

Impax Large Cap Fund

Quarterly Commentary

All data as of 12/31/2023

Performance

- The Large Cap Fund outperformed its benchmark during the fourth quarter.

Market review

- The quarter finished with a strong rally, with both bonds and equities posting gains. The 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 macro data. While labor markets remain relatively tight, wage pressure is moderating, and overall economic data has been resilient enough to fuel expectations of a soft landing. Earnings have also been more supportive, with positive surprises outweighing negative surprises, and sentiment towards earnings growth improving in some sectors. Geopolitics remains a risk, but Sino-US tensions eased slightly 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.

Key performance drivers

- The portfolio's outperformance was roughly two-thirds attributable to strong security selection and the remaining third attributable to sector positioning. The sustainability tools used to drive idea generation within the Large Cap portfolio also added value in the period. The portfolio's Sustainability Lens profile contributed positively to returns, as high-risk, low-opportunity subsectors were the only lens category to deliver negative returns in the quarter. The portfolio's tilt towards securities with higher Systematic ESG scores was a marginal tailwind as stocks with scores in the top quartile led the market. From a stock selection perspective, Consumer Staples was most additive, as Target, Colgate, Sysco, and McCormick all contributed positively over their holding periods. Health Care and Technology were also positive with Abbott Laboratories, CVS, Salesforce and ServiceNow, leading the way. Selection was negative in Consumer Discretionary where Aptiv and Lowe's were the largest detractors to performance.

CONTINUED ►

Performance	as of 12/31/2023							
	1m	Qtr	YTD	1y	3y	5y	10y	Incep ¹
Investor Class	5.42	13.13	19.90	19.90	7.81	15.90	–	13.08
Institutional Class	5.37	13.23	20.12	20.12	8.07	16.18	–	13.35
S&P 500 Index ²	4.54	11.69	26.29	26.29	10.00	15.69	–	13.21
Lipper Multi-Cap Core Funds Index ³	5.68	11.91	24.16	24.16	7.87	14.48	–	8.68

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 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 Large Cap Fund Institutional Class and the Investor Class is December 16, 2016.

As of 5/1/2023 prospectus, total annual Impax Large Cap Fund operating expenses, gross of any fee waivers or reimbursements (excluding Acquired Fund fees and expenses), for Investor Class and Institutional Class shares are 0.97% and 0.72%, respectively.

Contributors

- **ServiceNow (Information Technology)** outperformed late in the quarter due to strong earnings growth, continued deployment of AI solutions, and the announcement of a large federal contract win.
- **Salesforce (Information Technology)** delivered another strong quarter, exceeding top and bottom line expectations as well as signaling promising early adoption rates for their AI solutions.

Detractors

- The detractors were driven primarily by weaker demand expectations earlier in the quarter.
- **Aptiv (Consumer Discretionary)** was weaker as markets priced in consumer weakness and the UAW strike, which has led to disappointing outlooks across the auto landscape.
- **Align Technology (Health Care)** sold off on the back of a difficult quarter for the top and bottom line as the consumer and macro environment has begun to weaken.

Outlook

- Sentiment and expectations are improving, and the market has begun to price in a better outlook for 2024. The investment team continues to look for new investment opportunities, adding quality companies experiencing temporary disruptions such as inventory destocking, while also constructing portfolios that should benefit from a recovery in 2024. They have also looked to take profit where companies have rallied on improved investor sentiment. While the team is cautiously optimistic, they remain alert to the risk of continued volatility and the potential for a delayed impact on consumers and the economy from higher interest rates. They continue to monitor earnings carefully as expectations are high in some sectors. Impax believes the drivers of the transition to a more sustainable economy remain intact, and companies supplying innovative solutions and addressing social and environmental challenges remains compelling. Over the long run, we believe these companies can benefit from rising demand for the products and services to deliver strong earnings growth.

Fund overview

A core strategy that fully integrates analysis of ESG risks and opportunities and invests in a portfolio of companies we believe have strong prospects and attractive valuations.

Portfolio management team

Barbara Browning, CFA®, Portfolio Manager

Andrew Braun, Senior Portfolio Manager

CFA® is a trademark owned by the CFA Institute.

Portfolio characteristics as of 12/31/2023

Market cap (weighted avg.)^f

Fund	Benchmark
\$568,187mn	\$722,716mn

Forward price earnings[~]

Fund	Benchmark
19.43	19.53

ROE^o

Fund	Benchmark
19.46%	24.43%

Beta^o

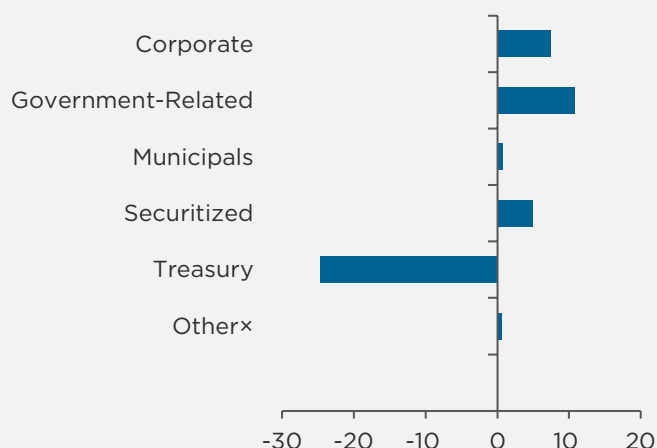
Fund	Benchmark
1.00	1.00

Number of securities

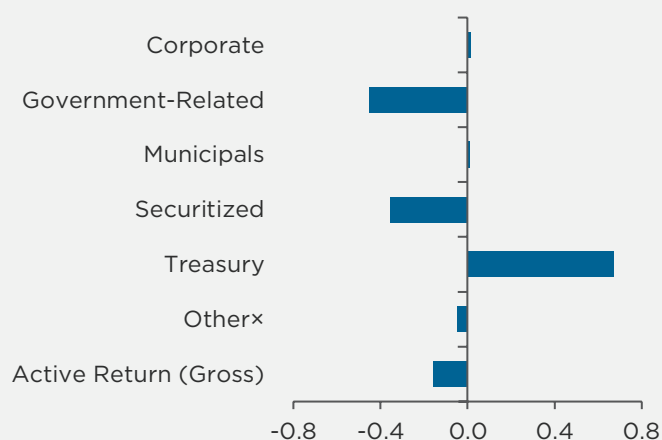
Fund	Benchmark
53	503

Performance attribution 9/30/2023 – 12/31/2023

Sector: Average active weights (%)



Total relative contribution (%)



^x Other: ETFs (for short-term cash mgmt. purposes) and Cash & Equivalents.

Past performance is no guarantee of future results. Short-term performance may not be indicative of long-term results.

Definitions

- ^f 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.

Top 10 holdings as of 12/31/2023

Microsoft Corp. 7.4%, Apple, Inc. 5.4%, Alphabet, Inc., Class A 4.2%, Merck & Co., Inc. 3.0%, Aptiv PLC 2.4%, Abbott Laboratories 2.4%, Visa, Inc., Class A 2.3%, ServiceNow, Inc. 2.2%, JPMorgan Chase & Co. 2.2% and Walt Disney Co., The 2.2%. Holdings are subject to change.

Disclosures

- 2 The S&P 500 Index is an unmanaged index of large capitalization common stocks.
- 3 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.

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. 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.



Impax Asset Management
30 Penhallow Street, Suite 400
Portsmouth, NH 03801
800.372.7827

impaxfunds@impaxam.com
www.impaxam.com

You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. 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.

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 is a trademark of Impax Asset Management Group Plc. Impax is a registered trademark in the EU, US, Hong Kong and Australia. © Impax Asset Management LLC, Impax Asset Management Limited and/or Impax Asset Management (Ireland) Limited. All rights reserved.