

Impax US Sustainable Economy Fund

Quarterly Commentary
All data as of 3/31/2024

Performance

- In the first quarter, the Impax US Sustainable Economy Fund outperformed the Russell 1000 Index. The portfolio's outperformance is attributable to positive stock selection, while sector positioning provided some negative offset.

Market review

- Equities benefitted from a backdrop of resilient economic data, a good Q4 2023 earnings season, and expectations for rate cuts later this year. Market leadership shifted slightly over the period, with

Communication Services leading alongside more cyclical sectors such as Energy and Materials, which were buoyed by higher oil and rising bond yields. Interest in the artificial intelligence theme remains evident, which drove semiconductor stocks, including Nvidia, higher. However, performance among the Magnificent Seven varied, and market breadth has widened. While there is uncertainty over the timing, it is expected the Federal Reserve will cut interest rates several times in 2024. Nonetheless, persistent inflation has resulted in bond yields rising, which has put pressure on bond market returns.

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Performance								as of 3/31/2024
	1m	Qtr	YTD	1y	3y	5y	10y	Incep ¹
Investor Class	3.53	10.70	10.70	27.53	10.88	13.76	11.40	6.95
Class A	3.55	10.71	10.71	27.57	10.91	13.46	11.40	6.59
Institutional Class	3.57	10.79	10.79	27.87	11.17	13.75	11.67	9.53
Russell 1000 Index ²	3.20	10.30	10.30	29.86	10.45	14.75	12.68	-

Performance after sales charge								as of 3/31/2024
	1m	Qtr	YTD	1y	3y	5y	10y	Incep ¹
Class A (Load)	-2.13	4.64	4.64	20.55	8.84	12.19	10.77	6.37

Performance data quoted represent past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For most recent month-end performance information, visit www.impaxam.com.

Figures include reinvested dividends, capital gains distributions, and changes in principal value.

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

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

The performance information shown for Institutional Class shares represents the performance of the Investor Class shares for the period prior to Institutional Class inception (April 2, 2007). Expenses have not been adjusted to reflect the expenses allocable to Institutional Class shares. If such expenses were reflected, the returns would be higher than those shown. Institutional Class shares average annual return since April 2, 2007, is 9.70% (annualized).

The performance information shown for Class A represents the performance of the Investor Class shares for the period prior to Class A inception. Expenses have not been adjusted to reflect the expenses allocable to Class A shares. Class A inception date return since May 1, 2013, is 12.52% (annualized). A 1.00% CDSC (contingent deferred sales charge) may be charged on any shares sold within 18 months of purchase over \$1 million. POP (public offering price) reflects the maximum sales load for the Fund's Class A Shares of 5.50%.

Market review, continued

- The Q4 2023 earnings season proved to be better than expected, with positive surprises outweighing negative surprises. There were also further signs of inventory destocking and strong pricing power in various pockets of the Industrials complex. Earnings growth guidance for the year ahead remains mixed, with political uncertainty, trade friction, tariffs, and a tight labor market weighing on corporate sentiment.

Contributors

- **Nvidia (Information Technology)** jumped after the chipmaker posted a double digit increase in Q4 revenue from the year before.
- **Eli Lilly (Health Care)** rallied after the US drugmaker reported stronger-than-expected Q4 earnings, driven by sales of its weight loss and diabetes treatments.
- **Kroger (Consumer Staples)** climbed after the supermarket operator posted Q4 profit that topped market expectations.

Detractors

- **Zoetis (Health Care)** declined after the veterinary drugmaker posted modest quarterly results and issued an underwhelming full-year profit forecast.
- **American Water Works Co (Utilities)** underperformed during the period, driven by higher treasury yields and regulatory uncertainty.
- **Avis Budget (Consumer Discretionary)** tumbled after the car rental agency reported a decline in fourth quarter earnings and revenue from the year before.

Sustainability tools

- The portfolio's Sustainability Lens profile added to performance in the quarter. The portfolio's structural overweight to High Opportunity stock was a key contributor as this group outperformed the market. The portfolio saw notable strength from active exposures to Semiconductors and Food Retail subsectors. The portfolio's avoidance of High Risk / Low Opportunity sub-industries was a modest contributor, as those stocks trailed the market in the period. The portfolio's energy efficiency exposure was moderately unfavorable.

GICS sector attribution³

- Sector positioning is an outcome of the portfolio construction process rather than an active portfolio decision. During the quarter, positioning within Consumer Discretionary, Information Technology, , and Consumer Staples contributed positively to returns. Conversely, the portfolio's relative overweight to Real Estate and underweight to outperforming sectors like Communication Services and Energy proved costly and ultimately led to a negative allocation effect for the period.

Fund overview

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

Portfolio management team

Scott LaBreche, Portfolio Manager
Christine Cappabianca, Portfolio Manager

Portfolio characteristics

as of 3/31/2024

Market cap (weighted avg.)^f

Fund	Benchmark
\$557,763mn	\$736,768mn

Forward price earnings[~]

Fund	Benchmark
20.65	20.80

ROE^o

Fund	Benchmark
26.66%	25.68%

Beta^o

Fund	Benchmark
0.99	1.00

Number of securities

Fund	Benchmark
145	1,004

Definitions

- ^f Weighted Average is an average in which each quantity to be averaged is assigned a weight. These weightings determine the relative importance of each quantity on the average.
- [~] Forward Price-Earnings Ratio or P/E FY1 ratio is a ratio for valuing a company that measures its current share price relative to its per-share earnings over the next 12 months.
- ^o Return on Equity: The amount of net income returned as a percentage of shareholders' equity. Return on equity measures a corporations' profitability by revealing how much profit a company generates with the money shareholders have invested.
- ^o A historical Beta is used for Funds with greater than 3 years of performance history under the same mandate. Three-year Beta is used. Beta reflects the sensitivity of a Fund's return to fluctuations in its benchmark; a beta for a benchmark is 1.00; a beta greater than 1.00 indicates above-average volatility and risk.

Top 10 holdings as of 3/31/2024

Microsoft Corp. 6.1%, NVIDIA Corp. 5.3%, Apple, Inc. 4.9%, Eli Lilly & Co. 2.7%, MasterCard, Inc., Class A 2.3%, Johnson & Johnson 1.8%, Verizon Communications, Inc. 1.8%, Merck & Co., Inc. 1.7%, Ecolab, Inc. 1.6% and QUALCOMM, Inc. 1.6%. Holdings are subject to change.

Disclosures

- 2 The Russell 1000 Index measures the performance of the 1,000 largest US companies, as measured by market capitalization. It is a subset of the Russell 3000 Index, which measures the largest 3,000 companies. The Russell 1000 Index is comprised of over 90% of the total market capitalization of all listed US stocks.
- 3 The Global Industry Classification Standard (GICS) is a widely recognized industry standard for assigning a public company to the economic sector and industry group that best defines its business. It was developed jointly by MSCI and Standard & Poor's and is used by the MSCI indexes.

One cannot invest directly in an index.

RISK: Equity investments are subject to market fluctuations, the fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. 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 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.

Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

The statements and opinions expressed are those of the author as of the date of this report. All information is historical and not indicative of future results and subject to change. This information is not a recommendation to buy or sell any security. Past performance does not guarantee future results. An investment in Impax Funds involves risk, including loss of principal.

IMPAX Asset Management

Impax Asset Management
30 Penhallow Street, Suite 100
Portsmouth, NH 03801
800.372.7827

impaxfunds@impaxam.com
www.impaxam.com

You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. For this and other important information, please obtain a fund prospectus by calling 800.767.1729 or visiting www.impaxam.com. Please read it carefully before investing.

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