

# Impax Ellevate Global Women's Leadership Fund

Quarterly Commentary  
All data as of 12/31/2022

## Performance summary

- The Impax Ellevate Global Women's Leadership Fund outperformed the MSCI World Index (World Index) in the fourth quarter.

## Investment strategy

- A global large cap diversified equity strategy guided by the Impax Gender Score, the portfolio seeks to invest in the highest-rated companies in the world for advancing gender equality and diversity in the workplace.

The portfolio utilizes the Impax Gender Score to systematically identify and invest in companies that value gender-diverse leadership teams and promote gender diversity on their boards, in executive management and through other policies and practices. The portfolio's systematic investment process overweights the highest-rated gender leadership companies, as determined by the Impax Gender Score, regardless of their market capitalization, and manages risk by implementing constraints at the sector, region, country and individual security levels relative to the World Index.

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Performance	as of 12/31/2022							
	1m	Qtr	YTD	1y	3y	5y	10y	Since reorg <sup>1</sup>
Investor Class	-4.83	10.61	-19.98	-19.98	2.18	4.46	7.95	5.99
Institutional Class	-4.77	10.71	-19.76	-19.76	2.43	4.73	8.22	6.26
MSCI World (Net) Index <sup>2</sup>	-4.25	9.77	-18.14	-18.14	4.94	6.14	8.85	6.84
Impax Global Women's Leadership (Net) Index <sup>3</sup>	-4.37	8.65	-20.57	-20.57	2.49	5.04	-	6.57
Lipper Global Multi-Cap Core Funds Index <sup>4</sup>	-4.17	10.54	-17.88	-17.88	3.78	4.38	7.72	5.73

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](http://www.impaxam.com).

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

<sup>1</sup> Since reorganization date is 6/4/2014.

Inception of Institutional Class shares is April 19, 2006. The performance information shown for Institutional Class shares represents the performance of the Retail Class shares of the earlier acquired Women's Equity Fund shares for the period prior to Institutional Class inception. Expenses have not been adjusted to reflect the expenses allocable to Institutional Class shares or to reflect any differences in expenses between the earlier acquired Women's Equity Fund and the Fund. If such expense adjustments and allocable expenses were reflected, the returns would be higher than those shown. Institutional Class inception date return since April 19, 2006, is 4.90% (annualized).

Total annual Impax Ellevate Global Women's Leadership Fund operating expenses, gross of any fee waivers or reimbursements, for Institutional Class and Investor Class shares are 0.51% and 0.76% respectively as of the 5/1/2022 prospectus.

## Market overview

- 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 raised rates by a smaller increment in December than it has in recent months. However, Fed Chair Jerome Powell also signaled that rates were likely to stay higher for longer as inflation levels remain elevated. Economic data has generally been weaker, with Purchasing Managers' Indices (PMIs) in the US signaling contraction, and European PMIs 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. In December, the inverted yield curve provided support for quality and defensive stocks after the more economically sensitive sectors outperformed earlier in the quarter.
- Corporate results have been mixed over the period with revenues remaining compelling, but a mixed picture on earnings has emerged as higher costs impact margins. Environmental and sustainable equities continue to see policy support and Impax believes that higher energy prices and a renewed focus on energy security will support opportunities across a wide range of sustainable solutions.
- The World Index rallied in the last three months of the year, as investors gravitated towards more economically sensitive sectors, many of which had struggled in the third quarter. Energy, Industrials, and Materials led the way, while Consumer Discretionary, Communication Services and Real Estate trailed the index over the quarter.

## Impax Gender Score attribution<sup>5</sup>

- During the reporting period, the highest rated gender leadership companies, as determined by the Impax Gender Score, outperformed the World Index and were the largest contributors to the Fund's outperformance. The lowest rated gender leadership companies, as determined by Impax Gender Score, significantly underperformed the World Index, and the portfolio's avoidance of those companies also positively contributed to performance. Tesla, a company in the bottom 25% of the Index from a gender diversity perspective and not held in the portfolio, was down more than 55% for the period and the portfolio's avoidance of this company was a boost to performance. Not owning Alphabet, which lacks significant diversity in its board and senior management, provided a tailwind as well. Overweight positions in Best Buy, Schneider, and Quest Diagnostics, all gender leaders as determined by the Impax Gender Score, also added value in the period.

## GICS sector attribution<sup>6</sup>

- Sector positioning is an outcome of the portfolio construction process rather than a deliberate exposure. Sector positioning detracted from performance over the quarter, as the portfolio's tilt towards Consumer Discretionary and its lack of exposure to Energy, which was the best performing sector in the investment universe, were the key drivers of negative sector effects. The portfolio's underweight to Communication Services and overweight to Financials added to relative performance.

<sup>5</sup> The Impax Gender Score broadly seeks to measure a company's performance on issues related to gender diversity and equality. The Impax Gender Analytics team conducts in-house gender research and assigns the Impax Gender Score, a rating for each company in the MSCI World Index universe, that is based on the following gender leadership criteria: representation of women on boards of directors and in executive management, the hiring, promotion and retention of women, gender pay equity, a company's ability to proactively issue and/or meet gender goals, or be a signatory to the Women's Empowerment Principles (a joint initiative of the UN Global Compact and UN Women), as well as a company's transparency about gender diversity data. These criteria are given different weights, with representation by women on boards and in management receiving the highest weightings. The final gender ranking is calculated by blending the scores over time to capture consistency of gender leadership. Companies are scored from 1-100, and a lower score indicates a higher ranking, with 1 being the highest score and 100 being the lowest score. The Impax Ellevest Global Women's Leadership Fund and the Impax Global Women's Leadership Strategy are both overweighted toward companies with the most favorable gender leadership characteristics. As such, the Impax Gender Score will drive the under and overweight sectoral and regional positions compared to the MSCI World Index. Sectors and regions comprised of constituents with the highest-ranking companies (or ones with the lowest gender scores) with the strongest gender profiles will be overweight and conversely, the lowest-ranking companies (or ones with the highest gender scores) with the weakest gender profiles, will be underweight relative to the MSCI World Index.

<sup>6</sup> 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

Investing in companies that invest in women.

### Portfolio management team

Scott LaBreche, Portfolio Manager

Christine Cappabianca, Portfolio Manager

## Portfolio characteristics as of 12/31/2022

### Market cap (weighted avg.)<sup>f</sup>

<u>Fund</u>	<u>Benchmark</u>
\$258,116M	\$295,699M

### Forward price/earnings<sup>~</sup>

<u>Fund</u>	<u>Benchmark</u>
14.80	14.81

### ROE<sup>o</sup>

<u>Fund</u>	<u>Benchmark</u>
28.07%	22.84%

### Beta<sup>o</sup>

<u>Fund</u>	<u>Benchmark</u>
1.00	1.00

### Number of securities

<u>Fund</u>	<u>Benchmark</u>
434	1,505

## Definitions

- <sup>f</sup> 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.
- <sup>~</sup> 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.
- <sup>o</sup> 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.
- <sup>∞</sup> A historical Beta is used for funds with greater than two years of performance history under the same mandate. 5 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

Apple, Inc. 3.9%, Microsoft Corp. 3.4%, Amazon.com, Inc. 2.5%, Coca-Cola Co., The 2.0%, Accenture PLC, Class A 1.8%, Elevance Health, Inc. 1.8%, Citigroup Inc. 1.7%, Bristol-Myers Squibb Co. 1.7%, Diageo plc 1.7% and Schneider Electric SE 1.6%. Holdings are subject to change.

## Disclosures

- 2 The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World (Net) Index consists of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. Performance for the MSCI World Index is shown “net”, which includes dividend reinvestments after deduction of foreign withholding tax.
- 3 The Impax Global Women’s Leadership Index is a customized market-weighted index consisting of equity securities of issuers organized or operating in countries around the world that demonstrate a commitment to advancing and empowering women through gender diversity on their boards, in management and through other policies and programs, and an understanding of the potential business advantages associated with greater gender diversity, as rated by Impax Gender Analytics. In addition, the companies comprising the Index meet certain environmental, social and governance (ESG) or sustainability thresholds, as rated by MSCI ESG Research.
- 4 Lipper Multi-Cap Core Funds Index tracks the results of the 30 largest mutual funds in the Lipper Multi-Cap Core Funds Index Average. The Lipper Multi-Cap Core Funds Index Funds Average is a total return performance average of mutual funds tracked by Lipper, Inc. 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. These funds typically have average characteristics compared to the S&P SuperComposite 1500 Index.

Unlike the Impax Ellevest Global Women’s Leadership Fund, the Impax Global Women’s Leadership Index, the MSCI World (Net) Index and the Lipper Global Multi-Cap Core Funds Index are not investments, are not professionally managed, have (with the exception of the Impax Global Women’s Leadership Index) no policy of sustainable investing and (with the exception of the Lipper Global Multi-Cap Core Funds Index) do not reflect deductions for fees, expenses or taxes.

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 does not take defensive positions in declining markets. The Fund’s performance would likely be adversely affected by a decline in the Index. There is no guarantee that the objective will be met and diversification does not eliminate risk. 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.

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