

Fund Overview

A risk-focused strategy, investing in companies with attractive valuations and high quality characteristics.

Investment Process

Fundamental, bottom-up security selection

Investment Style

Mid Cap Core

Benchmark

Russell Midcap Index¹

Portfolio Characteristics as of 3/31/17

	Fund	Benchmark
Market Cap (weighted avg.) ⁴	\$11,563	\$14,029
Forward Price/Earnings ⁵	19.80	19.27
ROE ⁶	10.73	14.09
Beta ⁷	0.90	1.00
Number of Securities	47	794

Portfolio Investment Team

Nathan Moser, CFA[®], Portfolio Manager
Charles Page, CFA[®], Senior Analyst
Diederik Basch, CFA[®], Senior Analyst

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Performance and Portfolio Update

- The Fund trailed the Russell Midcap Index¹ in the first quarter, but outperformed its Lipper Mid-Cap Core Peers. The Healthcare sector was the largest detractor, underperforming from both an allocation and stock selection standpoint.
- The Russell Midcap Index return of 5.15% outperformed small-cap stocks (as measured by the Russell 2000 Index²), but lagged large-cap stocks (as measured by the S&P 500 Index³). This size effect was evident within the mid-cap universe and resulted in a performance headwind given our greater exposure to smaller market capitalization stocks.
- The Fund benefited from strong stock selection in the Real Estate and Industrials sectors. Within Industrials, our holding in Arconic, Inc., the spinoff from Alcoa, increased 42% during the period. The strong return was largely driven by the involvement of an activist investor, who is calling for changes at the CEO and Board level. Our worst performing stock during the period was Capital Federal Financial, Inc., a Kansas-based community bank. In our view, the decline was related more to profit-taking following a strong fourth quarter than to any particular fundamental deterioration.
- We are primarily bottom-up investors, searching for high quality companies that trade at reasonable valuations. After nine years of a bull market, the opportunity set of potential investments has declined due to elevated valuations. Our approach tends to lean defensively, preferring to wait out periods of exuberance for better risk-reward opportunities. We believe we are in one of those periods, fueled by the combination of optimism surrounding fiscal stimulus and the relentless flow of funds into passive strategies. Against this backdrop, we will remain patient and selective.

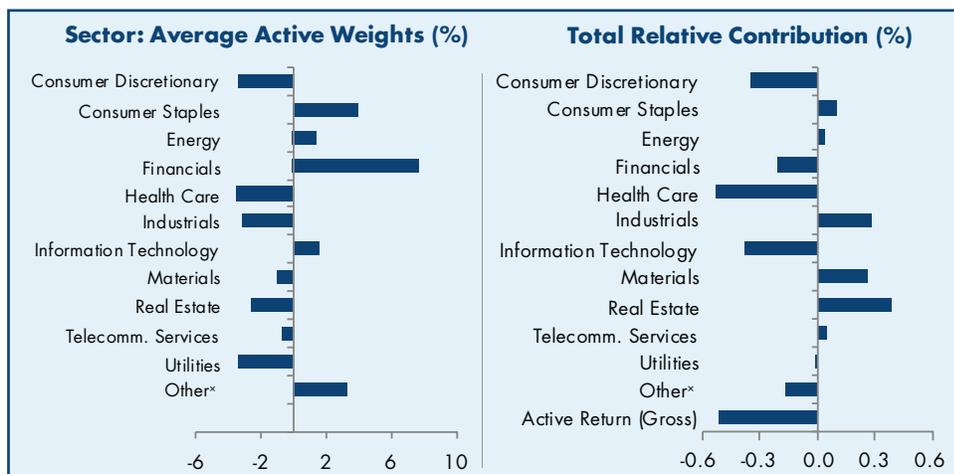
Returns (%)⁸

As of March 31, 2017

	3-month	YTD	Since Inception
Pax Mid Cap Fund			
Individual Investor Class (PWMDX) (Inception Date: 3/31/16)	4.33	4.33	13.04
Institutional Class (PMIDX) (Inception Date: 3/31/16)	4.43	4.43	13.22
Russell Midcap Index	5.15	5.15	17.03
Lipper Mid-Cap Core Funds Index ⁹	4.09	4.09	18.67

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 4/1/16 prospectus, total annual Pax Mid Cap 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 0.89% and 1.14%, respectively.



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

RISK: 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. Funds that emphasize investments in mid-size and smaller companies generally will experience greater price volatility. The Pax Mid Cap Fund is new and has a limited operating history.

Top Ten holdings as of 3/31/17: Investors Bancorp, Inc. 3.4%, Hologic, Inc. 3.2%, ONE Gas, Inc. 3.1%, US Foods Holding Corp. 3.1%, Amdocs, Ltd. 2.9%, Allegheny Corp. 2.9%, Antero Resources Corp. 2.8%, Newell Rubbermaid, Inc. 2.8%, White Mountains Insurance Group, Ltd. 2.8% and Yum! Brands, Inc. 2.7%. Holdings are subject to change.

- The Russell Midcap Index ("Benchmark") measures performance of the mid-capitalization sector of the US equity market. The index is a float-adjusted, capitalization-weighted index of the 800 smallest issuers in the Russell 1000 Index. The index is a subset of the Russell 1000 Index and serves as the underlying index for the Russell Midcap Growth and Value Index series. The Index is reconstituted annually. One cannot invest directly in any index.
- The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. One cannot invest directly in any index.
- The S&P 500 Stock Index is an unmanaged index of large capitalization common stocks. One cannot invest directly in any index.
- 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.
- 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.
- 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.
- 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.
- Figures include reinvested dividends, capital gains distributions, and changes in principal value.
- The Lipper Mid-Cap Core Funds Index ("Benchmark") is an unmanaged index of the 30 largest funds in the Lipper Mid-Cap Core Fund category. One cannot invest directly in an index.

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.

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