



Investing in Environmental Markets

Geneva Forum for Sustainable Investment

26th March 2009

Pegasus House, 37-43 Sackville Street, London, W1S 3EH, UK
Tel: +44 (0)20 7434 1122 Fax: +44 (0)20 7437 1245
Impax Asset Management Limited is authorised & regulated by the Financial Services Authority

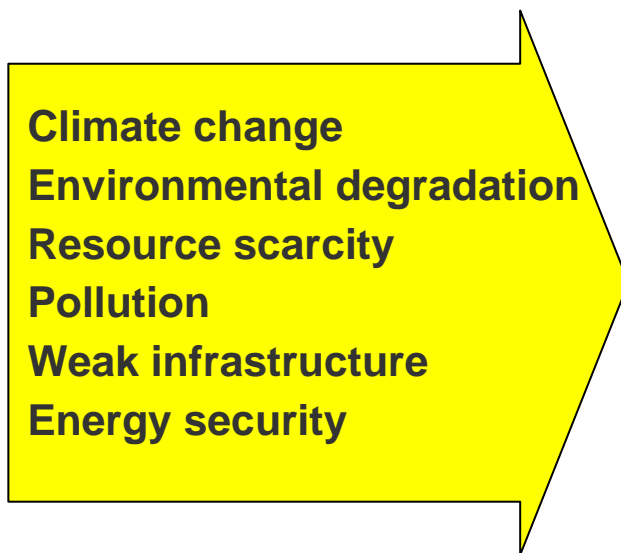
Overview - Impax Asset Management Ltd



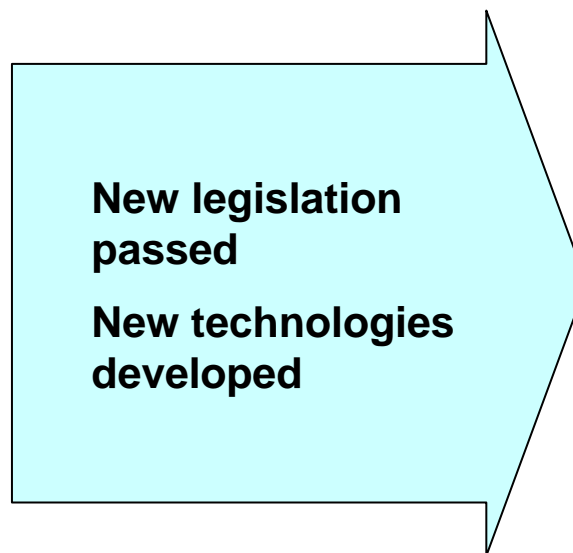
- **Investor in Environmental Markets with 15 years experience**
- **Institutional client base with >€1 billion FUM**
- **Long only, long short and private equity strategies**
- **Investment team worked together for 10+ years**
- **Investment processes endorsed by leading consultants**
- **Excellent track record**

The Environmental Markets Opportunity

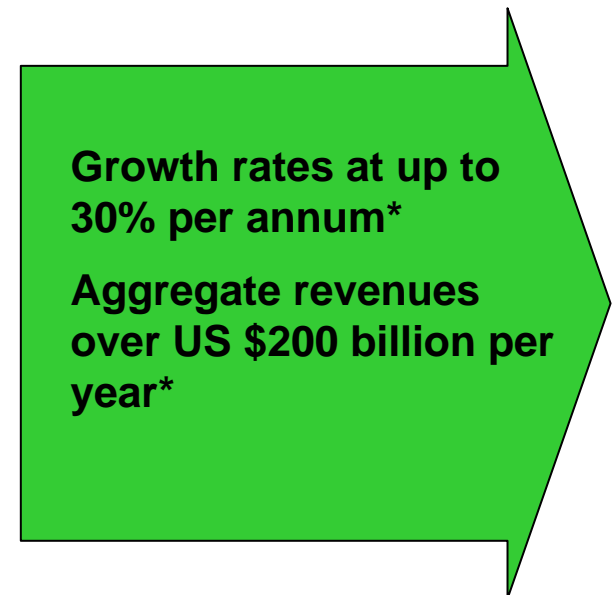
Unsustainable economic growth.....



..provoking a global response



...and an exciting investment opportunity...

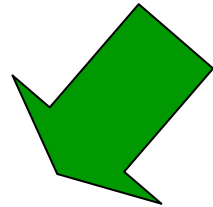


*Third party research, Impax analysis, 2009

Impax's Investment Universe

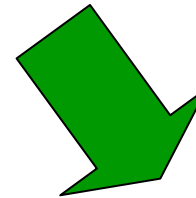
Full Universe

- **Ca. 1500 stocks** with 20-100% of revenues / profits or capital employed in environmental markets
- Pre IPO and infrastructure project-related investments e.g. wind farms



Pure Play Universe

Ca. 900 stocks with >50%
revenues/profits/capital
employed in the environmental
sector



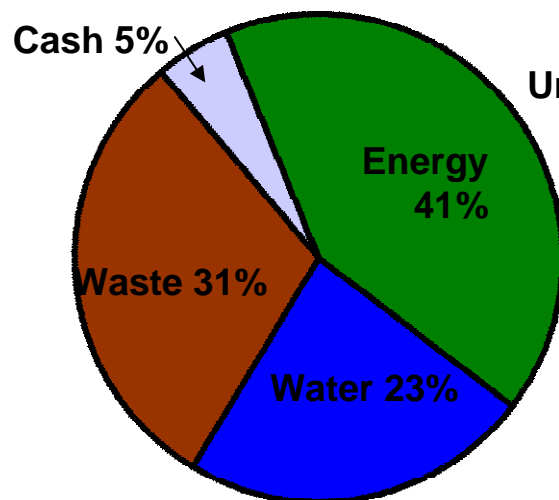
All Cap Universe

Ca. 1200 stocks with >20%
revenues/profits/capital
employed in the environmental
sector

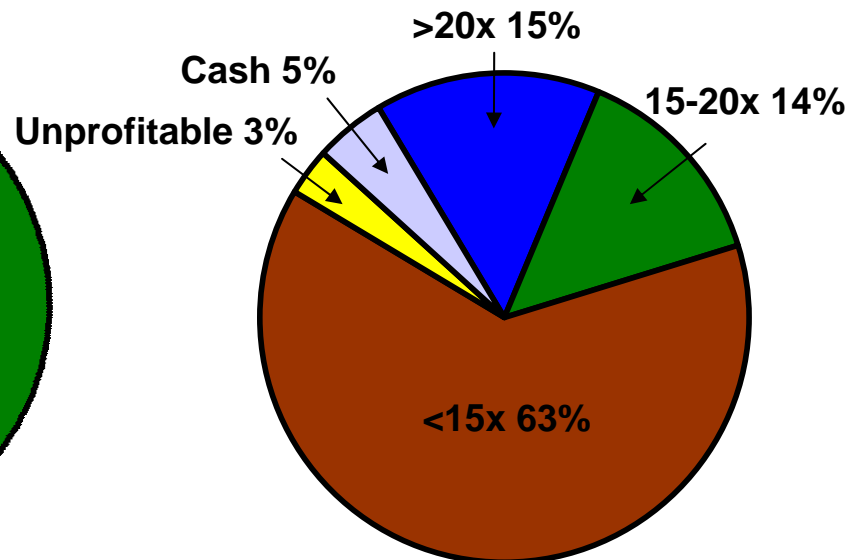
Impax Long Only Funds – Key Characteristics

Investment Process reviewed by Russell Investments, Mercer and others

Sector Focus *



Price to Earnings Ratio to February 2010*



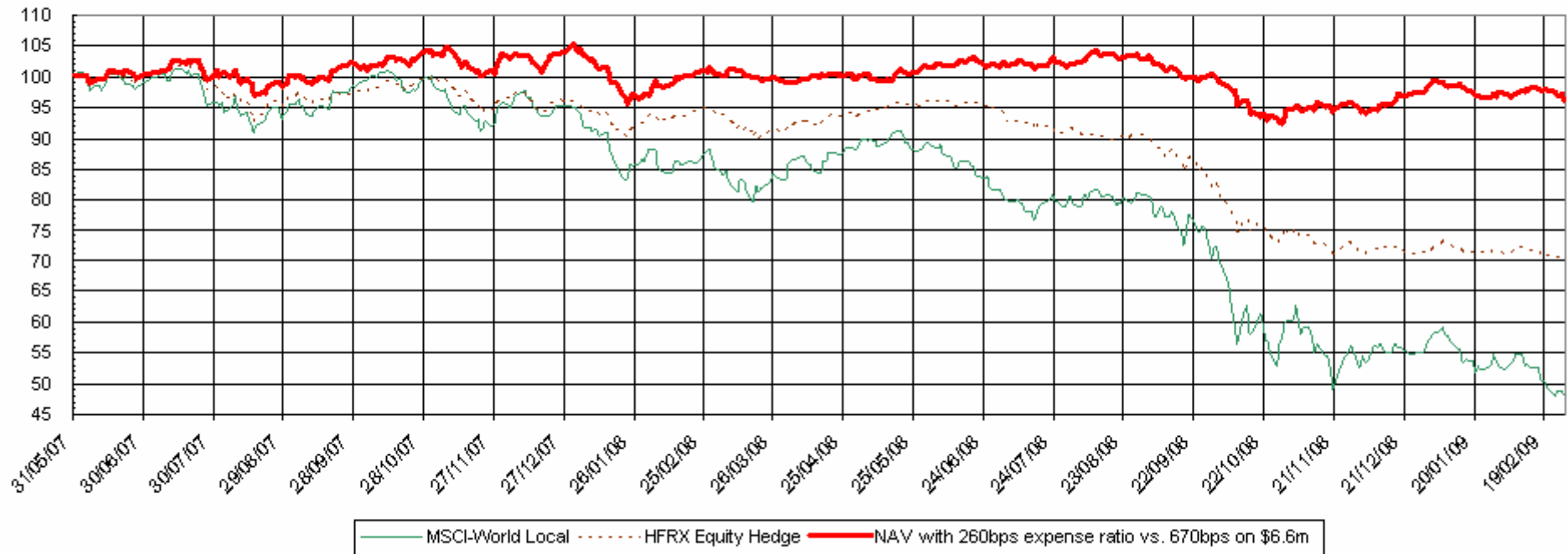
- 5 year returns (£ to 31/12/08): IEM plc: +49% MSCI World: +22%
- Volatility (3 years to 31/12/08): IEM plc: 19.4% MSCI World: 18.9%

*IEM plc, 31st February 2009

Impax Long/Short Equity – Key Characteristics

- Core Impax universe
- Conservative investment management:
- Net exposure 0-50% (beta adjusted)
- Gross exposure 80-150%
- Core Impax process
- Stock specific shorts

NAV US\$ vs. MSCI World Local Currency and HFRX Equity Hedge



Impax Private Equity – Key Characteristics



- Impax New Energy Investors LP (€125m)
- Final close August 2006. Targeting net cash-to cash IRR of 18-25%
- Excellent low-risk long-term returns for equity investors
- Proven technology in solar, wind and other renewable power generation
- €20billion new asset creation annually in European renewable power generation
- Strong growth to continue

Conclusion



1. **Strengthening fundamentals:**
 - **Strong environmental and economic drivers**
 - **New legislation**
 - **Sector consolidation**
 - **Extensive universe with diverse investment opportunities**
2. **Robust portfolios and strategies:**
 - **Long only strategies**
 - **Long/short equity**
 - **Private equity**
3. **“Best in class” investment team:**
 - **15 investment professionals with award-winning track record**