused on lower guidance for FY2022. The market also responded poorly to Trimble's recent acquisition of Transporeon, a transportation management software platform. Despite the negative market reaction, Transporeon is a good strategic fit and the acquisition signals Trimble's commitment to the transportation industry.

Outlook

- The macroeconomic backdrop for 2023 could provide another challenging environment for capital markets. Persistent inflation, higher interest rates, geopolitical tension, and slowing economic momentum may continue to drive volatility. However, the fundamental long-term drivers of the transition to a more sustainable economy remain very much intact. Recent legislation such as the IRA, the Infrastructure and Investment Jobs Act, and the CHIPS & Science Act are further accelerating these themes.
- The portfolio continues to maintain a balanced mix of companies with defensive end market exposure as well as companies with cyclical end market exposure. The investment team remains focused on high quality companies with resilient operational business profiles, demonstrable pricing power and above average earnings growth, underpinned by the secular drivers of environmental markets.

Fund overview

A global thematic strategy investing in companies that are developing innovative solutions to resource challenges in environmental markets.

Portfolio management team

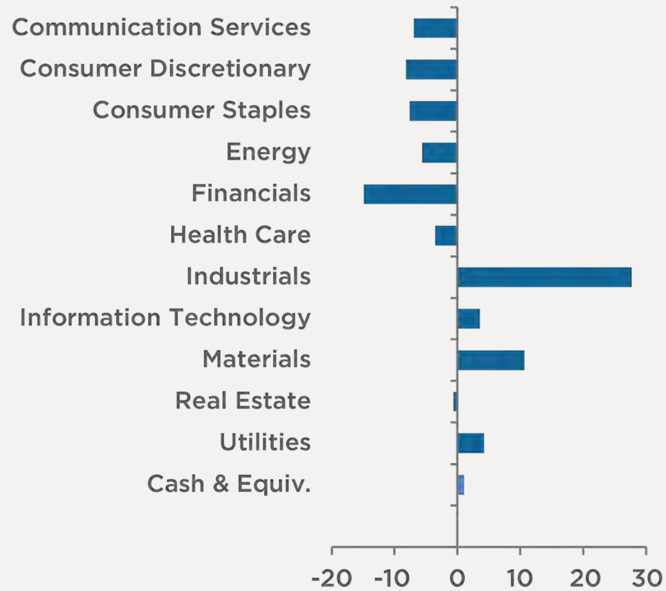
Hubert Aarts, Deputy CIO, Listed Equities, Executive Director
David Winborne, Senior Portfolio Manager
Siddharth Jha, Portfolio Manager

Portfolio characteristics as of 12/31/2022

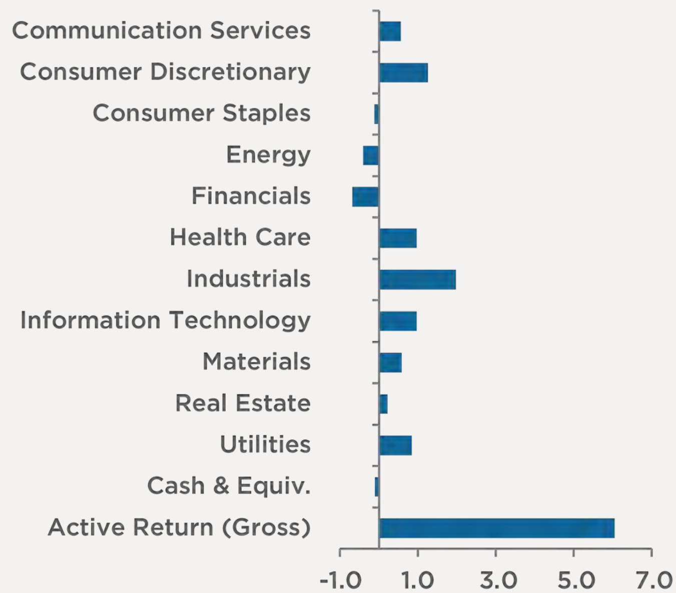
	Fund	Benchmark
Market cap (weighted avg.)ƒ	$86,940M	$272,986M
Forward price/earnings˜	19.83	14.19
ROE°	20.51%	22.91%
Beta∞	1.12	1.00
Number of securities	48	2,882

Performance attribution
Global Industry Classification Standard†
9/30/2022 – 12/31/2022

Sectors: Average active weights (%)



Total relative contribution (%)



x Other: ETFs (for short-term cash mgmt. purposes) and Cash & Equivalents.

† The Global Industry Classification Standard (GICS) is a standardized classification system for equities developed jointly by Morgan Stanley Capital International (MSCI) and Standard & Poor's. The GICS methodology is used by the MSCI indexes, which include domestic and international stocks, as well as by a large portion of the professional investment management community.

Past performance is no guarantee of future results.

Definitions

- ƒ Weighted Average is an average in which each quantity to be averaged is assigned a weight. These weightings determine the relative importance of each quantity on the average.
- ˜ Forward Price-Earnings Ratio or P/E FY1 ratio is a ratio for valuing a company that measures its current share price relative to its per-share earnings over the next 12 months.
- ° Return on Equity: The amount of net income returned as a percentage of shareholders' equity. Return on equity measures a corporations' profitability by revealing how much profit a company generates with the money shareholders have invested.
- ∞ A historical Beta is used for Funds with greater than two years of performance history under the same mandate. Five year Beta is used. Beta reflects the sensitivity of a Fund's return to fluctuations in its benchmark; A beta for a benchmark is 1.00: A beta greater than 1.00 indicates above-average volatility and risk.

Top 10 holdings as of 12/31/2022

Linde PLC 4.1%, Waste Management, Inc. 3.7%, Agilent Technologies, Inc. 3.6%, Air Liquide SA 3.2%, Schneider Electric SE 3.0%, Republic Services, Inc. 3.0%, GEA Group AG 2.9%, ANSYS, Inc. 2.7%, Koninklijke DSM N.V. 2.7% and Veolia Environnement SA 2.7%. Holdings are subject to change.

Disclosures

2 The MSCI ACWI (Net) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 50 country indexes comprising 23 developed and 27 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and United States. The emerging market country indexes included are: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. Performance for the MSCI ACWI Index is shown "net," which includes dividend reinvestments after deduction of foreign withholding tax.

One cannot invest directly in an index.

RISK: Equity investments are subject to market fluctuations, the fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. Emerging market and international investments involve risk of capital loss from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, economic or political instability in other nations or increased volatility and lower trading volume. The Fund is actively managed. The investment techniques and decisions of the investment adviser and the Fund's portfolio manager(s), including the investment adviser's assessment of a company's ESG (Environmental, Social and Governance) profile when selecting investments for the Fund, may not produce the desired results and may adversely impact the Fund's performance, including relative to other Funds that do not consider ESG factors or come to different conclusions regarding such factors.

Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

IMPAX
Asset Management

Impax Asset Management
30 Penhallow Street, Suite 400
Portsmouth, NH 03801
800.372.7827

impaxfunds@impaxam.com
www.impaxam.com

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You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. For this and other important information, please obtain a fund prospectus by calling 800.767.1729 or visiting www.impaxam.com. Please read it carefully before investing.

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