IMPAX Asset Management

Impax Global Sustainable Infrastructure Fund

Quarterly Commentary
All data as of 12/31/2023

Performance

- The Impax Global Sustainable Infrastructure Fund underperformed its primary benchmark, the FTSE Global Infrastructure Opportunities Index (FTSE IO), a measure of traditional infrastructure performance, and its secondary benchmark, the MSCI All Country World Index (MSCI ACWI), a measure of the broad global equity market performance, in the final quarter of 2023.

Investment strategy

- The Fund uses a systematic process to construct a portfolio of companies that Impax believes is providing the infrastructure driving the transition to a more sustainable economy. The portfolio has significant weight in companies providing vital resources in a sustainable fashion, including those we classify as New Energy (renewable energy generation, more efficient energy use and distribution) as well as water infrastructure. The Fund also invests in Social and Economic Infrastructure that is essential to meeting basic needs (e.g., education, healthcare) and enhancing the collection, transmission, and processing of information.

Market overview

- The quarter finished with a strong rally, with both bonds and equities posting gains. The US Federal Reserve held rates steady again in December and investors are more confident that the monetary tightening cycle has peaked, and that interest rate cuts are likely in 2024. This view has been fueled by cooler inflation as lower energy and material costs feed into data. While labour markets remain relatively tight, wage pressure is moderating. Economic data has been mixed, but overall has been resilient enough to fuel expectations of a soft landing. Earnings have also been more supportive, with positive surprises outweighing negative surprises. Geopolitics remains a risk, but Sino-US tensions eased somewhat after a relatively positive summit between US President Biden and Chinese President Xi Jinping. The rally was broad, led by more interest rate and economic sensitive parts of the market. Energy was a notable laggard as oil prices pulled back as supply was increased.

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Performance — as of 12/31/2023

	1m	Qtr	YTD	1y	3y	5y	10y	Incep[1]
Investor Class	5.66	10.87	9.32	9.32	2.52	9.15	–	8.31
Institutional Class	5.65	10.83	9.54	9.54	2.75	9.41	–	8.57
FTSE Global Infrastructure Opportunities Index[2]	4.76	11.17	10.15	10.15	4.67	7.65	–	6.34
MSCI ACWI (Net) Index[3]	4.80	11.03	22.20	22.20	5.74	11.71	–	9.98

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. To obtain performance for the most recent month-end, call 800.767.1729 or visit impaxam.com.

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

1 The inception date for the Impax Global Sustainable Infrastructure Fund Institutional Class and the Investor Class is December 16, 2016.

Total annual Impax Global Sustainable Infrastructure Fund operating expenses, gross of any fee waivers or reimbursements, for Institutional Class and Investor Class shares are 0.65% and 0.90%, respectively, as of 5/1/2023 prospectus.

Market overeview, continued

- Sentiment is improving, and the market has begun to price in a better outlook for 2024. While a clear turning point is not yet evident in the data, global manufacturing sentiment indicators are becoming less negative and service sentiment indicators remain in expansionary territory. The investment team continues to look for opportunities and has added to quality companies experiencing temporary disruptions such as inventory destocking, while also constructing portfolios that should benefit from an earnings recovery in 2024. The recent rally in equities has mostly been driven by a re-rating in stock valuations, therefore the team has looked to take profit where companies have rallied hard on improved investor sentiment.
- The FTSE IO saw low double digit returns in the quarter, and outpaced global equities which also saw outsized returns in the period. Resource related infrastructure subsectors just beat the FTSE IO, while Resource Efficiency and Food & Agriculture names lagged significantly, Energy and Water related infrastructure rebounded sharply after struggling in the third quarter. Social & Economic Infrastructure was the best performing cohort within the taxonomy, with Communications & Data and Building and Facilities were the best performing sub sectors in the period as the market took on a more pro cyclical stance. Areas outside of the Sustainable Infrastructure Taxonomy that are included in the index also lagged with Energy and Utilities that are not well aligned with the TSE found it difficult to keep pace with the FTSE.
- MSCI ACWI rose in USD dollar terms as the US Federal Reserve signaled a peak in the interest rate cycle. Information Technology led the rally on ongoing interest in the artificial intelligence theme and expectations of a better outlook for technology companies more broadly. This was followed by more interest rate and economically sensitive sectors such as Real Estate, a beneficiary of lower interest rates, and Industrials, which gained from expectations of a soft economic landing. Energy was a laggard, as the oil price retracted from its highs. The typically more defensive sectors of Consumer Staples and Healthcare also underperformed against the backdrop of a strong market rally. All regions were in positive territory, led by North America, followed by ROW, Europe, and finally Asia Pacific.

Sustainable Infrastructure sector attribution

- The portfolio is guided by the Impax Sustainable Infrastructure Taxonomy, which provides the foundation to construct diversified portfolios that are representative of infrastructure essential for the transition to a more sustainable economy, while retaining the broad characteristics that investors expect from an infrastructure portfolio, high yields, and defensive characteristics.

  Impax classifies sustainable infrastructure into two broad categories,

  1. **Resource Infrastructure** includes New Energy, Water, Waste & Resource Efficiency, and Food and Agriculture sub sectors.
  2. **Social and Economic Infrastructure** which includes Communications & Data, Buildings & Facilities, Transportation, Healthcare, Education, and Finance sub sectors.

  Companies must generate at least 20% of their revenues from infrastructure-related activities as defined by this taxonomy.

  The Fund's underperformance to the FTSE IO was due to the portfolio's tilt towards Energy related infrastructure, as Renewable Energy Developers and Producers sold off as a challenging interest rate and demand environment led investors to a more bearish stance on the short-term prospects for these segments. The portfolios overweight to Water Utilities also struggled in the quarter as the higher interest rate environment saw Utility yields have fallen below the 10-year for the first since the Global Financial Crisis. The portfolio's Social & Economic Infrastructure exposure was a marginal detractor in the period, with Buildings & Facilities exposure performing well as policy related tailwinds like the Inflation Reduction Act start to flow through company earnings. Companies that fall outside of the Fund's investment universe are generally more resource and carbon intensive. The portfolio's lack of exposure to traditional industrial and material companies detracted from relative returns, in particular traditional Energy, Industrials, and Materials companies that are outside of the Sustainable universe performed well relative to Infrastructure related firms.

GICS^ sector attribution

- Sector allocation was the key driver of excess returns vs the MSCI ACWI in the period. The portfolio's positive effect of holding no Energy was offset by the overweight to Healthcare, which lagged a strong market. Stock selection was a detractor, with strong performance in Industrials offset by weaker performance across several sectors including Consumer Staples, Consumer Discretionary and Financials. While there were some stock specific issues, style factors were also factor. The portfolio has a tilt towards more defensive growth characteristics and is underweight interest rates sensitive financials and smaller companies, both of which performed strongly over the quarter. As

GICS^ sector attribution continued

a result, while the portfolio rose in absolute terms it did not fully participate in the market rally.

- Sector positioning is an outcome of the portfolio construction process rather than a deliberate exposure. Underperformance from the Utilities sector was the key driver of performance, with the large overweight relative to the MSCI ACWI and security selection within Electric Utilities and Independent Power Producers being most impactful. The portfolio's lack of energy exposure was also a key driver as Energy stocks benefited from higher Oil prices. The portfolio's underweight to Information Technology, and overweight in Communication Services helped from a sector perspective, but in both instances security selection was a drag as the Social and Economic Infrastructure names underperformed traditional IT and Communication Services names.

Strategy change note:

- Effective December 15, 2023, the Impax Global Sustainable Infrastructure (GSI) Fund converted from a systematic investment process to an active investment process. Impax developed a taxonomy to create a global universe of "sustainable infrastructure" companies from which the Fund's portfolio managers have used a systematic process and optimization to construct the portfolio. Impax has concluded, however, that the Fund would benefit from actively selecting stocks from that universe, as this will offer shareholders better prospects for stronger risk-adjusted returns over the medium- to long-term. Impax has 20+ years of experience in creating taxonomies and actively managing stocks from those universes, and we believe the sustainable infrastructure category is well suited to that thematic expertise.
- Finally, we believe that providing shareholders with a higher conviction portfolio holding fewer stocks will allow our active portfolio managers to distill the best, most promising companies in the investment universe. We also believe that active management will better allow the Fund's portfolio managers to select companies that are best positioned to benefit from recent policy tailwinds (e.g., Infrastructure Act, Chips Act, Inflation Reduction Act).

Fund overview

A global thematic strategy that employs a systematic investment approach to invest in infrastructure that is essential for the transition to a more sustainable economy.

Portfolio management team

Scott LaBreche, Portfolio Manager
Christine Cappabianca, Portfolio Manager

Portfolio characteristics — as of 12/31/2023

	Fund	Benchmark
Market cap (weighted avg.)ƒ	$120,082M	$50,231M
Forward price/earnings˜	18.50	13.82
Dividend yield†	2.95	3.49
ROE°	17.88	14.51%
Beta∞	1.00	1.00
Number of securities	42	987

30-Day SEC yield*

	Investor	Institutional
	2.68%	2.40%
Unsubsidized	2.59%	2.30%

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.

^ The Global Industry Classification Standard (GICS) is a widely recognized industry standard for assigning a public company to the economic sector and industry group that best defines its business. It was developed jointly by MSCI and Standard & Poor's and is used by the MSCI indexes.

† Dividend Yield, expressed as a percentage, is a financial ratio (dividend/price) that shows how much a company pays out in dividends each year relative to its stock price.

° 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.

∞ A historical Beta is used for Funds with greater than 3 years of performance history under the same mandate. 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.

* The 30-Day Yield represents net investment income earned by the Fund over the 30-Day period ended 12/31/2023, expressed as an annual percentage rate based on the Fund's share price at the end of the 30-Day period. The 30-Day unsubsidized SEC Yield does not reflect any fee waivers/reimbursements/limits in effect.

Top 10 holdings as of 12/31/2023

Waste Management, Inc. 3.9%, Tele2 AB Class B 3.8%, SSE PLC 3.7%, KDDI Corp. 3.7%, National Grid plc 3.4%, Canadian Pacific Railway Limited 3.4%, American Tower Corporation 3.3%, Royal KPN NV 3.2%, Veolia Environnement SA 3.1% and United Utilities Group PLC 3.1%. Holdings are subject to change.

Disclosures

2 The FTSE Global Infrastructure Opportunities Index is designed to reflect the performance of infrastructure and infrastructure-related listed securities worldwide. Companies must derive a minimum of 20% of their revenue from either the core infrastructure activities or the infrastructure-related activities to be considered for index inclusion. The Index weights its constituents according to their investable market capitalization (after the application of free float and foreign ownership restrictions) in the index calculation. The FTSE Global Infrastructure Opportunities Index does not take account of ESG factors in its index construction. Base currency is in US Dollars (USD). For further information, please visit https://www.ftserussell.com/products/indices/infra

3 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 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.

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. This material must be preceded or accompanied by the Fund's current prospectus. 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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