Pax Balanced Fund shareholders may have noticed the fund has a new moniker. We changed its name to better capture its investment approach and its unique long-term track record of serving investors interested in sustainable investing strategies. It is now called the Pax Sustainable Allocation Fund.* While the Fund’s investment strategy has not changed in any way, the name change will help us make sure that strategy is more clearly conveyed to and understood by investors.

Launched in 1971, the Pax Balanced Fund was the first sustainable investment fund in the United States. Today, almost 50 years later, it remains a unique offering, providing investors with a core allocation to both equities and fixed income across a range of underlying sustainable investment strategies that in turn provide a range of positive societal impacts. Given the rapidly growing interest in ESG/sustainable investing, as well as investors’ careful appetite for risk, we want the fund name to accurately denote the specific investment strategy that it continues to employ:

- Perhaps most important to our investors, the fund pursues a sustainable investment strategy focused on the risks and opportunities associated with the transition to a more sustainable economy, fully integrating ESG research and providing exposure to a range of positive environmental and social impacts.

*Effective December 18, 2019, the name of the Pax Balanced Fund changed to the Pax Sustainable Allocation Fund.

“Given the rapidly growing interest in ESG/sustainable investing, as well as investors’ careful appetite for risk, we want the fund name to accurately denote the specific investment strategy that it continues to employ”

Given the legacy of the Pax Balanced Fund and confident that under its new name, the Pax Sustainable Allocation Fund, it will continue to serve investors and advance sustainability for many years to come.

As the first sustainable investment fund in the United States, with the longest track record of providing investors with sustainable asset allocation, we are proud of the legacy of the Pax Balanced Fund and confident that under its new name, the Pax Sustainable Allocation Fund, it will continue to serve investors and advance sustainability for many years to come.

*Effective December 18, 2019, the name of the Pax Balanced Fund changed to the Pax Sustainable Allocation Fund.
The Pax Global Environmental Markets Fund is making a positive impact. For the third year, we have quantified the environmental benefit derived from activities of companies that are held in the Fund.

Below are the data on three environmental outputs — renewable electricity generated (in megawatt hours), water treated, saved or provided (in gallons), and materials recovered/waste-treated (in tons) — per $10 million for one year of investment.1

The Fund’s portfolio managers seek to maximize risk-adjusted financial returns through their investment approach — not to maximize the impact metrics that we track. Nonetheless, most of the impact metrics that we track have improved year-over-year, underscoring our conviction that we can deliver competitive financial returns by addressing the world’s pressing sustainability challenges.

We are pleased to report that all but one of the metrics improved in comparison to last year, reflecting the increased efficiency with which our portfolio companies are providing solutions to environmental pollution and resource scarcity.

As interest in measuring impact has grown, techniques and methodologies have proliferated. Alongside excitement about how impact metrics can help individual investors connect with their savings, there are questions about what these numbers really mean. At Impax we continue to report metrics that naturally emerge from our investment philosophy and attempt to put our portfolio companies’ impact into a meaningful context. That is why we relate the three environmental output metrics in context of household equivalents.

Delivering meaningful impact reporting is a complex process that requires specialist expertise to understand and scrutinize the data involved. When we started this process, few of the companies in which we invest had the systems in place to capture and report the data we sought. Today, while data quality varies, it is improving, and we are confident it will continue to do so. In particular, we expect to engage more actively in the coming years on water and waste data to encourage companies to begin to match carbon reporting in its scale and rigor. Our methodology has evolved to adapt to the improvements in the data available and will continue to do so.

Looking ahead, Impax commits to invest the time and resources to demonstrate the positive impact of our investments as we work to maximize returns for our clients. X

U.S. Tons. Impact of $10m invested in the Fund for one year. Based on most recently reported annual environmental data for holdings in the Pax Global Environmental Markets Fund as of December 31, 2018. Impax’s impact methodology is based on equity value.
Pax World Funds News

Commendable

At its 10th Annual Responsible Business Awards event on October 2, Ethical Corporation honored the Pax Ellevate Global Women’s Leadership Fund with a “Highly Commended” designation for its investments in companies that value women’s leadership and its efforts to drive solutions on the global challenges of gender pay inequity and the lack of gender diversity in company leadership.

A Marriage of Websites

We’re excited to start the new year with a new website! As part of our ongoing integration with our London-based parent company, paxworld.com will become impaxam.com. (But don’t worry about memorizing the new URL, as paxworld.com will continue to get you there.) The new site better reflects our global firm. Check it out! impaxam.com

Note: The first time you enter the new site you’ll be asked to enter your country and investor type. Choose “Individual investor.”

Global Citizen Program Update

We have discontinued the Global Citizen program. Shareholders who have been directing a portion of their dividend or capital gain distributions through this program will now receive the full amount of any future distribution (reinvested or in cash). Over the almost 50 years since the program has been in place, Pax shareholders have donated nearly two million dollars to aid vulnerable communities around the world. The decision to discontinue it was difficult, but developments at Mercy Corps — the beneficiary organization — as well as changing investor preferences, assure us it was the right one to make.

Gender Giant

InvestmentNews included CEO Joseph Keefe in its list of “10 leaders of ESG & Impact Investing,” noting, “Joe Keefe is a longtime giant in the world of gender lens investing.”

Fossil-Fuel Free

Nine of our 11 Pax World Funds are now fossil fuel free.

- Pax Global Environmental Markets Fund
- Pax Global Opportunities Fund
- Pax Core Bond Fund
- Pax ESG Beta Quality Fund
- Pax ESG Beta Quality Fund
- Pax Large Cap Fund
- Pax Small Cap Fund
- Pax MSCI EAFE ESG Leaders Index Fund
- Pax Ellevate Global Women’s Leadership Fund

Gender Giant

InvestmentNews included CEO Joseph Keefe in its list of “10 leaders of ESG & Impact Investing,” noting, “Joe Keefe is a longtime giant in the world of gender lens investing.”

Global Citizen Program Update

We have discontinued the Global Citizen program. Shareholders who have been directing a portion of their dividend or capital gain distributions through this program will now receive the full amount of any future distribution (reinvested or in cash). Over the almost 50 years since the program has been in place, Pax shareholders have donated nearly two million dollars to aid vulnerable communities around the world. The decision to discontinue it was difficult, but developments at Mercy Corps — the beneficiary organization — as well as changing investor preferences, assure us it was the right one to make.

Gender Giant

InvestmentNews included CEO Joseph Keefe in its list of “10 leaders of ESG & Impact Investing,” noting, “Joe Keefe is a longtime giant in the world of gender lens investing.”

Fossil-Fuel Free

Nine of our 11 Pax World Funds are now fossil fuel free.

- Pax Global Environmental Markets Fund
- Pax Global Opportunities Fund
- Pax Core Bond Fund
- Pax ESG Beta Quality Fund
- Pax ESG Beta Quality Fund
- Pax Large Cap Fund
- Pax Small Cap Fund
- Pax MSCI EAFE ESG Leaders Index Fund
- Pax Ellevate Global Women’s Leadership Fund

The Ethical Corporation’s Responsible Investment Award recognizes any responsible investment initiative that has delivered measurable results on key environmental and social issues. It rewards initiatives that showcase innovative, transformational and long-term outcomes. Pax World Funds paid a nomination fee to be considered for this award.

New Pax Insights

New perspectives from Pax World Funds experts are available at paxworld.com/insights.

Catch the Sustainability Wave

The transition to a more sustainable economy is underway and driving investment opportunities

A powerful transition is happening globally, and a sustainability wave is rapidly building. In her latest article, Portfolio Specialist Nicola Fritz highlights examples and drivers of this transition to a more sustainable economy to illustrate its global scale and fast evolution.

Read the article at paxworld.com/wave

Invest in Women

Pax Ellevate hosted symposia in three cities this past fall — New York, Washington, DC, and San Francisco. Here’s Pax Ellevate consultant Sallie Krawcheck at the D.C. event talking about gender-biased money messages in the media and how they affect women’s relationships with their finances.
Shareholder Corner: Tax Season Reminders for Pax World Investors

Let's Talk About Your IRA

It's January, you can make a 2020 IRA contribution! And, if you haven't yet, you can still make a 2019 contribution until April 15, 2020.

Contribution limits didn't change this year. If you are under the age of 50, typically you can contribute the lesser of 100 percent of your earned income or $6,000. If you are 50 years of age or older, you can contribute the lesser of 100 percent of your earned income or $7,000.

Subject to deduction limits, Traditional IRA contributions are generally made on a tax-deferred basis, which means that you may be able to deduct some or all of your contribution from your taxable income. Taxes are typically paid when funds are withdrawn, presumably in retirement, when you may be in a lower tax bracket.

Subject to income limits, contributions to Roth IRAs are not tax deductible. Since these funds were already subject to income tax, after holding a Roth IRA for five years, certain types of withdrawals, including those taken in retirement, can be made on a tax-free basis.

For more information about your eligibility or the differences between Traditional and Roth IRAs, please see IRS Publication 590A, “Contributions to Individual Retirement Arrangements,” at www.irs.gov, or call the IRS at (800) 829.3676 to order a copy.

You can open a new IRA or Roth IRA, or you can make a contribution to an existing account through online account access, impaxam.com\account. For assistance, or for other options, please call Investor Services at (800) 372.7827.

Please note that the information above does not constitute tax advice. State tax regulations may differ from federal tax regulations. Always consult your tax advisor before making any tax-related investment decision.

Important Dates

<table>
<thead>
<tr>
<th>Important Dates</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 15, 2020</td>
<td>Deadline for tax year 2019 (prior year) IRA contributions.</td>
</tr>
<tr>
<td>2019 documents will be mailed and/or available online:</td>
<td></td>
</tr>
<tr>
<td>January 31, 2020 (online only):</td>
<td>Qualified Dividend Income and Pass-Through Exemptions Information</td>
</tr>
<tr>
<td>January 31, 2020:</td>
<td>IRS forms 1099-R and 1099-Q</td>
</tr>
<tr>
<td>February 15, 2020:</td>
<td>IRS form 1099-DIV/B</td>
</tr>
<tr>
<td>April 30, 2020:</td>
<td>IRS form 5498-ESA</td>
</tr>
<tr>
<td>May 31, 2020:</td>
<td>IRS form 5498</td>
</tr>
</tbody>
</table>

Pax World Funds mails a combined DIV/B form, which follows the required mail schedule for form 1099-B.

1099-R reports redemptions from retirement accounts; 1099-Q reports redemptions from a Coverdell Education Savings Account (ESA); 1099-DIV reports taxable dividends and capital gains paid to non-retirement accounts; 1099-B reports redemptions from a non-retirement account and cost basis for covered shares; 5498-ESA reports Coverdell ESA contributions; and 5498 reports retirement account contributions.

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.

An investment in Pax World Funds involves risk, including loss of principal. Past performance does not guarantee 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 Fund does not take defensive positions in declining markets. The Fund’s performance would likely be adversely affected by a decline in the Index. Investments in emerging markets and non-U.S. securities are generally less liquid and less efficient than investments in developed markets and are subject to additional risks such as adverse political and regulatory developments, currency and translation risk, and differences in generally accepted accounting practices. There is no guarantee that the objective will be met and diversification does not eliminate risk. Funds that emphasize investments in smaller companies generally will experience greater price volatility. Investing in non-diversified funds generally will be more volatile and loss of principal could be greater than investing in more diversified funds.

Pax World Funds are distributed by ALPS Distributors, Inc. ALPS Distributors is not affiliated with Impax Asset Management LLC.

There is no affiliation between Pax World Funds, ALPS Distributors Inc. and the companies listed within the articles in this newsletter.

Copyright © 2019 Impax Asset Management LLC. All rights reserved.