

Fund Overview

Invests across environmental markets in companies providing efficiency solutions to resource scarcity challenges.

Investment Process

Bottom-up security selection, informed by top-down overlay

Investment Style

Global Equities

Benchmark

MSCI AC World (Net) Index¹

Portfolio Characteristics as of 6/30/17

	Fund	Benchmark
Market Cap (weighted avg.) ³	\$23,862M	\$113,451M
Forward P/E ⁴	19.02	16.58
Historical 3-Year EPS Growth ⁵	9.78	9.18
3-Year Beta ⁶	1.05	1.00
Number of Securities	46	2,501

Portfolio Investment Team

Impax Asset Management

Hubert Aarts, Portfolio Manager

Bruce Jenkyn-Jones, Portfolio Manager

Performance and Portfolio Update

- The Fund outperformed both global equity markets (MSCI ACWI Index¹) and its comparative index (FTSE Environmental Opportunities All Share²) during the second quarter.
- The global equity market rally continued and investor preference remained for cyclical stocks. Against this backdrop, the Energy Efficiency sub-sector continued to deliver strong returns.
- Companies addressing pollution issues delivered strong performance, driven by tightening emissions regulations and attractive business models.
- Following a strong quarter and 2017 year-to-date, some stocks within the portfolio suffered from profit taking.
- During the quarter, President Trump announced that the U.S. will be withdrawing from the Paris Climate Agreement, though the process will take at least until 2020 to complete. We do not consider this widely-expected policy change to be a material headwind to environmental markets. Other countries are now even more determined to implement the agreement, while in the U.S., states, cities and companies accounting for a significant portion of GDP have also restated their intent to honor the Paris targets.
- The portfolio remains well diversified to long-term growth opportunities in the environmental markets, with a balance of both cyclical and defensive exposures. We remain positive on prospects moving into the second half of the year.

Returns (%)⁷

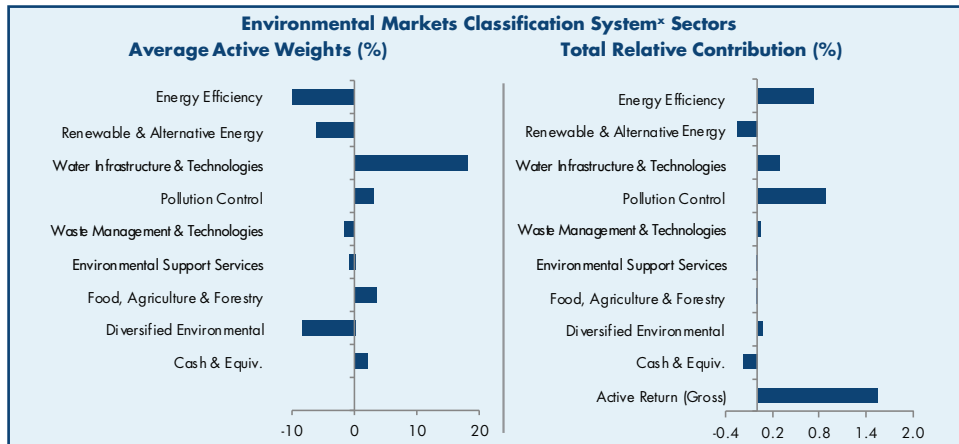
As of June 30, 2017

Average Annual Returns (%)

	3-month	YTD	1-year	3-year	5-year	Since Inception
Pax Global Environmental Markets Fund (Without maximum sales charge)						
Individual Investor Class (PGRNX) (Inception Date: 3/27/08)	7.99	15.12	22.61	5.77	12.78	5.81
Class A (PXEX) (Inception Date: 5/1/13) ⁸	8.00	15.15	22.63	5.79	12.79	5.82
Institutional Class (PGINX) (Inception Date: 3/27/08)	8.04	15.31	22.93	6.04	13.09	6.08
MSCI AC World (Net) Index	4.27	11.48	18.78	4.82	10.54	4.88
FTSE Environmental Opportunities All Shares Index	6.73	16.24	25.00	6.73	13.85	—
MSCI World (Net) Index ⁹	4.03	10.66	18.20	5.24	11.38	5.33
Pax Global Environmental Markets Fund (With maximum 5.50% sales charge)						
Class A (PXEX) (Inception Date: 5/1/13)	2.03	8.85	15.88	3.81	11.53	5.17

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 Global Environmental Markets Fund operating expenses, gross of any fee waivers or reimbursements, for Institutional Class, Individual Investor Class and Class A shares are 1.04%, 1.29%, and 1.29%, respectively, as of 5/1/2017 prospectus. Total annual Global Environmental Markets Fund operating expenses, net of any fee waivers, reimbursements and acquired fund fees and expenses, for Institutional Class, Individual Investor Class, and Class A shares were 0.98%, 1.23% and 1.23%, respectively.¹⁰



³The Environmental Markets Classification System (EMCS) is a comprehensive global classification system for environmental markets. Environmental market companies are defined as providing products and services that deliver solutions to environmental challenges, and include environmental technology. Relative results of the Fund compared to the FTSE Environmental Opportunities All Shares Index. Source: FTSE.

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. Emerging market and international investments involve risk of capital loss from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, economic or political instability in other nations or increased volatility and lower trading volume.

¹ The MSCI AC World (Net) Index ("MSCI ACWI Index") is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. One cannot invest directly in an index.

² The FTSE Environmental Opportunities All Shares Index measures the performance of global companies that have significant involvement in environmental business activities, including renewable and alternative energy, energy efficiency, water technology and waste and pollution control. Forming part of the overall FTSE Environmental Markets Index Series, the FTSE Environmental Opportunities Index Series requires companies to have at least 20% of their business derived from environmental markets and technologies (as opposed to at least 50% for the FTSE Environmental Technology Index Series). The FTSE Environmental Opportunities Index Series is published by a joint venture of Impax Asset Management, Ltd. (Impax) with FTSE International. Impax is also the sub-adviser to the Pax Global Environmental Markets Fund. One cannot invest directly in an index.

³ 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.

⁴ Forward Price to Earnings (P/E) 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.

⁵ Earnings Per Share (EPS) Growth is the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability.

⁶ A historical Beta is used for Funds with greater than 2 years of performance history under the same mandate. Three year Beta is used. Beta reflects the sensitivity of a Fund's return to fluctuations in its benchmark; a beta for a benchmark is 1.00: a beta greater than 1.00 indicates above average volatility and risk.

⁷ Figures include reinvested dividends, capital gains distributions, and changes in principal value.

⁸ The performance information shown for Class A represents the performance of the Individual Investor Class shares for the period prior to Class A inception. Expenses have not been adjusted to reflect the expenses allocable to Class A shares. Class A inception date return since May 1, 2013 is 9.89% (annualized). A 1.00% CDSC (contingent deferred sales charge) may be charged on any shares sold within 18 months of purchase over \$1 million.

⁹ The MSCI World (Net) Index is a free float-adjusted, market-capitalization-weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index (Net) consists of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. Performance for the MSCI World Index is shown "net," which includes dividend reinvestments after deduction of foreign withholding tax. One cannot invest directly in an index.

¹⁰ Total annual Global Environmental Markets Fund operating expenses, gross of any fee waivers or reimbursements, for Institutional Class, Individual Investor Class and Class A shares are 1.04%, 1.29% and 1.29%, respectively, as of 5/1/17 prospectus. The Global Environmental Markets Fund's investment adviser has contractually agreed to reimburse expenses (excluding Acquired Fund Fees and Expenses, if any) allocable to Institutional Class, Individual Investor Class and Class A shares of the Global Environmental Markets Fund to the extent such expenses exceed 0.98%, 1.23% and 1.23% of the average daily net assets of the Institutional Class, Individual Investor Class, Class A and Class R shares, respectively. This reimbursement arrangement may not be amended or terminated without the approval of the Fund's Board of Trustees before December 31, 2018.

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.

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Pax World Investments

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