30 June 2026

Impax Environmental Markets plc

Monthly performance commentary

For professional investors only. This is a marketing communication.
This communication is for informational purposes only and does not constitute investment advice nor an offer or invitation to invest. Not for further distribution.


Sanjeev Lahkani
Portfolio Manager

Fotis Chatzimichalakis
Portfolio Manager

Market review

Global equities as measured by the MSCI All Country World Index (ACWI) in GBP rose 0.7% in June. After strong returns in April and May, market volatility increased over concerns that regulation, higher costs and diminishing returns could limit AI focused spending. Markets also had to absorb sizeable new share issuance, notably from Alphabet and SpaceX (neither held). However, positive US economic data and falling oil prices provided support to non-tech sectors.

As a result, performance broadened out across the board. Health Care and Financials were the strongest performing sectors, while Communication Services and Materials pulled back. Small-caps outperformed their larger counterparts while, at a regional level, European stock markets did better than tech-heavy markets like Asia.

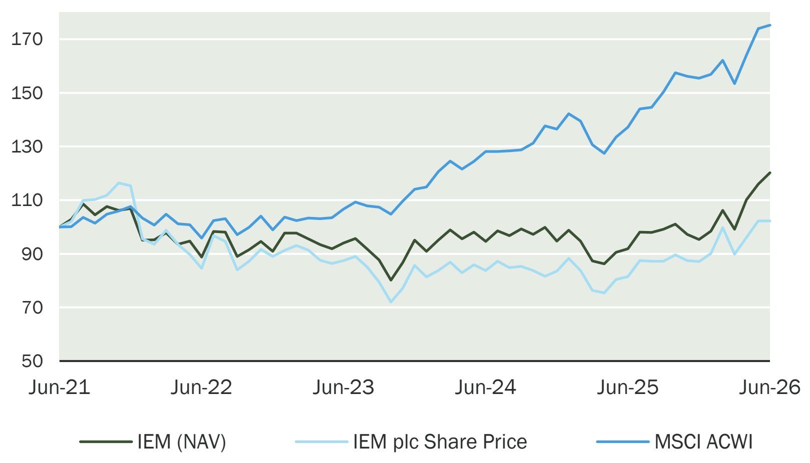
In Environmental Markets, a US federal court revoked previous rulings which restricted wind and solar developers' ability to lock in tax-credit eligibility. The ruling comes just weeks ahead of the One Big Beautiful Bill Act's July 4 deadline. While the news improves project economics on paper, the US government is expected to appeal the verdict, and companies are unlikely to revise their strategies and financial outlooks as a result.[1]

Performance

The Impax Environmental Markets plc (IEM) portfolio's Net Asset Value (NAV) delivered a total return of 3.6% in May. By comparison, the MSCI ACWI returned 0.7%. The Solactive GEM Specialists (GEMS) Index, which exists to reflect IEM's opportunity set,[2] returned 5.3%.

The portfolio's ability to outperform the MSCI ACWI in a more challenging month is testament to the diversified nature of our exposure. While stocks exposed to data centre spending were among the top performers, more cyclical and attractively valued names also boosted returns. Similarly, we benefited from IEM's structural underweight to areas like mega-cap Tech and Energy. Against the GEMS Index, our main negative contribution came from IT, where we are modestly underweight data centre names.

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 30 June 2026. Performance is shown on a bid-to-bid price basis, with net income reinvested, net of ongoing charges and portfolio costs. [1]www.utilitydive.com. [2]Refer to Solactive Environmental Markets Index Methodology Disclaimer on page 5.

Impax Environmental Markets plc

Past performance does not predict future returns.

Continued

Despite some volatility in the AI space, the portfolio's two strongest contributors were **KLA** (a semiconductor process control company) and **Marvell Technology** (a specialist producer of chips and connectors for data centres). Both stocks benefited from continuing market momentum around the AI theme, with Marvell in particular being singled out by **Nvidia**'s (not owned) CEO Jensen Huang as the "next trillion-dollar company", sending its shares up over 30%.[3] While we remain constructive long-term, we used the rally to take some profit.

The portfolio also benefited from its broad exposure to the construction sector. A higher, but not surging inflation print, eased fears of interest rates moving sharply higher. At the same time, constructive employment and economic data had a positive read across for housing. As a result, stocks like **Watts Water** (fluid control), **Advanced Drainage** (stormwater and sanitation) and **Trex** (sustainable decking) all benefited from this improved sentiment. Advanced Drainage also provided robust forward guidance at its investor day which reassured shareholders about the long-term investment case.

Weakness in the portfolio was limited to those names with the highest level of exposure to the data centre theme, many of which have been strong performers year to date. These include the Taiwanese supplier of advanced power solutions **Delta Electronics** and **Monolithic Power Systems**, a US-listed producer of specialised power semiconductors. Both have suffered as investors question the increasing cost of compute, at the same time as cheaper Chinese models come to the market and government regulation appears to threaten further development.[4] We have managed our exposure to this space consistently, taking profits throughout the year. Our current view is that these concerns are likely to be temporary, and valuations are starting to look out of sync with fundamentals.

Annualised returns (%)

	3M	1Y	3Y	5Y	10Y	SI[5]
IEM (NAV)	21.2	30.8	8.5	3.8	10.8	7.8
IEM plc Share Price	13.8	25.4	5.3	0.4	10.7	7.2
MSCI ACWI	14.2	27.7	18.0	11.9	12.9	9.0
Solactive GEM Specialists	19.0	-	-	-	-	-

Rolling 12m returns (%)

	JUN-25 TO JUN-26	JUN-24 TO JUN-25	JUN-23 TO JUN-24	JUN-22 TO JUN-23	JUN-21 TO JUN-22	JUN-20 TO JUN-21	JUN-19 TO JUN-20	JUN-18 TO JUN-19	JUN-17 TO JUN-18	JUN-16 TO JUN-17
IEM (NAV)	30.8	-2.8	0.6	6.0	-11.2	51.0	2.9	12.0	5.9	25.7
IEM plc Share Price	25.4	-2.6	-4.3	3.4	-15.4	51.4	3.8	16.9	14.4	28.7
MSCI ACWI	27.7	7.2	20.1	11.3	-4.2	24.6	5.2	9.7	8.9	22.2
Solactive GEM Specialists	-	-	-	-	-	-	-	-	-	-

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 30 June 2026. Performance a bid-to-bid price basis, with net income reinvested, net of ongoing charges and portfolio costs. [3]Marvell stock jumps on Jensen Huang's trillion-dollar forecast. [4]Trump drops restrictions on Anthropic's Mythos and Fable models | TechCrunch . [5]First full month since inception: March 2002.

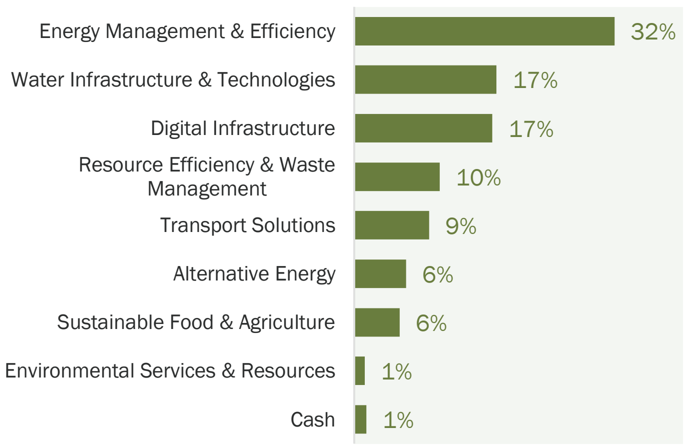
Impax Environmental Markets plc

Past performance does not predict future returns.

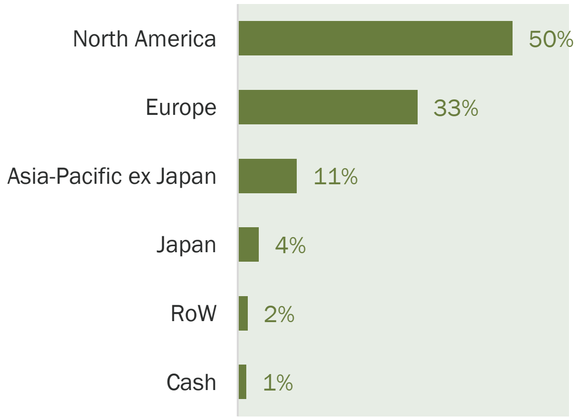
Significant transactions

We exited our position in **Sanhua Intelligent Controls**. The company is a manufacturer of advanced HVAC (heating, ventilation & air conditioning) and refrigeration components listed in China. The company reported disappointing revenue growth and offered limited near-term visibility. Given more attractive options elsewhere, we chose to reallocate the capital

Environmental markets exposure



Geographical exposure[6]



Top 10 holdings[7]	Sub-sector	Country[8]	%
KLA CORP	Water Efficiency	United States	4.63
SIEMENS ENERGY AG	Smart & Efficient Grids	Germany	4.04
WASTE CONNECTIONS INC	General Waste Management	United States	3.40
AIR LIQUIDE SA	Industrial Energy Efficiency	France	3.37
CONTEMPORARY AMPEREX TECHN-A	Advanced Road Vehicles & Devices	China	2.88
NOVONESIS (NOVOZYMES) B	Sustainable Agriculture	Denmark	2.75
VEOLIA ENVIRONNEMENT	Water Utilities	France	2.63
KEYENCE CORP	Industrial Energy Efficiency	Japan	2.46
SSE PLC	Renewable Energy Developers & IPPs	United Kingdom	2.45
MONOLITHIC POWER SYSTEMS INC	Efficient IT	United States	2.22
TOTAL			30.83

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 30 June 2026. Charts may not add to 100% due to rounding. [6]Geographic allocation by country of listing. [7]Holdings are subject to change without notice. [8]MSCI classification if available.

Impax Environmental Markets plc

Past performance does not predict future returns.

Outlook

Equity markets are finely balanced. The threat of an energy-induced inflation spike has been contained so far, while US employment and overall earnings growth have proven resilient. Performance may be concentrated around one theme (AI related infrastructure), but the market is no longer dominated by a handful of mega-cap technology stocks. These conditions have historically favoured the strategy's small-mid-cap tilt.

Against this backdrop, the portfolio remains balanced. High-growth thematic exposure is complemented by defensive compounders and selective cyclical opportunities. While overall volatility has spiked only fitfully, shares in individual companies are moving sharply even in the absence of significant news. Accordingly, we have taken advantage of market dislocations to initiate or add to oversold, high-conviction holdings, while exiting positions where the investment case has played out or is reflected in valuations.

Going into the second half of the year, the strategy offering remains consistent. The portfolio has an active share of around 97% against the MSCI ACWI, no allocation to mega-cap technology stocks, and low holdings correlation with peers. At the same time, valuations reflect a superior expected rate of earnings growth relative to global markets, thanks to a range of structural environmental themes. The result year-to-date has been encouraging, with multiple sources of return across different market environments.

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 based on obsolete assumptions. Such changes will be made in accordance with the Solactive Methodology Policy and announced on the Solactive website. The terms and conditions of the Index may be subject to changes and the Index's calculation method may be subject to change as deemed necessary to prevent obvious errors or to remedy, correct, or supplement incorrect terms and conditions. Impax and the Index Administrator are not obliged to provide information on any such modifications or changes.

The Index Administrator retains the right to deviate from standard corporate action procedures in cases of unusual or complex corporate actions to preserve the comparability and representativeness of the Index.

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.

Past performance does not predict future returns.

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

Past performance does not predict future returns.

This document has been issued by Impax Asset Management Limited ("Impax"; FRN: 197008) which is authorised and regulated by the Financial Conduct Authority. Before making any investment decision, please consult full details of the objectives, investment policies and risks in the most recent annual report and/or key information document (KID).

Impax Environmental Markets Plc (the "Fund") is incorporated in England and Wales under the Companies Act 1985 with registered number 4348393 and registered as an investment company. The Fund is classified as an Alternative Investment Fund under Directive 2011/61/EU as onshored into the domestic body of UK legislation ("UK AIMFD"). Impax Asset Management (AIFM) Limited (authorised and regulated by the Financial Conduct Authority FRN: 613534) acts as the Alternative Investment Fund Manager (the "AIFM") and has delegated portfolio management to Impax Asset Management Limited.

This communication is for informational purposes only for the sole use of the intended recipient and does not constitute an offer or invitation to invest in any fund, security, financial instrument or product for which Impax provides investment advisory and/or investment management or any other services. Any data services and information available from public sources used in the creation of this communication are believed to be reliable. Unless stated otherwise the source of all information is Impax as of the date indicated.

This document is solely for the use of (a) "Professional Clients" as defined in the Glossary to the UK Financial Conduct Authority Handbook or (b) to whom it may otherwise lawfully be communicated. It is strictly confidential and must not be distributed onward. The content does not represent and is not intended to constitute advice of any nature nor an investment recommendation or opinion regarding the appropriateness or suitability of any investment or strategy and does not consider the particular circumstances specific to any individual recipient to whom this material has been sent. Any offering is made only pursuant to the relevant offering document and the relevant subscription application, of all which must be read in their entirety. Prospective investors should review the offering memorandum, including the risk factors in the offering memorandum, before making a decision to invest.

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

Performance

This document contains information on the past performance of the Fund. Past performance does not predict future returns. Information on past performance refers to the past and past performance is not a reliable indication of future performance. This also applies to historical market data. The performance data does not take into account the commissions and costs incurred on the issue and redemption of units. The annual investment management charge and other charges are generally deducted from income, although a portion may be deducted from capital of the trust. Where charges are deducted from capital, the potential for capital growth will be reduced. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. Investments in funds are subject to risk. It is important to choose a fund that does not exceed the risk level you are prepared to accept. Portfolio characteristics, including specific holdings, country, sector and industry exposure, are as of the date indicated and are subject to change without notice. Portfolio characteristics illustrate the application of Impax's investment style only and should not be considered a recommendation by Impax. The money invested in a fund can increase and decrease in value and there is no guarantee that you will get back the full amount invested.

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 metholdology section.

The information and any opinions contained in this document have been compiled in good faith, but no representation or warranty express or implied, is made to their accuracy, completeness or correctness. Impax, its officers, employees, representatives and agents expressly advise that they shall not be liable in any respect whatsoever for any loss or damage, whether direct, indirect, consequential or otherwise however arising (whether in negligence or otherwise) out of or in connection with the contents of or any omissions from this document.

Distribution of this communication and the availability of the Fund is restricted. It is important that potential investors are able to ensure compliance with regulations prior to making a subscription. Please refer to the offering documentation for additional information. The most recent annual report and/or key information document (KID) of the Fund are available in English at https://impaxenvironmentalmarkets.co.uk, free of charge. Before any subscription, it is recommended that you read carefully the latest financial reports published by the Fund.

Potential investors should consult with their professional advisers in relation to the tax treatment of their holdings. Please note that the dividends/interest which the Fund may receive may be subject to withholding taxes. The tax treatment depends on the individual circumstances of each investor. Impax does not provide legal or tax advice.

In the United Kingdom, this material is a financial promotion and has been approved by Impax Asset Management Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority.