IMPAX ASSET MANAGEMENT

Impax International Sustainable Economy Fund

Quarterly Commentary

All data as of 03/31/2025

Performance

- During the first three months of 2025, the portfolio outperformed the MSCI EAFE benchmark. The portfolio's performance was driven primarily by security-specific effects, and sector allocation was also additive.
- Stock selection was strongest in Information Technology as the more defensively oriented communication equipment holdings like Nokia, and Japanese IT services holdings Fujitsu and NEC, outpaced higher beta Semiconductor and Software exposure. Selection was also positive in Financials with robust performance from European banks as tailwinds from fiscal stimulus, and attractive relative valuations, drove rotation to stocks like Lloyds Banking Group, BNP Paribas and Commerzbank.
- Security selection was weakest In Industrials as the portfolio’s lack of exposure to defense-related names, which soared in the first quarter as European nations signaled commitments to bolstering military resources. The portfolio’s industrial names are focused on energy efficiency and power generation, which underperformed the sector after a pronounced rally in 2024. Selection was also weaker in Communication Services as the portfolio’s defensive telecommunications names underperformed with Softbank, a diversified holding company, underperforming more defensive businesses.

Market overview

- International equities, as measured by the MSCI EAFE, saw positive total returns in Q1 2025 with early strength waning later in the period as uncertainty surrounding US tariffs dominated sentiment and news flow at the end of the quarter.
- The continued broadening of stockmarkets drove a change in regional and sector-level leadership, with US equities underperforming international counterpart, and technology lagging all sectors during the period.
- Following strong returns in January, incoming US President Donald Trump spooked markets with threats, retractions and the eventual implementation of tariffs on key trading partners. Amid the uncertainty, the US Federal Reserve held interest rates in both February and March and projected slower growth and higher core inflation by year end. In the eurozone, interest rates were cut twice during the quarter, while a range of new fiscal commitments – including a €500bn infrastructure spending plan from Germany – led markets to outperform the US, although still ended the month lower.
- Looking beyond the short-term volatility triggered by Trump’s tariffs, we believe global economic growth remains on track to improve in 2026. As long-term investors, we aim to manage portfolios through this challenging period with near-term caution and optimism for the longer term.

CONTINUED ►

Performance (%)	Total return			Average annual return				
	1M	3M	YTD	1Y	3Y	5Y	10Y	SI[1]
Insitutional Class	0.00	7.47	7.47	7.62	6.39	11.59	5.38	5.58
Investor Class	0.00	7.40	7.40	7.28	6.12	11.33	5.12	4.58
MSCI EAFE	-0.40	6.86	6.86	4.88	6.05	11.77	5.40	5.33

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 distribution, and changes in principal value.

[1]First full month since inception. The inception date for Impax International Sustainable Economy Fund Institutional Class is 01/27/2011 and Investor Class is 03/31/2014. As of 05/01/2024 prospectus, total annual Impax International Sustainable Economy Fund operating expenses, gross of any fee waivers or reimbursements (excluding Acquired Fund fees and expenses), for Institutional Class and Investor Class shares are 0.45%, 0.70%, respectively.

Contributors

- BNP Paribas (Financials, France) offers commercial, retail, investment, and private and corporate banking services in Europe, the US, Asia and emerging markets. The firm's role in providing access to finance and meeting basic needs are the key reasons for holding the stock. Shares rose after reporting solid results led by the investment banking unit and the announcement of a $1.1bn buyback plan.
- Lloyds Banking Group (Financials, UK) provides retail banking, mortgages, pensions, asset management, insurance services, corporate banking and treasury services. The stock's high ESG score and role in supporting access to finance and meeting basic needs make it an attractive stock for the portfolio. The stock rallied in the first quarter despite lower-than-expected profits due to some pre-provisioning in the auto finance book, but expectations from a strong fiscal year overshadowed the shorter-term profitability wobble.
- Generali (Financials, Italy) is a global provider of insurance and asset management services. The company helps to meet basic needs through its asset management and multi-line insurance offerings. The stock was up along with other European insurers after strong results and the unveiling of a three-year earnings growth plan.

Detractors

- Puma (Consumer Discretionary, Germany) designs, manufactures and sells sporting goods. The stock, which is owned primarily for its strong ESG score, sold off after reporting disappointing results and news that any improvement in profit margins would be pushed out beyond 2026.
- Sonova Holding (Health Care, Switzerland) designs, develops and manufactures hearing systems, such as wireless communication systems for audio applications and cochlear implant systems. The company is owned due to its role in improving wellbeing and solving evolving healthcare challenges relating to hearing loss. The stock was weaker, alongside other hearing aid providers, after optical manufacturer EssilorLuxottica announced that it had received clearance from the US FDA for an over-the-counter audio eyeglass solution for mild-to-moderate hearing loss.
- Sony Group (Consumer Discretionary) produces televisions, cameras, mobiles, audio and video game equipment and products. Sony also engages in game, movie and music production, alongside other businesses. The stock suffered from the potential for tariffs to impact demand and margins from US consumers.

GICS sector attribution[#]

- From a sector perspective, Energy was at the forefront of index returns as global oil prices rallied. Financials were also among the top performers, amid a rotation towards cheaper European and Japanese banks and insurers, as investors took viewed government spending commitments as positive for the sector. Utilities and other defensive sectors also showed relative strength during the period. The pullback in technology continued as the sector delivered the weakest returns of the quarter followed by Consumer Discretionary stocks.
- Sector allocation was positive in the period driven primarily by an underweight to Consumer Discretionary, and the overweight position in Financials. This more than offset the drag from the portfolio's overweight to Information Technology, and having no holdings in Energy.

Sustainability tools

The Lens is used to align the portfolio's industry exposure to the tailwinds associated with the transition to more sustainable economy by ranking sub-industries based on the exposure to themes, like enhancing productivity, meeting basic needs, and addressing climate change and pollution. The positioning within the Lens was a positive contributor for the period, as the overweight in High Opportunity/Neutral Risk sub-industries like Diversified Banks and Reinsurance outperformed, offsetting the negative impact from High Opportunity/High Risk subindustries like Food Retail and Semiconductors that underperformed relative to the market. Additionally, underweights in some higher risk sub-industries not included in the portfolio, such as Aerospace & Defense, also contributed negatively. However, sectors such as IT Consulting and Building Products, which are considered High Opportunity and Low Risk from a sustainability lens perspective, performed well, partially offsetting other negative allocation impacts.

ESG Ratings

The portfolio avoids securities with low ESG scores due to the higher volatility these stocks have demonstrated over the long term, arising from the potential material financial impact that can occur when companies have poor operational practices. Stocks that scored in the top 25% on these factors had the worst returns in the MSCI EAFE universe during quarter, and the portfolio's high conviction overweight to this cohort explains the negative contribution from this exposure.

Energy Efficiency

Over the long term, we believe that companies focused on optimizing energy consumption and production through technology will outperform energy stocks exposed to cyclical commodity prices and uncertain future demand and substitution impacts. Energy efficiency stocks lagged strong market returns in the period and, with traditional energy leading international sector returns, the portfolio's structural tilt towards efficiency solutions and away from carbon-based energy was a headwind.

Impax International Sustainable Economy Fund

Quarterly Commentary I All data as of 03/31/2025

Fund overview

Impax International Sustainable Economy Fund is a systematic core strategy that seeks to integrate the risks and opportunities arising from the transition to a more sustainable economy..

Portfolio managers

Scott LaBreche, Christine Cappabianca

Portfolio characteristics — As of 03/31/2025

	Fund	Benchmark
Market cap (weighted average)ƒ	US$76BN	US$92BN
Forward price earnings~	14.2x	13.8x
ROE°	17.3%	16.4%
Beta∞	0.98	-
Number of securities	135	694

Performance attribution as of 03/31/2025

Sector: Average active weights (%)	
Communication Services	2.60
Consumer Discretionary	-5.55
Consumer Staples	0.31
Energy	-3.52
Financials	2.58
Health Care	1.30
Industrials	-0.76
Information Technology	3.75
Materials	-3.23
Real Estate	-0.47
Utilities	0.66
ETFs	1.35
Cash	0.99

Total relative contribution (%)	
Communication Services	-0.31
Consumer Discretionary	0.05
Consumer Staples	-0.40
Energy	-0.43
Financials	1.11
Health Care	-0.52
Industrials	-1.20
Information Technology	0.59
Materials	0.34
Real Estate	0.09
Utilities	0.09
ETFs	0.06
Cash	-0.02
Total	-0.54

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.

o Return on Equity: The amount of net income returned as a percentage of shareholders' equity. Return on equity measures a corporations' profitability by revealing how much profit a company generates with the money shareholders have invested.

∞ 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.

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.

Impax International Sustainable Economy Fund

Quarterly Commentary I All data as of 03/31/2025

Top 10 holdings as of 03/31/2025 Holdings subject to change.

Stocks	Weighting (%)
ASTRAZENECA PLC	2.9%
NOVARTIS AG-REG	2.7%
HSBC HOLDINGS PLC	2.5%
IBERDROLA SA	2.1%
SCHNEIDER ELECTRIC SE	1.9%
RELX PLC	1.9%
BNP PARIBAS	1.9%
LLOYDS BANKING GROUP PLC	1.8%
ASML HOLDING NV	1.8%
GENERALI	1.6%

Definitions and disclosures

The MSCI EAFE (Europe, Australasia, Far East) Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US and Canada. The MSCI EAFE Index consists of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. Performance for the MSCI EAFE Index is shown "net", which includes dividend reinvestments after deduction of foreign withholding tax

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.
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.

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.

You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. For this and other information is in the prospectus, call 800.767.1729 or visit www.impaxam.com for a fund prospectus and read the prospectus carefully before investing.

Impax Asset Management makes its investment and related decisions pursuant to its independently determined policies and practices that seek to serve the risk management objectives and interests of its investors. Any and all engagement by Impax Asset Management with issuers and other market participants on sustainability issues are pursuant to, and consistent with, those independently determined policies and practices.

Impax Asset Management LLC is investment adviser to Impax Funds. Impax Funds are distributed by Foreside Financial Services, LLC. Foreside Financial Services LLC is not affiliated with Impax Asset Management LLC.

Impax Asset Management
30 Penhallow Street, Suite 100
Portsmouth, NH 03801
800.372.782

impaxfunds@impaxam.com
www.impaxam.com