

Fund Overview

An investment-grade bond fund seeking competitive risk-adjusted returns while offering core fixed income diversification and positive environmental and social impact.

Investment Process

Sector rotation, bottom-up relative value security selection

Investment Style

Investment grade, intermediate term

Benchmark

Bloomberg Barclays U.S. Aggregate Index¹

Portfolio Characteristics as of 6/30/17

	Fund	Benchmark
Effective Duration ³	5.77%	5.96%
Years to Maturity ⁴	11.80	12.89
30 Day SEC Yield⁵		
Individual	1.82%	
Institutional	2.07%	

Portfolio Investment Team

Tony Trzcinka, CFA®, Vice President and Portfolio Manager

CFA® is a trademark owned by CFA Institute.

Performance and Portfolio Update

- The Fund underperformed the Bloomberg Barclays U.S. Aggregate Index¹ in the second quarter. The main driver of underperformance was a portfolio underweight to longer-dated corporate securities that benefited from the flattening yield curve.
- Treasury and taxable municipal holdings helped the Fund's relative performance. In general, these sectors have greater interest rate sensitivity than the benchmark and outperformed as rates declined.
- The Fund maintains a high credit quality portfolio positioning with an average credit rating of AA-.² This includes a modest allocation to high yield bonds.
- We continue to focus on higher credit quality companies as we are wary of deteriorating fundamentals in many areas of the credit markets.
- We are closely monitoring the shape of the yield curve. At the start of the year consensus expectations called for a steepening yield curve, which has not yet come to pass. At the start of the third quarter, the curve is the flattest that it has been since 2007. In general, we are overweight 5-10 year maturity bonds in the middle of the curve. While this positioning has detracted from performance year-to-date, we believe it provides the best protection against rising Federal Reserve rates and potential inflation risks.

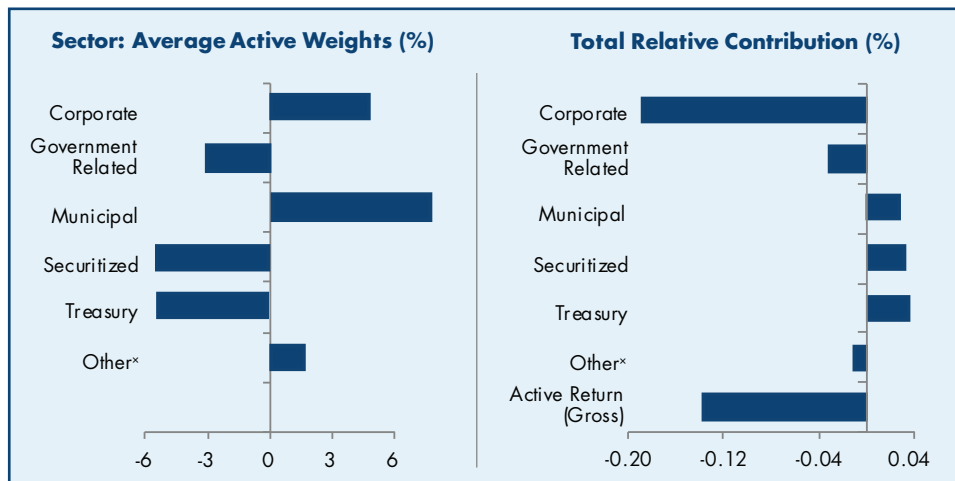
Returns (%)⁶

As of June 30, 2017

	3-month	YTD	Since Inception
Pax Core Bond Fund			
Individual Investor Class (PAXBX) (Inception Date: 12/16/16)	1.14	1.86	2.75
Institutional Class (PXBIX) (Inception Date: 12/16/16)	1.20	1.98	2.90
Bloomberg Barclays U.S. Aggregate Index ¹	1.45	2.27	3.41
Lipper Core Bond Funds Index ⁷	1.53	2.63	3.63

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.

As of 5/1/17 prospectus, total annual Core Bond Fund operating expenses, gross of any fee waivers or reimbursements (excluding Acquired Fund fees and expenses), for Individual Investor Class and Institutional Class shares are 0.74% and 0.49%, respectively.



*Other: ETFs (for short-term cash mgmt. purposes) and Cash & Equivalents.
 Past performance is no guarantee of future results.

RISKS: Yield and share price will vary with changes in interest rates and market conditions. Investors should note that if interest rates rise significantly from current levels, bond fund total returns will decline and may even turn negative in the short term. Mortgage related securities tend to become more sensitive to interest rate changes as interest rates rise, increasing their volatility. There is also a chance that some of the fund's holdings may have their credit rating downgraded or may default. The Pax Core Bond Fund is new and has a limited operating history.

¹ Bloomberg Barclays U.S. Aggregate Bond Index represents securities that are U.S. domestic, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities and asset-backed securities. One cannot invest directly in an index.

² Credit quality ratings by Standard & Poor's assist investors by evaluating the credit worthiness of many bond issues. A: An obligation rated 'A' is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated obligations. However, the obligor's capacity to meet its obligation is still strong. BBB: An obligation rated 'BBB' exhibits adequate protection parameters. Adverse economic conditions or changing circumstances are more likely to lead to weakened capacity of the obligor to meet its obligation. BB: An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. It faces ongoing uncertainties and adverse business, financial, or economic conditions could lead to the obligor's inadequate capacity to meet its obligation. B: An obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB,' but the obligor currently has the capacity to meet its obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity to meet its obligation. CCC: An obligation rated 'CCC' is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its obligation. Adverse business, financial, or economic conditions could cause the obligor to be unable to meet its obligation. NR: This indicates that no rating has been requested, or that there is insufficient information on which to base a rating, or that Standard & Poor's does not rate the obligation.

³ Effective Duration is a measure of a security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

⁴ Years to Maturity (weighted average) is the number of years until the bond matures and/or expires.

⁵ 30 Day SEC Yield: An annualized yield based on the most recent 30 day period.

⁶ Figures include reinvested dividends, capital gains distributions, and changes in principal value.

⁷ Lipper Core Bond Funds Index tracks the results of the 30 largest mutual funds in the Lipper Core Bond Index Funds Average. The Lipper Core Bond Index Funds Average is a total return performance average of mutual funds tracked by Lipper, Inc. that invest at least 85% in domestic investment-grade debt issues (rated in the top four grades) with any remaining investment in non-benchmark sectors such as high-yield, global and emerging market debt. These funds maintain dollar-weighted average maturities of five to ten years. One cannot invest directly in an index.



Pax World Investments

Pax World Investments
 30 Penhallow Street, Suite 400
 Portsmouth, NH 03801
 800.767.1729
 info@paxworld.com
 www.paxworld.com

Copyright © 2017 Pax World Management LLC.
 All rights reserved. Distributor: ALPS Distributors,
 Inc. Member FINRA.

The statements and opinions expressed are those of the author as of the date of this report. All information is historical and not indicative of future results and subject to change. This information is not a recommendation to buy or sell any security. Past performance does not guarantee future results.

You should consider Pax 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 Funds involves risk, including loss of principal.