

**Fund Facts**

**Net Assets** (mill., all classes) as of 12/31/17  
\$412.21

**Inception Dates**

Individual 10/8/1999  
Class A 5/1/2013  
Institutional 6/1/2004

**Number of Holdings**

266

**Turnover Rate** (as of 12/31/16)

111%

**Minimum Investment**

Individual, Class A \$1,000  
Institutional \$250,000

**30 Day SEC Yield<sup>A</sup>**

as of 12/31/17

Individual 4.46%  
Class A 4.46%  
Institutional 4.71%

**Fixed Income Characteristics**

as of 12/31/17

	Fund	Benchmark <sup>X</sup>
Effective Duration <sup>1</sup>	3.82	4.04
Years to Maturity <sup>2</sup>	6.27	6.46

**Portfolio Management Team**



From left to right: **Peter Schwab, CFA<sup>®</sup>**, Senior Vice President and Portfolio Manager; **Kent Siefers**, Assistant Portfolio Manager; **Finn Johnson**, Analyst; **Phyllis Chambers Camara, CFA<sup>®</sup>**, Senior Analyst; **Shaun Yanosick**, Credit Trader

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**ESG high yield investing with a quality focus**

- Invests in high yield, fixed income securities primarily seeking high current income and secondarily capital appreciation
- A fundamental-driven strategy focused on research-intensive credit selection and portfolio risk management
- ESG research integration provides additional fundamental insight which contributes to risk management
- Focused on companies with either stable profits and manageable debt loads, or growing businesses with improving credit profiles
- The team has a primary focus on the higher quality tiers of the high yield market and builds a diversified portfolio with strict limitations on position sizes

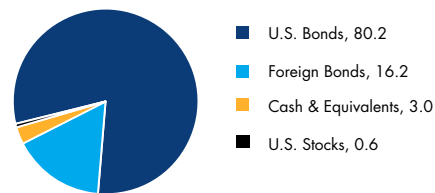
**Risk Statistics (5 Year)**

as of 12/31/17

	Individual Investor Class	BofA ML U.S. High Yield BB-B Index <sup>X</sup>
Standard Deviation <sup>3</sup>	5.03	4.76
Beta <sup>4</sup>	0.98	1.00
Alpha <sup>5</sup>	-0.14	0.00
R-Squared <sup>6</sup>	87	100

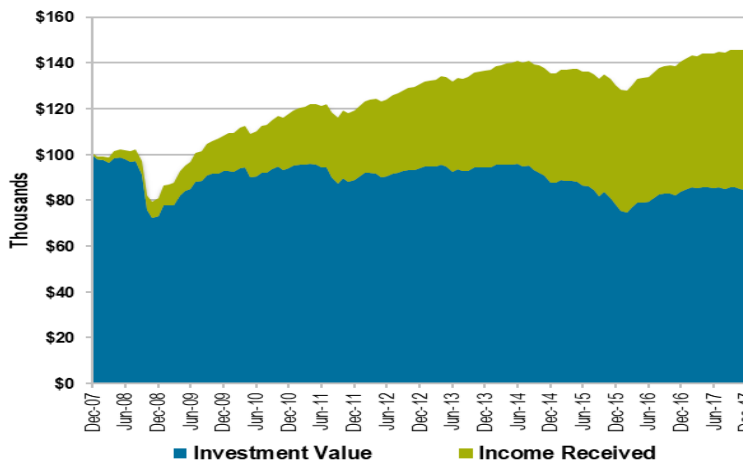
**Fund Composition (%)**

as of 12/31/17



**Historical growth of \$100,000 over 10 years including ending value and income\***

as of 12/31/17



Performance shown in the Growth of \$100,000 chart does not include any applicable sales charges and fees. Chart details: initial value: \$100,000; income received: \$60,970, ending investment value (includes capital gains distributions and excludes reinvested income distributions): \$84,651; Total Value: \$145,621. The chart represents a hypothetical investment at the beginning of the time period shown.

\*Assumes that income was distributed and not reinvested.

**RISK: The fund can invest in "junk bonds" which are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments when due. 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. There is also a chance that some of the fund's holdings may have their credit rating downgraded or may default.**

<sup>A</sup>30 Day SEC Yield is the fund's net income (excludes expenses) prior 30 days annualized.

<sup>1</sup>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.

<sup>2</sup>Years to Maturity (weighted average) is the number of years until the bond matures and/or expires.

<sup>3</sup>Standard Deviation measures a fund's variation around its mean performance; a high standard deviation implies greater volatility.

<sup>4</sup>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.

<sup>5</sup>Alpha is a coefficient measuring risk-adjusted performance, considering the risk due to the specific security, rather than the overall market. A positive alpha reflects relative risk-adjusted performance of a fund versus its benchmark.

<sup>6</sup>R-Squared is a measure of how much a portfolio's performance can be explained by the returns from the overall market (or a benchmark index). The measure ranges from 0, which means that a fund's performance bears no relationship to the performance of the benchmark, to 100, which means that a fund's performance is perfectly synchronized with the performance of the benchmark.

<sup>X</sup>The BofA Merrill Lynch U.S. High Yield BB-B (Constrained 2%) index ("Benchmark") tracks the performance of BB- and B-rated fixed income securities publicly issued in the major domestic or eurobond markets, with total index allocation to an individual issuer limited to 2%. One cannot invest directly in an index.

**You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. For this and other information, call 800.767.1729 or visit [www.paxworld.com](http://www.paxworld.com) for a fund prospectus and read it carefully before investing.**

**CUSIPs and Symbols**

	CUSIP	Symbol
Individual	704223700	PAXHX
Class A	704223577	PXHAX
Institutional	704223809	PXHIX

**Fund Expenses**

As of 5/1/2017

**Management Fees**

Individual	0.50%
Class A	0.50%
Institutional	0.50%

**12b-1 Fees**

Individual	0.25%
Class A	0.25%
Institutional	-

**Total Expenses**

Individual	0.99%
Class A	0.98%
Institutional	0.74%

**About Pax World**

Pax World Funds ("Pax") are advised by Impax Asset Management LLC, formerly Pax World Management LLC, a pioneer in the field of sustainable investing. Pax offers a diverse lineup of mutual funds focused on the risks and opportunities arising from the transition to a more sustainable global economy. Each fund integrates environmental, social and governance (ESG) research into the investment process to better manage risk and deliver competitive long-term investment performance. Since 1971, Pax has made it possible for investors to pursue financial returns while having a positive social and environmental impact.

For more information, please visit [paxworld.com](http://paxworld.com) or call 800.767.1729.

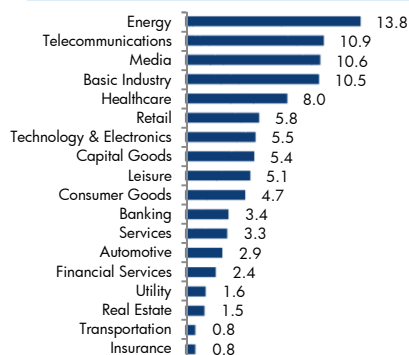
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**Sector Breakdown (%)** as of 12/31/17



**Top Ten Holdings (%)** as of 12/31/17

HCA, Inc., 5.875%, 2/15/26	1.3
Sally Holdings LLC, 5.625%, 12/1/25	0.8
Ard Finance SA, 7.125%, 9/15/23	0.8
Charlotte Russe, Inc., 6.750%, 05/21/19	0.8
Royal Bank Of Scotland PLC, 6.125%, 12/15/22	0.8
Fly Leasing, Ltd., 6.375%, 10/15/21	0.8
Sirius XM Radio, Inc., 5.375%, 4/15/25	0.8
Sprint Communications, Inc., 7.000%, 8/15/20	0.8
First Data Corp., 5.000%, 1/15/24	0.7
Bluescope Steel Finance LLC, 6.500%, 5/15/21	0.7

Holdings are subject to change

**Performance**

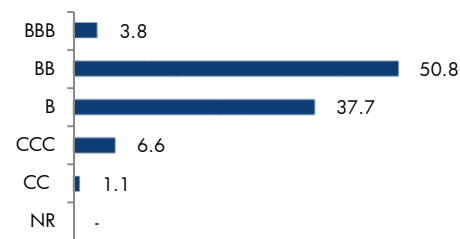
As of 12/31/17	Returns (%) <sup>Ⓔ</sup>			Average Annual Returns (%) <sup>Ⓔ</sup>		
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
Individual Investor Class	0.21	6.37	6.37	4.50	3.76	5.39
Class A <sup>Ⓕ</sup>	0.21	6.36	6.36	4.50	3.78	5.40
Institutional Class <sup>†</sup>	0.27	6.64	6.64	4.71	4.02	5.65
BofA ML U.S. High Yield-Cash Pay-BB-B Index <sup>Ⓧ</sup>	0.39	6.98	6.98	6.06	5.58	7.33
Lipper High Yield Bond Funds Index <sup>Ⓣ</sup>	0.61	7.53	7.53	5.43	5.22	6.47
Class A (with 4.50% maximum sales charge)	-4.26	1.53	1.53	2.92	2.85	4.92

**Calendar Year Returns (%)<sup>Ⓔ</sup>**

Year	Individual Investor Class	BofA ML U.S. High Yield BB-B Index <sup>Ⓧ</sup>	Lipper High Yield Bond Funds Index <sup>Ⓣ</sup>
2017	6.37	6.98	7.53
2016	13.81	14.76	14.54
2015	-5.74	-2.82	-4.86
2014	-1.41	3.48	2.24
2013	6.91	6.29	7.63

**Credit Quality Rating<sup>7</sup> (% of bonds)** as of 12/31/17

Ratings by Standard & Pooors



**Performance data quoted represent 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. For most recent month-end performance information, visit [www.paxworld.com](http://www.paxworld.com).**

<sup>Ⓔ</sup>Figures include reinvested dividends, capital gains distributions, and changes in principal value.

<sup>Ⓕ</sup>Inception of Class A shares is May 1, 2013. The performance information shown for Class A represents the performance of the Individual Investor Class shares for the period prior to Class A inception. Class A Inception date return since May 1, 2013 is 3.19 (annualized). Class A: A 1.00% CDSC (contingent deferred sales charge) may be charged on any shares sold within 18 months of purchase over \$1 million.

<sup>†</sup>Inception of Institutional Class shares is June 1, 2004. The performance information shown for Institutional Class shares represents the performance of the Individual Investor Class shares for the period prior to Institutional Class inception. Expenses have not been adjusted to reflect the expenses allocable to Institutional Class shares. If such expenses were reflected, the returns would be higher than those shown. Institutional Class Inception date return since June 1, 2004 is 6.24 (annualized).

<sup>Ⓣ</sup>The Lipper High Yield Bond Funds Index tracks the results of the 30 largest mutual funds in the Lipper High Yield Bond Funds Average. The Lipper High Yield Bond Funds Average is a total return performance average of mutual funds tracked by Lipper, Inc. that aim at high (relative) current yield from fixed income securities, have no quality or maturity restrictions and tend to invest in lower grade debt issues. The Lipper High Yield Bond Funds Index is not what is typically considered an "index" because it tracks the performance of other mutual funds rather than changes in the value of a group of securities, a securities index or some other traditional economic indicator. One cannot invest directly in an index.

<sup>7</sup>Credit ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Credit ratings apply the underlying holdings of the fund, and not to the fund itself. S&P and Moody's study the financial condition of an entity to ascertain its creditworthiness. The credit ratings reflect the rating agency's opinion of the holdings financial condition and histories. The ratings shown are all considered investment grade and are listed by highest to lowest in percentage of what the fund holds.