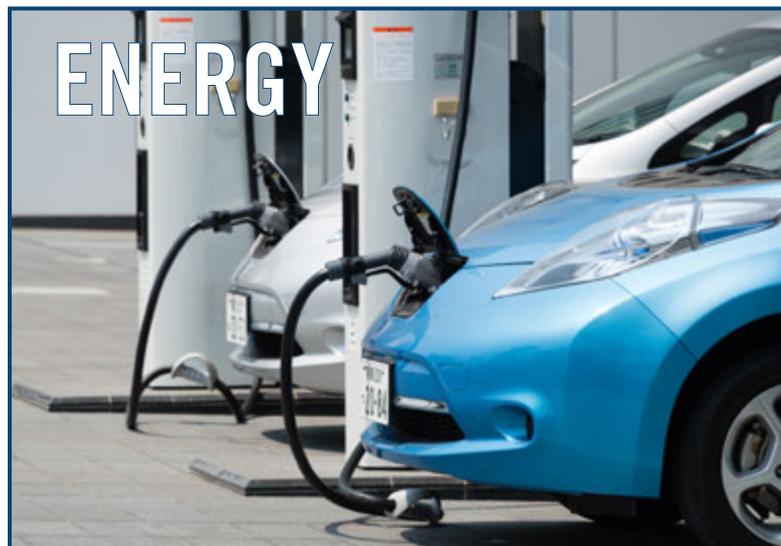


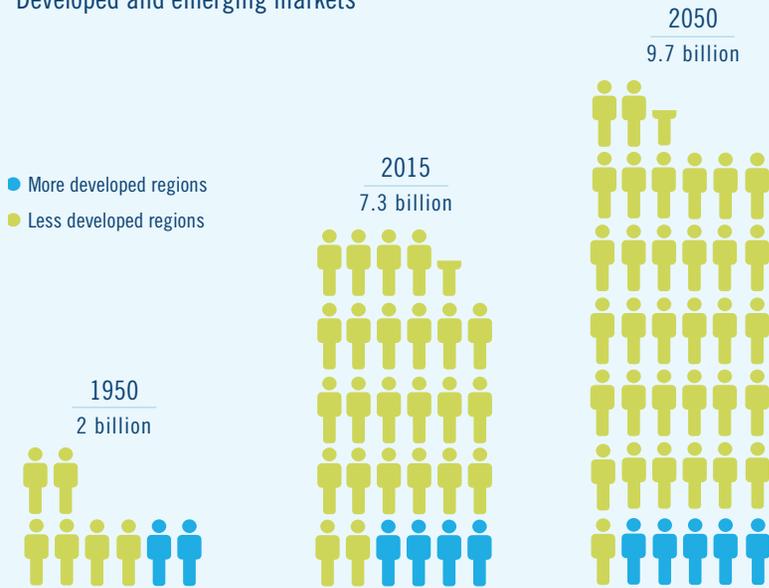
**PAX GLOBAL ENVIRONMENTAL MARKETS FUND (PXEAX)**



# AS POPULATION GROWS WORLDWIDE, THE DEMAND FOR ENERGY, WATER AND FOOD IS STRAINING THE SUPPLY.

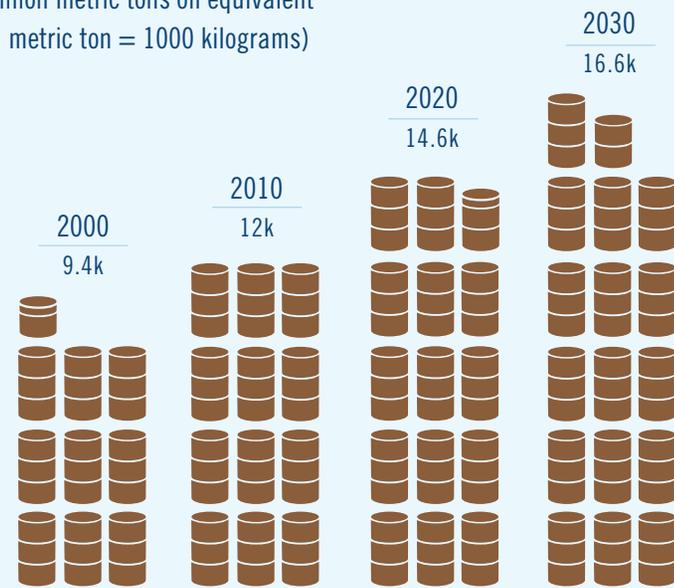
## GLOBAL POPULATION GROWTH<sup>1</sup>

Developed and emerging markets



## GLOBAL ENERGY CONSUMPTION<sup>2</sup>

Million metric tons oil equivalent  
(1 metric ton = 1000 kilograms)



We are reaching a tipping point in the ready availability of natural resources required to satisfy the world's demand. Two factors in particular appear to explain this phenomenon:

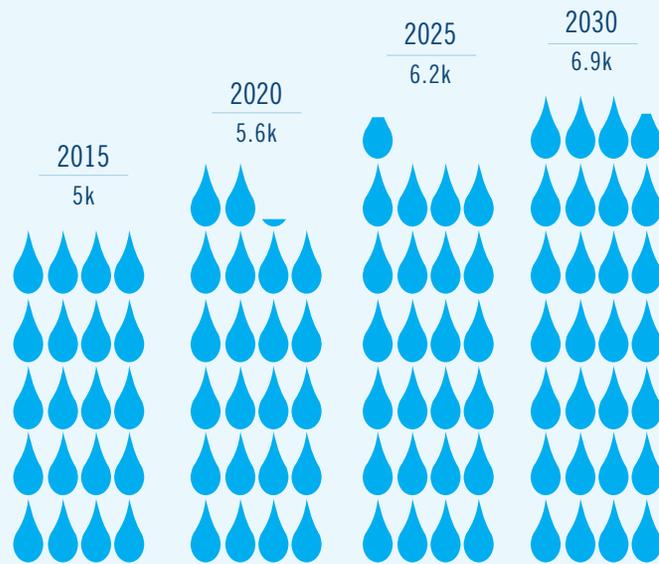
**1) Demand shock:** The expansion of multiple emerging markets is unprecedented, particularly in China and India, whose combined middle class now exceeds 200 million people and where wealth is increasing far faster than in the U.K. and U.S. during their industrial revolutions.<sup>5</sup>

**2) Growing population and increasing consumption create the perfect storm:** Population growth and a parallel growth in calorie intake are placing a multiplier effect on food demand.

There is compelling evidence that, unless there are significant improvements in the efficiency of supply and use, the availability and/or the price of energy, water, food, materials and other resources will be affected in ways that reduce access.

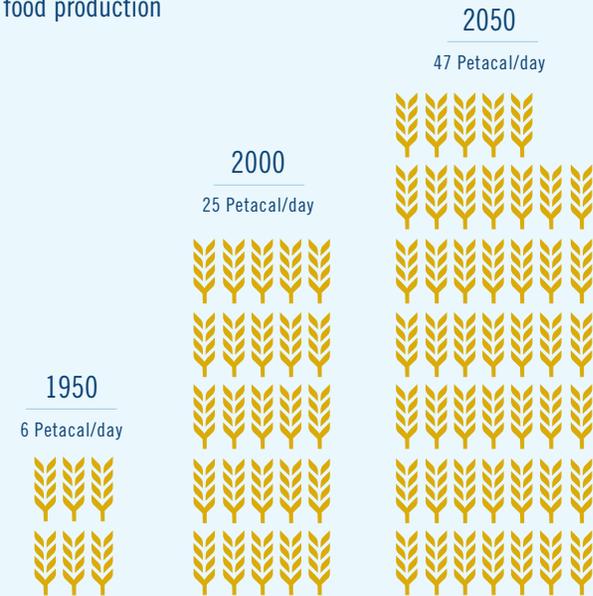
## GLOBAL WATER DEMAND<sup>3</sup>

Cubic meters in billions



## GLOBAL FOOD DEMAND<sup>4</sup>

Total food production



<sup>1</sup> Source: United Nations, Department of Economic and Social Affairs, Population Division, "World Population Prospects, The 2015 Revision," [http://esa.un.org/unpd/wpp/Publications/Files/Key\\_Findings\\_WPP\\_2015.pdf](http://esa.un.org/unpd/wpp/Publications/Files/Key_Findings_WPP_2015.pdf)

<sup>2</sup> Source: [www.statista.com/statistics/222066/projected-global-energy-consumption-by-source/](http://www.statista.com/statistics/222066/projected-global-energy-consumption-by-source/)

<sup>3</sup> Source: "Charting Our Water Future: Economic frameworks to inform decision-making," 2030 Water Resources Group.

<sup>4</sup> Source: Food and Agriculture Organization of the United Nations – Agricultural Development Economics Division, "World Agriculture Towards 2030/2050," ESA Working Paper No. 12-03, June 2012. A petacal is 1,015 calories.

<sup>5</sup> Source: Ernst & Young, "Hitting the Sweet Spot, Middle Class Growth in Emerging Markets," China and India: tomorrow's middle classes p5, 2013. [www.ey.com/GL/en/Issues/Driving-growth/Middle-class-growth-in-emerging-markets---China-and-India-tomorrow-s-middle-classes](http://www.ey.com/GL/en/Issues/Driving-growth/Middle-class-growth-in-emerging-markets---China-and-India-tomorrow-s-middle-classes)

# RESOURCE OPTIMIZATION AND EFFICIENCY ARE DRIVING THE GROWTH OF A DIVERSE SECTOR: ENVIRONMENTAL MARKETS.



The Environmental Markets sector consists of a continually increasing number of companies that are seeking to address challenges associated with resource availability and consumption. Collectively, they present an opportunity set that is diverse across geography as well as cyclical, defensive, and special situation sectors. These companies are often not well understood and frequently mispriced. We believe many are undervalued and that their growth potential has yet to be fully recognized.

## Breakdown of stocks in the Environmental Markets sector:<sup>6</sup>

**47%**  
**ENERGY**



**10%**  
SUSTAINABLE FOOD,  
AGRICULTURE & FORESTRY

**23%**   
**WATER**

**20%**   
WASTE &  
RESOURCE  
RECOVERY

<sup>6</sup>Source: FTSE Environmental Opportunities All-Share Index (EOAS). Data as of March 31, 2017.

The FTSE Environmental Opportunities All-Share Index has been designed to provide investors with a benchmark consisting of companies who have a significant involvement in environmental technologies and therefore offers an environmental exposure opportunity to investors. It is a global index that aims to include all constituents of the FTSE Global Equities Index Series that have more than 20% of their business in the development and operation of environmental technologies. One cannot invest directly in an index.

# THE PAX GLOBAL ENVIRONMENTAL MARKETS FUND IS AN ACTIVELY MANAGED, FOSSIL FUEL-FREE MUTUAL FUND FOCUSED ON RESOURCE OPTIMIZATION.



The Pax Global Environmental Markets Fund was created to tap what we consider to be unprecedented investment opportunities in the Environmental Markets. Impax Asset Management, subadviser to the Fund, employs a

seasoned and disciplined investment process that seeks to identify the most compelling companies in the environmental markets utilizing rigorous ESG analysis.

The Pax Global Environmental Markets Fund's investment objective is to seek long term growth of capital by investing in innovative companies around the world whose businesses and technologies focus on environmental markets, including energy efficiency and renewable energy; water infrastructure technologies and pollution control; environmental support services and waste management technologies; and sustainable food, agriculture and forestry. There is no guarantee the objective will be met.

## THE FUND SEEKS TO SERVE INVESTORS BY TAKING ADVANTAGE OF THE GROWING GLOBAL DEMAND FOR EFFICIENCY SOLUTIONS.

UNDER NORMAL  
MARKET CONDITIONS

**40%**  
of its net assets are  
non-U.S. issuers

RAPIDLY ACCELERATING  
GLOBAL DEMAND FOR:



↑ GROWTH  
VALUE \$  
LARGE MEDIUM  
SMALL

ESG

- Under normal market conditions, the Fund invests primarily in equity securities of companies located around the world, including at least 40% of its net assets in securities of non-U.S. issuers.
- The Fund seeks to take advantage of rapidly accelerating global demand for efficiency solutions in the areas of energy (energy efficiency and alternative energy), water (water infrastructure and technologies, pollution control), waste (waste management and technologies, environmental support services) and food & agriculture (sustainable food, agriculture and forestry).
- The Fund selects securities primarily on a company-by-company basis by analyzing their valuation and growth prospects based on their market and competitive position, financial condition and economic, political and regulatory environment. It may buy stocks in any sector or industry within the Environmental Markets, and is not limited to investing in securities of a specific market capitalization, nor is it constrained by any particular investment style. Therefore, it may invest in growth stocks, value stocks or a combination of both as well as securities of large, medium and/or small capitalization companies.
- ESG analysis offers added insight into the character of a company and its ability to grow and manage risk.

**Available share classes**

Class A (PXEAX)  
Institutional Class (PGINX)  
Individual Class (PGRNX)

**Pax World Investments**

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Portsmouth, NH 03801  
800.767.1729  
info@paxworld.com

[www.paxworld.com](http://www.paxworld.com)

## Pax Global Environmental Markets Fund Investment Management Team

Impax Asset Management Ltd., subadviser to the Fund, specializes in environmental markets investing. With over 15 years of experience and a seasoned team of more than 30 investment professionals located around the globe, Impax is uniquely positioned to invest globally in the stocks of companies that are active in the environmental markets, particularly in the energy efficiency, alternative energy, water treatment, pollution control, waste technology, resource management and sustainable food & agriculture sectors.

**Hubert Aarts** is a Co-Portfolio Manager of the Pax Global Environmental Markets Fund and has been involved in the fund since its inception in 2008. Hubert joined Impax Asset Management in January 2007 and is Executive Director and Co-Head of Listed Equities along with Bruce Jenkyn-Jones. Hubert co-manages the Leaders and Water Strategies. He started his career in the investment industry in 1990, previously working for MeesPierson, Merrill Lynch Investment Managers, and Cambrian Capital Partners LLP. Hubert has a Masters degree in Economics and Business Administration from Maastricht University.



**Bruce Jenkyn-Jones** has been Co-Portfolio Manager of the Pax Global Environmental Markets Fund since its inception in 2008. As Executive Director and Co-Head of Listed Equities at Impax Asset Management, Bruce shares with Hubert responsibility for the development of the investment process, research and team development of all listed equity portfolios. Bruce joined Impax in 1999, initially working on venture capital investments. Previously, he worked at Bankers Trust and Environmental Resources Management (ERM). Bruce has an MBA from IESE (Barcelona), an MSc in Environmental Technology from Imperial College and a degree in Chemistry from Oxford.



***An investment in the funds involves risk, including loss of principal. You should consider Pax World Funds' investment objectives, risks, 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 review it carefully before investing.***

***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.

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