Performance summary

• The Impax High Yield Bond Fund underperformed its benchmark during the third quarter.

Market review

• The Fund’s benchmark, the ICE BofA BB-B US Cash Pay High Yield Constrained Index, posted a total return of 0.23% during the quarter. Investors began to factor in a “higher for longer” interest rate scenario and accordingly US Treasury bond yields rose throughout the quarter, particularly in the long end of the curve. Despite this, the spread to worst of the index declined by 7 basis points (bps) to end the period at +350 bps over treasuries suggesting investors were comfortable taking on risk.

Performance as of 9/30/2023

<table>
<thead>
<tr>
<th>Performance</th>
<th>as of 9/30/2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1m</td>
</tr>
<tr>
<td>Investor Class</td>
<td>-1.43</td>
</tr>
<tr>
<td>Class A</td>
<td>-1.26</td>
</tr>
<tr>
<td>Institutional Class</td>
<td>-1.25</td>
</tr>
</tbody>
</table>

ICE BofA Merrill Lynch US High Yield Cash Pay - BB-B (Constrained 2%) Index3
-1.25  0.23  5.08  9.61  1.25  2.93  4.15  -

Lipper High Yield Bond Funds Index4
-1.11  0.61  5.62  9.76  2.21  2.69  3.75  -

Performance after sales charge as of 9/30/2023

<table>
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<tr>
<th>Class A (Load)</th>
<th>1m</th>
<th>Qtr</th>
<th>YTD</th>
<th>1y</th>
<th>3y</th>
<th>5y</th>
<th>10y</th>
<th>Incep2</th>
</tr>
</thead>
<tbody>
<tr>
<td>-5.63</td>
<td>-4.59</td>
<td>-0.61</td>
<td>3.35</td>
<td>-2.27</td>
<td>0.94</td>
<td>2.12</td>
<td>4.39</td>
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</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. For most recent month-end performance information, visit www.impaxam.com.

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

2 The inception date for the Impax High Yield Bond Fund Institutional Class is June 1, 2004, the Investor Class inception date is October 8, 1999, and the Class A shares inception date is May 1, 2013.

As of 5/1/23 prospectus, total annual High Yield Bond Fund operating expenses, gross of any fee waivers or reimbursements (excluding Acquired Fund fees and expenses), for Investor Class, Class A and Institutional Class shares are 0.92%, 0.92% and 0.67%, respectively.

The performance information shown for Institutional Class shares represents the performance of the Investor Class shares for the period prior to Institutional Class inception date (June 1, 2004). Expenses have not been adjusted to reflect the expenses allocable to Institutional Class shares. If such expenses were reflected, the returns would be higher than those shown. Institutional Class shares’ average annual return since June 1, 2004 is 5.04% (annualized).

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 2.54% (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 4.50%.
Market review, continued

• This modest spread compression, however, does not fully paint the picture of just how volatile the spreads were throughout the quarter, especially during the second half of September. From a ratings perspective, single-B rated credits outperformed BBs. The CCC and below segment of the market, which is not part of the Fund’s benchmark, once again outperformed all ratings segments over the quarter and posted a 2.76% total return.

• From a sector perspective, Energy continues to be among the top performing sectors and posted a +1.51% total return for the period. Default activity, including distressed exchanges, moderated from the previous two quarters and came in lower than the quarterly average (general collateral financing trades) post-Global Financial Crisis (GFC). Investor demand remains choppy and high yield funds reported $3.2bn in outflows, the majority of which were due to ETFs.

Contributors

• Security selection within the media, retail, insurance, and real estate sectors positively contributed. Underweight allocations to the transportation and leisure sectors also bolstered returns.

• From a ratings perspective, the underweight to BBs and security selection among CCCs benefited performance.

• Specific notable contributors include Altice France, Interface, Inc., and Southeastern Grocers, Inc.

Detractors

• The lack of exposure to the Energy sector, which has been a headwind for some time, was one of the largest detractors to Fund performance over the quarter. Security selection among the technology and electronics, utility, and consumer goods sectors also detracted.

• From a ratings perspective, the underweight to single-B rated credits, off-benchmark allocations to BBs, and security selection among BBs weighed on performance.


Outlook

• Despite the deterioration in fundamentals from recent highs, many high yield companies took advantage of low rates during the COVID recovery period to strengthen their balance sheets and extend maturities. As a result, leverage remains at the lower end of the post-GFC range and interest coverage ratios remain adequate on balance. As new issuance picks up, the Fund will look for opportunities to rotate out of lower rated companies and allocate to higher quality new issues, many of which are coming to market with higher coupons.

• On the margin, we are reducing exposure to sectors that could be challenged by a “higher for longer” interest rate period such as REITs. Although spreads are tight relative to history, yield remains attractive at these levels and should absorb modest spread widening over the medium term.
Fund overview

A high yield bond strategy leveraging proprietary sustainability tools and research to better identify opportunities and mitigate risks.

Portfolio management team

Peter Schwab, CFA, Senior Portfolio Manager
Kent Siefers, Portfolio Manager

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Portfolio characteristics as of 9/30/2023

Effective duration

<table>
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<tr>
<th>Fund</th>
<th>Benchmark</th>
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</thead>
<tbody>
<tr>
<td>3.85%</td>
<td>3.63%</td>
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</table>

Years to maturity

<table>
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<tr>
<th>Fund</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.02</td>
<td>8.29</td>
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30-Day SEC Yield

<table>
<thead>
<tr>
<th>Investor</th>
<th>Class A</th>
<th>Institutional</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.63%</td>
<td>7.62%</td>
<td>7.87%</td>
</tr>
</tbody>
</table>

Performance attribution 6/30/2023 – 9/30/2023

Sector: Average active weights (%)

Top 3 contributors

- Media
- Basic Industry
- Retail

Bottom 3 detractors

- Energy
- Utility
- Technology & Electronics

Total relative contribution (%)

Top 3 contributors

- Media
- Basic Industry
- Retail

Bottom 3 detractors

- Energy
- Utility
- Technology & Electronics

Past performance is no guarantee of future results. Short-term performance may not be indicative of long-term results.
RISK: The fund can invest in “junk bonds” which are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments when due. Yield and share price will vary with changes in interest rates and market conditions. Investors should note that if interest rates rise significantly from current levels, bond fund total returns will decline and may even turn negative in the short term. There is also a chance that some of the fund's holdings may have their credit rating downgraded or may default. 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. An investment in Impax Funds involves risk, including loss of principal.

Definitions

- Effective Duration is a measure of a security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.
- Years to Maturity (weighted average) is the number of years until the bond matures and/or expires.
- 30-Day SEC Yield: An annualized yield based on the most recent 30-day period.

Top 10 holdings as of 9/30/2023

Cco Holdings LLC, 4.750%, 3/1/30 1.3%, Darling Ingredients Inc. 6.0% 6/15/30 1.0%, Avantor Funding, Inc. 4.625%, 7/15/28 1.0%, Ncr Corp., 5.125%, 4/15/29 0.9%, Interface, Inc. 5.5% 12/01/28 0.9%, Graphic Packaging International, Llc 3.75% 2/01/30 0.8%, Iron Mountain Incorporated 4.875% 9/15/29 0.8%, Vm Consolidated, Inc. 5.5% 04/15/29 0.8%, United Natural Foods, Inc., 6.75%, 10/15/28 0.8% and Zoominfo Technologies, Inc. 3.875% 02/01/29 0.8%. Holdings are subject to change.

Disclosures

1. Spread-to-worst (STW) measures the dispersion of returns between the best and worst performing security. In bond markets, STW is the difference between the yield-to-worst (YTW) of a bond and the yield-to-worst (YTW) of a U.S. Treasury security with similar duration.
2. The ICE BofAML US High Yield BB-B (Constrained 2%) Index tracks the performance of BB- and B-rated fixed income securities publicly issued in the major domestic or eurobond markets, with total index allocation to an individual issuer limited to 2%.
3. The Lipper High Yield Bond Funds Index tracks the results of the 30 largest mutual funds in the Lipper High Yield Bond Funds Average. The Lipper High Yield Bond Funds Average is a total return performance average of mutual funds tracked by Lipper, Inc. that aim at high (relative) current yield from fixed income securities, have no quality or maturity restrictions and tend to invest in lower grade debt issues. The Lipper High Yield Bond Funds Index is not what is typically considered 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.
5. Ice BofA CCC and Lower US Cash Pay High Yield Constrained Index

One cannot invest directly in an index.