# Key Information Document

**Purpose**

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

**Product: Impax Environmental Markets plc, ("the Company") -Ordinary Shares**

(Product ISIN: GB0031232498 )

Priips Manufacturer: Impax Asset Management (AIFM) Limited

https://www.impaxenvironmentalmarkets.co.uk

Competent Authority: FCA (https://www.fca.org.uk)

Call +44 (0)20 3912 3000 for more information

This document was published on 31-01-2024

## What is this product?

**Type** The Company is a closed-ended investment trust with its shares admitted to trading on the Main Market of the London Stock Exchange (within the Premium segment) (Ticker symbol: IEM) and an Alternative Investment Fund under the UK version of the Alternative Investment Fund Managers Directive.

**Objectives** 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).

**Intended retail investor** The Company is suitable for investors seeking capital growth as part of a diversified investment portfolio and who have a medium to long term investment horizon. Investors should be capable of evaluating the potential benefits and risks of such an investment. and should have sufficient resources to bear losses up to 100% of their investment. The Company does not offer capital protection.

**Term** This product has no maturity date and an unlimited lifespan although the directors are required to propose a continuation resolution at every third AGM of the Company, the next such vote to be held in 2025. If the continuation resolution is not passed the directors are required to formulate proposals for the voluntary liquidation or reorganization of the Company.

## What are the risks and what could I get in return?

### Risk Indicator

| 1 | 2 | 3 | 4 | **5** | 6 | 7 |
|---|---|---|---|---|---|---|

Lower risk — Higher risk

The risk indicator assumes you keep the product for 5 Years.

The actual risk can vary significantly if you cash in at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions will likely impact the capacity to pay you.

This product does not include any protection from future market performance so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.

### Investment performance information

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.

The performance of the Company is compared to a global equity comparator, the MSCI All Country World Index (MSCI ACWI) and a thematic environmental markets comparator, the FTSE Environmental Technology 100 Index (ET 100). The Company provides performance and risk comparisons in marketing documentation against the benchmark(s) for illustrative purposes only.

The Company's portfolio is actively managed and the Company's investment manager does not use either index for portfolio construction purposes. Moreover, the environmental markets thematic nature of the Company's investment strategy means that the Company's portfolio is likely to differ significantly from both the MSCI ACWI and the ET 100. As a result, the Company's performance may diverge – both negatively and positively - from both indices. The Company can invest in companies that are not included in the index. The Company's share price may also experience a higher volatility compared with both indices.

The Company and its investment manager seek to mitigate risks through various policies and procedures and further details regarding the specific risks applicable to this Company are included in the Annual Report which may be obtained from the Company's website: www.impaxenvironmentalmarkets.co.uk.

**What could affect my return positively?**

While the Company and the investment manager measure performance over the long term, they recognise that investments in the Company's portfolio may generate higher returns in markets which favour: growing small and mid-cap companies, increasing industrial production and expenditure, supportive global environmental initiatives and consumer preferences.

**What could affect my return negatively?**

While the Company and the investment manager measure performance over the long term, they recognise that investments in the Company's portfolio may generate lower returns in the following market conditions: markets which favour value equities (rather than growth), markets which favour large cap companies, sector preferences outside of environmental markets (such as energy and financial sectors), adverse changes to global environmental initiatives and consumer preferences.

There are no guarantees that the Company will achieve its investment objective or that the value of the Company's investments will increase. Under severely adverse market conditions or otherwise, investors may not get back the full value of their investment.

## What happens if Impax Asset Management (AIFM) Limited is unable to pay out?

As the Company's shares are traded on the London Stock Exchange and not directly with Impax Asset Management (AIFM) Limited or the Company, Impax Asset Management (AIFM) Limited is not obliged to pay out the shares of the Company, and the Company is only obliged to pay out on a winding up of the Company. In the unlikely event of a default by the Company, you may suffer financial loss which could equal the amount of your investment. The amount you receive for your holding will be based on the value of assets available for distribution to shareholders. As a shareholder of a listed investment company, you would not be able to make a claim to the Financial Services Compensation Scheme in the event that the Company or Impax Asset Management (AIFM) Limited is unable to pay out.

## What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.
The amounts shown here are the cumulative costs of the product itself, for three different holding periods.
The figures assume you invest 10 000 GBP. The figures are estimates and may change in the future.

**Costs over time**

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

| **Investment GBP 10 000**<br>**Scenarios** | **If you cash in after 1 Year** | **If you cash in after 3 Years** | **If you cash in after 5 Years** |
|---|---|---|---|
| Total costs | 128 GBP | 384 GBP | 640 GBP |
| Impact on return (RIY) per year | 1.28% | 1.28% | 1.28% |

**Composition of costs**

The table below shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of the different cost categories.

**This table shows the impact on return per year**

| | | | |
|---|---|---|---|
| One-off costs | Entry costs | 0.00% | The impact of the costs you pay when entering your investment. |
| | Exit costs | 0.00% | The impact of the costs of exiting your investment when it matures. |
| Ongoing costs | Portfolio transaction costs | 0.16% | The impact of the costs of the Company buying and selling underlying investments in the product's portfolio. |
| | Other ongoing costs | 1.12% | The impact of the expenses necessarily incurred in the operation of the product. This includes the annual management fee paid to Impax Asset Management (AIFM) Limited and finance costs. |
| Incidental costs | Performance fees | 0.00% | There is no performance fee. |
| | Carried interests | 0.00% | There are no carried interests. |

## How long should I hold it and can I take my money out early?

**Recommended holding period: At least 5 Years**

Any investment in this product should be viewed as a medium to long-term investment and therefore you should be prepared to stay invested for at least 5 years. You may sell your investment before the end of the recommended holding period without penalty/charge.

## How can I complain?

As a shareholder of a listed investment company, you do not have the right to complain to the Financial Ombudsman Service about the management of the Company. If you wish to make a complaint to the Company, please contact the Impax Asset Management Client Service team:
**Website:** www.impaxenvironmentalmarkets.co.uk **E-mail:** complaints@impaxam.com **Postal address:** 7th floor, 30 Panton Street, London. SW1Y 4AJ

## Other relevant information

The cost, and risk calculations included in this KID follow the methodology prescribed by UK regulation. Accordingly, they may not reflect figures the Company derived using other methods. The Other ongoing costs of 1.12% include the costs of the Company's fixed-rate loans of 0.25%. The Ongoing Charge on the latest Factsheet at the date of this KID of 0.87% is calculated per the AIC methodology.