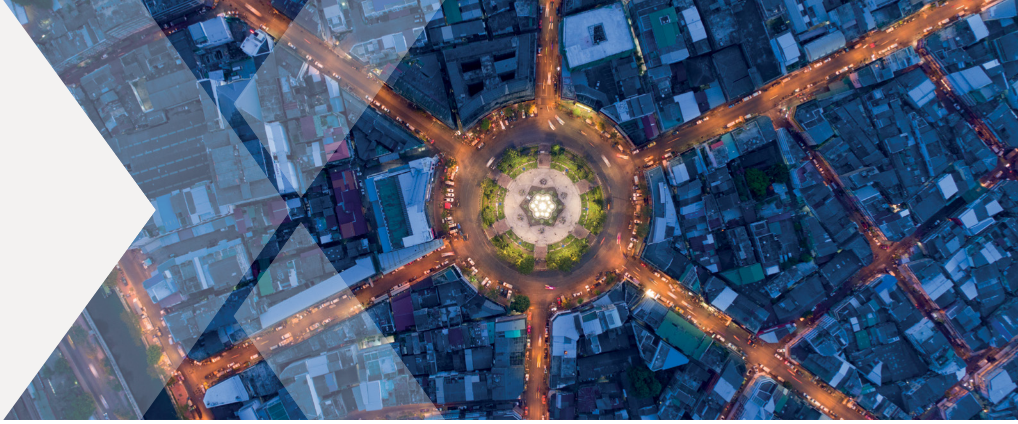
IMPAX Asset Management

Impax Global Opportunities Fund

Quarterly Commentary
All data as of 12/31/2022



Performance summary

- The Impax Global Opportunities Fund outperformed the MSCI All Countries World Index 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 has inverted, signaling the bond market anticipates a recession. This also provided 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-related mobility restrictions and further policy support for the property sector.
- Corporate results have been mixed over the period with revenues remaining strong, but there has been 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.

CONTINUED ➤

Performance as of 12/31/2022

	1m	Qtr	YTD	1y	3y	5y	10y	Incep[1]
Investor Class	-3.09	14.61	-18.66	-18.66	5.83	–	–	8.63
Institutional Class	-3.14	14.64	-18.49	-18.49	6.08	–	–	8.84
MSCI ACWI (Net) Index[2]	-3.94	9.76	-18.36	-18.36	4.00	–	–	6.09
Lipper Global Multi-Cap Growth Funds Index[3]	-5.02	7.45	-28.63	-28.63	3.20	–	–	5.39

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 Opportunities Fund Institutional Class and the Investor Class is June 27, 2018.
Total annual Global Opportunities Fund operating expenses, gross of any fee waivers or reimbursements, for Institutional Class and Investor Class are 1.07% and 1.32%, respectively, as of 5/1/2022 prospectus. Total annual Global Opportunities Fund operating expenses, net of any fee waivers, reimbursements and acquired fund fees and expenses, for Institutional Class and Investor Class, shares were 0.96% and 1.21%, respectively.

Contributors

- Top contributors to returns came from companies in a variety of sectors and typically demonstrated solid earnings and relatively positive growth outlooks, often supported by resilient demand and strong pricing power.
- Hannover Reuck (Reinsurance, Germany) benefitted from better sentiment towards the reinsurance market as investors anticipate a shift in the balance of power between primary insurers and reinsurers will lead to a strong pricing environment going into next year and beyond.
- AIA Group (Life & Health Insurance, Hong Kong) benefited from the relaxation of Covid-19 related mobility restrictions in China as the potential re-opening of the HK-China border allows for a more positive outlook on the value of new business growth.
- Finally, Linde (Industrial Gases, UK) 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

- Detractors were from a variety of sectors and impacted by stock specific factors. The fourth quarter also saw a rotation away from recent strong performers.
- Cadence Design Systems (Application Software, US) fell slightly due to concerns of potentially weaker growth momentum in 2023, given the current strong operational performance of the company. Demand for Cadence's semiconductor design tool software is more closely correlated to the electronic industry's research & development activities than end product demand, and the investment team expect the company to continue to benefit from secular growth in the industry.

Detractors, continued

- Amedysis (Health Care Services, US) has faced headwinds from continued limited visibility on the outlook for nurse staffing costs and the rates expected to be paid by Medicare and Medicaid for healthcare services. Sentiment was also negatively impacted by the departure of the Chief Executive Officer.
- Lonza (Life Sciences Tools & Services, Switzerland) continues to suffer from negative sentiment due to lingering concerns over biotech funding. However, as a contract drug manufacturing organization (CDMO) with the ability to offer commercial manufacturing of all large and small molecules across multiple modalities, the company has good visibility of demand and is supported by high margins.

Outlook

- With inflation remaining persistently high, economic growth slowing and uncertainty over the pace of interest rates hikes, the Fund has continued to add to companies with more earnings resilience and defensive characteristics. The investment team remains focused on companies demonstrating consistent growth, strong pricing and lower debt levels as these companies may be better equipped to navigate through a period of more challenging growth.
- Impax believes that high quality companies with structural growth drivers benefitting from the transition to a more sustainable economy continue to present attractive investment opportunities. Areas of interest for the Fund include beneficiaries of increased spending on drug discovery and testing, the accelerating digital transformation of enterprises, companies providing access to finance and businesses enabling the rise of the sharing and circular economy.

Fund overview

A global equity strategy that invests in companies positioned to benefit from the transition to a more sustainable global economy.

Portfolio management team

David Winborne, Portfolio Manager
Kirsteen Morrison, Portfolio Manager

Portfolio characteristics as of 12/31/2022

Market cap (weighted avg.)ᶠ

Fund	Benchmark
$163,590M	$272,986M

Forward price/earnings~

Fund	Benchmark
21.66	14.19

ROE°

Fund	Benchmark
19.63%	22.91%

Beta∞

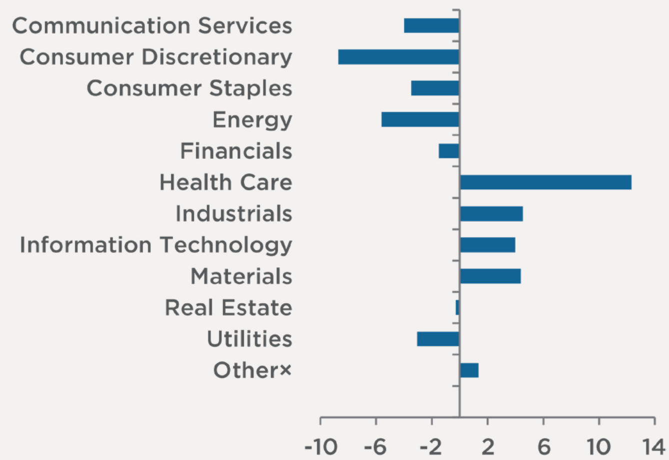
Fund	Benchmark
1.01	1.00

Number of securities

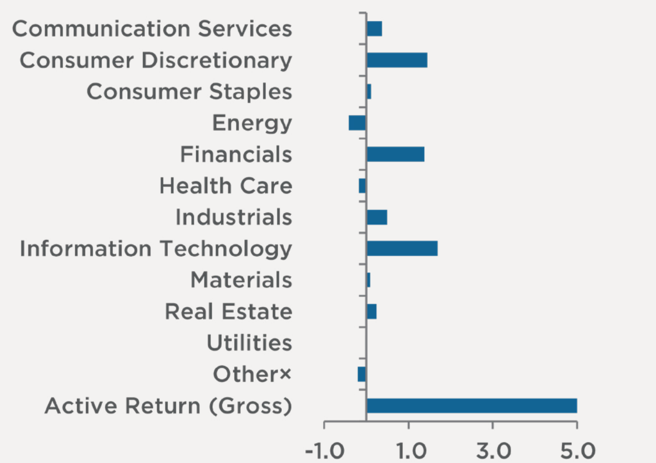
Fund	Benchmark
41	2,882

Performance attribution 9/30/2022 – 12/31/2022

Sectors: Average active weights (%)



Sectors: Total relative contribution (%)



Definitions

ᶠ 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 corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

∞ An Ex-Ante Beta is used for Funds with less than two years of performance history under its new mandate. The Ex-Ante Beta is calculated using a multi-factor risk model. Beta explains common variations in stock returns due to different stock sensitivities to the market relative to its underlying benchmark for the current period, not historical. A beta for a benchmark is 1.00: A beta greater than 1.00 indicates above average volatility and risk.

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

Past performance is no guarantee of future results.

Top 10 holdings as of 12/31/2022

Microsoft Corp. 4.4%, Linde PLC 4.0%, MasterCard, Inc., Class A 4.0%, Thermo Fisher Scientific, Inc. 3.6%, IQVIA Holdings, Inc. 3.6%, Alcon AG 3.6%, Boston Scientific Corporation 3.6%, Hannover Rueck SE 3.5%, HDFC Bank, Ltd. 3.3% and Cintas Corporation 3.2%. 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.

3 The Lipper Global Multi-Cap Growth Funds Index tracks the results of funds that invest in a variety of market capitalization ranges without concentrating 75% of their equity assets in any one market capitalization range over an extended period of time. Multi-cap funds typically have 25% to 75% of their assets invested in companies both inside and outside of the US with market capitalizations (on a three-year weighted basis) above 400% of the 75th market capitalization percentile of the S&P/Citigroup World Broad Market Index. Multi-cap growth funds typically have an above-average price-to-cash flow ratio, price-to-book ratio, and three-year sales-per-share growth value compared to the S&P/Citigroup BMI. The Lipper Global Multi-Cap Growth Funds Index is not what is typically considered to be an "index" because it tracks the performance of other mutual funds rather than changes in the value of a group of securities, a securities index or some other traditional economic indicator.

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

The statements and opinions expressed are those of the author as of the date of this report. All information is historical and not indicative of future results and subject to change. This information is not a recommendation to buy or sell any security. Past performance does not guarantee future results.

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.

03NHLD IMPX-1414 (EXP 4/23)