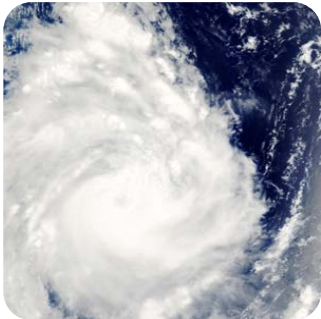


Impax Asset Management Group plc

Annual General Meeting – 10 February 2014

Year ended 30 September 2013



Our Goals

- Be the **leading specialist boutique** investing in the rapidly expanding **resource efficiency and environmental markets**
- Offer our clients **differentiated products** with superior, long-term, risk adjusted returns, and deliver a high level of customer service
- Provide attractive and **rising levels of dividends** to investors and maintain a **strong balance sheet**

Our Business Model

Focused & Scalable

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

Experienced Team

- 58 staff, 28 investment professionals
- Specialist expertise
- Significant staff share ownership

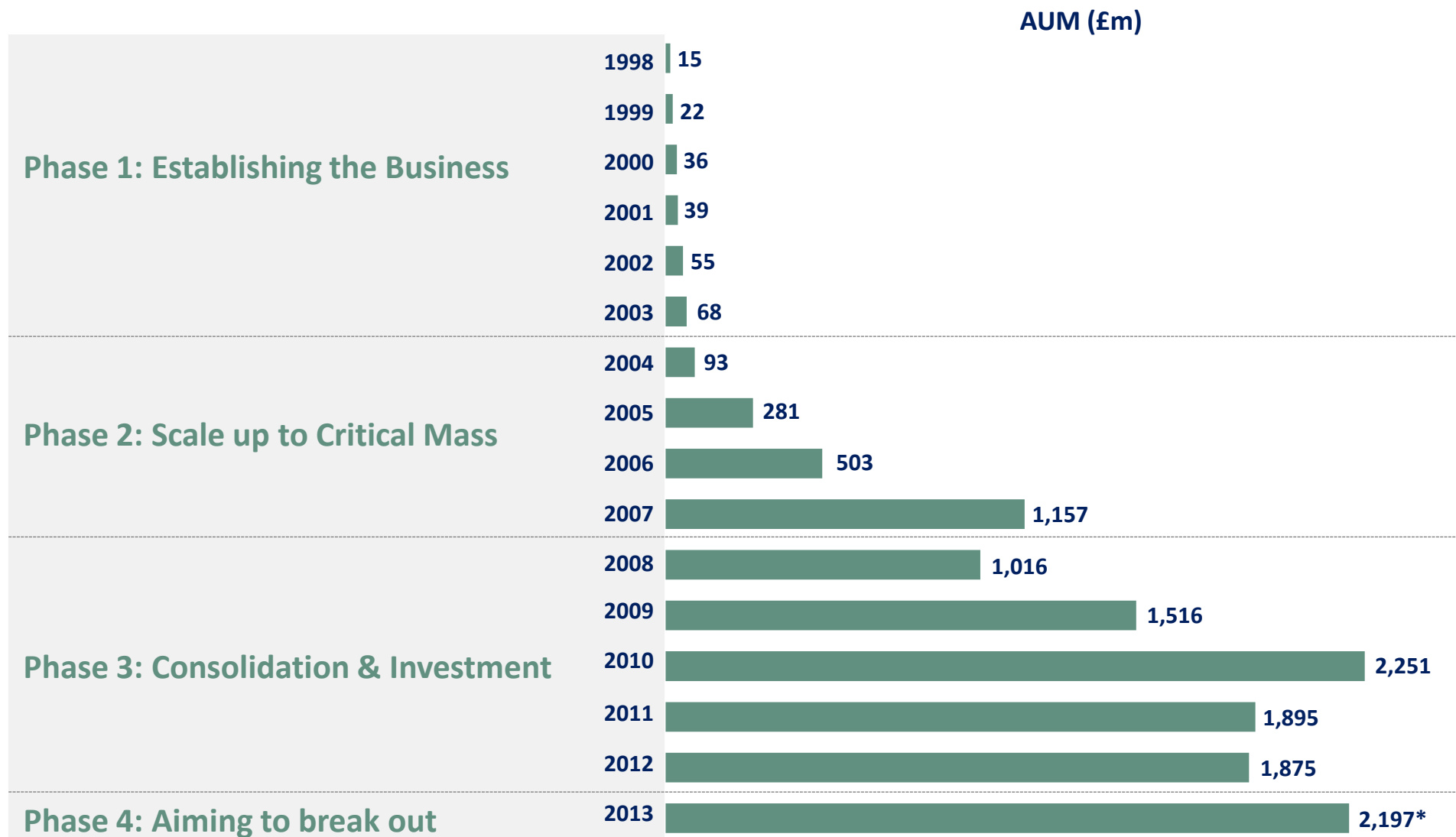
Well-established Distribution

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

Strong Balance Sheet

- Shareholders' equity £23 million
- Cash reserves £16.5 million
- No debt

Impax History: Building the Business Since 1998



Changing Investor Sentiment

- Search for growth
- Analysis of investment beliefs
- Review of fiduciary duty
- Concerns re climate risk and stranded assets



Carbon investment: worth the risk?

OCTOBER 2013 (MAGAZINE) | BY GYORGY DALLOS

Print Email Share Comment

Add to my reading list

Tweet 0

Like 0

Share

Gyorgy Dallos argues that the financial risks associated with investing in fossil-fuel companies will increase as they extract in more hazardous places and stricter carbon constraints are enforced. Meanwhile, their huge capex bills are already hurting capital returns and dividends



Norwegian pension fund divests from 'financially worthless' fossil fuel firms

Friday, July 5th, 2013 By Alex Blackburne



Storebrand, a major Norwegian pension fund and life insurance firm, has divested from 19 fossil fuel companies to ensure “*long-term stable returns*” – as these stocks, it says, will be “*worthless financially*” in the future.

In total, it has pulled out of 13 coal extractors and six firms that are heavily exposed to oil sands – arguably the most energy intensive form of fossil fuel.



Investment Program & Global Governance

Select from among these options to learn more about CalPERS recent investment and global governance activities.

Investors Ask Fossil Fuel Companies to Assess How Business Plans Fare in Low-Carbon Future

Read an article from the Ceres.org website regarding a group of 70 investors managing \$3 trillion in assets called on the world's largest oil and gas, coal and electric companies to gauge the financial risks of climate change on their business plans.

PensionsWorld

The Law Commission seeks views on fiduciary duties

The Law Commission has published a consultation paper reviewing how “fiduciary duties” apply to investment intermediaries. The paper traces a chain of intermediaries from an individual, saving for a pension, to the registered shareholder of a UK company. It looks at the obligations of those in the chain to act in the interests of savers.

The Commission's project arose out of the Kay Review of the UK equity market. Published in July 2012, the Kay Review criticised intermediaries for excessive trading on the basis of short-term share movements, rather than investing for the long-term.



FT/IFC **SUSTAINABLE FINANCE** AWARDS 2013



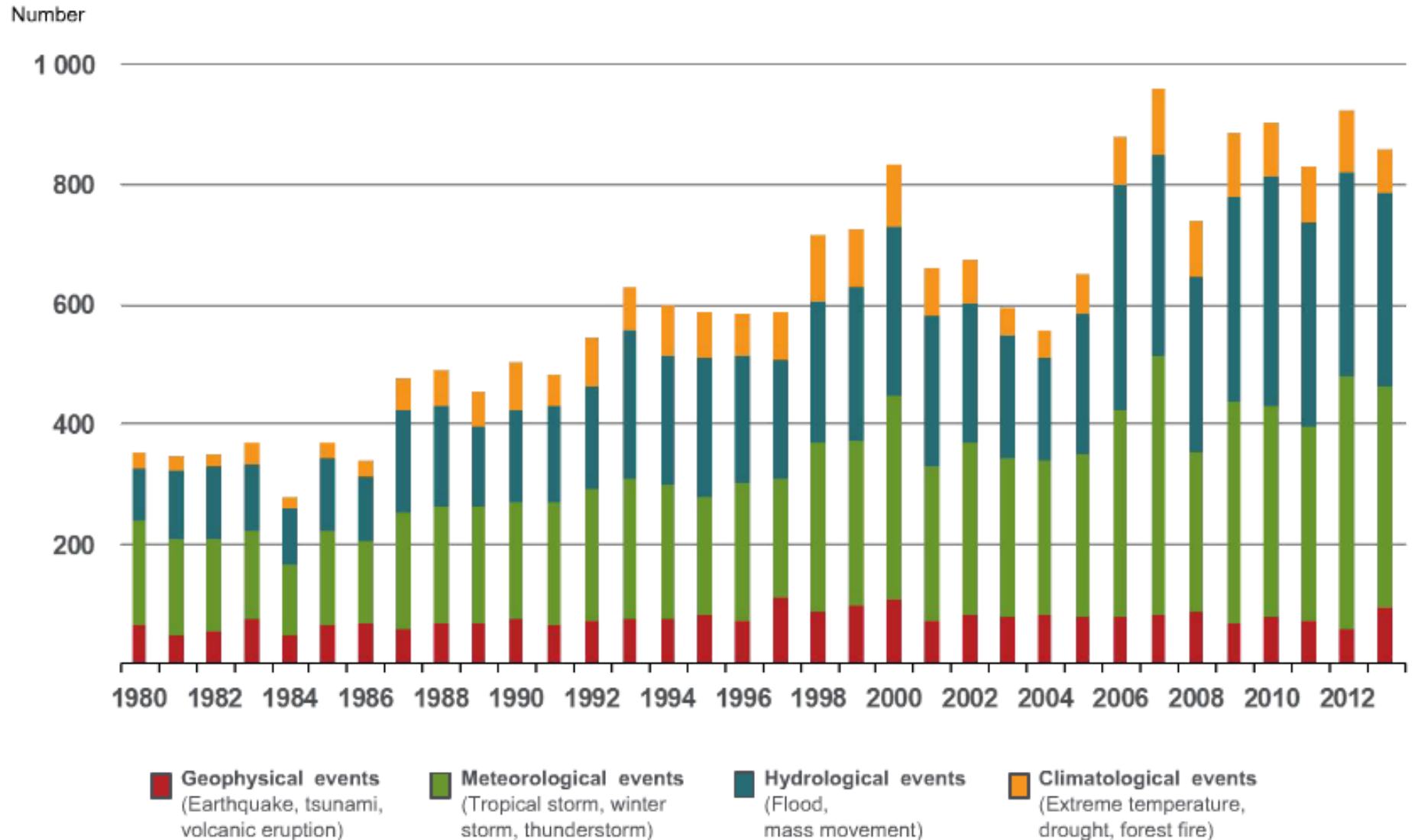
Impax Asset Management, UK

Winner

SUSTAINABLE INVESTOR OF THE YEAR

An event from FINANCIAL TIMES **LIVE**

Increasing Incidence of Extreme Weather Events



Sourced from Geo Risks Research, NatCatSERVICE, data as at January 2014.

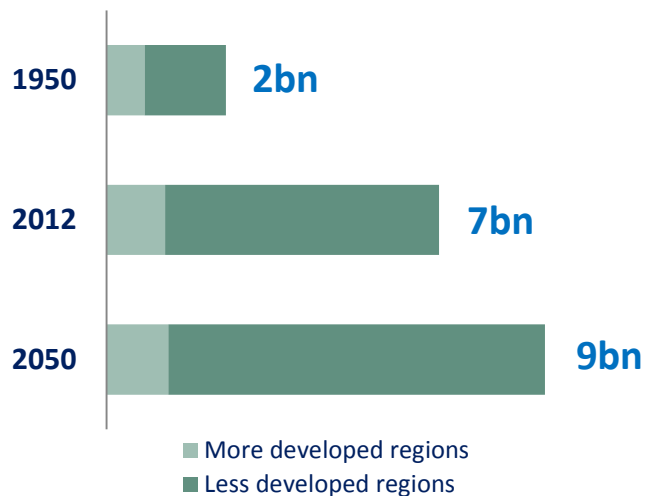
Cited in Munich RE America Webinar '2013 Natural Catastrophe Year in Review', 7 January 2014.

7 http://www.munichreamerica.com/site/mram/get/documents_E1433556406/mram/assetpool.mr_america/PDFs/4_Events/MunichRe_III_NatCatWebinar_012014.pdf



Major Issues for Investors (1): Population dynamics

Population expansion skewed towards emerging markets¹

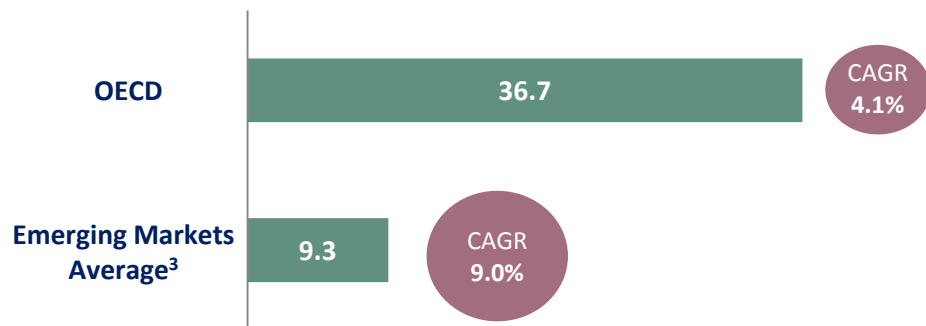


Long term investment themes:

- Higher living standards
- Urbanisation
- Health and ageing
- Education

Rapid growth in wealth in emerging markets

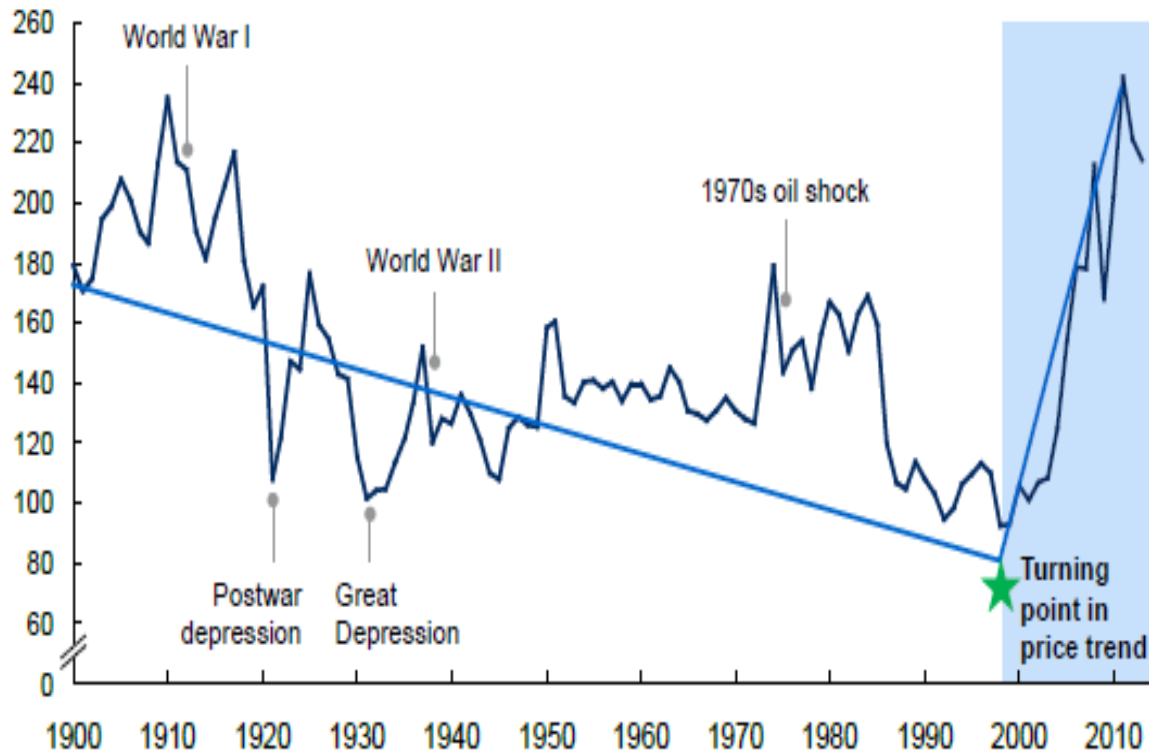
GDP per Capita (US\$'000 per person)². CAGR 2000-2012



¹Source: 1950 and 2050: United Nations Population Division, "World Population Prospects, The 2008 Revision" taken from the Population Reference Bureau website; http://www.un.org/esa/population/publications/wpp2008/wpp2008_highlights.pdf; 2012: Population Reference Bureau 2012 http://www.prb.org/pdf12/2012-population-data-sheet_eng.pdf. ²31/12/2012 Source: The World Bank. ³Based on MSCI definition excluding Taiwan

Major Issues for Investors (2): Resource scarcity

Real commodity prices rising sharply



Long term investment themes:

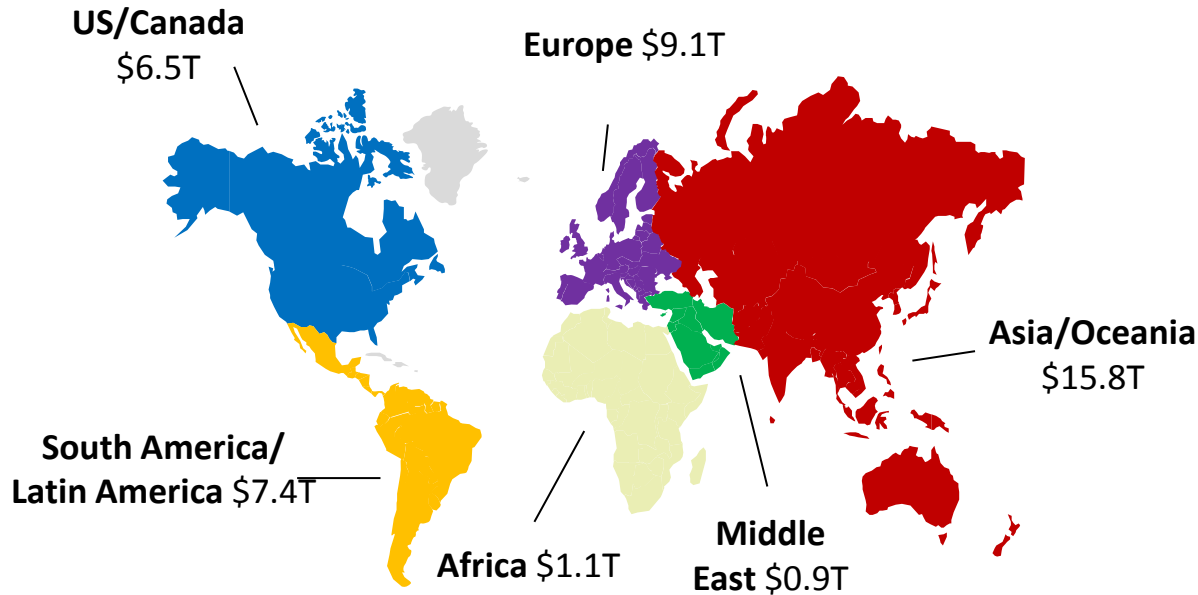
- Oil supply
- Water stress
- Land availability
- Materials shortages

Source: McKinsey Global Institute, Sustainability and Resource Productivity Practice, "Resource Revolution: Tracking global commodity markets", page 6, September 2013.

Notes: McKinsey Commodity Price Index based on arithmetic average of four commodity sub-indexes: food, non-food agricultural raw materials, metals and energy. Real price index: 100 = years 1999-2011, data for 2013 calculated based on average of first three months of 2013. Source: Grilli and Yang, Pfaffenzeller, World Bank, International Monetary Fund, Organisation for Economic Co-operation and Development statistics, Food and Agriculture Organization of the United Nations, UN

Major Issues for Investors (3): Inadequate infrastructure

Total projected cumulative infrastructure spending 2005-2030: \$41 trillion



Long term investment themes:

- Unavailable
- Unreliable
- New disruptive solutions

Water
\$22.6T

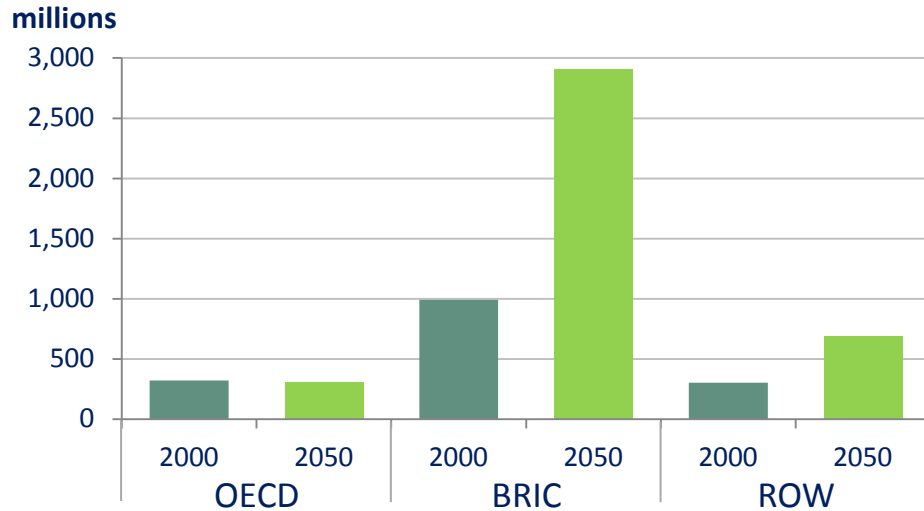
Power
\$9.0T

Road and Rail
\$7.8T

Air/Seaports
\$1.6T

Major Issues for Investors (4): Environmental constraints

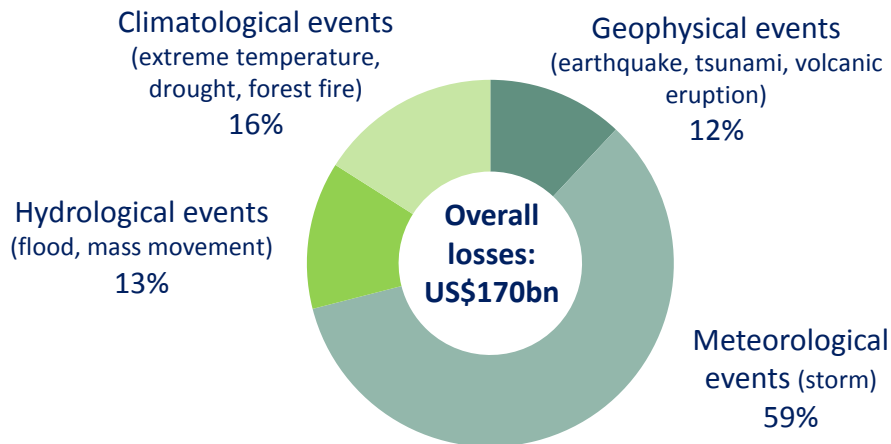
People living in areas of severe water stress¹



Long term investment themes:

- Local air pollution
- Water quality
- Contaminated land
- Global climate change
- Fragile ecosystems

Significant cost implications from extreme weather events²



Sources: ¹ OECD Environmental Outlook to 2050, Chapter 5, published 26 January 2012. ² Munich Re, Natural Hazards NatCatService annual statistics 2012, 'Natural catastrophes worldwide 2012 percentage distribution', published January 2013.

Investment Universe: Diverse



Energy

Energy Efficiency

- Power Network
- Industrials
- Buildings
- Transport
- Consumer

Alternative Energy

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



Water

Water Infrastructure & Technologies

- Infrastructure
- Treatment
- Utilities

Pollution Control

- Pollution Control Solutions
- Testing & Gas Sensing



Sustainable Food & Agriculture

- Sustainable and Efficient Agriculture
- Logistics, Food Safety & Packaging



Waste

Waste Management & Technologies

- Technology Equipment
- Recycling & Processing
- Hazardous
- General

Environmental Support Services

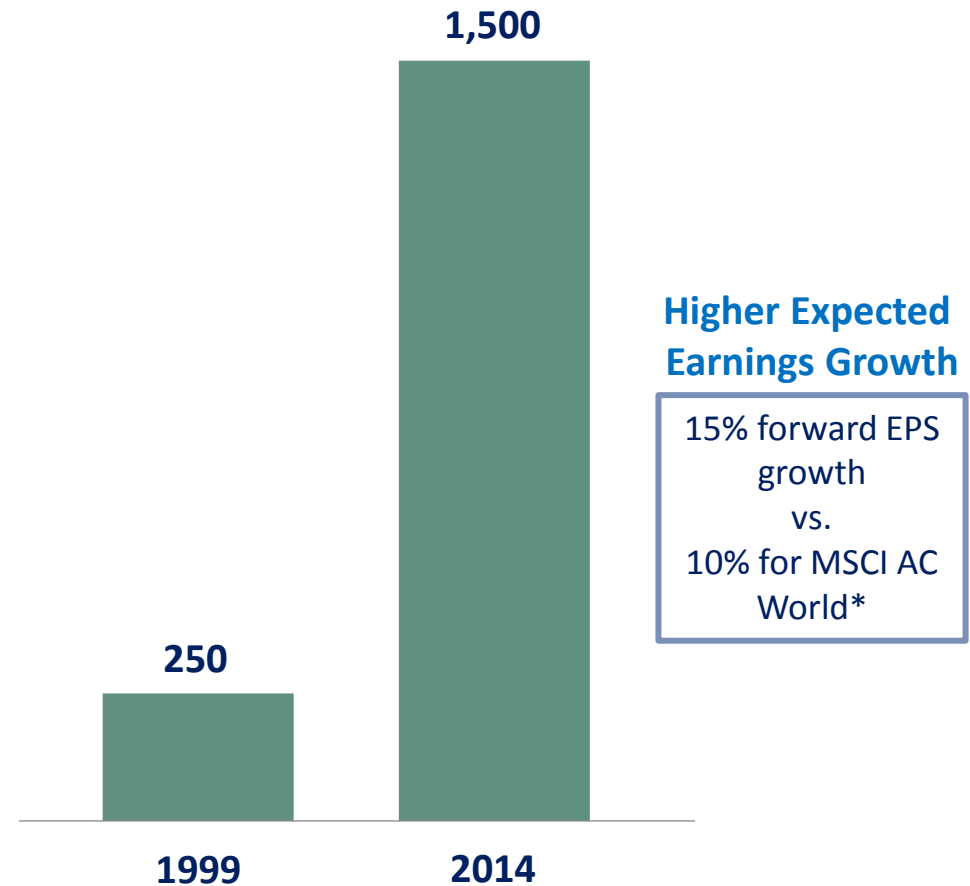
- Consultancies
- Carbon & Asset Trading

Impax Investment Universe: Growing Rapidly

- Large universe of growing companies
 - \$3.7 T in Market Cap
- Diverse range of opportunities
 - Cyclical
 - Defensive
 - Special Situations

Our markets are not well understood and are frequently mispriced

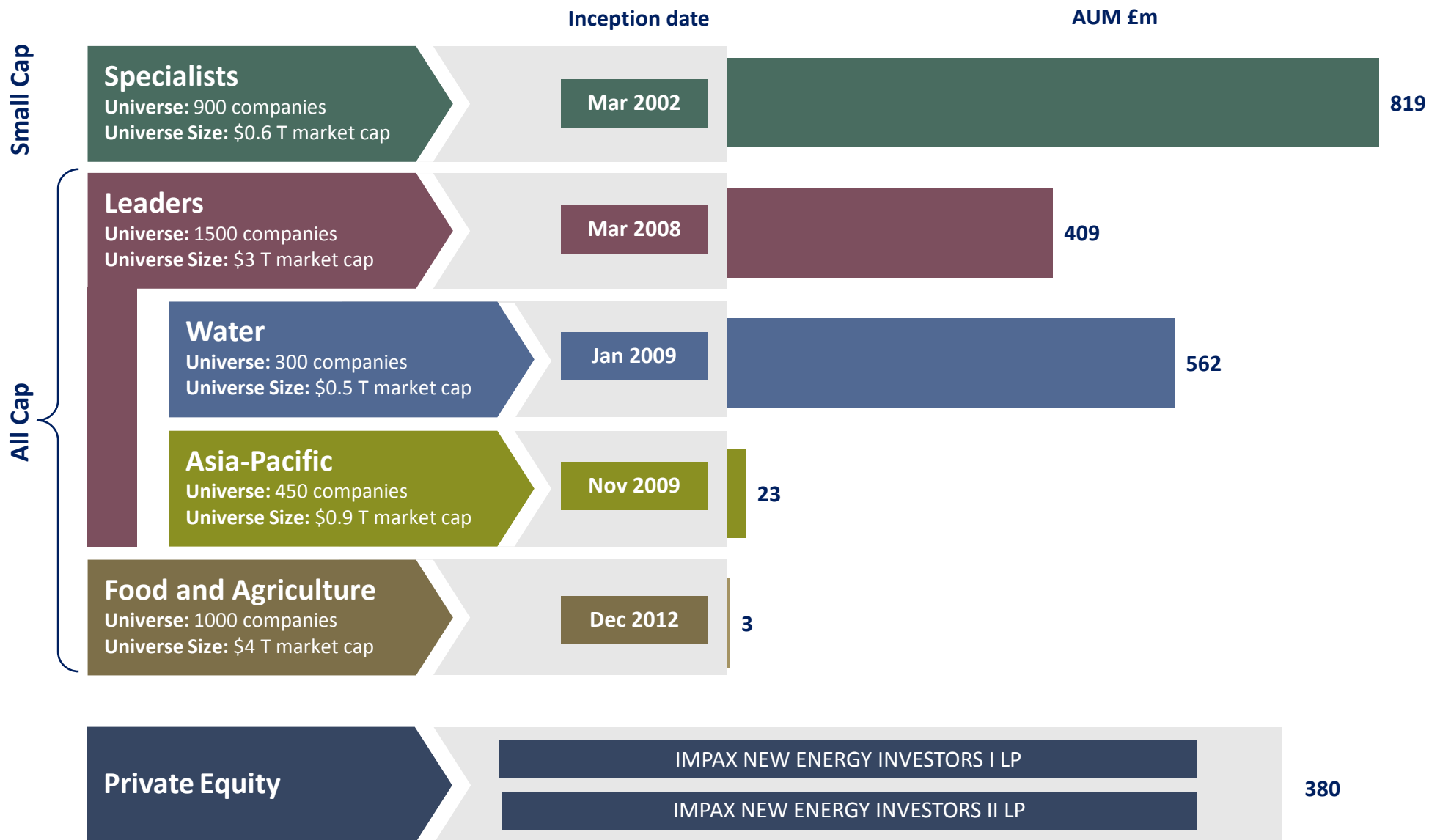
Number of companies



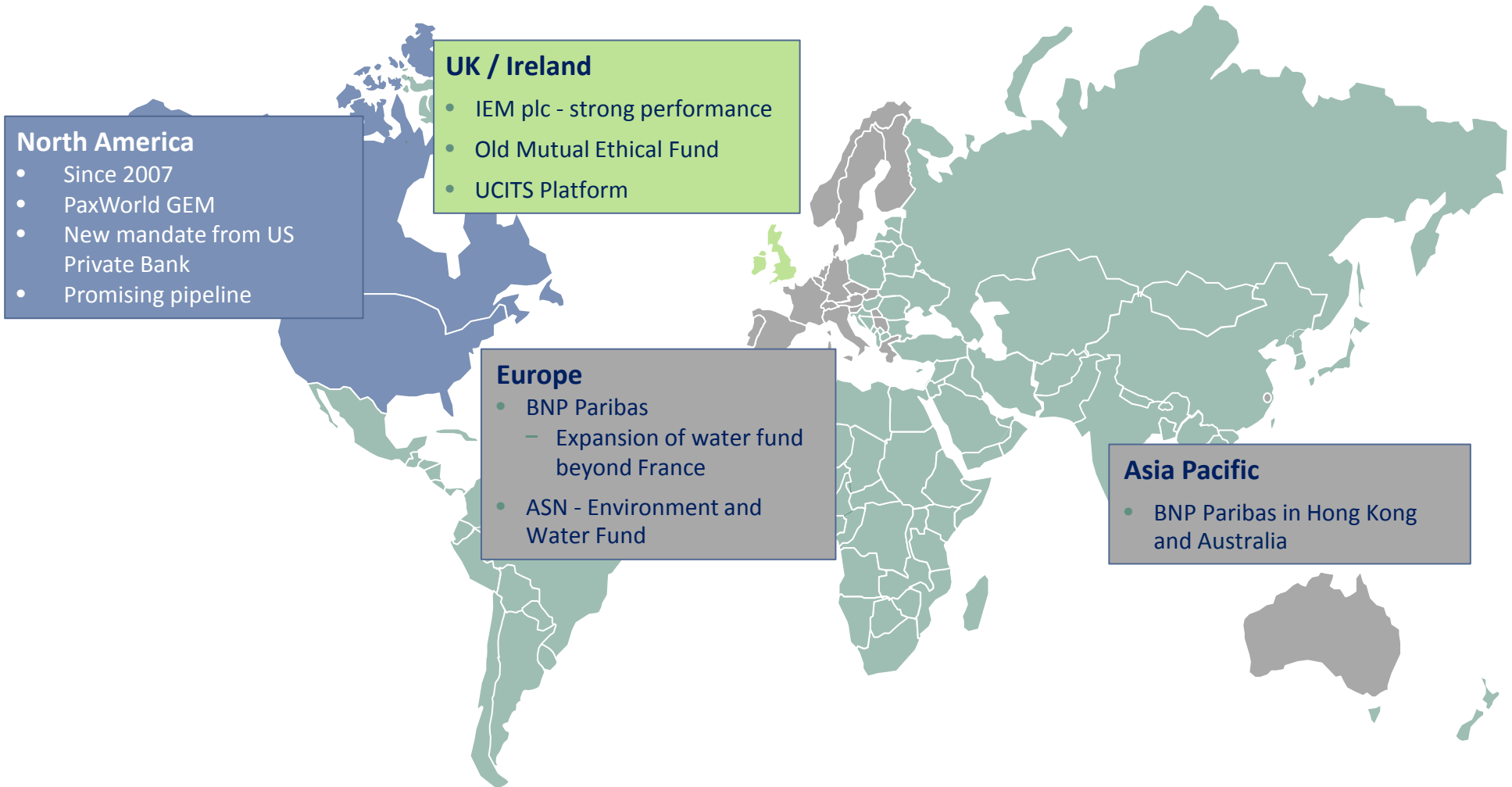
Based on Impax's proprietary environmental markets database. This database is used to help construct the FTSE Environmental Markets Index Series.

** Source: FactSet, as at December 31, 2013. Forward EPS growth data for FTSE EOAS as a proxy for the resource optimization sector. Food, Agriculture & Forestry includes companies pending full entry to the Impax investment universe.*

Investment Strategies

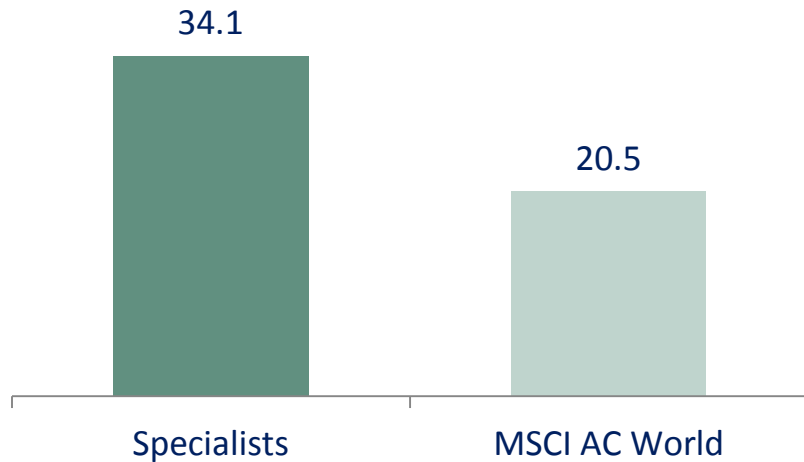


Distribution Strategy: Institutional Quality Global Platform

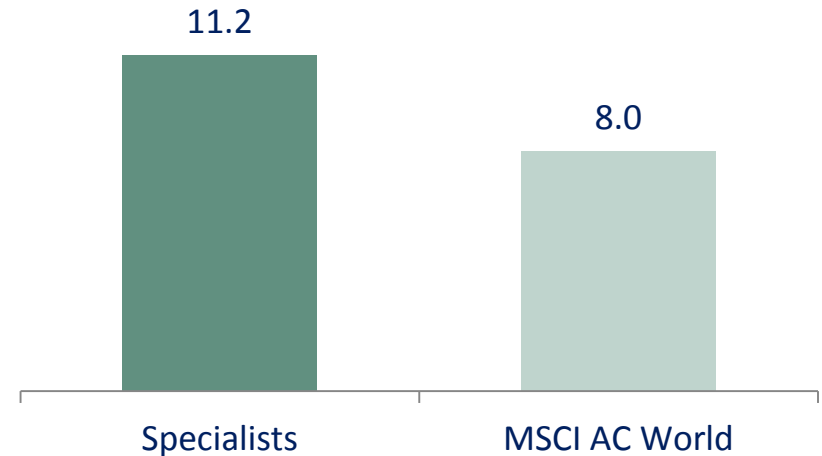


Specialists: Strong Investment Performance

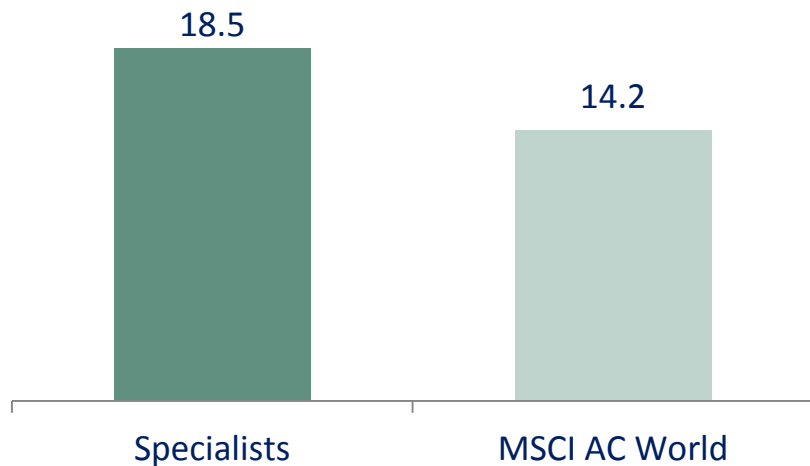
Performance in 2013 (%)



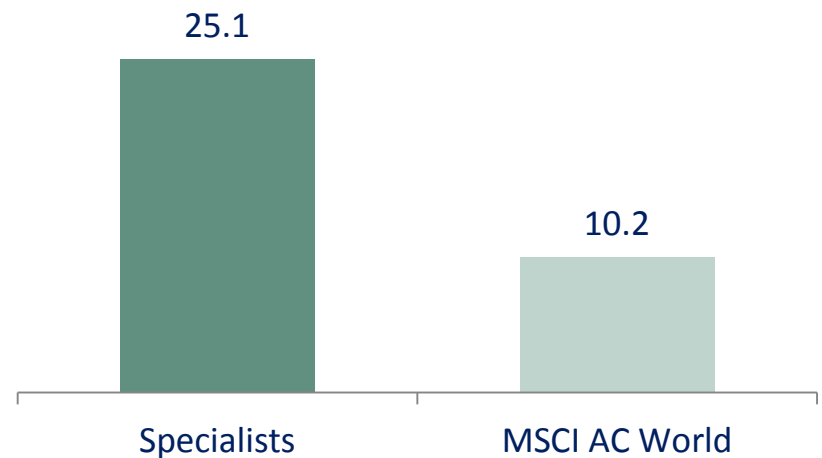
10 year performance annualised (%)



PE ratio*



Forecast earnings growth %*

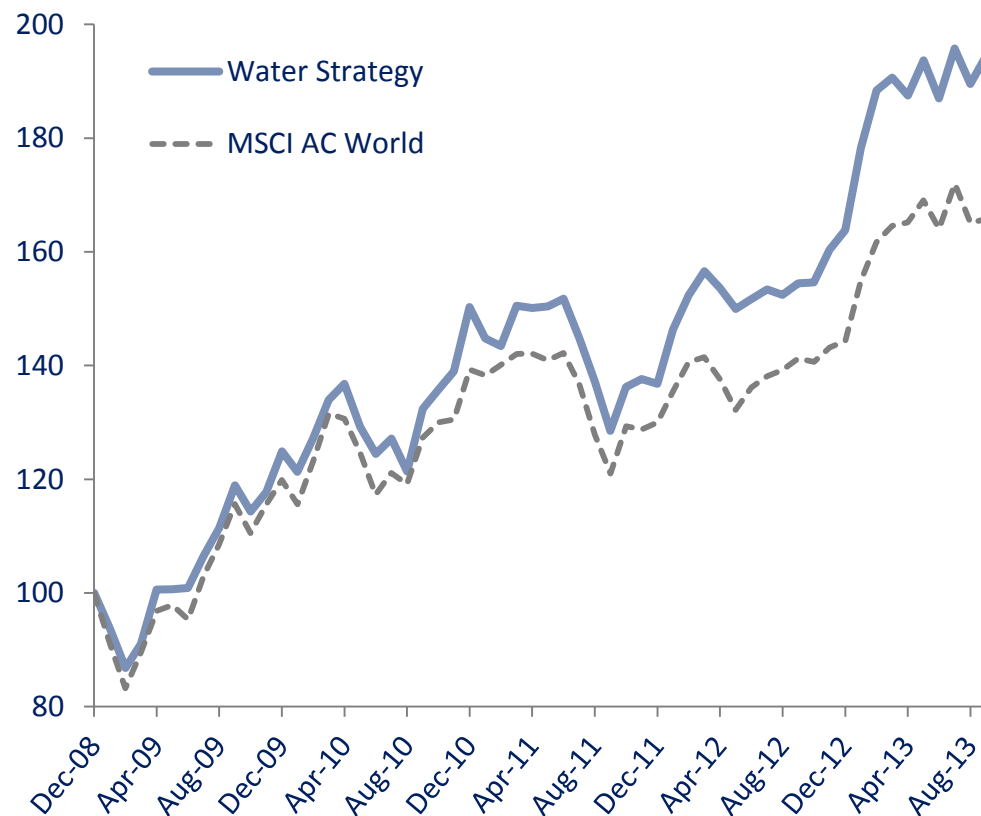


Water Strategy: Rapid Expansion

BNP Paribas Aqua Fund AUM (£m)

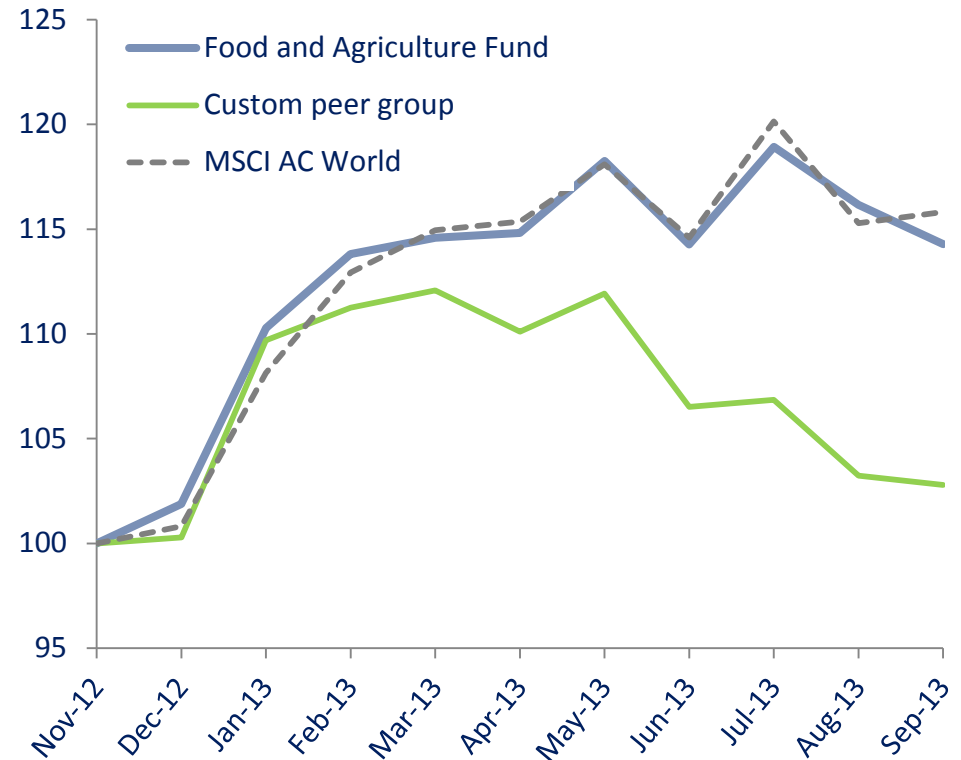


Investment performance (%)



Source: FactSet, WM Reuters. Strategy performance is shown gross, MSCI index is net calculated including dividends reinvested, net of withholding taxes. AUM graph to 31 January 2014., Investment performance graph data as at 30 September 2013 in GBP. Past performance is no guarantee as to future performance.

Food & Agriculture Strategy: Off to a Good Start



Source: FactSet, WM Reuters. Data as at 30 September 2013 in GBP. Strategy performance is shown gross, MSCI index is net calculated including dividends reinvested, net of withholding taxes. The custom peer group consists of 11 competitor funds, source Impax and FactSet. Past performance is no guarantee as to future performance.

Private Equity Update

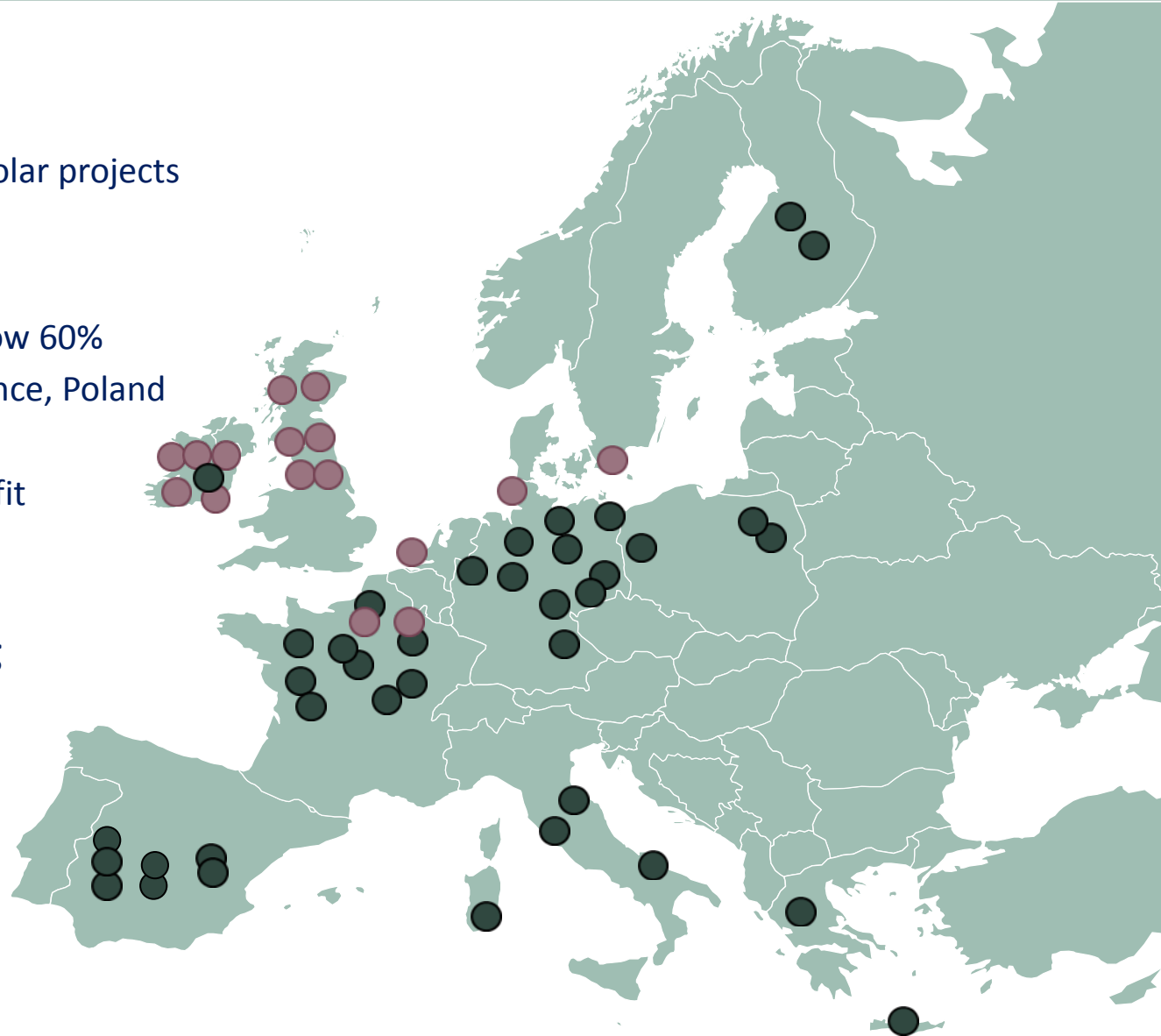
NEF I

- Strong portfolio performance
- Impact of Spanish regulation on solar projects

NEF II

- Investments and commitments now 60%
- On-shore wind acquisitions in France, Poland first investment in Finland
- Sale of first asset at attractive profit
- Strong investment pipeline

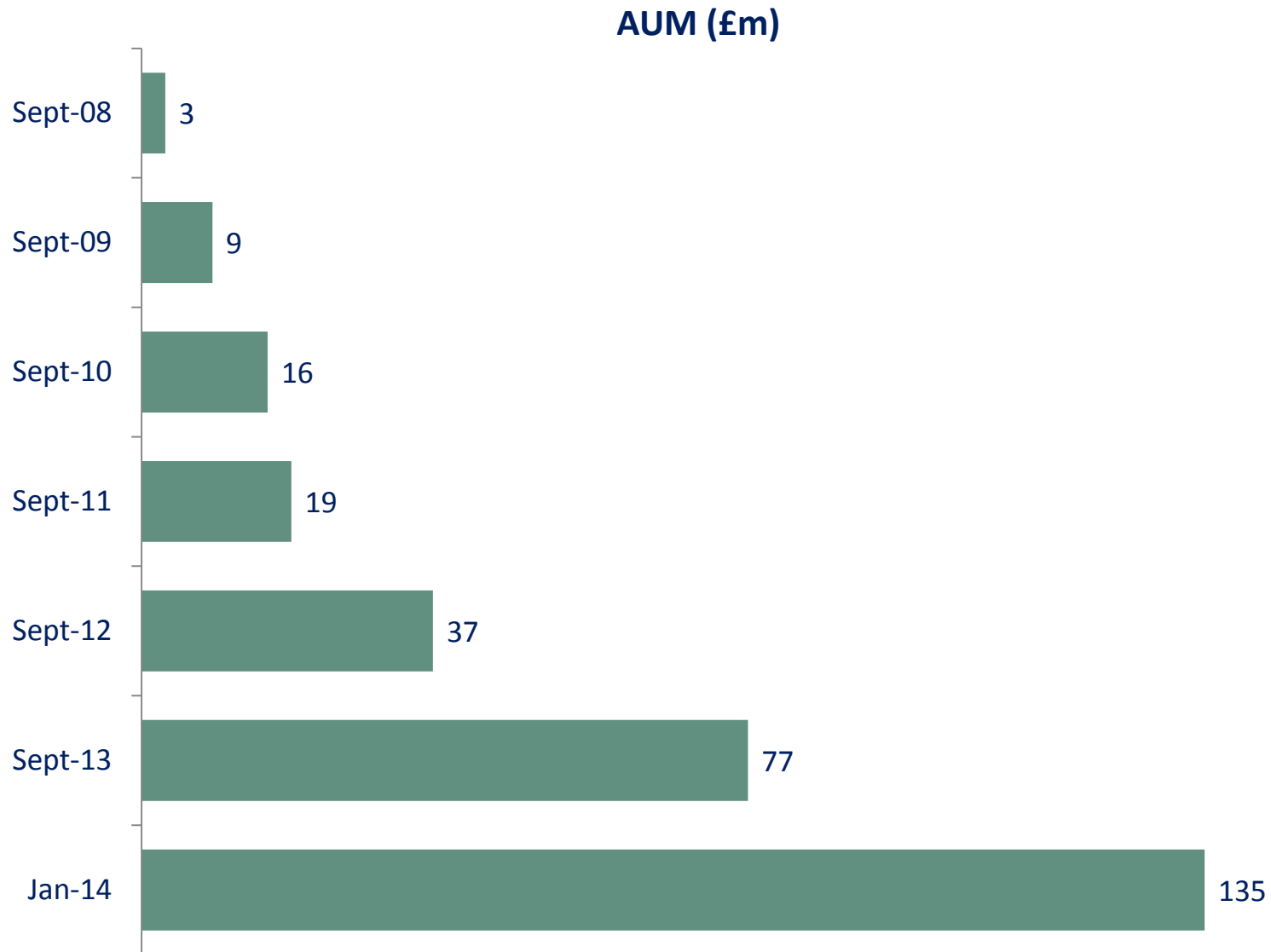
Platform for further asset raising



Impax renewable energy infrastructure investments

- = Current
- = Realised

Strong US Progress: Growth of Existing Mandates and New Business



Continuing to Raise Impax Profile in North America



Pensions & Investments

More valuable than oil

The investment case for water

BY DAVID W. RICHARDSON | NOVEMBER 20, 2013 12:19 PM | UPDATED 12:24 PM

[f](#) [in](#) [t](#) [c](#) COMMENTS

That bottle of water on your desk likely cost many times more than its equivalent in gasoline. No wonder investments in water have outperformed global indexes by a sizable margin. But first, a little background.

RELATED CONTENT

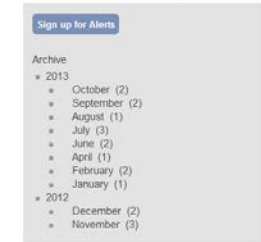
STORIES

Investing in alternatives to fossil fuel stocks

Almost all of the water on earth is salt water with only about 2.5% considered "fresh." Of this, less than 1% is accessible surface water.



Home | Media Centre | Impax Blog | UN's Fifth Assessment Report on Climate Change - Investors take note



Investors need to get off the fence on climate change

26 Sep 2013
by Ian Simm, Chief Executive

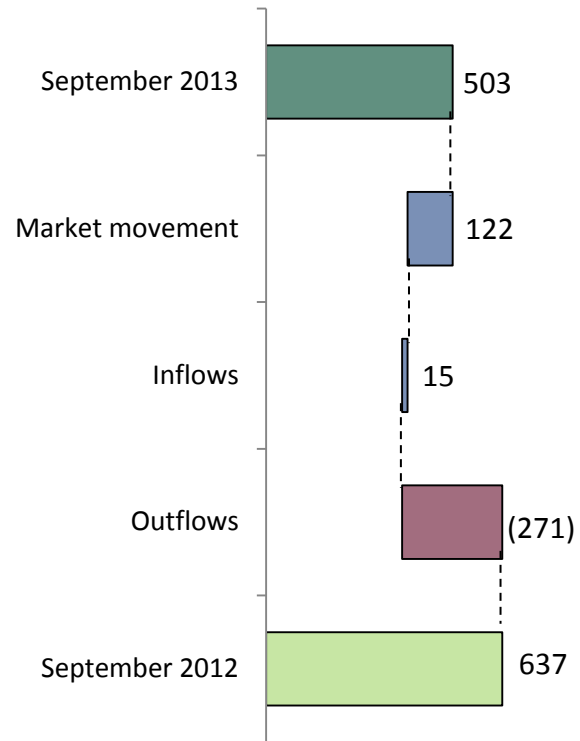


Leads from the UN's Fifth Assessment Report ("AR5") on climate change ("CC"), which is due out on 27 September, have once again stirred the hornets' nest and the airwaves are full of opinions from CC "believers" and "deniers" alike. Although many observers will be inclined to sit on the fence, decision makers who employ scenario planning are actually well-placed to assimilate new information in the report, in simple terms, scenarios in which governments take additional action to reduce greenhouse gas emissions should be assigned higher probability. In particular, investors,

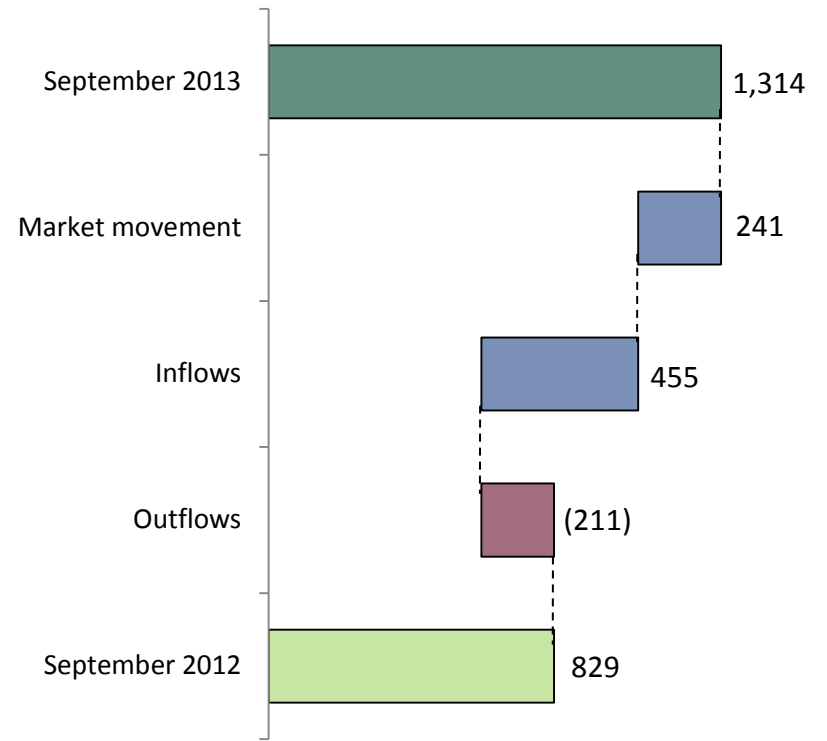


Fund Flows

“Impax label” funds (£m)



Third party funds/accounts (£m)



Note: the data above refers to Listed Equity funds and accounts only

Financial Highlights (1)

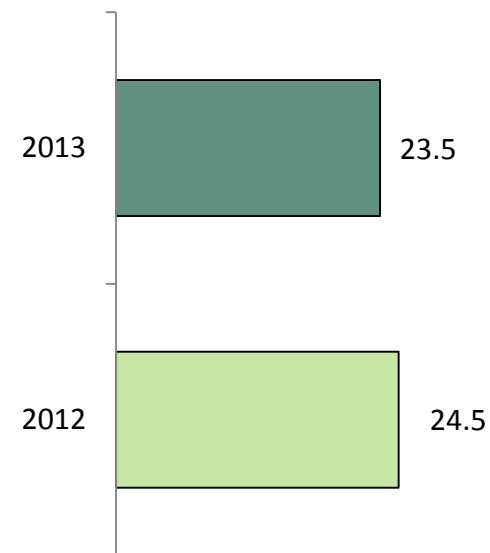
Revenue (£m)



Operating earnings (£m)



Operating margin %



Financial Highlights (2) – Balance Sheet

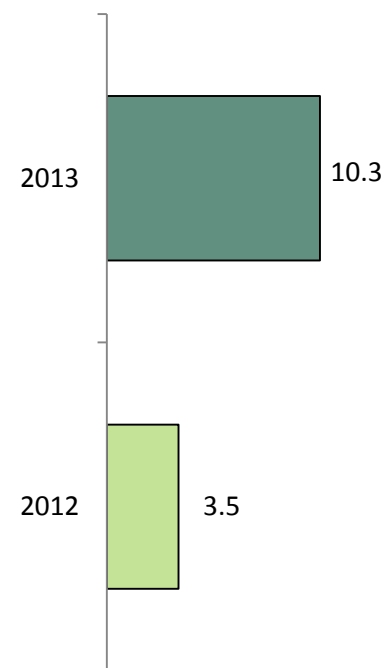
Investments (£m)



Cash reserves (£m)

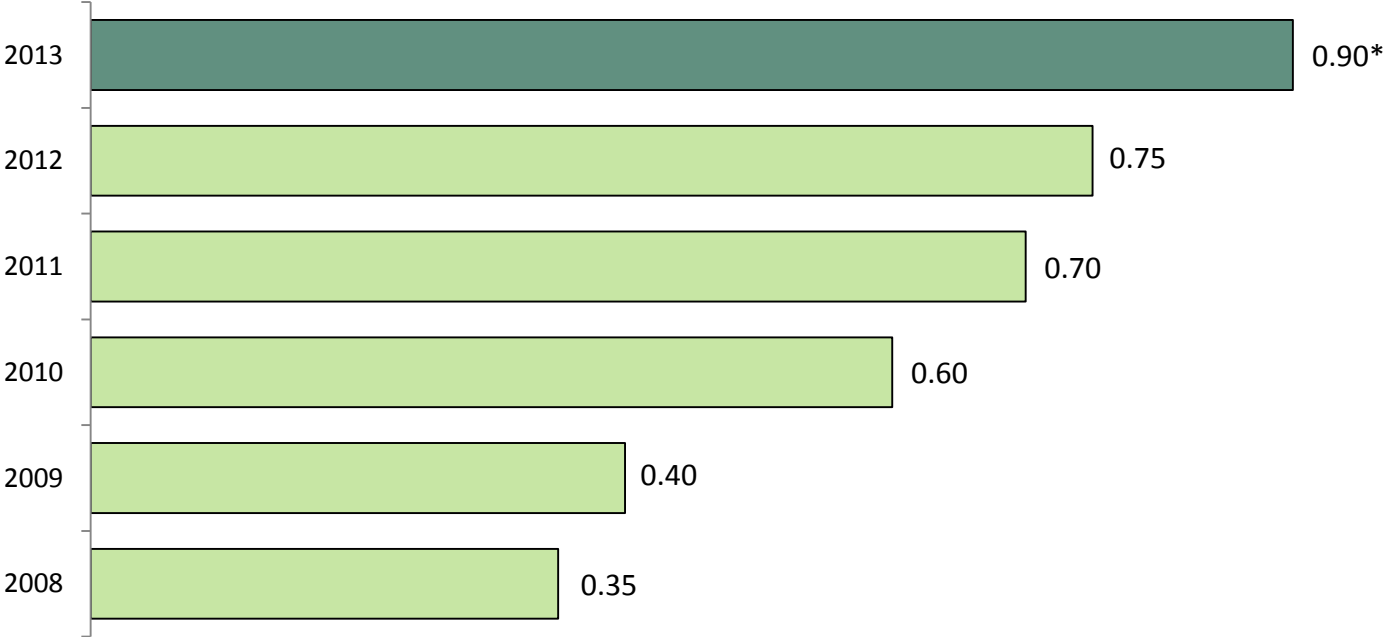


Share buy-backs (m)



Dividend Growth

Dividend (p)



*Proposed

Outlook for Impax

Attractive prospects for target markets to sustain “superior growth”

- Major overhaul underway in energy policies worldwide
- Demographics, weak asset base and weather risk driving investment in infrastructure
- Secular expansion of food/agriculture value chain

Active investment management ideal for exploiting inefficient prices

- Rapidly changing market drivers
- Expert team can interpret technology and policy issues
- Valuation anomalies across regions

Impax “platform” well positioned for further expansion

- Stable investment team with global coverage
- Established distribution model
- Potential for new products

Scope for increase in operating margin

- Scalable products with strong track records
- Flows should improve when equity markets stabilise
- Infrastructure in place to support significantly higher AUM

Disclaimer

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