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Form ADV Part 2A Brochure

This brochure provides information about the qualifications and business practices of Impax Asset Management Limited and Impax Asset Management (AIFM) Limited. If you have any questions about the contents of this brochure, please contact us at +44 (0) 203 912 3000 or by email to clientservices@impaxam.com. The information in this brochure has not been approved or verified by the United Kingdom Financial Conduct Authority or by the United States Securities and Exchange Commission (the "SEC") or any other state securities authority.

Impax Asset Management Limited and Impax Asset Management (AIFM) Limited are registered investment advisers with the SEC. Registration with the SEC does not imply a certain level of skill or training. Additional information about Impax Asset Management Limited and Impax Asset Management (AIFM) Limited is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

Since the last update to Form ADV Part 2 Brochure in December 2018 we note the following material changes under Items 4, 8 and 10 where Impax Asset Management Limited and/or Impax Asset Management (AIFM) Limited have had material changes:

1. Item 4: Advisory Business

Item 4 has been updated to reflect the following:

- i. The private equity real estate investment strategy of Impax Asset Management Limited is in the process of winding up. As a result, all references to this strategy have been removed.
- ii. Impax Asset Management (US) LLC entered into a “Participating Affiliate” arrangement with Impax Asset Management Limited and Impax Asset Management (AIFM) Limited, whereby designated personnel will assist both registered investment advisers with certain investment management services.

2. Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Item 8 has been updated to reflect that Impax Asset Management Limited and Impax Asset Management (AIFM) Limited will have oversight and supervisory responsibility for the strategies and services provided by the personnel of Impax Asset Management (US) LLC, their “Participating Affiliate.”

3. Item 10: Other Financial Industry Activities and Affiliations

Item 10 has been updated to reflect to reflect the following:

- i. Certain marketing personnel of Impax (US) LLC are registered representatives of ALPS Distributors, Inc., an unaffiliated SEC registered broker-dealer.
- ii. A new entity, Impax Asset Management Ireland Ltd., a wholly owned subsidiary of Impax Asset Management Group plc, was established in Ireland.

Impax Asset Management Limited and Impax Asset Management (AIFM) Limited

Item 3. Table of Contents

Item	Contents
4.	Advisory Business
5.	Fees & Compensation
6.	Performance-Based Fees and Side-by Side Management
7.	Types of Clients
8.	Methods of Analysis, Investment Strategies and Risk of Loss
9.	Disciplinary Information
10.	Other Financial Industry Activities and Affiliations
11.	Code of Ethics, Participations or Interest in Client Transactions and Personal Trading
12.	Brokerage Practices
13.	Review of Accounts
14.	Client Referrals and Other Compensation
15.	Custody
16.	Investment Discretion
17.	Voting Client Securities
18.	Financial Information
19.	Privacy Policy Notice

Item 4. Advisory Business

A. Description of the Firm

Impax Asset Management Limited (“IAM”) and Impax Asset Management (AIFM) Limited (“AIFM”), (collectively the “Firms”), are UK investment management companies authorized and regulated by the U.K. Financial Conduct Authority (“FCA”). Both Firms are U.S. Securities and Exchange Commission (the “SEC” or the “Commission”) registered investment advisers. IAM and AIFM started operations in 1998 and 2014, respectively, and each is wholly owned by, and is a principal operating subsidiary of, Impax Asset Management Group plc (“Impax”), which is listed on the AIM market of the London Stock Exchange.

Impax Asset Management (US) LLC (“Impax US”) is a U.S.-domiciled company that is a 100% subsidiary of IAM and an affiliate of AIFM. In performing advisory services, the Firms utilize the talents of investment professionals employed by Impax US to assist with management of certain investment strategies or products. In keeping with applicable regulatory guidance, Impax US has entered into an agreement with the Firms pursuant to which Impax US is considered a “Participating Affiliate” of the Firms as that term is used in certain no-action positions taken by the staff of the Commission. These arrangements allow the Firms, as registered investment advisers, to use the resources and professional expertise of designated personnel of their non-registered U.S. affiliate, i.e., Participating Affiliate, to render portfolio management services to clients of the Firms.

The Firms are specialist asset managers focused on investing in the transition to a more sustainable global economy. The Firms invest in companies and assets that are well positioned to benefit from the shift to a more sustainable global economy. The Firms offer a well-rounded suite of investment solutions to publicly and privately offered pooled investment vehicles, professional clients and institutional investors in accordance with the requirements of client specific investment agreements. At the end of September 2019, the Firms had Regulatory Assets under Management of \$14,608 million, broken down as follows:

- Impax Asset Management Limited:
 - Discretionary: \$12,875 million
 - Non-Discretionary: \$328 million
 - Total: \$13,203 million
- Impax Asset Management (AIFM) Limited:
 - Discretionary: \$1,405 million

B. Types of Advisory Services

Separately Managed Accounts

IAM provides ongoing investment services to various institutional clients based on investment goals, objectives, time horizon and risk tolerance of each client. IAM has entered into investment agreements with each of its clients.

Sub-Advisory Services

IAM also acts as sub-adviser to a variety of products, including:

- Affiliated open-ended investment companies registered under the Investment Company Act;

- Nonaffiliated non-US funds registered under the securities laws of offshore jurisdictions, including Undertakings for Collective Investments in Transferable Securities;
- Investment Trusts; and
- Separate Accounts.

Wrap Fee Programs

From time to time, other financial institutions retain IAM under “wrap fee” programs sponsored by specified institutions where IAM is selected as an investment adviser for the client’s Program account. The financial institution sponsor (“Program Sponsor”) arranges for payment of IAM’s advisory fee on behalf of the client, monitors and evaluates IAM’s performance and provides custodial services for the client’s assets, all for a single fee paid by the client to the broker or other financial institution sponsor.

IAM’s role as an investment manager participating in wrap programs is substantially similar to its role in managing other separately managed accounts in that IAM will manage each account in accordance with the model portfolio utilized by the investment strategy chosen by the client or Program Sponsor, subject to client-imposed guidelines; however, it may not always be possible to manage wrap fee accounts identically to other accounts that IAM may manage, for example, due to certain investment restrictions/guidelines.

IAM anticipates that the majority of transactions for the wrap accounts will be executed through the Program Sponsors. Nevertheless, IAM has the ability to “step-out” orders if it believes that it is in the best interest of all clients.

Model Portfolios

IAM also enters into investment advisory agreements with other types of clients, typically institutional clients, to provide models that those clients may use to construct portfolios (together with a Model Program Sponsor or overlay manager receiving model portfolio holdings, each, a “Model Recipient”). In these circumstances, IAM does not have discretion to execute trades for the Model Recipient. IAM is generally only responsible for providing the updated model portfolio on a periodic basis and is compensated based on a percentage of total assets of the accounts managed by or applied to the model by the Model Recipients. The Model Recipient is responsible for effecting trades recommended to achieve the model.

Please refer to Item 12 for additional information regarding the model portfolio arrangements and for information regarding how IAM communicates model portfolio holdings to clients under different circumstances and trading processes.

Item 5. Fees and Compensation

Fees are negotiated between the Firms and their clients based on the strategy and services provided, prior to the client agreement being signed. Fees are charged either monthly or quarterly. For the listed equity strategies, fees are either calculated by reference to the average or month end net asset values (“NAV”) or NAV plus performance fee and are invoiced to clients in arrears. For the private equity strategies, fees are calculated by reference to committed capital during the relevant fund’s investment period, and thereafter invested capital, and are invoiced to clients in advance.

Compensation and termination arrangements apply in accordance with client agreements. Funds and accounts that are managed by the Firms will also pay normal transaction and brokerage charges incurred in the management of the funds. Clients will also have to pay the costs and charges of the custodian and administrator appointed by the client in respect

of the investments. The Firms and their staff do not receive any compensation from the sale or purchase of any investments on behalf of the clients.

Item 12, below, further describes the factors that the Firms consider in selecting broker-dealers for client transactions and eligible research costs.

Item 6. Performance-Based Fees and Side-by-Side Management

Performance-based Fees

In addition to asset based fees the Firms also charge some of their clients performance-related fees. The Firms are permitted to charge a performance-related fee with respect to all the private equity funds and some of the listed equity funds that they manage. As a result, the Firms may have a financial incentive to favor those accounts that are charged a performance-based fee. The Firms have procedures designed and implemented to ensure all clients are treated fairly and equitably over time, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Side-By-Side Management

The Firms have adopted policies and procedures to mitigate possible inherent conflicts associated with managing accounts for multiple clients. The Firms have adopted trading and allocation policies designed to ensure that their side-by-side management of accounts with different types of fees is at all times consistent with its fiduciary responsibilities to their clients. These policies include requirements that all accounts in the same strategy are managed the same way, that is, the accounts must have the same portfolio holdings and must be traded at the same time subject to certain restrictions. The investment teams for the listed equity strategy and private equity strategy are segregated and operate independently of each other with appropriate information barriers in place.

Accounts are regularly reviewed by the Firms' Compliance department to ensure these policies are adhered to and buy and sell opportunities are allocated fairly among client accounts. Order allocation and trading procedures ensure that all clients are treated equitably and fairly.

Item 7. Types of Clients

The Firms can provide discretionary and non-discretionary portfolio management services to, inter alia, the following types of clients:

- Corporations
- Pension and profit-sharing plans (but not the plan participants or government pension plans)
- Endowments and foundations
- Trusts
- Charitable organizations
- Insurance companies
- Investment companies (including mutual fund companies)
- Investment consultants
- Religious organizations
- Pooled investment vehicles
- Banking institutions
- Local Authorities

The Firms provide investment management and advisory services to professional and institutional clients. The Firms do not directly market to or provide investment services to private clients or individuals.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

The Firms invest through both listed and private equity strategies. The Firms believe the transition to a more sustainable global economy provides a helpful backdrop to construct high conviction, low turnover equity portfolios that are well positioned to achieve long-term capital growth. The Firms' investments are based on a strong conviction that among other macro-economic trends, population dynamics, resource scarcity, inadequate infrastructure and environmental constraints will profoundly shape global markets, creating investment risks and opportunities. The Firms expect that these trends, reflecting the transition towards a more sustainable global economy, will drive earnings growth for well-positioned companies. The Firms' investment framework identifies and calibrates the rising risks and expanding opportunities from this transition and guides the Firms' search for investments that will deliver long-term outperformance.

For strategies managed utilizing designated personnel of the Participating Affiliate, the Firms have oversight and supervisory responsibilities for the services provided by the personnel of the Participating Affiliate.

A. Listed Equity Strategies

Universe Creation and Development:

IAM has been developing a proprietary universe of environmental stocks since early 1999, with ideas sourced both through internal research of sector and geographical developments, as well as via a wide and deep network of contacts developed over a longer time period. The Impax's Investment Universe represents the Firms' Intellectual Property and it is managed internally through a robust process documented in the following pages.

The Impax Equity Universe is made up of Thematic equities and Unconstrained equities. The Impax Thematic Universe comprises Environmental Technologies (ET), Water and Sustainable Food companies worldwide.

1. Thematic Equity Universe:

Environmental Technologies (Specialists, Leaders, Asia Strategies)

Inclusion in the 'Impax ET Universe' is contingent on the resource efficiency and environmental markets business comprising >20% of group revenue, profitability or invested capital, a hurdle rate that is analysed by the analyst responsible for the stock in his or her bottom-up assessment, and which is confirmed and documented by a member of the Listed Equity Team with a specific universe management role. As the environmental markets have expanded, there have been new universe entrants (IPOs, spin-outs and companies identified by the team's detailed research), as well as companies leaving the universe due to both merger and acquisition activity, and due to the de-emphasis of environmental activity within business' portfolios as a whole. In-house analysis monitors such changes on an ongoing basis, with changes regularly communicated to the Listed Equity Team. The Firms have worked with FTSE since 2007 to develop and manage the FTSE Environmental Markets Index Series which have been seminal in benchmarking our markets. The Impax investment universe and underlying sector classification system is used by FTSE as the basis for a series of environmental market indices.

Water

To simplify how investors can categorise the investable Water Universe, we split this market into three categories: Water Infrastructure, Water Treatment and Water Utilities. Companies in the Water universe must have a minimum of 20% of revenues, profits or invested capital coming from across the water value chain.

As well as several pure-play companies in the water sector, many multi-industry and electrical equipment companies also have a presence which they can leverage against the various end markets, geographies and technologies. Companies whose activities significantly, though not entirely, relate to the water sector make up an important component of the Water industry and are often among the leading providers of a key product or technology.

Sustainable Food

The process of universe creation and development in the Sustainable Food strategy is broadly the same as the process used by the Specialists, Leaders, Water and Asia strategies. The Firms have developed a proprietary methodology to identify companies that operate in the sustainable food markets. The methodology, which encompasses 7 sectors and 17 subsectors, supports the analysts in quantifying and measuring sustainable food activities. Companies in the Sustainable Food universe must have a minimum of 20% of revenues, profits or invested capital coming from sustainable food activities, as defined by these 17 subsectors.

2. Impax Unconstrained Equity Universe:

All primary listings of global securities with a market capitalisation above \$1bn are input and calibrated using a proprietary idea generation tool within the Firms' Viper Analytics platform as follows:

- Each company is financial quality rated by a scoring algorithm. Factors used for this assessment include levels of liquidity, returns on invested capital (ROIC), leverage, EPS growth, ROIC stability and corporate controversies.
- All sectors are assessed in a Sustainability 'Opportunities & Risks' Framework, the Impax LENS, which prioritises a list of GICS sub-industries based on maximising the opportunities for providers of solutions to long-term sustainability challenges and minimising the long-term sustainability risks.

The portfolio team use this idea generation tool to help source ideas for the portfolio. They allocate capital to companies with sustainable competitive advantages, with track records of consistent returns on investment, and which they believe these financial characteristics and long-term opportunities are not currently reflected in its share price.

I. Investment Style

The Firms' thematic strategies adopt a bottom-up growth at a reasonable price (GARP) approach with a macroeconomic overlay.

The Firms' unconstrained Global Opportunities strategy adopts a bottom-up quality at a reasonable approach (QARP) with a macroeconomic framework.

II. Stock selection

The Firms aim to generate outperformance over the long term by investing in the most attractive stocks identified by a research intensive, bottom-up, stock picking process.

The bottom-up process is complemented by a top-down framework to ensure that research is focused on the most promising regions and sectors.

The investment team applies a revenue screen to ensure all potential investee companies meet the criteria for inclusion in the universe. This is followed by initial research by a lead analyst into the stock's financial performance and a review of consensus earnings. If it is decided that full research should be completed, the lead analyst completes the Firms' proprietary '10-Step approach', which includes an in-depth ESG analysis and covers the following factors:

- 1. Company Snapshot & Investment Thesis**
What are the company's credentials that establish its role in the transition to a more sustainable economy? Why is an investment in the company an attractive opportunity?
- 2. Market**
Is there market diversity within the competitive landscape? Is there a clear opportunity for growth? Who are the competitors and how strong are they?
- 3. Competitive Advantage**
What unique technologies, brand strength, embedded intellectual property, scale and distribution capabilities exist that give the business a competitive edge?
- 4. Business Model and Strategy Analysis**
Does the company have a sustainable competitive advantage? Are the company's plans credible? Are the financial returns satisfactory or is there a plan to improve these?
- 5. Risks**
What are the perceived risks of investing in the context of the wider landscape (industry dynamics, policy, global macro factors and societal forces), from the perspective of different stakeholders and from the perspective of the company's supply chain and distribution capability?
- 6. ESG**
Are the governance structures, such as board, remuneration and shareholder rights, strong? Does the company effectively manage its environmental, social and other risks? Has the company had any controversies and how were they handled?
- 7. Management**
How much experience does the current management team have and how effective have they been? Are there succession risks?
- 8. Valuation**
Financial statement analysis leading to a medium-term fair value assessment of the company. Are the shares trading at a discount? How does the value compare to history and peers?
- 9. Trading**
Which share class has the liquidity, if more than one? Is there sufficient liquidity to establish an appropriate allocation within the portfolio?

10. Catalysts

What is the route map for a return on investment?

The approach to valuation includes an estimate of intrinsic value via the use of financial models integrated into the VIPER Analytics tool. These models apply a discount rate to future cash flows to evaluate whether a stock is likely to make a return that is higher than its cost of capital. The Firms regard any positive spread as economic value created for shareholders. In some circumstances a Monte Carlo technique is used to create a valuation range incorporating different scenarios around the fair-value assessment. Analysts also use other valuation methodologies, including “sum of the parts” models for businesses with cash flows from discrete or disparate businesses, and multiples analysis to deduce “through the cycle” earnings power for cyclical companies. Most commonly used multiples are EV/EBITDA, EV/EBIT, PE and EV/IC. In such cases, analysts construct the valuation range direct from a multiples-based approach or a sum-of-the-parts method.

Analysts prepare a summary paper covering the key qualitative and quantitative issues for peer review. A minimum of four investment team members (including one of the Co-Heads of Listed Equity) and the Head of Investment Risk & Process meet to debate the research in more detail and decide whether or not to propose inclusion in the “A-list” of investable stocks. Proposed stocks are presented to the Investment Committee for approval.

III. Environmental, Social and Governance Risk Analysis

ESG analysis is an integral part of the Firms' investment research process, providing risk mitigation and important insight into the ‘character’ of a company.

The ESG analysis follows the materiality approach, meaning the analysis assesses governance, and the most significant environmental and/or social risks for a company within the sector and activity in question. The Firms look for strong policies, processes and disclosures of ESG management systems to address these broad risks. Ideally, companies will discuss and disclose their own assessments of the main ESG risks they are facing.

It is therefore important to understand and assess the local standards and best practices in order to identify governance issues and potential risks and outliers. The following are some of the factors the Firms evaluate (some of which are more applicable in certain countries and regions):

- Disclosure and general transparency regarding governance structures (internal controls)
- Structure and effectiveness of the Board (relevant backgrounds, experience, diversity, tenures and attendance, "over-boarding", structure of board sub-committees)
- Shareholder rights (shareholder rights in relation to annual general meeting (AGM) practices, calling emergency general meetings (EGMs) and proxy voting, dual share structures with differentiated shareholder rights)
- Ownership structure and control issues (dual share structures, anti-takeover mechanisms such as shareholder plans or "poison pills", dominant shareholders, friends and relatives over-represented, related party transactions)
- Compensation and incentive structures, alignment with shareholder long-term interests and level of disclosure
- Corporate behaviour, reputation and integrity
- Proxy voting and accounting practices (how well are resolutions disclosed, does the company have "aggressive" or "conservative" accounting practices, late filings etc).

The Firms analyse a company's environmental and social policies, processes and disclosures from a sector-perspective; identifying the most material risks within the sector. The investment team seeks to identify companies that have addressed the material sector risks with strong processes and management systems.

- Toxic emissions & waste: emissions to air, soil, water; managed through environmental management systems ("EMS"), targets
- Carbon emissions/energy efficiency: EMS, reduction targets
- Water management: facility-level or localized water availability and management
- Chemical safety: regulatory risks, e.g. EU REACH, policies, non-toxic alternatives
- Labor relations: disruptions, conflicts avoided through processes; e.g. regular staff engagement, training, development, staff participation in long-term share programs, freedom of association
- Health & safety: accidents (OSHA data), disruption avoided through MS, training, processes
- Supply chain management: loss of reputation, disruption avoided through clear HSE policies for suppliers, regular audits of supply chain, responsible procurement policies
- Corruption & bribery: fines, litigation, loss of reputation avoided through policies covering all subsidiaries, guidelines on facilitation payments, whistle-blower programs and protection

Following completion of the analysis, each company is categorized by the Head of Sustainability & ESG into one of the following:

- Excellent
- Good
- Average
- Fair
- Excluded

Companies categorized as 'Excluded' are not eligible for investment, while those categorised as 'Fair' have a cap for the maximum allowed weighting within a portfolio.

IV. Research sources

All investment team members conduct proprietary in-house ESG analysis under the supervision of the Head of Sustainability & ESG, an experienced member of the investment team dedicated to ESG research. Company ESG characteristics are continually discussed between team members and ESG is a standing item on the weekly Investment Committee agenda.

The Firms use the following research tools to augment the core proprietary bottom-up ESG research conducted in house:

- External specialist ESG research providers: MSCI ESG Manager (Intangible Value Analysis/IVA), MSCI ESG Controversy Rating, Sustainalytics (quarterly UN Global Compact Screen), Glass Lewis (Proxy voting and governance research).
- Databases: Bloomberg (ESG data, litigation and controversy data), CDP (CO2 data), ENDS Europe (environmental policy data).
- Sell-side analysis: CLSA (Asian sustainability and governance research), Kepler Cheuvreux (sustainability research), Morgan Stanley (ESG and sustainability research).

Importantly, while the respective stock's analyst is informing and leading the ESG analysis and discussion around ESG outcomes, outstanding questions and concerns are continuously discussed with the portfolio managers and Head of Sustainability & ESG. Ultimately, all companies have to be approved by the Investment Committee on both a financial and an ESG basis as part of the Firms' research and approval process.

V. Top-Down Macro Analysis

The most attractive stocks are identified by the research intensive, bottom-up, stock picking process described in the previous section above which focuses on upside to target price. This bottom-up process is then complemented by a top-down macro-economic overlay to ensure that the Firms' research is also focused on the most promising regions and sectors.

The macro analysis is refreshed quarterly to uncover the most important macro-economic drivers including credit markets, government and consumer spending, policy announcements, industrial production and commodity prices, all of which can affect valuations. This analysis enables the portfolio managers to better anticipate the risks and opportunities that the (current stage of the) economic cycle might have on the thematic strategies' areas of focus.

VI. Sell discipline

Upside sell discipline:

Each company within the portfolio is continually monitored within the context of a live "valuation range" which incorporates worst and best-case assumptions. When a company's share price moves through the fair value in the valuation range, towards the top of the range, the position size is reduced.

Downside sell discipline:

When a company's share price moves towards the bottom end of the "valuation range", the Firms review the company in light of any new information to determine whether or not the initial thesis was correct. At this point the stock will, by definition, represent a smaller proportion of the account and the outcome of the assessment will result in either a full sale of the position (where growth assumptions or the business model have changed, where confidence has been lost in management, where there are significant new ESG concerns or where governance concerns lead to greater caution) or, where conviction remains intact, more capital being allocated to that position.

VII. Investment risk

Investment risk, as an important component of the overall firm-level risk, is "managed" daily by the portfolio manager, but the risk management process is overseen by the Head of Investment Risk & Process.

Investment risk management is a standing agenda item at the weekly Investment Committee meeting. A strategy top-down risk monitoring document (the "Helicopter Report") is circulated weekly to the firm with key risk metrics.

The weekly 'helicopter' report considers:

- Securities that are moving high in the valuation barometer range
- Soft limit breaches on PRM reports
- Security downside alerts
- Liquidity analysis
- Overlap across strategies
- Strategy exposures by GICS, region, economic sensitivity, financial quality rating & currency

- Firm-wide top holdings by free-float and USD invested

Weekly portfolio review meetings (PRM) provide further opportunity to dive deeper into the levels of portfolio exposures, both in absolute terms and relative to benchmark, stock valuation upside/downside potential, emerging ESG issues at both company level or the wider landscape and broader market considerations.

VIII. Pre-trade compliance

Portfolio construction/trading decisions are the responsibility of the portfolio managers. After the portfolio managers have submitted an order, the trading desk executes the trade with discretion. The trade then moves to the middle office, where it is matched via the Firms' Central Trade Manager system ("CTM") and automatically processed using Straight Through Processing ("STP"). The Firms use Bloomberg AIM for pre and post-trade compliance and order management.

The Firms operate in a fully STP environment, thereby minimising the risk of human error. The Middle Office uses the CTM for trade matching and Swift notification (via Settlement Notification) to transmit pre-matched trade information to custodians to significantly reduce the risk of trade failure. The Middle Office manages all trade failures using Bloomberg's Fail Station.

IX. Post-trade reconciliation

The Firms' trading desk executes trades through Bloomberg EMSX and confirms these trades with the executing counterparty using the CTM.

In the event that a trade is disputed or causes a breach of investment guidelines, the Chief Compliance Officer is immediately notified and a full review is performed. Only if appropriate and an agreement is reached between the execution counterparty, the Chief Compliance Officer and the Co-Heads of Listed Equity will a deal be cancelled. Any decisions made are recorded in the Firms' compliance logs.

X. Trading errors

A trade error occurs when the centralised trading desk or, in specific circumstances, a portfolio manager, does something in respect to trading that they did not intend to do.

The Firms maintain a log of all trading errors which are documented on the day on which the event occurs or as soon as the error is identified.

The Firms recognise that clients should not be disadvantaged due to a trading error and will swiftly respond as soon as one is detected. The Firms uphold clients' interests by ensuring a thorough analysis of the trading error along with the adoption of suitable measures to ensure that the clients' portfolios are returned to their intended position. The Firms ensure that any remedial measures are actioned in a timely manner, including monetary compensation if applicable. The Chief Compliance Officer is responsible for overseeing a successful resolution.

B. Private Equity Strategies

The private equity infrastructure investment strategy is based on investment into renewable energy projects primarily across Europe utilizing proven technology with experienced management teams.

The strategy carries risks of:

- National legislation changes
- Sector risks
- Operational performance risk
- Price risk

The team monitors risk through detailed oversight of the operations of the projects and representation on the governing bodies together with the use of industry experts to assess and monitor performance. As with all private equity funds, the funds carry a high level of risk and are not suitable for retail investors.

Risk of Loss

Set out below are the material risk factors that are often associated with the investment strategies and types of investments relevant to most of the Firms' clients.

- I. **Loss of Capital Risk** - It should be noted that investing in securities involves a risk of loss as well as a gain. Past performance is never a guide to future returns and both prices of investments may rise as well as fall. There is also a risk that investors may not get back the full amount invested.
- II. **Exchange Rate Risk** – Performance may also be affected by currency fluctuations.
- III. **Illiquidity Risk** – Investments in small companies made through some funds or strategies will be highly illiquid as some of the underlying securities may be non-realizable. Funds that hold illiquid unlisted investments may experience more volatility. There is likely to be a less active secondary market for the shares of the investee companies. Even for a successful investment, any return at fund level may be unlikely to occur for a number of years from the time an investment is made. In terms of overall suitability, such funds should only be a component of a balanced portfolio. The investment opportunities offered by the Firms' funds and strategies are for those willing to commit to medium/long-term investment horizons.
- IV. **Diversification Risk** – Investing in the funds or strategies should only be done as part of a diversified portfolio. It also means that investors should only invest a smaller proportion of their capital in specialist asset classes with the majority of their investable capital invested in safer, more liquid assets.
- V. **Emerging Markets Risk** - Prospective investors should be aware, in particular, of the risks of investing in investments in small and emerging markets which can be more volatile and less marketable than those in more developed markets. Investors should also consider carefully whether such investments are suitable for them and, if so, how substantial a part of their portfolio such investments should be.
- VI. **Private Equity Risk** – These are complex Instruments - private equity investments often involve complex investment vehicles and therefore may not be suitable for all clients or be appropriate for their circumstances. Investors are advised to view private equity exposure as a small percentage of their overall portfolio or as part of a fully diversified portfolio. Private equity investments have unique risks that should be understood prior to investing. These investments are often subject to lock-in periods (often 10 years or more) and therefore should be regarded as longer

term investments. It may be difficult to sell these investments at a reasonable price and, in some circumstances it may be difficult to sell such investments at any price. It may also be difficult to assess a proper market price of such investments and limited valuation information results in limited marketability and transferability. Investee companies or projects may be geared by loan facilities that rank ahead of the company's investment.

Changes in the rate of exchange may have an adverse effect on the value, price and income of investments.

Minimizing Risk of Loss

The Firms believe the professional and disciplined execution of their investment philosophy will generate sustainable investment returns for the Firms' clients. However, the cumulative effect of company specific risk and systemic risk of a domestic and/or global nature clearly imply that no investment is guaranteed. The Firms' clients invest with the full knowledge that loss of principal is a real risk.

Item 9. Disciplinary Information

The Firms have no legal, regulatory or disciplinary events that are material to a client's or prospective client's evaluation of the Firms or their management.

Item 10. Other Financial Industry Activities and Affiliations

The Firms and their employees are not registered, nor do they have an application pending to register, as a broker/dealer, futures commission merchant, commodity pool operator, or commodity trading advisor.

Arrangements with related persons that are material to the Firms' advisory business are as follows:

- a) Impax has helped to seed funds managed by the Firms.:
 - 1) Impax became a limited partner in Impax New Energy Investors LP, a fund investing in projects in the renewable energy. Impax has committed to invest up to Euro 3.756m in the fund.
 - 2) Impax became a limited partner in Impax New Energy Investors II LP, a fund investing in projects in the renewable energy and related sectors. Impax has committed to invest up to Euro 3.298m into the fund.
 - 3) Impax became a limited partner in Impax New Energy Investors III LP, a fund investing in projects in the renewable energy and related sectors. Impax has committed to invest up to Euro 4.0m into the fund.

Impax has also made investments in, and subsequently redeemed such investments from, other funds managed by the Firms. These investments are fully disclosed in the accounts of Impax.

- b) IAM acts as investment manager to Impax New Energy Investors LP and AIFM acts as investment manager to Impax New Energy Investors II LP and Impax New Energy Investors III LP. The Firms may indirectly receive a performance fee in connection with the management of these funds.
- c) Impax US is a 100% subsidiary of IAM and an affiliate of AIFM and provides certain services to the Firms for which it receives a fee. It is also a Participating Affiliate as

described in Item 4 of this brochure. No material conflict of interest is considered to exist in respect of the arrangement.

- d) Certain marketing personnel of Impax US are also registered representatives of ALPS Distributors, Inc., a SEC registered broker-dealer (8-34526), for the sole purpose of marketing the Pax World Funds (see below). Under FINRA rules, ALPS Distributors, Inc. has regulatory and supervisory obligations and oversight over the Pax World Funds related marketing activities of these employees. It should be noted that no commissions or additional compensation is paid directly or indirectly to these employees for the sale of the Pax World Funds. No material conflict of interest is considered to exist in respect of the arrangement.
- e) Impax Asset Management (Hong Kong) Limited ("Impax HK"), a wholly owned subsidiary of Impax, is registered with the Securities and Futures Commission of Hong Kong. Impax HK provides investment services to the Firms and certain funds managed by the Firms. The Firms pay a fee for these services. No material conflict of interest is considered to exist in respect of the arrangement.
- f) Impax Asset Management Ireland Ltd., a wholly owned subsidiary of Impax, was incorporated and registered with the Central Bank of Ireland as an asset management company, in order to facilitate the Group's continued operations into the European Union ("EU") from the UK, without any potential interruption, that could be caused as a result of the UK leaving the EU (i.e. Brexit).
- g) Impax Asset Management LLC ("Impax LLC"), a wholly owned subsidiary of Impax, is registered with the SEC and is the investment manager to the Pax World Funds. IAM acts as a Sub-Adviser to certain funds managed by Impax LLC. IAM has full investment discretion and makes all determinations with respect to the investment of each sub advised fund's assets, subject to the general supervision of Impax LLC and the Board of Trustees of the relevant Pax World fund. Impax LLC (and not the Pax World Funds) pays a portion of the advisory fees it receives to IAM in return for its services.
 - I. Impax has invested \$2.0m in the Pax World Global Opportunities Fund.
 - II. Impax has invested \$2.0m in the Global Women's Select Strategy.

No material conflict of interest is considered to exist in respect of these arrangements.

Item 11. Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

Code of Ethics

The Firms place the utmost importance on client trust and their fiduciary responsibilities to clients in all aspects of the business. The Firms have adopted a Code of Ethics (the "Code") that complies with SEC Rule 204A-1 under the Investment Advisors Act of 1940.

The Code sets forth standards of business conduct for the Firms and their Supervised Persons (all employees, Access Persons and others designated by the Firms' Chief Compliance Officer, which may include subcontractors and outsourced providers). The Code is based on the principle that the Firms and their Supervised Persons have a fiduciary duty to act in the best interests of the Firms' clients.

The Code sets forth the responsibilities of the Chief Compliance Officer, the reporting requirements of all Supervised Persons (including monitoring of such by Compliance) and

the record keeping requirements of the Investment Advisors Act of 1940. The Code also outlines policies for sanctioning Supervised Persons who violate the Code.

Supervised Persons must comply with federal securities laws, certify that they have read and understand the Code and report any violations of the Code to the Chief Compliance Officer. The Code sets forth limitations on Supervised Persons offering or receiving gifts from third parties. Supervised Persons may not solicit gifts from any party with whom the Firms conduct or could conduct business.

All employees are required to acknowledge that they have read and understand the Code and reaffirm such acknowledgment at least annually.

A copy of the Code is available to any client or prospective client on request.

Participation or Interest in Client Transactions

Participation or interest in client transactions are further detailed above in Item 10. The Firms have a Conflict of Interest Policy which applies to conflicts of interest that may give rise to a material risk of damage to the interests of any existing or potential client. The Firms conduct their business according to the principle that they must manage conflicts of interest fairly, both between themselves and a client of the firm, and between one client and another.

In identifying conflicts of interest, the Firms consider the factual circumstances and will take into account whether they are likely to:

- a) make a financial gain, or avoid a financial loss, at the expense of the client or clients or;
- b) have an interest in the outcome of a service provided to the client, or the outcome of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome or;
- c) have a financial or other incentive to favour the interest of one client or group of clients over the interests of another client or group of clients;
- d) carry on the same business as the client; and /or
- e) receive, from a person other than the client, an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

The Firms' policy is to take all reasonable steps to maintain and operate effective organizational, procedural and administrative arrangements to identify and manage conflicts. The Firms have in place procedures that address the identification and management of actual and potential conflicts of interest that may arise in the course of the Firms' business. The Firms are required to manage any conflict of interest which arises promptly and fairly.

Personal Trading

Supervised Persons are required to submit to Compliance an initial and annual holdings report listing their Reportable Securities and a quarterly report of transactions. All personal securities transactions, other than those specifically exempted by the Code, are required to be preapproved by the Chief Compliance Officer or his delegate.

Item 12. Brokerage Practices

Clients' Interests

As a fiduciary, the Firms have to act in accordance with the best interests of their clients when placing orders with brokers for execution that result from decisions by the Firms to

deal in financial instruments on behalf of our clients and funds and to take all sufficient steps to obtain the best possible result for their clients and funds when directly executing orders with an Execution Venue on behalf of their clients. The Firms will always execute client orders as agent.

Best execution requires the Firms to execute transactions for clients in such a manner that is the most favorable under the circumstances, taking into account all relevant factors. The best price, while very important, is not the only consideration. We seek best execution for all our funds, regardless of whether commissions are charged.

Broker Selection

The Firms will primarily select the execution broker that in their judgement is the most appropriate, taking into account the execution factors and execution criteria. The trading desk will only execute with approved counterparties with whom the firms have confidence in the confirmations and settlements process of the market and particular counterparty

We continuously monitor and evaluate the performance and execution capabilities of brokers that transact orders for our clients to ensure consistent quality executions. This information is reported to the Firms' Best Execution Committee, which oversee broker-selection issues. In addition, we periodically review our transaction costs in light of current market circumstances using Bloomberg application software.

Execution Factors

Fiduciary principles require money managers to seek the best execution for client trades. In seeking to provide a client with best execution, the Firms are required to take into account certain execution factors and decide on their relative importance when executing client orders:

- price
- cost or commissions
- speed of execution
- the current liquidity for the relevant security
- the size and nature of the order
- the potential market impact of the transaction
- likelihood of execution
- responsibility and solvency of the counterparty
- quality and efficiency of the settlement process
- characteristics of the execution venues to which that order can be directed
- characteristics of the client order

The relative importance of these execution factors will be judged on an order by order basis in line with the Firms' commercial judgement, in light of current market information. While price is often an important execution factor, there will be situations when this is not the priority when executing an order. Examples include:

- smaller capitalized equities and less liquid stocks, the likelihood of execution and provision of liquidity may be more important than price
- when raising cash to fund redemptions, speed may take priority over price
- when executing a large order, being able to transact the whole order at a less favorable price may be more important than executing part of the order at a better price

- the volatility of price may make timeliness a greater priority
- the choice of execution venues may be limited for certain instruments
- where a portfolio manager gives a specific instruction for the execution of a client/fund order, then the order will be executed in accordance to those instructions. The portfolio managers when acting for the Firms' clients and funds should be aware that providing such instructions will prevent the Firms from taking some of the steps above to obtain the best possible result for the execution of that transaction.

Aggregation and Allocation of Orders

Orders are aggregated by default to ensure all clients are treated fairly, unless in exceptional circumstances where justified and prior approval has been granted. When an order is aggregated, the subsequent allocation will not give unfair preference to any client for whom the Firms have dealt. The Firms' trade allocation process ensures the fair allocation of aggregated orders between clients. When orders are aggregated from more than one client, the executed trades will be allocated in accordance with the company's trade allocation standard.

Trade allocation must be determined on a basis that is fair, reasonable and equitable to all clients based on the Firms' policies and client investment objectives and to avoid favoritism or discrimination among clients in favor of a preferred client or group of clients.

Combining two or more accounts in one trade regardless of the portfolio manager involved will be allocated on a pro rata basis for all outstanding orders at the time of the fill. Each account involved will receive a percentage of the executed portion of the partially filled order based upon each account's percentage of the entire order. The allocations will be made at the average execution price where there is more than one fill.

Transactions are allocated promptly, on the trade date, and no reallocations are permitted from one account to another except where the original allocation was done in error. Re-allocation is subject to the approval of the Chief Compliance Officer and reasons should be documented within one business day.

A revised allocation may be made where an order is only partially executed resulting in an uneconomic allocation to some clients; in such a case the Firms will take reasonable steps to ensure that a re-allocation is in the best interests of the clients for whom the Firms have dealt. Stock would not be allocated to a client if it would be uneconomic or prohibitive, from a dealing cost point of view, for the client. An allocation would be regarded as uneconomic or prohibitive if the administrative cost of the transaction was disproportionate to the value of the stock allocated.

Brokerage and Eligible Research Services

The Firms negotiate specifics around payment for research services with its clients, but overall believe that, in aggregate, the services it receives benefits clients and assists in fulfilling its overall fiduciary duty to clients. The Firms determine in good faith that the amount of the commission is reasonable in relation to the value of such services. Client commissions utilized to pay for brokerage and research often are referred to as "soft dollars." The Firms act in the best interest of their clients and ensure that any conflict of interest arising are adequately managed and mitigated.

The Firms do not receive soft dollars. Research and execution services are managed separately and independently. The Firms are required to make explicit payments for any third-party research consumed and demonstrate that research contributes to better investment decisions and is therefore not an inducement. The Firms use a Research Payment Account ("RPA") through which all research collections and payments must flow.

Third party research providers are paid for eligible research services that have assisted the portfolio managers in investment decisions for client portfolios directly from the RPA. The Firms only pay for research that supports the portfolio managers' investment decision making responsibilities. This process enables the Firms to accurately track expenditure on research services and identify the best providers of the research services the Firms receive.

The quality of all research received is analyzed by the portfolio managers and the Firms' research teams as part of the Firms' investment process. An online voting session is then organized by portfolio managers on the quality of the financial research and the value of the services they received in relation to the Firms' strategies.

The Investment Research Spending Group meets quarterly to examine the results of the vote and ensures they are correctly understood. The Investment Research Spending Group validates rankings which allow it to monitor against the budgets set for the research services.

Wrap Fee Programs and Communication of Model Portfolio Holdings

As previously noted in Item 4, IAM participates in wrap fee programs. Additionally, IAM will provide investment advice by delivering model securities portfolios to Model Recipients. In most cases, IAM delivers the model to the Model Recipient who then handles trading, however IAM may execute orders for wrap accounts. IAM's wrap account clients and Model Recipients from time to time may trade the same securities at the same time. In these circumstances, IAM will use a methodology to deliver model holdings to Model Recipients and effect trading on behalf of its other clients, including wrap account clients, that it believes to be fair and equitable. Normally, this methodology will place wrap accounts and Model Recipients and its clients under a simultaneous trading program, although IAM may use another methodology that it believes to be fair and equitable from time to time.

The Firms will provide trade instructions to all accounts on a simultaneous basis. This process of simultaneous notification is designed to avoid systematically favoring one account or group of accounts over another.

Typical Account groups:

Discretionary Accounts which generally have the following characteristics:

- The Firms have full discretion to trade securities on a client's behalf; and
- Client does not require trading via directed-brokerage instructions.

Non-Discretionary Accounts which generally have the following characteristics:

- Client requires directed-brokerage; or
- Client is participating in a Model Delivery or UMA Program; or
- Accounts with non-standard trade or settlement systems/processes (or systems/processes that are otherwise incompatible with the Firms' trade systems/processes); or
- Accounts with client-imposed trading restrictions or certain other specialized requirements.

The Firms' approach to providing simultaneous trade instructions will remain consistent.

The Firms reserve the right to restrict the total amount of assets managed in Non-Discretionary Accounts for any investment strategy.

The Firms may seek to aggregate trades among wrap programs that allow "step out" trades to be executed. These trades may be further aggregated with trades that the Firms are effecting on behalf of other discretionary accounts. There will, from time to time, be

circumstances that cause a particular wrap sponsor or Model Recipient to not be able to receive trade instructions in accordance with the above process (depending on a variety of factors), but the Firms will ensure the method is appropriate under the circumstances and such alternative trading is fair and equitable.

Because of the mechanics of the simultaneous process and other factors, trading for the Firms' institutional and other discretionary accounts may be completed prior to the completion of all trades for wrap accounts and may be effected at the same time as trades are being executed for wrap accounts and Model Recipients. As a consequence, trading by or for a Model Recipient or wrap program client may be subject to price movements, particularly with large orders or where the securities are thinly traded, which may result in Model Recipients or wrap program clients receiving prices that are less favorable than the prices obtained by the Firms for its discretionary client accounts or other accounts managed by the Firms. As such, the Firms' institutional or other discretionary accounts may, over time, obtain better execution, including more favorable prices for their transactions than wrap accounts or Model Recipients purchasing or selling the same securities.

Alternatively, the same factors may result in wrap clients or Model Recipients completing trading before or at the same time as the Firms' trading on behalf of institutional or other discretionary accounts. The Firms consider the delivery of a model to a Model Recipient, or communication of trading instructions to a wrap program client as simultaneous notification. In some cases, the wrap accounts or Model Recipients may obtain better execution because the Firms do not control a Model Recipient's execution of transactions, and the Firms cannot control the market impact of such transactions.

Item 13. Review of Accounts

The portfolio managers are generally responsible for the daily management and review of the institutional client accounts and funds under their supervision. Such reviews are likely to include a number of factors, including compliance with client investment objectives and guidelines, asset allocation and variance from target allocation, performance, valuation and current investment processes. These reviews are conducted regularly but can also be triggered by factors that may include changes in market conditions, strategy or investment objectives.

Clients receive regular monthly or periodic reports and these reports include investment performance, investment strategy, and market outlook and portfolio holdings.

Item 14. Client Referrals and Other Compensation

The Firms do not receive compensation from third parties for client referrals.

The Firms can engage one or more persons to act as agent for a fund in connection with the offer and sale of interests to prospective investors. Fees payable will be negotiated individually between the Firms and the agent.

Item 15. Custody

The Firms may be deemed to have custody of client funds in private funds they manage by virtue of controlling the general partner of each fund. Each fund prepares and provides to shareholders audited financial statements on an annual basis.

Item 16. Investment Discretion

In accordance with the rules of the FCA, the Firms have signed investment management agreements for all clients before undertaking any discretionary management services for clients. This agreement is negotiated with each client and clearly states, inter alia:

- the categorization of the client
- the services to be provided
- the limits on the discretion to be exercised by the firm
- specific investment guidelines for that client
- reporting requirements
- fees payable
- termination provisions

The investment guidelines are monitored pre and post trade by the Compliance department using the order management system compliance tools.

Item 17. Voting Client Securities

The Firms aim to enhance the long-term value of their shareholdings and to foster corporate governance best practices, hence proxy voting is a key component in the on-going dialogue with companies in which the Firms invest. The Firms strive to vote on all shares held, where in the best interest of their clients. The Firms use a research tool and a platform for proxy voting; it provides the Firms with governance research and voting recommendations based on publicly disclosed best practice governance policies.

The Firms follow voting policies and company-specific analysis in deciding how to vote on resolutions. Investors who have granted their voting rights to the Firms understand the Firms' voting approach and have agreed to follow it. Investors who choose to vote according to their voting policies, have retained their voting rights.

The Firms generally vote on all shares held. The Firms use the research of an advisory proxy voting research firm which provides proxy analysis but ultimately the Firms decide how to vote on the resolutions independently and in the best interests of the clients.

The Firms have a Proxy Voting Policy publicly available on their website and further proxy voting and stewardship information can be found in a publicly available document (the UK Stewardship Code Statement) which disclose on a quarterly basis the summary results of their proxy voting activities. Proxy voting is conducted following set and publicly disclosed policies which removes any influence of specific clients and prevents conflicts of interests.

Item 18. Financial Information

The Firms do not have any financial impairment that could affect the Firms' ability to meet all contractual commitments to clients and complies with all financial regulations and liquidity requirements of the rules of the FCA.

Item 19. Privacy Policy Notice

The Firms have a Privacy Policy which describes the processes in place to protect personal information that may be received about our prospective, current or former clients/investors.

The purposes and reasons for processing personal data are detailed below:

Processing activity	Legal basis for processing
Entering into, and providing services associated with investment management and contacting you regarding said services	Processing is necessary in connection with any contract that you may enter into with us, or the steps taken prior to entering into a contract with us
Carrying out “Anti-Money Laundering”, “Know Your Client” and other compliance and risk management checks	Processing is necessary for compliance with legal obligations
Carrying out IT operations	The Firms have a legitimate interest in carrying out Processing for the purpose of managing our IT systems and ensuring the security of those systems
Contacting you about new or existing products and services, or other information that the Firms think is relevant using the contact information that you have provided	The Firms have a legitimate interest in being able to market our products/services
Operating our Website including providing content to you and interacting with you	The Firms have obtained your prior consent to the Processing which is entirely voluntary

Sensitive Personal Data may be processed to the extent required or permitted by applicable law including:

- Whether clients have committed criminal acts;
- Whether clients may be a politically exposed person (PEP).

Sharing and Disclosing Personal Data

The Firms may disclose personal data to other entities within the Impax Asset Management Group. In addition, they may disclose your personal data to third-parties to provide the below services or business functions:

Providers of services which may identify or prevent financial crime;

- Counterparty banks;
- Custodians;
- Technology providers;
- Government, legal, tax and regulatory, or similar authorities;
- Accountants, auditors, financial and tax advisors, lawyers and other outside professional advisors.

The Firms consider that disclosing personal data to the above entities/third-parties is within our legitimate interests to be able to provide clients with our products and services.

International Transfer of Personal Data

Due to their international operations, the Firms may need to transfer personal data within the Impax Asset Management Group, and to third parties as noted above, in connection with the purposes set out in this notice. For this reason, the Firms may transfer your

personal data to other countries that may have different laws or data protection requirements, including data protection laws of a lower standard, to those that apply in the country in which you are located.

Where the Firms transfer your personal data to other countries, we do so on the basis of:

- European Commission's adequacy decisions;
- our intra-group agreements;
- suitable standard contractual clauses; or
- other valid transfer mechanisms.

Keeping Personal Data secure

The Firms take data privacy very seriously and have implemented appropriate technical and organizational measures designed to protect and secure personal data and prevent it from being accidentally lost, used or accessed in an unauthorized way.