

LWM FUND SPOTLIGHT
IMPAX ENVIROMENTAL MARKETS

INVESTMENT OBJECTIVE

The Company's objective is to enable investors to benefit from growth in the markets for cleaner or more efficient delivery of basic services of energy, water, and waste. Investments are made predominantly in quoted companies which provide, utilise, implement, or advise upon technology-based systems, products, or services in environmental markets, particularly those of alternative energy and energy efficiency, water treatment and pollution control, and waste technology and resource management (which includes sustainable food, agriculture and forestry).

INCEPTION DATE

22nd February 2022

FUND FACTSHEET

<https://www.trustnet.com/factsheets/T/ig41/impax-environmental-markets/>

MANAGEMENT

Manager Name

Start Date

Bruce Jenkyn-Jones

22nd February 2002

Fotis Chatzimichalakis

1st October 2021

RATIO DATA (3-years)

Alpha	Beta	Max Drawdown	Max Gain	Max Loss	Negative Periods	Positive Periods	Tracking Error
1.71	1.44	-32.79	18.29	-20.80	71	84	15.02

OTHER DATA

Benchmark	MSCI ACWI
Fund Size	£1.27 billion
Fees	0.85%

BULL POINTS (PRO)

- Over 20 years of experience
- Strong, stable team
- Excellent long-term performance
- Positioned to take advantage of a key investment trend

BEAR POINTS (CONS)

- Small / mid cap focus so underperforms in periods of extreme market volatility
- Focus on quality growth which will underperform when there is a rotation to value and / or fossil fuels
- Recent underperformance

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FUND PERFORMANCE

Performance from 22nd February 2002 – 30th April 2023

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



22/02/2002 - 28/04/2023 Data from FE.fundinfo2023

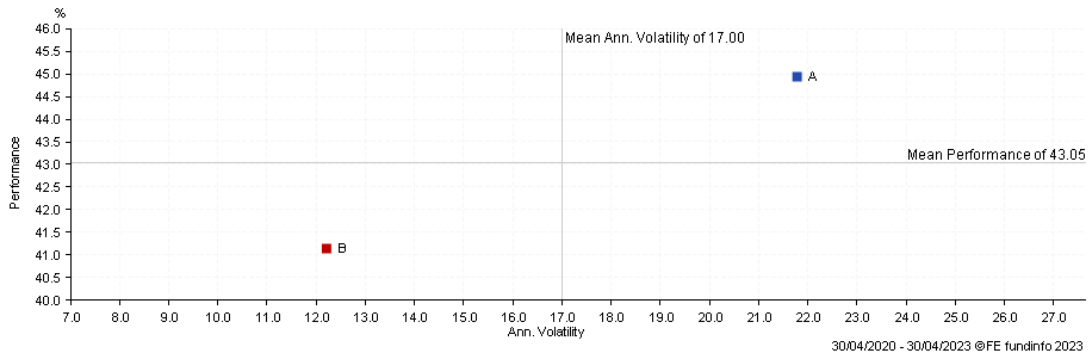
Customise Columns	1m	3m	6m	1yr	3yr	5yr	10yr	Select
Impax Asset Mgt Impax Environmental Markets Ord 10P TR in GB	-3.42	-8.18	-5.44	1.14	50.86	58.16	245.65	<input type="checkbox"/>
Index MSCI ACWI TR in GB	-1.09	-2.14	1.47	3.72	39.27	49.19	153.67	<input type="checkbox"/>

Please note that past performance is not a reliable indicator of future returns, and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

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VOLATILITY / RISK SCORE

Pricing Spread: Bid-Bid • Currency: Pounds Sterling



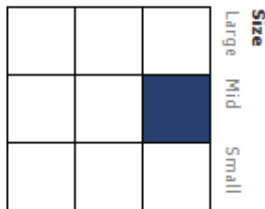
Key	Name	Performance	Annualised Volatility
A	Impax Asset Mgt - Impax Environmental Markets Ord 10P TR in GB	44.04	21.78
B	MSCI ACWI TR in GB	41.15	12.21

MARKET CAP

Category: Sector Equity Ecology

Morningstar Style Box®

Equity Style



Value Blend Growth

Style

Size

Share Class Size (mil)	(-)
Fund Size (mil)	(-)

Mkt Cap %

30/04/2023

	Fund	Cat
Giant	1.48	23.82
Large	16.96	32.85
Medium	49.01	34.72
Small	30.18	8.15
Micro	2.38	0.47

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SECTOR WEIGHTING

Stock Sector Weightings %		30/04/2023	
		Fund	Category
 Cyclical		15.74	21.36
 Basic Materials		7.51	8.39
 Consumer Cyclical		6.50	7.61
 Financial Services		-	3.49
 Real Estate		1.73	1.86
 Sensitive		61.41	58.90
 Communication Services		-	1.25
 Energy		-	0.49
 Industrials		42.79	33.50
 Technology		18.62	23.66
 Defensive		22.85	19.74
 Consumer Defensive		5.54	3.91
 Healthcare		4.28	7.04
 Utilities		13.03	8.79

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GEOGRAPHIC WEIGHTING

World Regions %	30/04/2023	
	Fund	Category
Greater Europe	38.21	39.42
United Kingdom	7.63	5.70
Eurozone	18.48	24.50
Europe - ex Euro	11.80	9.09
Europe - Emerging	0.00	0.03
Africa	0.00	0.06
Middle East	0.30	0.05
Americas	50.23	48.03
United States	44.75	45.09
Canada	4.33	2.48
Latin America	1.15	0.46
Greater Asia	11.56	12.55
Japan	0.00	4.95
Australasia	2.28	0.90
Asia - Developed	3.62	3.61
Asia - Emerging	5.66	3.09

HOLDINGS

Top 10 Holdings				30/04/2023
Assets in Top 10 Holdings %				24.94
Total Number of Equity Holdings				60
Total Number of Bond Holdings				0
Name	Sector	Country	Percentage	
⊖ Croda International PLC		United Kingdom	2.79	
☆ DSM Firmenich AG		Switzerland	2.60	
Clean Harbors Inc		United States	2.58	
⊕ Northland Power Inc		Canada	2.53	
⊖ Graphic Packaging Holding Co		United States	2.52	
Spirax-Sarco Engineering PLC		United Kingdom	2.49	
⊖ PTC Inc		United States	2.46	
Aalberts NV		Netherlands	2.37	
⊖ Eurofins Scientific SE		France	2.36	
⊖ Brambles Ltd		Australia	2.24	
⊕ Increase ⊖ Decrease ☆ New since last portfolio				

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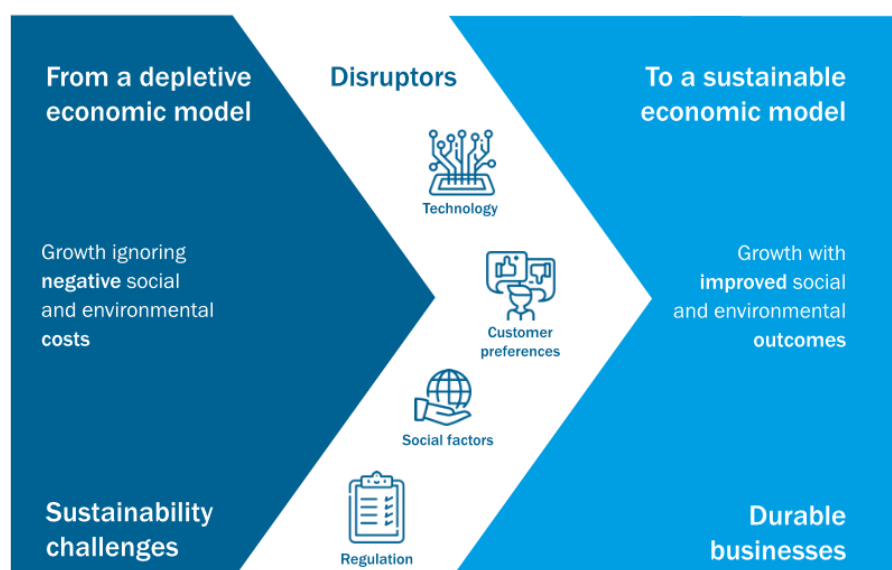
Valuations and Growth Rates	Fund	Category
Price / Earnings	20.04	19.69
Price/Book	2.65	2.45
Price/Sales	1.79	1.57
Price/Cash Flow	10.63	10.51
Dividend-Yield Factor	1.67	1.86
Long-Term Projected Earnings Growth	11.26	10.84
Historical Earnings Growth	20.17	17.24
Sales Growth	10.72	11.11
Cash-Flow Growth	-13.83	-0.54
Book-Value Growth	12.24	10.65

LWM FUND ANALYSIS

Impax are specialists within the environmental market, and this is probably their flagship strategy. The notes come from the recent annual general meeting. There is no change to the management team although the board has changed. This has no impact on the investment philosophy of the trust.

The trust is skewed towards small and mid-cap companies as this is where they see the greatest opportunities, and tends to be a part of the market which is often overlooked. The trust uses gearing, and this can be up to 10% of the net asset value. Currently this is 2.17% and they expect this to increase as valuations are at an attractive rate.

The investment team believes the economy is in transition to a more sustainable model:



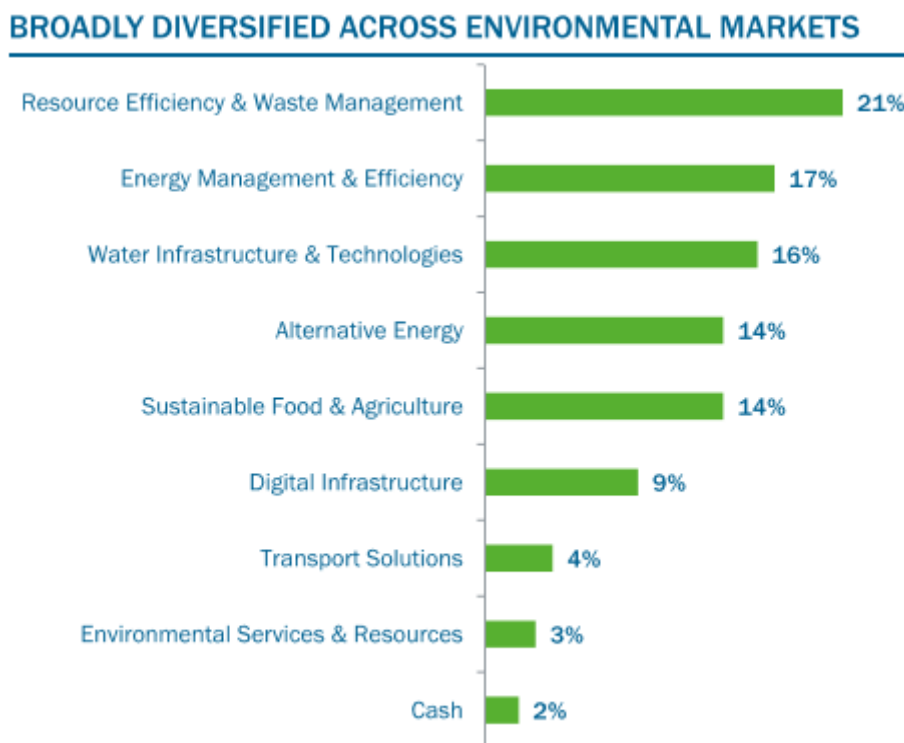
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The areas they look across include:



They like the overall shape of the portfolio as it stands today, and the value within this. One area they see as offering long term opportunities is the circular economy (resource efficiency & waste management).

The current split is shown below:



Recent performance has been challenging, in part driven by inflation and interest rates during 2022, and then the collapse of Credit Suisse in 2023 hurt small and mid-cap businesses.

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CALENDAR YEAR PERFORMANCE (%)					
	2023 YTD	2022	2021	2020	2019
IEM plc (NAV) ¹	2.8	-15.0	21.3	31.0	30.6
IEM plc Share Price	-1.6	-22.8	30.1	28.9	32.9
FTSE ET Index ²	3.9	-20.1	13.1	90.3	29.2
MSCI ACWI	4.2	-8.1	19.6	12.7	21.7

DISCRETE 12 MONTH PERFORMANCE (%)					
	APR-22 TO APR-23	APR-21 TO APR-22	APR-20 TO APR-21	APR-19 TO APR-20	APR-18 TO APR-19
IEM plc (NAV) ¹	-0.1	-2.6	62.7	-4.7	10.5
IEM plc Share Price	-6.4	-7.1	66.7	-2.5	13.9
FTSE ET Index ²	-4.4	-0.2	87.6	13.9	7.9
MSCI ACWI	1.9	4.3	32.8	-1.8	11.0

Past performance is not indicative of future results, which may vary materially. A loss of principal may occur. There can be no assurance that Impax will achieve performance results in the future comparable to the performance presented herein. All data in GBP as at 30 April 2023. MSCI index is total net return (net dividend reinvested), FTSE index is total return (gross dividend reinvested). Source: FactSet/WM Reuters.¹Bloomberg. ²FTSE ET100 data shown from January 2014, previous data represents FTSE ET50. The FTSE ET50 index launched in January 2008. This information is presented as supplemental to the GIPS report which can be found at the back of this presentation.

Ultimately, they believe the long term environment remains favourable with governments, especially in the US and Europe, investing in the energy transition. They do blend between cyclical and defensive businesses, and they have slightly increased the defensive weighting.

This is a global strategy with 48% in the US and 37% in Europe. The world index is around 64% and 18% Europe. This really reflects that a great deal of new innovation is coming from Europe.

The team can invest in unlisted shares and although they have in the past, they feel that their experience is best matched to listed shares and so currently they zero weighting to unlisted companies.

In term of activity, they sold Airtac International Group on valuation grounds and have added:

Dabur India Ltd – recycled, recyclable products and biomaterials

Kingspan Group plc – buildings energy efficiency

Shenzhen Inovance Technology – industrial energy efficiency

In summary, investors looking for an environmental strategy could consider this. Impax are specialists within this region. The recent underperformance has been a mix of macro (inflation and interest rates) and underperformance as a whole of the small and mid-cap space. It is an area that will gain traction over the coming years and therefore this has a strong story behind it.

The source of information in this note has been provided by Impax and is correct as of May 2023. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.

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