

Client demand for sustainable investing is growing

Total US-domiciled assets under management using sustainable investing strategies expanded from \$8.7 trillion at the start of 2016 to \$12.0 trillion at the start of 2018 – a 38% increase.¹ When your clients and prospects ask you about sustainable investing, will you be prepared to have the conversation?

BUILDING A BETTER UNDERSTANDING OF SUSTAINABLE INVESTING

ESG

Sustainable investing is the full integration of environmental, social and governance (ESG) factors into investment analysis and portfolio construction.

ESG factors can have long-term implications on a company's financial viability. Evaluating how companies are meeting ESG challenges *and* opportunities provides additional insight into a company's culture, operational strength, and quality of management.

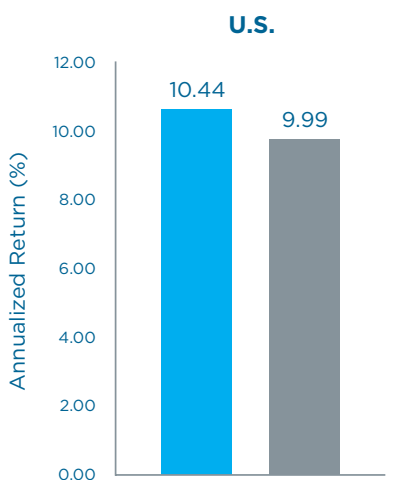


75%

OF INDIVIDUAL INVESTORS ARE INTERESTED IN SUSTAINABLE INVESTING²

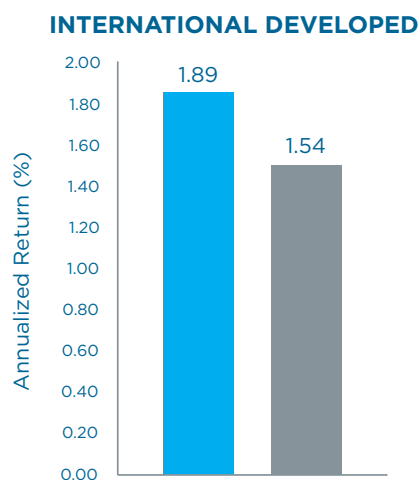


INTEGRATING ESG CRITERIA INTO FINANCIAL ANALYSIS CAN HELP MITIGATE RISK AND ENHANCE RETURNS



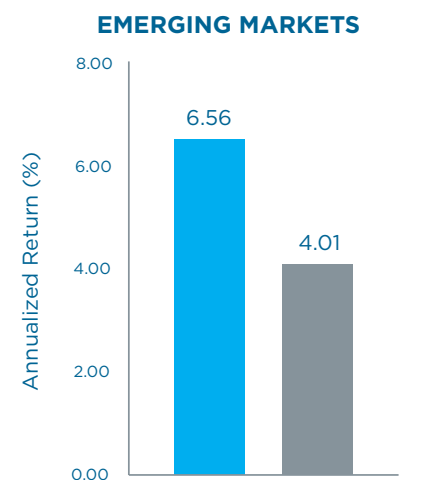
(Annualized return: 5/1/90 to 3/31/19)

■ MSCI KLD 400 Social Index
■ S&P 500 Index



(Annualized return: 10/1/07 to 3/31/19)

■ MSCI EAFE ESG Leaders Index
■ MSCI EAFE Index



(Annualized return: 6/6/13 to 3/31/19)

■ MSCI Emerging Markets ESG Index
■ MSCI Emerging Markets Index

Data as of 3/31/2019.

Investing involves risk, including the loss of principal. See index definitions on back page.

¹ US SIF Report on US Sustainable, Responsible, and Impact Investing Trends 2018; The Forum for Sustainable and Responsible Investment (US SIF) works to advance investment practices that consider Environmental, Social and Corporate Governance criteria to generate long-term competitive financial returns and positive societal impact.

² Sustainable Signals: New Data from the Individual Investor, Morgan Stanley Institute for Sustainable Investing, August 2017.

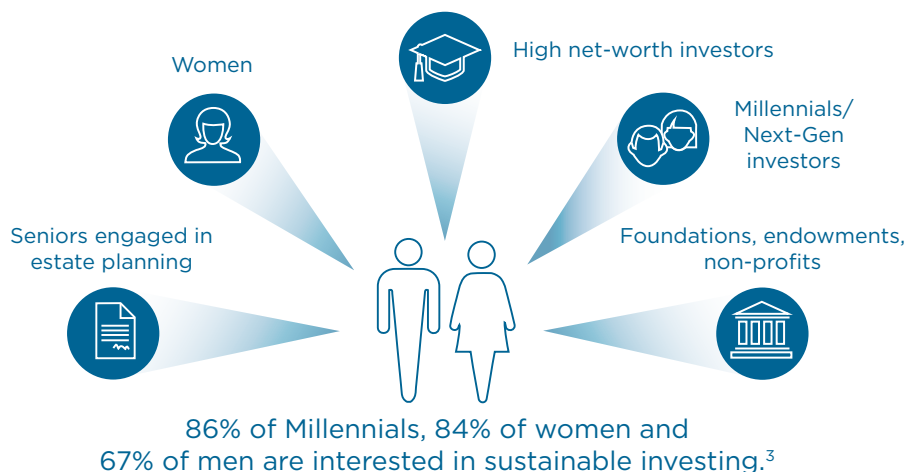
The MSCI KLD 400 Social Index has outperformed the S&P 500 Index by 0.45% annualized from 5/01/90 to 3/31/19. The MSCI EAFE ESG Leaders Index has outperformed the MSCI EAFE Index by 0.35% annualized from 10/01/07 to 3/31/19. The MSCI Emerging Markets ESG Index has outperformed the MSCI Emerging Markets Index by 2.54% annualized from 6/06/13 to 3/31/19. Comparable returns since index inception are shown gross which includes dividend reinvestment without a reduction from tax.

As of 3/31/19, the returns for the **MSCI KLD 400 Social Index** were: 1 year: 10.14%, 3 year: 13.41%, 5 year: 10.61%, 10 year: 15.74% and Since Inception (05/01/90): 10.44% annualized. The returns for the **S&P 500 Index** were: 1 year: 9.50%, 3 year: 13.54%, 5 year: 10.91%, 10 year: 15.92% and Since MSCI KLD 400 Social Index Inception (05/01/90): 9.99% annualized. The returns for the **MSCI EAFE ESG Leaders Index** were: 1 year: -3.35%, 3 year: 6.85%, 5 year: 3.00% and Since Inception (10/01/07): 1.89% annualized. The returns for the **MSCI EAFE Index** were: 1 year: -3.22%, 3 year: 7.80%, 5 year: 2.81% and Since MSCI EAFE ESG Leaders Inception (10/01/07): 1.54% annualized. The returns for the **MSCI Emerging Markets ESG Index** were: 1 year: -6.87%, 3 year: 11.96%, and Since Inception (06/06/13): 6.56% annualized. The returns for the **MSCI Emerging Markets Index** were: 1 year: -6.93%, 3 year: 11.11% and Since MSCI Emerging Markets ESG Inception (06/06/13): 4.01% annualized.

Past performance is no guarantee of future results. Index performance is not necessarily representative of Fund performance.

Identifying opportunity and beginning the dialogue

CLIENTS AND PROSPECTS WHO MAY BE INTERESTED IN SUSTAINABLE INVESTING



PARTNERING WITH IMPAX

We can help you integrate sustainable investing into your practice with thought leadership and value-add material on:

SUSTAINABLE INVESTING

ENVIRONMENTAL MARKETS

WOMEN & WEALTH

MILLENNIALS & MONEY

For more information, please contact your regional sales representative: 800.767.1729

QUESTIONS THAT MAY HELP YOU INITIATE A CONVERSATION

- Are you concerned about climate change?
- Do you believe companies could be more aware of and sensitive to environmental issues?
- Is reducing your carbon footprint important to you?
- Are you drawn to companies that incorporate sustainability into their business practices?
- Do you believe gender equality is an important issue?
- Do you prefer to buy locally produced and/or organic food?
- Do you believe companies should do a better job of advancing women?
- Do you support any non-profit organizations?
- Do you invest time or money in local community services?
- Are you involved with or donate to charitable organizations?
- Do you think it's important to work for a company with ethical business practices?
- Have you considered aligning your values with your investments?

If your clients and prospects embrace sustainability in the way they live, why not in the way they invest?

³ Sustainable Signals: New Data from the Individual Investor, Morgan Stanley Institute for Sustainable Investing, August 2017.

Index definitions The indexes referenced in this report are defined here. One cannot invest directly in an index. The **MSCI KLD 400 Social Index** is a capitalization weighted index of 400 US securities that provides exposure to companies with outstanding Environmental, Social and Governance (ESG) ratings and excludes companies whose products have negative social or environmental impacts. The **Standard & Poor's 500 Stock Index** is an unmanaged index of large capitalization common stocks. The **MSCI EAFE ESG Leaders Index** is designed to measure the performance of equity securities of issuers organized or operating in Europe, Australasia and the Far East that have high environmental, social and governance (ESG) ratings relative to their sector and industry group peers, as rated by MSCI ESG Research annually. The MSCI EAFE ESG Leaders Index includes or utilizes data, ratings, analysis, reports, analytics or other information or materials from MSCI's ESG Research Group within Institutional Shareholder Services Inc., an indirect wholly-owned subsidiary of MSCI. The **MSCI EAFE (Europe, Australasia, Far East) Index** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. The MSCI EAFE Index consists of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. Performance for the MSCI EAFE Index is shown "net", which includes dividend reinvestments after deduction of foreign withholding tax. The **MSCI Emerging Markets ESG Index** is a capitalization weighted index that provides exposure to companies with high Environmental, Social and Governance (ESG) performance relative to their sector peers. MSCI EM ESG consists of large and mid cap companies across 23 Emerging Markets countries which include Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. The Index is designed for investors seeking a broad, diversified sustainability benchmark with relatively low tracking error to the underlying equity market. The index is a member of the MSCI Global Sustainability Index series. Constituent selection is based on data from MSCI ESG Research. The **MSCI Emerging Markets Index** is a free float-adjusted, market-capitalization-weighted index that is designed to measure equity market performance of emerging markets. It consists of the following 23 emerging market country indexes: 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.

IMPAX Asset Management
Adviser to Pax World Funds

Impax Asset Management
30 Penhallow Street, Suite 400
Portsmouth, NH 03801
800.372.7827

info@paxworld.com
www.paxworld.com

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