

## 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 Index<sup>1</sup>

## Portfolio Characteristics as of 3/31/17

	Fund	Benchmark
Market Cap (weighted avg.) <sup>2</sup>	\$119,903	\$148,880
Forward Price/Earnings <sup>3</sup>	18.06	18.40
ROE <sup>4</sup>	22.27	18.05
Beta <sup>5</sup>	0.96	1.00
Number of Securities	166	997
<b>30 Day SEC Yield<sup>6</sup></b>		
Individual	1.73%	
Institutional	2.08%	

## Portfolio Investment Team

### Aperio Group, LLC

**Ran Leshem**, Portfolio Manager

**Robert Tymoczko**, Portfolio Manager

**Michael Branch, CFA<sup>®</sup>**, 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 Index<sup>1</sup> in the first quarter. The main drivers of the return difference were the factors used in the strategy construction.
- The overweight towards companies with higher dividend yield detracted modestly from relative results.
- The overweight towards dividend sustainability factors was the largest detractor for the period. Particularly, the strategy's exposure to companies with higher earnings quality detracted from relative performance in the quarter. Portfolio exposure towards companies with higher profitability and management quality detracted from relative performance as well.
- Environmental, social and governance (ESG) factors, as measured by the Pax Sustainability Score, hampered relative results for the quarter. The Fund benefited from an underweight position in companies that scored in the bottom 50th percentile. However, the effect was more than offset by an overweight position in companies that scored in the top 50th percentile.
- Industry exposures, which are driven by the factor and ESG tilts, detracted modestly from relative returns for the quarter. Company-specific exposure contributed positively.

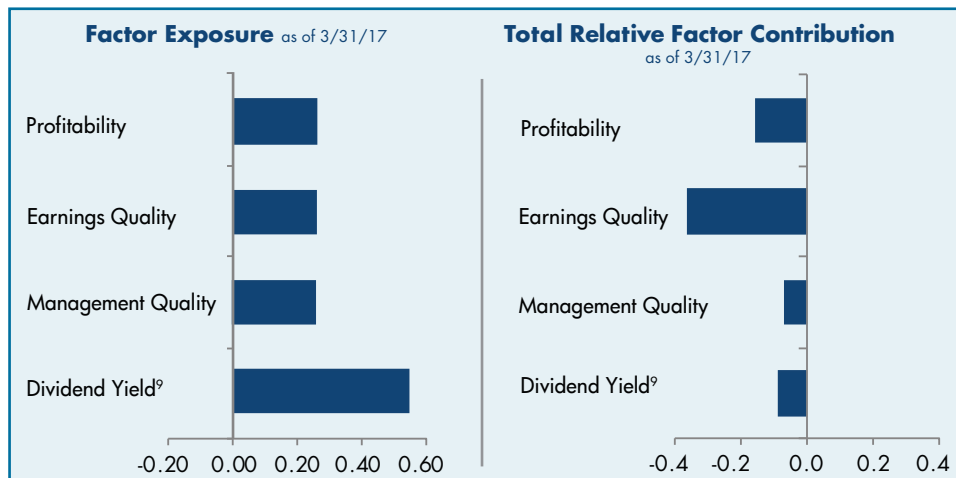
## Returns (%)<sup>7</sup>

As of March 31, 2017

	3-month	YTD	Since Inception
Pax ESG Beta Dividend Fund			
Individual Investor Class (PAXDX) (Inception Date: 12/16/16)	5.07	5.07	4.14
Institutional Class (PXDIX) (Inception Date: 12/16/16)	5.07	5.07	4.14
Russell 1000 Growth Index <sup>1</sup>	6.03	6.03	5.21
Lipper Equity Income Funds Index <sup>8</sup>	4.03	4.03	3.48

**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](http://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 12/16/2016 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.**

- <sup>1</sup> 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.
- <sup>2</sup> 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.
- <sup>3</sup> 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.
- <sup>4</sup> 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.
- <sup>5</sup> 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.
- <sup>6</sup> 30 Day SEC Yield: An annualized yield based on the most recent 30 day period.
- <sup>7</sup> Figures include reinvested dividends, capital gains distributions, and changes in principal value.
- <sup>8</sup> 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.
- <sup>9</sup> 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



Pax World Investments

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

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**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](http://www.paxworld.com). Please read it carefully before investing.**

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

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