THE QUEEN'S AWARDS FOR ENTERPRISE: SUSTAINABLE DEVELOPMENT 2014

Impax Asset Management Group plc

The specialist asset manager focused on a more sustainable global economy

Interim results for six months to 31 March 2018

Agenda

- H1 2018 highlights
- Background to the Company
- H1 2018 business update
- H1 2018 financial update
- Milestones and prospects

Ian Simm
Founder & Chief Executive

Charlie Ridge
Chief Financial Officer

H1 2018 highlights

[1]On 18 January 2018 Impax Asset Management Group plc acquired Pax World Management LLC ("Pax"). [2]As at 31 March 2018. Assets under advice represent ~3% of total AUM.

Financial performance[1]

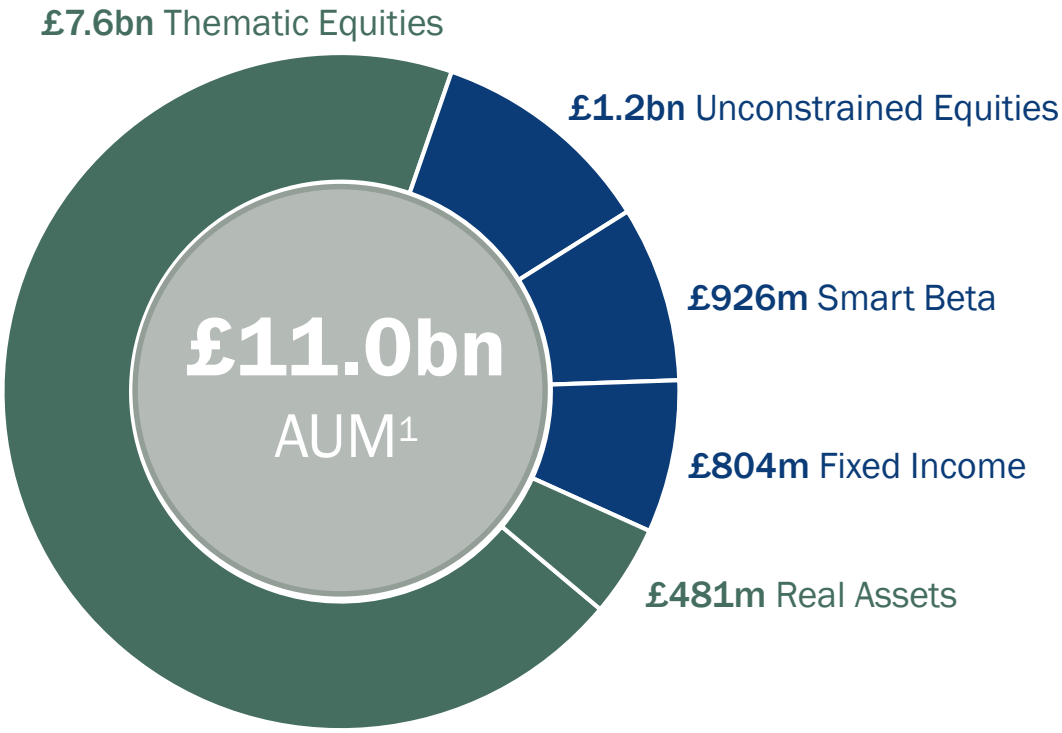
	H1 2018	H2 2017	H1 2017
Assets under management[2]	**£11.0bn**[3]	£7.3bn	£5.7bn
Revenue	**£25.7m**	£18.7m	£13.9m
Adjusted operating earnings[4]	**£7.7m**	£5.7m	£3.6m
Adjusted profit before tax	**£7.4m**	£5.7m	£3.0m
Adjusted diluted earnings per share	**4.83p**	3.94p	1.94p
Shareholders' equity	**£47.8m**	£35.6m	£28.4m
Interim dividend per share	**1.1p**	-	0.7p
Final dividend per share	**-**	2.2p	-
Special dividend	**2.6p**	-	-

[1]As a result of the acquisition of Pax World Management LLC (renamed "Impax Asset Management LLC") on 18 January 2018 certain KPIs have been prepared on an adjusted basis. A reconciliation of the IFRS and adjusted KPIs is provided on slide 33. [2]Assets under management and advice. [3]Increasing to £11.8bn as at 31 May 2018. [4]Revenue less adjusted operating costs.

Background to the Company

Impax Asset Management

The specialist investment manager focused on the transition to a more sustainable economy



PRI Principles for Responsible Investment
2017 UNPRI assessment: A+
Policies, Processes, Practices, and Governance

THE QUEEN'S AWARDS FOR ENTERPRISE: SUSTAINABLE DEVELOPMENT 2014

London managed // US managed[2]

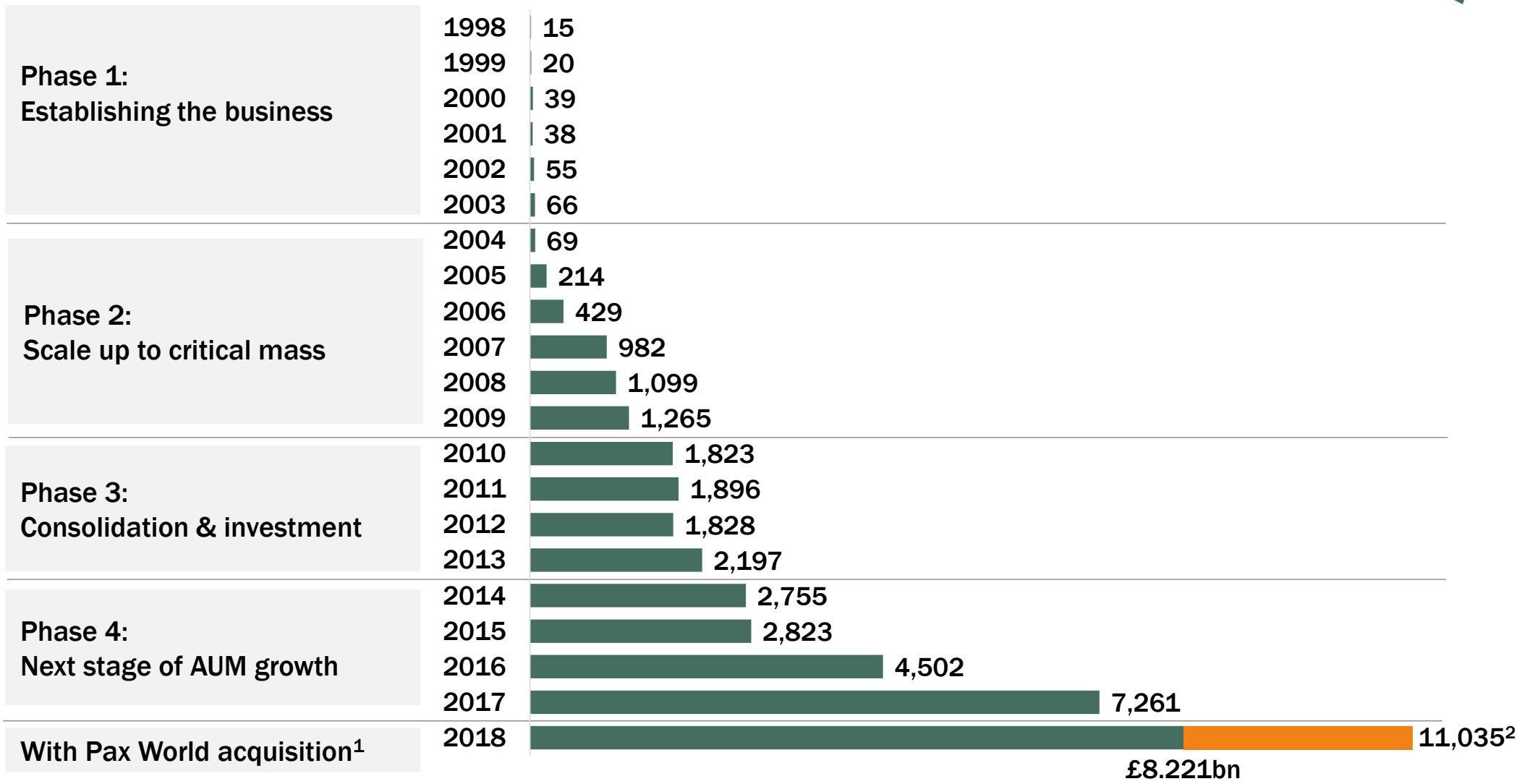
[1]As at 31 March 2018. Assets under advice represent ~3, increased to £11.8bn as at 31 May 2018. [2]US managed AUM refers to Pax World Funds. Impax acquired Pax World Management LLC on 18 January 2018.

The rapidly changing landscape for investment managers

MAINSTREAM TRENDS	A FORMULA FOR WINNERS	IMPAX WELL POSITIONED
• Pressure on generalists	"Specialist" approach	
• Increasingly complex regulatory environment	Differentiated strategies	
• Growing fee pressure on generic products	Diversified income	
• Survival of the fittest	Scalable business model	
• Consolidation to continue	Institutional scale/quality	

Solid track record of growth

AUM FYE £m



[1]AUM shown as at end of financial years to 2017. [2] As of 31 March 2018, net consolidated AUM, increasing to £11.8bn as at 31 May 2018.

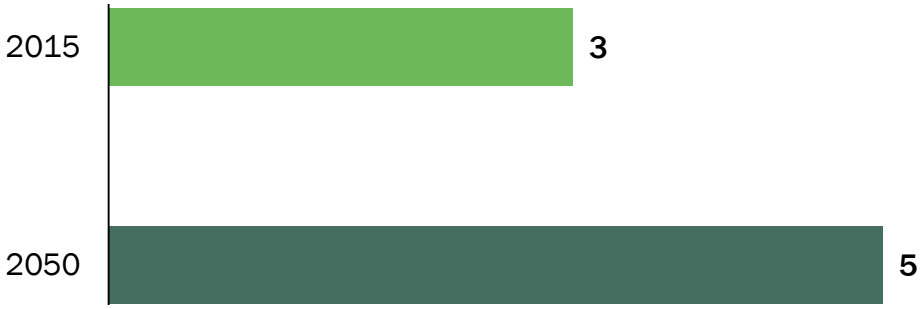
Transitions to a more sustainable economy

COMBUSTION ENGINE	CLEAN ENERGY TRANSITION		ELECTRIC VEHICLES
PROCESSED FOOD	HEALTH & WELLNESS TRANSITION		NATURAL INGREDIENTS
LIFESTYLE DRUGS	TRANSITION TO PERSONALISED MEDICAL CARE		DIAGNOSTIC TOOLS

Source: Shutterstock/Unsplash.

Strong growth prospects (examples)

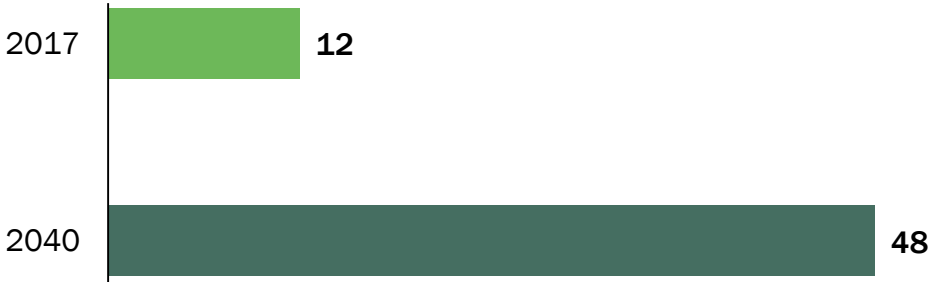
Global population living with water scarcity[1]
Number of people (billions)[2]



Global population suffering from diabetes
Number of people (millions)[3]

Global clean vehicle sales
Number (millions)[4]

Global clean power generation
As % of total generation[5]



[1]Number of people facing water scarcity for at least one month per year where water scarcity equates to annual water supplies less than 1,000 cubic metres/person. [2]Source: United Nations. [3]Source: WHO. [4]Source: Bloomberg/BNEF. By way of comparison, BP estimates 320 million by 2040. [5]Source: BNEF New Energy Outlook 2017.

Investment solutions across asset classes

Impax Asset Management Group plc

London managed

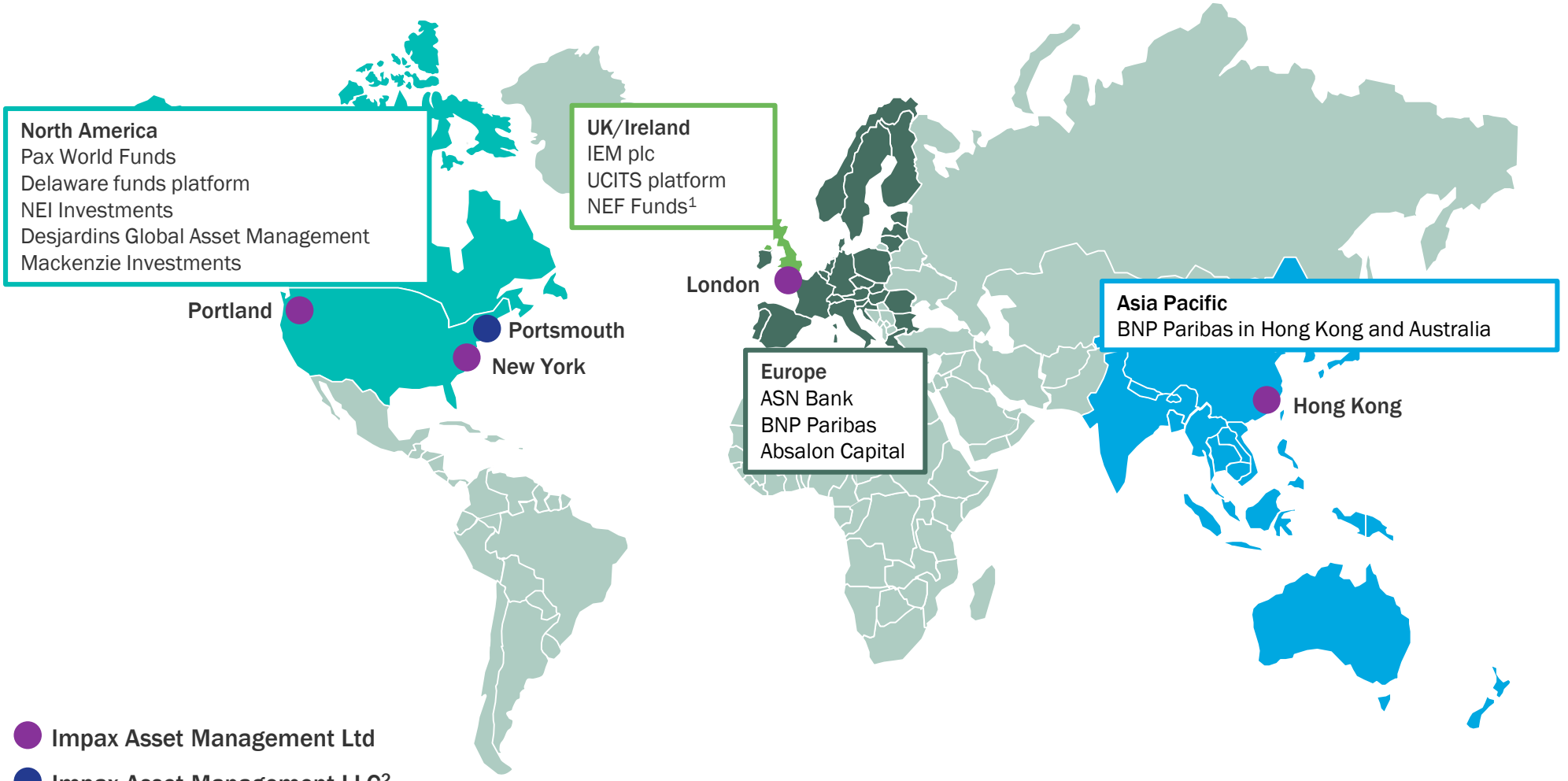
Asset class	Strategy	Inception date
Thematic Equities Total AUM: £7.6bn	Specialists	2002
	Leaders	2008
	Water	2009
	Food & Agriculture	2012
	Asia-Pacific	2009
Unconstrained Equities Total AUM: £2.8m	Global Opportunities	2015
Real Assets Total AUM: £459m	NEF	2005

US managed

Asset class	Strategy	Inception date
Unconstrained Equities Total AUM: £1.2bn	US Equity Small Cap	2008
	US Equity Medium Cap	2016
	US Equity Large Cap	2016
Smart Beta Total AUM: £926m	ESG Beta Quality	1997
	ESG Beta Dividend	2016
	Global Women's	2006
	MSCI EAFE ESG	2011
Fixed Income Total AUM:£804m	Core Bond	2016
	High Yield Bond	1998

As at March 31 2018.

Our offices and distribution partners



[1]Impax New Energy Investors Funds.[2]Previously Pax World Management LLC.

H1 2018 business update

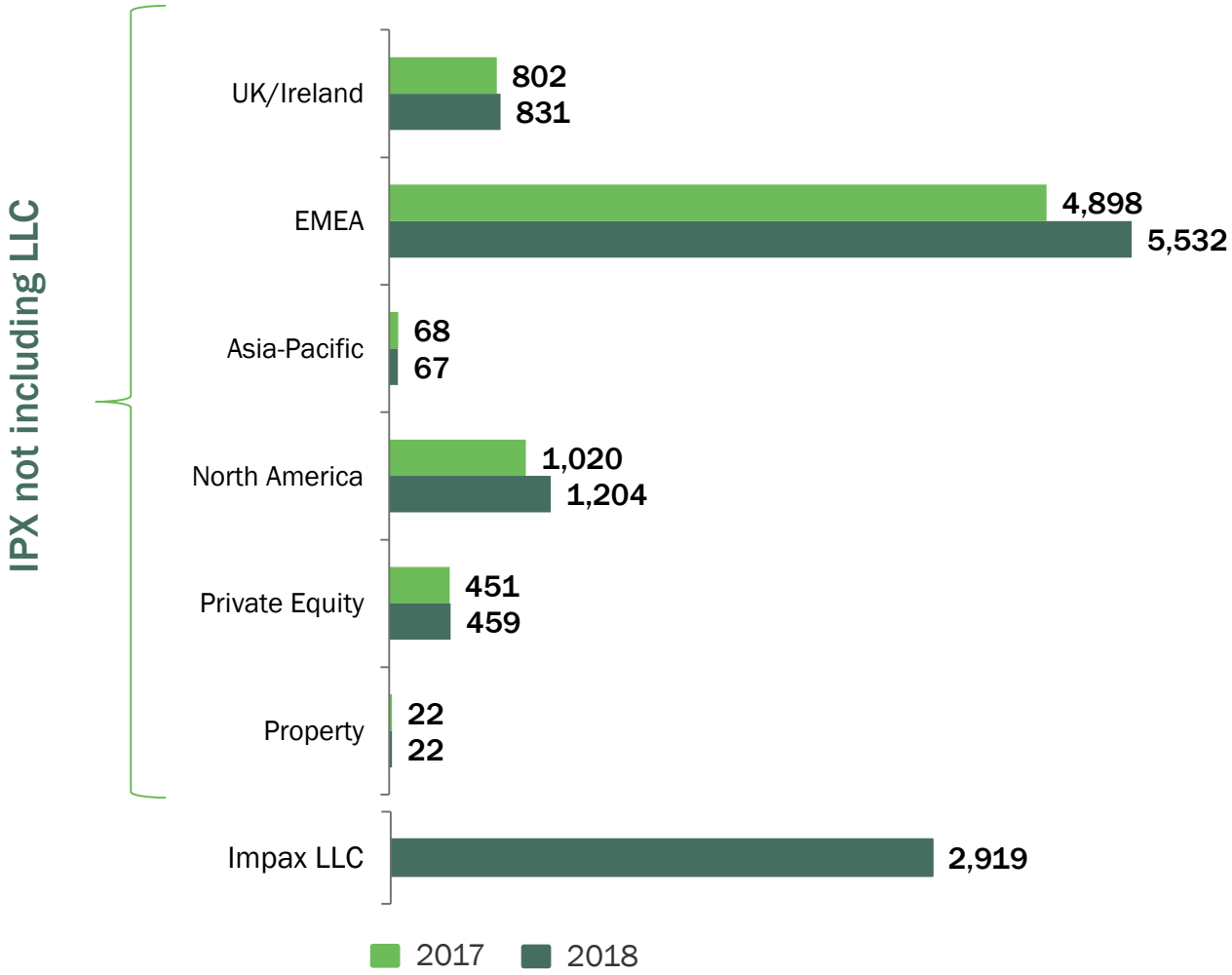
Acquisition of Pax World Management LLC

- On 18 January 2018 Impax completed the purchase of Pax World Management LLC (renamed Impax Asset Management LLC known as 'Impax LLC')[1]
- Initial implied value (100% of shares) of $52.5m with contingent value of up to $37.5m payable in 2021
- Impax purchased 83.3 per cent of Pax for $44.2m. $38.1m in cash and 2.7m Impax shares valued at $6.1m
- Remaining shares (16.7 per cent) owned by Management are valued at $8.3m and will convert to IPX shares through put/call options in early 2021 at the prevailing IPX share price
- These results refer to "IPX not including LLC" as shorthand for "The Company not including Impax LLC"
- Further details are provided in Appendix slide 32.

[1]Post acquisition, we describe the combined business as comprising Impax LLC and Impax Ltd.

AUM growth in Europe and North America

Breakdown by client domicile (£m)

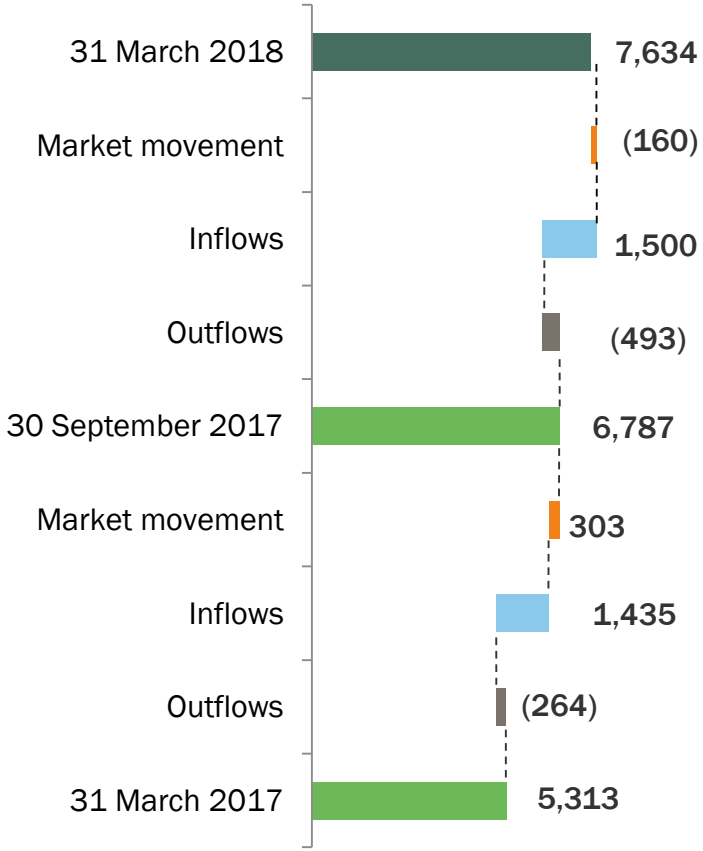


PRINCIPAL FUNDS/PARTNERS

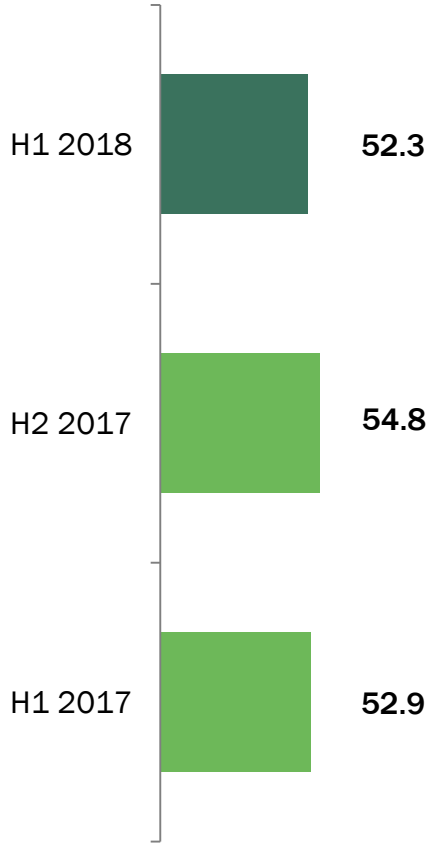
UK/Ireland	Impax Environmental Markets plc Irish UCITS Platform
EMEA	Absalon Capital ASN Bank BNP Paribas Asset Management
Asia-Pacific	BNP Paribas Investment Partners
North America	Delaware private fund Desjardins NEI Investments
Private Equity	Impax New Energy Investors Fund I Impax New Energy Investors Fund II Impax New Energy Investors Fund III
Property	Impax Climate Property Fund
Impax LLC	Pax World funds

Breakdown of AUM increase

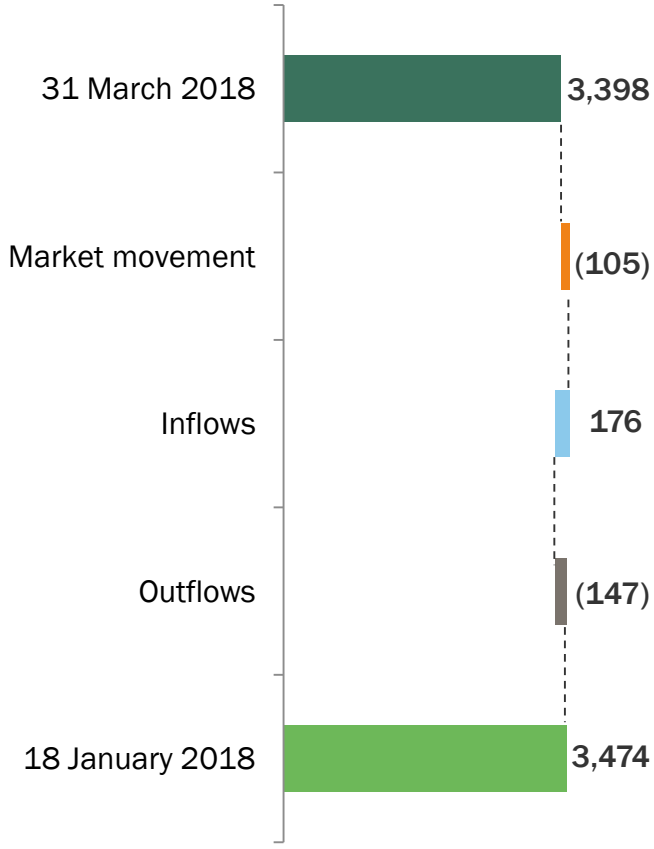
LONDON MANAGED (LISTED EQUITY) FUNDS (£m)



WEIGHTED AVERAGE REVENUE MARGIN[1] (bps)



IMPAX LLC: PAX WORLD FUNDS (£m)



- Impax LLC weighted average revenue margin 54.3 bps

[1]All Impax Ltd managed funds.

Integration of Impax Asset Management LLC

- Investment teams
  - Will not be integrated
  - Channels established to exchange ideas/best practice

- Client service and business development
  - Teams have collaborated since 2008
  - New CSBD Committee established to co-ordinate activity

- Support teams
  - Aiming for integration of all functions
  - Implementation progressing well

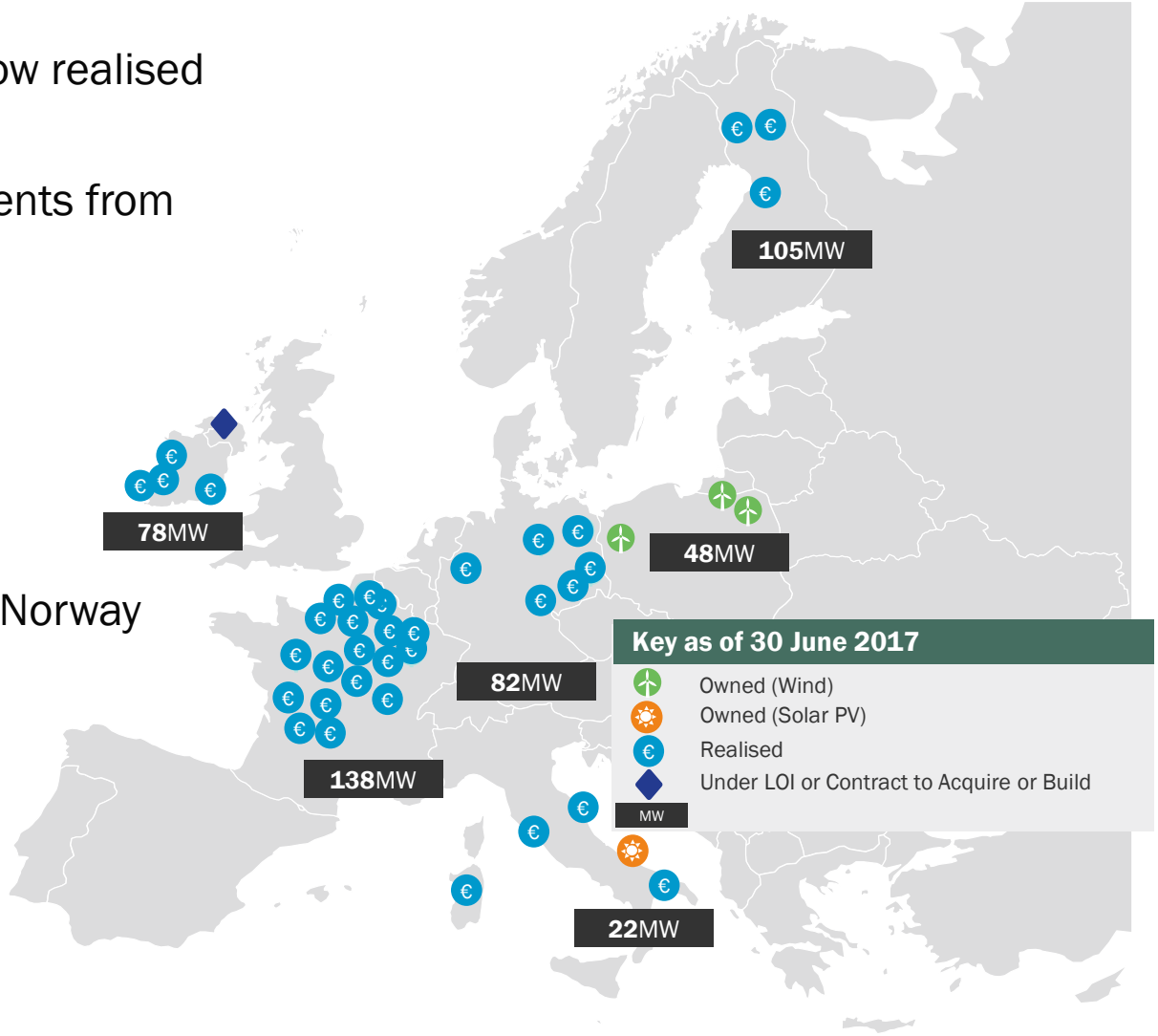
Private Equity Infrastructure

NEF II

- Over 95% of total value of portfolio now realised
- Excellent performance track record
- Impax has reserved £3.2m net payments from carried interest

NEF III

- Final close on 31 May 2018
- Capital commitments of €357m
- Investments in France, Germany and Norway to date



Map relates to NEF II.

H1 2018 financial update

Adjusted IFRS performance measures

As a result of the acquisition, certain financial performance measures have been prepared on an adjusted basis. “Adjusted” financial metrics are shown after removing the effects of primarily:

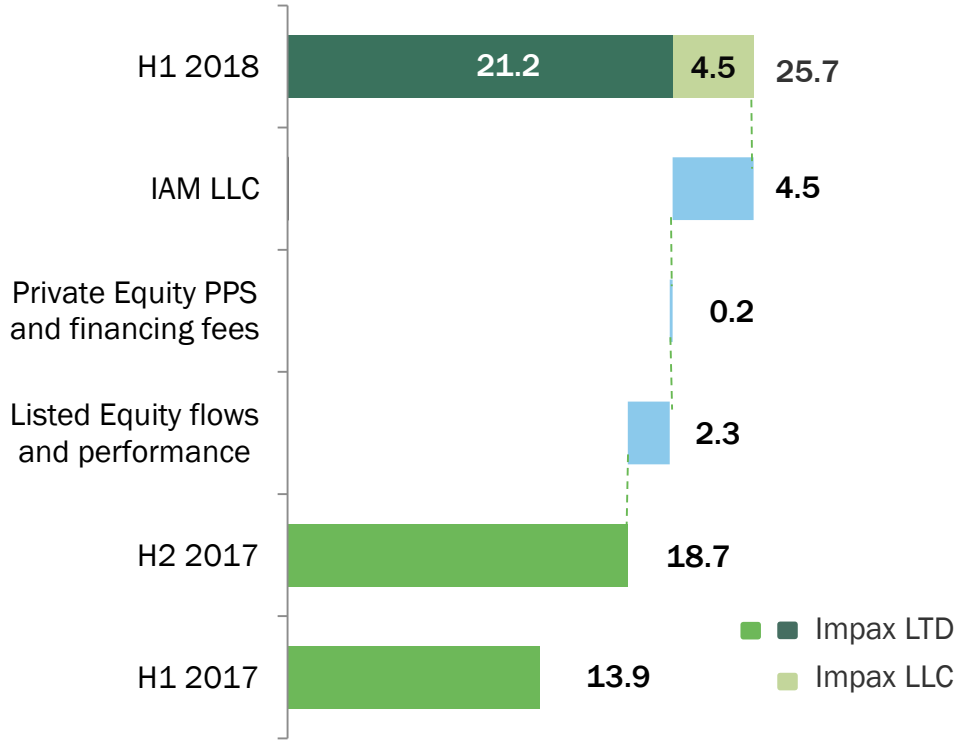
- Acquisition costs incurred as part of the transaction;
- Amortisation (over 11 years) of the intangible asset acquired (principally the investment management contracts); and
- Mark-to-market effects of national insurance on equity award schemes; these are offset by tax credits.

A reconciliation of the “IFRS” to “adjusted” performance measures is provided on slide 33.

Financial highlights

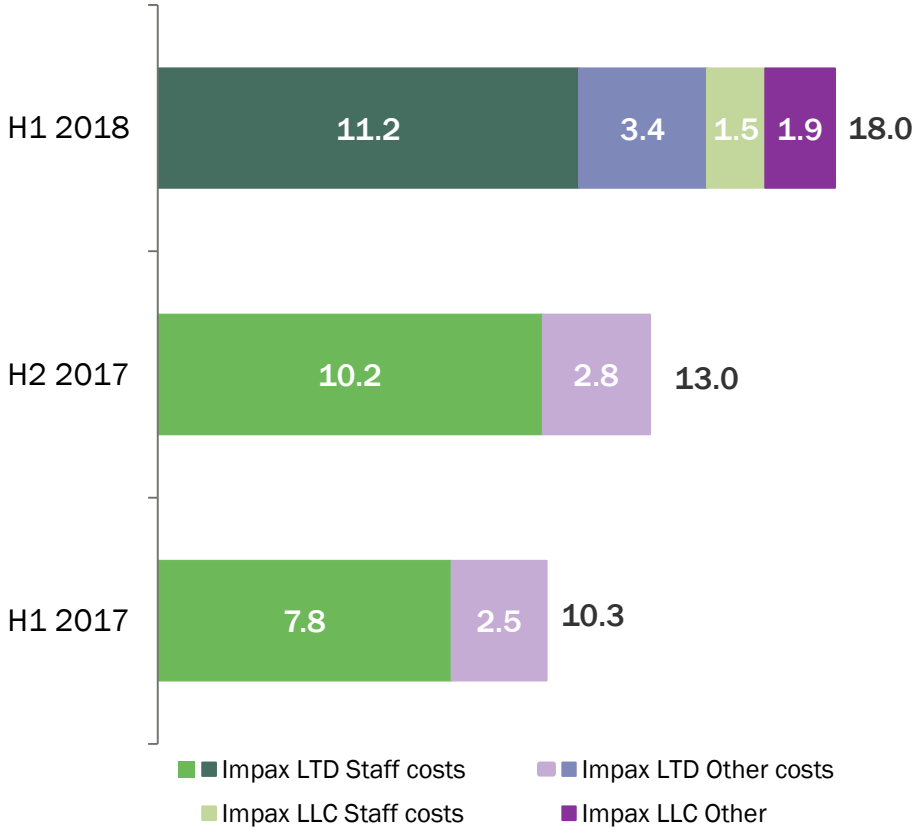
Operating performance

REVENUE (£m)



- Listed Equity: strong inflows
- Private Equity: third fund €329m commitments by 31 March 2018
- IAM LLC revenue from acquisition on 18 January 2018
- 31 March 2018 revenue run rate £63.1m per annum

OPERATING COSTS (adjusted[1]) (£m)



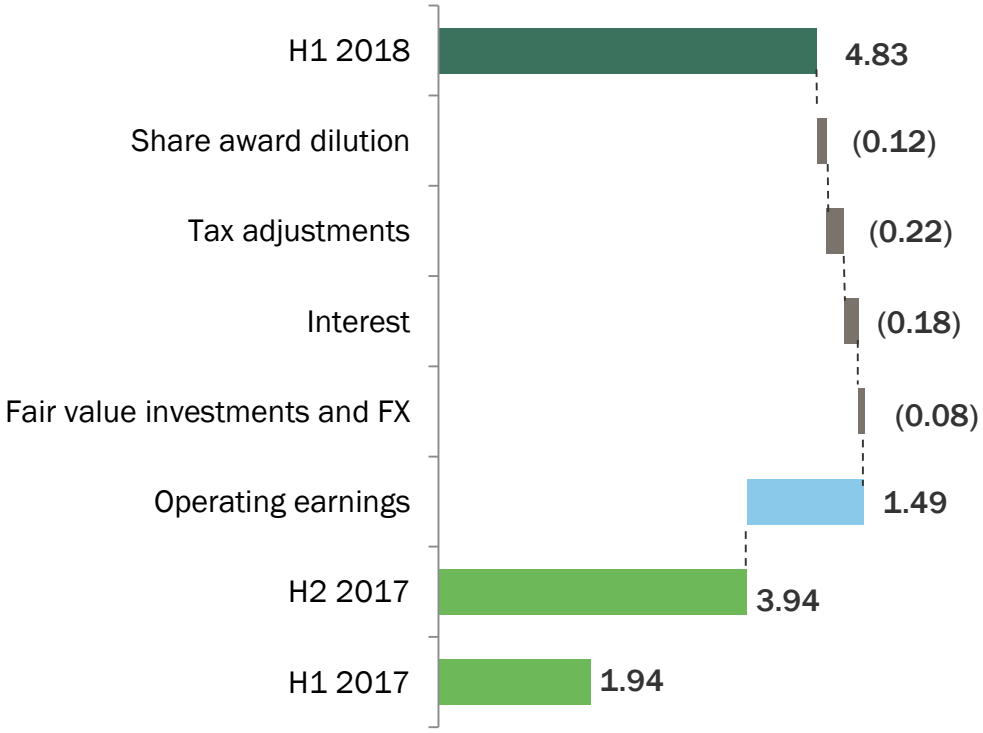
- 31 March 2018 adjusted run rate margin of 31.6% and 22.1% for Impax Ltd and Impax LLC respectively

[1]Adjusted as per slide 33.

Financial highlights (2)

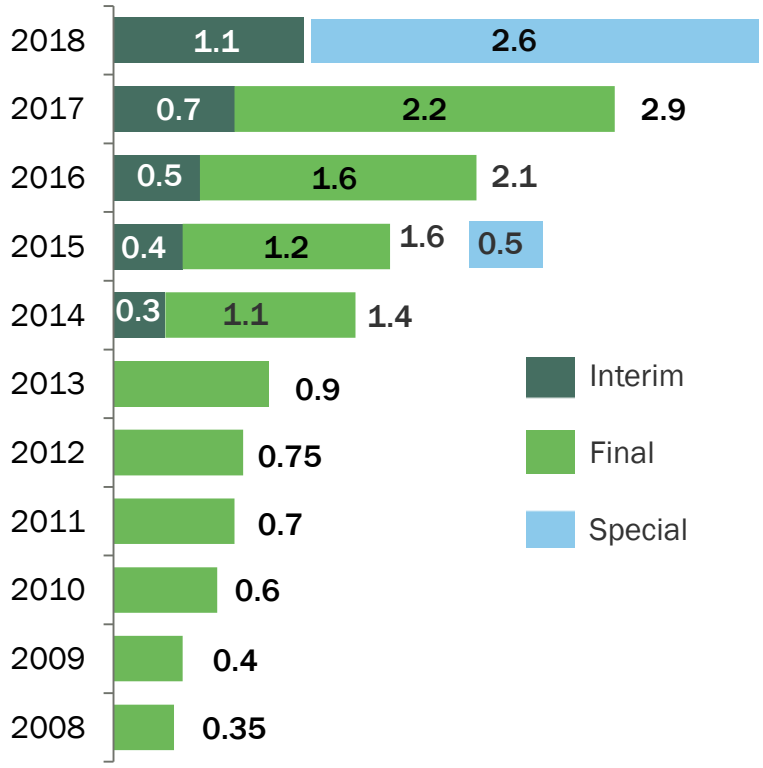
Earnings and dividends

ADJUSTED DILUTED EPS (p)



- 22% increase driven primarily by adjusted operating earnings

DIVIDEND (p)



- Continuation of progressive policy
- 57% increase in interim dividend
- Special dividend reflects revenue from carried interest of second private equity fund

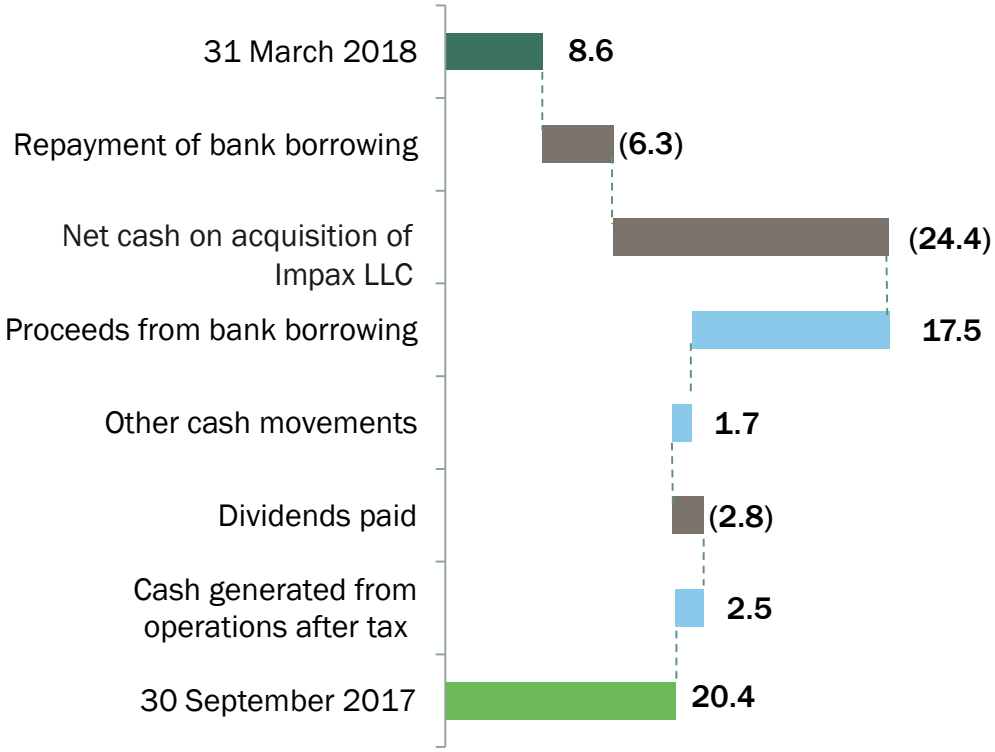
Financial highlights (3)

Balance sheet

SEGMENTAL BALANCE SHEET[1]

	Impax Ltd £'000	Impax LLC £'000	Consolidated £'000
Goodwill	13,347	-	13,347
Intangibles	24,776	-	24,776
Cash	8,397	194	8,591
Investments	8,316	-	8,316
Other assets	18,692	2,793	21,485
Total assets	**73,528**	**2,987**	**76,515**
Debt	11,161		11,161
Other liabilities	15,623	2,909	18,532
Total liabilities	**26,784**	**2,909**	**29,693**
Net assets	**46,744**	**78**	**46,822**

CASH MOVEMENTS[1] (£M)



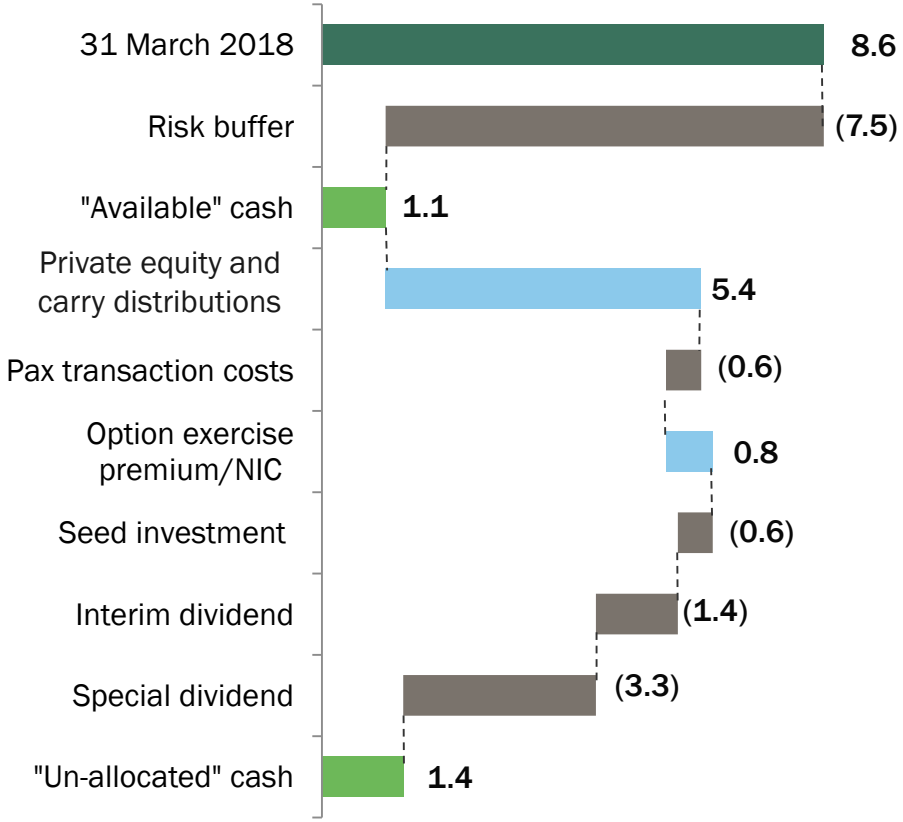
- Other cash movements includes £2.4m of options premiums received on exercises offset by cash spent on new London office

[1]Excluding third party interest on consolidated funds and cash held in RPAs.

Financial highlights (4)

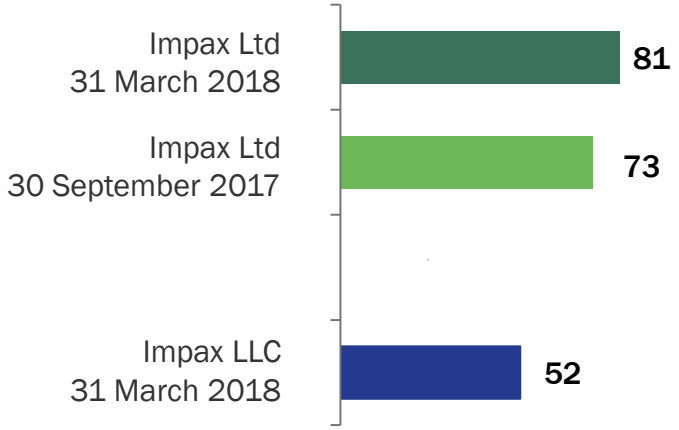
Cash and long-term trends

CASH RESERVE ANALYSIS (£M)

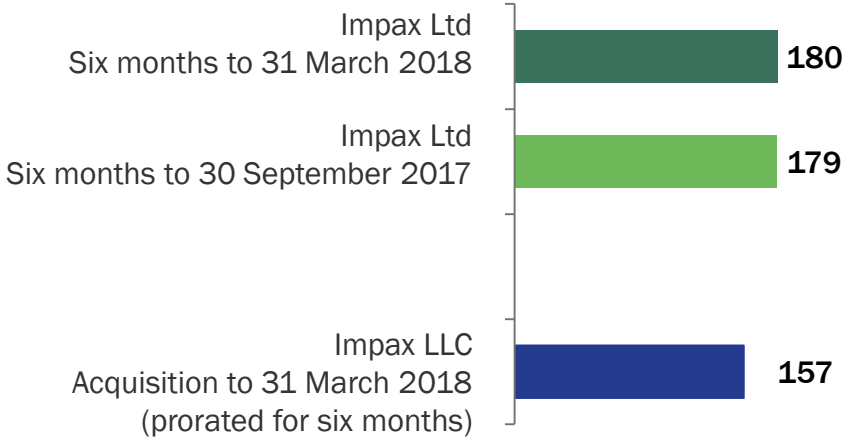


- "Un-allocated" cash held for share buy-backs, further seed investments, business development etc.

AVERAGE NUMBER OF EMPLOYEES



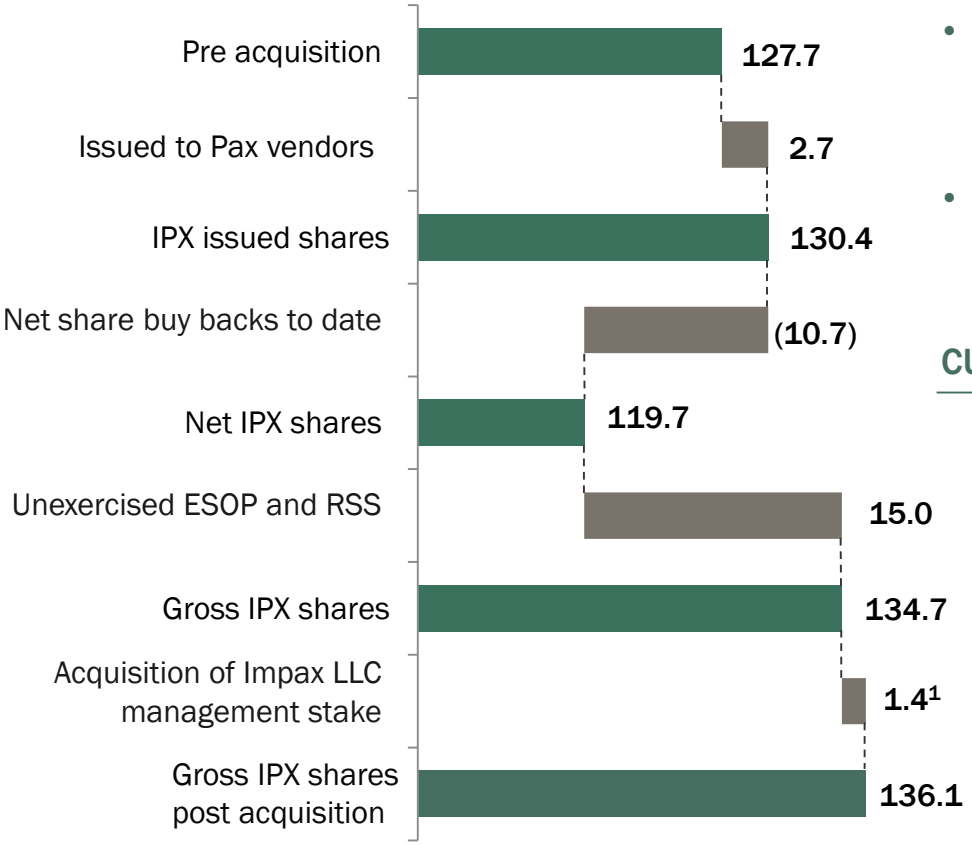
ADJUSTED OPERATING COSTS PER EMPLOYEE (£'000)



IPX shareholder register

Significant staff ownership

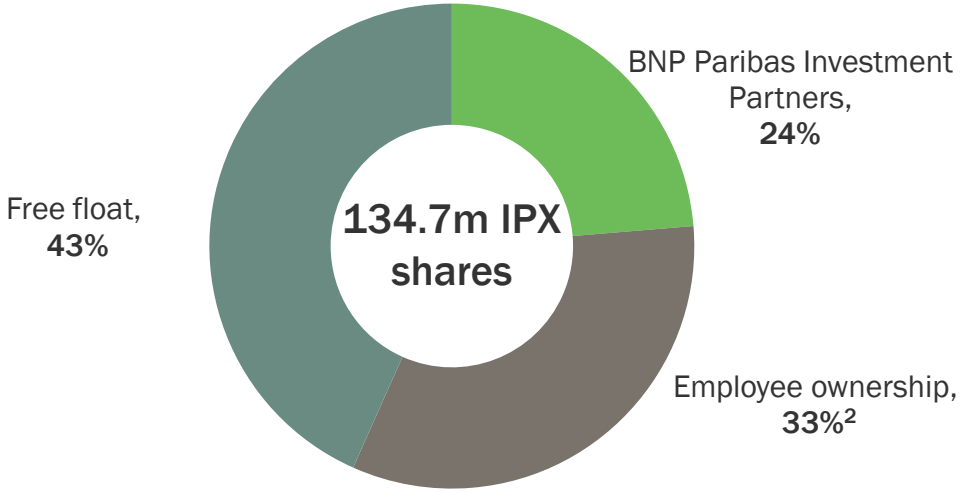
IPX SHARES (m)



POTENTIAL DILUTION (IN 2021)

- Management equity: 1.4m[1] shares would be issued to acquire the 16.7% of Impax LLC owned by management through put/call options.
- Potential addition on earnout: our current forecast of the earnout will add 0.9m shares through the put/call options and restricted stock units issued to management.

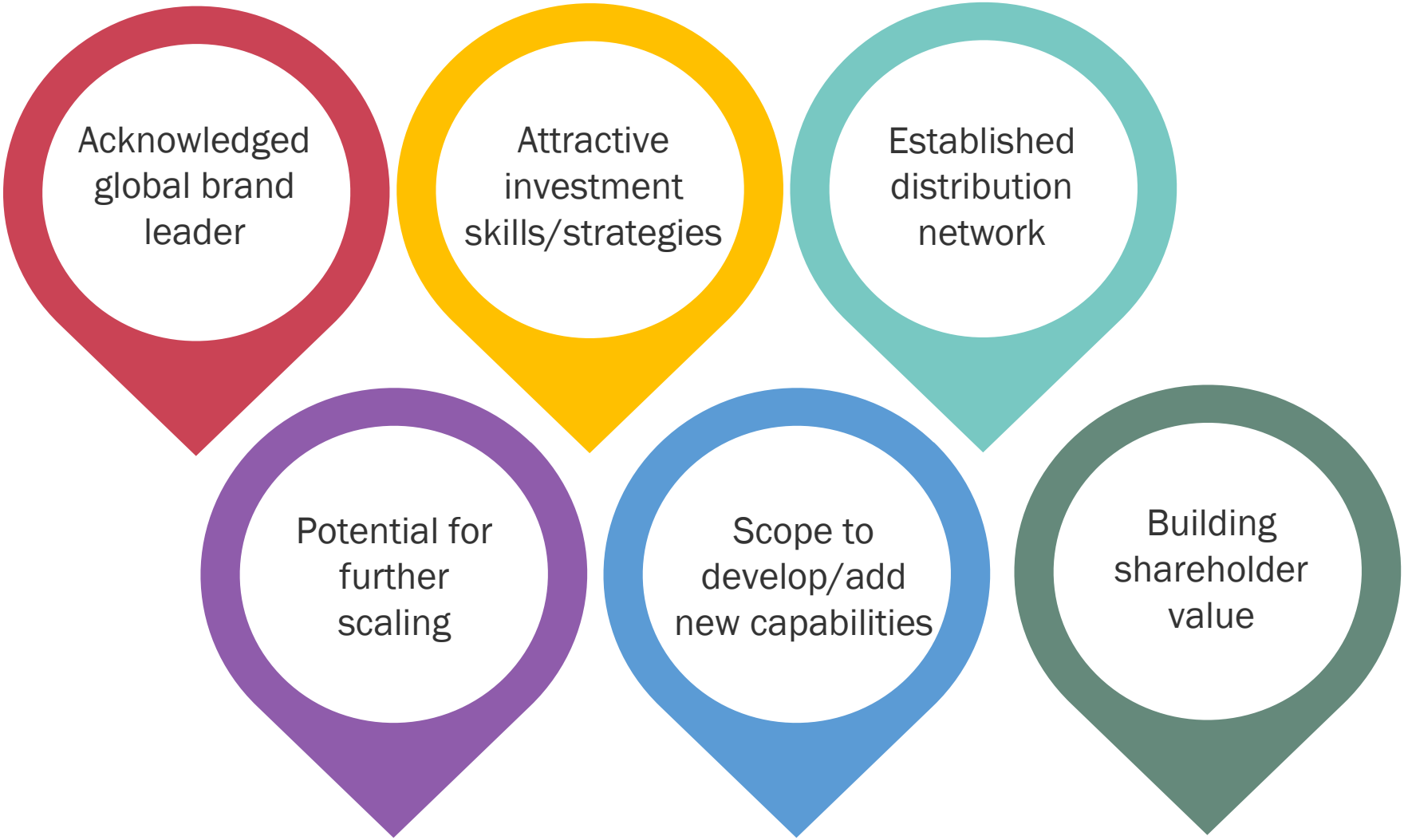
CURRENT OWNERSHIP



[1]Based on average IPX price for six months to 31 March 2018.[2]Includes vested shares within sub-funds of the Employee Benefit Trusts (EBTs) from which the individuals and their families may benefit and other shares held by EBTs in respect of vested LTIP option awards and other employee incentive schemes.

Milestones and prospects

Impax's strong position



Appendix

The transition to a more sustainable economy

FROM...

A depletive economic model

Financial returns by externalising social and environmental costs

Fragile business models

- TECHNOLOGY
- REGULATION
- CUSTOMER PREFERENCES
- SOCIAL FACTORS

TO...

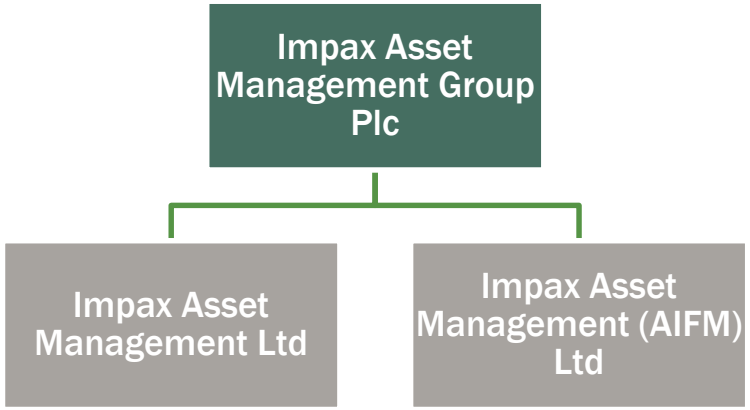
A sustainable economic model

Growth with improved societal and environmental outcomes

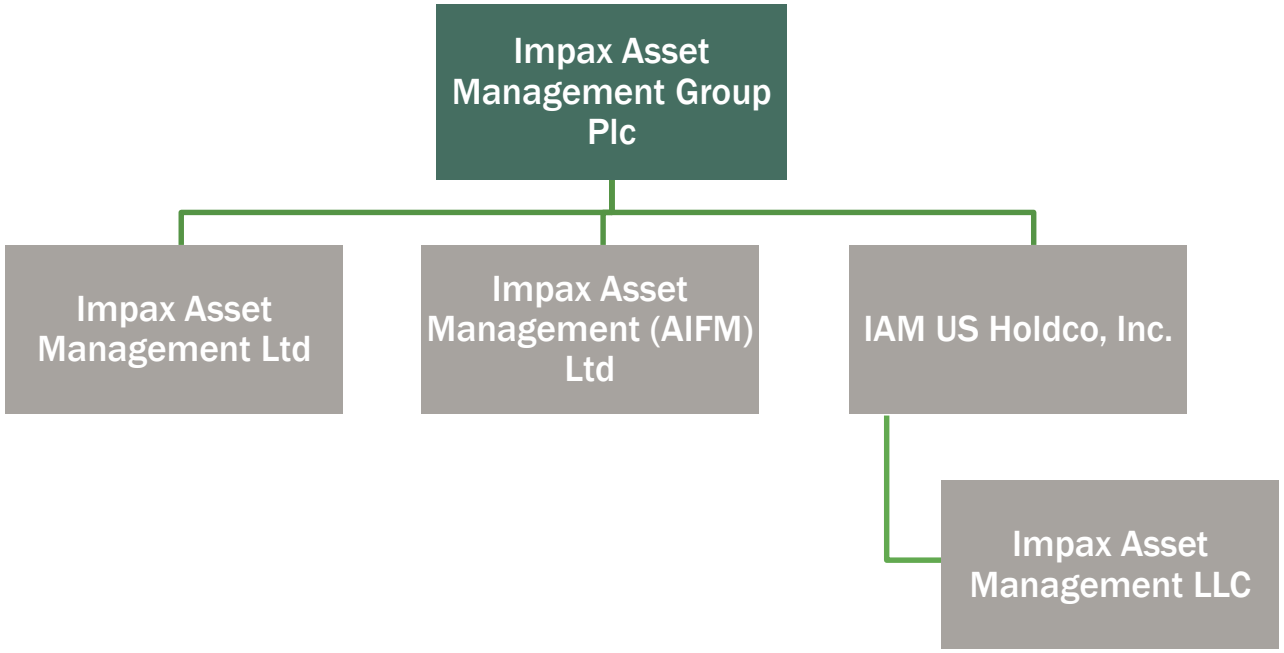
Durable business models which capture opportunities or avoid emerging risks

Impax Asset Management Group plc structure[1]

Pre–acquisition



Post closing of Pax acquisition



[1]Simplified.

Listed Strategies: strong performance record USD

Percentage increase to 31 March 2018

Strategies		1 year	3 years	5 years
MSCI ACWI	*Benchmark*	*14.8*	*26.4*	*55.3*
Specialists	Active	18.0	42.4	74.9
Leaders	Active	16.6	34.2	66.2
Asia-Pacific	Active	17.8	30.2	67.0
Water	Active	17.3	43.3	79.8
Food & Agriculture	Active	14.2	26.0	45.4
Global Opportunities	Active	26.7	37.5	-

Past performance of a strategy is no guarantee as to its performance in the future. The value of investments can fall as well as rise and you may get back less than you have invested. All data is in USD as of 31 March 2018. Composite figures are presented gross of management fees and include the reinvestment of all income. MSCI index is total net return (net dividend reinvested). (source: FactSet/WM Reuters). Impax Asset Management Limited and Impax Asset Management (AIFM) Limited claim compliance with the Global Investment Performance Standards (GIPS)®. Further information on composite data is available on request. Reference should be made to the Annual Disclosure Presentation which can be found at the back of this document.

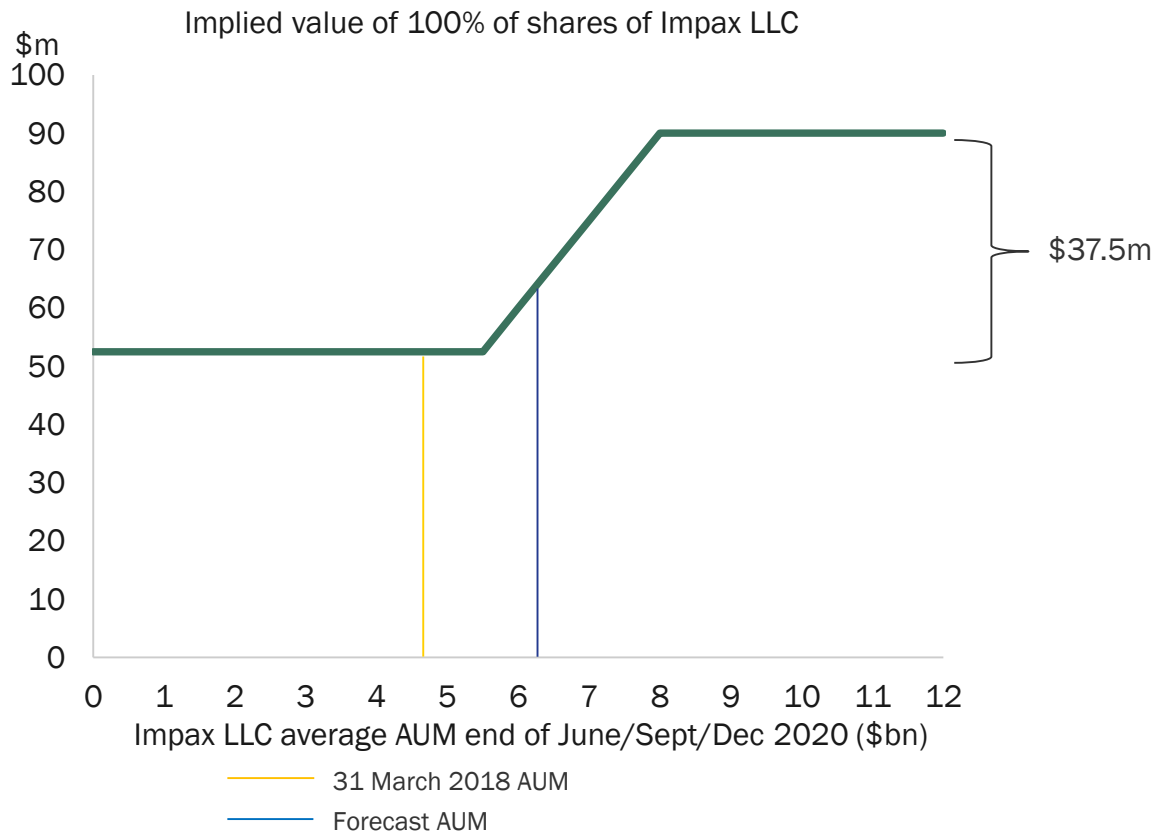
Acquisition transaction summary

On 18 January 2018 Impax completed the purchase of Pax World Management LLC (renamed Impax Asset Management LLC and known as 'Impax LLC')
- 83.3 per cent from majority shareholder and others
- 16.7 per cent from Pax Management in 2021 under put/call arrangements
- Initial implied value (100% of shares) of $52.5m with contingent value of up to $37.5m payable in 2021

CONSIDERATION

	£'000
Initial consideration	
Cash net of post closing adjustment	26,223
Equity (2.67m IPX shares)	5,225
Total	**31,448**
Contingent consideration and value of management scheme	
Estimated contingent consideration payable	4,202
Valuation of pre existing management equity scheme assigned to pre acquisition service	2,009
Total consideration	**37,659**
Fair value of net assets acquired (including intangibles)	(25,782)
Goodwill	11,876

CONTINGENT CONSIDERATION



Income analysis

	IFRS Six months ended March 2018	Adjusted for Six months ended March 2018	Adjusted for Six months ended March 2018	
Income statement	**£'000**	**£'000**	**£'000**	**Comments on adjustments**
Revenue	25,680	-	25,680	
Operating costs	(19,932)	1,980	(17,952)	Acquisition costs, amortisation of intangibles and mark to market national insurance on equity awards offset by tax credits
Operating earnings	5,748	1,980	7,728	
Operating margin	23%		30%	
Fair value (losses)/gains on investments and other financial (expense)/income	(126)	-	(126)	
Investment income	154	(105)	49	Revenue from legacy investment
Interest payable	(251)	-	(251)	
Non controlling interest	21	-	21	
Change in third-party consolidated funds	(30)	-	(30)	
Profit before taxation	**5,516**	**(105)**	**7,391**	
Taxation	(1,081)	(205)	(1,286)	Tax credit related to mark to market national insurance on equity awards
Profit for the period	**4,435**	**1, 670**	**6,105**	
Statement of comprehensive income				
Tax credit on long-term incentive schemes	530	(530)	-	Tax credit related to mark to market on equity awards
Sundry revaluation effects	79	-	79	
Total comprehensive income	**5,044**	**1,140**	**6,184**	

Additional information

SHARE AWARDS OUTSTANDING

Awards	Number outstanding	Vesting date	End of exercise period
2012 ESOP	850,000	Vested	31/12/2018
2013 ESOP	1,016,000	Vested	31/12/2019
2014 ESOP	2,454,000	Vested	31/12/2020
2015 ESOP	1,000,000	Vested	31/12/2020
2017 ESOP	1,300,000	31/12/2020	
2014 RSS	499,749	31/12/2017/18/19[1]	
2015 RSS	4,140,000	31/12/2018/19/20[1]	
2017 RSS (initial)	3,050,000	31/12/2019/20/21[1]	
2017 RSS (final)	675,000	31/12/2020/21/22[1]	
Total ESOP and RSS	14,984,749		
2010 LTIP	2,957,500[2]	Vested	31/12/2020

INVESTMENTS

Theme	Principal funds/investee	Investments (£m)	% of Fund AUM	Comments
Leaders	Impax Environmental Leaders	4.5	24%	
Global equities	Impax Global Equities Opportunities Fund	2.8	99%	
Private equity	Impax New Energy Investors LP	0.0	4%	Commitment: €3.8m, €0.2m outstanding
	Impax New Energy Investors II LP	0.6	1%	Commitment: €3.3m, €1.1m outstanding
	Impax New Energy Investors III LP	0.0	1%	Commitment: €4.0m, €4.0m outstanding
Legacy	Ensyn	0.4		
Total		**8.3**		

[1]Restricted shares vest in three equal tranches in each of the years. Their vesting is subject to continued service of the employee at the vesting date.[2]LTIP awards have been covered by shares issued. Share buy backs are used to cover the ESOP and RSS awards.

Specialists: annual disclosure presentation

March 2018 - USD

Year	Total Firm Assets (Millions)	Ending Market Value (Millions)	Number of Portfolios	Annual Gross Return	Annual Net Return	MSCI ACWI Annual Return	FTSE ET Annual Return	Asset Weighted StdDev*	3yr Annualized Std Dev**	MSCI ACWI 3yr Annualized Std Dev**	FTSE ET 3yr Annualized Std Dev**
2018 YTD	10,240.16	1,449.16	8	-1.14	-1.43	-0.96	-2.91	0.23	11.68	10.72	13.35
2017	9,977.17	2,115.70	9	26.89	25.47	23.97	31.56	0.98	11.62	10.36	13.22
2016	5,456.11	1,398.70	9	14.71	13.44	7.86	2.19	0.91	13.33	11.06	15.04
2015	3,879.17	1,098.62	7	0.41	-0.68	-2.36	-0.77	0.45	12.34	10.79	14.25
2014	3,522.26	1,101.22	6	-3.83	-4.83	4.16	-1.96	0.58	13.11	10.50	13.67
2013	3,231.36	1,202.01	6	35.97	34.62	22.80	44.58	1.52	16.20	13.94	18.48
2012	2,349.66	1,015.88	6	13.32	12.20	16.13	5.82	0.85	19.55	17.13	22.67
2011	2,224.45	1,071.13	6	-18.20	-19.00	-7.35	-27.92	0.48	23.91	20.59	27.65
2010	2,913.42	1,571.81	6	9.32	8.13	12.67	-5.20	0.57	30.07	24.49	36.33
2009	2,162.13	1,351.73	5	45.37	43.79	34.63	29.34	--	28.14	22.34	35.13
2008	1,199.84	919.32	4	-42.40	-42.97	-42.19	-54.54	--	25.72	17.97	33.89
2007	1,854.19	1,564.87	3	19.53	18.34	11.66	72.27	--	15.70	8.65	18.64
2006	760.61	612.82	3	39.97	38.58	20.95	36.47	--	15.92	8.12	18.02
2005	272.91	230.62	2	10.05	8.91	10.84	11.32	--	16.67	9.89	15.55
2004	116.71	73.29	1	26.53	25.28	15.23	13.79	--	--	--	--
2003	66.21	59.11	1	37.22	35.86	33.99	32.93	--	--	--	--
2002	48.90	43.86	1	-35.86	-36.39	-16.39	-35.22	--	--	--	--

Results shown for the year 2018 represent a partial performance from January 1, 2018 through March 31, 2018.
Results shown for the year 2002 represent partial period performance from March 1, 2002 through December 31, 2002.
* Information is not statistically meaningful as the composite contains a low number of accounts.
** The 3 years ex-post standard deviation is not shown for the composite and benchmarks if 36 rolling monthly returns are not available.
FTSE ET performance is a combination of FTSE ET100 and FTSE ET50 indices. FTSE ET100 data launched on January 2014, previous data represents FTSE ET50. FTSE ET50 launched January 2008, data has been back tested by FTSE.

The **Specialists Global Composite** contains long only accounts which invest in companies where a majority of the business activities are in the provision of services, infrastructure and technology in Environmental Markets, particularly those of alternative energy and energy efficiency, water treatment and pollution control, and waste technology and resource management and sustainable food, agriculture and forestry. For comparison purposes, the composite is measured against the MSCI All Country World Index and FTSE ET indices. FTSE ET performance is a combination of FTSE ET100 and FTSE ET50 indices. FTSE ET100 data launched on January 2014, previous data represents FTSE ET50. FTSE ET50 launched January 2008, data has been back tested by FTSE.

Impax Asset Management Limited and Impax Asset Management (AIFM) Limited claim compliance with Global Investment Performance Standards (GIPS®) and have prepared and presented this report in compliance with the GIPS standards. Impax Asset Management Limited and Impax Asset Management (AIFM) Limited have been independently verified for the periods March 1, 2002 through to December 31, 2017. The verification reports are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Impax Asset Management Limited and Impax Asset Management (AIFM) Limited are subsidiaries of Impax Asset Management Group plc ("IAM") which is a publicly traded investment management company registered in the United Kingdom, and is headquartered in London, UK. For GIPS purposes the firm includes discretionary and non-discretionary accounts but excludes accounts which have a mandate to invest entirely in private equity or property . The firm maintains a complete list and description of composites, which are available upon request.

The MSCI All Country World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. It covers 23 developed and 23 emerging market country indexes. The FTSE ET index is a combination of FTSE ET100 and FTSE ET50 indices; these two indices are part of the FTSE Environmental Technologies Index Series which comprise the 50 and 100 largest pure play environmental technology companies globally, by full market capitalisation. The indices are designed to measure the performance of companies that have a core business in the development and operation of environmental technologies. FTSE ET100 data launched on January 2014, previous data represents FTSE ET50. FTSE ET50 launched January 2008, data has been back tested by FTSE. FTSE ET Index has been added starting from March 2015 to match the official marketing material and because it better reflects the composite strategy. All indices are displayed in USD.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Withholding taxes may vary according to the investor's domicile. MSCI All Country World is presented net of foreign withholding taxes on dividends, interest income and capital gains while FTSE ET Indices performance is presented gross of foreign withholding taxes on dividends, interest income and capital gains. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using the highest fee of 1.1%. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Since June 2014 the highest annual management fee for the composite is 1.1%, previously the highest was 1.0% from January 2012 to May 2014. Previously the highest fee was 0.9863% from January 2011 to December 2011, 1.1% from January 2009 to December 2010, 1% from January 2006 to December 2008, 1.05% from January 2005 to December 2005 and prior to that the highest was 1%. Actual investment advisory fees incurred by portfolios may vary.

Trading may occur in local currency, but it is converted to base currency based on Bloomberg exchange rates as of 6pm Greenwich Mean Time each day, therefore performance is affected by currency translation. Since October 2010 base currency is converted using WM Reuters exchange rates as of 4pm Greenwich Mean Time.

The Specialists Global Composite was created March 31, 2015.

MSCI AC World Index performance presented is net of withholding taxes while FTSE ET performance is gross of withholding taxes given the unavailability of net of withholding taxes returns by FTSE.

It is not part of the IAM investment philosophy to invest in leverage or derivatives. However the IEM account can borrow up to 20% of its assets for investment purposes

Leaders: annual disclosure presentation

March 2018 - USD

Year	Total Firm Assets (millions)	Ending Market Value (Millions)	Number of Accounts	Annual Gross Return	Annual Net Return	MSCI ACWI Annual Return	FTSE EO All-Share Total Return	Asset Weighted StdDev*	3yr Annualized Std Dev**	MSCI ACWI 3yr Annualized Std Dev**	FTSE EO All-Share 3yr Annualized Std Dev**
2018 YTD	10,240.16	2,191.37	8	-2.91	-3.13	-0.96	-1.44	0.40	11.99	10.72	12.09
2017	9,977.17	2,101.54	8	28.16	27.09	23.97	31.02	0.39	11.86	10.36	11.54
2016	5,456.11	1,039.42	6	11.89	11.03	7.86	11.68	--	12.85	11.06	12.19
2015	3,879.17	746.22	4	-1.06	-1.60	-2.36	-1.92	--	11.97	10.79	11.86
2014	3,522.26	639.57	4	-2.03	-2.56	4.16	0.14	--	12.20	10.50	11.77
2013	3,231.36	538.39	4	33.09	32.36	22.80	31.92	--	16.29	13.94	16.71
2012	2,349.66	335.13	4	21.70	21.03	16.13	16.65	--	19.45	17.13	20.25
2011	2,224.45	254.25	5	-12.65	-13.13	-7.35	-13.55	--	22.01	20.59	23.48
2010	2,913.42	179.50	4	11.63	9.98	12.67	18.18	--	--	--	--
2009	2,162.13	160.66	4	36.66	34.64	34.63	38.23	--	--	--	--
2008*	1,199.84	83.54	3	-34.98	-35.78	-37.22	-37.69	--	--	--	--

Results shown for the year 2018 represent a partial performance from January 1, 2018 through March 31, 2018.
Results shown for the year 2008 represent partial period performance from March 1, 2008 through December 31, 2008.
* Information is not statistically meaningful as the composite contains a low number of accounts.
** The 3 years ex-post standard deviation is not shown for the composite and benchmarks if 36 rolling monthly returns are not available.

The **Leaders Composite** contains long only accounts which invest in companies that provide services, infrastructure and technology in Environmental Markets, particularly those of alternative energy and energy efficiency, water treatment and pollution control, and waste technology and resource management and sustainable food, agriculture and forestry. These accounts contain Leaders companies with leading environmental divisions, in addition to pure play companies that have a majority of their business activities in Environmental Markets. For comparison purposes, the composite is measured against the MSCI All Country World Index and FTSE Environmental Opportunities All-Share indices.

Impax Asset Management Limited and Impax Asset Management (AIFM) Limited claim compliance with Global Investment Performance Standards (GIPS®) and have prepared and presented this report in compliance with the GIPS standards. Impax Asset Management Limited and Impax Asset Management (AIFM) Limited have been independently verified for the periods March 1, 2002 through to December 31, 2017.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Leaders composite has been examined for the periods March 1, 2008 through to December 31, 2017. The verification and performance examination reports are available upon request.

Impax Asset Management Limited and Impax Asset Management (AIFM) Limited are subsidiaries of Impax Asset Management Group plc ("IAM") which is a publicly traded investment management company registered in the United Kingdom, and is headquartered in London, UK. For GIPS purposes the firm includes discretionary and non-discretionary accounts but excludes accounts which have a mandate to invest entirely in private equity or property . The firm maintains a complete list and description of composites, which are available upon request.

The MSCI All Country World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. It covers 23 developed and 23 emerging market country indexes. FTSE Environmental Opportunities All-Share Index includes global companies for which at least 20% of their business comes from Environmental Markets and technologies. All indices are displayed in USD.

Effective from June 2014 the MSCI All Country World index was added as a new benchmark to better reflect the investment objectives of the composite.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Withholding taxes may vary according to the investor's domicile. MSCI All Country World performance is presented net of foreign withholding taxes on dividends, interest income and capital gains while FTSE Environmental Opportunities All-Share performance is presented gross of foreign withholding taxes on dividends, interest income and capital gains. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance, results are affected by currency translation. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using the highest fee of 0.80%. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Since February 2016 the highest annual management fee for the composite is 0.80% prior to that was 0.55% from January 2011 to January 2016, prior to that the highest was 1.5%. Actual investment advisory fees incurred by portfolios may vary.

Trading may occur in local currency, but it is converted to base currency based on Bloomberg exchange rates as of 6pm Greenwich Mean Time each day, therefore performance is affected by currency translation. Since October 2010 base currency is converted using WM Reuters exchange rates as of 4pm Greenwich Mean Time.

The Composite name changed from The Environmental Long Only All Cap Composite to The Environmental Leaders Composite in January 2010.

As of 31 March 2013, the Environmental Leaders Composite has been renamed the Leaders Composite.

The Leaders Composite was created October 1, 2008.

Prior to March 2015 the composite was also measured against MSCI World Index. The index was removed to match the official marketing material and to simplify the GIPS complaint presentation.

Starting March 2015 the MSCI AC World Index performance presented was changed from gross of withholding taxes to net of withholding taxes while FTSE Environmental Opportunities All Share Index performance is gross of withholding taxes given the unavailability of net of withholding taxes returns by FTSE. The amendment was applied retroactively to more accurately reflect the composite performance.

Water: annual disclosure presentation

March 2018 - USD

Year	Total Firm Assets (Millions)	Ending Market Value (Millions)	Number of Portfolios	Annual Gross Return	Annual Net Return	MSCI ACWI Annual Return	FTSE EO Water Technology Annual Return	Asset Weighted StdDev*	3yr Annualized Std Dev**	MSCI ACWI 3yr Annualized Std Dev**	FTSE EO Water Technology 3yr Annualized Std Dev**
2018 YTD	10,240.16	3,585.47	3	-1.62	-1.76	-0.96	-2.23	--	10.69	10.72	10.37
2017	9,977.17	3,464.57	3	29.82	29.32	23.97	27.16	--	10.63	10.36	10.07
2016	5,456.11	1,722.83	2	11.20	10.81	7.86	8.09	--	12.24	11.06	11.19
2015	3,879.17	1,288.46	2	3.21	2.34	-2.36	3.43	--	11.84	10.79	11.00
2014	3,522.26	1,066.63	2	3.03	1.97	4.16	7.43	--	12.10	10.50	11.01
2013	3,231.36	706.40	1	29.46	29.01	22.80	31.53	--	14.25	13.94	14.65
2012	2,349.66	136.95	1	25.25	24.81	16.13	19.27	--	17.72	17.13	18.16
2011	2,224.45	75.23	1	-9.64	-10.09	-7.35	-10.29	--	20.20	20.59	21.66
2010	2,913.42	62.31	1	16.66	16.08	12.67	18.40	--	--	--	--
2009	2,162.13	30.01	1	40.26	39.56	34.63	35.19	--	--	--	--

Results shown for the year 2018 represent a partial performance from January 1, 2018 through March 31, 2018.
* Information is not statistically meaningful as the composite contains a low number of accounts.
** The 3 years ex-post standard deviation is not shown for the composite and benchmarks if 36 rolling monthly returns are not available

The **Water Composite** contains long only accounts which invest in companies that provide services, infrastructure and technology in the water-related sectors of Environmental Markets. For comparison purposes, the composite is measured against the MSCI All Country World Index and the FTSE EO Water Technology Index.

Impax Asset Management Limited and Impax Asset Management (AIFM) Limited claim compliance with Global Investment Performance Standards (GIPS®) and have prepared and presented this report in compliance with the GIPS standards. Impax Asset Management Limited and Impax Asset Management (AIFM) Limited have been independently verified for the periods March 1, 2002 through to December 31, 2017. A copy of the verification reports are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS. Verification does not ensure the accuracy of any specific composite presentation.

Impax Asset Management Limited and Impax Asset Management (AIFM) Limited are subsidiaries of Impax Asset Management Group plc ("IAM") which is a publicly traded investment management company registered in the United Kingdom, and is headquartered in London, UK. For GIPS purposes the firm includes discretionary and non-discretionary accounts but excludes accounts which have a mandate to invest entirely in private equity or property . The firm maintains a complete list and description of composites, which are available upon request.

The MSCI All Country World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. It covers 23 developed and 23 emerging market country indexes. The FTSE EO Water Technology Index covers companies that provide or operate technologies, infrastructure and services for the supply, management and treatment of water for industrial, residential, utility and agricultural users. The FTSE EO Water Technology Index has been added starting from March 2015 to match the official marketing material and because it better reflects the composite strategy. All indices are displayed in USD.

Effective from June 2014 the MSCI All Country World index was added as a new benchmark to better reflect the investment objectives of the composite.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Withholding taxes may vary according to the investor's domicile. MSCI All Country World performance is presented net of foreign withholding taxes on dividends, interest income and capital gains while FTSE EO Water Technology performance is presented net of foreign withholding taxes on dividends, interest income and capital gain. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance, results are affected by currency translation. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using the highest fee of 0.35% until January 31, 2014, 1.10% from February 28, 2014 to August 31, 2015 following the introduction of the Impax Fundamental Long Only Water Fund in the composite, 0.35% from September 30, 2015 to October 30, 2017 following the removal of the Impax Fundamental Long Only Water Fund and the introduction of the Parvest Aqua Fund in the composite a month before, and 0.57% from November 01, 2017 following the introduction of the Afdeling Tryghedsgruppen Fund. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Trading may occur in local currency, but it is converted to base currency based on Bloomberg exchange rates as of 6pm Greenwich Mean Time each day, therefore performance is affected by currency translation. Since October 2010 base currency is converted using WM Reuters exchange rates as of 4pm Greenwich Mean Time.

The Composite name changed from The Environmental Long Only Water Composite to The Water Composite in January 2010.

The Water Composite was created January 1, 2009.

Prior to March 2015 the composite was also measured against MSCI World Index. The indices were removed to match the official marketing material and to simplify the GIPS compliant presentation.

Starting March 2015 the MSCI AC World Index performance presented was changed from gross of withholding taxes to net of withholding taxes while FTSE EO Water Technology Index performance is gross of withholding taxes given the unavailability of net of withholding taxes returns by FTSE. The amendment was applied retroactively to more accurately reflect the composite performance.

Important information

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