Performance summary

- 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 underperformed its secondary benchmark, the MSCI All Country World Index (MSCI ACWI), a measure of the broad global equity market performance, in the second quarter.

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

- Equity markets finished lower over the quarter, as expectations of a soft economic landing began to fade and the “higher for longer” interest rates scenario prevailed. Central banks continued to raise interest rates, with the Federal Reserve indicating there may yet be another rate hike this year. Rising bond yields and a surge in the oil price (driven by production curtailments) resulted in more value and cyclical

Performance

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<th>1m</th>
<th>Qtr</th>
<th>YTD</th>
<th>1y</th>
<th>3y</th>
<th>5y</th>
<th>10y</th>
<th>Incep1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor Class</td>
<td>-4.70</td>
<td>-8.48</td>
<td>-1.40</td>
<td>9.13</td>
<td>2.67</td>
<td>4.24</td>
<td>-</td>
<td>6.99</td>
</tr>
<tr>
<td>Institutional Class</td>
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<td>-8.43</td>
<td>-1.16</td>
<td>9.49</td>
<td>2.94</td>
<td>4.51</td>
<td>-</td>
<td>7.27</td>
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<tr>
<td>FTSE Global Infrastructure Opportunities Index2</td>
<td>-3.82</td>
<td>-5.39</td>
<td>-0.92</td>
<td>10.48</td>
<td>4.79</td>
<td>3.73</td>
<td>-</td>
<td>5.29</td>
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<tr>
<td>S&amp;P Global Infrastructure Index3</td>
<td>-4.76</td>
<td>-7.50</td>
<td>-4.45</td>
<td>5.90</td>
<td>6.45</td>
<td>3.18</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MSCI ACWI (Net) Index4</td>
<td>-4.14</td>
<td>-3.40</td>
<td>10.06</td>
<td>20.80</td>
<td>6.89</td>
<td>6.46</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

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 overview, continued

parts of the market such as energy, financials and commodities outperforming. Higher interest rates and persistent inflation are creating uncertainty about growth due to the potential for a lagged impact on consumers and corporates. Recent sentiment surveys have shown a deterioration in the services sectors, and while the manufacturing sector is showing signs of stability, it is not yet recovering. In China, weaker economic data and initial disappointment with policy support measures drove the market lower. However, recent economic data in China is improving, suggesting these measures are now tickling into the economy.

• Corporate earnings were generally better than expected, albeit after negative revisions earlier in the year. Destocking of some inventory channels has been a feature, with lower volumes and weaker pricing impacting margins in some sectors. Against this backdrop, the investment teams are closely monitoring the quality of the earnings to affirm that the long-term drivers remain intact, but overall expect earnings growth of sustainable and environment markets to be better than the broader market. These parts of the market continue to see policy support, such as initiatives by the EU to reduce food waste. There has also been support for sustainable investment coming out of Climate Week with California stepping up climate disclosures and policymakers in both the US and Europe addressing some of the bottlenecks in the wind industry. In addition, the current rise in energy prices should act as a tailwind for companies providing energy and resource efficiency solutions.

• Finally, softer economic growth does not necessarily translate into weaker equity returns. Equity investors are forward looking and tend to discount trends six to eight months ahead. While the effects of higher interest rates on consumer and corporate activity remain uncertain these worries are increasingly being priced into valuations. The investment teams view some of the current individual disruptions such as inventory destocking as largely temporary. They are taking opportunities in the market to add to quality companies while constructing portfolios that should benefit from a recovery in 2024 and beyond.

Key performance drivers (FTSE IO)

• The FTSE IO was lower in the period and lagged global equities broadly. Resource related infrastructure subsectors were weakest with Energy and Water related infrastructure being particularly challenged. Within Social Infrastructure, Communications & Data names were also weak, despite their defensive nature. Food & Agriculture, Resource Efficiency, and Building and Facilities subsectors were the only areas able to outperform the FTSE IO.

Key performance drivers (MSCI ACWI)

• Energy and Communication Services were the only sectors to deliver positive returns in MSCI ACWI Index this quarter. Several global oil producing countries continued to limit supply to support higher prices, and Communication Services benefitted as the positive performance for sector heavyweights, Alphabet and Meta, drove the sector higher. Despite their high yields, Utilities and Real Estate sectors were the laggards in the period. Real Estate continues to struggle as investors work through the impact of a higher interest rates, while Utilities also underperformed as inflation and interest rates have brought valuations in this sector to near decade lows. Asia Pacific, while negative was the best performing region in a period with little regional dispersion. Having been impacted negatively by China related softness in the second quarter, Asia was led by Japan where value-oriented stocks significantly outpaced longer duration growth stocks. North America and Rest of World performed marginally better than the Index while Europe lagged despite inflation trending down, as rates and cost of living pressures continue to weigh on shares.

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,


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 during the period, as a challenging
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.

**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 9/30/2023**

<table>
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<tr>
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<th>Fund</th>
<th>Benchmark</th>
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<tbody>
<tr>
<td><strong>Market cap (weighted avg.)</strong></td>
<td>$57,087M</td>
<td>$44,482M</td>
</tr>
<tr>
<td><strong>Forward price/earnings</strong></td>
<td>14.05</td>
<td>12.79</td>
</tr>
<tr>
<td><strong>Dividend yield</strong></td>
<td>3.64%</td>
<td>3.69%</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>16.76%</td>
<td>15.78%</td>
</tr>
<tr>
<td><strong>Beta</strong></td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Number of securities</strong></td>
<td>142</td>
<td>993</td>
</tr>
<tr>
<td><strong>30-Day SEC yield</strong></td>
<td>Investor 2.59% Institutional 2.85%</td>
<td>Unsubsidized 2.49% Unsubsidized 2.75%</td>
</tr>
</tbody>
</table>

Past performance is no guarantee of future results.

Interest rate and demand environment led investors to a more bearish stance on the short-term prospects for these segments.

The portfolio’s overweight to Water Utilities also struggled in the quarter as the higher interest rate environment saw Utility yields fall 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 started 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 positioning is an outcome of the portfolio construction process rather than a deliberate exposure. Underperformance in 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.

**Definitions**

- 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.

- 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.

- 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.
The 30-Day Yield represents net investment income earned by the Fund over the 30-Day period ended 12/31/2022, 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 9/30/2023

Schneider Electric SE 2.5%, Iberdrola SA 2.0%, Waste Management, Inc. 1.9%, Enel SpA 1.7%, Taiwan Semiconductor Manufacturing Co., Ltd. 1.6%, SSE PLC 1.4%, Edison International 1.3%, Ashtead Group plc 1.3%, Texas Instruments, Inc. 1.3% and Hubbell, Inc. 1.3%. Holdings are subject to change.

Disclosures

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.