

Item 1 – Cover Page

Pax World Management LLC
30 Penhallow Street, Suite 400
Portsmouth, NH 03801
603-431-8022
www.paxworld.com
January 25, 2012

This Brochure provides information about the qualifications and business practices of Pax World Management LLC (“Adviser”). If you have any questions about the contents of this Brochure, please contact John Boese at 603-431-8022. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Pax World Management LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Pax World Management LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This section details any material changes which we made to this Brochure since the last annual update on March 30, 2011. The material changes we have made since the last annual update are to update Pax World Management LLC's assets under management to December 31, 2011, in Item 4, and to provide updated expense ratios for the Pax World Funds (including the ESG Managers Portfolios) in Item 5.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting John Boese at 603-431-8022 or jboese@paxworld.com. Our Brochure is also available on our web site www.paxworld.com, also free of charge.

Additional information about Pax World Management LLC is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Pax World Management LLC who are registered, or are required to be registered, as investment adviser representatives of Pax World Management LLC.

Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents.....	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	3
Item 6 – Performance-Based Fees and Side-By-Side Management.....	4
Item 7 – Types of Clients	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	5
Item 9 – Disciplinary Information	37
Item 10 – Other Financial Industry Activities and Affiliations	38
Item 11 – Code of Ethics.....	39
Item 12 – Brokerage Practices	41
Item 13 – Review of Accounts	44
Item 14 – Client Referrals and Other Compensation	45
Item 15 – Custody	46
Item 16 – Investment Discretion	46
Item 17 – Voting Client Securities	46
Item 18 – Financial Information.....	48

Item 4 – Advisory Business

Pax World Management LLC, 30 Penhallow Street, Suite 400, Portsmouth, NH, 03801 is an SEC registered investment adviser, and has been an investment adviser since 1971. As of December 31, 2011, the Adviser had approximately \$2,518,927,000.00 in assets under management in thirteen investment company clients and one separate account. All assets under management are managed on a discretionary basis.

The Adviser also provides investment advice to one client account other than the funds and account listed above, although the Adviser does not manage the assets of the account. The client's account holds approximately \$12,000,000.00.

Pax World Management LLC is 75% owned by PWMC, Inc. a holding company for individuals and trusts associated with the Shadek family.

The investment company clients include the Pax World Balanced Fund, the Pax World Growth Fund, the Pax World High Yield Bond Fund, the Pax World Global Women's Equality Fund, the Pax World Global Green Fund, the Pax World International Fund, the Pax World Small Cap Fund; the ESG Managers Portfolios: the ESG Managers Aggressive Growth Portfolio, the ESG Managers Growth Portfolio, the ESG Managers Moderate Portfolio, the ESG Managers Conservative Portfolio; and the ESG Shares ETFs: the Pax MSCI North America ESG Index ETF, and the Pax MSCI EAFE ESG Index ETF.

The Pax World Balanced Fund, Growth Fund, Small Cap Fund, International Fund, High Yield Bond Fund, Global Women's Equality Fund and Global Green Fund (the "Funds") pursue a sustainable investing approach — investing in forward-thinking companies with more sustainable business models. The Funds' Adviser identifies those companies by combining rigorous financial analysis with equally rigorous environmental, social and governance analysis. The result, the Adviser believes, is an increased level of scrutiny that helps it to identify better-managed companies that are leaders in their industries; that meet positive standards of corporate responsibility; and that focus on the long term. By investing in those companies, the Funds intend for shareholders to benefit from their vision and their success.

All of the Funds avoid investing in issuers that the Adviser determines are significantly involved in the manufacture of weapons or weapons-related products, manufacture tobacco products or engage in unsustainable business practices.

In addition to our other sustainability or ESG criteria, the Global Green Fund has a particular focus on environmental markets, investing in companies whose businesses and technologies mitigate the environmental impacts of commerce, including such areas as alternative energy and energy efficiency; water treatment and pollution control; and waste technology and resource management.

The Global Women's Equality Fund focuses on women's issues —investing in companies that are leaders in promoting gender equality in the workplace and beyond. Because of the Global Women's Equality Fund's particular focus on companies that are leaders on gender issues, the Adviser may modify the application of certain sustainability or ESG criteria to the Fund. In selecting companies for the Global Women's Equality Fund, the investment adviser favors companies that embrace or aspire to embrace the best practices embodied in the Women's Empowerment Principles, a joint initiative of the United Nations Development Fund for Women (UNIFEM) and the United Nations Global Compact.

Our primary goal is to produce competitive returns for our investors. By integrating environmental, social and governance criteria — what we call “sustainability” criteria — into our investment approach, Pax World also seeks to promote peace, protect the environment, advance global equity, and foster sustainable development. To denote this endeavor, the Funds have adopted the name “Pax World.”

ESG Managers Portfolios:

The ESG Managers Aggressive Growth Portfolio, Growth Portfolio, Moderate Portfolio and Conservative Portfolio (collectively, the “Portfolios”) each pursue a sustainable investing approach.

The Adviser has delegated to Morningstar Associates, LLC (“Morningstar Associates”) responsibility for recommending to the Board of Trustees of the Trust various subadvisers to which the Adviser will delegate responsibility for selecting investments for a portion of each Portfolio (each of these subadvisers is known as a “Sleeve Subadviser”). The Adviser intends that the Sleeve Subadvisers will identify appropriate investments by combining financial analysis with environmental, social and/or governance analysis. The result, the Adviser believes, is an increased level of scrutiny that helps the Portfolios invest in better-managed companies that are leaders in their industries, meet positive standards of corporate responsibility, and focus on the long term.

The Adviser and Sleeve Subadvisers apply a variety of sustainability or environmental, social and governance (ESG) criteria to the Portfolios. Most of the Sleeve Subadvisers who manage different strategies within the Portfolios are asset managers with substantial experience in the field of sustainable investing. However, each of these Sleeve Subadvisers may apply ESG criteria that differ from those applied by other Sleeve Subadvisers. The ESG criteria integrated by a particular Sleeve Subadviser into its investment approach may differ from the criteria applied by another Sleeve Subadviser, or the same criteria could be used by different Sleeve Subadvisers but weighted differently. Some Sleeve Subadvisers may have a more narrow focus on one set of ESG factors – for example, they may focus solely on environmental criteria (the “E” in ESG). By bringing this diverse group of asset managers with various ESG approaches under one roof in a series of sleeves, the Portfolios provide investors with exposure to a variety of ESG approaches, and a variety of asset classes, in the field of sustainable investing – or what some call “socially responsible” or “green” investing.

A small number of Sleeve Subadvisers may not ordinarily apply ESG criteria to the management of their other assets. These Sleeve Subadvisers have been chosen for the Portfolios because of their investment management experience in an asset class when, in the determination of the Adviser and Morningstar Associates, there is no comparable Sleeve Subadviser available or appropriate who has prior ESG investing experience. In the case of these “non-ESG” Sleeve Subadvisers, the Adviser intends to modify investment decision-making made by such Sleeve Subadvisers through the application of Pax World’s ESG criteria.

ESG Shares ETFs:

Each of the ESG Shares ETFs seeks investment results that closely correspond to the price and yield performance, before fees and expenses, of an index that defines a specific segment of the global stock market. The Indexes consist of equity securities of issuers that meet specific environmental, social and governance criteria developed by the index providers.

Item 5 – Fees and Compensation

The following is a synopsis of the fees for each of the Pax World Funds

As of 12/31/2011

Fund	Individual Investor		Institutional		R Class	
	Gross	Net	Gross	Net	Gross	Net
Balanced	0.95%	0.95%	0.70%	0.70%	1.20%	1.20%
Growth	1.47%	1.32%	1.22%	1.07%	1.72%	1.57%
Small Cap	2.71%	1.24%	2.46%	0.99%	2.96%	1.49%
International	1.95%	1.40%	1.70%	1.15%	2.20%	1.65%
High Yield Bond	0.97%	0.97%	0.72%	0.72%	1.22%	1.22%
Women's Equality	1.68%	1.24%	1.43%	0.99%		
Global Green	1.99%	1.40%	1.74%	1.15%	2.24%	1.65%

	<u>Class A</u>		<u>Institutional</u>		<u>Class C</u>	
ESG Mgr Aggressive						
Growth	6.37%	1.19%	6.12%	0.94%	7.12%	1.94%
ESG Mgr Growth	4.14%	1.02%	3.89%	0.77%	4.89%	1.77%
ESG Mgr Moderate	4.26%	1.01%	4.01%	0.76%	5.01%	1.76%
ESG Mgr Conservative	5.65%	0.95%	5.40%	0.70%	6.40%	1.70%

Pax MSCI North America ESG Index ETF - 0.50%

PAX MSCI EAFE ESG Index ETF - 0.55%

Compensation is accrued daily and payable monthly, after services are performed, and is not deducted by the Adviser from the client's account but is paid by the client in arrears against invoices.

Each client also pays other expenses, including brokerage fees, taxes, and, in the case of the mutual funds, other operating expenses. These mutual fund operating expenses include fees paid to the fund's service providers (for custodian, transfer agent and administration services), trustees fees, legal fees, accounting fees, fees paid to the SEC and state securities regulators to register shares for sale, printing and mailing costs, proxy voting costs, and other costs. In addition, share classes that are subject to a distribution and services plan pay fees applicable to that share class.

Compensation arrangements for institutional clients are negotiable, and may vary depending on the nature of the services provided by Adviser. Adviser may charge institutional clients fees that range from an annualized fee rate of 0.10% for non-discretionary advisory services where the Adviser provides limited consultation to another adviser, up an amount equal to the fees set out above for full service discretionary advisory clients.

Mutual fund advisory fees are continued annually at an in person meeting of the Funds' Trustees called for the specific purpose of considering the renewal of Adviser's advisory agreement by means of the specific approval of the Board of Trustees of each Fund, and by the Trustees that are not interested persons of the Adviser or the Fund, voting separately.

Item 12, below, further describes the factors that Adviser considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Item 6 – Performance-Based Fees and Side-By-Side Management

Adviser does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Adviser provides portfolio management services to registered mutual funds, including exchange traded funds, and portfolio advisory services to one institutional client.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

The strategies and risks for each of the Pax World Balanced Fund, Growth Fund, Small Cap Fund, International Fund, High Yield Bond Fund, Global Women's Equality Fund and Global Green Fund are as follows:

Balanced Fund

The Balanced Fund follows a sustainable investing approach, combining rigorous financial analysis with equally rigorous environmental, social and governance (ESG) analysis in order to identify investments. The Balanced Fund normally expects to invest approximately 60% of its assets in equity securities and approximately 40% of its assets in debt securities, though this allocation may vary somewhat depending on market conditions.

The Balanced Fund may invest in equity securities of companies with any market capitalization. The Balanced Fund is not constrained by any particular investment style, and may therefore invest in "growth" stocks, "value" stocks or a combination of both.

The Balanced Fund expects that the debt portion of its investment portfolio will consist primarily of debt securities, including mortgage-related securities, issued or guaranteed by the U.S. government or its agencies and instrumentalities with short to intermediate-term maturities and corporate bonds that are, at the time of purchase, rated at least investment grade or unrated and determined by the Balanced Fund's portfolio manager to be of comparable quality.

The Balanced Fund's portfolio manager uses both qualitative analysis and quantitative techniques when allocating the Balanced Fund's assets between equity securities and debt securities. The Balanced Fund may invest up to 45% of its assets in securities of non-U.S. issuers, including emerging market investments and American Depositary Receipts ("ADRs"), but may invest no more than 25% of its assets in securities of non-U.S. issuers other than ADRs.

The Balanced Fund may utilize derivatives for hedging and for investment purposes.

The Balanced Fund avoids investing in companies that its investment adviser determines are significantly involved in the manufacture of weapons or weapons related products, manufacture tobacco products or engage in unethical business practices.

Principal Risks

Market Risk. Conditions in a broad or specialized market, a sector thereof or an individual industry may adversely affect security prices, thereby reducing the value of the Fund's investments.

Derivatives Risk. Derivatives are financial contracts whose values are derived from traditional securities, assets, reference rates or market indices. Derivatives involve special risks and may

result in losses. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing the Fund to lose more money than it would have lost had it invested in the underlying security. The values of derivatives may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility. The use of derivatives also may increase the amount of taxes payable by shareholders. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions at times when the Fund might wish to terminate or sell such positions. Over-the-counter instruments (investments not traded on an exchange) may be illiquid, and transactions in derivatives traded in the over-the-counter market are subject to the risk that the other party will not meet its obligations. The use of derivatives also involves the risk of mispricing or improper valuation, the risk of ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying security, asset, reference rate or index. The Fund may not be able to find a suitable derivative transaction counterparty, and thus may be unable to invest in derivatives altogether.

Non-U. S. Securities Risk. Non-U.S. markets can be significantly more volatile than domestic markets, causing the prices of the Fund's investments to fluctuate significantly, rapidly and unpredictably. Non-U.S. securities may be less liquid than domestic securities; consequently, the Fund may at times be unable to sell non-U.S. securities at desirable times or prices. Brokerage commissions, custodial fees and other fees and expenses associated with securities transactions generally are higher for non-U.S. securities. In the event of a default in connection with certain debt securities issued by foreign governments, the Fund may have very limited recourse, if any. Additionally, foreign governments may impose taxes which would reduce the amount of income and capital gain available to distribute to shareholders. Other risks related to non-U.S. securities include delays in the settlement of transactions; less publicly available information about issuers; different reporting, accounting and auditing standards; the effect of political, social, diplomatic or economic events; seizure, expropriation or nationalization of the issuer or its assets; and the possible imposition of currency exchange controls. Emerging market securities are likely to have greater exposure to the risks discussed above. Additionally, emerging market countries generally have less mature economies and less developed securities markets with more limited trading activity, are more heavily dependent on international trade and support, have a higher risk of currency devaluation, and may have more volatile inflation rates or longer periods of high inflation than more developed countries. Emerging market countries also are more prone to rapid social, political and economic changes than more developed countries. To the extent the Fund invests substantially in securities of non-U.S. issuers tied economically to a particular country or geographic region, it will be subject to the risks associated with such country or geographic region to a greater extent than a fund that is more diversified across countries or geographic regions.

Interest Rate Risk. As nominal interest rates rise, the value of debt securities held in the Fund's portfolio is likely to decrease. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate.

Credit Risk. With respect to debt securities, changes in economic conditions generally or particular to the obligated entity may affect the obligated entity's actual or perceived ability to make payments of interest or principal when due, which may cause the price of the security or the income derived therefrom to decline. Bonds that are backed by an issuer's taxing authority, including general obligation bonds, may be subject to legal limits on a government's power to increase taxes or otherwise to raise revenue, or may depend for payment on legislative appropriation and/or governmental aid. Some bonds, known as revenue obligations, are payable solely from revenues earned by a particular project or other revenue source. Consequently, revenue obligations are subject to a greater risk of default than general obligation bonds because investors can look only to the revenue generated by the project, assets, or company backing the project, rather than to the taxing power of the issuer.

Allocation Risk. To the extent the Fund's investment performance depends upon how its assets are allocated and reallocated among equity securities, equity-related securities and debt securities, the portfolio manager's allocation techniques and decisions may not produce the desired results, and, therefore, the Fund may not achieve its investment objectives.

U.S. Government Securities Risk. Certain securities issued by the United States government are neither insured nor guaranteed by the U.S. government. These securities may be supported by the government's ability to borrow from the U.S. Treasury, or may be supported only by the credit of the issuing agency or instrumentality. These securities are subject to greater issuer risk than securities issued or guaranteed by the U.S. Treasury.

Mortgage Risk. Rising interest rates tend to extend the duration of mortgage related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, the Fund may exhibit additional volatility if it holds mortgage-related securities. This is known as extension risk. In addition, mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the Fund's returns because the Fund will have to reinvest that money at lower prevailing interest rates.

Reinvestment Risk. Income from the Fund's investments may decline if the Fund is forced to invest the proceeds from matured, called or otherwise disposed of debt securities or convertible securities at interest rates that are below the Fund's earnings rate at that time.

Growth Securities Risk. Growth securities typically trade at higher multiples of current earnings than other securities. Therefore, the values of growth securities may be more sensitive to changes in current or expected earnings than the values of other securities.

Small- and Medium-Sized Capitalization Company Risk. Investing in securities of small- and medium-sized capitalization companies may involve greater risks than investing in larger, more established issuers. Smaller capitalization companies typically have relatively lower revenues, limited product lines and lack of management depth, and may have a smaller share of the market for their products or services, than larger capitalization companies. The stocks of smaller capitalization companies tend to have less trading volume than stocks of larger capitalization

companies. Less trading volume may make it more difficult for the portfolio manager to sell securities of smaller capitalization companies at quoted market prices. Finally, there are periods when investing in smaller capitalization stocks falls out of favor with investors and the stocks of smaller capitalization companies underperform.

High Yield Securities Risk. To the extent the Fund invests in high yield securities (commonly known as “junk bonds”), it may be subject to greater levels of interest rate risk, credit risk and liquidity risk than funds that do not invest in such securities. High yield securities are considered predominately speculative with respect to the issuer’s continuing ability to make principal and interest payments when due. Rising interest rates or a general economic downturn may adversely affect the market for high yield securities and reduce the Fund’s ability to sell them (liquidity risk). If the issuer of a high yield security is in default with respect to interest or principal payments, the Fund may lose its entire investment in that security.

Value Securities Risk. The Fund may invest in companies that may not be expected to experience significant earnings growth, but whose securities the investment adviser believes are selling at a price lower than their true value. Companies that issue value securities may have experienced adverse business developments or may be subject to special risks that have caused their securities to be out of favor. If the investment adviser’s assessment of a company’s prospects is wrong, or if the market does not recognize the value of the company, the price of its securities may decline or may not approach the value that the investment adviser anticipates.

As with all mutual funds, investors may lose money by investing in the Balanced Fund.

Growth Fund

The Growth Fund follows a sustainable investing approach, combining rigorous financial analysis with equally rigorous environmental, social and governance (ESG) analysis in order to identify investments.

Under normal market conditions, the Growth Fund invests primarily in equity securities (such as common stocks, preferred stocks and securities convertible into common or preferred stocks) of companies that the Growth Fund’s portfolio manager believes will have above-average growth prospects.

The Growth Fund’s portfolio manager selects equity securities on a company-by-company basis primarily through the use of fundamental analysis. The Growth Fund may invest in securities of companies with any market capitalization.

The Growth Fund may invest up to 45% of its assets in securities of non-U.S. issuers, including emerging market investments and American Depositary Receipts (“ADRs”), but may invest no more than 25% of its assets in securities of non-U.S. issuers other than ADRs.

The Growth Fund may utilize derivatives for hedging and for investment purposes.

The Growth Fund avoids investing in companies that its investment adviser determines are significantly involved in the manufacture of weapons or weapons related products, manufacture tobacco products or engage in unethical business practices.

Principal Risks

Market Risk. Conditions in a broad or specialized market, a sector thereof or an individual industry may adversely affect security prices, thereby reducing the value of the Fund's investments.

Derivatives Risk Derivatives are financial contracts whose values are derived from traditional securities, assets, reference rates or market indices. Derivatives involve special risks and may result in losses. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing the Fund to lose more money than it would have lost had it invested in the underlying security. The values of derivatives may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility. The use of derivatives also may increase the amount of taxes payable by shareholders. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions at times when the Fund might wish to terminate or sell such positions. Over-the-counter instruments (investments not traded on an exchange) may be illiquid, and transactions in derivatives traded in the over-the-counter market are subject to the risk that the other party will not meet its obligations. The use of derivatives also involves the risk of mispricing or improper valuation, the risk of ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying security, asset, reference rate or index. The Fund may not be able to find a suitable derivative transaction counterparty, and thus may be unable to invest in derivatives altogether.

Non-U. S. Securities Risk. Non-U.S. markets can be significantly more volatile than domestic markets, causing the prices of the Fund's investments to fluctuate significantly, rapidly and unpredictably. Non-U.S. securities may be less liquid than domestic securities; consequently, the Fund may at times be unable to sell non-U.S. securities at desirable times or prices. Brokerage commissions, custodial fees and other fees and expenses associated with securities transactions generally are higher for non-U.S. securities. In the event of a default in connection with certain debt securities issued by foreign governments, the Fund may have very limited recourse, if any. Additionally, foreign governments may impose taxes which would reduce the amount of income and capital gain available to distribute to shareholders. Other risks related to non-U.S. securities include delays in the settlement of transactions; less publicly available information about issuers; different reporting, accounting and auditing standards; the effect of political, social, diplomatic or economic events; seizure, expropriation or nationalization of the issuer or its assets; and the possible imposition of currency exchange controls. Emerging market securities are likely to have greater exposure to the risks discussed above. Additionally, emerging market countries generally have less mature economies and less developed securities markets with more limited trading activity, are more heavily dependent on international trade and support, have a higher risk of currency devaluation, and may have more volatile inflation rates or longer periods of high inflation than more developed countries. Emerging market countries also are

more prone to rapid social, political and economic changes than more developed countries. To the extent the Fund invests substantially in securities of non-U.S. issuers tied economically to a particular country or geographic region, it will be subject to the risks associated with such country or geographic region to a greater extent than a fund that is more diversified across countries or geographic regions.

Growth Securities Risk. Growth securities typically trade at higher multiples of current earnings than other securities. Therefore, the values of growth securities may be more sensitive to changes in current or expected earnings than the values of other securities.

Small-and Medium-Sized Capitalization Company Risk. Investing in securities of small-and medium-sized capitalization companies may involve greater risks than investing in larger, more established issuers. Smaller capitalization companies typically have relatively lower revenues, limited product lines and lack of management depth, and may have a smaller share of the market for their products or services, than larger capitalization companies. The stocks of smaller capitalization companies tend to have less trading volume than stocks of larger capitalization companies. Less trading volume may make it more difficult for the portfolio managers to sell securities of smaller capitalization companies at quoted market prices. Finally, there are periods when investing in smaller capitalization stocks falls out of favor with investors and the stocks of smaller capitalization companies underperform.

As with all mutual funds, investors may lose money by investing in the Growth Fund.

Small Cap Fund

The Small Cap Fund follows a sustainable investing approach, combining rigorous financial analysis with equally rigorous environmental, social and governance (ESG) analysis in order to identify investments.

Under normal market conditions, the Small Cap Fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities (such as common stocks, securities convertible into common or preferred stocks and warrants) of companies that, when purchased, have capitalizations within the range of the Russell 2000 Index as measured by market capitalization.

The Small Cap Fund selects equity securities on a company-by-company basis primarily through the use of fundamental analysis. The portfolio manager may overweight or underweight a specific sector and may take concentrated positions which could lead to increased volatility.

The Small Cap Fund is not constrained by any particular investment style, and may therefore invest in "growth" stocks, "value" stocks or a combination of both. Additionally, it may buy stocks in any sector or industry.

The Small Cap Fund may invest up to 45% of its assets in securities of non-U.S. issuers, including American Depositary Receipts ("ADRs"), but may invest no more than 25% of its

assets in securities of non-U.S. issuers other than ADRs. The Small Cap Fund's investments in securities of non-U.S. issuers, if any, may be diversified across multiple countries or geographic regions, or may be focused in a single country or geographic region.

The Small Cap Fund may utilize derivatives for hedging and for investment purposes.

The Small Cap Fund avoids investing in companies that its investment adviser determines are significantly involved in the manufacture of weapons or weapons related products, manufacture tobacco products or engage in unethical business practices.

Principal Risks

Market Risk. Conditions in a broad or specialized market, a sector thereof or an individual industry may adversely affect security prices, thereby reducing the value of the Fund's investments.

Derivatives Risk. Derivatives are financial contracts whose values are derived from traditional securities, assets, reference rates or market indices. Derivatives involve special risks and may result in losses. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing the Fund to lose more money than it would have lost had it invested in the underlying security. The values of derivatives may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility. The use of derivatives also may increase the amount of taxes payable by shareholders. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions at times when the Fund might wish to terminate or sell such positions. Over-the-counter instruments (investments not traded on an exchange) may be illiquid, and transactions in derivatives traded in the over-the-counter market are subject to the risk that the other party will not meet its obligations. The use of derivatives also involves the risk of mispricing or improper valuation, the risk of ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying security, asset, reference rate or index. The Fund may not be able to find a suitable derivative transaction counterparty, and thus may be unable to invest in derivatives altogether.

Non-U. S. Securities Risk. Non-U.S. markets can be significantly more volatile than domestic markets, causing the prices of the Fund's investments to fluctuate significantly, rapidly and unpredictably. Non-U.S. securities may be less liquid than domestic securities; consequently, the Fund may at times be unable to sell non-U.S. securities at desirable times or prices. Brokerage commissions, custodial fees and other fees and expenses associated with securities transactions generally are higher for non-U.S. securities. In the event of a default in connection with certain debt securities issued by foreign governments, the Fund may have very limited recourse, if any. Additionally, foreign governments may impose taxes which would reduce the amount of income and capital gain available to distribute to shareholders. Other risks related to non-U.S. securities include delays in the settlement of transactions; less publicly available information about issuers; different reporting, accounting and auditing standards; the effect of political, social, diplomatic or economic events; seizure, expropriation or nationalization of the issuer or its assets; and the possible imposition of currency exchange controls. Emerging market securities

are likely to have greater exposure to the risks discussed above. Additionally, emerging market countries generally have less mature economies and less developed securities markets with more limited trading activity, are more heavily dependent on international trade and support, have a higher risk of currency devaluation, and may have more volatile inflation rates or longer periods of high inflation than more developed countries. Emerging market countries also are more prone to rapid social, political and economic changes than more developed countries. To the extent the Fund invests substantially in securities of non-U.S. issuers tied economically to a particular country or geographic region, it will be subject to the risks associated with such country or geographic region to a greater extent than a fund that is more diversified across countries or geographic regions.

Turnover Risk A change in the securities held by the Fund is known as “portfolio turnover.” High portfolio turnover involves correspondingly greater expenses to the Fund, including brokerage commissions or dealer markups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are taxed at ordinary income tax rates when distributed to shareholders who are individuals), and may adversely affect the Fund’s after-tax returns. The trading costs and tax effects associated with portfolio turnover may adversely affect the Fund’s performance.

Growth Securities Risk. Growth securities typically trade at higher multiples of current earnings than other securities. Therefore, the values of growth securities may be more sensitive to changes in current or expected earnings than the values of other securities.

Small-and Medium-Sized Capitalization Company Risk. Investing in securities of small-and medium-sized capitalization companies may involve greater risks than investing in larger, more established issuers. Smaller capitalization companies typically have relatively lower revenues, limited product lines and lack of management depth, and may have a smaller share of the market for their products or services, than larger capitalization companies. The stocks of smaller capitalization companies tend to have less trading volume than stocks of larger capitalization companies. Less trading volume may make it more difficult for the portfolio manager to sell securities of smaller capitalization companies at quoted market prices. Finally, there are periods when investing in smaller capitalization stocks falls out of favor with investors and the stocks of smaller capitalization companies underperform.

Value Securities Risk The Fund may invest in companies that may not be expected to experience significant earnings growth, but whose securities the investment adviser believes are selling at a price lower than their true value. Companies that issue value securities may have experienced adverse business developments or may be subject to special risks that have caused their securities to be out of favor. If the investment adviser’s assessment of a company’s prospects is wrong, or if the market does not recognize the value of the company, the price of its securities may decline or may not approach the value that the investment adviser anticipates.

As with all mutual funds, investors may lose money by investing in the Small Cap Fund.

International Fund

The International Fund follows a sustainable investing approach, combining rigorous financial analysis with equally rigorous environmental, social and governance (ESG) analysis in order to identify investments.

Under normal market conditions, the International Fund will invest primarily in equity securities (such as common stock, preferred stock and equity securities convertible into common or preferred stock) of non-U.S. issuers. The International Fund's investments in securities of non-U.S. issuers may include investments in emerging markets, and may be diversified across countries or geographic regions, or focused on select geographic regions.

The International Fund is not constrained by any particular investment style or capitalization range. The Fund may invest in "growth" stocks, "value" stocks or a combination of both. Additionally, the Fund may be diversified across multiple sectors and industries or focused on a limited number of sectors and industries.

The International Fund's portfolio manager selects equity securities on a company-by-company basis primarily through the use of fundamental analysis.

The International Fund may utilize derivatives for hedging and for investment purposes.

The International Fund avoids investing in companies that its investment adviser determines are significantly involved in the manufacture of weapons or weapons related products, manufacture tobacco products, or engage in unethical business practices.

Principal Risks

Market Risk. Conditions in a broad or specialized market, a sector thereof or an individual industry may adversely affect security prices, thereby reducing the value of the Fund's investments.

Derivatives Risk. Derivatives are financial contracts whose values are derived from traditional securities, assets, reference rates or market indices. Derivatives involve special risks and may result in losses. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing the Fund to lose more money than it would have lost had it invested in the underlying security. The values of derivatives may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility. The use of derivatives also may increase the amount of taxes payable by shareholders. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions at times when the Fund might wish to terminate or sell such positions. Over-the-counter instruments (investments not traded on an exchange) may be illiquid, and transactions in derivatives traded in the over-the-counter market are subject to the risk that the other party will not meet its obligations. The use of derivatives also involves the risk of mispricing or improper valuation, the risk of ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying

security, asset, reference rate or index. The Fund may not be able to find a suitable derivative transaction counterparty, and thus may be unable to invest in derivatives altogether.

Non-U. S. Securities Risk Non-U.S. markets can be significantly more volatile than domestic markets, causing the prices of the Fund's investments to fluctuate significantly, rapidly and unpredictably. Non-U.S. securities may be less liquid than domestic securities; consequently, the Fund may at times be unable to sell non-U.S. securities at desirable times or prices. Brokerage commissions, custodial fees and other fees and expenses associated with securities transactions generally are higher for non-U.S. securities. In the event of a default in connection with certain debt securities issued by foreign governments, the Fund may have very limited recourse, if any. Additionally, foreign governments may impose taxes which would reduce the amount of income and capital gain available to distribute to shareholders. Other risks related to non-U.S. securities include delays in the settlement of transactions; less publicly available information about issuers; different reporting, accounting and auditing standards; the effect of political, social, diplomatic or economic events; seizure, expropriation or nationalization of the issuer or its assets; and the possible imposition of currency exchange controls. Emerging market securities are likely to have greater exposure to the risks discussed above. Additionally, emerging market countries generally have less mature economies and less developed securities markets with more limited trading activity, are more heavily dependent on international trade and support, have a higher risk of currency devaluation, and may have more volatile inflation rates or longer periods of high inflation than more developed countries. Emerging market countries also are more prone to rapid social, political and economic changes than more developed countries. To the extent the Fund invests substantially in securities of non-U.S. issuers tied economically to a particular country or geographic region, it will be subject to the risks associated with such country or geographic region to a greater extent than a fund that is more diversified across countries or geographic regions.

Growth Securities Risk. Growth securities typically trade at higher multiples of current earnings than other securities. Therefore, the values of growth securities may be more sensitive to changes in current or expected earnings than the values of other securities.

Small-and Medium-Sized Capitalization Company Risk. Investing in securities of small-and medium-sized capitalization companies may involve greater risks than investing in larger, more established issuers. Smaller capitalization companies typically have relatively lower revenues, limited product lines and lack of management depth, and may have a smaller share of the market for their products or services, than larger capitalization companies. The stocks of smaller capitalization companies tend to have less trading volume than stocks of larger capitalization companies. Less trading volume may make it more difficult for the portfolio manager to sell securities of smaller capitalization companies at quoted market prices. Finally, there are periods when investing in smaller capitalization stocks falls out of favor with investors and the stocks of smaller capitalization companies underperform.

Value Securities Risk. The Fund may invest in companies that may not be expected to experience significant earnings growth, but whose securities the investment adviser believes are selling at a price lower than their true value. Companies that issue value securities may have experienced adverse business developments or may be subject to special risks that have caused

their securities to be out of favor. If the investment adviser's assessment of a company's prospects is wrong, or if the market does not recognize the value of the company, the price of its securities may decline or may not approach the value that the investment adviser anticipates.

As with all mutual funds, investors may lose money by investing in the International Fund.

High Yield Bond Fund

The High Yield Bond Fund follows a sustainable investing approach, combining rigorous financial analysis with equally rigorous environmental, social and governance (ESG) analysis in order to identify investments.

Under normal market conditions, the High Yield Bond Fund invests at least 80% of its assets (plus any borrowings for investment purposes) in high-yield, fixed income securities (such as bonds, notes or debentures) that are rated below BBB- by Standard & Poor's Ratings Group or below Baa3 by Moody's Investors Service, similarly rated by another major rating service, or unrated and determined by the High Yield Bond Fund's investment adviser to be of comparable quality. These fixed income securities are commonly referred to as "junk bonds".

In determining which securities to buy for the High Yield Bond Fund, the portfolio manager seeks to establish if each security's return is appropriate for its level of risk. In making this determination, the portfolio manager generally performs fundamental credit analysis.

The High Yield Bond Fund may invest up to 40% of its assets in securities of non-U.S. issuers, including investments in emerging markets.

The High Yield Bond Fund may utilize derivatives for hedging and for investment purposes.

The High Yield Bond Fund avoids investing in companies that its investment adviser determines are significantly involved in the manufacture of weapons or weapons related products, manufacture tobacco products or engage in unethical business practices.

Principal Risks

Market Risk. Conditions in a broad or specialized market, a sector thereof or an individual industry may adversely affect security prices, thereby reducing the value of the Fund's investments.

Derivatives Risk. Derivatives are financial contracts whose values are derived from traditional securities, assets, reference rates or market indices. Derivatives involve special risks and may result in losses. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing the Fund to lose more money than it would have lost had it invested in the underlying security. The values of derivatives may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility. The use of derivatives also may increase the amount of taxes payable by shareholders. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions at times when the Fund might wish to terminate

or sell such positions. Over-the-counter instruments (investments not traded on an exchange) may be illiquid, and transactions in derivatives traded in the over-the-counter market are subject to the risk that the other party will not meet its obligations. The use of derivatives also involves the risk of mispricing or improper valuation, the risk of ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying security, asset, reference rate or index. The Fund may not be able to find a suitable derivative transaction counterparty, and thus may be unable to invest in derivatives altogether.

Non-U. S. Securities Risk. Non-U.S. markets can be significantly more volatile than domestic markets, causing the prices of the Fund's investments to fluctuate significantly, rapidly and unpredictably. Non-U.S. securities may be less liquid than domestic securities; consequently, the Fund may at times be unable to sell non-U.S. securities at desirable times or prices. Brokerage commissions, custodial fees and other fees and expenses associated with securities transactions generally are higher for non-U.S. securities. In the event of a default in connection with certain debt securities issued by foreign governments, the Fund may have very limited recourse, if any. Additionally, foreign governments may impose taxes which would reduce the amount of income and capital gain available to distribute to shareholders. Other risks related to non-U.S. securities include delays in the settlement of transactions; less publicly available information about issuers; different reporting, accounting and auditing standards; the effect of political, social, diplomatic or economic events; seizure, expropriation or nationalization of the issuer or its assets; and the possible imposition of currency exchange controls. Emerging market securities are likely to have greater exposure to the risks discussed above. Additionally, emerging market countries generally have less mature economies and less developed securities markets with more limited trading activity, are more heavily dependent on international trade and support, have a higher risk of currency devaluation, and may have more volatile inflation rates or longer periods of high inflation than more developed countries. Emerging market countries also are more prone to rapid social, political and economic changes than more developed countries. To the extent the Fund invests substantially in securities of non-U.S. issuers tied economically to a particular country or geographic region, it will be subject to the risks associated with such country or geographic region to a greater extent than a fund that is more diversified across countries or geographic regions.

Interest Rate Risk. As nominal interest rates rise, the value of debt securities held in the Fund's portfolio is likely to decrease. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate.

Credit Risk. With respect to debt securities, changes in economic conditions generally or particular to the obligated entity may affect the obligated entity's actual or perceived ability to make payments of interest or principal when due, which may cause the price of the security or the income derived therefrom to decline. Bonds that are backed by an issuer's taxing authority, including general obligation bonds, may be subject to legal limits on a government's power to increase taxes or otherwise to raise revenue, or may depend for payment on legislative appropriation and/or governmental aid. Some bonds, known as revenue obligations, are payable

solely from revenues earned by a particular project or other revenue source. Consequently, revenue obligations are subject to a greater risk of default than general obligation bonds because investors can look only to the revenue generated by the project, assets, or company backing the project, rather than to the taxing power of the issuer.

Reinvestment Risk. Income from the Fund's investments may decline if the Fund is forced to invest the proceeds from matured, called or otherwise disposed of debt securities or convertible securities at interest rates that are below the Fund's earnings rate at that time.

Small-and Medium-Sized Capitalization Company Risk. Investing in securities of small-and medium-sized capitalization companies may involve greater risks than investing in larger, more established issuers. Smaller capitalization companies typically have relatively lower revenues, limited product lines and lack of management depth, and may have a smaller share of the market for their products or services, than larger capitalization companies. The stocks of smaller capitalization companies tend to have less trading volume than stocks of larger capitalization companies. Less trading volume may make it more difficult for the portfolio manager to sell securities of smaller capitalization companies at quoted market prices. Finally, there are periods when investing in smaller capitalization stocks falls out of favor with investors and the stocks of smaller capitalization companies underperform.

High Yield Securities Risk. To the extent the Fund invests in high yield securities (commonly known as "junk bonds"), it may be subject to greater levels of interest rate risk, credit risk and liquidity risk than funds that do not invest in such securities. High yield securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments when due. Rising interest rates or a general economic downturn may adversely affect the market for high yield securities and reduce the Fund's ability to sell them (liquidity risk). If the issuer of a high yield security is in default with respect to interest or principal payments, the Fund may lose its entire investment in that security.

As with all mutual funds, investors may lose money by investing in the High Yield Bond Fund.

Global Women's Equality Fund

The Women's Equality Fund seeks to invest in companies around the globe that are leaders in promoting gender equality in the workplace and beyond.

Under normal market conditions, the Women's Equality Fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities (such as common stocks, preferred stocks and securities convertible into common and preferred stocks) of companies located around the world, including at least 40% of its net assets in the securities of non-U.S. issuers. The Women's Equality Fund invests primarily in the securities of large capitalization companies.

In selecting investments, the Women's Equality Fund seeks companies that are leaders in promoting gender equality and women's advancement through internal policies and programs, transparency regarding the effectiveness of those policies and programs and accountability among employees to assure implementation and observance of those policies and programs. In particular, the Fund seeks to invest in companies that embrace or aspire to embrace the best practices embodied in the Women's Empowerment Principles, a joint initiative of the United Nations Development Fund for Women (UNIFEM) and the United Nations Global Compact.

To identify companies for investment, the Fund's investment adviser conducts its own proprietary research and also evaluates companies that have been favorably rated or ranked on women's issues by third parties.

The Women's Equality Fund's investments in securities of non-U.S. issuers may include investments in emerging markets and generally will be diversified across multiple countries or geographic regions. The Women's Equality Fund will normally have investments in a minimum of three countries other than the United States.

The Women's Equality Fund's investment adviser selects securities based on its assessment of economic and market conditions and valuations and on a company-by-company basis through use of fundamental analysis.

The Women's Equality Fund may utilize derivatives for hedging and for investment purposes.

The Women's Equality Fund avoids investing in companies that its investment adviser determines are significantly involved in the manufacture of weapons or weapons related products, manufacture tobacco products or engage in unethical business practices. Because of the Women's Equality Fund's particular focus on companies that are leaders on gender issues, the investment adviser may give less emphasis to certain environmental, social or governance (ESG) criteria, or may apply such criteria differently to the Fund than to other Pax World Funds.

Principal Risks

Market Risk. Conditions in a broad or specialized market, a sector thereof or an individual industry may adversely affect security prices, thereby reducing the value of the Fund's investments.

Derivatives Risk. Derivatives are financial contracts whose values are derived from traditional securities, assets, reference rates or market indices. Derivatives involve special risks and may result in losses. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing the Fund to lose more money than it would have lost had it invested in the underlying security. The values of derivatives may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility. The use of derivatives also may increase the amount of taxes payable by shareholders. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions at times when the Fund might wish to terminate

or sell such positions. Over-the-counter instruments (investments not traded on an exchange) may be illiquid, and transactions in derivatives traded in the over-the-counter market are subject to the risk that the other party will not meet its obligations. The use of derivatives also involves the risk of mispricing or improper valuation, the risk of ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying security, asset, reference rate or index. The Fund may not be able to find a suitable derivative transaction counterparty, and thus may be unable to invest in derivatives altogether.

Non-U. S. Securities Risk Non-U.S. markets can be significantly more volatile than domestic markets, causing the prices of the Fund's investments to fluctuate significantly, rapidly and unpredictably. Non-U.S. securities may be less liquid than domestic securities; consequently, the Fund may at times be unable to sell non-U.S. securities at desirable times or prices. Brokerage commissions, custodial fees and other fees and expenses associated with securities transactions generally are higher for non-U.S. securities. In the event of a default in connection with certain debt securities issued by foreign governments, the Fund may have very limited recourse, if any. Additionally, foreign governments may impose taxes which would reduce the amount of income and capital gain available to distribute to shareholders. Other risks related to non-U.S. securities include delays in the settlement of transactions; less publicly available information about issuers; different reporting, accounting and auditing standards; the effect of political, social, diplomatic or economic events; seizure, expropriation or nationalization of the issuer or its assets; and the possible imposition of currency exchange controls. Emerging market securities are likely to have greater exposure to the risks discussed above. Additionally, emerging market countries generally have less mature economies and less developed securities markets with more limited trading activity, are more heavily dependent on international trade and support, have a higher risk of currency devaluation, and may have more volatile inflation rates or longer periods of high inflation than more developed countries. Emerging market countries also are more prone to rapid social, political and economic changes than more developed countries. To the extent the Fund invests substantially in securities of non-U.S. issuers tied economically to a particular country or geographic region, it will be subject to the risks associated with such country or geographic region to a greater extent than a fund that is more diversified across countries or geographic regions.

Turnover Risk. A change in the securities held by the Fund is known as "portfolio turnover." High portfolio turnover involves correspondingly greater expenses to the Fund, including brokerage commissions or dealer markups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are taxed at ordinary income tax rates when distributed to shareholders who are individuals), and may adversely affect the Fund's after-tax returns. The trading costs and tax effects associated with portfolio turnover may adversely affect the Fund's performance.

Growth Securities Risk. Growth securities typically trade at higher multiples of current earnings than other securities. Therefore, the values of growth securities may be more sensitive to changes in current or expected earnings than the values of other securities.

Small-and Medium-Sized Capitalization Company Risk. Investing in securities of small-and medium-sized capitalization companies may involve greater risks than investing in larger, more established issuers. Smaller capitalization companies typically have relatively lower revenues, limited product lines and lack of management depth, and may have a smaller share of the market for their products or services, than larger capitalization companies. The stocks of smaller capitalization companies tend to have less trading volume than stocks of larger capitalization companies. Less trading volume may make it more difficult for the portfolio manager to sell securities of smaller capitalization companies at quoted market prices. Finally, there are periods when investing in smaller capitalization stocks falls out of favor with investors and the stocks of smaller capitalization companies underperform.

Value Securities Risk. The Fund may invest in companies that may not be expected to experience significant earnings growth, but whose securities the investment adviser believes are selling at a price lower than their true value. Companies that issue value securities may have experienced adverse business developments or may be subject to special risks that have caused their securities to be out of favor. If the investment adviser's assessment of a company's prospects is wrong, or if the market does not recognize the value of the company, the price of its securities may decline or may not approach the value that the investment adviser anticipates.

As with all mutual funds, investors may lose money by investing in the Women's Equality Fund.

Global Green Fund

The Global Green Fund follows a sustainable investing approach, combining rigorous financial analysis with equally rigorous environmental, social and governance (ESG) analysis in order to identify investments.

Under normal market conditions, the Global Green Fund will invest primarily in equity securities (such as common stocks, preferred stocks and securities convertible into common and preferred stocks) of companies located around the world, including at least 40% of its net assets in securities of non-U.S. issuers, including those located in emerging markets. The Fund's investments may be diversified across multiple countries or geographic regions, or may be focused on a select geographic region, although the Global Green Fund will normally have investments in a minimum of three countries other than the United States.

The Global Green Fund invests in environmental markets—companies whose businesses and technologies focus on mitigating the environmental effects of commerce, including such areas as alternative energy and energy efficiency; water treatment and pollution control; and waste technology and resource management.

The Global Green Fund's portfolio manager selects equity securities on a company-by-company basis primarily through the use of fundamental analysis. The Global Green Fund is not constrained by any particular investment style, and may therefore invest in "growth" stocks,

"value" stocks or a combination of both. Additionally, it may buy stocks in any sector or industry, and it is not limited to investing in securities of a specific market capitalization.

The Global Green Fund may utilize derivatives for hedging and for investment purposes.

The Global Green Fund avoids investing in companies that its investment adviser determines are significantly involved in the manufacture of weapons or weapons related products, manufacture tobacco products or engage in unethical business practices. The Global Green Fund seeks to invest in companies with positive overall environmental performance and whose products or services help other companies and societies improve their environmental performance, and avoids investing in companies with significant environmental problems or worsening environmental profiles.

Principal Risks

Market Risk. Conditions in a broad or specialized market, a sector thereof or an individual industry may adversely affect security prices, thereby reducing the value of the Fund's investments.

Derivatives Risk. Derivatives are financial contracts whose values are derived from traditional securities, assets, reference rates or market indices. Derivatives involve special risks and may result in losses. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing the Fund to lose more money than it would have lost had it invested in the underlying security. The values of derivatives may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility. The use of derivatives also may increase the amount of taxes payable by shareholders. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions at times when the Fund might wish to terminate or sell such positions. Over-the-counter instruments (investments not traded on an exchange) may be illiquid, and transactions in derivatives traded in the over-the-counter market are subject to the risk that the other party will not meet its obligations. The use of derivatives also involves the risk of mispricing or improper valuation, the risk of ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying security, asset, reference rate or index. The Fund may not be able to find a suitable derivative transaction counterparty, and thus may be unable to invest in derivatives altogether.

Non-U. S. Securities Risk. Non-U.S. markets can be significantly more volatile than domestic markets, causing the prices of the Fund's investments to fluctuate significantly, rapidly and unpredictably. Non-U.S. securities may be less liquid than domestic securities; consequently, the Fund may at times be unable to sell non-U.S. securities at desirable times or prices. Brokerage commissions, custodial fees and other fees and expenses associated with securities transactions generally are higher for non-U.S. securities. In the event of a default in connection with certain debt securities issued by foreign governments, the Fund may have very limited recourse, if any. Additionally, foreign governments may impose taxes which would reduce the amount of income and capital gain available to distribute to shareholders. Other risks related to non-U.S. securities include delays in the settlement of transactions; less publicly available information about issuers; different reporting, accounting and auditing standards; the effect of political, social, diplomatic

or economic events; seizure, expropriation or nationalization of the issuer or its assets; and the possible imposition of currency exchange controls. Emerging market securities are likely to have greater exposure to the risks discussed above. Additionally, emerging market countries generally have less mature economies and less developed securities markets with more limited trading activity, are more heavily dependent on international trade and support, have a higher risk of currency devaluation, and may have more volatile inflation rates or longer periods of high inflation than more developed countries. Emerging market countries also are more prone to rapid social, political and economic changes than more developed countries. To the extent the Fund invests substantially in securities of non-U.S. issuers tied economically to a particular country or geographic region, it will be subject to the risks associated with such country or geographic region to a greater extent than a fund that is more diversified across countries or geographic regions.

Turnover Risk. A change in the securities held by the Fund is known as “portfolio turnover.” High portfolio turnover involves correspondingly greater expenses to the Fund, including brokerage commissions or dealer markups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are taxed at ordinary income tax rates when distributed to shareholders who are individuals), and may adversely affect the Fund’s after-tax returns. The trading costs and tax effects associated with portfolio turnover may adversely affect the Fund’s performance.

Growth Securities Risk. Growth securities typically trade at higher multiples of current earnings than other securities. Therefore, the values of growth securities may be more sensitive to changes in current or expected earnings than the values of other securities.

Small-and Medium-Sized Capitalization Company Risk. Investing in securities of small-and medium-sized capitalization companies may involve greater risks than investing in larger, more established issuers. Smaller capitalization companies typically have relatively lower revenues, limited product lines and lack of management depth, and may have a smaller share of the market for their products or services, than larger capitalization companies. The stocks of smaller capitalization companies tend to have less trading volume than stocks of larger capitalization companies. Less trading volume may make it more difficult for the portfolio managers to sell securities of smaller capitalization companies at quoted market prices. Finally, there are periods when investing in smaller capitalization stocks falls out of favor with investors and the stocks of smaller capitalization companies underperform.

Value Securities Risk. The Fund may invest in companies that may not be expected to experience significant earnings growth, but whose securities the investment adviser believes are selling at a price lower than their true value. Companies that issue value securities may have experienced adverse business developments or may be subject to special risks that have caused their securities to be out of favor. If the investment adviser’s assessment of a company’s prospects is wrong, or if the market does not recognize the value of the company, the price of its securities may decline or may not approach the value that the investment adviser anticipates.

As with all mutual funds, investors may lose money by investing in the Global Green Fund.

The strategies and risks for each of the ESG Managers Aggressive Growth, Growth, Moderate and Conservative Portfolios are as follows:

Aggressive Growth

Under normal market conditions, the Aggressive Growth Portfolio expects to invest approximately 95% of its total assets in equity securities (e.g., stocks), and approximately 5% of its total assets in fixed income securities (e.g., corporate bonds, U.S. Treasury securities, agency securities and municipal bonds). The Aggressive Growth Portfolio may invest up to 100% of its total assets in equity securities and up to 25% of its total assets in fixed income securities. The Aggressive Growth Portfolio may invest up to 85% of its total assets in securities of non-U.S. issuers including investments in emerging markets. Over the longer term, relative to the other Funds, the Aggressive Growth Portfolio should offer shareholders the potential for a high level of capital growth with relatively little income.

Growth Portfolio

Under normal market conditions, the Growth Portfolio expects to invest approximately 80% of its total assets in equity securities (e.g., stocks), and approximately 20% of its total assets in fixed income securities (e.g., corporate bonds, U.S. Treasury securities, agency securities and municipal bonds). The Growth Portfolio may invest up to 100% of its total assets in equity securities and up to 50% of its total assets in fixed income securities. The Growth Portfolio may invest up to 70% of its total assets in securities of non-U.S. issuers including investments in emerging markets. Over the longer term, relative to the other Funds, the Growth Portfolio should offer shareholders the potential for a low to medium level of income and a medium to high level of capital growth.

Moderate Portfolio

Under normal market conditions, the Moderate Portfolio expects to invest approximately 60% of its total assets in equity securities (e.g., stocks), and approximately 40% of its total assets in fixed income securities (e.g., corporate bonds, U.S. Treasury securities, agency securities and municipal bonds). The Moderate Portfolio may invest up to 70% of its total assets in equity securities and up to 70% of its total assets in fixed income securities. The Moderate Portfolio may invest up to 50% of its total assets in securities of non-U.S. issuers including investments in emerging markets, though it is not currently anticipated that the Moderate Portfolio would invest more than 10% of its total assets in emerging market securities. Over the longer term, relative to the other Funds, the Moderate Portfolio should offer shareholders the potential for a medium level of income and a medium level of capital growth.

Conservative Portfolio

Under normal market conditions, the Conservative Portfolio expects to invest approximately 65% of its total assets in fixed income securities (e.g., corporate bonds, U.S. Treasury securities, agency securities and municipal bonds), and approximately 35% of its total assets in equity

securities (e.g., stocks). The Conservative Portfolio may invest up to 100% of its total assets in fixed income securities and up to 50% of its total assets in equity securities. The Conservative Portfolio may invest up to 40% of its total assets in securities of non-U.S. issuers including investments in emerging markets, though it is not currently anticipated that the Conservative Portfolio would invest more than 10% of its total assets in emerging market securities. Over the longer term, relative to the other Funds, the Conservative Portfolio should offer shareholders the potential for a medium to high level of income and a low to medium level of capital growth.

Principal Investment Strategies and Risks Common to the Portfolios

With respect to the fixed income portion each of their investment portfolios, the Portfolios may invest in (i) securities issued by the U.S. government, its agencies and instrumentalities, (ii) corporate bonds and asset backed securities of all types (including mortgage backed securities), and (iii) securities of foreign issuers. Each Portfolio may purchase fixed income securities of any rating, including junk bonds (e.g., securities rated lower than BBB- by Standard & Poor's Ratings Group or Baa by Moody's Investor Service or unrated securities of comparable quality as determined by Pax World Management LLC (the "Adviser") or a subadviser to which the Adviser has delegated responsibility for selecting investments for a portion of the Fund's portfolio (each such adviser, a "Sleeve Subadviser"), though it is not currently anticipated that any Portfolio will invest more than 20% of its assets in junk bonds.

With respect to the equity portion of its investment portfolio, each Portfolio may invest in securities of companies with any market capitalization and the Adviser and each Sleeve Subadviser intend to focus on economic sectors that they believe offer the Portfolios the potential to meet their investment objectives. In addition, each Portfolio may invest in the securities of other investment companies that are part of the Pax World group of investment companies, including in particular mutual funds ("Underlying Pax Mutual Funds") and exchange traded funds ("Underlying Pax ETFs") managed by the Adviser. The Underlying Pax Mutual Funds include Pax World Global Green Fund, Pax World High Yield Bond Fund and Pax World International Fund. The Underlying Pax ETFs include ESG Shares Pax MSCI EAFE ESG Index ETF. The Underlying Pax Mutual Funds and the Underlying Pax ETFs are referred to collectively herein as the "Underlying Pax Funds." Each Portfolio may invest in the securities of other investment companies, to the degree permitted by the Investment Company Act of 1940, as amended (the "1940 Act") and the rules adopted thereunder.

Each Portfolio follows a sustainable investing approach, which combines financial analysis with environmental, social, and/or governance (ESG) analysis in order to identify investments. Each Sleeve Subadviser uses its own ESG criteria to determine whether a particular investment is eligible for initial purchase. Any Sleeve Subadviser that does not employ its own ESG criteria will only purchase investments determined, at the time of initial purchase, to be eligible by the Adviser using the Adviser's ESG criteria.

Each Portfolio may (but is not required to) sell a particular security if any of the original reasons for purchase change materially, in response to adverse market conditions, when a more attractive investment is identified, to meet redemption requests, or if it is determined that a company no

longer meets the environmental, social or governance criteria of the Sleeve Subadviser that purchased the security for its sleeve or of the Adviser, as applicable.

Each Portfolio's investments in securities of non-U.S. issuers may include investments in emerging markets and may be diversified across multiple countries or geographic regions, or may be focused on a particular geographic region.

Each Portfolio may utilize derivatives, including but not limited to repurchase agreements, foreign currency exchange contracts, options and futures contracts, for hedging and for investment purposes.

Although each Portfolio intends to manage the turnover of its portfolio, it is possible that, as a result of its investment strategies and the utilization of multiple Sleeve Subadvisers, the turnover rate of that Portfolio may be significant.

In response to unfavorable market or other conditions, each Portfolio may deviate from its principal investment strategies by making temporary defensive investments of some or all of its assets in high quality debt securities, cash and cash equivalents. When investing defensively, a Portfolio may not achieve its investment objective.

Investors should understand that "sustainable investing" refers to the full integration of environmental, social and governance criteria into the Portfolios' investment approach; it does not mean that the Portfolios will necessarily perform in the future as they have in the past. The approach to sustainable investing of each Sleeve Subadviser that employs its own ESG criteria will vary from that of the Adviser.

The Portfolios are exposed to various risks and you may have a gain or loss when you sell your shares. The principal risks of investing in the Portfolios are described below.

Market Risk. Conditions in a broad or specialized market, a sector thereof or an individual industry may adversely affect security prices, thereby reducing the value of a Fund's investments.

Interest Rate Risk. As nominal interest rates rise, the value of debt securities held in the fixed income portion of a Fund's portfolio is likely to decrease. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate.

Credit Risk. With respect to fixed income securities, changes in economic conditions generally or particular to the obligated entity may affect the obligated entity's actual or perceived ability to make payments of interest or principal when due, which may cause the price of the security or the income derived therefrom to decline. Bonds that are backed by an issuer's taxing authority, including general obligation bonds, may be subject to legal limits on a government's power to increase taxes or otherwise to raise revenue, or may depend for payment on legislative

appropriation and/or governmental aid. Some bonds, known as revenue obligations, are payable solely from revenues earned by a particular project or other revenue source. Consequently, revenue obligations are subject to a greater risk of default than general obligation bonds because investors can look only to the revenue generated by the project, assets, or company backing the project, rather than to the taxing power of the issuer.

Reinvestment Risk. Income from the fixed income portion of a Fund's investments may decline if the Fund is forced to invest the proceeds from matured, called or otherwise disposed of debt securities or convertible securities at interest rates that are below the Fund's earnings rate at that time.

U.S. Government Securities Risk. Certain securities issued by the United States government are neither insured nor guaranteed by the U.S. government. These securities may be supported by the government's ability to borrow from the U.S. Treasury, or may be supported only by the credit of the issuing agency or instrumentality. These securities are subject to greater issuer risk than securities issued or guaranteed by the U.S. Treasury.

High Yield Securities Risk. To the extent a Fund invests in high yield securities (commonly known as "junk bonds"), it may be subject to greater levels of interest rate risk, credit risk and liquidity risk than funds that do not invest in such securities. High yield securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments when due. Rising interest rates or a general economic downturn may adversely affect the market for high yield securities and reduce the Fund's ability to sell them (liquidity risk). If the issuer of a high yield security is in default with respect to interest or principal payments, the Fund may lose its entire investment in that security.

Mortgage Risk. Rising interest rates tend to extend the duration of mortgage related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, a Fund that holds mortgage related securities may exhibit additional volatility. This is known as extension risk. In addition, mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the Fund's returns because the Fund will have to reinvest that money at lower prevailing interest rates.

Non-U. S. Securities Risk. Non-U.S. markets can be significantly more volatile than domestic markets, causing the prices of some or all of a Fund's investments to fluctuate significantly, rapidly and unpredictably. Non-U.S. securities may be less liquid than domestic securities; consequently, the Fund may at times be unable to sell non-U.S. securities at desirable times or prices. Brokerage commissions, custodial fees and other fees and expenses associated with securities transactions generally are higher for non-U.S. securities. In the event of a default in connection with certain debt securities issued by foreign governments, the Fund may have very limited recourse, if any. Additionally, foreign governments may impose taxes which would reduce the amount of income and capital gain available to distribute to shareholders. Other risks related to non-U.S. securities include delays in the settlement of transactions; less publicly available information about issuers; different reporting, accounting and auditing standards; the

effect of political, social, diplomatic or economic events; seizure, expropriation or nationalization of the issuer or its assets; and the possible imposition of currency exchange controls. To the extent a Fund invests substantially in securities of non-U.S. issuers tied economically to a particular country or geographic region, it will be subject to the risks associated with such country or geographic region to a greater extent than a fund that is more diversified across countries or geographic regions.

Emerging Markets Securities Risk. Emerging market securities are likely to have greater exposure to the risks discussed above. Additionally, emerging market countries generally have less mature economies and less developed securities markets with more limited trading activity, are more heavily dependent on international trade and support, have a higher risk of currency devaluation, and may have more volatile inflation rates or longer periods of high inflation than more developed countries. Emerging market countries also are more prone to rapid social, political and economic changes than more developed countries.

Growth Securities Risk. Growth (equity) securities typically trade at higher multiples of current earnings than other securities. Therefore, the values of growth securities may be more sensitive to changes in current or expected earnings than the values of other securities.

Value Securities Risk. The equity portion of each Fund's portfolio may be invested in companies that may not be expected to experience significant earnings growth, but whose securities the Adviser and/or a Sleeve Subadviser believes are selling at a price lower than their true value. Companies that issue value securities may have experienced adverse business developments or may be subject to special risks that have caused their securities to be out of favor. If the Adviser's and/or a Sleeve Subadviser's assessment of a company's prospects is wrong, or if the market does not recognize the value of the company, the price of its securities may decline or may not approach the value that the Adviser and/or the Sleeve Subadviser anticipates.

Small- and Medium-Sized Company Risk. Investing in securities of small and medium-sized companies may involve greater volatility than investing in larger and more established companies because they can be subject to more abrupt and erratic share price changes than larger, more established companies. Securities of these types of companies may have limited liquidity, and their prices may be more volatile. The stocks of smaller capitalization companies tend to have less trading volume than stocks of larger capitalization companies. Less trading volume may make it more difficult for our portfolio managers to sell securities of smaller capitalization companies at quoted market prices. Finally, there are periods when investing in smaller capitalization stocks falls out of favor with investors and the stocks of smaller capitalization companies underperform.

Derivatives Risk. Derivatives are financial contracts whose values are derived from traditional securities, assets, reference rates or market indices. Derivatives involve special risks and may result in losses. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing a Fund to lose more money than it would have lost had it invested in the underlying security. The values of derivatives may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility. The use of derivatives may

also increase the amount of taxes payable by shareholders. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions at times when the Fund might wish to terminate or sell such positions. Over-the-counter instruments (investments not traded on an exchange) may be illiquid, and transactions in derivatives traded in the over-the-counter market are subject to the risk that the other party will not meet its obligations. The use of derivatives also involves the risk of mispricing or improper valuation, the risk of ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying security, asset, reference rate or index. The Fund may not be able to find a suitable derivative transaction counterparty, and thus may be unable to invest in derivatives altogether.

Allocation Risk. To the extent each Fund's investment performance depends upon how its assets are allocated and reallocated among debt securities, equity securities and equity related securities, as well as among domestic and foreign securities, allocation techniques and decisions of Morningstar Associates, LLC may not produce the desired results, and, therefore, a Fund may not achieve its investment objectives.

Multi-Manager Risk. Because each Sleeve Subadviser makes investment decisions independently, it is possible that the security selection processes of the Sleeve Subadvisers may not complement one another. As a result, a Fund's aggregate exposure to a given security, industry or market capitalization could unintentionally be smaller or larger than intended. One or more Sleeve Subadvisers may underperform their peers from time to time, adversely affecting performance of a Fund. When new Sleeve Subadvisers are added or assets are reallocated among Sleeve Subadvisers, a Fund may have higher portfolio turnover and may incur higher transactions costs, which may adversely affect the Fund's performance. In addition, the separate investment decisions and the resulting purchase and sale activities of the Sleeve Subadvisers might lead to disadvantageous tax consequences, including the deferral of losses.

Turnover Risk. A change in the securities held by a Fund is known as "portfolio turnover." High portfolio turnover involves correspondingly greater expenses to the Fund, including brokerage commissions or dealer markups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are taxed at ordinary income tax rates when distributed to shareholders who are individuals), and may adversely affect the Fund's after-tax returns. The trading costs and tax effects associated with portfolio turnover may adversely affect the Fund's performance.

Underlying Pax ETFs. Each Underlying Pax ETF in which the Funds may invest employs a "passive management"—or indexing—investment approach designed to track the performance of its index. Under normal circumstances, more than 80% of each Underlying Pax ETF's total assets will be invested in component securities of its index and in American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs") and Euro Depositary Receipts ("EDRs" and, collectively with ADRs and GDRs, "Depositary Receipts") representing the securities in its index. Each Underlying Pax ETF may invest in securities that are not included in its index to the extent consistent with the foregoing 80% policy, which securities, will be evaluated by the

Adviser for satisfaction of the Adviser's environmental, social and governance (ESG) criteria. For example, an Underlying Pax ETF may invest in securities that are not components of its index in order to reflect various corporate actions and other changes to its Index (such as reconstitutions, additions and deletions) or in order to help it track its index. Each Underlying Pax ETF also may invest in cash and cash equivalents, as well as in futures, options, swap contracts and other derivatives. The Adviser intends that, over time, the correlation between each Fund's performance and that of its index, before fees and expenses, will be 95% or better, although there can be no assurance of achieving this objective. The ESG Shares Pax MSCI EAFE ESG Index ETF uses a "representative sampling" strategy in seeking to track the performance of its index. This means that the fund generally will invest in a sample of the securities in its index whose risk, return and other characteristics, in the Adviser's opinion, closely resemble the risk, return and other characteristics of the index as a whole. When the Funds invest in an Underlying Pax ETF, the Funds will be subject to equity market risk. The stock exchange price of an Underlying Pax ETF may be less than the value of that ETF's net assets due to discounts in the secondary market. The Funds will be subject to expenses (other than management fees) of the underlying Pax ETFs.

Inflation-Linked Security Risk. Inflation-linked debt securities are subject to the effects of changes in market interest rates caused by factors other than inflation (real interest rates). In general, the price of an inflation-linked security tends to decrease when real interest rates increase and can increase when real interest rates decrease. Interest payments on inflation-linked securities are unpredictable and will fluctuate as the principal and interest are adjusted for inflation. Any increase in the principal amount of an inflation linked debt security will be considered taxable ordinary income, even though the Fund will not receive the principal until maturity. There can also be no assurance that the inflation index used will accurately measure the real rate of inflation in the prices of goods and services. The Fund's investments in inflation-linked securities may lose value in the event that the actual rate of inflation is different than the rate of the inflation index. In addition, inflation-linked securities are subject to the risk that the CPI-U or other relevant pricing index may be discontinued, fundamentally altered in a manner materially adverse to the interests of an investor in the securities, altered by legislation or Executive Order in a materially adverse manner to the interests of an investor in the securities or substituted with an alternative index.

Acquired Funds Risk. When the Funds acquire shares of other investment companies ("acquired funds"), the Funds are subject to the fees and expenses of those acquired funds. In addition, there is no assurance that any acquired fund will achieve its investment objective. Acquired funds may be subject to limitations on the percentage of themselves that they may sell to the Funds as a group, which may mean that acquisition of the acquired funds by one Fund may preclude additional investments by other Funds. Acquired funds may limit the Adviser's and/or Morningstar Associates, LLC's access to holdings information, which may adversely affect the management of the Funds.

There are other circumstances (including additional risks not listed above) that could cause each Fund not to achieve its investment objectives. As with all mutual funds, shareholders of each Fund may lose money.

The strategies and risks for each of the ESG Shares Pax MSCI North America ESG Index ETF and the Pax MSCI EAFE ESG Index ETF are as follows:

Pax MSCI North America ESG Index ETF

The Fund employs a “passive management”—or indexing—investment approach designed to track the performance of the MSCI North America ESG Index. Under normal circumstances, the Fund invests more than 80% of its total assets in the component securities of the Index and in Depositary Receipts representing the component securities of the Index. The Fund uses a replication strategy to seek to achieve its investment objective, which means that it generally will hold all of the component securities of the Index in approximately the same proportions as they are represented in the Index. The Fund may use a representative sampling strategy with respect to the Index when a replication strategy might be detrimental, such as when a security becomes temporarily illiquid, unavailable or less liquid. The Fund also may invest up to 20% of its total assets in certain futures, options and swap contracts, cash and cash equivalents, and stocks not included in the Index, but which Pax believes will help the Fund track the price and yield performance of the Index. Such securities and other financial instruments will be evaluated by Pax for satisfaction of Pax’s ESG criteria.

Principal Investment Risks

The Fund is subject to the principal investment risks described below. Some or all of these risks may adversely affect the Fund’s NAV, trading price, yield, total return and/or ability to meet its investment objective. As with all ETFs, you may lose money by investing in the Fund.

Market Risk Conditions in a broad or specialized market, a sector thereof or an individual industry may adversely affect security prices, thereby reducing the value of the Fund’s investments.

Equity Securities Risk. The market price of equity securities may fluctuate significantly, rapidly and unpredictably, causing the Fund to experience losses. The prices of equity securities generally are more volatile than the prices of debt securities.

Investment Approach Risk. The Fund invests in the securities included in, or representative of, the Index regardless of their investment merit. The Fund does not attempt to outperform the Index or take defensive positions in declining markets. As a result, the Fund’s performance may be adversely affected by a general decline in the U.S. or foreign market segments relating to the Index.

Concentration Risk. If the Fund’s Index concentrates in the securities of a particular industry or group of industries, the Fund will concentrate its investments in the same industry or group of industries. A fund that concentrates in, or otherwise invests a large portion of its assets in, a single industry or group of industries may be more susceptible to any single economic, market, political or regulatory occurrence affecting that industry or group of industries. In such case, the Fund may be more volatile than funds invested more broadly.

Derivatives Risk. Derivatives are financial contracts the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index. Derivatives involve risks that are different from, or potentially greater than, the risks associated with investing directly in securities and other traditional investments. Derivative strategies can involve leverage, which tends to exaggerate losses, and which may cause the Fund to lose more money than it would have lost had it invested directly in the security underlying the derivative and to lose more than the principal amount invested. The value of a derivative may fluctuate unexpectedly, especially in unusual market conditions, and may cause increased volatility. The use of derivative strategies also may increase the amount of taxes payable by shareholders. Also, a liquid secondary market may not exist for a derivative position at times when Pax might consider it prudent to terminate, to close out or to sell such derivative positions. Over-the-counter derivative instruments (those that are not traded on an exchange) may be illiquid, making it difficult to purchase or to sell a derivative at an advantageous time or price. In addition, transactions in derivative instruments traded in the over-the-counter markets are subject to the risk that the derivative counterparty will not meet its obligations. The use of derivatives also involves the risk of mispricing or improper valuation, the risk of ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, reference rate or index. It also is possible that the Fund may not be able to find a suitable derivative counterparty, and thus may be unable to invest in derivatives altogether.

Non-U.S. Securities Risk. Non-U.S. markets can be significantly more volatile than domestic markets, causing the prices of some of the Fund's investments to fluctuate significantly, rapidly and unpredictably. Non-U.S. securities may be less liquid than domestic securities; consequently, the Fund may at times be unable to sell non-U.S. securities at desirable times or prices. Brokerage commissions, custodial fees and other fees and expenses associated with securities transactions generally are higher for non-U.S. securities. Foreign governments may impose taxes which would reduce the amount of income and capital gain available to distribute to shareholders. Other risks related to non-U.S. securities include delays in the settlement of transactions; less publicly available information about issuers; different reporting, accounting and auditing standards; the effect of political, social, diplomatic or economic events; seizure, expropriation or nationalization of the issuer or its assets; and the possible imposition of currency exchange controls. If the Fund invests substantially in securities of non-U.S. issuers tied economically to a particular country or geographic region, it will be subject to the risks associated with such country or geographic region to a greater extent than a fund that is more diversified across countries or geographic regions.

Canadian Investment Risk. The United States is Canada's largest trade and investment partner and the Canadian economy is significantly affected by developments in the U.S. economy. Certain trade agreements implemented among Canada, the United States and Mexico, such as the North American Free Trade Agreement, have increased Canada's dependency on the U.S. economy. The Canadian economy is also heavily dependent upon the economies of its European trading partners. Any downturn in U.S., Mexican or European economic activity is likely to have an adverse effect on the Canadian economy.

Currency Risk. Because the Fund's NAV is determined on the basis of U.S. dollars, the U.S. dollar value of your investment in the Fund may go down if the value of the local currency of the non-U.S. markets in which the Fund invests depreciates against the U.S. dollar. This is true even if the local currency value of securities held by the Fund goes up.

Issuer Risk. The value of a security may fluctuate due to factors particular to the entity that issued the security (such as labor or materials shortages, production cost overruns, excess financial leverage, supply and demand issues or mismanagement) that are not common to that entity's industry or to the market generally.

Convertible Securities Risk. Convertible securities are generally preferred stocks and other securities, including debt securities and warrants, that are convertible into or exercisable for common stock of the issuer (or cash or securities at equivalent value) at either a stated price or a stated rate. The price of a convertible security will normally vary in some proportion to changes in the price of the underlying common stock because of this conversion or exercise feature. However, the value of a convertible security may not increase or decrease as rapidly as the underlying common stock. A convertible security will normally also provide income and is subject to interest rate risk. While convertible securities generally offer lower interest or dividend yields than non-convertible debt securities of similar quality, their value tends to increase as the market value of the underlying stock increases and to decrease when the value of the underlying stock decreases. In the event of a liquidation of the issuer, holders of convertible securities generally would be paid before the issuer's common stockholders, but after holders of any senior debt obligations of the issuer. Consequently, the issuer's convertible securities generally entail less risk than its common stock but more risk than its debt obligations. Also, the Fund may be forced to convert a security before it would otherwise choose, which may decrease the Fund's return.

Non-Correlation Risk. The performance of the Fund and of the Index may vary somewhat for a variety of reasons. For example, the Fund incurs operating expenses and portfolio transaction costs not incurred by the Index. In addition, the Fund may not be able to be fully invested in the component securities of the Index. Any use of sampling techniques may affect the Fund's ability to achieve close correlation with the Index.

Management Risk. At any time that the Fund employs a representative sampling strategy, investment decisions made by Pax and the Fund's portfolio manager may cause the Fund to underperform the Index.

Market Trading Risk. Although Fund shares are listed on a national securities exchange, there can be no assurance that an active trading market for Fund shares will develop or be maintained. If an active market is not maintained, investors may find it difficult to buy or sell Fund shares.

Non-Diversification Risk The Fund is non-diversified, which generally means that it may invest a greater percentage of its total assets in the securities of fewer issuers than a "diversified" fund. This increases the risk that a change in the value of any one investment held by the Fund could affect the overall value of the Fund more than it would affect that of a diversified fund holding a

greater number of investments. Therefore, the Fund's value will likely be more volatile than the value of a more diversified fund.

Small- and Medium-Sized Company Risk. Investing in securities of small- and medium-sized companies may involve greater volatility than investing in larger and more established companies because they can be subject to more abrupt and erratic share price changes than larger, more established companies. Securities of these types of companies may have limited liquidity, and their prices may be more volatile.

Market Liquidity Risk. Trading of shares of the Fund on a national securities exchange may be halted if exchange officials deem such action appropriate, if the Fund is delisted or if the activation of marketwide "circuit breakers" halts securities trading generally. If the Fund's shares are delisted, the Fund may seek to list its shares on another exchange, merge with another ETF or traditional mutual fund or redeem its shares at NAV.

Share Price Risk. As with all ETFs, Fund shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of the shares of the Fund will approximate the Fund's NAV, there may be times when the market price and the NAV vary significantly. Thus, you may pay more than NAV when you buy shares of the Fund in the secondary market, and you may receive less than NAV when you sell those shares in the secondary market. The market price of Fund shares during the trading day, like the price of any exchange-traded security, includes a "bid/ask" spread (the difference between the price a dealer is willing to pay for Fund shares and the price at which a dealer is willing to sell Fund shares) charged by the exchange specialist, market makers or other participants that trade the Fund shares. The bid/ask spread on ETF shares is likely to be larger on ETFs that are traded less frequently. In addition, in times of severe market disruption, the bid/ask spread can increase significantly. At those times, Fund shares are most likely to be traded at a discount to NAV, and the discount is likely to be greatest when the price of shares is falling fastest, which may be the time that you most want to sell your shares. Pax believes that, under normal market conditions, large market price discounts or premiums to NAV will not be sustained because of arbitrage opportunities.

Pax MSCI EAFE ESG Index ETF

The Fund employs a "passive management" — or indexing — investment approach designed to track the performance of the MSCI EAFE ESG Index. Under normal circumstances, the Fund invests more than 80% of its total assets in component securities of the Index and in Depositary Receipts representing the component securities of the Index. The Fund uses a representative sampling strategy to achieve its investment objective, which means that it will not always hold the same securities in the same proportions as the Index. The Fund also may invest up to 20% of its total assets in certain futures, options and swap contracts, cash and cash equivalents, and stocks not included in the Index, but which Pax believes will help the Fund track the price and yield performance of the Index. Such securities and other financial instruments will be evaluated by Pax for satisfaction of Pax's ESG criteria.

Principal Investment Risks

The Fund is subject to the principal investment risks described below. Some or all of these risks may adversely affect the Fund's NAV, trading price, yield, total return and/or ability to meet its investment objective. As with all ETFs, you may lose money by investing in the Fund.

Market Risk. Conditions in a broad or specialized market, a sector thereof or an individual industry may adversely affect security prices, thereby reducing the value of the Fund's investments.

Equity Securities Risk. The market price of equity securities may fluctuate significantly, rapidly and unpredictably, causing the Fund to experience losses. The prices of equity securities generally are more volatile than the prices of debt securities.

Investment Approach Risk. The Fund invests in the securities included in, or representative of, the Index regardless of their investment merit. The Fund does not attempt to outperform the Index or take defensive positions in declining markets. As a result, the Fund's performance may be adversely affected by a general decline in the U.S. or foreign market segments relating to the Index.

Concentration Risk. If the Fund's Index concentrates in the securities of a particular industry or group of industries, the Fund will concentrate its investments in the same industry or group of industries. A fund that concentrates in, or otherwise invests a large portion of its assets in, a single industry or group of industries may be more susceptible to any single economic, market, political or regulatory occurrence affecting that industry or group of industries. In such case, the Fund may be more volatile than funds invested more broadly.

Derivatives Risk. Derivatives are financial contracts the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index. Derivatives involve risks that are different from, or potentially greater than, the risks associated with investing directly in securities and other traditional investments. Derivative strategies can involve leverage, which tends to exaggerate losses, and which may cause the Fund to lose more money than it would have lost had it invested directly in the security underlying the derivative and to lose more than the principal amount invested. The value of a derivative may fluctuate unexpectedly, especially in unusual market conditions, and may cause increased volatility. The use of derivative strategies also may increase the amount of taxes payable by shareholders. Also, a liquid secondary market may not exist for a derivative position at times when Pax might consider it prudent to terminate, to close out or to sell such derivative positions. Over-the-counter derivative instruments (those that are not traded on an exchange) may be illiquid, making it difficult to purchase or to sell a derivative at an advantageous time or price. In addition, transactions in derivative instruments traded in the over-the-counter markets are subject to the risk that the derivative counterparty will not meet its obligations. The use of derivatives also involves the risk of mispricing or improper valuation, the risk of ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, reference rate or index. It also is possible that the Fund may not be able to find a suitable derivative counterparty, and thus may be unable to invest in derivatives altogether.

Non-U.S. Securities Risk. Non-U.S. markets can be significantly more volatile than domestic markets, causing the prices of some of the Fund's investments to fluctuate significantly, rapidly and unpredictably. Non-U.S. securities may be less liquid than domestic securities; consequently, the Fund may at times be unable to sell non-U.S. securities at desirable times or prices.

Brokerage commissions, custodial fees and other fees and expenses associated with securities transactions generally are higher for non-U.S. securities. Foreign governments may impose taxes which would reduce the amount of income and capital gain available to distribute to shareholders. Other risks related to non-U.S. securities include delays in the settlement of transactions; less publicly available information about issuers; different reporting, accounting and auditing standards; the effect of political, social, diplomatic or economic events; seizure, expropriation or nationalization of the issuer or its assets; and the possible imposition of currency exchange controls. Emerging market securities are likely to have greater exposure to the risks discussed above. Additionally, emerging market countries generally have less mature economies and less developed securities markets with more limited trading activity, are more heavily dependent on international trade and support, have a higher risk of currency devaluation, and may have more volatile inflation rates or longer periods of high inflation than more developed countries. Emerging market countries also are more prone to rapid social, political and economic changes than more developed countries. If the Fund invests substantially in securities of non-U.S. issuers tied economically to a particular country or geographic region, it will be subject to the risks associated with such country or geographic region to a greater extent than a fund that is more diversified across countries or geographic regions.

Asian/Pacific Investment Risk. Certain Asia and Pacific region economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Asia and Pacific region economies generally are dependent on the economies of Europe and the United States, especially with respect to agricultural products and natural resources. Political and social instability and deteriorating economic conditions may result in significant downturns and increased volatility in many Asia and Pacific region economies. Portions of the Asia and Pacific region have historically been prone to natural disasters such as tsunamis and droughts and the region is economically sensitive to environmental events. Any such event could have a significant adverse effect on Asia and Pacific region economies. The Australian and New Zealand economies, in particular, are dependent on exports from the agricultural and mining sectors, which make those economies particularly susceptible to fluctuations in the commodities markets. Australian and New Zealand economies are also increasingly dependent on their growing service industries. Economic events in any one country can have a significant economic effect on the entire Asia and Pacific region.

European Investment Risk. The Economic and Monetary Union of the European Union ("EU") requires compliance with restrictions on inflation rates, deficits, interest rates, debt levels and fiscal and monetary controls, each of which may significantly affect EU member countries, as well as other European countries. Decreasing imports or exports, changes in governmental regulations on trade, changes in the exchange rate of the euro and recessions in EU economies may have a significant adverse effect on the economies of EU members and their trading

partners, including non-member European countries. Additionally, eastern European markets remain relatively undeveloped and may be particularly sensitive to political and economic developments.

Currency Risk. Because the Fund's NAV is determined on the basis of U.S. dollars, the U.S. dollar value of your investment in the Fund may go down if the value of the local currency of the non-U.S. markets in which the Fund invests depreciates against the U.S. dollar. This is true even if the local currency value of securities held by the Fund goes up.

Issuer Risk. The value of a security may fluctuate due to factors particular to the entity that issued the security (such as labor or materials shortages, production cost overruns, excess financial leverage, supply and demand issues or mismanagement) that are not common to that entity's industry or to the market generally.

Convertible Securities Risk. Convertible securities are generally preferred stocks and other securities, including debt securities and warrants, that are convertible into or exercisable for common stock of the issuer (or cash or securities at equivalent value) at either a stated price or a stated rate. The price of a convertible security will normally vary in some proportion to changes in the price of the underlying common stock because of this conversion or exercise feature. However, the value of a convertible security may not increase or decrease as rapidly as the underlying common stock. A convertible security will normally also provide income and is subject to interest rate risk. While convertible securities generally offer lower interest or dividend yields than non-convertible debt securities of similar quality, their value tends to increase as the market value of the underlying stock increases and to decrease when the value of the underlying stock decreases. In the event of a liquidation of the issuer, holders of convertible securities generally would be paid before the issuer's common stockholders, but after holders of any senior debt obligations of the issuer. Consequently, the issuer's convertible securities generally entail less risk than its common stock but more risk than its debt obligations. Also, the Fund may be forced to convert a security before it would otherwise choose, which may decrease the Fund's return.

Non-Correlation Risk. The performance of the Fund and of the Index may vary somewhat for a variety of reasons. For example, the Fund incurs operating expenses and portfolio transaction costs not incurred by the Index. In addition, the Fund may not be fully invested in the component securities of the Index. The use of sampling techniques may affect the Fund's ability to achieve close correlation with the Index.

Management Risk. Investment decisions made by Pax and the Fund's portfolio manager in pursuing the Fund's representative sampling strategy may cause the Fund to underperform the Index.

Market Trading Risk. Although Fund shares are listed on a national securities exchange, there can be no assurance that an active trading market for Fund shares will develop or be maintained. If an active market is not maintained, investors may find it difficult to buy or sell Fund shares.

Non-Diversification Risk. The Fund is non-diversified, which generally means that it may invest a greater percentage of its total assets in the securities of fewer issuers than a “diversified” fund. This increases the risk that a change in the value of any one investment held by the Fund could affect the overall value of the Fund more than it would affect that of a diversified fund holding a greater number of investments. Therefore, the Fund’s value will likely be more volatile than the value of a more diversified fund.

Small- and Medium-Sized Company Risk. Investing in securities of small- and medium-sized companies may involve greater volatility than investing in larger and more established companies because they can be subject to more abrupt and erratic share price changes than larger, more established companies. Securities of these types of companies may have limited liquidity, and their prices may be more volatile.

Market Liquidity Risk. Trading of shares of the Fund on a national securities exchange may be halted if exchange officials deem such action appropriate, if the Fund is delisted or if the activation of marketwide “circuit breakers” halts securities trading generally. If the Fund’s shares are delisted, the Fund may seek to list its shares on another exchange, merge with another ETF or traditional mutual fund or redeem its shares at NAV.

Share Price Risk. As with all ETFs, Fund shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of the shares of the Fund will approximate the Fund’s NAV, there may be times when the market price and the NAV vary significantly. Thus, you may pay more than NAV when you buy shares of the Fund in the secondary market, and you may receive less than NAV when you sell those shares in the secondary market. The market price of Fund shares during the trading day, like the price of any exchange-traded security, includes a “bid/ask” spread (the difference between the price a dealer is willing to pay for Fund shares and the price at which a dealer is willing to sell Fund shares) charged by the exchange specialist, market makers or other participants that trade the Fund shares. The bid/ask spread on ETF shares is likely to be larger on ETFs that are traded less frequently. In addition, in times of severe market disruption, the bid/ask spread can increase significantly. At those times, Fund shares are most likely to be traded at a discount to NAV, and the discount is likely to be greatest when the price of shares is falling fastest, which may be the time that you most want to sell your shares. Pax believes that, under normal market conditions, large market price discounts or premiums to NAV will not be sustained because of arbitrage opportunities.

As with all ETFs, you may lose money by investing in the Fund. Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

On July 30, 2008 the Adviser entered into a Settlement Order with the Securities and Exchange Commission (“SEC”), concluding an investigation that was commenced by the SEC in December 2004.

The settlement involves the 2001 – 2005 time period. As recounted in the Settlement Order (which can be accessed at <http://www.sec.gov/news/press/2008/2008-157.htm>), during that period the former portfolio managers of the Growth Fund and High Yield Fund bought certain securities that had not been screened by the Adviser's Social Research Department prior to purchase or that had failed a social screen. Specifically, the Settlement Order asserts that during the 2001 – 2005 time period:

- The former portfolio managers of the Growth and High Yield Funds purchased 41 securities that were either not socially screened prior to purchase or had failed a screen. Of these, 10 securities (out of approximately 650 purchased by Pax World Funds during that time period) actually failed the social screens and therefore should never have been purchased in the first place. The Order also provided that, although Pax World made efforts to re-screen portfolio securities on a periodic basis, it did not continuously re-screen these securities as described in fund prospectuses.
- In addition, Pax World's social research department made an error in applying its weapons criteria to one company.
- The Order also provided that the management company failed to properly report these errors to the board of the Growth Fund and High Yield Fund.

Under the terms of the settlement, the Adviser agreed to a cease and desist order and a civil penalty of \$500,000. The Adviser specifically settled claims under Section 206(2) of the Investment Advisers Act - a section involving negligent conduct, not intentional wrongdoing. There was no harm to shareholders resulting from the conduct described in the Order and the individuals who were involved are no longer employed by Pax World.

Since 2005, Pax World has implemented a top-to-bottom reorganization and modernization and professionalization of its business operations, including hiring new personnel and significant upgrades to Pax World's technological infrastructure, management and compliance controls. These efforts have resulted in significant benefits to the Pax World Funds' shareholders, evidenced by the most recent routine SEC examination of Pax World Management LLC and the Pax World Funds, during which the SEC found no significant deficiencies.

Item 10 – Other Financial Industry Activities and Affiliations

The Adviser is the Investment Adviser for the Pax World Funds under an investment advisory agreement dated March 12, 2009, the Investment Adviser to the ESG Managers Portfolios under an investment advisory contract dated December 2, 2009, and the Investment Advisor to the ESG Shares ETFs under an investment contract dated January 16, 2009.

The Adviser has entered into a sub-advisory agreement dated March 12, 2008 with Impax Asset Management, Ltd. to manage the Pax World Global Green Fund's investments. The sub-adviser has full investment discretion and makes all determinations with respect to the investment of the Fund's assets, subject to the general supervision of the Adviser and the Board of Trustees of the

Pax World Funds Series Trust I. The Adviser (and not the Fund) pays a portion of the advisory fees it receives to the sub-adviser in return for its services.

The Adviser has entered into subadvisory agreements, dated December 7, 2009, with Morningstar Associates, LLC., to provide portfolio construction advisory services to the ESG Managers Portfolios and with Access Capital Strategies, Ariel Investments, LLC, ClearBridge Advisors, LLC, Community Capital Management, Inc., Miller/Howard Investments, Inc., Everence Capital Management (formerly MMA Capital Management), Neuberger Berman Management, LLC, Parnassus Investments, and Portfolio 21 Investments (the "sleeve sub-advisers") to manage various portions or "sleeves" within the Portfolios. Each of the sleeve sub-advisers, with the exception of Parnassus Investments, has full investment discretion and makes all determinations with respect to the investment of that portion of the Portfolios' assets which it manages, subject to the general supervision of the Adviser and the Board of Trustees of the Pax World Funds Series Trust I. Parnassus Investments makes investment recommendations to the Adviser for the sleeves which Parnassus manages. The Adviser (and not the Portfolios) pays a portion of the advisory fees it receives to the sub-advisers in return for their services. Generally, the sleeve sub-advisers also vote proxies on behalf of the sleeves that they manage under the sleeve sub-advisers proxy voting policies.

Item 11 – Code of Ethics

The Adviser does not invest in securities for its own account. The Adviser's personnel may trade in securities for their own accounts, including securities that the Adviser has purchased and sold, or recommended for purchase and sale, for clients. The Adviser has adopted Code of Ethics and Insider Trading Procedures and a Code of Ethics and Insider Trading Policy concerning trading by personnel of the Adviser and its affiliates that is designed to detect and prevent potential conflicts of interest between the Adviser and its clients. The Code of Ethics and Insider Trading Policy (the "Code"), among other things, provides for the following:

Supervised persons are prohibited from seeking or accepting gifts, entertainment, or other items greater than a *de minimis* value from any person or entity, including any Pax World Fund shareholder, when such gift or entertainment is in relation to doing business with Pax World. Similarly, supervised persons are prohibited from offering gifts, favors, entertainment or other things of value that could be viewed as overly generous or aimed at influencing decision-making or causing a client or prospective client to feel beholden to Pax World or the supervised person. The Code provides that all gifts and entertainment, regardless of value, must be reported to the Compliance Department and that any supervised person who accepts anything of value from any person or entity that does business with or on behalf of the Adviser or the Pax World Funds, including gifts and gratuities with value in excess of \$100 per year, must obtain the consent of the Compliance Department before accepting such gift.

All officers, trustees (excluding independent trustees, to whom a separate Code of Ethics applies), and employees who are deemed Access Persons (as such term is defined in the Code) of

the Adviser must obtain clearance prior to effecting any securities transaction in which they, their families (including spouse, minor children and adults living in the same household), or trust of which they are trustees or in which they have a beneficial interest, are parties.

Clearance to trade will not be granted if the Pax World Funds traded or intend to trade within a 24-hour period before or after clearance is requested.

Each Access Person of the Pax World Funds and the Adviser and his/her family members (including spouse, whether or not recognized by law, minor children, and adults living in the same household) will submit to the Chief Compliance Officer a listing of all securities owned of record and beneficially held (including ownership in trusts and other nominee accounts, except for accounts over which such person does not have any direct or indirect control).

Each Access Person must file with the Chief Compliance Officer (i) an Initial Holdings Report within 10 days of commencement of their employment; (ii) a Quarterly Transaction Report within 30 days after the end of the calendar quarter in which the transactions to which the report relates were effected; and (iii) an Annual Holdings Report which must be current as of no more than 30 days before the report is submitted. Account statements may, under certain circumstances satisfy the Annual Holdings Report requirement.

Access Persons must not directly or indirectly acquire any beneficial interest in securities in an initial public offering or in a private placement without prior approval, nor may they make any purchase or sale, including a “put” or “call” or a short sale of a security, in anticipation of its being approved for purchase or sale by a Pax World Fund.

The Code excludes from its prohibitions: (i) purchases or sales effected for any client portfolio over which the supervised person has no direct or indirect influence or control; (ii) purchases or sales which are non-volitional on the part of the Access Person; (iii) purchases which are part of an automatic investment plan; (iv) purchases effected upon the exercise of rights issued by an issuer *pro rata* to all holders of its securities to the extent such rights were acquired from such issuer, and sales of such rights so acquired.

Employees are required to certify upon employment and annually thereafter that they have read and understood the Code.

Upon discovering a violation of the Code, the Chief Compliance Officer may issue a memorandum of reprimand and provide a copy to the Board of Trustees as an initial warning to the subject party. Upon discovery of a second violation, the Chief Compliance Officer will report the same to the Board of Trustees and the Chief Compliance Officer (or at its discretion, the Board of Trustees or a committee of the Board) will conduct an in-person meeting with such individual to discuss compliance with the Code. For any subsequent violations by the same individual, sanctions may be imposed at the discretion of the Board, including, but not limited to: (i) memorandum of reprimand; (ii) disgorgement of profits; (iii) letter of censure; (iv) withholding of bonus; (v) suspension; (vi) termination of employment; and (vii) notification of appropriate governmental, regulatory, or legal authority.

A copy of the Adviser's Code of Ethics and Insider Trading Policy is available to any existing or prospective client upon request at (603) 431-8022 or in writing to John Boese, Pax World Management LLC., 30 Penhallow Street, Suite 400, Portsmouth, NH 03801.

Item 12 – Brokerage Practices

Generally, the Adviser has discretion with respect to the Funds without any limitations on its authority, subject only to restrictions of a Fund's registration statement and the Investment Company Act of 1940, as amended. This discretion includes the authority, without prior notice to the client, to buy and sell securities for the Funds and establish and effect securities transactions through accounts with broker-dealers selected by the Adviser. The Adviser does not always trade for its institutional accounts.

In placing orders for the purchase and sale of securities and selecting brokers to effect these transactions, the Adviser seeks prompt execution of orders at the most favorable prices reasonably obtainable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including, but not limited to, the following:

- A broker's trading expertise, including the broker's ability to complete trades, execute and settle difficult trades, obtain liquidity to minimize market impact and accommodate unusual market conditions, maintain anonymity, and account for its trade errors and correct them in a satisfactory manner.
- A broker's infrastructure, including order-entry systems, adequate lines of communication, timely order execution reports, an efficient and accurate clearance and settlement process, and capacity to accommodate unusual trading volume.
- A broker's ability to minimize total trading costs while maintaining its financial health, such as whether a broker can maintain and commit adequate capital when necessary to complete trades, respond during volatile market periods, and minimize the number of incomplete trades.
- A broker's ability to provide research and execution services, including advice as to the value or advisability of investing in or selling securities, analyses and reports concerning such matters as companies, industries, economic trends and political factors, or services incidental to executing securities trades, including clearance, settlement and custody.
- A broker's ability to provide services to accommodate special transaction needs, such as the broker's ability to execute and account for soft dollar arrangements, participate in underwriting syndicates and obtain initial public offering shares.

Use of Soft Dollars to Obtain Research Services

Where more than one broker-dealer is believed to be capable of providing the best combination of price and execution with respect to a particular portfolio transaction, the Adviser may select a broker-dealer that furnishes research services. Research services may include:

- Furnishing advice as to the value of securities, the advisability of investing in purchasing or selling securities, and the availability of securities or purchasers or sellers of securities.
- Furnishing seminars, information, analysis and reports concerning issuers, industries, securities, trading markets and methods, legislative developments, changes in accounting practices, economic factors and trends, portfolio strategy, access to research analysts, corporate management personnel, industry experts and economists, comparative performance evaluation and technical measurement services and quotation services, and products and other services (such as third party publications, reports and analyses, and computer and electronic access, software, information and accessories that deliver, process or otherwise utilize information, including the research described above) that assist the Adviser in carrying out its investment decision-making responsibilities (including but not limited to research and information services such as First Call, Reuters, Bloomberg, Dow Jones News Services and other similar services).
- Effecting securities transactions and performing functions incidental thereto (such as clearance and settlement).

In addition, if the Adviser determines in good faith that the commission charged by a broker-dealer is reasonable in relation to the value of brokerage and research services provided by such broker-dealer, the Adviser may cause a client to pay such a broker-dealer an amount of commission greater than the amount another broker-dealer may charge, but generally within a competitive range for full service brokers. The Adviser may also enter into arrangements with brokers regarding the allocation of the minimum annual amounts of brokered transactions to such brokers. In exchange, the Adviser receives from such brokers research and research-related software. A transaction will be placed with such brokers only if consistent with the best execution policies described above (which take into account the provision of research and related services) and the Adviser will terminate any such arrangement or compensate the broker in cash for such research or software to the extent it cannot fulfill the arrangement consistent with such policies.

Some “mixed-use” products or services can be used by the Adviser for both research/execution and non-research purposes, such as administration or marketing. If these products or services are obtained with soft dollars, the Adviser will allocate their cost between research and non-research uses. The Adviser will use its own hard dollars to pay that part of the cost that is attributable to non-research uses.

Some brokerage and research services received may benefit clients other than the client generating the soft dollar credits. The Adviser's receipt of research services will not reduce a client's investment advisory fees.

As the Adviser intends its soft dollars usage to fall within the “safe harbor” of Section 28(e) under the Securities Exchange Act of 1934, as amended, the Adviser may revise its soft dollar policy to the extent required by SEC guidance.

Bunching Orders

Although it need not do so, the Adviser may aggregate or “bunch” orders when the Adviser believes that bunching will result in a more favorable overall execution. If appropriate, the Adviser will allocate these bunched orders at the average price obtained. The Adviser may bunch a client's trades with trades of other pooled investment vehicles in which the Adviser and/or personnel of the Adviser may have a beneficial interest pursuant to an allocation process the Adviser in good faith considers to be fair and equitable to all clients over time.

Balancing the Interests of Multiple Client Accounts

The Adviser may manage multiple client portfolios with similar investment objectives and strategies or may manage portfolios with different objectives or strategies that may trade in the same securities. Despite these similarities, the Adviser's portfolio decisions about each client's investments and the performance resulting from these decisions may differ from those of other clients.

Allocating Investment Opportunities

The Adviser will not necessarily purchase or sell the same securities for clients at the same time or in the same proportionate amounts for all eligible clients. When the Adviser purchases thinly traded securities or oversubscribed public offerings, it may not be feasible to allocate a transaction *pro rata* to all eligible clients. Therefore, not all clients will necessarily participate in the same investment opportunities or participate on the same basis.

The Adviser allocates investment and trading opportunities among various clients (including the sequence of placing orders) in a manner believed by the Adviser to be fair and equitable to each client over time. In making these allocations and in departing from a proportionate allocation based on the relative sizes of client's portfolios, the Adviser will take into account the following factors:

- The clients' investment objectives and strategies.
- The composition, size and characteristics of the portfolio.
- The fee structure of the portfolio.
- The cash flows and amount of investment funds available to each client.

- The amount already committed by each client to a specific investment.
- Each client's risk tolerance and the relative riskiness of the investment.

The Adviser may deviate from strictly *pro rata* allocation, when appropriate, taking into account the following factors:

- To avoid creating odd lot positions in any portfolio.
- To allocate a smaller portion to those portfolios for which the purchased security would be a peripheral investment and a larger portion to those portfolios for which the security would be a core investment.
- To the extent that the purchased security is especially appropriate for portfolios with certain investment goals or risk tolerances.
- To satisfy demand with respect to a portfolio's cash position (*i.e.*, to allocate a small portion to portfolios with less cash or liquidity and a greater portion to portfolios with more cash or highly liquid investments).
- When a proportionate allocation would, given the size of a portfolio, result in a position that is too small to be meaningful or too large to maintain an appropriate level of diversification.

If it is not possible, in a single transaction or at a single price, to effect trades in a particular security that is appropriate for multiple portfolios, the Adviser may if feasible compute and give to each participating portfolio the average price for that day's transactions in the securities.

Transactions Between Client Accounts

Sometimes the Adviser may consider a security being sold by one client appropriate for purchase by another client. If the Adviser believes it to be in the interests of both clients, the Adviser may arrange to transfer or “cross” the security directly between the affected clients. Any cross trades in which a Pax World Fund participates are executed in accordance with procedures complying with Rule 17a-7 under the Investment Company Act of 1940, as amended.

Any cross transactions would be effected at an independently determined market price and may incur a nominal brokerage commission for conducting the transfer. Although each client may incur customary custodian and transfer fees, none of these fees will be paid to the Adviser.

Item 13 – Review of Accounts

Portfolio managers and analysts monitor all mutual funds on an ongoing basis, and meet regularly as a group. Portfolio holdings are electronically and manually monitored for compliance with prospectus and sustainable investing guidelines.

Mutual fund shareholders and separate account clients receive quarterly reports regarding their accounts. Additionally, mutual fund shareholders receive confirmation reports for all transactions and have ongoing on-line access to their accounts.

Item 14 – Client Referrals and Other Compensation

Adviser clients include mutual funds sold through financial intermediaries. Financial intermediaries may receive various forms of compensation from the Funds as well as from the Adviser and/or ALPS Distributors, Inc. (for purposes of this section only, the Adviser and ALPS Distributors, Inc. are referred to collectively as the “Distributor”) in connection with the sale of shares of a Fund to a shareholder or a shareholder remaining an investor in a Fund. The compensation that the financial intermediary receives will vary among financial intermediaries. The types of payments include payments under plans and payments by the Distributor out of its own assets.

These payments may provide an additional incentive to a financial intermediary to promote a Fund actively or to cooperate with the Distributor’s promotional efforts. Depending on the arrangements in place at any particular time, a financial intermediary may have a financial incentive to recommend a Fund. Shareholders should ask their financial intermediary for information about any payments it receives from the Distributor or the Funds and any services it provides, as well as about fees and/or commissions imposed on shareholders by the financial intermediary. Financial intermediaries may categorize and disclose these arrangements differently than the Distributor does. Financial intermediaries that sell Fund shares may also act as a broker or dealer in connection with a Fund’s purchase or sale of portfolio securities. However, the Funds and the Adviser do not consider a financial intermediary’s sale of shares of a Fund as a factor when choosing brokers or dealers to effect portfolio transactions for the Funds.

In addition, from time to time, the Distributor, at its expense, may make additional payments to financial intermediaries that sell or provide services in connection with the sale of Fund shares. Such payments by the Distributor may include payment or reimbursement to, or on behalf of, financial intermediaries for costs associated with the purchase of products or services used in connection with sales and marketing, as well as conferences or seminars, sales or training programs for invited registered representatives and other employees, client entertainment, client and investor events, and other financial intermediary-sponsored events, and travel expenses, including lodging incurred by registered representatives and other employees in connection with training and educational meetings, client prospecting, retention and due diligence trips. Other compensation may be offered to the extent not prohibited by federal or state laws or any self-regulatory agency, such as Financial Industry Regulatory Authority, Inc. The Distributor makes payments for entertainment events it deems appropriate, subject to the Distributor’s policies and applicable law. These payments may vary depending upon the nature of the event.

Item 15 – Custody

Adviser's clients maintain their assets at qualified custodians. Mutual fund clients use a custodian in compliance with Section 17(f) of the Investment Company Act and the rules adopted under that section. Any separate account clients of Pax World should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Pax World urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Pax World usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Adviser observes the investment policies, limitations and restrictions of the clients for which it advises. For mutual funds and ETFs, Adviser's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Pax World in writing.

Item 17 – Voting *Client* Securities

Unless otherwise specifically directed by a client in writing, we are responsible for the voting of all proxies related to securities that we manage on behalf of our clients. Any directions from clients to the contrary must be provided in writing. We may delegate our responsibilities under these Proxy Voting Policies and Procedures, as further discussed below.

The Advisers Act requires us, at all times, to act solely in the best interest of our clients. We have adopted and implemented proxy voting policies and procedures, which we believe are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with our fiduciary duties and Rule 206(4)-6 under the Advisers Act.

We have established proxy voting policies and procedures in a manner that is generally intended to support the ability of management of a company soliciting proxies to run its business in a responsible and cost effective manner while staying focused on maximizing shareholder value.

We generally vote proxies in accordance with the guidelines set forth in the Statement of Additional Information of each of the Pax World Funds, also available on the Pax World website at www.paxworld.gov. The guidelines do not, however, address all potential voting issues or the intricacies that may surround individual proxy votes and there may be instances in which votes may vary from such guidelines. We always endeavor to vote proxies relating to portfolio or client account securities in accordance with the Funds' or client's investment objectives and social goals. All proxy votes are ultimately cast on a case-by-case basis, taking into account all relevant facts and circumstances at the time of the vote.

Conflicts of Interest. We review each proxy to assess the extent, if any, to which there may be a material conflict between the interests of our clients and our interests (including those of our affiliates, managers, officers, employees and other similar persons) (referred to hereafter as a "potential conflict"). We perform this assessment on a proposal-by-proposal basis. A potential conflict with respect to one proposal in a proxy shall not indicate that a potential conflict exists with respect to any other proposal in such proxy. As noted above, we generally vote proxies in accordance with our proxy guidelines, including when a vote presents a potential conflict. If we determine that a potential conflict may exist that is not adequately addressed in the proxy guidelines, we shall promptly report the matter to the Chief Compliance Officer (the "CCO"), who shall determine whether a potential conflict exists and who is authorized to resolve any such conflict in a manner that is in the collective best interests of our clients (excluding any client that may have a potential conflict). Without limiting the generality of the foregoing, the CCO may resolve a potential conflict in any of the following manners:

1. We may disclose the potential conflict to our clients and obtain the consent of a majority in interest of our clients before voting in the manner approved by a majority in interest of our clients;
2. We may engage an independent third-party to determine how the proxy should be voted; or
3. We may establish an ethical wall or other informational barriers between the person(s) that are involved in the potential conflict and the person(s) making the voting decision in order to insulate the potential conflict from the decision maker.

We use commercially reasonable efforts to determine whether a potential conflict may exist, and a potential conflict shall be deemed to exist if and only if one or more of our senior investment staff actually knew or reasonably should have known of the potential conflict.

Limited Value. We may abstain from voting a client proxy if we conclude that the effect on a client's economic interests or the value of the portfolio holding is indeterminable or insignificant.

Unjustifiable Costs. We may abstain from voting a client proxy for cost reasons (*e.g.*, costs associated with voting proxies of non-U.S. securities). In accordance with our fiduciary duties, we will weigh the costs and benefits of voting proxy proposals relating to foreign securities and make an informed decision with respect to whether voting a given proxy proposal is prudent.

Our decision will take into account the effect that the vote of our clients, either by itself or together with other votes, is expected to have on the value of our client's investment and whether this expected effect would outweigh the cost of voting.

Client Direction. Unless otherwise directed by a client in writing, we are responsible for voting all proxies related to securities that we manage for clients. A client may from time to time direct us in writing to vote proxies in a manner that is different from our guidelines. We will follow any such written direction for proxies after our receipt of such written direction.

A client for whom we are responsible for voting proxies may obtain information from us regarding how we voted the client's proxies. Clients should contact the CCO to make such a request. In addition, the proxy voting record of each of Pax World Funds is available on our website and is filed annually with the SEC on Form N-PX.

We shall from time to time review our proxy voting policies and procedures and may adopt changes based upon our experience, evolving industry practices and developments in applicable laws and regulations. Unless otherwise agreed to with a client, we may change our proxy voting policies and procedures from time to time without notice to, or approval by, any client. Clients may request a current version of our Proxy Voting Policies and Procedures by contacting the CCO.

We may delegate our responsibilities under these policies and procedures to a third party, provided that we retain final authority and fiduciary responsibility for proxy voting. If we so delegate our responsibilities, we shall provide such third party with a copy of our proxy voting guidelines and it shall be the third party's responsibility to vote proxies in accordance with the guidelines on our behalf. If a question arises as to how a particular proxy should be voted, the third party shall bring the question to the attention of the Adviser. The CCO shall also ensure monitoring of the third party's compliance with the proxy voting guidelines. Notwithstanding our delegation of our responsibilities hereunder, the CCO shall have final authority with regard to how a particular proxy is voted.

Clients may obtain a copy of Adviser's complete proxy voting policies and procedures upon request. Clients may also obtain information from Pax World about how they voted any proxies on behalf of their account(s).

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Pax World Management LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.