IMPAX ASSET MANAGEMENT

Impax US Sustainable Economy Fund

Quarterly Commentary

All data as of 03/31/2025

Performance

- The Impax US Sustainable Economy Fund underperformed the Russell 1000 benchmark in the first quarter. The portfolio's underperformance was attributable to negative stock selection and lack of energy exposure as energy stocks rallied in the period.
- Stock selection was weakest in Industrials during the period, amid a combination of tariffs, second derivative broad market demand risk, and AI related profit taking. The portfolio's tilts towards HVAC (Heating Ventilation & Air Conditioning) and Electrical Component companies, which are exposed to all of these at varying degrees, saw the largest impact in the period. Offsetting some of this was positive selection in Financials where the portfolio's preference for insurers and best in class payment processors was rewarded.
- The portfolio's use of the Impax sustainability tools was a headwind in the period. All three of the portfolio's key tools contributed negatively in the quarter with the Systematic ESG score and the Energy Efficiency exposure having similarly negative impacts, and the industry tilts derived from Sustainability Lens detracted more than the other tools.

Market overview

- US Large Cap equities, as measured by the Russell 1000, declined in Q1 after early strength turned negative as uncertainty surrounding US tariffs dominated sentiment and news flow. The continued broadening of markets drove a change in sector-level leadership with technology stocks lagging all sectors during the period. Incoming US President Donald Trump's spooked markets with threats, retractions and the eventual implementation of tariffs on key trading partners. Amid the uncertainty, the US Federal Reserve held interest rates in both February and March and projected slower growth and higher core inflation by year end.
- From a sector perspective, Energy was at the forefront of index returns as oil prices rallied. Utilities and other defensive sectors also showed relative strength during the period. The pullback in technology continued as the sector delivered the weakest returns of the quarter followed by Consumer Discretionary stocks.
- Looking beyond the short-term volatility triggered by Trump's tariffs, we believe growth remains on track to improve in 2026. As long-term investors, we aim to manage portfolios through this challenging period with near-term caution and optimism for the longer term.

Performance (%)	Total return			Average annual return				
	1M	3M	YTD	1Y	3Y	5Y	10Y	SI[1]
Insitutional Class	-6.24	-5.70	-5.70	2.72	7.34	16.72	10.63	9.00
Investor Class	-6.27	-5.79	-5.79	2.47	7.07	16.43	10.35	8.72
Class A (Load-waived)	-6.26	-5.74	-5.74	2.49	7.07	16.43	10.34	6.77
Russell 1000	-5.79	-4.49	-4.49	7.82	8.65	18.47	12.18	9.79

Performance after sales charge

Performance (%)	Total return			Average annual return				
	1M	3M	YTD	1Y	3Y	5Y	10Y	SI[1]
Class A (5.5% max. sales charge)	-11.43	-10.92	-10.92	-3.13	5.07	15.11	9.72	6.55

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 distribution, and changes in principal value.

[1]Mandate change of Institutional Class shares is March 31, 2021. The performance information shown for Institutional Class shares represents the performance of the Investor Class shares for the period prior to Institutional Class inception. 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. Prior to March 31, 2021, Impax US Sustainable Economy Fund was known as Pax ESG Beta Quality Fund and the strategy of the Fund differed from its current strategy. Accordingly, performance of the Fund for periods prior to March 31, 2021, may not be representative of the performance the Fund would have achieved had the Fund been following its current strategy. As of 05/01/2024 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, Investors 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 9.14% (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 11.63% (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%.

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Contributors

- Gilead Sciences (Health Care) the company is owned due to its role in solving evolving heath care challenges through the development of new medical treatments for conditions as chronic diseases are on the rise. The company also has one of the highest systematic ESG scores in the portfolio. Gilead reported better-than-expected quarterly results, largely driven by strong revenue from its HIV franchise. The company also provided an optimistic earnings guidance for the next fiscal year, helping provide defensiveness amid a flurry of volatility.
- Progressive Corporation (Financials) is a property and casualty insurer which offers reasonably priced insurance to customers across the socio economic spectrum, which aligns well with social opportunities like access to finance and meeting basic needs. The stock surged after reported earnings that exceeded expectations driven by lower catastrophe losses and more favorable outcomes that expected from the hurricane events in the US south last year.
- American Water Works (Utilities) is held in the portfolio for its defensiveness characteristics, high ESG score, and for its exposure to improving water system efficiency, minimizing water loss and meeting the basic need for clean water. The stock rallied during the quarter as expectations for economic growth in the US weakened. This was reflected in the contraction of the 10-year treasury yield and the inverse in the company's share price.

Detractors

- Edison International (Utilities) is an electric utility that generates a substantial portion of its power via renewable sources and has a strong systematic ESG risk profile. The stock has struggled in the aftermath of the California wildfires, as one of the powerlines tied to the Eaton fire comes under Edison's jurisdiction. While liabilities are capped and the long-term story is intact, volatility is likely to continue.
- Globant (Information Technology) is a software solutions provider helping to enhance productivity and drive increasing digital infrastructure in the transition to a more sustainable economy. The stock was down despite delivering satisfactory results, due to broad demand across multiple industry verticals and significant revenue growth in new markets. However, political volatility and macroeconomic pressures in Latin America are expected to affect demand, resulting in slightly lower revenue projections for the upcoming fiscal year.
- ServiceNow (Information Technology) which is owned due to its high systematic ESG score, and attractive exposure to enhancing productivity through software and resource efficiency and optimization was down despite solid results. Investor expectations were elevated ahead of earnings and despite top and bottom lines meeting expectations, current remaining performance obligations (cRPOs) coming in a bit weaker than guidance suggested. The firm continues to grow its client base and through its partnership with Microsoft offers a compelling value proposition for businesses looking to drive AI related efficiency gains.

GICS sector attribution[#]

- The Russell 1000 return demonstrated a significant amount of dispersion in the first quarter of 2025. The energy sector led the way, followed by more defensive sectors like health care, consumer staples, and utilities, which have typically been less sensitive to market downturns. Information technology, which has driven the US large cap market return over the last few years, sold off significantly. This dragged the index into negative territory after mega-cap tech stocks stumbled with the news of DeepSeek's breakthrough in AI training, and economic uncertainty increased under the new US administration. Consumer discretionary also saw sharp losses with Tesla and Amazon down in the mid-teens percentages in Q1.
- The portfolio's sector positioning was neutral to returns in the quarter, with the overweight in Health Care and underweight in Consumer Discretionary being most impactful. The portfolio's overweight in Information Technology was the largest negative contributor from a sector perspective, followed by the avoidance of Energy given the limited secular growth opportunities.

Sustainability tools

The Lens is used to align the portfolio's industry exposure to the tailwinds associated with the transition to a more sustainable economy by ranking sub-industries based on the exposure to themes, like enhancing productivity, meeting basic needs, and addressing climate change and pollution. The portfolio's tilt away from low opportunity was a key detractor in the period. The portfolio had no exposure to Oil & Gas, Tobacco, and Soft Drink producers which are not well aligned with the transition to a more sustainable economy. These stocks saw positive performance in a period of negative returns for US stocks. The portfolio's underweight to some high opportunity, but higher risk areas of consumer discretionary offset some of these headwinds as auto manufacturers and broadline return lagged as investors assess the health of the US consumer.

ESG Ratings

The portfolio avoids securities with low ESG scores due to the higher volatility these stocks have demonstrated over the long term, due to the potential material financial impact that can occur when companies have poor operational practices. In the first quarter of 2025, stocks that scored in the top 25% on these factors lagged the Russell 1000 , and the high conviction overweight to these stocks contributed negatively to returns, as did the underweight to companies in the second quartile, the best performing cohort in the period.

Energy Efficiency

Over the long term, we believe that companies that focus on optimizing energy consumption and production through technology will outperform energy stocks exposed to cyclicality of commodity prices and uncertain future demand and substitution impacts.
While the efficiency stocks in Industrials and Technology performed roughly in line with the market, the strong performance of traditional energy and subsequent portfolio underweight meant that the Energy Efficiency tilt was a headwind.

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Fund overview

Impax US Sustainable Economy Fund is a systematic strategy investing in US large cap companies we believe are positioned to benefit from the transition to a more sustainable economy..

Portfolio managers

Scott LaBreche, Christine Cappabianca

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Portfolio characteristics — As of 03/31/2025

Market cap (weighted average)ƒ

Fund	Benchmark
US$704BN	US$829BN

Forward price earnings˜

Fund	Benchmark
19.3x	19.8x

ROEº

Fund	Benchmark
24.4%	23.1%

Beta∞

Fund	Benchmark
0.97	-

Number of securities

Fund	Benchmark
133	1,007

Performance attribution as of 03/31/2025

Sector: Average active weights (%)	
Communication Services	-3.54
Consumer Discretionary	-4.59
Consumer Staples	-3.30
Energy	-3.41
Financials	0.55
Health Care	2.89
Industrials	0.67
Information Technology	4.89
Materials	2.16
Real Estate	2.90
Utilities	-0.34
ETFs	0.46
Cash	0.66

Total relative contribution (%)	
Communication Services	-0.37
Consumer Discretionary	0.61
Consumer Staples	-0.31
Energy	-0.45
Financials	0.43
Health Care	0.05
Industrials	-0.47
Information Technology	-0.71
Materials	0.01
Real Estate	0.30
Utilities	-0.19
ETFs	0.00
Cash	0.00
Total	-1.11

Definitions

ƒ 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.

∞ The Ex-Ante Beta is calculated using a multi-factor risk model. Beta explains common variations in stock returns due to different stock sensitivities to the market relative to its underlying benchmark for the current period, not historical. A beta for a benchmark is 1.00: A beta greater than 1.00 indicates above average volatility and risk.

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Top 10 holdings as of 03/31/2025 Holdings subject to change.

Stocks	Weighting (%)
APPLE INC	6.7%
MICROSOFT CORP	5.5%
NVIDIA CORP	5.5%
VISA INC-CLASS A SHARES	2.7%
ALPHABET INC-CL A	2.1%
MASTERCARD INC - A	2.1%
ELI LILLY & CO	2.0%
PROGRESSIVE CORP	1.9%
TEXAS INSTRUMENTS INC	1.8%
BROADCOM INC	1.8%

Definitions and disclosures

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.

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 (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.

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.

You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. For this and other information is in the prospectus, call 800.767.1729 or visit www.impaxam.com for a fund prospectus and read the prospectus carefully before investing.

Impax Asset Management makes its investment and related decisions pursuant to its independently determined policies and practices that seek to serve the risk management objectives and interests of its investors. Any and all engagement by Impax Asset Management with issuers and other market participants on sustainability issues are pursuant to, and consistent with, those independently determined policies and practices.

Impax Asset Management LLC is investment adviser to Impax Funds. Impax Funds are distributed by Foreside Financial Services, LLC. Foreside Financial Services LLC is not affiliated with Impax Asset Management LLC.

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