



Spotlight on Engagement

Gender Diversity

Pax is a leader in investing in women, advancing pay equity and promoting greater gender diversity on corporate boards.

In our view, engaging with companies on the issue of gender diversity is not only the right thing to do, but the smart thing to do. With the business case for gender diversity well-established, our engagements focus on persuading companies to take advantage of the benefits associated with gender diversity, including improved decision-making, oversight and financial performance.¹

WE STRIVE TO IMPACT CORPORATE BEHAVIOR THROUGH MULTIPLE STRATEGIES INCLUDING:

Proxy voting

Company dialogues

Shareholder proposals

PROXY VOTING: SAY NO TO ALL MALE BOARDS

Our proxy voting guidelines stipulate that we vote against all male board slates and we generally will not support a full board slate unless it includes at least two women. Since 2010, Pax World has voted against over 1,200 board slates due to insufficient gender diversity, including more than 170 during the most recent proxy season. After voting, we write to these companies explaining the reason for our opposition and suggest steps the companies can take to put policies and practices in place to achieve greater board diversity.

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¹ www.paxworld.com/category/research/gender

An investment in the Pax World Funds involves risk, including loss of principal. You should consider a fund's 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.



SHAREHOLDER PROPOSALS: BOARD DIVERSITY

Over the last seven years, Pax World has filed board diversity proposals asking ten companies to adopt gender diversity policies for their boards. Each of these proposals yielded meaningful dialogues with the companies that ultimately resulted in changes to their corporate governance documents specifying gender diversity as a criterion in all director searches, which we believe is a crucial step towards achieving a diverse and inclusive board.

Pax World has filed gender diversity proposals at 10 companies in the past seven years, and 7 companies have subsequently announced new female directors.

COMPANIES AT WHICH PAX WORLD HAS FILED DIVERSITY PROPOSALS

Proxy Year	Company	Outcome
2019	Beacon Roofing Supply	Amended governance policies
2018	US Foods Holdings Corp.	Amended governance policies; female director appointment in 2018
2016	Cognizant Technology Solutions	Amended governance policies; female director appointment in 2017
2015	eBay, Inc.*	Amended governance policies; female director appointments in 2015 and 2017
2014	Territorial Bancorp	Amended governance policies
2014	Oasis Petroleum	Amended governance policies
2013	Stericycle, Inc.	Amended governance policies; female director appointments in 2015 and 2018
2013	Hospitality Properties Trust	Amended governance policies; female director appointment in 2015
2012	Riverbed Technology**	Amended governance policies; female director appointment in 2013
2012	Roper Technologies	Amended governance policies; female director appointments in 2015 and 2018

As of 9/30/18, Roper Technologies, Inc. was 1.1% of holdings of the Pax ESG Beta Quality Fund. eBay Inc. was 0.1% of holdings of the Pax Balanced Fund and 0.1% of the Pax Core Bond Fund. Hospitality Properties Trust was 0.02% of holdings of the Pax Balanced Fund, 1.7% of holdings of the Pax ESG Beta Quality Fund and 0.3% of holdings of the Pax ESG Beta Dividend Fund. Cognizant Technology Solutions was 0.8% of the Pax ESG Beta Quality Fund and 1.9% of the Pax Global Opportunities Fund. Apple, Inc. was 3.4% of the Pax ESG Beta Quality Fund, 3.3% of the Pax ESG Beta Dividend Fund, 4.4% of the Pax Large Cap Fund, 2.1% of the Pax Balanced Fund and 0.4% of the Pax Core Bond Fund. Amazon.com, Inc. was 3.4% of the Pax ESG Beta Quality Fund, 3.4% of the Pax ESG Beta Dividend Fund, 5.1% of the Pax Large Cap Fund, 2.4% of the Pax Balanced Fund and 0.2% of the Core Bond Fund. Goldman Sachs Group, Inc. was 0.1% of the Pax Balanced Fund and 0.3% of the Pax Core Bond Fund. Bank of New York Mellon Corp. was 0.1% of the Pax Balanced Fund and 0.1% of the Pax Core Bond Fund. Qualcomm, Inc. was 0.1% of the Pax Balanced Fund and 0.8% of the Pax ESG Beta Dividend Fund. Verizon Communications was 2.6% of the Pax ESG Beta Quality Fund, 1.0% of the Pax ESG Beta Dividend Fund, 0.3% of the Pax Balanced Fund and 0.3% of the Pax Core Bond Fund. AT&T Inc. was 0.3% of the Pax ESG Beta Quality Fund, 1.3% of the Pax ESG Beta Dividend Fund, 0.4% of the Pax Core Bond Fund, 2.6% of the Pax Large Cap Fund and

*Lead filers of this resolution were Trillium Asset Management & the New York State Common Retirement Fund

Company became private in April 2015 * Lead filer of this resolution was the New York City Pension Fund ****Lead filer of this resolution was Arjuna Capital



SHAREHOLDER PROPOSALS: PAY EQUITY

Companies that are committed to pay equity are better positioned to achieve greater gender diversity and attract and retain talented employees. Pax World has filed or co-filed shareholder resolutions at 14 companies on pay equity, requesting the disclosure of the results of pay equity assessments. So far, thirteen companies have made public commitments to pay equity including Apple, eBay and Amazon. We also wrote to 32 technology companies and 39 financial companies held across our funds, asking for information on how they are addressing pay equity. This effort opened dialogues with several companies. And in February 2016, Pax Ellevest Management, a joint venture of Pax World and Ellevest Asset Management, sent a petition for rulemaking to the SEC urging the agency to require public companies to disclose gender pay ratios on an annual basis.

COMPANIES AT WHICH PAX WORLD HAS FILED PAY EQUITY PROPOSALS

Proxy Year	Company	Outcome
2018	Oracle	Pending Shareholder Vote
2018	KeyCorp, MetLife, Inc.**	Enhanced pay equity disclosure; disclosed results of gender pay assessment
2018	Discover Financial Services, HP Inc.	Enhanced pay equity disclosure
2017	Oracle	Shareholder vote outcome 38.7%
2017	Qualcomm, Inc., Verizon Communications, and AT&T Inc.	Enhanced pay equity disclosure
2017	Bank of New York Mellon, Goldman Sachs Group, Inc., Mastercard****	Enhanced pay equity disclosure; disclosed results of gender pay assessment in 2018
2016	Apple, Inc., Amazon.com****, eBay, Inc.****	Disclosed results of gender pay assessment

1.3% of the Pax Balanced Fund. Mastercard was 2.7% of the Pax ESG Beta Quality Fund, 0.3% of the Pax ESG Beta Dividend Fund, 1.0% of the Pax Ellevest Global Women's Leadership Fund, 0.1% of the Pax Balanced Fund and 0.1% of the Core Bond Fund. Oasis Petroleum Inc. was 0.3% of the Pax High Yield Bond Fund. US Foods Holding Corp. was 1.7% of the Pax Mid Cap Fund, .5% of the Pax High Yield Bond Fund and 0.1% of the Pax Balanced Fund. Oracle Corporation was 0.8% of the Pax Ellevest Global Women's Leadership Fund, 0.6% of the Pax ESG Beta Quality Fund, 0.1% of the Pax ESG Beta Dividend Fund and 0.01% of the Pax Balanced Fund. KeyCorp was 1.9% of the Pax Ellevest Global Women's Leadership Fund, 1.2% of the Pax Large Cap Fund and 0.5% of the Pax Balanced Fund. MetLife, Inc. was .7% of the Pax ESG Beta Dividend Fund, 0.2% of the Pax Ellevest Global Women's Leadership Fund, 0.1% of the Pax Core Bond Fund and .1% of the Pax Balanced Fund. Discover Financial Services was 0.1% of the Pax Ellevest Global Women's Leadership Fund and .1% of the Pax ESG Beta Quality Fund. HP Inc. was 0.2% of the Pax Ellevest Global Women's Leadership Fund, 1.2% of the Pax ESG Beta Quality Fund, 0.5% of the Pax ESG Beta Dividend Fund and 0.03% of the Pax Balanced Fund. Beacon Roofing Supply, Inc. was 2.0% of the Pax Small Cap Fund. Stericycle, Inc., Territorial Bancorp, and Riverbed Technology were not held by any Pax World Fund. Holdings are subject to change.

Effective February 26, 2018, the name of the Pax Ellevest Global Women's Index Fund changed to the Pax Ellevest Global Women's Leadership Fund.



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