



# **Impax Asset Management Group plc**

**Annual General Meeting**

**Financial Year Ending 30 September 2012**

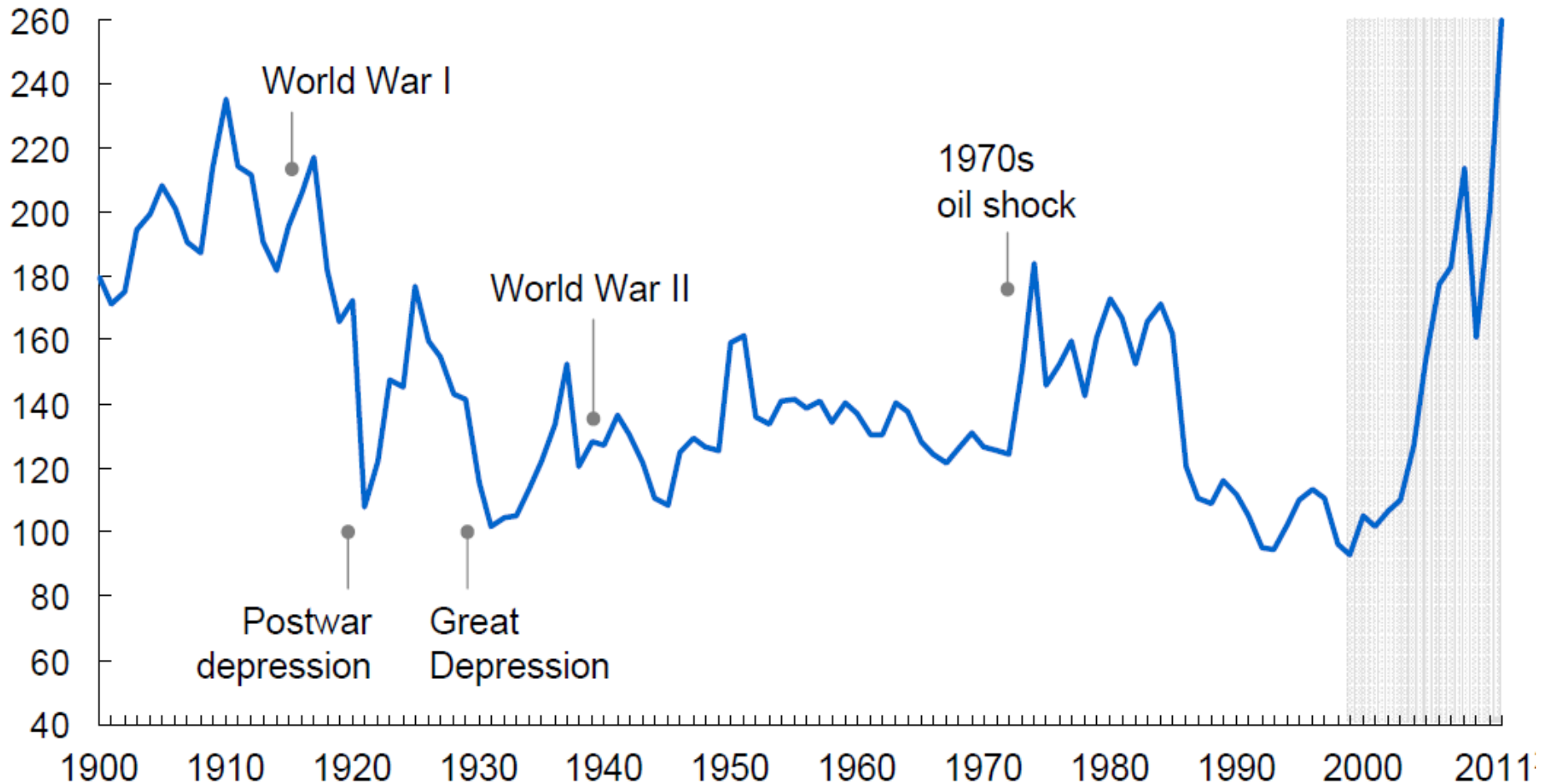
**13 February 2013**

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**Impax Asset Management is a leading investment manager dedicated to investing in the opportunities created by the scarcity of natural resources and the growing demand for cleaner, more efficient products and services, through both listed and private equity strategies.**

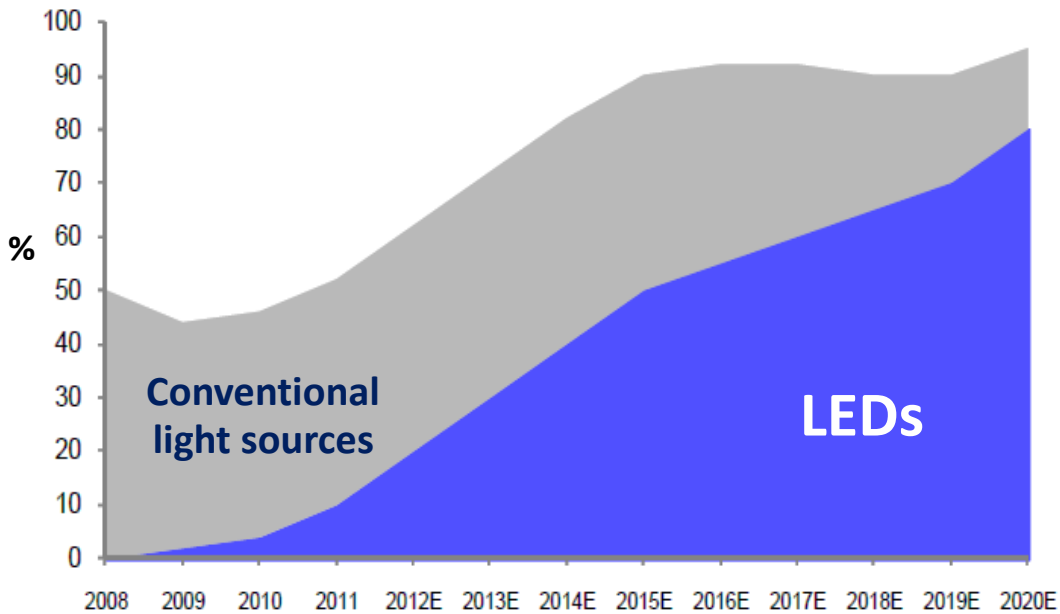
# Backdrop to Investment Opportunities in Resource Efficiency

## MGI Commodity Price Index (years 1999-2001 = 100)



# The Investment Opportunity – Energy

## LEDs rapidly gaining market share



## LEDs superior in both efficiency and lifetime



Efficiency  
(lm/watt)

15-30

100-150

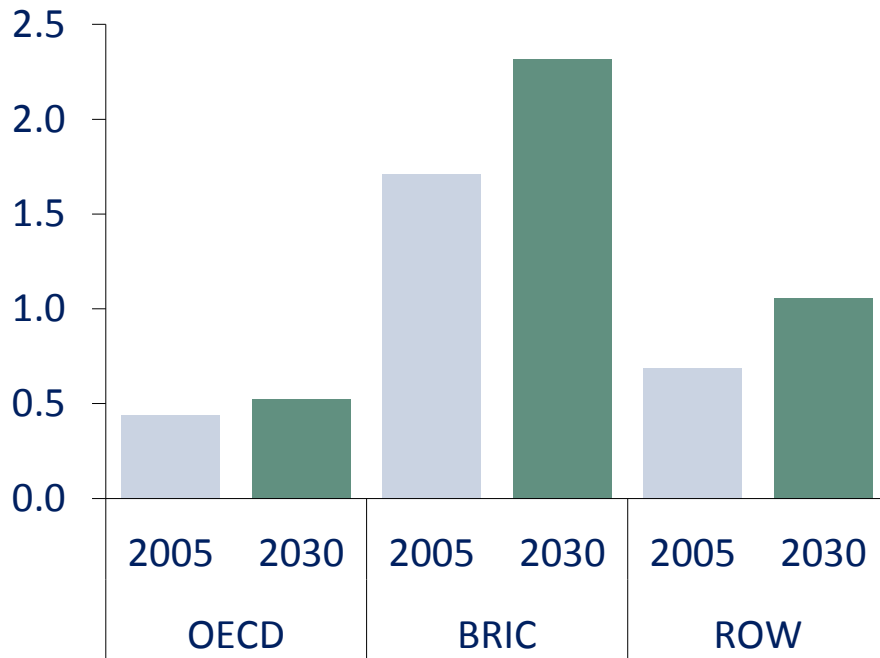
Lifetime  
(hours)

1k

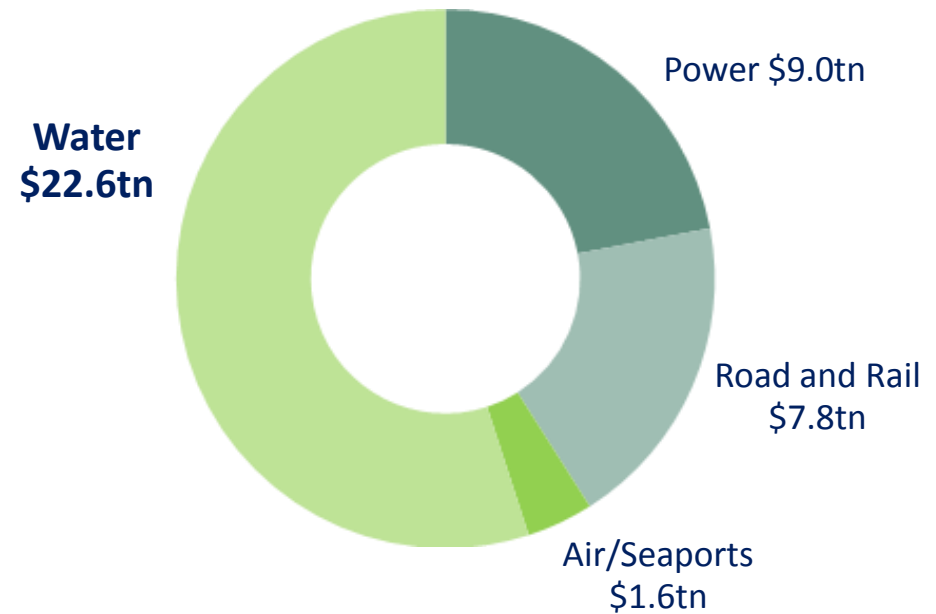
20k-50k

# The Investment Opportunity – Water

## People living in areas of severe water stress (billions)

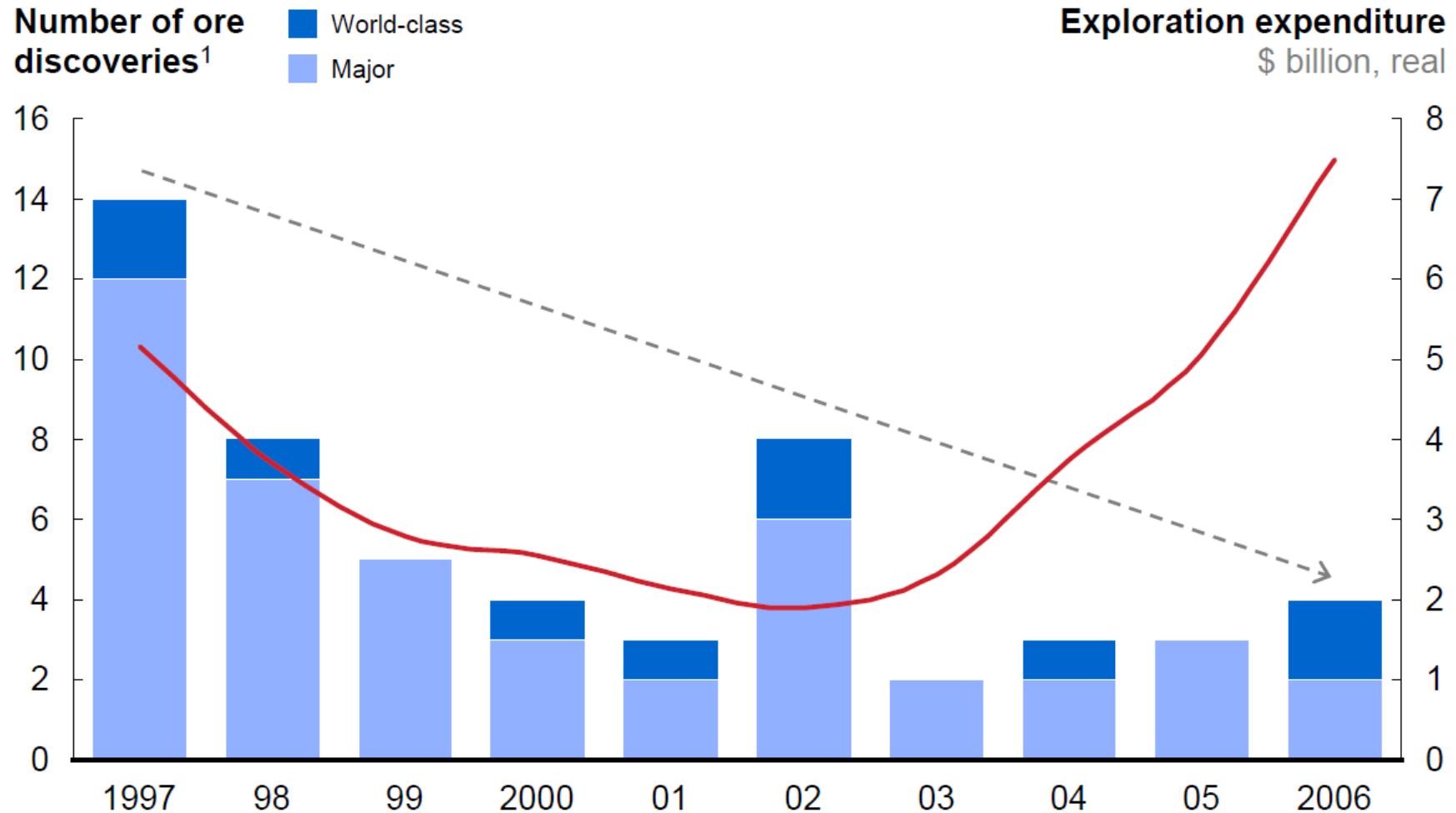


## Projected cumulative infrastructure spending, 2005-2030

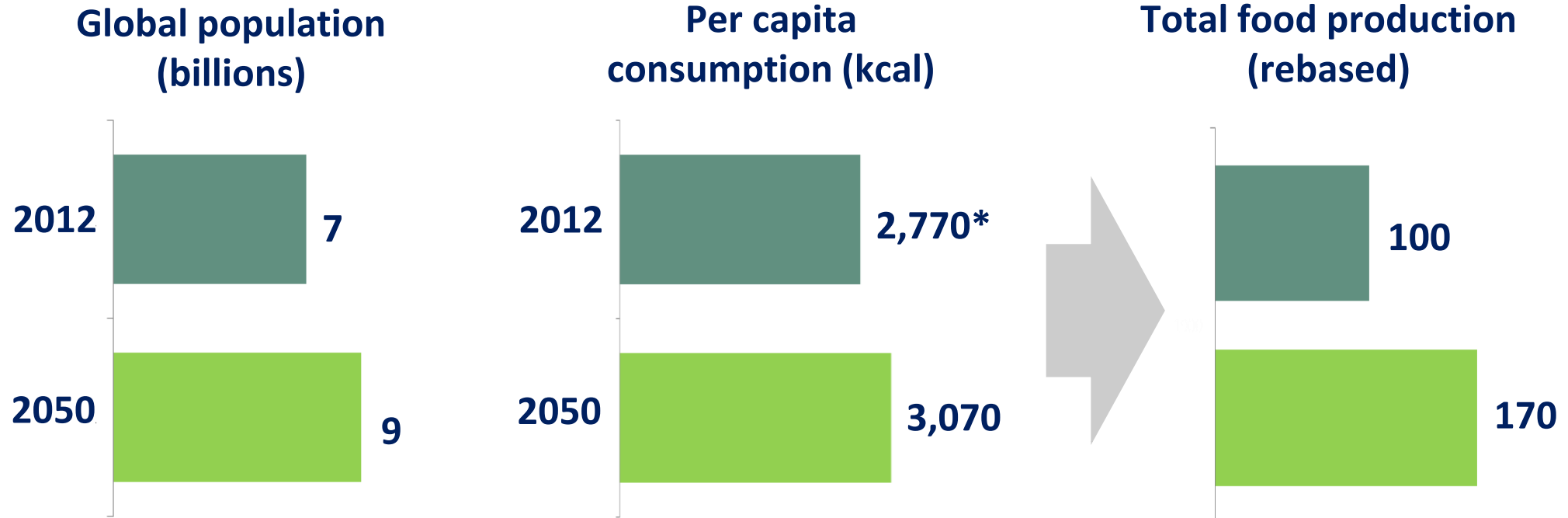


# The Investment Opportunity – Materials

## Replenishing reserves of materials is increasingly difficult and expensive



# The Investment Opportunity – Food & Agriculture



Source: "World Agriculture Towards 2030/2050" 2012 Revision, Food and Agriculture Organization of the United Nations, June 2012. \*Based on latest available data for 2006, from the "World Agriculture Towards 2030/2050" 2012 Revision.

# Investor Responses to Resource Scarcity

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Response	Examples
<b>Supply Expansion</b>	<ul style="list-style-type: none"><li>• Commodities</li><li>• Unconventional oil</li><li>• Shale gas</li><li>• Renewables</li><li>• Desalination</li></ul>
<b>Efficiency Solutions</b>	<ul style="list-style-type: none"><li>• Energy efficiency</li><li>• Water treatment</li><li>• Leak detection and repair</li><li>• Waste recycling</li></ul>



NEWS RELEASE | SEPTEMBER 22, 2011

## CalSTRS Marks Success in Sustainability Proposals

CalSTRS submitted five proposals on environmental matters this year. Three other proposals were withdrawn as companies agreed to improve their climate risk management disclosure efforts or agreed to prepare sustainability reports. A proposal at ConocoPhillips, asking for a report on the financial risks of its oil sands operation, did not pass but received nearly 30 percent backing, a high level of support for an environmental proposal.

The screenshot shows the header of the Pensions & Investments website. The main title "Pensions & Investments" is in a large, white serif font on a dark green background. Below it is a navigation bar with a home icon and several menu items: "P&I Research Center", "P&IQ", "P&I Careers", "P&I Conferences", "Multimedia", and "White Papers". A secondary navigation bar below that includes "Alternatives", "Asset Owners", "Consultants", "Investing/Portfolio Strategies", "Money Management", and "People Mo".

## CalPERS launches Sustainable Investment Research Initiative

BY RANDY DIAMOND | JANUARY 28, 2013 3:32 PM

COMMENTS

CalPERS has launched the Sustainable Investment Research Initiative aimed at advancing the pension fund's understanding of the impact sustainability factors have on financial performance, confirmed Anne Simpson, CalPERS senior portfolio manager and director of global governance.

### RELATED CONTENT

#### STORIES

CalPERS touts its sustainable investing in

Ms. Simpson said in an interview that the \$253.2 billion [California Public Employees' Retirement](#)



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## US Economy

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January 30, 2013 5:10 pm

## US pension fund eyes selling oil holdings

By Pilita Clark, Environment Correspondent

A US pension fund with nearly \$2bn in assets is considering selling its holdings in some of the world's biggest oil and gas companies because of the threat posed by climate change.

In what investor advocacy groups say would be the first divestment of its kind, the Seattle City Employees' Retirement System is to discuss on Thursday a [request from Mike McGinn, the city's mayor](#), to sell out of companies including [ExxonMobil](#) and [Chevron](#).



### News

## Energy leaders urge for greater investments in renewables and low carbon projects

15 January 2013

In a discussion during the Abu Dhabi Sustainability Week (ADSW), leaders focused on the growing opportunities for sovereign wealth funds, development banks and pension funds to view the new energy industry as a growth opportunity, especially in developing economies.



# Environmental Markets ➡ Resource Efficiency



## Energy

### Energy Efficiency

- Power Network
- Industrials
- Buildings
- Transport

### Alternative Energy

- Developers and IPPs
- Solar
- Wind
- Biofuels
- Other



## Water

### Water Infrastructure & Technologies

- Infrastructure
- Treatment
- Utilities

### Pollution Control

- Pollution Control Solutions
- Testing & Gas Sensing



## Waste

### Waste Management & Technologies

- Technology Equipment
- Recycling & Processing
- Hazardous
- General

### Environmental Support Services

- Consultancies
- Carbon & Asset Trading



## Food & Agriculture\*

### Food

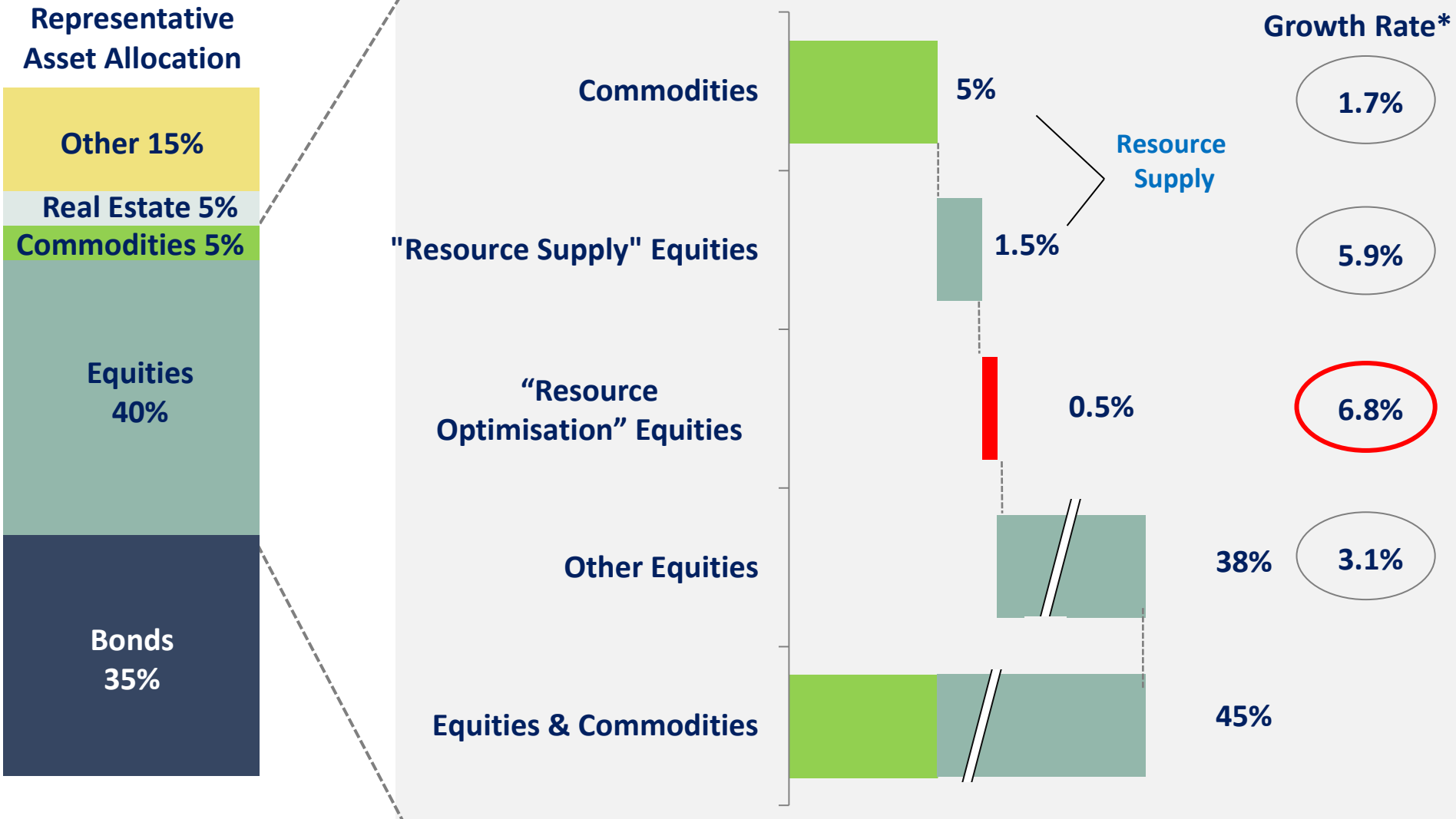
- Basic Foods
- Packaging & Food Safety
- Packaged Food & Ingredients
- Beverages
- Distribution & Commercial services

### Agriculture

- Agricultural Inputs
- Machinery & Equipment
- Growers and Processors
- Logistics & Infrastructure

\* Note: FTSE Classification is pending for Food & Agriculture. Some sub-sectors have an additional 'diversified' category not shown above for the sake of clarity

# Underappreciated Investment Opportunity in Resource Efficiency



Source: Impax estimates \* Growth rates using 7 year historical annualised returns, based on Rogers International Commodity Index, MSCI World Materials Index (net return), FTSE Environmental Opportunities All Share Index (total return) and MSCI World (net return). All data in USD as of December 31, 2012 (source: FactSet, WM Reuters).



# Our Business Model

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## Focused & Scalable

- Attractive investment themes
- High capacity strategies
- Proven rigorous investment process

## Team

- 56 staff, 28 investment professionals
- Stable
- Significant staff share ownership

## Distribution

- In-house and third party
- Access to over 20 markets

## Balance Sheet

- Shareholders' equity £22.6 million
- Cash reserves £19.3 million
- No debt

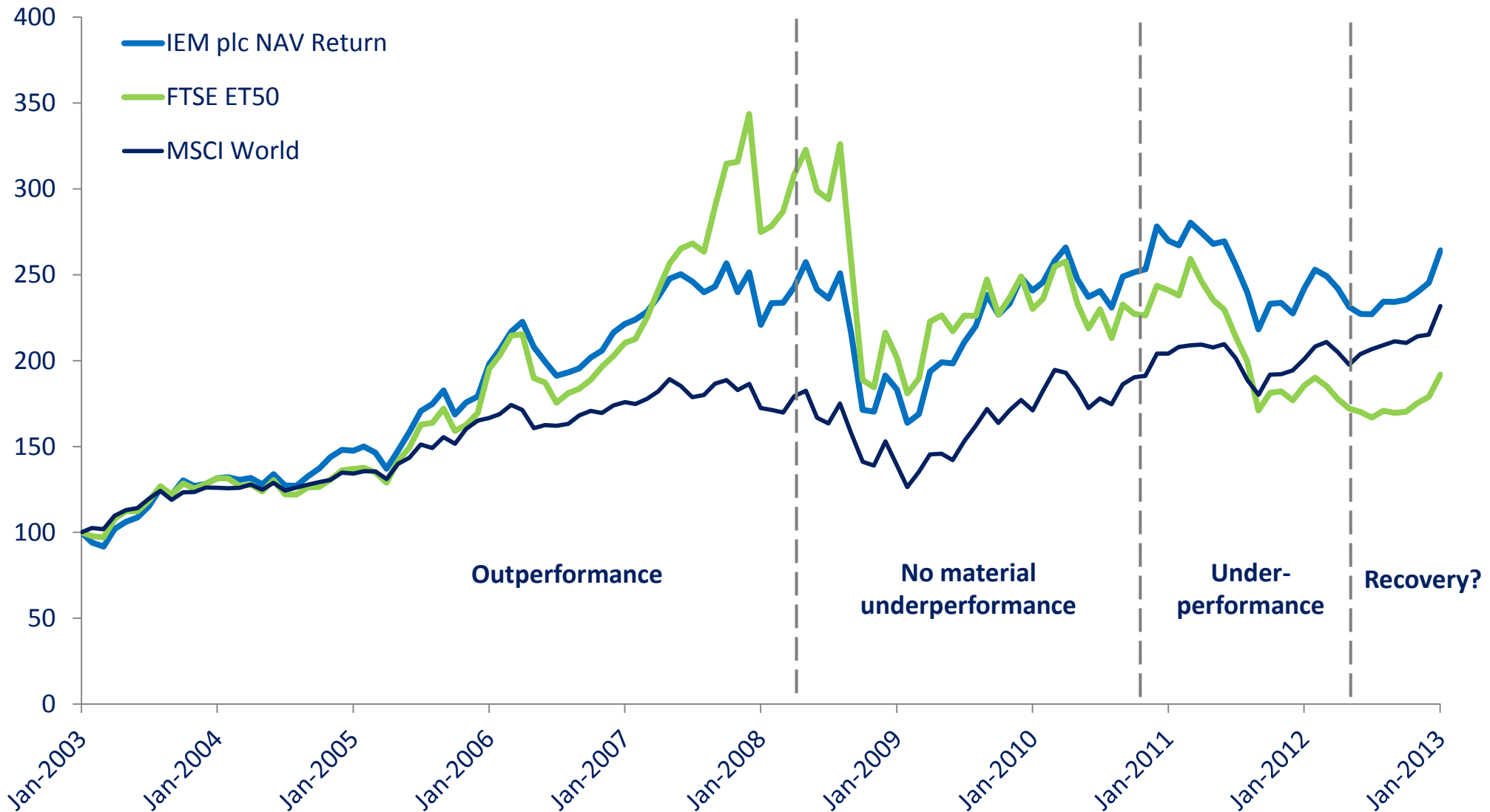
# Our Markets' Outperformance over Ten Years



13 Source: FactSet, WM Reuters. FTSE index is total return, MSCI index is net total return. Data as at 31 January 2013 in GBP.

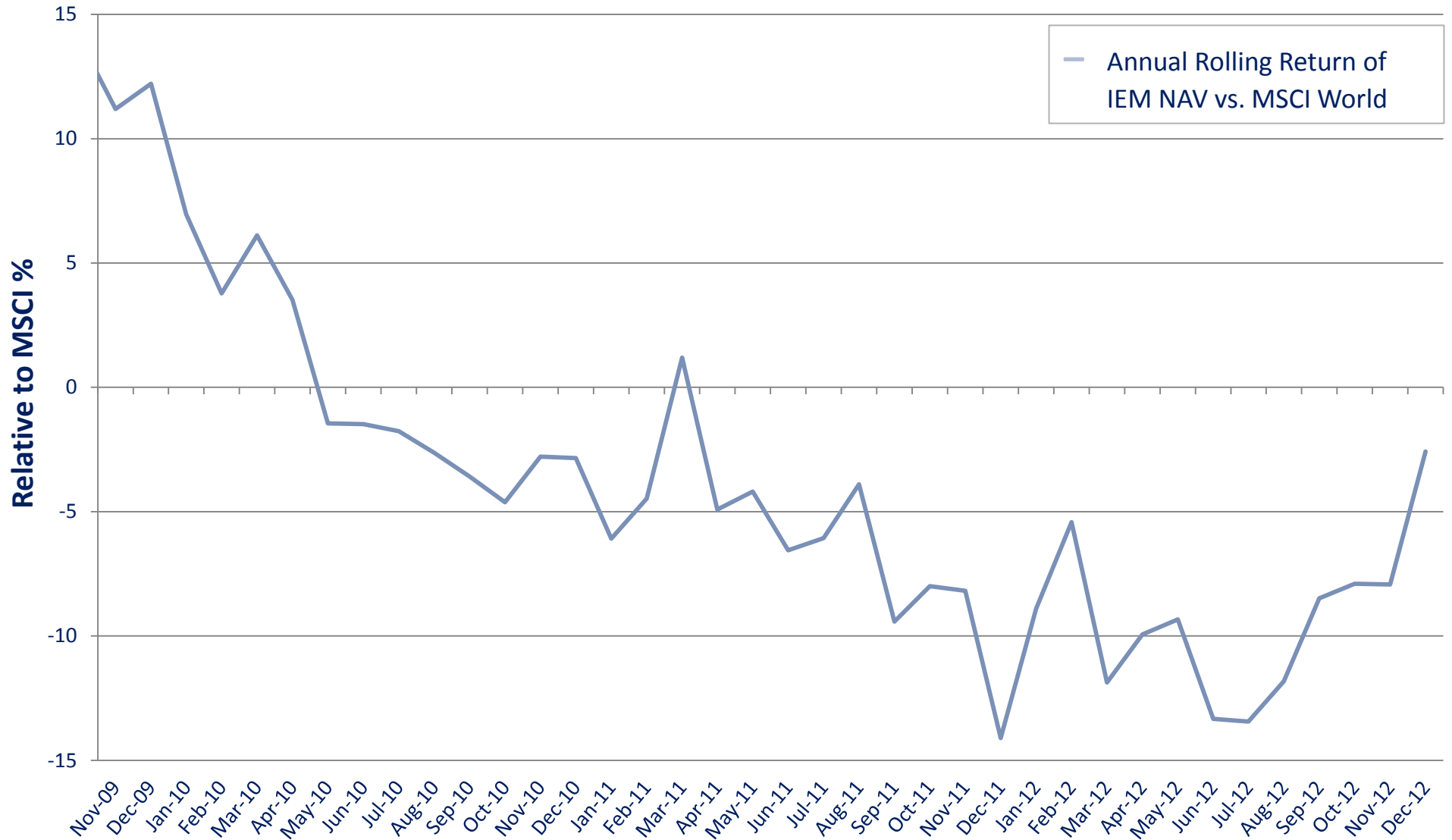


# IEM – Strong 10 Year NAV Performance vs. MSCI World Index

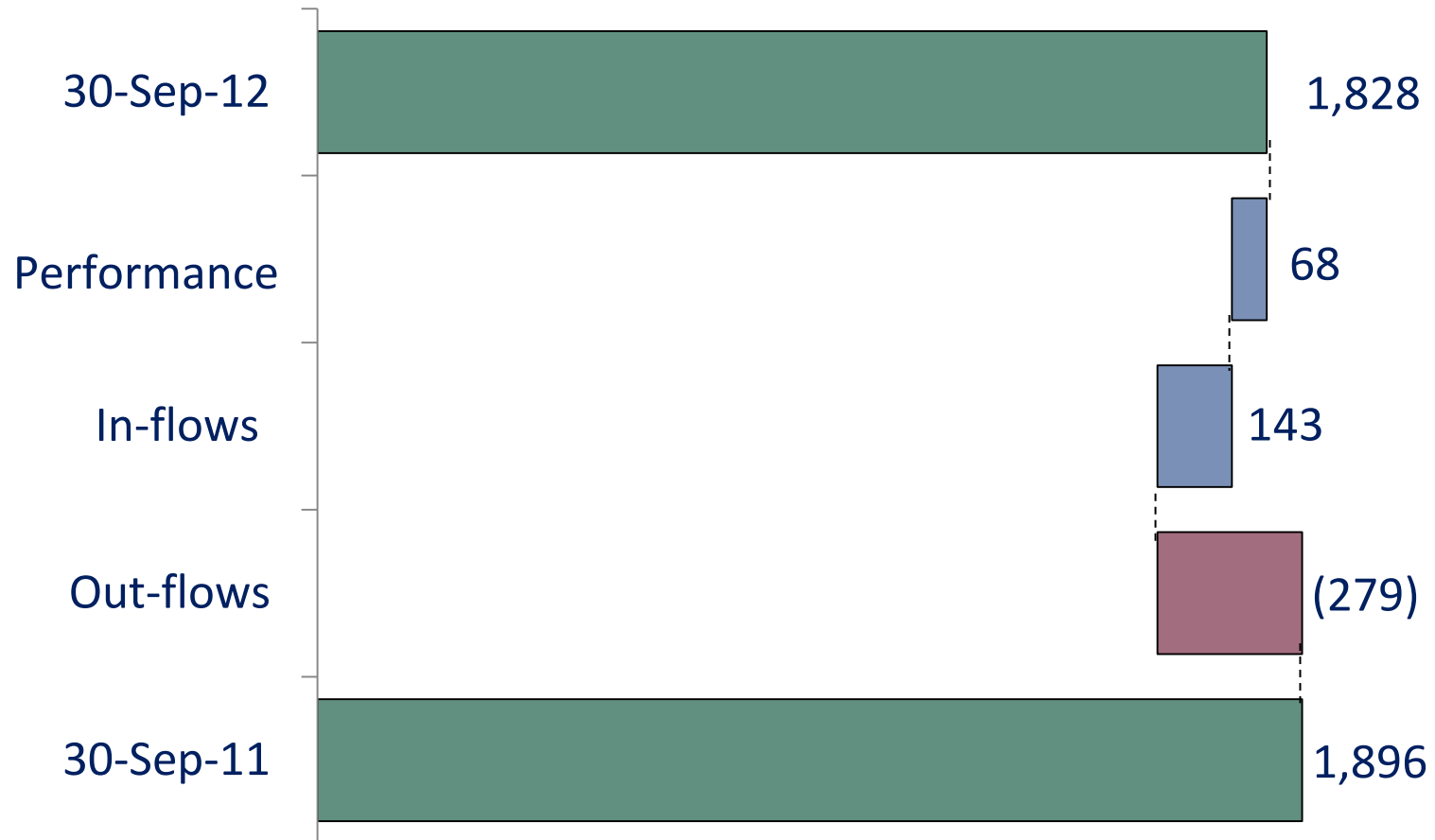


Source: FactSet, WM Reuters. Data in GBP as at 31 January 2013, performance data is for undiluted NAV ex income (unaudited). MSCI index net total return, FTSE index total return.

# Early Signs of Outperformance



# Assets Under Management (£m)

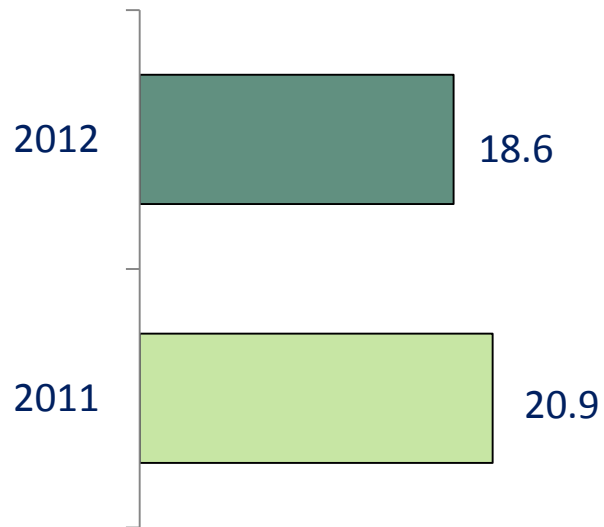




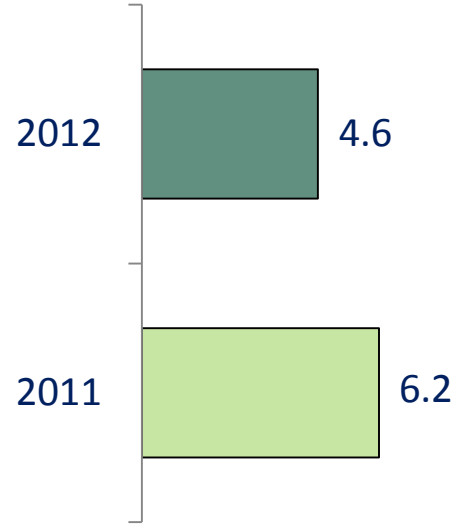
# Financial Highlights

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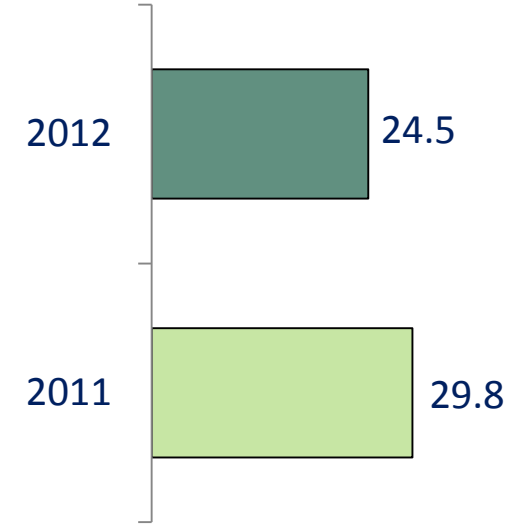
## Revenue (£m)



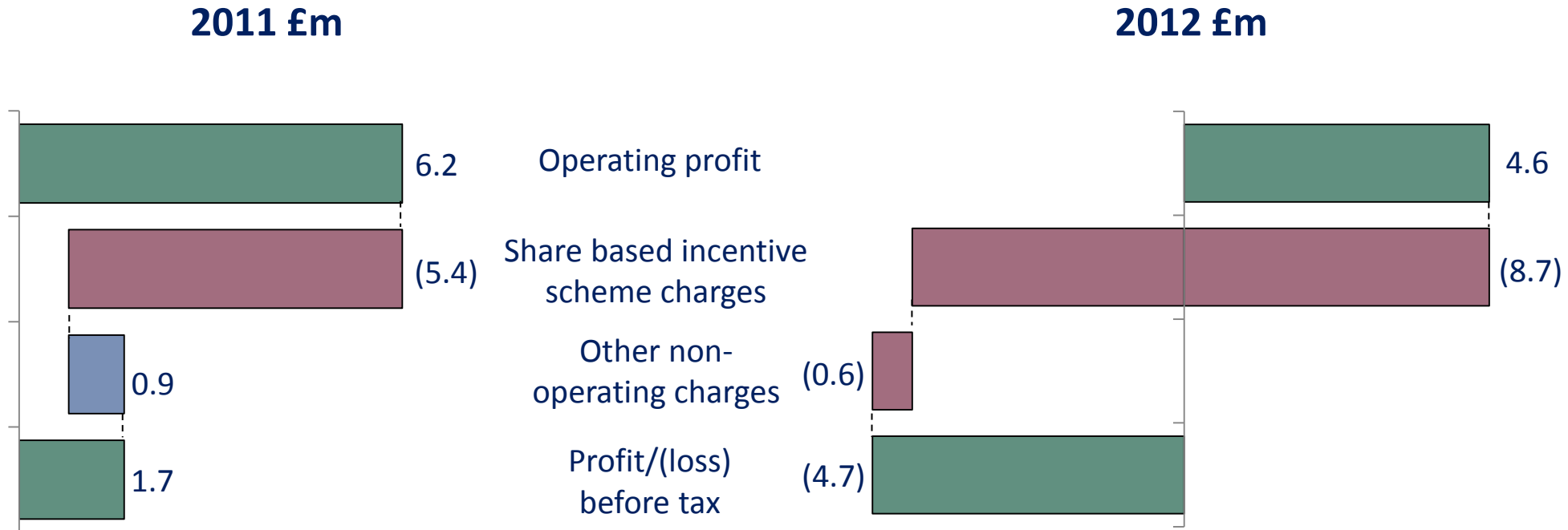
## Operating earnings (£m)



## Operating margin %



# Financial Highlights – Profit Before Tax

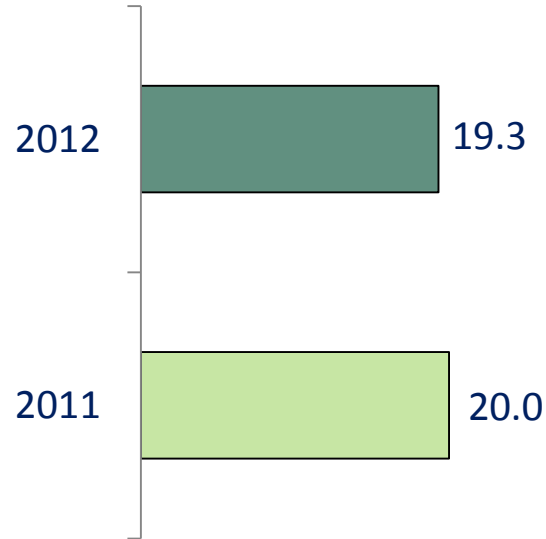


# Financial Highlights – Balance Sheet

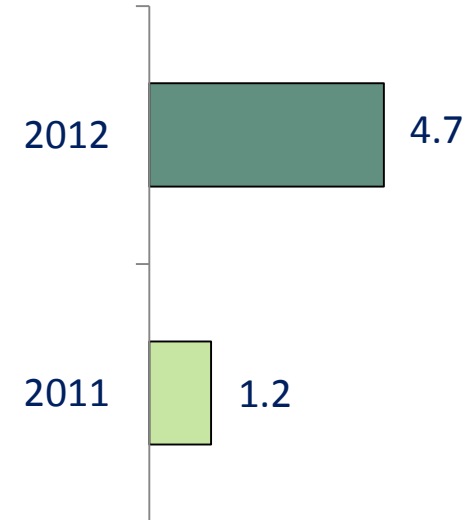
## Investments (£m)



## Cash reserves (£m)



## Share buybacks (m)



# Commercial Highlights

US

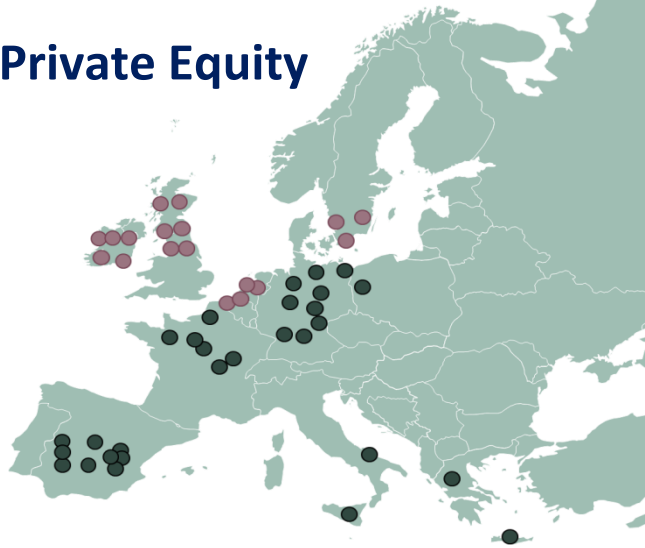


Listed Equity



Private Equity

- = Current
- = Realised



Industry Recognition



# Food & Agriculture

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Michael Landymore



**Director,  
Listed Equities**

**Industry experience:  
32 years**

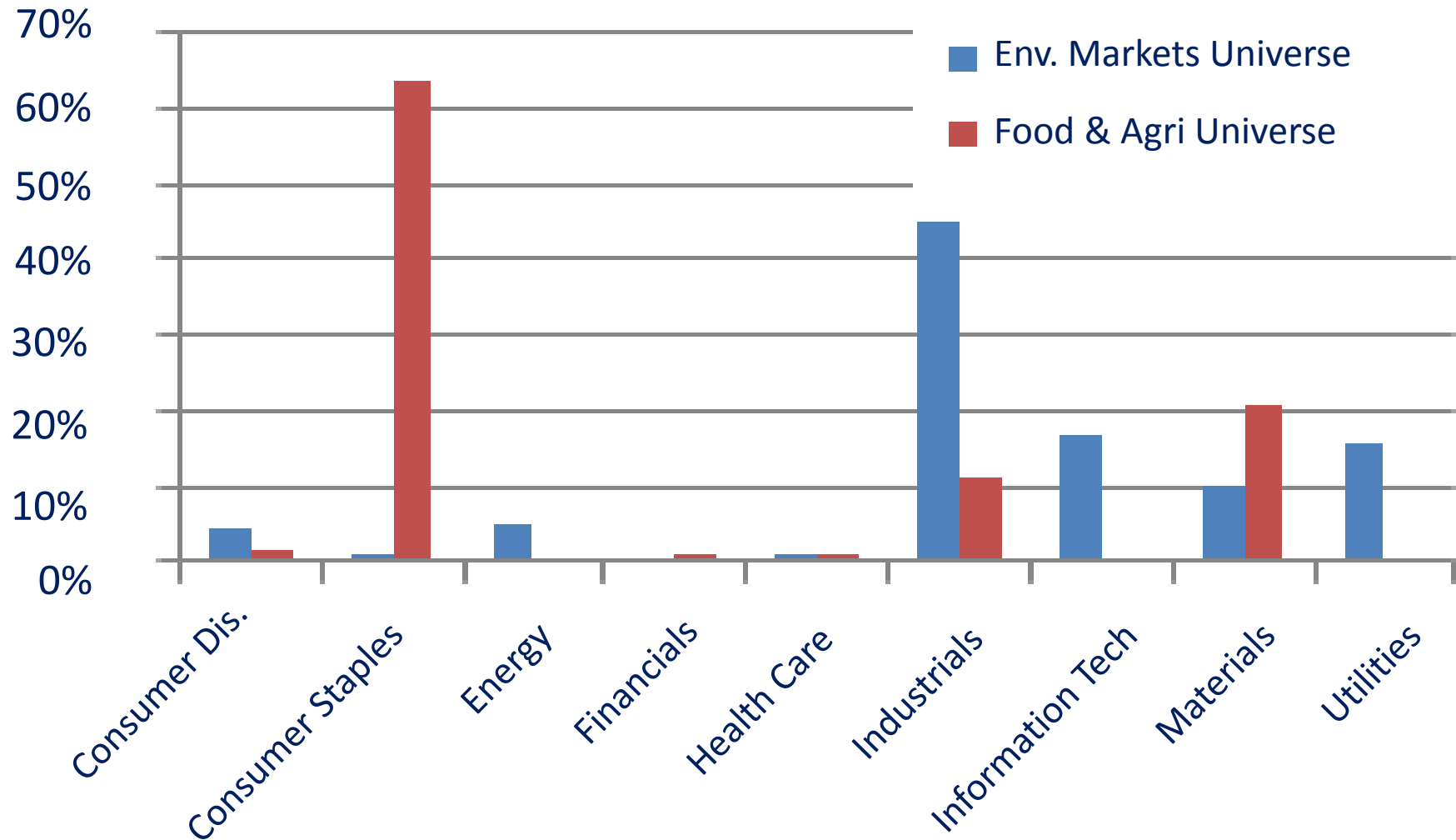
Simon Higgo



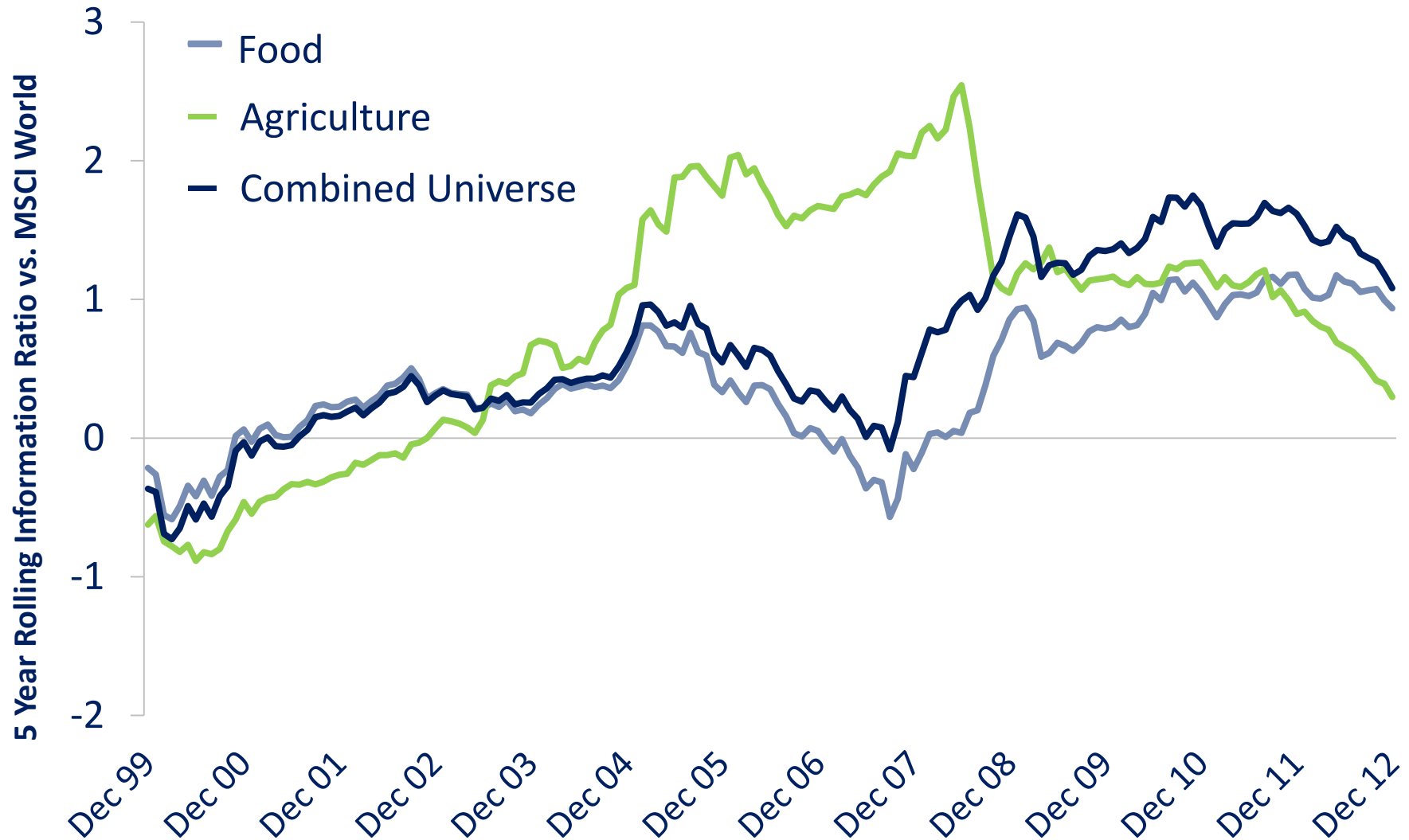
**Investment Manager,  
Listed Equities**

**Industry experience:  
22 years**

# Global Food & Agriculture Fund: Universe “overlap” with Environmental Markets



# Combining Food and Agriculture Improves Risk Adjusted Returns



# Our US Progress & Investment

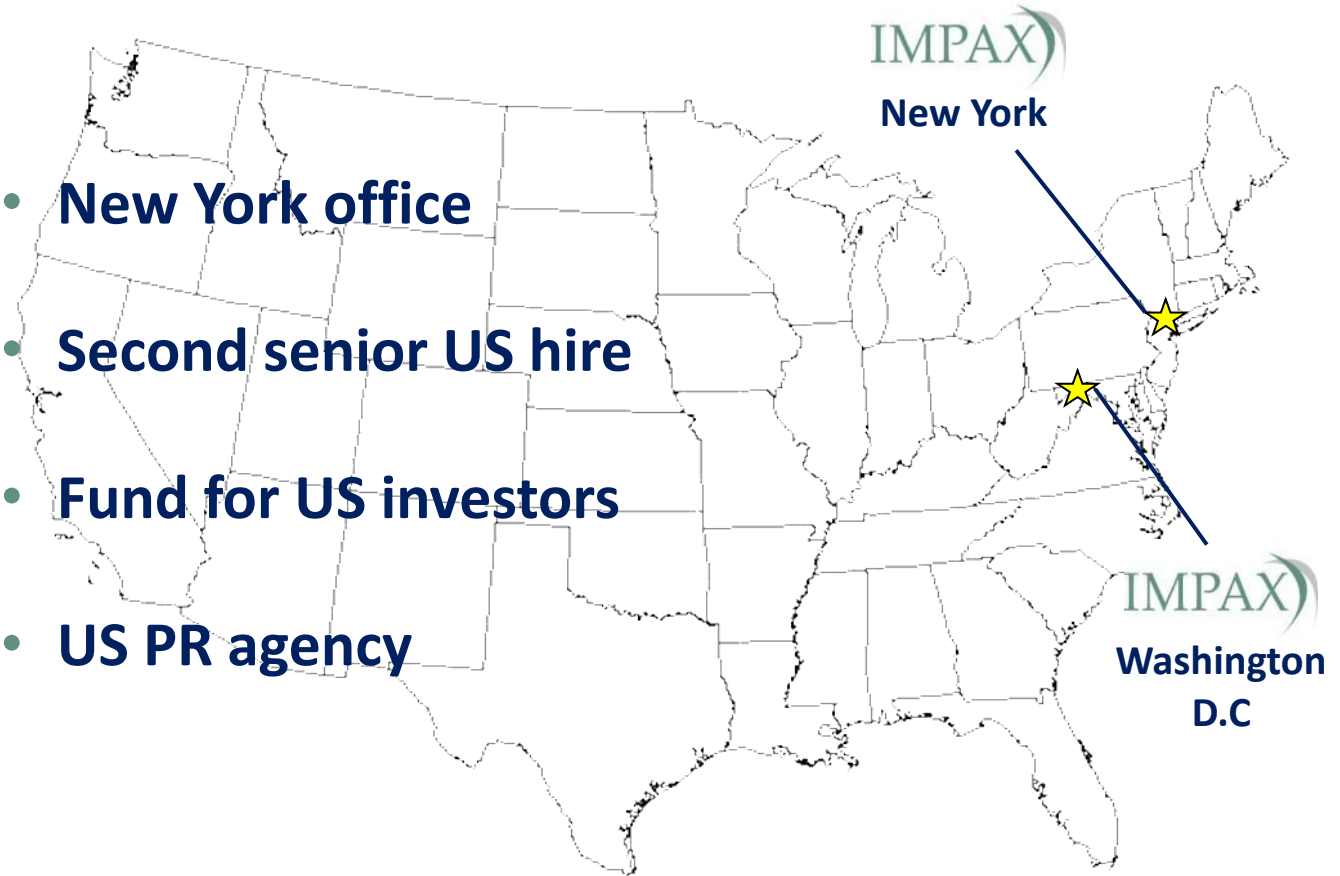
David Richardson



Managing Director  
US Institutional  
Business

Industry experience:  
29 years

- **New York office**
- **Second senior US hire**
- **Fund for US investors**
- **US PR agency**





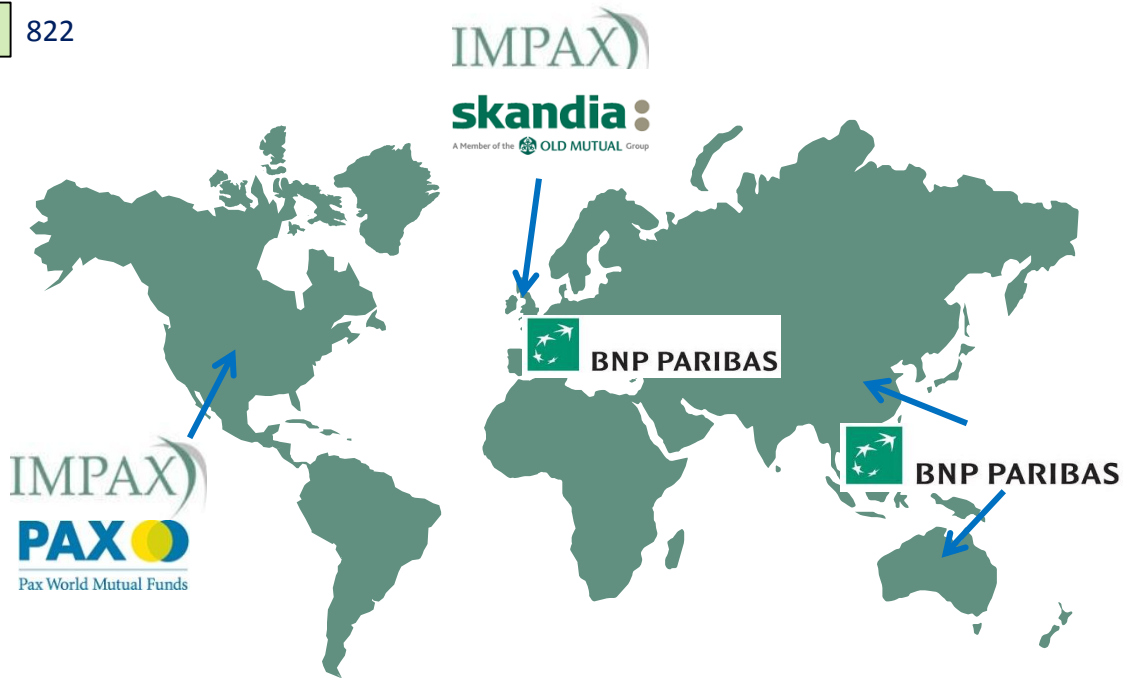
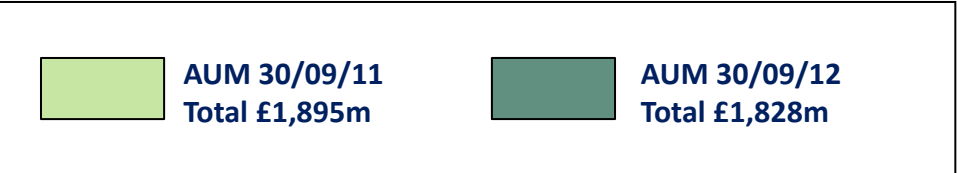
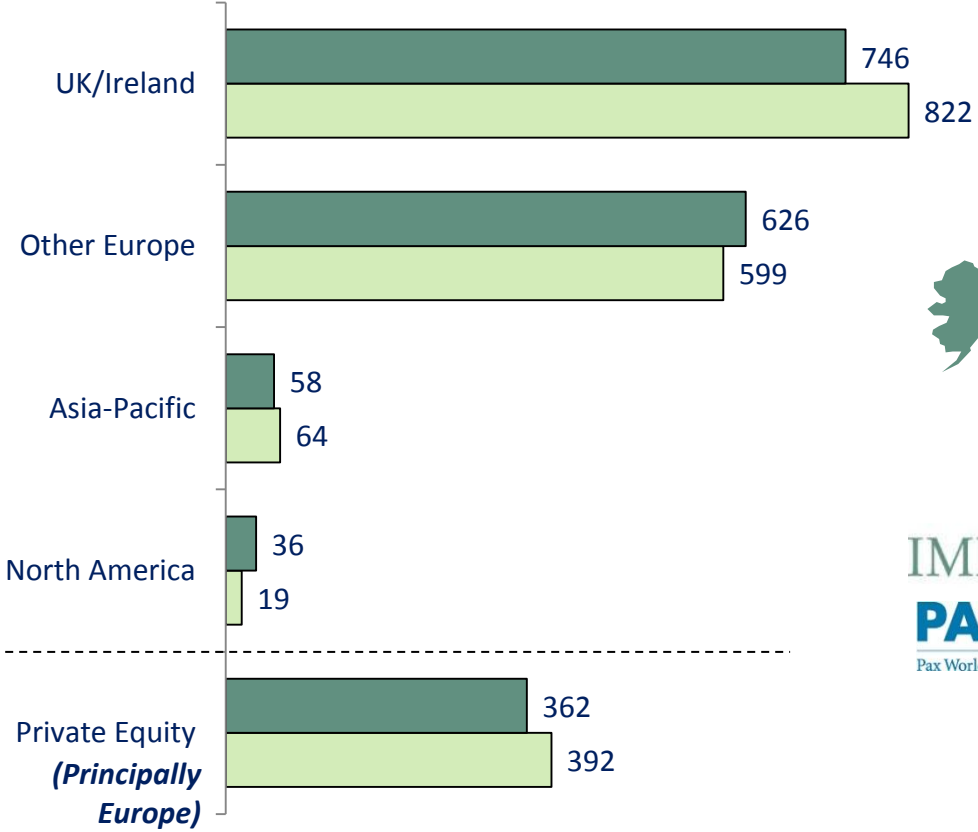
# Private Equity Infrastructure Update

- 9 sites under construction – 88MW in France, 16MW to commence in Germany
- Deals in 2012
  - Nov: Gamesa wind farm acquisition, 8MW, France
  - Apr: EPURON wind farm acquisition, 28MW, Germany
  - Jan: Scatec solar sale, 9MW, Italy

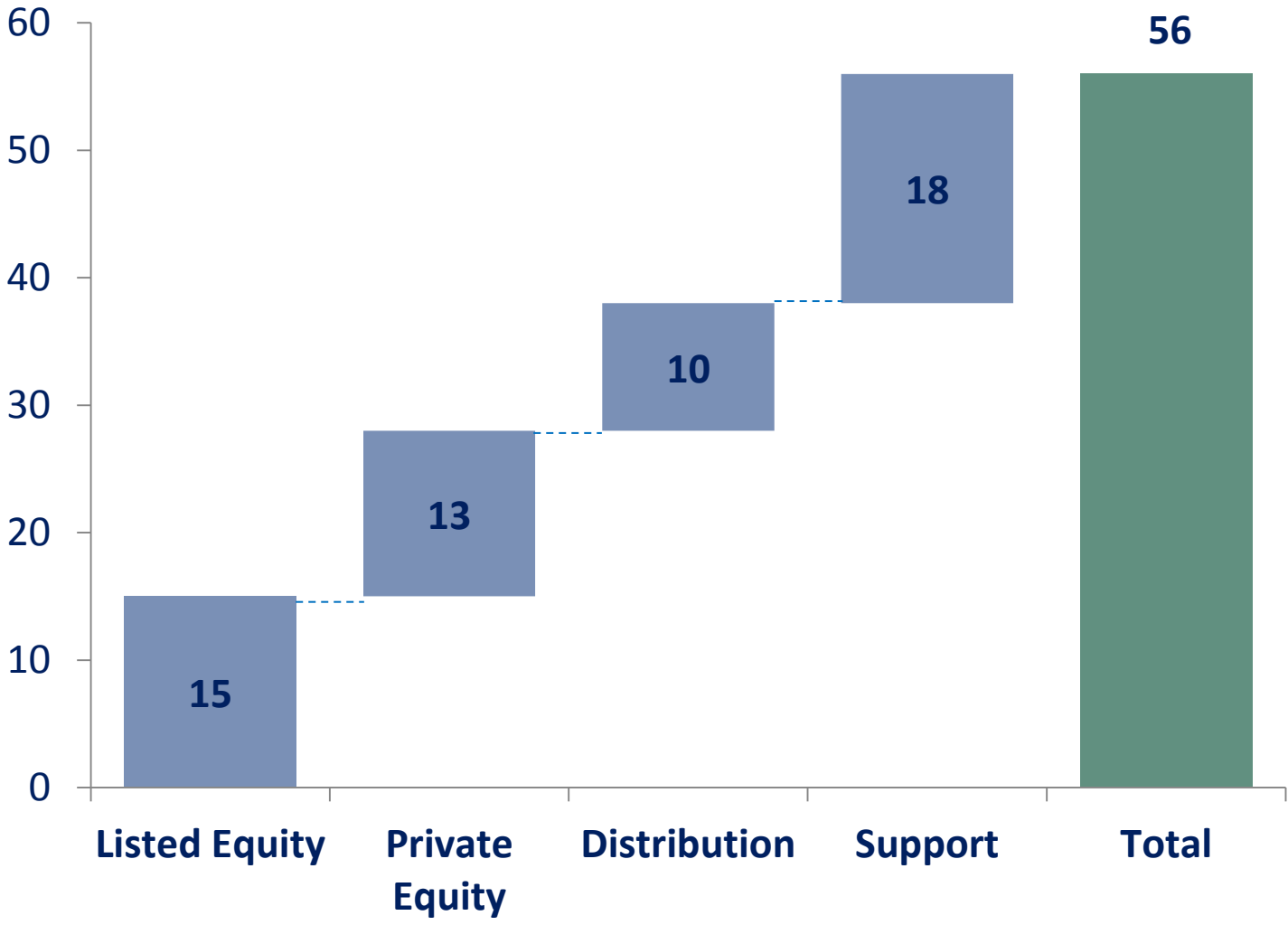


*St Riquier and Chaude Vallée wind farms, Northern France*

# Distribution Strategy



# The Team – as at 31 December 2012



# Media

## Press

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Give Impax the green light

Improved risk appetite could bring green plays back into vogue

12-MONTH PROFIT ON ALL 'PLAYS OF THE WEEK' TRADES: +16.5% VS. FTSE ALL-SHARE +10.2%

**Pensions Week**  
UK workplace pensions

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Home / Comment & Analysis / Technical view: financing infrastructure

**Technical view: financing infrastructure**

By Ian Simm | 10 January 2013 |

When it comes to infrastructure investment, governments and private sector investors struggle to understand each other. At a time when it is seen as part of the solution to the current financial crisis, the shovels may be ready but there's often no money to deploy them – even when many institutional investors are seeking to raise their exposure to infrastructure as an alternative to traditional asset classes.

## The Telegraph

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'Laughable' energy policy rows will raise bills, Tory energy committee chairman Tim Yeo warns

Ian Simm, chief executive of Impax Asset Management, told MPs: "Investors are really worried that with the political debate that has come into the forefront in recent weeks, a future administration will simply change the rules of the game again."

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- Chinese Leadership transition – positive for our markets  
11 Jan 2013 by David Li
- Five years of FTSE Environmental Markets  
13 Dec 2012 by Ian Simm

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**Welcome to the Impax Blog!**

21 Nov 2012  
by Ian Simm, Chief Executive

Welcome to the Impax Blog! We plan to post short articles here to keep you updated on our thoughts on developments in the rapidly expanding global markets for solutions to resource scarcity. We will also look in some detail at how we're searching for mis-priced companies that are set to benefit from the long-term trends of changing demographics, rising consumption, limited natural resources

IMPAX

Impax  
@ImpaxAM

Equity specialist dedicated to investing in resource optimisation and capitalising on the increasing demand for global resources

London · <http://impaxam.com>



## Broadcast



**cityWire money**  
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# Outlook

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- **Attractive prospects for target markets to sustain “superior growth”**
- **Active investment management ideal for exploiting inefficient prices**
- **Impax “platform” well positioned for further expansion**
- **Scope for increase in operating margin**

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