



# Annual Value Assessment

For the year ended 31 December 2023

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## Introduction

Founded in 1998, Impax Asset Management has pioneered investment in the transition to a more sustainable global economy and is one of the largest investment managers dedicated to this area. We believe that capital markets will be shaped profoundly by global sustainability challenges, particularly climate change, environmental pollution, natural resource constraints, demographic and human capital issues such as equity, diversity, and inclusion. We believe that these trends will drive growth for well-positioned companies and create risks for those unable or unwilling to adapt. We also believe that fundamental analysis which incorporates long-term risks, including environmental, social and governance (“ESG”) factors, enhances investment decisions.

Each Impax investment strategy is designed to intentionally allocate clients’ capital towards those companies which are expected to flourish as the global economy transitions to a more sustainable model, and to reduce or eliminate exposure to potential losers from that transition. We seek higher quality companies with strong business models and governance that demonstrates sound management of risk. We offer investment solutions aiming to deliver superior risk-adjusted returns over the medium to long term.

Impax has made a commitment to responsible investing across all investment products, which includes regular reporting on progress to institutional platforms like the PRI (Principles for Responsible Investment). Impax also supports the UK Stewardship Code, which aims to enhance the quality and emphasise the outcomes of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities. More broadly, Impax works with clients, partners, and industry organisations to promote sustainable investing and ESG considerations across the globe.

In accordance with the UK Financial Conduct Authority (FCA) Consumer Duty requirements, this report has been created to provide clarity on whether Impax is delivering value for investors. This report covers the following collective investment schemes:

- Impax Environmental Markets plc, an investment trust within the meaning of Section 833 of the Companies Act 2006, UK (the “**Trust**”)

And the following Impax Funds (Ireland) plc<sup>1</sup> sub-funds (collectively, the “**Funds**”).

- Impax Environmental Markets (Ireland) Fund
- Impax Asian Environmental Markets (Ireland) Fund
- Impax Environmental Leaders (Ireland) Fund
- Impax Global Equity Opportunities Fund
- Impax Listed Infrastructure Fund<sup>2</sup>
- Impax US Environmental Leaders Fund<sup>2</sup>
- Impax Global Social Leaders Fund<sup>2</sup>

This report is updated annually (for the year ending 31 December) and shared with distributors of these products. We have conducted this assessment based on known fund and manager costs and charges. Distributors of these products are responsible for the oversight and review of their own services and costs overlaid to these products before distribution to the end investor.

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<sup>1</sup>An open-ended Irish authorised UCITS umbrella company with variable capital pursuant to European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019 as may be amended.

<sup>2</sup>Funds that have short performance track records are deemed too new to rate (“too early to say”) overall. The Impax Listed Infrastructure Fund launched in October 2022, and the Impax US Environmental Markets Fund and Impax Global Social Leaders Fund launched in December 2023.

The report reflects the work undertaken in Impax's oversight of the Trust and the Funds business throughout the year ending 31 December 2023, and our focus on improving outcomes for investors. We have considered a range of criteria, identified by the FCA:

- 1 Quality of service – Are we delivering the investment objective and providing good quality of service to investors?
- 2 Performance – How are the Funds/the Trust performing relative to benchmarks and peers? Has performance been as expected in the relevant market conditions?
- 3 Authorised Fund Manager costs – Are the fees charged to investors reasonable and appropriate?
- 4 Economies of scale – Are any realised and passed on to investors?
- 5 Comparable market rates – Are the Funds/the Trust priced reasonably compared to competitors?
- 6 Comparable services – Are the Funds/the Trust priced reasonably compared to other Impax products with similar investment strategies?
- 7 Share classes – Are investors in the most appropriate and lowest-charging share class for which they are eligible?

This annual Value Assessment provides an opportunity for us to share a summary of our latest evaluation of Impax products.

This report is reviewed and approved by the Board of Impax Asset Management Ltd and Impax Asset Management (AIFM) Ltd. The Boards of these entities comprises: Sally Bridgeland (Chair), Ian Simm (Founder & Chief Executive), Karen Cockburn (Chief Financial Officer), Catherine Bremner (Chief Strategy & Operations Officer), Bruce Jenkyn-Jones (Chief Investment Officer, Listed Investments), and Daniel von Preyss (Head of PE/Infrastructure). Biographies are available on our [website](#).

## How we assess value

### i. Quality of services

As a manager focused on the transition to a more sustainable economy, investors select us for our investment expertise in this field and the quality of our investment team and investment process, in addition to our strong service commitments.

Whilst we do not service retail investors directly, we are committed to providing intermediaries and advisers with the information they need to service their own clients.

We consider the additional informative and educational content we provide, outside of standard reporting. This includes thought leadership and insights into a range of topics, as well as our Beyond Financial Returns reporting which demonstrates how our strategies direct capital towards those companies which are expected to flourish as the global economy transitions to a more sustainable model.

With respect to our investment management services, we consider whether the Funds/the Trust are delivering on their investment objectives and ensure that our proprietary tools continue to capture opportunities for investors as the opportunity set grows. We look at our investment process and team, including any enhancements made over the period, and our risk management framework. We also consider our stewardship work during the period, the engagement and proxy voting activity used both to mitigate risk and to enhance investment opportunities.

We also ensure that the service providers integral to the running of the Funds/the Trust, in terms of systems, technology and outsourced services (i.e., fund administration) are consistently assessed and challenged.

In addition to regular meetings with our clients, we conducted our first formal client survey in 2023. This was completed by an independent third party to measure client satisfaction and gain feedback on the quality of our services – and has informed our assessment.

### ii. Investment performance

We evaluate each Fund's/the Trust's net-of-fees performance over a five-year period (or three-year period where track records are shorter). We conduct this analysis at individual share class level. Performance is compared to the benchmark (global or regional equities depending on the strategy) and the relevant independent Morningstar peer group, with a heavier weighting applied to the outperformance of the benchmark. A qualitative review of the data is also conducted to consider market conditions and the style bias of the Funds/the Trust when concluding if fair value has been achieved.

### iii. Fund manager costs

We start by assessing the responsibilities and duties undertaken by the management companies, including safeguarding investor capital, optimising fund performance, and ensuring regulatory compliance in a complex financial landscape. We then compare the fee charged for these activities and assess whether that fee is appropriate.

We also assess the management fee for each Fund and the Trust against the average management fee of running a similar fund, to help evaluate whether the management fee applicable to products reaching retail investors is appropriate.

### iv. Economies of scale

As Impax continues to grow, we leverage scale and pass on cost savings to investors. Impax is committed to growing economies of scale by investing in technology, engaging with service providers, monitoring costs, and negotiating terms.

We, in particular, focus on the review and negotiation of prices with external service providers, fee methodologies and allocation of expenses, best execution, and transaction cost analysis.

Furthermore, economies that accompany asset growth are expected to allow the Funds and the Trust to continue to apply competitive pricing. We believe that the Funds and the Trust's mission is advanced through lower-priced products. Indeed, not only are lower fees directly beneficial to investors, but they are commonly a competitive advantage.

## v. Comparable market rates

We examine the cost of the Trust, and the X and B share classes of the Funds, against the cost of comparable funds offered by peers, to verify whether relative value is being offered to investors. We use an independent Morningstar peer group for this assessment, reviewing the X and B share classes and the Trust against the meaningful and identifiable comparable universe of share classes of competitor funds. The other classes (A, S, R and M), with similar features to X and to B as appropriate, are i) charged at lower rates than X or B and ii) are without a meaningful group of identifiably comparable peers. However, because we have assessed their similar but dearer X or B variants, the same or better comparison can be assumed.

We focus on the management fee and the Ongoing Charge referenced in the Funds' "Key Investor Information Document" (or the "Key Information Document"), which reflects total annual costs. With respect to the Trust, we focus on the Ongoing Costs figure reflected in the Trust's Key Information Document.

## vi. Comparable services

In assessing the comparable services, we review the annual management fee of the Funds' "X" share classes (most applicable to retail investors) and of the Trust. We compare them to products offering the same or similar strategies and assess whether any fee differential is appropriate, given market size, market dynamics and client expectations within each of those markets.

## vii. Share classes

This category is relevant to the Funds only.

Impax offers a range of share classes across its Funds. These share classes have different eligibility criteria, rights and expenses based on investor type, holdings, and distribution channel through which the fund is accessed.

Impax does not distribute or promote its products directly to retail investors. However, we review the shareholder register to determine whether retail investors are invested in the most appropriate and lowest-charging eligible share class. Should we identify any investors who are eligible for investing in the "X" share class but are currently invested in other share classes with a higher management fee, we request the fund administrator contacts shareholders to inform them of the ability to switch.

## Our value rating scale

We have scored each of the seven categories above based on our own internal assessment methodology (a four-tiered rating system) and applied an equal weighted approach to our overall scoring.

### Value ratings

★★★★	Highest fair value score achieved
★★★	Fair value achieved
★★	Fair value broadly achieved with potential improvements identified
★	Improvements to be considered to deliver value

## Summary of findings

	Impax Environmental Markets plc	Impax Environmental Markets (Ireland) Fund	Impax Asian Environmental Markets (Ireland) Fund	Impax Environmental Leaders (Ireland) Fund
Quality of services	★★★★	★★★★	★★★	★★★
Investment performance	★★★★	★★	★	★★★
Fund manager costs	★★★★	★★★★	★★★★	★★★★
Comparable market rates	★★★★	★★★★	★★★★	★★★★
Comparable services	★★★★	★★★★	★★★★	★★★★
Economies of scale	★★★★	★★★★	★★★★	★★★★
Share classes	N/A <sup>3</sup>	★★★★	★★★★	★★★★
Overall score	★★★★	★★★★	★★★	★★★★

	Impax Global Equity Opportunities Fund	Impax Listed Infrastructure Fund <sup>4</sup>	Impax US Environmental Leaders Fund <sup>4</sup>	Impax Global Social Leaders Fund <sup>4</sup>
Quality of services	★★★	★★★★		
Investment performance	★★			
Fund manager costs	★★★★	★★★★		
Comparable market rates	★★★★	★★★★		
Comparable services	★★★★	★★★★	★★★★	★★★★
Economies of scale	★★★★	★★★★	★★★★	★★★★
Share classes	★★★★	★★★★	★★★★	★★★★
Overall score	★★★★	Too early to say	Too early to say	Too early to say

Based on the above assessment, we believe that the Funds/the Trust delivered fair value for the 12-month period ending 31 December 2023.

<sup>3</sup>Not relevant to an investment trust.

<sup>4</sup>Funds which are less than one year old are deemed too new to rate (“too early to say”) across some categories. Funds with less than three years performance track record are also deemed “too early to say” overall. The Impax Listed Infrastructure Fund launched in October 2022, the Impax US Environmental Leaders Fund and the Impax Global Social Leaders Fund launched December 2023.





## Impax Environmental Markets plc

Overall value rating: 4, highest fair value score achieved.

Value assessment	Rating	Our conclusions
Quality of services	★★★★	High quality of service from a specialist asset manager.
Investment performance	★★★★	Outperformance relative to global equities markets and peer group.
Fund manager costs	★★★★	Costs and charges remain appropriate.
Comparable market rates	★★★★	Management fee and annual ongoing charge are competitive vs peer group average.
Comparable services	★★★★	The Trust is priced at a reasonable level versus comparable Impax products.
Economies of scale	★★★★	The tiered fee structure allows for costs to reduce as AUM increases.
Share classes	N/A	Not relevant to an investment trust.



## Impax Environmental Markets (Ireland) Fund

**Overall value rating: 4, highest fair value score achieved.**

Value assessment	Rating	Our conclusions
Quality of services	★★★	Good quality of service from a specialist asset manager.
Investment performance	★★	Underperformance relative to global equities markets, but above average vs peer group. Impacted by underperformance of small-cap stocks over the last 3-5 years.
Fund manager costs	★★★★	Costs and charges remain appropriate.
Comparable market rates	★★★★	Management fee and annual ongoing charge are competitive vs peer group average.
Comparable services	★★★★	Fund is priced at a reasonable level versus comparable Impax products.
Economies of scale	★★★★	Change of provider for fund administration/transfer agency/custody services led to cost savings which were shared with investors.
Share classes	★★★★	We are satisfied that the vast majority of investors are in the most appropriate share class.

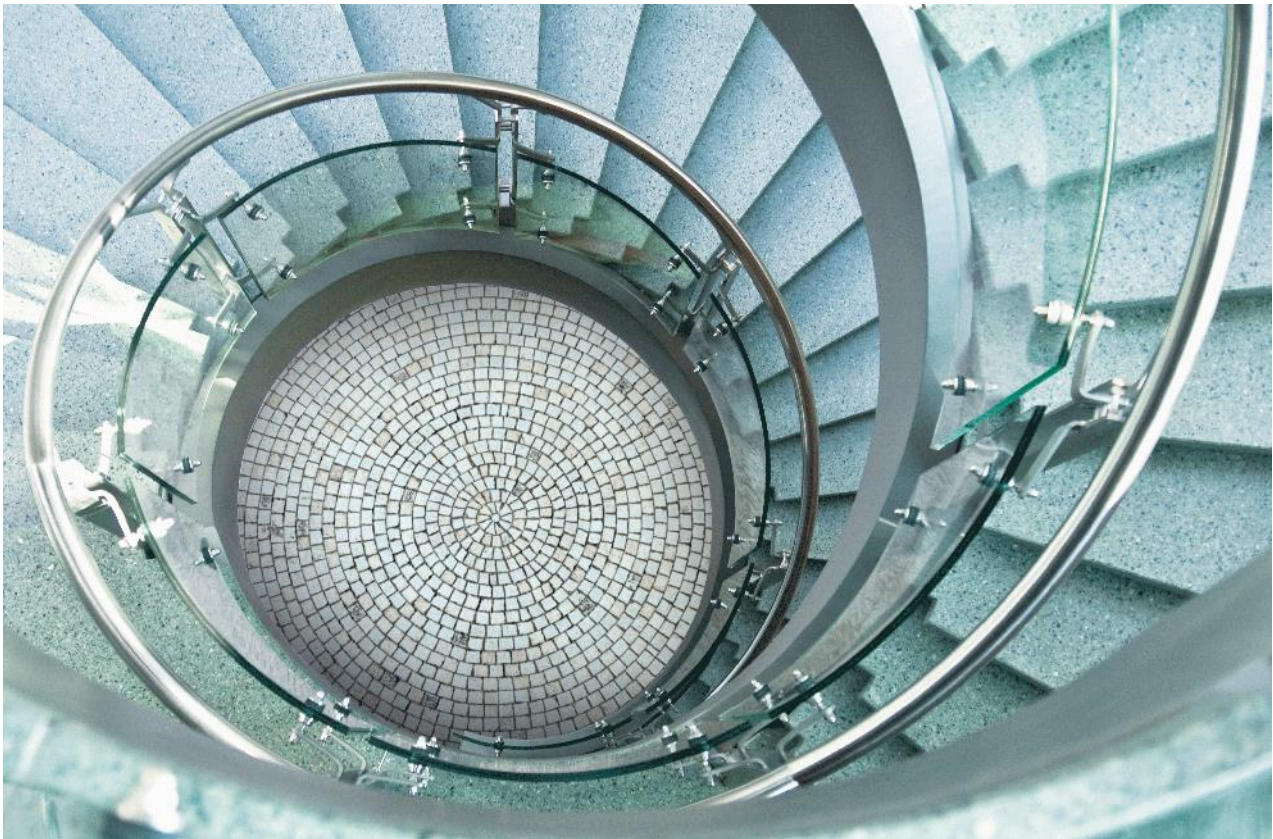




## Impax Asian Environmental Markets (Ireland) Fund

**Overall value rating: 3, fair value achieved.**

Value assessment	Rating	Our conclusions
Quality of services	★★★	Good quality of service from a specialist asset manager.
Investment performance	★	Underperformance relative to regional equities markets. This fund is also categorised in a global peer group despite its regional focus and performance relative to peers was impacted by volatility in Asian equities.
Fund manager costs	★★★★★	Costs and charges remain appropriate.
Comparable market rates	★★★★★	Management fee and annual ongoing charge are competitive vs peer group average.
Comparable services	★★★★★	Fund is priced at a reasonable level versus comparable Impax products.
Economies of scale	★★★★★	Change of provider for fund administration/transfer agency/custody services led to cost savings which were shared with investors.
Share classes	★★★★★	We are satisfied that the vast majority of investors are in the most appropriate share class.

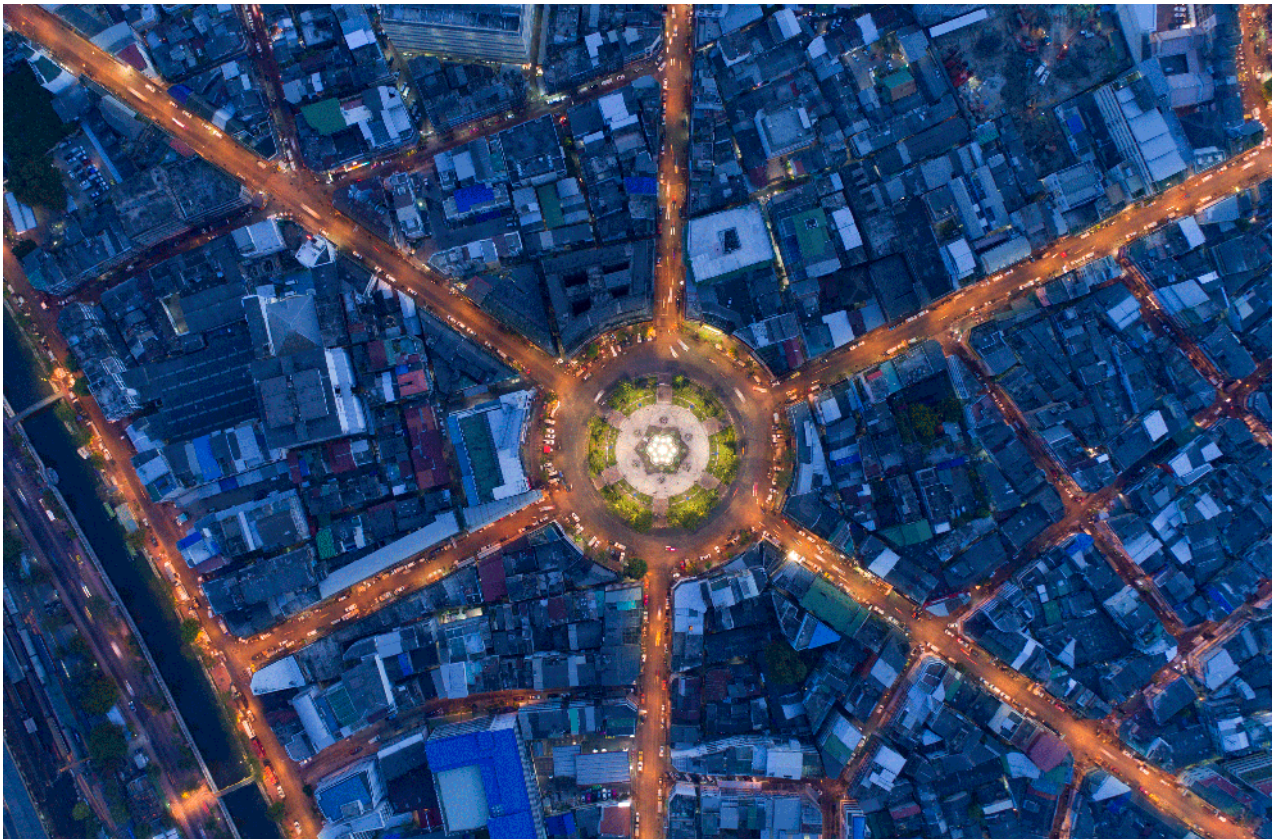


## Impax Environmental Leaders (Ireland) Fund

**Overall value rating: 4, highest fair value score achieved.**

Value assessment	Rating	Our conclusions
Quality of services	★★★	Good quality of service from a specialist asset manager.
Investment performance	★★★	Outperformance relative to global equities markets and good performance vs peer group.
Fund manager costs	★★★★	Costs and charges remain appropriate.
Comparable market rates	★★★★	Management fee and annual ongoing charge are competitive vs peer group average.
Comparable services	★★★★	Fund is priced at a reasonable level versus comparable Impax products.
Economies of scale	★★★★	Change of provider for fund administration/transfer agency/custody services led to cost savings which were shared with investors.
Share classes	★★★★	We are satisfied that investors are in the most appropriate share class.

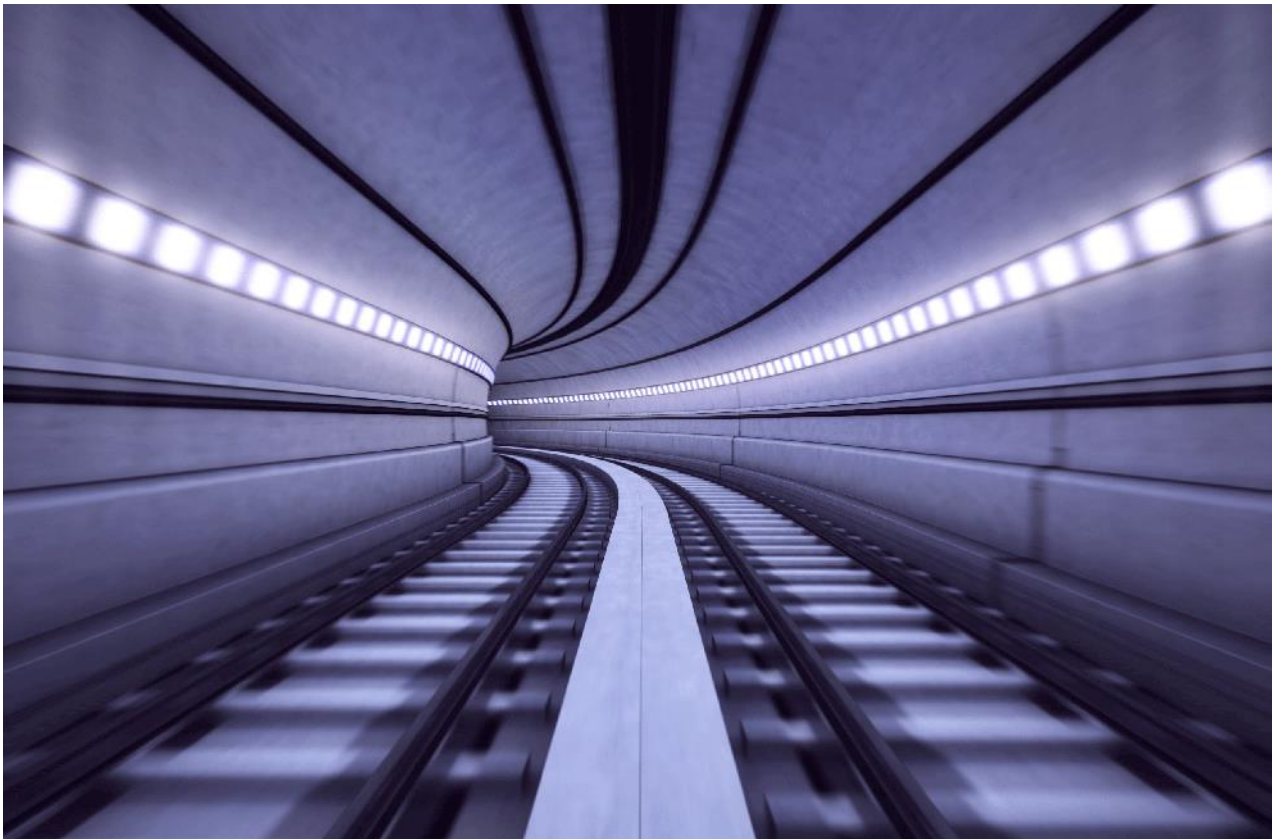




## Impax Global Equity Opportunities Fund

**Overall value rating: 4, highest fair value score achieved.**

Value assessment	Rating	Our conclusions
Quality of services	★★★	Good quality of service from a specialist asset manager.
Investment performance	★★	Underperformance relative to global equities markets, good performance vs peer group.
Fund manager costs	★★★★★	Costs and charges remain appropriate.
Comparable market rates	★★★★★	Management fee and annual ongoing charge are competitive vs peer group average.
Comparable services	★★★★★	Fund is priced at a reasonable level versus comparable Impax products.
Economies of scale	★★★★★	Change of provider for fund administration/transfer agency/custody services led to cost savings which were shared with investors.
Share classes	★★★★★	We are satisfied that investors are in the most appropriate share class.

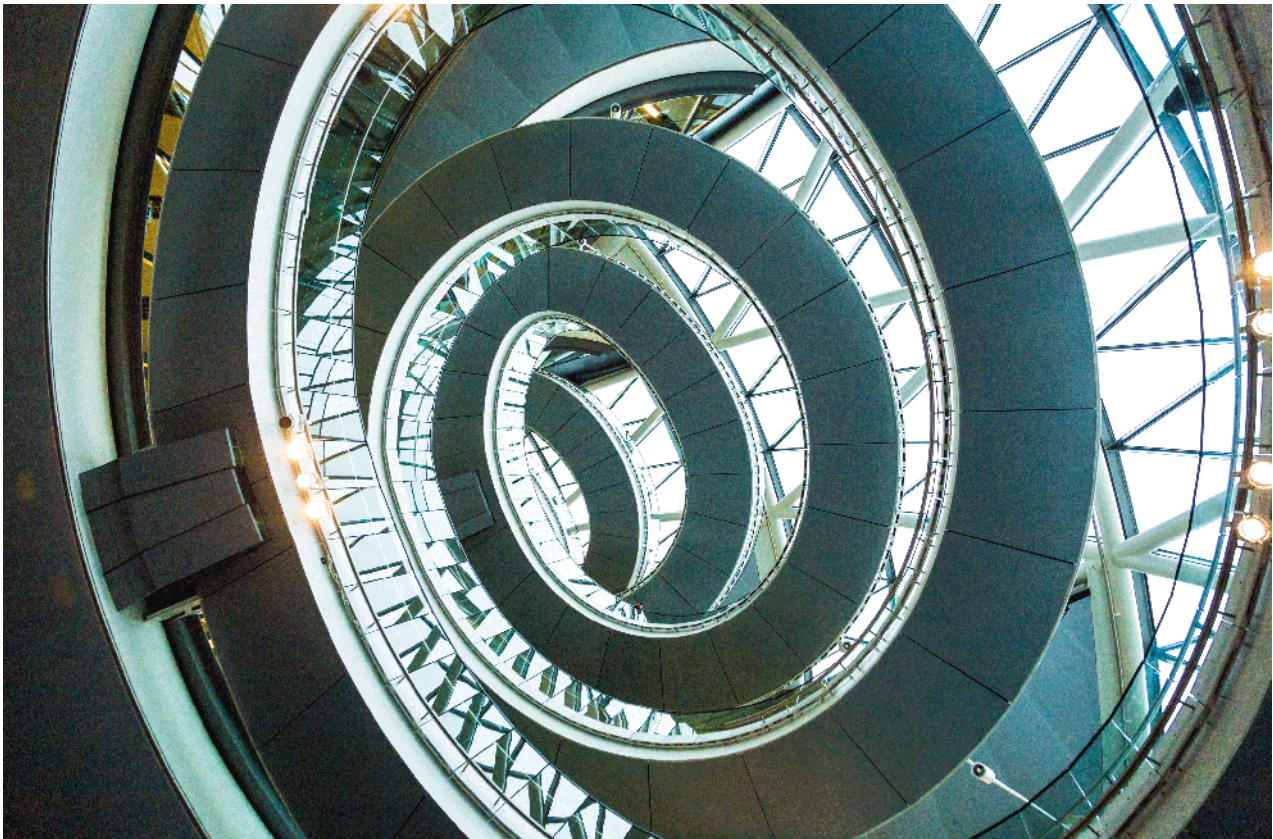


## Impax Listed Infrastructure Fund

**Overall value rating: “Too early to say”**

Value assessment	Rating	Our conclusions
Quality of services	★★★	Good quality of service from a specialist asset manager.
Investment performance		Fund has not yet reached its 3-year track record.
Fund manager costs	★★★★	Costs and charges remain appropriate.
Comparable market rates	★★★★	Management fee and annual ongoing charge are competitive vs peer group average.
Comparable services	★★★★	Fund is priced at a reasonable level versus comparable Impax products.
Economies of scale	★★★★	Change of provider for fund administration/transfer agency/custody services led to cost savings which were shared with investors.
Share classes	★★★★	We are satisfied that investors are in the most appropriate share class.



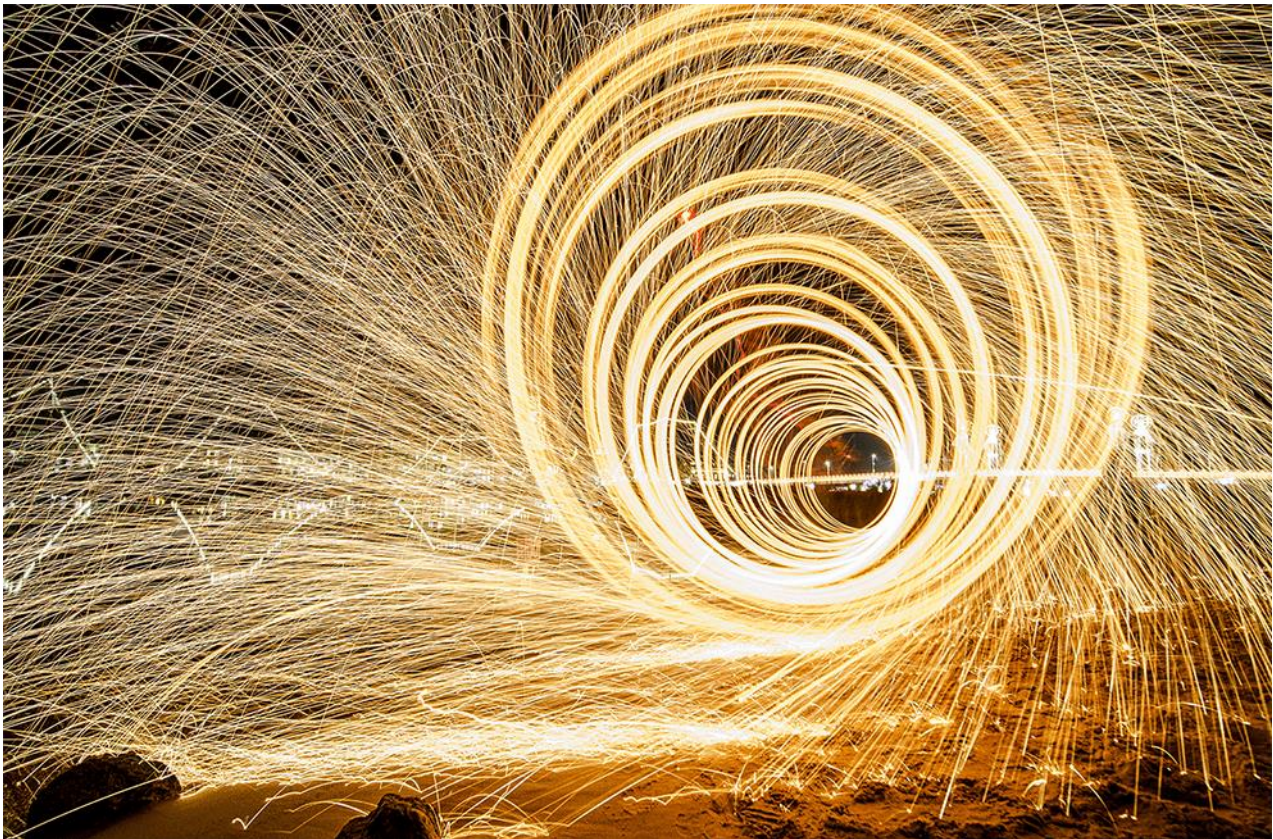


## Impax US Environmental Leaders Fund

### Overall value rating: “Too early to say”

Value assessment	Rating	Our conclusions
Quality of services		Fund launched December 2023 and so has not been assessed.
Investment performance		Fund launched December 2023 and so has not been assessed.
Fund manager costs		Fund launched December 2023 and so has not been assessed.
Comparable market rates		Fund launched December 2023 and so has not been assessed.
Comparable services	★★★★	Fund is priced at a reasonable level versus comparable Impax products.
Economies of scale	★★★★	Change of provider for fund administration/transfer agency/custody services for the Impax Funds (Ireland) plc sub-funds led to cost savings which were shared with investors.
Share classes	★★★★	We are satisfied that investors are in the most appropriate share class.





## Impax Global Social Leaders Fund

**Overall value rating: “Too early to say”**

Value assessment	Rating	Our conclusions
Quality of services		Fund launched December 2023 and so has not been assessed.
Investment performance		Fund launched December 2023 and so has not been assessed.
Fund manager costs		Fund launched December 2023 and so has not been assessed.
Comparable market rates		Fund launched December 2023 and so has not been assessed.
Comparable services	★★★★	Fund is priced at a reasonable level versus comparable Impax products.
Economies of scale	★★★★	Change of provider for fund administration/transfer agency/custody services for the Impax Funds (Ireland) plc sub-funds led to cost savings which were shared with investors.
Share classes	★★★★	We are satisfied that investors are in the most appropriate share class.



## IMPORTANT INFORMATION

Past performance is not a reliable indicator of future results. The value of investments may fall or rise and investors may get back less than they invested. Some products mentioned in this document (hereinafter collectively referred to as the “funds”), invest in emerging markets which can be more volatile than more established markets. As a result the value of your investment may rise or fall. Investments in smaller companies may be more volatile than investments in well-established blue-chip companies.

Some funds invest in securities which are denominated in different currencies. Movements in currency exchange rates can affect the return of investments. For further information on risks please see the “Risk Factors” section of the prospectus on our website <https://impaxam.com/>. If you have any questions related to your investment decision or the suitability or appropriateness for you of the product[s] described in this document, please contact your financial adviser. The information contained in this document is not to be regarded as an offer to buy or sell or the solicitation of any offer to buy or sell securities in any jurisdiction where such an offer or solicitation is against the law, or to anyone to whom it is unlawful to make such an offer or solicitation, or if the person making the offer or solicitation is not qualified to do so. The information in this document is general in nature and does not constitute legal, tax, or investment advice. Impax shall not be liable to any user of this document or to any other person or entity for the inaccuracy of information or any errors or omissions in its contents, regardless of the cause of such inaccuracy, error or omission. There is no guarantee that the funds mentioned herein will achieve their objectives. Potential investors are urged to consult their professional advisers on the implications of making an investment in, holding or disposing of shares and /or units of, and the receipt of distribution from any investment.

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