

Impax Environmental Markets plc

Monthly performance commentary

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On 20 April 2026, the Board of IEM plc announced that an Exit Tender Offer had been approved by Shareholders and 77.83 per cent of the Shares in issue were validly tendered. On April 21, 2026 Saba stated that its post-tender shareholding in the Company will be approximately 29.9%. The Board acknowledges the likelihood of Saba having effective control of the Company following the completion of the Exit Tender Offer, and as such, will constructively engage with Saba. For more details please visit [IEM's website](#).



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Portfolio Manager

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Portfolio Manager

Market review

Global equities as measured by the MSCI All Country World Index (ACWI) in GBP fell in March, returning -5.4%. Conflict in Iran dominated investors' attention, with oil spiking up to 90% higher than its price at the start of the year.¹ The month also saw US inflation data come in at 2.5% with some modest signs of tariff pass-through. While only slightly above the Federal Reserve's 2% target, investors were not encouraged given the potential for higher energy prices to drive up inflation in the coming months.

At a sector level, Energy stood out, rising sharply alongside oil prices. All other sectors fell, albeit IT and Utilities outperformed on a relative basis. Materials, Industrials, and Consumer Staples were the weakest areas, the latter defying its defensive reputation after strong prior performance. Regionally, Asia and Emerging Markets were weakest, reflecting both their reliance on Middle Eastern energy imports and the impact of a stronger dollar.

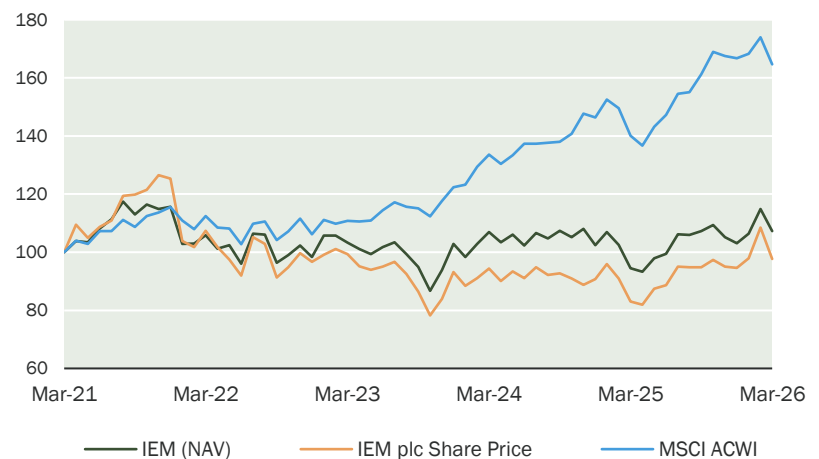
In Environmental Markets, the shift upward in oil prices has catalysed attention on both renewables and energy efficiency. Indeed, on March 30, South Korea's President Lee Jae-myung said, "This is an emergency situation, and we must shift to renewable energy very quickly".² At the same time, countries are also being pragmatic in the short-term. The International Energy Agency released its largest ever volume of emergency oil reserves,³ while Italy announced that it would delay the phase out of its coal power plants from 2025 to 2038.⁴

Performance

The Impax Environmental Markets plc (IEM) portfolio's Net Asset Value (NAV) delivered a total return of -6.6% in March. By comparison, the MSCI ACWI returned -5.4%. The Solactive GEM Specialists (GEMS) Index, which exists to reflect IEM's opportunity set,⁵ returned -6.3%.

For a portfolio tilted towards pro-cyclical companies with a large European weighting, IEM's relative performance was broadly in line with expectations. While the prospect of higher energy prices weighed on our European and Asian Industrials holdings, we saw stronger contributions across the board from names exposed to electrification, data centres and, at the margin, natural ingredients.

5-YEAR CUMULATIVE PERFORMANCE: REBASED TO 100 AT START



Past performance does not predict future returns. Figures refer to the past and that past performance is not a reliable indicator of future results. There is no guarantee that any forecasts made will come to pass. Benchmark references are selected based on their investment orientations which were deemed comparable to the investment vehicles. The manager is not constrained by the fund's benchmark, which is used for performance comparison purposes only. The specific securities identified and described are for informational purposes only and do not represent recommendations. Holdings subject to change. Date source: Bloomberg as at 31 March 2026. Performance is shown on a bid-to-bid price basis, with net income reinvested, net of ongoing charges and portfolio costs. ¹As measured by Brent Crude. Source: Bloomberg, as of March 31, 2026. ²<https://www.reuters.com/business/energy/south-koreas-lee-more-active-response-needed-energy-situation-2026-03-31/>. ³<https://www.iea.org/news/iea-member-countries-to-carry-out-largest-ever-oil-stock-release-amid-market-disruptions-from-middle-east-conflict>. ⁴<https://www.reuters.com/sustainability/climate-energy/italy-postpone-shutdown-coal-powered-plants-by-13-years-2026-03-31/>. ⁵Refer to Solactive

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Continued

Against the ACWI, the bulk of relative weakness came from IEM's structural over and underweights to Industrials and Energy, respectively.

Multiple holdings focused on energy and electrification rallied in response to the conflict in Iran. **CATL**, (a Chinese battery manufacturer), **Ormat** (a geothermal energy specialist) and **EDPR** (a Portuguese developer of renewables) all delivered robust performance over the month. Ormat and EDPR have historically benefited from higher power prices and, in terms of sentiment, a renewed focus on energy security. CATL also rallied following full year results, which beat expectations across the board. Management also guided to a strong outlook in 2026, citing continued demand in electric vehicles and robust pricing power.⁶

Data centre names delivering strong performance over the month included **Marvell Technology** (a semiconductor and networking specialist) and **nVent Electric** (a provider of electrical connection solutions). nVent rallied after an investor day in which the company raised its three-year sales and earnings targets, citing as drivers the divestment of its Thermal Management division and a refocus on higher growth infrastructure such as data centres and power utilities. Similarly, Marvell announced Q4 results which beat expectations on all measures. This was followed up later in the month by the announcement of a 2 billion USD investment from AI chipmaker **Nvidia** (not held).

Beyond Iran, there was limited stock specific news to weigh on the portfolio. The portfolio's weakest contributors were **Siemens Energy** (the German maker of wind and gas turbines) and **Schneider Electric** (a French producer of electrical equipment and solutions). While the economic impact of higher oil prices may indeed weigh on European industry, this must be balanced against the global footprint of these companies as well as their focus on energy efficiency. Indeed, for Siemens Energy, higher electricity prices may actually incentivise operators to run utilities to run their existing turbines harder and for longer, which directly drives Siemens Energy's highest-margin business: aftermarket services.

Annualised returns (%)

| | 3M | 1Y | 3Y | 5Y | 10Y | SI ⁷ |
|---------------------------|------|------|------|------|------|-----------------|
| IEM (NAV) | 4.0 | 13.6 | 1.3 | 1.4 | 9.8 | 7.1 |
| IEM plc Share Price | 3.2 | 17.6 | -0.6 | -0.5 | 10.1 | 6.7 |
| MSCI ACWI | -1.3 | 17.5 | 14.1 | 10.5 | 12.3 | 8.5 |
| Solactive GEM Specialists | 5.1 | - | - | - | - | - |

Rolling 12m returns (%)

| | MAR-25 TO MAR- 26 | MAR-24 TO MAR- 25 | MAR-23 TO MAR- 24 | MAR-22 TO MAR- 23 | MAR-21 TO MAR- 22 | MAR-20 TO MAR- 21 | MAR-19 TO MAR- 20 | MAR-18 TO MAR- 19 | MAR-17 TO MAR- 18 | MAR-16 TO MAR- 17 |
|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| IEM (NAV) | 13.6 | -11.7 | 3.5 | -2.4 | 5.9 | 73.7 | -9.7 | 7.6 | 5.0 | 33.8 |
| IEM plc Share Price | 17.6 | -12.1 | -5.0 | -7.4 | 7.3 | 66.2 | -5.7 | 15.0 | 11.9 | 33.0 |
| MSCI ACWI | 17.5 | 4.9 | 20.6 | -1.4 | 12.4 | 38.9 | -6.7 | 10.5 | 2.4 | 32.2 |
| Solactive GEM Specialists | - | - | - | - | - | - | - | - | - | - |

Significant transactions

In March, **Ashtead Group** completed a rebranding and restructuring exercise to become **Sunbelt Rentals**. As part of this, the shares' primary listing moved to the New York Stock Exchange, reflecting the fact that US revenues now account for most of the company's business.

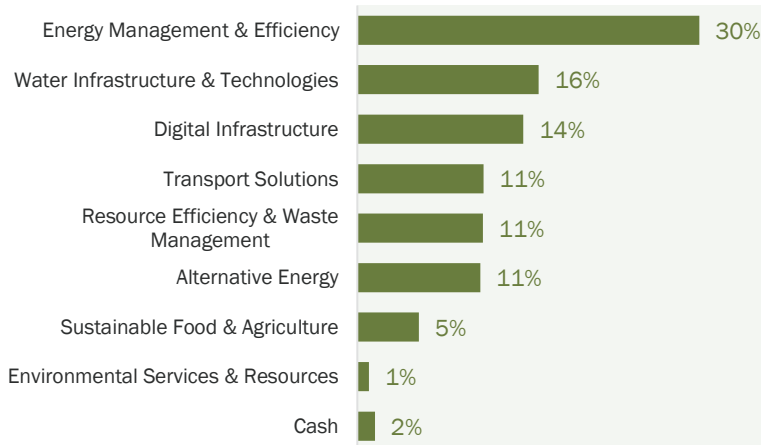
Nibe Industrier has repeatedly struggled to capture the necessary sales momentum to underpin our investment thesis and recent policy changes in its core German market are unlikely to help. Given that we retain exposure to heat pumps through US-listed Carrier, we exited the position.

Figures refer to the past and that past performance is not a reliable indicator of future results. Benchmark references are selected based on their investment orientations which were deemed comparable to the investment vehicles. The specific securities identified and described are for informational purposes only and do not represent recommendations. Holdings subject to change. Data source: Bloomberg as at 31 March 2026. Performance a bid-to-bid price basis, with net income reinvested, net of ongoing charges and portfolio costs. ⁶Source: CATL FY25 earnings, March 2026. ⁷First full month since inception: March 2002.

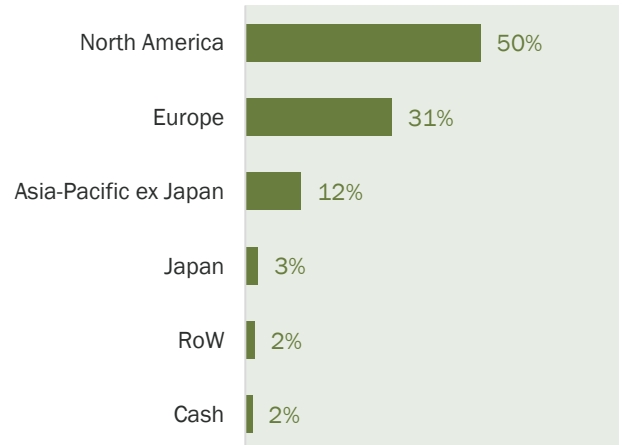
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Environmental markets exposure



Geographical exposure⁸



| Top 10 holdings ⁹ | Sub-sector | Country ¹⁰ | % |
|------------------------------|------------------------------------|-----------------------|--------------|
| WASTE CONNECTIONS INC | General Waste Management | United States | 3.99 |
| SIEMENS ENERGY AG | Wind Power Generation Equipment | Germany | 3.87 |
| AIR LIQUIDE SA | Industrial Energy Efficiency | France | 3.46 |
| KLA CORP | Water Efficiency | United States | 3.16 |
| CONTEMPORARY AMPEREX TECHN-A | Advanced Road Vehicles & Devices | China | 2.88 |
| SSE PLC | Renewable Energy Developers & IPPs | United Kingdom | 2.81 |
| VEOLIA ENVIRONNEMENT | Water Utilities | France | 2.64 |
| LITTELFUSE INC | Industrial Energy Efficiency | United States | 2.51 |
| NOVONESIS (NOVOZYMES) B | Sustainable Agriculture | Denmark | 2.45 |
| SCHNEIDER ELECTRIC SE | Smart & Efficient Grids | France | 2.08 |
| TOTAL | | | 29.84 |

Outlook

Equity investors continue to be cautiously optimistic about the impact of war in Iran. At the time of writing, the MSCI ACWI is firmly in positive territory year to date. Yet oil remains above 90 USD a barrel, the Strait of Hormuz continues to be blockaded, and there are already signs of energy price inflation leaking out into the broader economy. How does one square this circle?

On Iran and, ultimately, oil prices, investors are taking the view that US President Trump will ultimately take a pragmatic stance. Oil prices have already fallen substantially from their peak and, according to futures prices, are expected to fall sharply further still.¹¹ Just how long a peaceful resolution will take to affirm is unclear, but for now, markets are currently pricing in the view that the current period of disruption can be managed in the longer-term context of share prices.

In the meantime, corporate earnings continue to be relatively robust. Indeed, Q2 earnings per share expectations for the S&P 500 have actually risen this year, boosted by the strength of both the Energy and Technology sectors.¹² Moreover, while consumers may face higher prices, the global economy was relatively well positioned heading into this conflict. With employment resilient, there is as yet little concrete evidence to prompt a wholesale market shift.

In such times of uncertainty, it is important to stay focused on the fundamentals. Current events have increased attention on energy security, while recent advances in AI mean the multibillion capital expenditure cycle is unlikely to end soon. It is our view that where such themes are underappreciated and may support earnings growth over time, an upcycle can persist for extended periods. However, we are also mindful of past valuation excess, and as a result, are paying close attention to any multiples which appear to bake more than our expectations.

The specific securities identified and described do not represent all securities purchased, sold, or recommended for the portfolio, and no assumptions should be made that the securities identified and discussed were or will be profitable.

Data source: Impax/FactSet/Bloomberg. Data as at 31 March 2026. Charts may not add to 100% due to rounding. ⁸Geographic allocation by country of listing. ⁹Holdings are subject to change without notice. ¹⁰MSCI classification if available. ¹¹Source: Bloomberg, as of April 19, 2026. ¹²Source: Bloomberg, as of April 19, 2026.

Important information

Past performance does not predict future returns.

Solactive Environmental Markets Index Methodology Disclaimer

Please note the following important information regarding the Solactive Environmental Markets Index Series (the "Index") and its related documentation. **More information is available upon request.**

The Solactive Environmental Markets Index Series is designed to represent global securities from issuers whose core business activities are meaningfully aligned with Environmental Markets. This alignment is determined based on revenues from products and services that support the transition to a more sustainable economy. Solactive AG acts as the Index Administrator, responsible for the ownership, calculation, and administration of the Index under the Benchmark Regulation (EU) 2016/1011 (BMR).

Key Characteristics and Methodology of the Index

The Index Administrator first identifies the index universe by applying a rule-based process. Each index component is assigned a weight based on its free float market capitalisation. Free float refers to the share class-specific fraction of total shares available for trading by market participants, not locked in by long-term holders. The Index undergoes an ordinary rebalance on a quarterly basis. Index components are subject to minimum eligibility criteria, including but not limited to regional allocation, thematic exposure (assessed by revenue alignment) such as climate, environmental markets, food, water, etc., liquidity, free float. The Index currency for all indices within the Solactive Environmental Markets Index Series is USD.

Corporate actions that significantly impact index components between rebalancing periods are handled by adjusting the index from the cum-day to the ex-day to align with the price effect. Such adjustments are implemented in compliance with the methodology. However, the Index Administrator retains discretion to deviate from standard procedures for complex or unusual events to preserve the index's representativeness. All adjustments are announced on the Index Administrator's website with at least two trading days' notice and cover a wide range of events including cash/stock distributions, splits, mergers, acquisitions, and delistings.

Index Risks:

Impax does not offer any explicit or tacit guarantee or assurance regarding the results from the use of the Index or its level at any specific time.

Errors in the determination process may occur from time to time due to various internal or external reasons and cannot be completely ruled out. Any identified errors are expected to be corrected within a reasonable period.

The determination of the Index may be limited or impaired during periods of illiquid or fragmented markets and market stress, which can lead to inaccurate or delayed prices for one or more index components.

The publication of the Index does not constitute a recommendation for capital investment and does not contain any assurance or opinion from Impax regarding a possible investment in a financial instrument based on the Index.

The methodology of the Index is subject to regular review, at least annually. Changes to the methodology may occur if the underlying market or economic reality changes, or if the current methodology is

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Whilst the Index Administrator endeavours to ensure the resilience and integrity of its indices, the orderly cessation of the Index may be indicated if the underlying market or economic reality changes substantially, if index rules can no longer be applied coherently, or if the index is no longer used as an underlying value for financial instruments. The Index Administrator maintains guidelines for identifying situations requiring cessation, informing stakeholders, and following procedures for termination or transition to an alternative index.

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Important information

INVESTMENT OBJECTIVE & POLICY

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).

Shareholders should read the Investment Policy in the Annual Report before investing which is available at: www.impaxenvironmentalmarkets.co.uk. Please refer to IEM's Stewardship Approach for more details.

MARKETING COMMUNICATION

This marketing communication does not include sufficient detail to enable the recipient to make an informed decision. Please refer to the latest Annual Report and KID which set out the investment objective, policy, maximum leverage and principal risk factors faced by the Company.

The value of an investment in the Company, and any income derived from it, may fluctuate and can go down as well as up depending on a number of factors.

The main factors likely to affect future returns from an investment in the Company include:

- Changes in general economic and market conditions **such** as currency exchange rates, interest rates, rates of inflation, industry conditions, tax laws, political events, policy development, technological change and any other factors that may cause price movements, volatility or illiquidity in the market generally.
- Fluctuations in the value of the Company's underlying investments, particularly those investments in companies with small capitalisations and/or unlisted securities, which are likely to be subject to higher valuation uncertainties and liquidity risks than companies with larger capitalisations and other securities listed or traded on a regulated market.
- Events or conditions impacting the Company's investments in companies operating in environmental markets, such as governments altering the regulatory and financial support for environmental improvement, costs of technology not falling or increasing, reduced or deferred capital spending by customers or products or services not being adopted. Increased risks arising from borrowing by the Company. If investment markets fall in value, any borrowing will enhance the level of loss.
- Shares of the Company may trade at a discount or a premium to Net Asset Value for variety of reasons including market sentiment and market conditions. On a sale you could realise less than the Net Asset Value and less than you initially invested.
- Other risks arising from events which are outside of the Company's control, such as the Covid-19 pandemic and the conflict in Ukraine.



Important information

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Benchmark

Impax uses the MSCI ACWI index and Solactive GEM Specialists as indicative benchmarks for its strategies. The MSCI ACWI captures all sources of equity returns across 23 developed and 26 emerging markets and assumes any net cash distributions, including dividends, are reinvested. Information about the Solactive Benchmark can be found in the methodology section.

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