

Impax Small Cap Fund

Quarterly Commentary

All data as of 12/31/2023

Performance

- The Small Cap Fund underperformed the Russell 2000 Index in 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 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 somewhat after a relatively positive summit between US President Biden and Chinese President Xi Jinping. The rally was particularly strong

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Performance								as of 12/31/2023
	1m	Qtr	YTD	1y	3y	5y	10y	Incep ¹
Investor Class	9.62	10.45	13.51	13.51	4.42	9.43	5.72	7.90
Class A	9.65	10.49	13.56	13.56	4.44	9.43	5.71	7.90
Institutional Class	9.64	10.54	13.79	13.79	4.68	9.69	5.98	8.17
Russell 2000 Index ²	12.22	14.03	16.93	16.93	2.22	9.97	7.16	8.54
Lipper Small-Cap Core Funds Index ³	10.92	13.50	16.15	16.15	7.33	11.30	7.76	8.89

Performance after sales charge								as of 12/31/2023
	1m	Qtr	YTD	1y	3y	5y	10y	Incep ¹
Class A (Load)	3.65	4.40	7.28	7.28	2.47	8.19	5.12	7.51

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 call 800.767.1729 or for more information visit impaxam.com.

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

1 The inception date for the Impax Small Cap Fund Institutional Class and Investor Class is March 27, 2008. The inception date for the Class A shares is May 1, 2013.

As of 5/1/2023 prospectus, total annual Impax Small Cap Fund operating expenses, gross of any fee waivers or reimbursements, for Investor Class, Class A, and Institutional Class shares are 1.16%, 1.16% and 0.91%, respectively.

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 7.82% (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 5.50%.

Market review, continued

in small cap stocks as most cyclicals and interest rate sensitive parts of the market outperformed. Energy was a notable exception, as oil prices pulled back as supply was increased.

Key performance drivers

- Strength in sector allocation was not enough to offset a difficult environment for security selection as a rising Small Cap tide rose all boats. The use of sustainability related tools to drive idea generation within the Small Cap portfolio also offset some of the weaker stock selection in the period. The portfolio's Sustainability Lens profile contributed positively to returns as high risk, low opportunity subsectors were the worst performers in the quarter. The weakness in stock selection was felt particularly in Health Care, Financials, and Technology as 2023 winners trailed lower quality stocks. The portfolio's Biotechnology holdings lagged the cohort as investors looked for a bottom in the biotech funding cycle and took notice of increased M&A activity. Asset Managers, which performed well relative to financials in 2023, lagged in the fourth quarter rally as investors focused on buying lower quality regional bank names. The portfolio's higher quality Software and Technology Equipment exposure also struggled in the period. Security selection was additive in Industrials and Communication Services, with Electrical Equipment and Machinery holdings delivering strong results, and recent laggards in Interactive Media rebounded from a challenging third quarter.

Contributors

- **QuinStreet (Communication Services)** reported largely in-line results on top/bottom line. The stock benefited from management's ability to effectively detail expectations around revenue recovery as auto insurance companies return to lead generation, while non-auto insurance related businesses continue to grow in the low teens.
- **8x8 (Information Technology)** benefited from steady results and guidance, as investors rewarded an increased focus on using operating cash flow to reduce debt and potentially return capital to shareholders.
- **Planet Fitness (Consumer Discretionary)** recovered from share weakness associated with the unexpected departure of its CEO in the third quarter. The membership model remains healthy, investors are positive with plans to improve franchisee unit economics, and the potential tailwinds that lower interest rates provide.

Detractors

The key detractors suffered from disappointing financial results.

- **Belden (Information Technology)** sold off after reporting lower than expected sales and disappointing earnings guidance. The position was exited in the quarter.
- **Extreme Networks (Information Technology)** was down as customer destocking led to a reset on forward guidance, despite a relatively good quarter from a revenue and earnings perspective.
- **Fox Factory Holding (Consumer Discretionary)** missed out on adjusted earnings per share, revenue and guidance, as investors questioned the capital allocation decisions around the recent acquisition of baseball equipment company Marucci. The position was exited in the period.

Outlook

- The strong performance of small cap stocks in the quarter speaks to improved sentiment and expectations as interest rate and inflation are expected to peak. For the most part, the lower-quality, higher-leverage businesses that benefited from market exuberance in the fourth quarter are still facing headwinds. The investment team continues to seek opportunities to add higher quality companies experiencing temporary disruptions in areas like inventory destocking, while maintaining exposure that should benefit from a recovery in 2024. The team remains cautiously optimistic, knowing that the risk of continued volatility and the potential for higher interest rates to have a lagging effect on consumers and the economy. They continue to watch company earnings to make sure that expectations are reasonable, especially if margins pressures subsist. Impax believes the drivers of the transition to a more sustainable economy remain intact and companies providing 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 focuses on high quality companies at reasonable prices.

Portfolio management team

Nathan Moser, CFA, Senior Portfolio Manager

Diederik Basch, CFA, Portfolio Manager

Curtis Kim, CFA, Portfolio Manager

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Portfolio characteristics as of 12/31/2023

Market cap (weighted avg.)^f

Fund	Benchmark
\$4,760mn	\$3,290mn

Forward price/earnings[~]

Fund	Benchmark
16.91	14.50

ROE^o

Fund	Benchmark
6.77%	6.39%

Beta^o

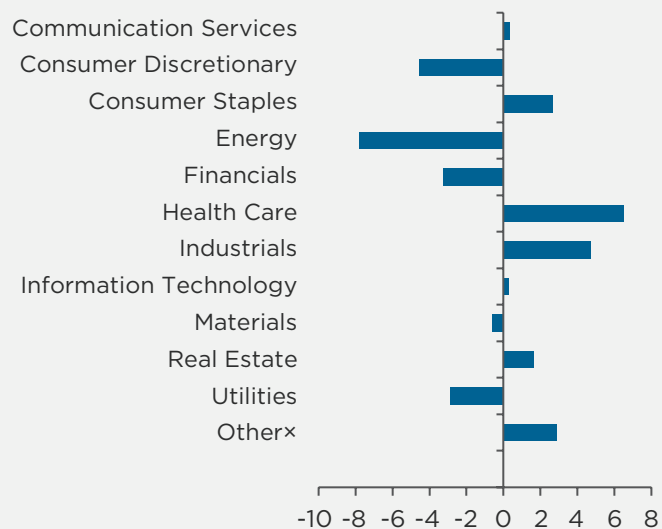
Fund	Benchmark
0.82	1.00

Number of securities

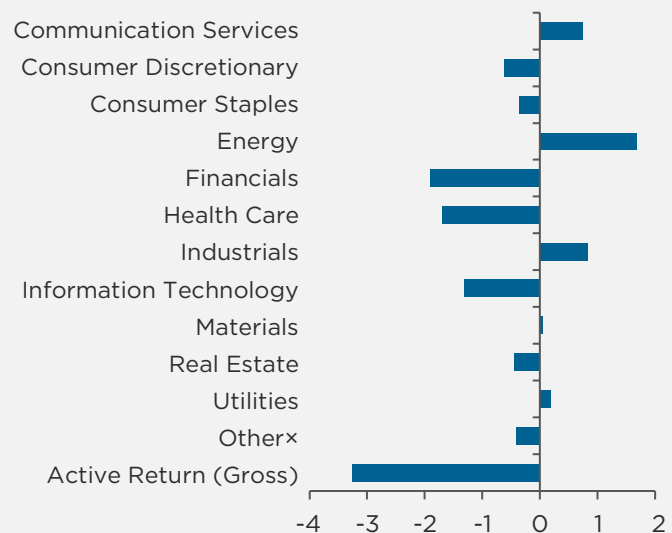
Fund	Benchmark
64	1,966

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.

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 corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.
- [∞] A historical Beta is used for Funds with greater than 2 years of performance history under the same mandate. Ten-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 12/31/2023

Victory Capital Holdings, Inc., Class A 3.8%, Voya Financial, Inc. 3.2%, BrightSphere Investment Group, Inc. 3.0%, Onto Innovation, Inc. 2.4%, Health Catalyst, Inc. 2.4%, Ciena Corp. 2.3%, Axonics, Inc. 2.2%, Huron Consulting Group Inc. 2.2%, Ligand Pharmaceuticals, Inc. 2.2% and Neurocrine Biosciences, Inc. 2.1%. Holdings are subject to change.

Disclosures

- 2 The Russell 2000 Index measures the performance of the small-cap segment of the US equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.
- 3 The Lipper Small-Cap Core Funds Index tracks the results of the 30 largest mutual funds in the Lipper Small-Cap Core Funds Average. The Lipper Small-Cap Core Funds Average is a total return performance average of the mutual funds tracked by Lipper, Inc. that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) below Lipper's USDE small-cap ceiling. Small-cap core funds have more latitude in the companies in which they invest. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index. The Lipper Small-Cap Core Funds Index is not what is typically considered to be an "index" because it tracks the performance of other mutual funds rather than the changes in the value of a group of securities, a securities index or some other traditional economic indicator.

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. Funds that emphasize investments in smaller companies generally will experience greater price volatility. 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.

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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.

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