

Fund Overview

A smart beta investing strategy focused on companies' ESG strength, dividend yield and ability to sustain future dividend payouts.

Investment Process

Optimized, factor-based

Investment Style

Equity Income

Benchmark

Russell 1000 Index¹

Portfolio Characteristics as of 6/30/17

	Fund	Benchmark
Market Cap (weighted avg.) ²	\$128,596M	\$151,674M
Forward Price/Earnings ³	18.18	18.81
ROE ⁴	22.00	17.76
Beta ⁵	0.95	1.00
Number of Securities	170	990

Portfolio Investment Team

Aperio Group, LLC

Ran Leshem, Portfolio Manager

Robert Tymoczko, Portfolio Manager

Michael Branch, CFA[®], Portfolio Manager

Annie Tan, Portfolio Manager

Pax World Management LLC

David Loehwing, Director, Sustainability Research Department, Portfolio Manager

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Performance and Portfolio Update

- The Fund underperformed the benchmark Russell 1000 Index¹ in the second quarter. The main drivers of the return difference were the factors used in the strategy construction as positive contributions from the profitability and management quality factors were not enough to offset poor relative performance from the dividend yield and earnings quality factors.
- The overweight towards companies with higher dividend yield was the largest detractor to performance for the period as dividend yielding stocks tend to struggle in an environment dominated by growth stocks.
- The tilt towards dividend sustainability factors benefited relative performance slightly. Particularly, the strategy's exposure to companies with higher profitability and management quality boosted performance relative to the benchmark index. The tilt towards companies with higher earnings quality detracted from relative performance.
- Environmental, social and governance (ESG) factors, as measured by the Pax Sustainability Score, detracted from performance for the period. The Fund overweights its portfolio towards companies with ESG strength. During the period, companies with stronger ESG profiles trailed those with weaker ESG profiles.
- Industry exposures, which are driven by the factor and ESG tilts, had a negligible impact on relative returns for the quarter. Company-specific exposure detracted from relative results.

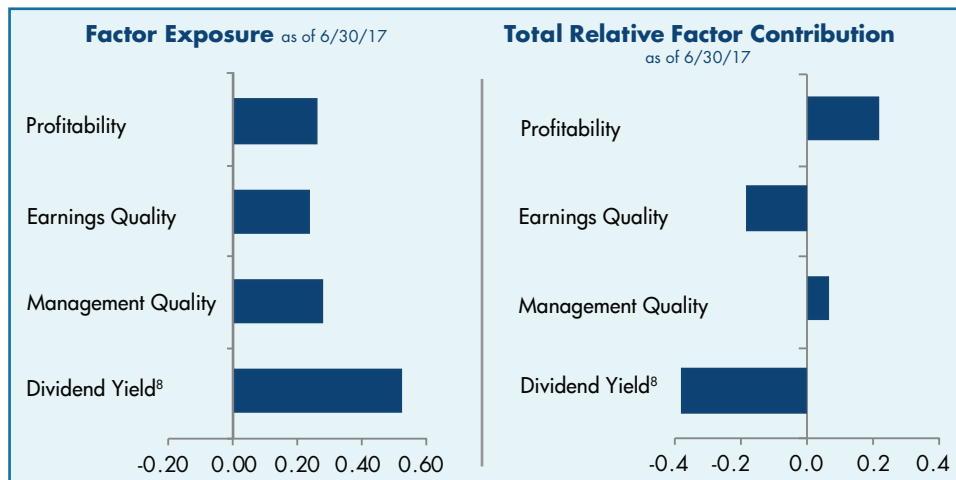
Returns (%)⁶

As of June 30, 2017

	3-month	YTD	Since Inception
Pax ESG Beta Dividend Fund			
Individual Investor Class (PAXDX) (Inception Date: 12/16/16)	1.61	6.77	5.82
Institutional Class (PXDIX) (Inception Date: 12/16/16)	1.78	6.94	5.98
Russell 1000 Index ¹	3.06	9.27	8.43
Lipper Equity Income Funds Index ⁷	2.17	6.28	5.72

Performance data quoted represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain performance for the most recent month-end call 800.767.1729 or visit www.paxworld.com.

Total annual Pax ESG Beta Dividend Fund operating expenses, gross of any fee waivers or reimbursements, for Individual Investor Class and Institutional Class shares are 0.90% and 0.65%, respectively as of 5/1/2017 prospectus.



Past performance is no guarantee of future results.

RISKS: Equity investments are subject to market fluctuations, the fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. The Pax ESG Beta Dividend Fund is new and has a limited operating history.

- ¹ The Russell 1000 Index measures the performance of the 1,000 largest U.S. companies, as measured by market capitalization. It is a subset of the Russell 3000 Index, which measures the largest 3,000 companies. The Russell 1000 Index is comprised of over 90% of the total market capitalization of all listed U.S. stocks. One cannot invest directly in an index.
- ² Weighted Average is an average in which each quantity to be averaged is assigned a weight. These weightings determine the relative importance of each quantity on the average.
- ³ Forward Price-Earnings Ratio or P/E FY1 ratio is a ratio for valuing a company that measures its current share price relative to its per-share earnings over the next 12 months.
- ⁴ Return on Equity: The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.
- ⁵ An Ex-ante Beta is used for Funds with less than 2 years of performance history under its new mandate. The Ex-Ante Beta is calculated using a multi-factor risk model. Beta explains common variations in stock returns due to different stock sensitivities to the market relative to its underlying benchmark for the current period, not historical. A beta for a benchmark is 1.00: a beta greater than 1.00 indicates above average volatility and risk.
- ⁶ Figures include reinvested dividends, capital gains distributions, and changes in principal value.
- ⁷ Lipper Equity Income Funds Index tracks the results of the 30 largest mutual funds in the Lipper Equity Income Funds Index Average. The Lipper Equity Income Funds Index Funds Average is a total return performance average of mutual funds tracked by Lipper, Inc. that by prospectus language and portfolio practice, seek relatively high current income and growth of income by investing at least 65% of their portfolio in dividend-paying equity securities. One cannot invest directly in an index.
- ⁸ Dividend Yield - Purpose: Captures differences in stock returns attributable to stock's historical and predicted dividend-to-price ratios. Descriptors: Dividend-to-Price, Predicted Dividend-to-Price



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You should consider Pax World Funds' investment objectives, risks, and charges and expenses carefully before investing. For this and other important information, please obtain a fund prospectus by calling 800.767.1729 or visiting www.paxworld.com. Please read it carefully before investing.

An investment in the Pax World Funds involves risk, including loss of principal.

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