

Impax Core Bond Fund

2025 Sustainability Report: Beyond Financial Returns – Q1 2026

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¹“Accredited investor” within the meaning of OSC Rule 45-501, Canada.



Introduction

As a specialist investor in the transition to a more sustainable economy, a detailed appreciation of sustainability-related risks and opportunities is central to our investment philosophy. Our approach to sustainability-related issues is entirely consistent with our fiduciary duty to pursue attractive, risk-adjusted long-term financial returns for our clients.

We engage with investee issuers to ensure that, over time, they become more resilient to material sustainability-related risks. We also contribute to efforts to reduce systemic sustainability-related risks and accelerate the development of related markets through stewardship and policy advocacy together with other market participants.¹

This report is designed to give investors a comprehensive view of how we approach sustainability integration at Impax, considering both sustainability risks and opportunities. In addition to portfolio level reporting provided within, we report on [Climate](#), [Stewardship & Advocacy](#) and [Impact](#) each year at the firm level. These reports dive deeper on each topic and showcase our commitment to transparency and to continually raising the bar on disclosure to our investors and the industry.

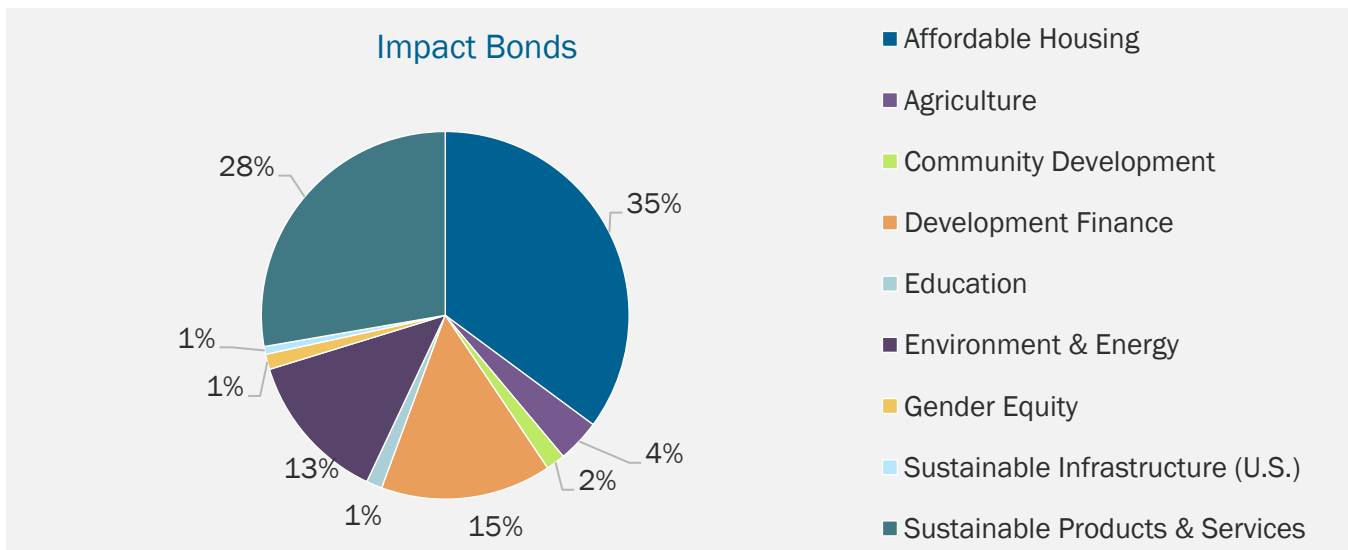
Impact Bonds

The Impax Core Bond Fund combines top-down dynamic asset allocation to allocate across core investment grade sectors with bottom-up security selection. Within a portfolio, impact bonds can offer stability, transparency and diversification alongside attractive risk-adjusted returns.

The portfolio invests in impact bonds, which we define as those whose use of proceeds contributes to specific impact bond themes across a variety of sectors and security types, as well as bonds from corporate issuers that generate revenue from products or services that address global sustainability challenges. The portfolio managers consider each impact bond on its own fundamental and relative value merits and conduct proprietary sustainability analysis instead of relying solely on labels.

Impact bonds span the spectrum of traditional issuers across securitised products, municipals, supnationals, US agencies, and corporate issuers, and allocations are managed with primary consideration given to their traditional fixed income asset classification.

The impact metrics reported for the portfolio relate to the benefits that the products and services of portfolio issuers are enabling. Over 50% of the Core Bond portfolio is exposed to issuers reporting positive social and environmental outcomes. 40% of the portfolio at the end of March 2026 was comprised of bonds that are aligned to 9 impact themes.²



¹ See Important Information on Engagement in this report.

² For more information, refer to the "Definition of Impax's proprietary tools and taxonomies" page.



Core climate metrics

Financed GHG emissions and transition alignment

We have been measuring and reporting on the GHG emissions of our investee companies for a decade. Climate-related risk assessment is integrated into the investment process for all of Impax’s assets undermanagement, across all asset classes, using proprietary tools and analysis. The table below reflects intensity-based metrics for the financed greenhouse gas (GHG) emissions of the portfolio.

We consider a range of metrics in order to monitor our exposure to sustainability-related risks and opportunities. These metrics are used to inform our investment decisions and our priorities for engagement with investee companies and issuers, as well as our policy and advocacy programme.

2024 metrics	Total Portfolio (USD\$833m)
Portfolio Weighted Average Carbon intensity (WACI) ² (Scope 1 & 2)	185.74
Portfolio Carbon Intensity (WACI) Data Availability (Scope 1 & 2)	60.91%
Weight of borrowers with carbon reduction targets in line with the Science Based Targets Initiative (SBTi)	11.64%
Weight of borrowers producing a TCFD annual report	32.06%

² Refer to the Methodology section at the back of the report for further details on methodology and summarized data that was available and estimated for holdings in the portfolio.







Real-world environmental impacts

This portfolio invests globally in companies that are developing innovative solutions to environmental challenges. We believe investing in these solutions offers opportunity for superior risks-adjusted financial returns

We believe the world’s environmental challenges extend beyond the dangers posed by climate change. Pressure is mounting to also tackle other systemic issues including water pollution and waste created by unsustainable economic processes. Impax’s thematic strategies invest in companies that deliver environmental solutions beyond avoiding GHG emissions. The products and services of the portfolio companies are designed to deliver positive water and materials recovery impacts that we quantify – metrics we have been reporting on since 2015. We report on the water treated, saved or provided, and the materials recovered and waste treated through portfolio companies’ activities for Impax’s environmental thematic strategies.

Water impact is typically delivered by holdings in water utilities and water technology companies. Recycling and waste management companies are typically major contributors to portfolios’ materials recovered and waste treated impact figures. We also report the total renewable electricity generated by each strategy’s portfolio companies as an indicator of their contribution to the clean energy transition. By generating renewable electricity, demand for fossil fuel-fired generating capacity can be reduced, thereby lowering GHG emissions in markets where companies operate and delivering progress towards national net-zero targets.

To provide real-world context, we include equivalencies for each of these four environmental impact metrics.

	Per USD\$1m invested	Equivalent to	Total portfolio (USD\$833m)	Equivalent to
 Avoided GHG Emissions	146 tCO ₂ e	32 cars off the road ¹	174,941 tCO ₂ e	38,031 cars off the road ¹
 Water provided/saved/treated	23,948 gallons	0.3 households' water consumption ²	28,684,975 gallons	382 households' water consumption ²
 Renewable energy generated	184 MWh	17 households' electricity consumption ³	220,753 MWh	20,440 households' electricity consumption ³
 Material recovered/waste treated	0.5 tons	0.2 households' waste consumption ⁴	660 tons	294 households' waste consumption ⁴

There can be no assurance that results in the future will be comparable to the results presented herein. Source: Impax Asset Management. Impact of US\$1m invested in the portfolio, and the entire portfolio for one year. Based on most recently reported annual environmental data for holdings in the portfolio as of December 31, 2024. Impax’s impact methodology is based on equity value.

¹Figures based on average annual emissions of a car (tCO₂e): 4.6 tCO₂e (2018 remains the most current figure from EPA - still the case in May 2024) ²Average daily US household water usage of 779 litres. Source: Impax calculations, based on water usage data from the US Environmental Protection Agency: <https://www.epa.gov/watersense/statistics-and-facts>. ³Average annual US household electricity usage of 10.8 MWh. Source: US Energy Information Agency, 2022. ⁴Average daily waste generated per person in 2018 is 4.91lbs. Average household size 2.51. National Overview: Facts and Figures on Materials, Wastes and Recycling | US EPA. [Historical Households Tables](#). Please refer to Impact methodology page for more details on our impact reporting.

Social benefits

This portfolio invests globally in companies and issuers that provide products and services benefiting from long-term secular trends shaping society

Given Impax’s history of investing in environmental markets, our impact reporting has naturally focused on metrics for environmental impact. In 2022, for the first time we extended our reporting to include social impact metrics for one of our fixed income portfolios. Since then, Impax has continued to develop positive social impact metrics for our equity and fixed income strategies which incorporate a focus on trends shaping society as the transition to a more sustainable economy continues.

Impact issuances focused on addressing social challenges are reporting on positive outcomes in a detailed and useful way.

In the graphic below, we include illustrative examples of positive impact delivered by portfolio companies and issuers.

Impax Core Bond Fund



Affordable Housing



Student Loans

Investment amount to finance 1 loan	Loans financed by total portfolio USD\$833m
USD\$6.3m	133
USD\$4.7m	178



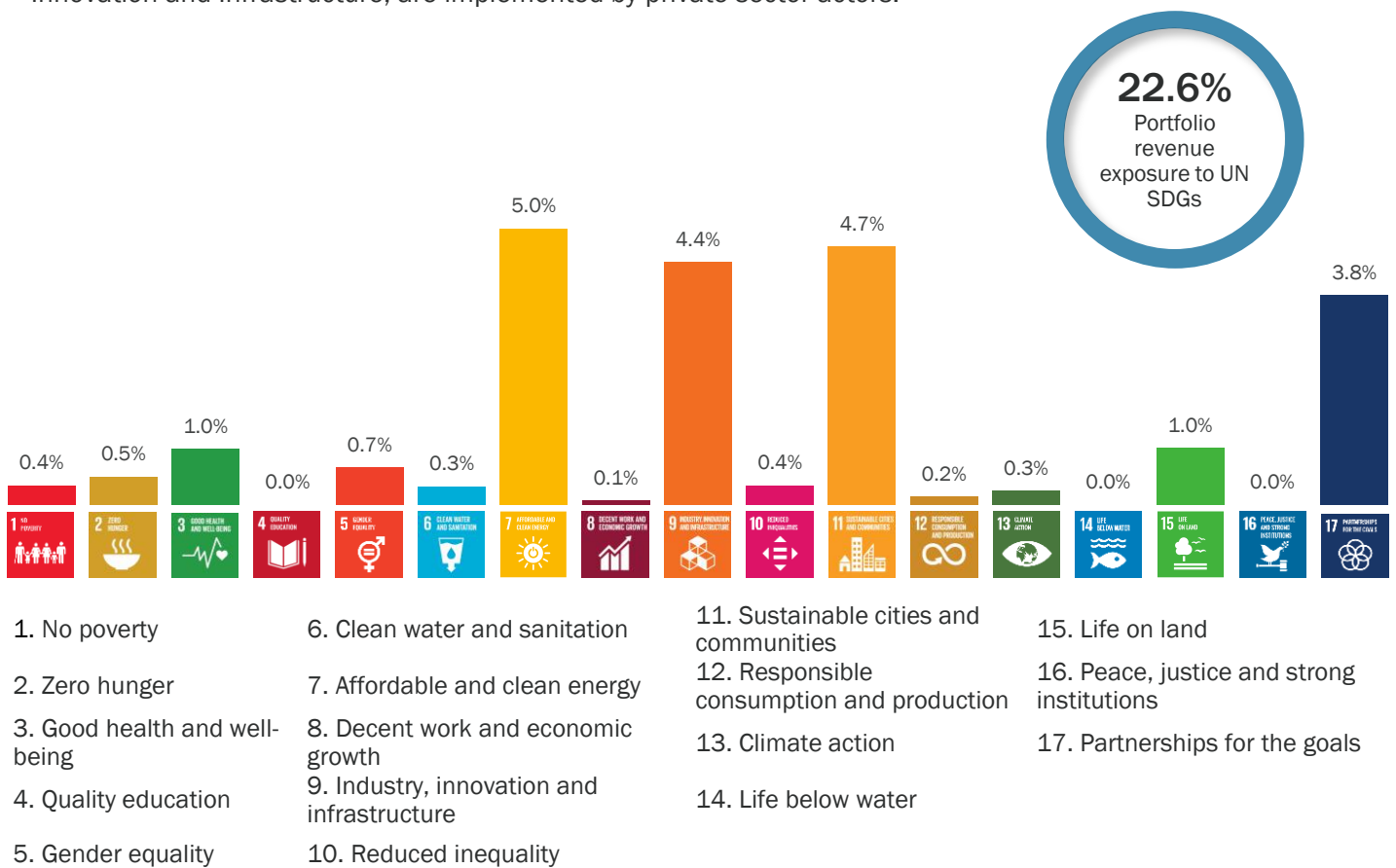
Alignment with UN Sustainable Development goals

The UN Sustainable Development Goals (SDGs) encompass 17 sets of targets to be met by the world’s economies by 2030. The SDGs have been increasingly adopted by investors as a framework for evaluating funds’ alignment to critical and often unmet activities necessary for a sustainable economy.

The nature of Impax’s investment philosophy results in meaningful exposure to the SDGs as a consequence of the investment process, which is focused on investments enabling and benefiting from the transition to a more sustainable economy. The chart below summarises portfolio company exposure to the UN SDGs for the portfolio, as at the end of 2024.

Impax’s investment process does not analyse alignment with SDGs as an investment objective or component of portfolio construction. Instead, we use the SDG framework to understand which portfolio companies are involved in activities that contribute towards addressing these critical global challenges, as a mapping and reporting exercise. We evaluate alignment with this framework by identifying the proportion of portfolio companies’ activities, measured in revenue percentages, that contribute to the achievement of the SDGs.

We focus on those SDGs where the underlying targets are relevant to private sector investment opportunities, rather than government-driven activities, such as public funding or policy or regulatory action. For example, we ascertain that our portfolio companies – even those held within the Climate strategy – have very little exposure to SDG 13, climate action. While this may seem counterintuitive given our focus on the transition to a more sustainable economy, this is because we consider most of the Goal’s sub-targets to be aimed at, and implemented by, governments. Similarly, we do not have exposure to e.g., SDG16, Peace, Justice and Strong Institutions, responsibilities of governments. On the other hand, the sub-targets of e.g., SDG9, Industry, Innovation and Infrastructure, are implemented by private sector actors.



Source: Data as of December 31, 2024. The UN SDGs encompass 17 goals. For further information, please visit <http://www.un.org/sustainabledevelopment/sustainable-development-goals>. Figures above are based on Impax internal data. Impax’s investment process does not identify alignment with SDGs as a specific objective. Instead, the nature of Impax’s investment philosophy results in some meaningful revenue exposure within the Environmental Markets strategies and Sustainability Lens strategies, based on investee companies’ eligible activities. Refer to the Methodology section at the back of the report for further details on methodology and summarized data that was available and estimated for companies in the portfolio.



Policy advocacy

The principal purpose of our policy advocacy work is to help address systemic risks and facilitate the systems-level change needed to realise opportunities arising from the transition to a more sustainable economy. We are active across a range of channels ranging from working through industry associations, responding to consultations and participating in issue-specific initiatives and sign-on letters, through to more proactive interventions such as publishing our perspectives, funding research, partnering with clients and bilateral discussions with policymakers.

We have set out below the key policy advocacy initiatives pursued during 2024 across climate, nature, people and governance themes, and the primary external groups we collaborated with to deliver these. Further details of this work can be found in our [2025 Stewardship & Advocacy report](#).

Climate

National transition planning

A central theme of our policy advocacy since 2020 has been to encourage governments to develop national transition plans. During 2024, we engaged with the networks below to communicate with governments on how to develop net-zero policy frameworks that provide the confidence and certainty needed to attract private investment.

- Institutional Investors Group on Climate Change (IIGCC)
- UK Sustainable Investment Forum (UKSIF)
- Energy Transitions Commission (ETC)
- UK Net Zero Council

Corporate transition planning

The core aim of this workstream is to ensure that climate risks and opportunities are integrated into decision making by corporates and financial institutions including through effective implementation of the TCFD recommendations and the development of decision-useful transition plans in line with the IFRS S2 Climate-related Disclosures. Our work in this area focussed on the following groups:

Transition Plan Taskforce (TPT)

Ceres Avoided Emissions project

Sustainable Markets Initiative Asset Owner/Asset Manager Taskforce

Physical climate risks and adaptation

During 2024, we continued to engage with policy makers and other stakeholders on the need to improve assessments of physical climate risks and increase public and private investment into climate adaptation, in particular via the UK Climate Financial Risk Forum (CFRF).

Policy advocacy cont.

Nature

We believe that the financial sector can play a critical role in addressing environmental degradation and reducing nature-related systemic risks by both influencing companies to stop depleting natural resources and by deploying capital into nature-based solutions. During 2024, our advocacy activities in this area focused on the following:

- Taskforce on Nature-related Financial Disclosures (TNFD)
- Investor Policy Dialogue on Deforestation (IPDD)
- GFANZ Nature in Transition Planning workstream

People

Impax continues to explore opportunities to use investor influence to push for positive social change, focussing in 2024 on human capital management and human rights due diligence. The key external activity during 2024 was contributing to the Investors Against Slavery & Trafficking Asia Pacific (IAST APAC) initiative.

Governance

Our governance-related advocacy efforts have recently focused on Asia, where we continue to push for better corporate practices on board composition and shareholder rights, and on sustainability reporting and assurance. We engage extensively with regulators and companies in the region to raise awareness of evolving sustainability issues and to improve company policies and disclosures. During 2024, our governance-related advocacy activities included advocating for the adoption of ISSB standards in Asia.



Systematic stewardship

In recent years, we have broadened our use of systematic stewardship, where we combine company engagement, working with clients and peers, and policy advocacy in order to address challenging systemic risks by driving systems-level change. In addition to our ongoing work on physical climate risks and adaptation planning, we plan to launch new systematic projects on corporate transition planning, AI and energy use and sectoral nature-related dependencies and Impacts.

Physical climate risks and adaptation

Together with a New York-based public plan and other investors, we have been engaging companies regarding their exposure to, and preparedness for, extreme climate events over the past five years. As detailed in last year's report, we undertook initial outreach to all constituents of the S&P 500 Index of large-capitalisation US companies in 2020 and have since followed up with smaller, targeted engagements with sectors most exposed to physical climate risks. An important element of this initiative included Impax's support for the development of the SEC Climate Change Disclosure rule.

Activities

In 2024, the engagement focused on utility companies and efforts to make their generation and transmission assets more resilient to extreme weather. Utilities are often subject to litigation when their transmission lines start wildfires.

Outcomes

We found that utilities vary widely in their perception of climate physical risk, and preparedness for it. Without exception, the companies best prepared to deal with future climate disasters have already been through at least one, such as a major wildfire incident, and that the lessons learned changed their planning processes.

Next steps

In 2025, the investor group is continuing to focus on reinsurance companies and their efforts to support climate resilience and adaptation.

Corporate governance in Asia

Through our membership of the Asian Corporate Governance Association (ACGA), we have enhanced our knowledge and understanding of Asian governance issues and more effectively engage with regulators and companies in the region regarding governance.

Activities

During 2024, we submitted responses to consultations in Japan, South Korea, mainland China and Hong Kong on how to improve the capital efficiency of companies by improving governance standards. Our responses addressed the following issues in particular: companies' dividend policies, the use of idle cash and, in the case of Japanese companies, cross-shareholdings.

The latter issue, whereby companies hold stakes in one another to maximise control over corporate decision-making, has been a long-standing issue in Japan. We have had several discussions on this topic with investee companies and Japanese regulators over the past few years.

In April 2024, we co-signed a letter from ACGA to the Japanese Financial Services Agency (FSA) about reducing strategic cross-shareholdings among Japanese companies. In this letter, ACGA provided key recommendations on divestment of cross-shareholdings in a manner that would advance governance practices and help companies achieve sustainable long-term growth. In December 2024, we also submitted a response to the FSA on cross-shareholdings, sharing some concerns from our investee companies. We continued to engage with our Japanese investee companies to reduce cross-shareholdings and set clear timelines for doing so.

Outcomes

While most of our Japanese companies have been responsive to this ask and are supportive of reducing their cross-shareholdings to improve capital efficiency, few have yet specified clear timelines.

Next steps

We will continue to engage with our Japanese investee companies and the FSA and monitor progress on this issue.

Case study: Amazon Reforestation-Linked Bond



Company description: The International Bank for Reconstruction and Development (IBRD) is an international organization. Created in 1944, it is the original member of the World Bank Group and operates as a global development cooperative owned by 189 nations. The World Bank provides loans, guarantees, risk management products, and advisory services to middle-income and other creditworthy countries to support the Sustainable Development Goals and to end extreme poverty and promote shared prosperity.



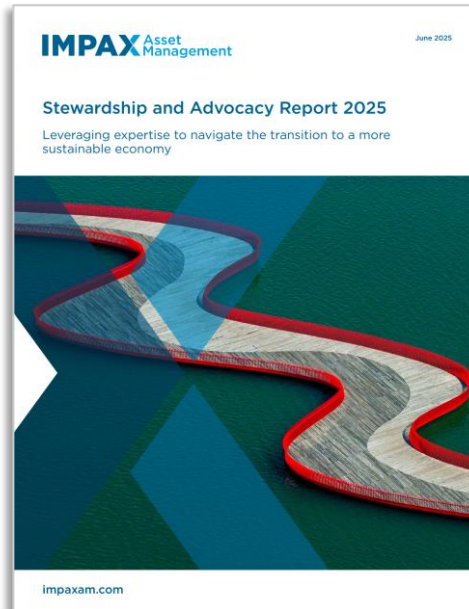
Impact

The “outcome bond” aims to mobilize financing from the coupon flow to support high-quality restoration projects in the Amazon, a region whose forests are key to avoiding the climate crisis. This outcome bond provides investors with a coupon that includes a fixed guaranteed component and a variable component linked to the generation of Carbon Removal Units (CRUs) from reforestation projects, differing from past transactions linked to the sale of carbon credits from avoided emissions. The innovative use of CRUs in this outcome bond structure introduces a new model for mobilizing private capital to support reforestation finance.

Through the transaction a Brazilian based company will use the funds raised to acquire or enter partnerships with landowners in the Amazon rainforest to reforest the land with native tree species. In addition to removing carbon, the reforestation enhances biodiversity and fosters socioeconomic development in local communities.

Additional resources

For more comprehensive details regarding the methodologies, policies, data and metrics included in this report, please see the following links:



[Sustainable Investment Policy](#)

[Stewardship Policy](#)

[Proxy voting guidelines – 2025](#)

[Approach to Nature, Biodiversity and Deforestation](#)

[UK Stewardship Code Statement – April 2025](#)

[Equity, Diversity & Inclusion Report](#)



Memberships

Impax works collaboratively with our peers to shape the markets needed for the transition to a more sustainable economy to accelerate¹. Our current memberships include those listed below. These are tiered² based on our contribution to each membership and mapped to our priority sustainability themes.

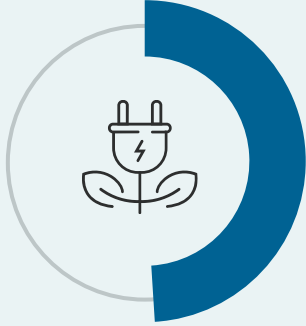
Tier 1 - Leadership role	Tier 2 - Active engagement	Tier 3 - Supporter
Climate	Climate	Climate
Ceres	Energy Transitions Commission (ETC)	Net Zero Asset Managers Initiative (NZAM)
Climate Financial Risk Forum (CFRF)	Glasgow Financial Alliance for Net Zero (GFANZ)	ShareAction Investor Decarbonisation Initiative
Confederation of British Industry (CBI)	Nature	Wind Europe
Institutional Investors Group on Climate Change (IIGCC)	Farm Animal Investment Risk and Return (FAIRR) initiative	Nature
Sustainable Markets Initiative (SMI)	Finance Sector Deforestation Action (FSDA)	PRI Spring
Transition Plan Taskforce (TPT)	Nature Action 100 (NA100)	People
UK Net Zero Council	Taskforce on Nature-related Financial Disclosures (TNFD)	Financing a Just Transition Alliance (FJTA)
Nature	People	Race at Work: Part of BITC Business in the Community
Investor Policy Dialogue on Deforestation (IPDD)	Diversity project	ShareAction Long-term Investors in People's Health Initiative (LIPH)
Governance	Invest Ahead	WBA: Collective Impact Coalition for Violence & Harassment
Asian Corporate Governance Association (ACGA)	Investors Against Slavery and Trafficking, Asia Pacific (IAST)	Women in Finance
	Northeast Investors Diversity Initiative (NIDI)	Women's Empowerment Principles
	Governance	Governance
	International Corporate Governance Network (ICGN)	Council of Institutional Investors (CII)
	Cross-cutting	Interfaith Centre on Corporate Responsibility (ICCR)
	International Financial Reporting Standards (IFRS)	Shareholder Rights Group
	Investment Association (IA)	Cross-cutting
	Principles for Responsible Investment (PRI)	Carbon Disclosure Project (CDP)
	The US Forum for Sustainable and Responsible Investment (USSIF)	Confluence Philanthropy
	UK Sustainable Investment and Finance Association (UKSIF)	Global Impact Investing Network (GIIN)
		Investor Environmental Health Network (IEHN)
		Sustainable Investment Institute
		The Investing and Saving Alliance (TISA)
		UK Stewardship Code (UKSC)

¹While Impax may consult with other market participants on certain engagement efforts, Impax unilaterally determines whether and to what extent to engage with other stakeholders, and all of Impax's investment decisions are independent and based on its own, unilateral strategy for maximising return on investment. ²**Tier 1** includes memberships where we perform a leadership role, including as a board member or chair of a working group/committee. **Tier 2** covers memberships where we play an active engagement role, such as participating in working groups. **Tier 3** includes other memberships not covered by Tiers 1 and 2 (e.g. being a member, signatory, or participant).



Impax Asset Management Sustainability highlights 2024

Investments



47%

AUM invested in 'climate solutions'¹



91%

AUM committed under NZAM that has 'transition aligned/aligning' climate management and disclosures¹

Operational



95%

electricity from renewable sources across Impax offices¹



2030 target is 100%

MORNINGSTAR[®]

2024 Winner

Best Asset Manager
Sustainable Investing Awards²

Stewardship & Advocacy³



25%

of engagement dialogues focused on climate-related issues in 2024



79%

climate-related shareholder proposals supported in 2024

Co-chaired the working group developing the TPT Asset Management Sector Guidance, published April 2024.

¹As at December 31, 2024. See page 3 for our definition of 'transition aligned/aligning'. ²The Morningstar Asset Manager – Sustainable Investing Awards are determined by a combination of Morningstar's qualitative and quantitative sustainability research capabilities. The full methodology for the awards is available [here](#). ³Our other areas of priority for stewardship and advocacy activities are Governance, Nature and People. See our [Stewardship and Advocacy report 2025](#) for full details of our activities in 2024.



Impax Asset Management Inclusive culture 2024

We believe that the transition to a more sustainable economy is closely linked to the transition to a more equitable society.

Our vision in this area is to continue to build an inclusive, equitable culture at Impax where everyone feels they belong, are valued as individuals, and can thrive – bringing all aspects of themselves to work.

Equity, diversity & inclusion are critical:



Gender overview 2024¹

	Female	Male	Prefer not to disclose
Total company	48%	52%	1%
Board	43%	43%	14%
Senior Leadership Team	38%	63%	0%
Senior staff ²	37%	61%	2%
Investment team	25%	74%	1%
Promotions	56%	44%	0%
Hires	62%	38%	0%

Ethnicity overview 2024¹

	Asian	Black	Additional ethnic groups	White	Prefer not to disclose
Total company	14%	6%	5%	74%	1%
Board	0%	14%	0%	86%	0%
Senior Leadership Team	6%	6%	0%	88%	0%
Senior staff ²	8%	3%	3%	85%	2%
Investment team	18%	1%	11%	68%	1%
Promotions	14%	3%	8%	75%	0%
Hires	5%	16%	5%	73%	0%

Self-reported, anonymous data collected in August and September 2024. Conducted by Impax, with an 90% response rate.

Aspirational goals

To support Impax’s aim that the business reflects the markets in which we operate at all levels of the organisation. Our aspirational goals focus on gender and race/ethnicity as a measurable proxy for our broader aims, based on merit and performance.

For December 2027, we aim that:

- Impax’s overall workforce should be 48%-52% women
- Impax’s overall workforce should be 28%-32% minority ethnic
- Impax’s senior staff² should be 38%-42% women
- Impax’s senior staff should be 14%-18% minority ethnic

¹Due to Impax’s size and our focus on protecting employees’ privacy and individually identifiable data, Impax’s race and ethnicity categories with relatively few respondents have been aggregated for the purposes of external data reporting. As such, ‘Additional ethnic groups’ represents Hispanic or Latinx, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, Two or More Races or Mixed Heritage, and other identities that staff have self-identified. ²Impax’s corporate level of “Director” and above.



Impax Asset Management In the Community 2024

Impax supports a small number of strategic community partners which align to our mission as specialists in the transition to a more sustainable economy. These partners support issues related to the environment and social inclusion, with a particular focus on education and green skills.



We aim to donate 0.5% - 1% of our pre-tax profit to support our community partners and charitable activity.

In our financial year 2024 we donated £563,074 to charitable causes (up from £504,933 in 2023).¹

Impax's charitable partners include:

- **Ashden** is a UK-based charity that champions applied, local energy solutions to reduce greenhouse gas emissions, protect the environment, combat poverty, and improve lives. Impax and Ashden have worked in partnership for over a decade, with Impax sponsoring the Ashden Award for Climate Innovation in the UK. A team of Impax colleagues take part in the awards process each year, to help evaluate and judge award submissions, and provide ongoing mentoring and support to previous winners.
- **Ceres** is a US-based non-profit organisation transforming the economy to build a just and sustainable future, addressing the world's greatest sustainability challenges through collaborations with leaders in business, government, and finance. Our grants and in-kind assistance have enabled Ceres' expert teams to run major research and analysis programmes and share their findings with investment leaders and the public.
- **Country Trust** is one of the UK leading educational charities. The Impax Food Discovery Programme helps give 460 children in 10 schools the opportunity to get hands on with the living world, to learn practical skills, and to begin to discover where our food comes from, and how food, and food production is connected to health and sustainability.
- **Groundwork** is a federation of charities mobilising practical community action on poverty and the environment across the UK. Our partnership supports 10 disadvantaged young people into jobs in the green economy in Yorkshire through the Green Jobs Pathfinder, aiming to create accessible pathways into entry-level green roles, increase the diversity of people pursuing green careers, and help 'left-behind' places to thrive through a green economy.
- **The HOPE Program** is a non-profit in New York City that empowers New Yorkers to build sustainable futures through comprehensive training, jobs, advancement and lifelong career support. Our partnership supports HOPE's Sustainable South Bronx scheme, providing training for jobseekers in green construction and maintenance, improving energy efficiency throughout the borough and boosting employment.
- **The Pax Scholarship Program** honours our Pax World Funds heritage by awarding annual scholarships to three New Hampshire-based educational and non-profit institutions promoting sustainable finance, advancing women and girls, and fostering global peace. The programme aims to serve young leaders from around the world.

Sustainability characteristics

Here is how the Fund compares to a traditional benchmark and peers regarding a wider range of sustainability characteristics.





Appendix



Impax proprietary tool definitions

The Impax Environmental Markets taxonomy is a classification system that supports the identification of investment opportunities in companies delivering solutions to environmental and resource efficiency challenges. This equity market classification is defined as companies whose businesses and technologies focus on environmental markets, including alternative energy and energy management & efficiency; transportation solutions; water infrastructure & technologies; environmental services & resources; resource efficiency & waste management; digital infrastructure; and sustainable food & agriculture. As determined by Impax, equity securities of companies that derive significant revenues (i.e., at least 20% of revenues) by sales of products or services in these areas are classified as environmental markets.

The Impax Sustainable Infrastructure taxonomy is a classification system that supports the identification of investment opportunities in companies that provide the infrastructure essential for the transition to a more sustainable economy. This equity market classification defines sustainable infrastructure in two broad categories: 1. Resource Infrastructure, which includes New Energy, Water, Waste & Resource Efficiency, and Food and Agriculture sub sectors. 2. Social and Economic Infrastructure which includes Communications & Data, Buildings & Facilities, Transportation, Healthcare, Education, and Finance sub sectors. Companies must generate a minimum of 20% of their revenues from infrastructure-related activities as defined by this taxonomy.

The Impax Social Leaders taxonomy is a classification system that supports the identification of investment opportunities in companies that provide products or services that address societal challenges. This equity market classification is defined as companies who 1. derive at minimum 20% of revenues from “social markets,” meaning meeting basic needs, such as food, water, and shelter, or essential services, such as transportation and utilities; broadening economic participation by enabling access to education, jobs, financial services and/or digital services; or improving quality of life through accessible and affordable health care and wellness; and 2. also demonstrate positive behaviours through policies and programs that foster diverse, inclusive and equitable workplace cultures.

The Impax Climate taxonomy contains companies identified as typically having 50% or more of revenues in Mitigation and Primary Adaptation solutions, plus a limited amount of Secondary Adaptation solutions according to Impax’s Climate Opportunities Taxonomy. The stock-level revenue content is determined by the analyst responsible for the respective stock and confirmed and documented by a member of the Listed Investments Team with the specific universe management role.

The Impax Sustainability Lens (“Lens”) is a proprietary investment tool that is used to assess economic opportunities and risks associated with the transition to a more sustainable economy, in order to help our portfolio managers weight their portfolios toward sub-industries that we believe offer higher opportunity and lower risk.

These proprietary tools reflect Impax’s internal views and methodologies and are subject to change. Investment performance is not guaranteed.



SDG mapping methodology

The UN Sustainable Development Goals (SDGs) comprise a series of 17 sets of targets across a range of issues including poverty, inequality, climate change, clean water, gender inequality and other global challenges, to be met by the world's economies by 2030. Please refer to the SDGs for additional information. Impax Asset Management (Impax) uses the SDG framework to understand which current and potential portfolio companies are involved in activities that contribute towards addressing these critical global challenges.

Impax's methodology is based on identifying the portion of companies' revenues that relate to the targets and indicators within each Goal. Impax has mapped 51 categories (for a complete listing of the 51 revenue categories, please see p. 8 of the Impact @ Impax 2022 publication) of business activities linked to 11 of the 17 SDGs and their underlying targets and indicators. Impax focuses on those SDGs where the underlying targets of the Goal are relevant to private sector investment opportunities, rather than public funding or policy action.

Mapping of company revenues to the SDGs occurs annually at the end of each calendar year and is quantified based on portfolio company disclosures. The mapping is done on a global basis and does not differentiate between regions except in the case of financial services and telecom companies and their business activities relevant to SDG 8 (decent work and economic growth) and SDG 9 (industry, innovation and infrastructure) where Impax only focuses on company revenue generated in the least developed countries (LDCs). For business activities relevant to other SDGs the focus described by the SDG framework is predominantly 'global'. As such, Impax's methodology for measuring SDG-related revenue does not differentiate between geographic regions as the natural environment is regarded as a "global common."

Impax's investment process does not analyze alignment with SDGs as an investment objective or component of portfolio construction. Impax simply maps SDG-related revenue exposure for portfolio companies, which is instead a byproduct rather than a feature of the investment process.



Weighted average carbon intensity (WACI) methodology

Active listed equities

WACI Scope 1 & 2: tCO₂ / US\$1mn revenue

We have gathered all GHG emissions data disclosed by our investee companies, estimating Scope 1 and 2 emissions where those are not reported. For missing Scope 1 and 2 data, we have used a Bloomberg methodology that estimates emissions based on a precise peer grouping of companies. We do not use estimates for Scope 3 emissions, for which data disclosed by companies remains patchy and we continue to make the case for stronger reporting through engagement.

Direct GHG emissions (Scope 1) and indirect GHG emissions (Scope 2) were included in our analysis. Scope 2 emissions included in analysis are market-based where this information is available. GHG emissions are measured in CO₂ equivalents, which includes GHG emissions from methane and nitrous oxide, or CO₂ depending on data availability.

The Impax Weighted Average Carbon Intensity reflects Impax’s internal views and methodologies and is subject to change. Investment performance is not guaranteed.

Top 10 issuers of as of 03/31/2026.

Stock	Weight (%)
Us Treasury N/B	21.3
Fannie Mae	13.1
Freddie Mac	6.4
Government National Mortgage A	3.2
Intl Bk Recon & Develop	2.3
Bank Of America Corp	1.3
At&T Inc	1.3
Inter-American Devel Bk	1.2
Jpmorgan Chase & Co	1.2
Morgan Stanley	1.2



Environmental impact and climate transition methodology

Impax Core Bond Fund

The relevant environmental metrics for all portfolio issuers were measured where data was available or could be estimated. The analysis included all issuers in which the portfolio had a holding as of December 31, 2024. At the time of preparation, Impax aimed to obtain the most recently available and commonly collected environmental data from investee issuers. For some issuers this was from 2024 reported information, and for the remainder of issuers this was from previously reported information. The percentage owned in each underlying issue (calculated based on the amount owned) as of December 31, 2024 was applied to measure the environmental benefit attributable to the portfolio. These included:

- Greenhouse gas (GHG) emissions, Scope 1, 2 and 3 (tonnes of CO₂e)
- Greenhouse gas (GHG) avoidance (tonnes of CO₂e)
- Renewable electricity generated (MWh)
- Water treated, saved or provided (megalitres/gallons)
- Materials recovered/waste treated (tonnes/tons)

The relevance of each metric was also assessed for each company based on its business activities.

Impax collected relevant data from disclosures, including sources such as annual reports, CDP and sustainability reports. Where information was not available, Impax contacted issuers to request additional disclosure, which in some cases produced additional relevant data.

However, some issuers could not/did not provide information on several metrics. Impax therefore created estimates where robust data was obtained for these metrics:

- For missing Scope 1 and 2 GHG emissions data, Impax uses third party estimates for missing Scope 1 and 2 GHG emissions. Impax does not use estimates for Scope 3 GHG emissions.
- For missing environmental impact data, industry or academic data was sought in order to set robust assumptions. In cases where robust data could not be found, zero impact was reported for a company.

Impax strives to be conservative with estimates in an effort to ensure that positive impact is not overstated, or in the case of GHG emissions, avoided emissions are not overstated.

The below table summarizes the data that was available and estimated for securities in the portfolio. The total number of securities in the portfolio as of December 31, 2024 was 453.

The environmental impact of investments will always depend on the mix of underlying holdings and are thus subject to change. The information contained in this report is therefore specific to the date listed herein.

Metric estimated/ disclosed	Number of securities				
	for which the metric is relevant	for which the metric was available	for which the metric was estimated	for which metric relevant but not available	for which metric was not relevant
Avoided GHG emissions	134	94	27	40	321
GHG emissions	175	143	0	32	280
Renewable electricity generated	86	54	25	32	369
Water provided/saved/ treated	80	30	0	50	375
Materials recovered/waste treated	114	68	0	46	341



Important information on engagement

Impax exercises its proxy voting rights and conducts its global stewardship activities on an independent basis on behalf and in the best interests of its clients, in accordance with Impax investment policies regarding good corporate governance applicable for all investee companies and not to foster a control transaction for any particular company. The application of these policies is predicated on the acquisition and ownership of securities in the ordinary course of business and were and are not acquired or held for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities, and such securities were and are not acquired in connection with or as a participant in any transaction having such purpose or effect.

Where Impax participates in collaborative engagement activities with other shareholders it does so on an independent basis and in accordance with its own policies. The purpose of such collaborative engagements is to facilitate an independent and free exchange of ideas and views among shareholders that relate to seeking improvement of the long-term performance of investee companies and/or changes in investee company practices, without the purpose of acquiring, holding or disposing of securities to effect or influence a change of control in investee companies or as a participant in any transaction having such purpose or effect.

While Impax may consult with other market participants on certain engagement efforts, Impax unilaterally determines whether and to what extent to engage with other stakeholders and all of Impax's investment decisions are independent and based on its own, unilateral strategy for maximising return on investment.



Disclosures and definitions

***The Morningstar ESG Risk Rating™** The Morningstar ESG Risk Rating is a measure of how well a portfolio's holdings are managing their environmental, social, and governance (ESG) risks relative to the portfolio's Global Category peer group. ESG risk considers how material ESG issues (such as resource management and labor relations) could influence a company's economic value. In that way, it differs from impact, which considers how a company's actions influence the environment and society.

The rating is calculated using a combination of Sustainalytics' ESG Risk Ratings for corporate issuers and Sustainalytics' Country Risk Ratings for sovereign issuers, based on the relative weight of the corporate and sovereign portions of a portfolio. It is calculated monthly.

Morningstar ESG Risk Ratings are determined using bottom-up assessments of the underlying holdings within a portfolio, underpinned by Sustainalytics' methodologies for assessing corporate and sovereign ESG risk. The rating, based on Morningstar's portfolio holdings database, is expressed as 1 to 5 'globes', with higher globe numbers indicating lower ESG risks. The rating is relative to other funds within the same Morningstar Global Category. Funds in different categories may receive different ratings despite having varying levels of ESG risk

For additional information about the [Morningstar ESG Risk Rating](#)

Past performance is no guarantee of future results.



Important information

Risk:

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. Mortgage related securities tend to become more sensitive to interest rate changes as interest rates rise, increasing their volatility. 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 (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.

Investment return and principal value will fluctuate so that you may have a gain or a loss when you sell your shares.

This material must be preceded or accompanied by a [prospectus](#). The prospectus contains Impax Funds' investment objectives, risks and charges and expenses. Please read the prospectus carefully before investing.

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