Performance summary

- In the third quarter, the Impax US Sustainable Economy Fund underperformed the Russell 1000 Index.

Investment strategy

- The Fund integrates the Impax Sustainability Lens, a proprietary tool that helps the adviser systematically overweight the portfolio toward sub-industries we identify as high opportunity in the context of the transition to a more sustainable economy, while removing exposure to sub-industries classified as low opportunity and high risk. One of the Fund’s key sources of alpha\(^1\) is exposure to companies with favorable environmental, social and governance (ESG) ratings relative to their sector and industry peers, as determined by the Impax Systematic ESG Rating.\(^2\)

Lastly, the portfolio is fossil fuel free, and replaces energy sector holdings with energy efficiency stocks. The Fund’s optimization process applies appropriate constraints to create a diversified portfolio of approximately 200 stocks.

<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>-5.65</td>
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<tr>
<td>Class A</td>
<td>-5.63</td>
</tr>
<tr>
<td>Institutional Class</td>
<td>-5.64</td>
</tr>
<tr>
<td>Russell 1000 Index(^4)</td>
<td>-4.70</td>
</tr>
<tr>
<td>Lipper Multi-Cap Core Funds Index(^5)</td>
<td>-4.66</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance after sales charge</th>
<th>as of 9/30/2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1m</td>
</tr>
<tr>
<td>Class A (Load)</td>
<td>-10.81</td>
</tr>
</tbody>
</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.

\(^3\) The inception date for the Impax US Sustainable Economy Fund Institutional Class is April 2, 2007, the Investor Class inception date is June 11, 1997, and the Class A shares inception date is May 1, 2013.

As of 5/1/2023 prospectus, total annual Impax US Sustainable Economy Fund operating expenses, gross of any fee waivers or reimbursements (excluding Acquired Fund fees and expenses), for Institutional Class, Investor Class and Class A shares are 0.63%, 0.88% and 0.88%, 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 (April 2, 2007). 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 April 2, 2007, is 8.11% (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 10.75% (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 overview

- Equity markets finished lower over the quarter, as expectations of a soft economic landing began to fade and the “higher for longer” interest rates scenario prevailed. Central banks continued to raise interest rates, with the Federal Reserve indicating there may yet be another rate hike this year. Rising bond yields and a surge in the oil price (driven by production curtailments) has resulted in more value and cyclical parts of the market such as energy, financials and commodities outperforming. Higher rates and persistent inflation is creating uncertainty about growth due to the potential for a lagged impact on consumers and corporates. Recent sentiments survey have shown a deterioration in the services sectors, and while the manufacturing sector is showing signs of stability, it is not yet recovering. In China, weaker economic data and initial disappointed with policy support measures drove the market lower. However, recent economic data in China is improving, suggesting these measures are now tickling into the economy.

- Corporate earnings were generally better than expected, albeit after negative revisions earlier in the year. Destocking of some inventory channels has been a feature, with lower volumes and weaker pricing impacting margins in some sectors. Against this backdrop, the investment teams are closely monitoring the quality of the earnings to affirm that the long-term drivers remain intact, but overall expect earnings growth of sustainable and environment markets to be better than the broader market. These parts of the market continue to see policy support, such as initiatives by the EU to reduce food waste. There has also been support for sustainable investment coming out of Climate Week with California stepping up climate disclosures and policymakers in both the US and Europe addressing some of the bottlenecks in the wind industry. In addition, the current rise in energy prices should act as a tailwind for companies providing energy and resource efficiency solutions.

- In addition, softer economic growth does not necessarily translate into weaker equity returns. Equity investors are forward looking and tend to discount trends six to eight months ahead. While the effects of higher interest rates on consumer and corporate activity remain uncertain these worries are increasingly being priced into valuations. The investment team view some of the current individual disruptions such as inventory destocking as largely temporary. They are taking opportunities in the market to add to quality companies while constructing portfolios that should benefit from a recovery in 2024 and beyond.

Impax Sustainability Lens

- The Impax Sustainability Lens detracted from performance in the third quarter. The portfolio’s avoidance of high risk / low opportunity sub-industries explained a large portion of Lens contribution. In particular, the lack of exposure across the Oil & Gas complex, given the limited opportunities and higher risk these business are exposed to in the transition economy, was the key driver.

ESG ratings

- The portfolio’s active exposure to stocks with higher ESG scores underperformed the rest of the universe. The portfolio’s emphasis on companies with higher ESG ratings created a notable headwind against ESG laggards, where the portfolio has no exposure. Leading declines within ESG leaders included holdings in Planet Fitness, Mettler-Toledo, and American Water Works. Investments in Grand Canyon Education and Carrier Global helped mitigate these losses, as did a lack of exposure to RTX.

Energy efficiency

- The portfolio replaces traditional energy stocks with companies that provide energy efficiency solutions. The portfolio’s energy efficiency approach saw negative results in the third quarter, as traditional energy stocks outperformed the Russell 1000 Index.

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1 Alpha is a coefficient measuring risk-adjusted performance, considering the risk due to the specific security, rather than the overall market. A positive alpha reflects relative risk-adjusted performance of the Fund versus its benchmark.

2 The Impax Systematic ESG Rating is a proprietary rating of companies’ environmental, social and governance (ESG) performance developed by Impax’s Sustainability and ESG Team. The rating is designed to capture material information that may bear on a company’s risk and performance potential. The Impax Systematic ESG Rating combines original, in-house research and analysis with multiple sources of third-party ESG and publicly available data to quantify an overall ESG company ranking versus peers.

The Impax Systematic ESG rating calculation includes some elements that could be considered qualitative or subjective, including, customized peer groups on limited occasions that may deviate from standard industry classifications in order to facilitate meaningful quantitative comparisons; selection of relevant ESG issues and indicators; determining weights or scoring of components/indicators; and some manual adjustments on occasions where the Impax Sustainability and ESG team determines that the calculated score based on available indicators does not adequately reflect the materiality or risk/return implications of certain ESG issues for a particular company.
**GICS® sector**

- Energy and Communication Services were the only sectors within the Russell 1000 to deliver positive results in the quarter. Several global oil producing countries continued to limit supply to support higher prices, and shares of Alphabet drove the Interactive Media & Services sub-sector on the back of strong cloud computing revenue growth. Meanwhile, Utilities lagged as inflation and interest rates have brought valuations in this sector to near decade lows. Fears of a recession caused several REITS sub-sectors to sharply underperform.

- Sector positioning is an outcome of the portfolio construction process rather than an active portfolio decision. Sector positioning detracted from performance during the quarter, led by the portfolio’s lack of exposure to Energy, underweight position in Consumer Staples, and overweight position in Industrials. Leading detractors within the portfolio included investments in Planet Fitness and Mettler-Toledo.

- Offsetting these results to a degree were the portfolio’s overweight positions in Health Care and Information Technology. Top performing holdings within the portfolio included Eli Lilly and MetLife.

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**Fund overview**

A systematic strategy investing in US large cap companies we believe are positioned to benefit from the transition to a more sustainable economy.

**Portfolio management team**

Scott LaBreche, Portfolio Manager
Christine Cappabianca, Portfolio Manager

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**Portfolio characteristics as of 9/30/2023**

<table>
<thead>
<tr>
<th></th>
<th>Fund</th>
<th>Benchmark</th>
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</thead>
<tbody>
<tr>
<td><strong>Market cap (weighted avg.)</strong></td>
<td>$456,209M</td>
<td>$575,738M</td>
</tr>
<tr>
<td><strong>Forward price earnings</strong></td>
<td>Fund 17.86</td>
<td>Benchmark 17.67</td>
</tr>
<tr>
<td><strong>ROE°</strong></td>
<td>Fund 23.88%</td>
<td>Benchmark 21.97</td>
</tr>
<tr>
<td><strong>Beta°</strong></td>
<td>Fund 0.96</td>
<td>Benchmark 1.00</td>
</tr>
<tr>
<td><strong>Number of securities</strong></td>
<td>Fund 156</td>
<td>Benchmark 1,009</td>
</tr>
</tbody>
</table>

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6 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.
Definitions

- 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.

- 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.

- A historical Beta is used for Funds with greater than 3 years of performance history under the same mandate. Three-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 9/30/2023

Microsoft Corp. 5.6%, Apple, Inc. 4.5%, NVIDIA Corp. 4.2%, Alphabet, Inc., Class A 3.3%, Eli Lilly & Co. 2.5%, Johnson & Johnson 1.9%, Lam Research Corp. 1.8%, Elevance Health, Inc. 1.8%, Texas Instruments, Inc. 1.6% and Republic Services, Inc. 1.6%. Holdings are subject to change.

Disclosures

4 The Russell 1000 Index measures the performance of the 1,000 largest US companies, as measured by market capitalization. It is a subset of the Russell 3000 Index, which measures the largest 3,000 companies. The Russell 1000 Index is comprised of over 90% of the total market capitalization of all listed US stocks.

5 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.

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