

Impact Report 2018



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ABOUT US

Pax World Funds (“Pax”) are advised by Impax Asset Management LLC, formerly Pax World Management LLC, a pioneer in the field of sustainable investing. Pax offers a diverse lineup of mutual funds focused on the risks and opportunities arising from the transition to a more sustainable global economy. Each fund integrates environmental, social and governance (ESG) research into the investment process to better manage risk and deliver competitive long-term investment performance. Since 1971, Pax has made it possible for investors to pursue financial returns while having a positive social and environmental impact.



WE SUPPORT

Signatory: February 1, 2010



Signatory: April 4, 2007



Signatory: December 1, 2015

ABOUT THIS REPORT

Impax Asset Management LLC (Impax), formerly Pax World Management LLC, has publicly published sustainability data since we became a signatory to the UN Global Compact in 2010. In March 2014, we published our first Corporate Social Responsibility (CSR) report. This report covers our activities for calendar year 2018. We invite you to review this report to learn more about our company. As always, we appreciate any feedback to help us improve our reporting process:



facebook.com/PaxWorldFunds



twitter.com/paxworld



[linkedin.com/company/
pax-world-funds/](https://linkedin.com/company/pax-world-funds/)

— or —

E-mail: info@paxworld.com

STATEMENT OF CONTINUED SUPPORT FOR THE UN GLOBAL COMPACT

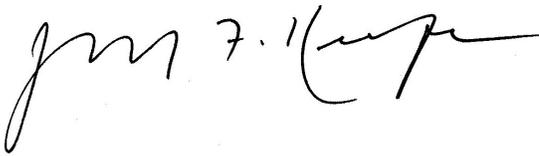
On behalf of Pax World Funds and its investment adviser Impax Asset Management LLC, I am pleased to share our 2018 Impact Report and our UN Global Compact Communication on Progress with our stakeholders. The combined report reviews our progress as an asset manager committed to the transition to a more sustainable global economy and as a business that seeks to operate in a manner consistent with the environmental, social and governance (ESG) standards we integrate into our portfolios. In addition, the report identifies actions we have taken during the reporting period to implement the UN Global Compact principles in each of the four issue areas (human rights, labor, environment, and anti-corruption).

Our work continues to be focused on sustainability in several ways: by integrating ESG standards into our investment portfolios, engaging with portfolio companies to improve their sustainability performance, innovating new sustainable investment strategies and initiatives and by managing our own operations in a responsible manner. We also work to be meaningful contributors to national and international discussions about key sustainability issues.

Moving forward, we will do everything we can to continuously improve our performance and to live up to the vision and values that we have long held.

I am pleased to reaffirm our support of the UN Global Compact. Thank you for taking the time to read our report.

Sincerely,

A handwritten signature in black ink, appearing to read "J. F. Keefe", with a stylized flourish at the end.

Joseph F. Keefe

President

Pax World Funds and

Impax Asset Management LLC

INVESTING FOR IMPACT



Pax World Funds seek to promote positive social and environmental change.

IMPACT INVESTING AT PAX WORLD FUNDS INCLUDES INVESTING IN:

Companies developing innovative solutions to global sustainability challenges

Companies promoting gender diversity and women's leadership

Community-based financial institutions, green bonds and other direct, high impact investments

ALTHOUGH WE FOCUS ON IMPACT ACROSS OUR FUNDS, WE ALSO OFFER TWO GLOBAL THEMATIC FUNDS THAT GIVE INVESTORS THE OPPORTUNITY TO MAKE A SIGNIFICANT IMPACT ON TWO CRITICAL GLOBAL CHALLENGES:

- **Pax Global Environmental Markets Fund (PGRNX)**¹ invests in companies that are developing innovative solutions to resource challenges in four key areas: energy efficiency and renewable energy, water infrastructure, waste management, and sustainable food and agriculture.
- **Pax Ellevate Global Women's Leadership Fund (PXWEX)**² invests in the highest rated companies in the world when it comes to advancing women's leadership.

DIRECT HIGH-IMPACT INVESTMENTS:

- We work to achieve measurable impact by investing in green bonds and in short-term notes and certificates of deposit issued by Community Development Financial Institutions (CDFIs) and credit unions.
- **Pax Core Bond Fund (PAXBX)**³ is an investment-grade fixed income portfolio that includes green bonds and other high-impact bonds that promote positive environmental and social outcomes.

As of December 31, 2018, Pax World Funds held approximately \$167 million in direct high-impact investments.*

* Direct high-impact investment holdings in the Pax Core Bond Fund and the Pax High Yield Bond Fund.

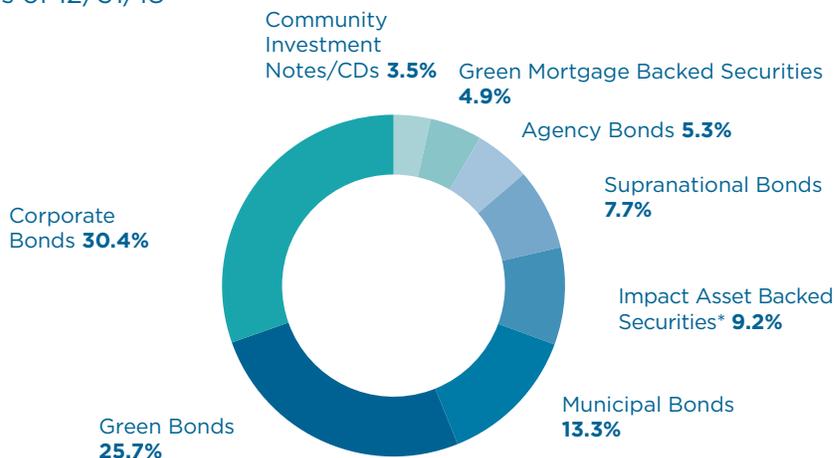
¹The Pax Global Environmental Markets Fund's investment objective is to seek long term growth of capital by investing in innovative companies around the world whose businesses and technologies focus on environmental markets, including alternative energy and energy efficiency; water infrastructure technologies and pollution control; environmental support services and waste management technologies; and sustainable food, agriculture and forestry.

²The Pax Ellevate Global Women's Leadership Fund seeks investment returns that closely correspond to or exceed the price and yield performance, before fees and expenses, of the Impax Global Women's Leadership Index (the "Women's Index"), while maintaining risk characteristics that Pax Ellevate Management LLC ("PEM") believes are generally similar to those of the Women's Index.

³The Pax Core Bond Fund seeks income and conservation of principal and is designed to provide investors with diversified core fixed income exposure and competitive risk-adjusted returns while promoting positive environmental and social impact.

DIRECT HIGH-IMPACT INVESTMENTS

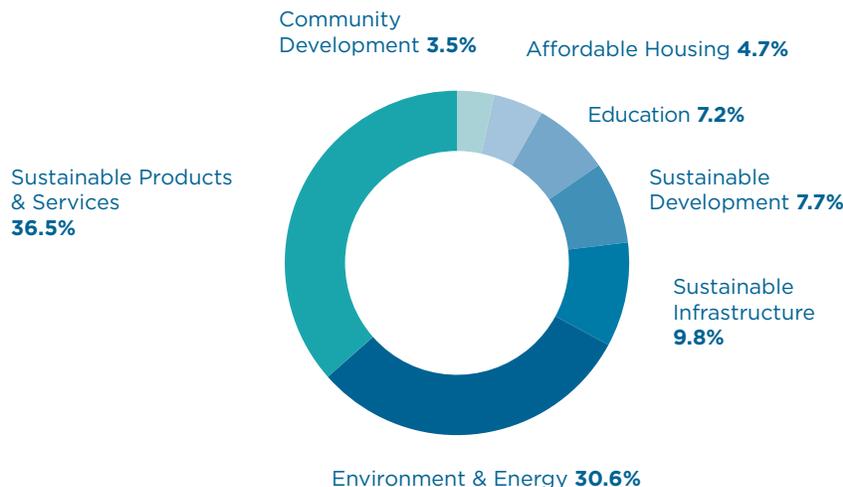
Impact Issuer Types[†] | As of 12/31/18



* Includes Solar, Auto & Education ABS

[†]The above chart shows the impact issuer type as a percentage of direct high-impact investments.

Impact Focus Areas[†] | As of 12/31/18



[†]The above chart shows the impact issuer type as a percentage of direct high-impact investments.

EXAMPLES OF DIRECT HIGH-IMPACT INVESTMENTS: ALL HOLDINGS AS OF 12/31/2018

Investment	Impact
Bank of America Green Bonds	Fund the company's environmental business initiative to help address climate change, reduce demands on natural resources and advance lower-carbon economic solutions
Capital Impact Partners	Channel investor capital to high-impact community development initiatives
Asian Development Bank Green Bonds	Seek to fund projects that mitigate greenhouse gas (GHG) emissions and adapt to the consequences of climate change
Mosaic Solar Loan Trust Asset Backed Securities	Securitization of loans made to consumers to finance the purchase and installation of residential solar power generation systems and related items or services
Fannie Mae Green Mortgage Backed Securities	Provide mortgage financing to apartment buildings and cooperatives to finance energy and water efficiency property improvements



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 Funds have 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.

Pax World Funds has voted against over 1,200 board slates due to insufficient gender diversity, including 170 during the most recent proxy season.

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

SHAREHOLDER PROPOSALS: BOARD DIVERSITY



Over the last seven years, Pax World Funds have 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 Funds have filed gender diversity proposals at 10 companies in the past seven years, and 8 companies have subsequently announced new female directors.

COMPANIES AT WHICH PAX WORLD FUNDS HAVE FILED DIVERSITY PROPOSALS

Proxy Year	Company	Outcome
2019	Beacon Roofing Supply	Amended governance policies; female director appointment in 2018
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

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

**Company became private in April 2015

SHAREHOLDER PROPOSALS: PAY EQUITY

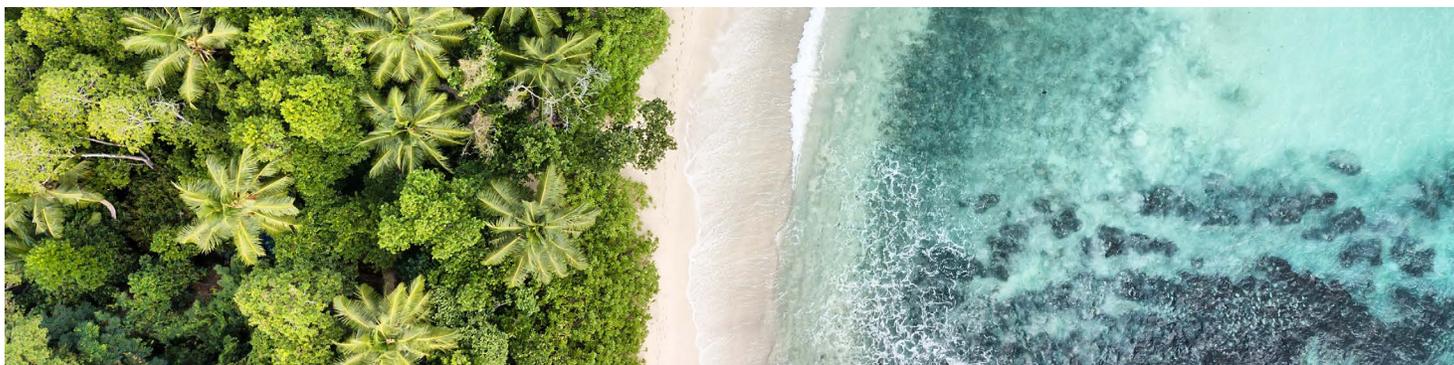


Companies that are committed to pay equity are better positioned to achieve greater gender diversity and attract and retain talented employees. On behalf of Pax World shareholders, we have filed or co-filed shareholder resolutions at 15 companies on pay equity, requesting the disclosure of the results 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 Impax Asset Management 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
2019	Citizens Financial Group, Inc.	Pending
2018	Oracle	Shareholder Vote Outcome: 38.9%
2018	KeyCorp, MetLife, Inc.***, HP Inc.	Enhanced pay equity disclosure; disclosed results of gender pay assessment
2018	Discover Financial Services	Enhanced pay equity disclosure
2017	Oracle	Shareholder vote outcome 38.7%
2017	Qualcomm, Inc., Verizon Communications, 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

*** Lead filer of this resolution was the New York City Pension Fund ****Lead filer of this resolution was Arjuna Capital



Climate change is one of the most critical issues facing the world today. We believe it is also a particularly significant issue for investors.

That's why we actively engage with companies on climate-related issues and hold them accountable for their climate impact.

PROXY VOTING GUIDELINES

As shareholders, we have an opportunity to vote on company resolutions. We will generally vote in favor of proposals that request that companies disclose potential risks from climate change, or that request disclosure or development of policies or programs to mitigate climate change risk and impact.

WE SEEK TO INFLUENCE
CORPORATE POLICIES ON
CLIMATE CHANGE THROUGH:

Proxy Voting

Shareholder Proposals

Public Policy Advocacy

OUR PARTNERSHIPS

CDP – a network of investors and purchasers, representing over \$87 trillion in assets who annually urge companies to report on climate risks and opportunities and take steps to reduce emissions. More than 5,600 companies worldwide have disclosed environmental information through CDP over 15 years.

Investor Network on Climate Risk (INCR) – a network of more than 110 institutional investors representing more than \$13 trillion in assets committed to addressing the risks and seizing the opportunities resulting from climate change and other sustainability challenges.

Climate Action 100+ – a five-year initiative led by investors to engage with the world's largest corporate greenhouse gas emitters to improve governance on climate change, curb emissions and strengthen climate-related financial disclosures. To date, 256 investors with more than \$30 trillion in assets under management have signed on to the initiative.

RE100 – a collaborative, global initiative uniting more than 100 influential businesses committed to 100% renewable electricity, working to massively increase demand for—and delivery of—renewable energy.

**WE ARE
STILL IN**

Paris Agreement: We Are Still In – Pax World Funds joined over 1,000 U.S. businesses, investors, states, cities, and universities pledging to continue to abide by the Paris Agreement and to help the U.S. deliver on its international climate commitments.

SHAREHOLDER PROPOSALS

The Issue

Why it Matters

Our Recent Proposals



Climate Change & Sustainability Disclosure

Managing and reporting on sustainability factors, including climate change risks and opportunities, helps companies navigate a business environment characterized by finite natural resources, rapidly changing laws and regulations, and heightened public expectations for corporate accountability. Transparent, substantive reporting positions companies to gain strategic value from existing sustainability efforts and identify emerging risks and opportunities.

Yum! Brands (2019) – We requested a report on how the company is managing climate-related risks in its supply chain caused by deforestation, which accounts for 10% of global GHG emissions and also contributes to biodiversity loss, soil erosion, disrupted rainfall patterns, community land conflicts and forced labor.

Kaiser Aluminum (2018) – We requested that Kaiser Aluminum publish a sustainability report that describes the company’s policies, strategies, performance, and improvement targets on material sustainability issues, including climate change. We successfully withdrew our proposal when Kaiser agreed to expand its public sustainability disclosures and publish a sustainability report.



Renewable Energy Sourcing and Production

As global demand for energy grows, we believe companies should diversify their energy sources beyond fossil fuels to include renewable energy.

Renewable energy sourcing can benefit companies by reducing their operating costs and limiting their exposure to natural resource market volatility.

Verizon Communications (2019), **UPS** (2017) – We requested that Verizon and UPS set targets to increase renewable energy sourcing and/or production. We withdrew both proposals after the companies agreed to set targets to increase renewable energy use. UPS now includes a quantitative target to increase renewable energy (25% by 2025) in its most recent sustainability update and Verizon has committed to sourcing renewable energy equivalent to 50% of its total electricity usage by 2025.



Climate Change Influence and Accountability

Lobbying activities can have significant influence on climate policy and are increasingly coming under scrutiny. We encourage transparency and accountability in the use of employee time and corporate funds to influence climate related legislation and regulation.

Similarly, board oversight of climate issues is a critical component of strong corporate governance for companies in all sectors. The Task Force on Climate-related Financial Disclosures (TCFD) identifies corporate governance and risk management practices as critical contextual components within which to understand a company’s financial results.

Travelers Companies (2018), **Old Republic** (2018) and **White Mountains Insurance** (2018) – We asked these insurance companies to put in place effective oversight for climate change at the board level. This includes systems that allow for informed and thoughtful oversight, and board decision making that incorporates the consideration of material environmental and social issues pertaining to both the underwriting and investing arms of their businesses. We successfully withdrew our proposals at Travelers and White Mountains after engaging with both companies, while our proposal received 48% support at Old Republic’s annual meeting.

JPMorgan Chase (2019), **Alphabet (formerly Google)** (2016, 2017 & 2018) – We asked these companies to report on their lobbying practices and to determine if their public policy efforts support or oppose climate change legislation or regulation.

ConocoPhillips (2017) – We requested that the company report on whether its incentive compensation programs for senior executives promote resilience to low-carbon scenarios associated with efforts to limit global temperature rise to below 2 degrees Celsius.



Transitioning to a Low-Carbon Economy

COP21 marked the beginning of the transition from an industrial age economy reliant on fossil fuels, to a sustainable, low-carbon economy. We believe it is critical that companies adapt their business models now so that they are well-positioned for a low-carbon future.

Valero Energy (2018), **Dominion Energy** (2017 & 2018) and **Occidental Petroleum** (2017) – We requested that the companies produce assessments of the long-term portfolio impacts of likely climate change scenarios. All three companies have agreed to produce an assessment.

MONTRÉAL CARBON PLEDGE

As signatories of the Montréal Carbon Pledge, we committed to measuring and publicly disclosing the carbon intensity of our investment portfolios on an annual basis. We believe that carbon intensity is a useful quantitative tool that can inform the creation and implementation of a broader climate change strategy.

First, we used carbon intensity data from MSCI for each company held in our portfolios, which is determined by dividing its reported or estimated greenhouse gas emissions by its revenue. We then calculated a weighted average carbon intensity using portfolio weights as of December 31, 2018. Finally, we compared the weighted average carbon intensity of each fund with the weighted average of the carbon intensity of each fund's benchmark index.

Seven of the mutual funds managed by Impax, the Pax Large Cap Fund, the Pax Mid Cap Fund, the Pax Small Cap Fund, the Pax ESG Beta Quality Fund, the Pax ESG Beta Dividend Fund, the Pax Global Opportunities Fund and the Pax MSCI EAFE ESG Leaders Index Fund, have a weighted average carbon intensity that is below their benchmark indexes or comparable to their benchmark indexes. We consider our funds to be comparable to their benchmarks if their weighted average carbon intensity is within 5 percentage points of the intensity of their benchmark. The Pax MSCI EAFE ESG Leaders Index Fund has a higher weighted average carbon intensity than its benchmark index (MSCI EAFE ESG Leaders Index), but its weighted average carbon intensity is comparable to the MSCI EAFE ESG Leaders Index.

The Pax Global Environmental Markets Fund's carbon intensity is above its benchmark. We note that the Fund is a thematic strategy investing in companies that are developing innovative solutions to resource challenges, including key areas like energy efficiency and renewable energy, and that measuring the Fund's carbon intensity does not consider the net carbon footprint of the Fund, which includes the carbon emissions avoided by using the products and services offered by the companies in the Fund. Additional details about the positive net carbon footprint of the Fund can be found [here \(https://paxworld.com/assets/pdfs/factsheets/fact_sheet_globalenvironmentalmarketsfund.pdf\)](https://paxworld.com/assets/pdfs/factsheets/fact_sheet_globalenvironmentalmarketsfund.pdf).

We were unable to measure the carbon footprint of the Pax Core Bond Fund or the Pax High Yield Bond Fund due to a lack of sufficient, accurate information on carbon intensity in those investment universes. Also, we did not measure the carbon footprint of the Pax Ellevest Global Women's Leadership Fund, which invests in the Impax Global Women's Leadership Index, an index of companies around the world that are leaders in advancing women. Carbon intensity plays a minimal role in the construction of the Index on which the Fund is based.

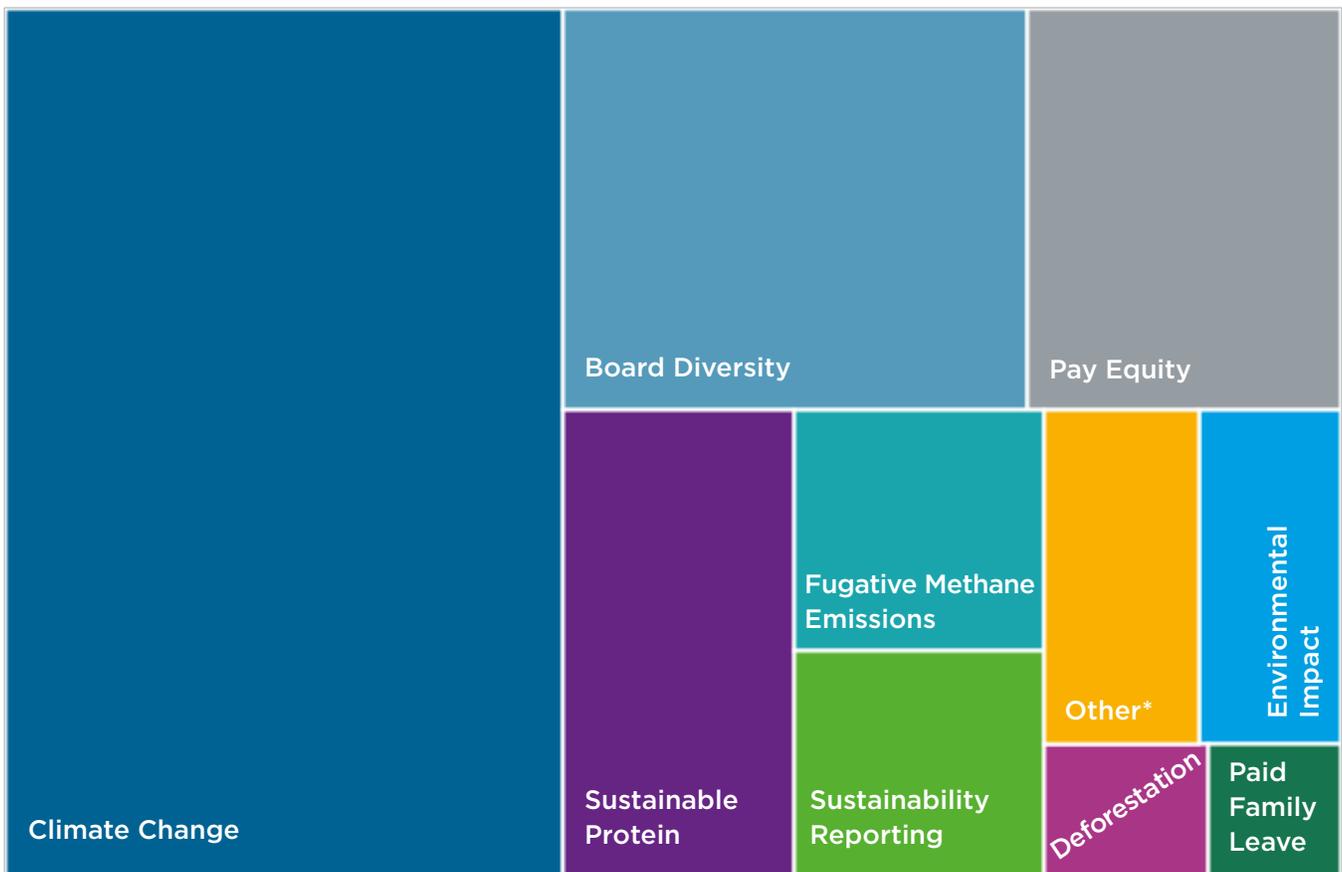
Carbon emissions is just one of many indicators of carbon-related risks in a portfolio. For example, our actively managed portfolios exclude companies with significant involvement in coal and tar sands operations—the most carbon-intensive fossil fuels—which is another way we seek to reduce carbon-related risk. We believe that high carbon emissions are a risk factor, and as shareholders we want companies in our portfolios to proactively take steps to mitigate those risks.

ENGAGEMENT

We believe engaged shareowners can play an important role in improving the financial and ESG performance of the companies they are invested in, which is why we:

- Vote shareholder proxies in accordance with our ESG criteria
- Engage with a company’s management in dialogue on issues of concern
- Initiate or support shareholder resolutions at annual stockholders’ meetings aimed at persuading companies to adopt higher standards of corporate responsibility
- Support public policy initiatives that promote greater corporate sustainability, transparency and accountability

In 2018, Impax Asset Management LLC had 268 engagement contacts with 172 companies on behalf of Pax World Funds. These contacts include direct letters and shareholder proposals, as well as our involvement in collaborative engagements with other investors. Engagement contacts include initial outreach, ongoing dialogues and follow-up conversations with portfolio companies about a wide range of ESG-related topics, including:



* Includes governance, plastics, political influence, proxy voting, renewable energy, management diversity and recycling.

PROXY VOTING

We invest in companies in a variety of countries and markets, and as shareowners, we are entitled to vote on items on their annual proxy at each year's annual shareholder meeting. Each year, we vote on hundreds of ballot items put forth by company management and shareholders ranging from board of director elections, executive compensation and capital structure to environmental and social issues. We vote each proxy in a way that is consistent with our ESG criteria and seek to promote accountability and transparency at companies. Impax takes its proxy voting responsibilities seriously, as it provides another avenue through which to promote improved financial performance and improved ESG policies and practices at companies.

Our voting decisions are made internally based on our own custom [Proxy Voting Guidelines](#), and we **publicly** disclose our votes for both upcoming and past meetings. In 2018, we voted 940 meetings with over 13,615 proposals. You can also view our 2018 Form N-PX (Annual Report of Proxy Voting Record) for [Pax World Funds Series Trust I](#) and [Pax World Funds Series Trust III](#).

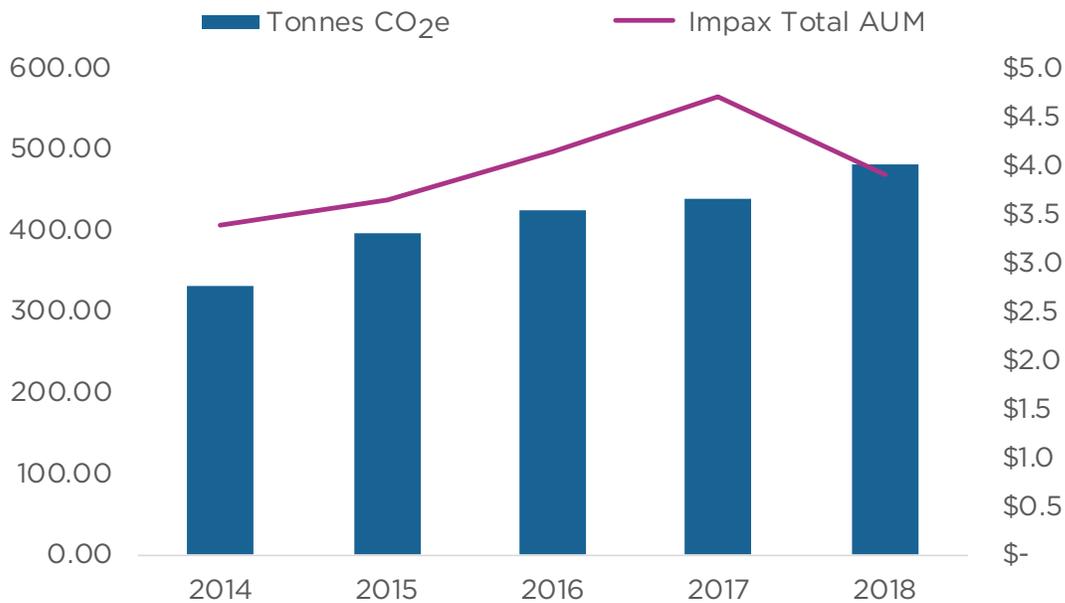
IMPACT OF MANAGEMENT COMPANY - IMPAX ASSET MANAGEMENT LLC

The remainder of this report refers to Impax Asset Management LLC (Impax), formerly Pax World Management LLC, adviser to Pax World Funds.

ENVIRONMENTAL IMPACT

Environmental stewardship is important for every business. Recognizing that our own operations affect the environment, Impax strives to hold ourselves to the same standards that we expect of the companies in our portfolios. As part of this commitment, Impax seeks to conduct business in a way that minimizes our environmental footprint while enhancing stakeholder value for our customers, employees, suppliers and communities.

In support of this effort, Impax has committed to measure, analyze and reduce our contributions to global climate change and consumption of resources, including energy, water and materials. Impax has partnered with Native Energy to offset our carbon footprint, which includes business travel (45.1% of CO₂e), employee commuting (39.9%) and building energy use (14.9%). The main driver of GHG emissions growth from our business operations is business travel, which has increased annually.



Impax has also partnered with the Bonneville Environmental Foundation (BEF) to purchase Water Restoration Certificates (WRC), which offset our water consumption at our office in Portsmouth, NH. Every WRC purchased by Impax represents 1,000 gallons of water restored to streams, through projects certified by the National Fish & Wildlife Foundation. Impax purchased 70 WRCs to offset our water use for calendar year 2018.



Environmental Impact of the Management Company	2014	2015	2016	2017	2018
Total GHG Emissions from Business Operations (M/T)	331.00	394.00	424.00	437.00	481.00
Total Electricity Consumption from Business Operations ('000 kWh)	89.82	91.03	79.24	73.79	81.12
Total Natural Gas Consumption from Business Operations (Therms)	3492.00	3616.00	3751.00	3286.06	4316.71
Total Water Consumption from Business Operations ('000 gallons)	145.11	83.13	75.49	78.46	69.56

Additionally, Impax's existing environmental policies and programs include measures to minimize the use of office supplies, including paper, glass, metal, plastic and batteries, and recycle what we do use. Employees operating at remote locations are also expected to recycle their office waste.

Impax prefers the use of digital marketing and advertising as a way to reduce paper consumption and other related environmental impacts. When choosing which marketing materials to print, we favor those that have longer shelf lives. Additionally, we seek to print only what we need using sustainably-sourced paper and less toxic alternatives to conventional petroleum-based ink products.

Impax has undertaken composting at its Portsmouth, NH office. Using the services of a local company, Mr. Fox Composting, we are composting items such as food scraps, sugar packets, coffee grounds & filters, paper towels, teabags & tea, flowers and floral trimmings and wax paper liners.

Like most businesses, we rely heavily on information technology (IT) to conduct our business operations. Impax does a number of things to reduce the environmental impact of our IT systems while in service:

- Hardware reduction/consolidation/recycling
 - Systems once requiring on-premise infrastructure can now take advantage of platform as a service models, which often reduces costs and limits resource demand. For example, Impax's office recently began using the Skype for Business platform for all telephone communication. This eliminated the need for the on-site infrastructure once required to facilitate telephone communication. By securely sharing the hardware used to deliver this phone as a service model, Impax achieved greater phone functionality, while simultaneously shrinking the footprint required to provide it.
 - We rely on Newport Computer Services, a local third-party e-waste recycling service provider for the disposal of electronic equipment. Newport's goal is zero landfill waste through the harvest of computer components for recycling.
- Server virtualization
 - Overall, there has been a significant reduction in individual equipment in our server room, as Impax has moved all but a few servers over to virtualized instances, i.e., the cloud. The result is a network server footprint that supports the organization while only drawing between 5 and 10 AMPS of electricity. Impax's cloud hosted virtual servers afford the following benefits:
 - Reduction of Carbon Footprint – Carbon emissions and energy consumption can be reduced by more than 50%
 - Data Center Efficiency – Realizing full utilization of computer hardware
 - Dematerialization – Substitution of high carbon physical products with virtual equivalents

- Savings – Lower energy costs for cooling and space
- Further reading can be found here: [Energy Star: Server Virtualization](#).
- Energy management
 - Electricity consumption is limited centrally, where possible, through sleep and timeout settings using “Active Directory” for monitors and computers.

DIVERSITY & INCLUSION

Impax is an equal opportunity employer and follows a policy of administering all employment decisions and personnel actions without regard to age, sex, gender identity and expression, sexual orientation, race, color, marital status, pregnancy, physical or mental disability, genetics or genetic information, family health history, religion, national origin, or veteran status, or any other category protected under applicable federal, state or local law.

Impax encourages women and minorities to apply to job openings and endeavors to post positions in areas that may attract a diverse candidate pool. The company strives to take affirmative actions to enhance the job opportunities for minority group members and women.

- Overall, in 2018, 45% of our total workforce was composed of women.
- Currently, our senior management team is composed of 46% women and 54% men.
- In 2018, Impax employees completed anti-discrimination and sexual harassment training.

Pay Equity Report (Female/Male)	2015	2016	2017	2018
Chief Executive Officer	0%	0%	0%	0%
Portfolio Managers	96%	0%	79%	95%
Senior Managers	71%	84%	83%	71%
Managers	98%	96%	91%	96%
Analysts	104%	91%	103%	177%
Professional Staff	95%	96%	98%	101%
Sales Representatives*	N/A	N/A	N/A	96%

*New category

Impax’s pay equity survey has historically included only an analysis of base salary and did not include incentive compensation. In 2018, we updated our methodology to include total compensation, which is reflected in the 2018 data in the above chart.

EMPLOYEES

Impax strives to provide its employees a friendly, collegial, professional work environment. In addition to a competitive compensation package, health insurance and retirement benefits, Impax offers employees the following programs:

- **Matching Donations** - Through the Impax Asset Management LLC Charitable Fund, employees receive matching donations to non-profit organizations of up to \$250 per year.
- **Volunteer Program** - Employees receive four days of paid time off per year to volunteer individually or in groups in the communities where they live and work. Impax employees participate in an annual United Way Day of Caring local community project.
- **Paid and Unpaid Family and Medical Leave*** - Impax offers a generous family and medical leave policy, including up to 12 weeks paid leave for new parents.
- **Hybrid/Electric Vehicle Program*** - Employees who purchase or lease a hybrid gas-electric or all-electric vehicle receive a lump sum cash payment of \$2,000 for a new vehicle and \$1,000 for a used vehicle.
- **Adoption Reimbursement*** - Employees may receive up to \$5,000 per child for eligible adoption expenses.

*NOTE - Benefits with a * are available to regular employees working a minimum number of hours per week or who have obtained a minimum level of years of service.*

#6

In 2018, Impax was named the #6 Best Company to Work for in New Hampshire, up from #9 in 2017.



Impax Asset Management LLC

President: Joe Keefe

Years in Business: 48

Full-time Employees: 51 (43 in NH)

Years on List: 3

Promoting Family-friendly Workplaces: There is evidence that family-friendly workplaces can deliver good financial results, as well as simply being the right way to conduct business. In 2016, Impax expanded its paid family leave policy from eight weeks of paid leave to 12 weeks of paid leave. The policy includes paid leave for new parents, which applies to maternity, paternity, adoption and foster care placement. The leave may be taken any time during the child's first year of life (or adoption, or foster placement) and may be taken intermittently so that our employee, and their partner/spouse, can organize their time off in a way that maximizes their time with their child.

Over the past several years, 18 employees have used our parental leave policy a total of 25 times upon the birth or adoption of a child—14 men and 4 women.

Occupational Safety: Impax is committed to maintaining a healthy and safe work environment and to eliminating recognized safety and health hazards in the workplace. While employee safety and health hazards are limited and exposure to dangerous mechanical equipment and hazardous materials is minimal, Impax has a Safety & Health Committee. The committee meets quarterly and coordinates such activities as employee safety training, emergency evacuation drills and on-site flu shots.

Impax is cognizant of the risks posed to its employees by working in an office environment. To mitigate these risks, Impax provides periodic ergonomics training or materials and endeavors to provide preventative workplace solutions for employees on an individual basis.

COMMUNITY INVOLVEMENT

In keeping with Impax's social mission, all full-time Impax employees receive four days paid time off per year to do volunteer work during regular business hours for an established non-profit, or community service organization of their choice. (This benefit is prorated for part-time employees.) In support of this program, Impax regularly participates in the United Way's group volunteer opportunities in the seacoast community of New Hampshire.

In 2018, Impax employees volunteered **128** hours during business hours and **212** hours during non-business hours to the following organizations:

Artic Arts Project	Krepfels Center
American Legion	Mercy Investment Services
Bear-Paw Regional Greenways (United Way Day of Caring)	Revolution Food Pantry
Boston Contemplative Leaders in Action	Rye Little League
CFA Institute	Somersworth American Legion
Chatham Trails Association	Somersworth Cares
Clean Production Action	Somersworth Early Learning Center
Cross Roads House	Somersworth Ready Together
E4TheFuture	Somersworth/Dover Schools
Endangered Species Coalition	Soul Models
Fraternal Order of Eagles	UNH Social Venture Innovation Challenge
Gather Food Pantry	United Way of the Greater Seacoast
HRC - Burlington Pride Parade	Veterans of Foreign Wars
Impact Hub Academy - Boulder, CO	Women's Education Project

Impax has partnered with the NH Charitable Foundation to establish the Impax Asset Management LLC Charitable Fund and to administer our corporate donations and sponsorships to the following organizations:

American Heart Association	NH Farm & Rural Educational Foundation (NH Dairy Scholarship Fund)
American National Red Cross	NH Women's Foundation
Big Brothers Big Sisters of New Hampshire	Norte Dame Academy of Hingham
California Community Foundation	On Belay
Ceres, Inc.	Portsmouth Music & Arts Center
Child Mind Institute, Inc.	Rain for the Sahel and Sahara
Conservation Law Foundation	Seacoast Family Promise
Court Appointed Special Advocates	Seacoast Science Center
Cross Roads House	Share our Strength
Education for All Children	Shared Interest
Friends Forever	Southeast Land Trust of New Hampshire
Friends of Bedrock Gardens	Southern District YMCA-Camp Lincoln
Friends of Winchester Public Library	Spaulding Rehabilitation Network
Gather Family Food Pantry	The Foundation for the Preservation of the Mahayana Tradition (FPMT Social Services Fund)
Great Bay Stewards	The Global Giving Foundation
Greater Seacoast Community Health	The Gundalow Company
Gulf Coast Community Foundation, Inc.	The Music Hall
HAVEN	The Nature Conservancy
Hope on Haven Hill	Thirty Percent Coalition
Kids Five and Over	University of New Hampshire Foundation
Lymphoma Research Foundation	Women Thrive Alliance
March of Dimes	World Affairs Council of NH
Mercy Corps	
New Generation, Inc.	
NH Community Loan Fund	

Charitable Giving	2014	2015	2016	2017	2018
Cash Value of Corporate Donations/ Sponsorships*	\$117,350	\$144,691	\$95,820	\$ 125,385	\$ 126,868

*Includes employee matching contributions.

Impax has established an employee committee to help administer our corporate giving. The priorities of the committee include supporting organizations that prioritize (1) women’s empowerment; (2) environmental protection/conservation; and, (3) the needs of the greater New Hampshire seacoast area, such as help with substance abuse/addiction, or food and fuel assistance, among others. The committee also considers strategic long-term giving and meeting immediate needs of our community. The committee works with the NH Charitable Foundation in its administration of the Impax Asset Management LLC Charitable Fund.

Impax donated **\$13,750** as part of the Employee Match Program in 2018. (Impax donates \$250 per employee regardless if an employee participates in the Employee Match Program. Donations not earmarked for specific organizations are donated based on the recommendation of the employee committee.) In addition, we sponsored a family in need during the holidays through the Seacoast Community School. Employees donated gifts from the family wish list, as well as \$685 cash, which the company matched on top of the regular matching donations. Impax also hosts a year-round donation drive to Cross Roads House, a homeless shelter and support for individuals and families in Portsmouth, NH.

Global Citizen Program: Impax’s Global Citizen Program enables our shareholders to earmark portions of their dividends and/or capital gains as a contribution to Mercy Corps, a non-profit organization that works to alleviate poverty and promote sustainable development around the globe.

Previously, shareholders could also earmark their dividends and/or capital gains as a contribution to the Women Thrive Alliance (formerly Women Thrive Worldwide), but that organization has ceased operations and is no longer accepting donations. Shareholders made no contributions to Women Thrive Alliance in 2018.

Global Citizen Program - Shareholder Donations	2014	2015	2016	2017	2018
Mercy Corps	\$ 167,673.35	\$ 91,890.88	\$ 47,957.97	\$ 116,503.37	\$ 59,401.75
Women Thrive Alliance	\$ 3,907.70	\$ 6,741.61	\$ 2,890.39	\$ 7,343.45	\$ —

MEMBERSHIPS & AFFILIATIONS

Impax partners with numerous organizations to promote gender equality, address climate change and advance the field of sustainable investing. For example, Impax currently is a member of or affiliated with, or sponsors the following organizations:

- **Ceres (Coalition for Environmentally Responsible Economies)**
 - Investor Network on Climate Risk (INCR)
- **Global Impact Investing Network (GIIN)**
- **Interfaith Center on Corporate Responsibility (ICCR)**
- **The Forum for Sustainable and Responsible Investment (USSIF)**
- **NH Businesses for Social Responsibility (NHBSR)**
- **United Nations Environment Programme Finance Initiatives (UNEP FI)**

- **Principles for Responsible Investment (PRI)**
 - **Deforestation Initiative**
- **UN Global Compact**

There are a wide variety of initiatives in which Impax is involved that are designed to address specific sustainability issues or advance sustainability in a particular sector. Impax is proud to be a part of:

- **Climate Bonds Initiative Partnership Program**
- **CDP (formerly The Carbon Disclosure Project)**
 - **CDP Water Disclosure Project**
 - **CDP Forests Program**
 - **CDP Carbon Action**
- **FAIRR Initiative**
- **Investor Environmental Health Network (IEHN)**
- **Plastic Solutions Investor Alliance**
- **Shareholder Rights Group**
- **Silicon Valley Toxics Coalition (SVTC)**
- **Sustainable Investments Institute (Si2)**
- **Thirty Percent Coalition**
- **UN Global Compact**
- **UN Principles for Investors on Inclusive Finance**
- **Women's Empowerment Principles**

Additionally, as a member of the financial services industry, Impax is a member of the Investment Company Institute (ICI), which is the national association of US investment companies, including mutual funds, closed-end funds, exchange-traded funds (ETFs) and unit investment trusts (UITs) and NISCA, a nonprofit trade association that provides the global investment management industry with discussion and education forums to better serve its customers by developing operational best practices.

CORPORATE GOVERNANCE

Impax is committed to the highest standards of ethics, business integrity and corporate governance. As the adviser to Pax World Funds, we have a fiduciary responsibility to the funds' shareholders. To that end, Impax's corporate governance practices are designed to establish and preserve accountability and transparency, while avoiding conflicts of interest (or even the appearance of conflict). Although our funds' shareholders' interests always come first, we also believe that we have a moral and ethical obligation to our employees, suppliers and the communities in which we operate.

On January 19, 2018, Impax Asset Management completed its previously announced acquisition of Pax World Management LLC. Pax World Management LLC was renamed Impax Asset Management LLC, merging with Impax Asset Management Ltd, which is Impax's registered investment adviser based in London.

The mutual funds we manage are held in two business trusts established in Massachusetts (Pax World Funds Series Trust I and Pax World Funds Series Trust III). The trusts are each overseen by an eight-member board of trustees. Six of the eight

trustees on each board are independent, including the chairman of both boards, John Liechty, who is a non-executive, independent member of the board.

2018 Board of Trustees - Pax World Funds Series Trust I



(left to right): Joe Keefe, Anne Goggin, D'Anne Hurd, Nancy Taylor, John Liechty, Lindsey Brace Martinez, Cynthia Hargadon, Adrian Anderson

Five of the trustees of the boards of both Pax World Funds Series Trust I and Pax World Funds Series Trust III are women, and their nominating committee charters provide: "In considering and evaluating candidates, (a) the Committee shall strive to achieve and maintain diversity of membership on the Board, including (but not limited to) diversity of race, gender, culture, thought and geography, which the Board believes are key attributes of a well functioning board."

2018 Board of Trustees - Pax World Funds Series Trust III



(left to right): Anne Goggin, Cynthia Hargadon, John Liechty, Joe Keefe, D'Anne Hurd, Sallie Krawcheck, Nancy Taylor, Adrian Anderson

Impax is equally committed to managing our own operations in a sustainable manner. Currently, Impax's sustainability efforts are overseen by our CSR Committee. Members represent various departments throughout the company. The CSR Committee is responsible for Impax's CSR initiatives, reporting and conducting periodic employee training on the company's environmental policies & procedures and developing ways to reduce Impax's environmental footprint.

Commitment to our customers: Impax is committed to providing excellent service to its shareholders, clients and customers. To accomplish that, Impax strives to provide shareholders, clients and customers with tools to access information about their accounts, report complaints or problems, and protect their privacy, and to report on our performance with respect to those principles.

Impax has established the following policies:

- Assure that all client interactions are monitored for satisfaction on a regular basis, and that problems receive appropriate attention.
- Assure that reports on customer satisfaction are compiled at least quarterly and any significant or ongoing issues are brought to the attention of senior management.
- Assure that all customer inquiries receive an appropriate response within a reasonable period.
- Protect customer privacy as described in our Privacy Policy. We also will monitor any problems related to privacy and respond accordingly.

APPENDIX 1: UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS INDEX

Statement of Continued Support by Impax's President:

See page: 4

Description of Actions: Human Rights (Principles 1-2)

Assessment, Policy & Goals

Impax embraces the values of responsibility, respect, honesty, compassion and fairness throughout our interactions with shareholders, employees, business partners and our community. We believe this includes the basic human rights of our employees and other stakeholders.

Implementation

As part of our General Workplace Policies, Impax has developed policies and procedures to ensure our employees are provided with a safe work environment and are protected from workplace harassment and discrimination, including sexual harassment, physical violence and bullying.

Impax also has a supplier diversity program. We recognize that supplier diversity creates a competitive advantage for our company and positively impacts the community. To this end, Impax strives to proactively identify, build relationships with, and purchase goods and services from certified small businesses as well as enterprises owned by minorities, women, veterans, and disabled persons.

As part of our investment process, our social criteria examine companies from three different perspectives - workplace, product and community. Workplace criteria include such issues as diversity, equal opportunity, gender empowerment, workplace practices and workplace health and safety, employee relations, vendor standards and human rights. Product integrity criteria include product health and safety, animal welfare, consumer issues and emerging technology issues. Community criteria include companies' commitment to and relationships with the communities in which they do business, philanthropic activities, and in the case of financial institutions, responsible lending practices.

Impax's Global Citizen Program enables our shareholders to earmark portions of their dividends and/or capital gains as a contribution to Mercy Corps, a non-profit organization that works to alleviate poverty and promote sustainable development around the globe.

Impax seeks to invest with organizations that target underserved localities in the areas of affordable housing, small businesses, community development and revitalization, health care, education, women's equality, and the environment, among others. Impax believes these investments may have a positive direct impact on underserved localities, which is an important principle of our investment and business philosophy.

Measurement of Outcomes

Impax's efforts to promote human rights do not always have measurable outcomes, or are ongoing work that may have effects over several years. Where we have information, we have provided it on the following pages: 6, 17-20.

- In 2018, our shareholders contributed \$59,401.75 to Mercy Corps through our Global Citizen Program.
- As of December 31, 2018, Impax had approximately \$5.9 million (3.5% of total impact investments) in community investment notes and CDs.

Description of Actions: Labor (Principles 3 - 6)

Assessment, Policy & Goals

Impax strives to provide its employees a friendly, collegial, professional work environment. Impax is an equal opportunity

employer; we embrace diversity as a guiding principle as well as an investment concept.

Implementation

Impax is an equal opportunity employer and follows a policy of administering all employment decisions and personnel actions without regard to age, sex, gender identity and expression, sexual orientation, race, color, marital status, pregnancy, physical or mental disability, genetics or genetic information, family health history, religion, national origin, or veteran status, or any other category protected under applicable federal, state or local law.

Other relevant policies include our Human Resources Department's Open Door Policy, Safety Policy and our Reasonable Accommodations Policy (Americans with Disabilities Act compliance).

As we have done for several years, Impax conducted a gender pay equity survey for 2018. In any company as small as Impax, a disparity may arise in pay equity due to the compensation of one or two individuals, and those differences may arise due to variations in qualifications and responsibilities.

As part of our investment process, our social criteria examine companies from three different perspectives – workplace, product and community. Workplace criteria include such issues as diversity, equal opportunity, gender empowerment, workplace practices and workplace health and safety, employee relations, vendor standards and human rights. Product integrity criteria include product health and safety, animal welfare, consumer issues and emerging technology issues. Community criteria include companies' commitment to and relationships with the communities in which they do business, philanthropic activities, and in the case of financial institutions, responsible lending practices.

Measurement of Outcomes

Impax's efforts to promote labor rights outside of our work environment do not always have measurable outcomes or are ongoing work that may have effects over several years. Where we have information, we have provided it on the following pages: 17-20, 22.

- Overall, in 2018, 45% of our total workforce was composed of women.
- Currently, our senior management team is composed of 46% women and 54% men and women compose a significant percentage of our board of trustees.
- As part of our efforts to build an inclusive work environment, in 2018, Impax employees completed anti-discrimination and sexual harassment training.

Description of Actions: Environment (Principles 7 - 9)

Assessment, Policy & Goals

Impax recognizes the importance of environmental stewardship throughout our business. Our products seek to invest in companies with sustainable business models, of which environmental commitment plays a large role. Recognizing that our own operations impact the communities and environments in which we operate, Impax strives to hold ourselves to the same standards that we expect of the companies in our portfolios. As part of this commitment, Impax seeks to conduct business in a way that minimizes our environmental footprint while enhancing stakeholder value for our customers, employees, suppliers and communities.

Impax is committed to carbon neutrality by offsetting the carbon emitted through office use as well as the emissions from employee business travel. The carbon offset program covers travel, building energy use, accommodations and employee commuting.

It is the policy of Impax to support and encourage recycling programs (office waste, electronic waste, food waste, etc.), water conservation and energy conservation. All employees are expected to actively participate in the organization's conservation activities.

As part of our investment process, our environmental criteria include such issues as air and water emissions, recycling and waste reduction, use of clean and renewable energy, climate change initiatives, and other policies and practices relating to environmental impact.

Implementation

In support of this policy, Impax will endeavor to:

- Measure, analyze and reduce our contributions to global climate change and consumption of resources, including energy, water, materials, etc.
- Offset our energy and water use to aid in the development of alternative energy and the restoration of freshwater ecosystems
- Procure goods and services from suppliers who demonstrate sound environmental practices
- Support initiatives and public policies that seek to promote the long-term conservation of our natural resources
- Engage employees on reducing their environmental impact at work, at home and while traveling through periodic training and educational opportunities
- Communicate progress on environmental initiatives to stakeholders
- Monitor emerging environmental issues as they pertain to our operations and adjust our environmental strategy as needed
- Support initiatives and public policy that seek to promote the long-term conservation of our natural resources

Impax seeks to invest in companies with comprehensive environmental policies, practices, and performance, those with good environmental performance compared with their peers, and those that are working to manage and reduce their environmental impacts. We seek to avoid companies with inadequate environmental policies, management systems, performance and reporting.

Measurement of Outcomes

Information regarding our efforts to manage our environmental impact is found on pages 15-17. Information regarding our efforts to engage companies on environmental issues is found on pages 10-13.

Description of Actions: Anti-corruption (Principles 10)

Assessment, Policy & Goals

Impax is committed to the highest standards of ethics, business integrity and corporate governance. As the adviser to Pax World Funds, we have a fiduciary responsibility to the funds' shareholders. To that end, Impax's corporate governance practices are designed to establish and preserve accountability and transparency, while avoiding conflicts of interest (or even the appearance of conflict).

Impax has established policies regarding issues such as anti-money laundering (AML), insider trading, communications (social media and public correspondence), whistleblowing and the so-called "pay-to-play" rule, which refers to various arrangements by which investment advisers may seek to influence the award of advisory business by making or soliciting political contributions to the government officials charged with awarding such business, among others.

As part of our investment process, our governance criteria include such issues as executive compensation, board structures, political contributions, bribery and corruption and, more generally, we evaluate board level decisions that may impact shareholder interests. Impax seeks to invest in companies whose governance is best suited to the creation of long-term value.

Impax also participates in public policy initiatives related to various anticorruption/ corporate governance concerns.

Implementation

In support of this policy, Impax will endeavor to:

- Periodically review all relevant policies with Impax employees, including but not limited to policies regarding AML, insider-trading, communications (social media and public correspondence), whistleblowing and the so-called “pay-to-play” rule.

Measurement of Outcomes

Impax’s efforts in this area do not always have measurable or reportable outcomes or, in the case of our public policy advocacy, are part of ongoing work that may have effects over several years. Where we have information, we have provided it on the following pages: 21-23.

APPENDIX 2: KPI CHART

Key Performance Metrics	2014	2015	2016	2017	2018
Environmental Impact of the Management Company					
Total GHG Emissions from Business Operations (M/T)	331.00	394.00	424.00	437.00	481.00
Total Electricity Consumption from Business Operations ('000 kWh)	89.82	91.03	79.24	73.79	81.12
Total Natural Gas Consumption from Business Operations (Therms)	3492.00	3616.00	3751.00	3286.06	4316.71
Total Water Consumption from Business Operations ('000 gallons)	145.11	83.13	75.49	78.60	69.56
Employees					
# of employees	54	55	49	51	58
Employee Volunteer Hours	160	174	173	147	128
Cash Value of Employer Matching Donations	\$ 2,750	\$ 13,390	\$ 13,070	\$ 14,305	\$ 14,435
Hybrid Vehicle Incentive Participation (# of employees)	6	2	2	4	1
Hybrid Vehicle Incentive Program Cash Value	\$ 11,000	\$ 4,000	\$ 4,000	\$ 7,000	\$ 2,000
Tuition Reimbursement Participation (# of employees)	0	0	3	2	2
Tuition Reimbursement Cash Value	\$ -	\$ -	\$ 15,000	\$ 6,746	\$ 10,000
Pay Equity/Gender Diversity					
Gender Diversity (% female)	44%	45%	41%	47%	45%
Pay Equity Ratio (Female/Male)*					
Chief Executive Officer	Due to changes in diversity data collection methodology, data collected prior to 2015 are reported in the 2017 Impact Report.	0%	0%	0%	0%
Portfolio Managers		96%	0%	79%	95%
Senior Managers		71%	84%	83%	71%
Managers		98%	96%	91%	96%
Analysts		104%	91%	103%	177%
Professional Staff		95%	96%	98%	101%
Sales Representatives**		N/A	N/A	N/A	96%
Shareholder Engagement					
# of shareholder proposals filed/co-filed (Proxy Year)	3	4	10	12	14
Management Company					
AUM (billions)	\$ 3.381	\$ 3.630	\$ 4.123	\$ 4.700	\$ 3.900
Cash Value of Corporate Donations/Sponsorships	\$ 117,350	\$ 144,691	\$ 95,820	\$ 125,385	\$ 126,868
Cash Value of Impact Investments (millions)	\$ 40.29	\$ 39.79	\$ 101.90	\$ 122.95	\$ 167.00
Cash Value of Donations from Global Citizen Program	\$ 171,581.05	\$98,632.49	\$50,848.36	\$123,848.82	\$ 59,401.75

*Impax’s pay equity survey has historically included only an analysis of base salary and did not include incentive compensation. In 2018, we updated our methodology to include total compensation, which is reflected in the 2018 data in the above chart.

**New category



CERTIFICATE #9701 - 03/27/2019

THE BONNEVILLE ENVIRONMENTAL FOUNDATION (BEF) HONORS

Impax Asset Management to balance 2018 water use

For restoring water to critically dewatered rivers and streams by purchasing Water Restoration Certificates® (WRCs) from BEF. Your purchase, combined with that of other BEF partners, helps restore the ecological, recreational and economic health of critical freshwater ecosystems.

All WRC projects are certified by the National Fish and Wildlife Foundation's strict set of criteria to ensure flow is restored to the environment in locations and at a time that will have optimum environmental benefit. For more information regarding our WRC supply sources, visit: b-e-f.org/water-portfolio.



Todd Reeve | BEF CEO

PURCHASE DETAILS AND EQUIVALENCIES:

70
NUMBER OF WATER RESTORATION
CERTIFICATES® PURCHASED

THIS IS EQUIVALENT TO
70,000
GALLONS OF WATER RESTORED TO
CRITICALLY DEWATERED RIVERS AND
STREAMS

OR, THE EQUIVALENT WATER IN
14,000
STANDARD FIVE-GALLON WATER COOLER
CONTAINERS



At BEF, we believe addressing the current state of our planet requires innovation, creative problem solving and discovering new ways of doing business that value the natural resources we depend on. Through a full suite of innovative energy, carbon and water solutions we are helping our partners—from the farmer to the corporation—redefine how business gets done. We help our partners meaningfully balance their environmental impact, invest in clean energy and carbon reduction, educate the next generation of clean energy leaders, and effectively and sustainably restore the health of our freshwater resources. Learn more at www.b-e-f.org.

HERE ARE THE DETAILS OF YOUR WATER RESTORATION CERTIFICATES® ORDER:

Pine Tree Brook

Located just two and a half miles from Boston, in Milton, Massachusetts, Pine Tree Brook is home to a rare and beloved population of native brook trout and the last remaining population that is easily accessible to city residents. This phased project involves the removal of a series of three dams within the headwaters that will allow the trout access to high value habitat further downstream and permit them to return to the headwaters to reproduce in autumn. Additionally, this project bolsters previous downstream investments of green-infrastructure upgrades aimed at cleaning up stormwater pollution, alleviating some of the impacts of urbanization, and helping to restore water quality in Pine Tree Brook.

PRODUCTION DATE	GALLONS RESTORED
2018	70,000

NativeEnergy Certificate

Impax Asset Management

has taken decisive and effective action to reduce its carbon emissions by helping support the May Ranch Project, keeping a total of 481 metric tons of greenhouse gas pollution out of the atmosphere.



Certificate: 5770
Issued: 3/4/2019

Jeff Bernicke
President & CEO

TOP TEN HOLDINGS

Pax Large Cap Fund top ten holdings as of 12/31/18: Microsoft Corp. 5.1%, Amazon.com, Inc. 4.7%, Apple, Inc. 3.6%, Ingersoll-Rand PLC 3.3%, JPMorgan Chase & Co. 3.2%, Eli Lilly & Co. 2.8%, Merck & Co., Inc. 2.8%, Becton Dickinson & Co. 2.8%, IBM 2.8% and Alphabet, Inc., Class C 2.7%.

Pax Mid Cap Fund top ten holdings as of 12/31/18: ONE Gas, Inc. 4.9%, Newmont Mining Corp. 4.6%, Biogen, Inc. 4.2%, Waste Management, Inc. 4.1%, Prologis, Inc., REIT 3.4%, Allegheny Corp. 3.3%, White Mountains Insurance Group, Ltd. 3.2%, Crown Castle International Corp., REIT 3.1%, Celanese Corp., Class A 3.0% and Cooper Cos, Inc., The 2.9%.

Pax Small Cap Fund top ten holdings as of 12/31/18: Unitil Corp. 5.9%, HomeTrust Bancshares, Inc. 5.9%, Natus Medical, Inc. 4.9%, Meridian Bancorp, Inc. 4.2%, Victory Capital Holdings, Inc., Class A 3.6%, White Mountains Insurance Group, Ltd. 3.4%, Comfort Systems USA, Inc. 3.1%, Maple Leaf Foods, Inc. 2.9%, Hanover Insurance Group, Inc., The 2.7% and Verint Systems, Inc. 2.7%.

Pax ESG Beta[®] Quality Fund top ten holdings as of 12/31/18: Verizon Communications, Inc. 3.1%, Amazon.com, Inc. 2.9%, Microsoft Corp. 2.8%, Apple, Inc. 2.7%, PepsiCo, Inc. 2.6%, Johnson & Johnson 2.6%, Alphabet, Inc., Class A 2.4%, MasterCard, Inc., Class A 2.3%, Texas Instruments, Inc. 2.2% and 3M Co. 1.9%.

Pax ESG Beta[®] Dividend Fund top ten holdings as of 12/31/18: Microsoft Corp. 3.2%, Cisco Systems, Inc. 3.1%, Johnson & Johnson 3.0%, Apple, Inc. 2.9%, Amazon.com, Inc. 2.9%, 3M Co. 2.6%, Texas Instruments, Inc. 2.3%, UnitedHealth Group, Inc. 2.2%, Home Depot, Inc., The 2.1% and PepsiCo, Inc. 2.0%.

Pax Global Opportunities Fund top ten holdings as of 12/31/18: Xylem, Inc. 4.6%, Ecolab, Inc. 4.2%, Danone SA 4.1%, Visa, Inc., Class A 4.1%, HDFC Bank, Ltd. 4.0%, Thermo Fisher Scientific, Inc. 3.8%, Becton Dickinson & Co. 3.7%, Prudential PLC 3.6%, Taiwan Semiconductor Manufacturing Co., Ltd. 3.5% and Koninklijke DSM NV 3.5%.

Pax Global Environmental Markets Fund top ten holdings as of 12/31/18: Sealed Air Corp. 3.7%, Danaher Corp. 3.5%, Xylem, Inc. 3.5%, Siemens AG 3.5%, Ecolab, Inc. 3.3%, TE Connectivity, Ltd. 3.2%, Suez 3.2%, East Japan Railway Co. 3.1%, Waste Management, Inc. 3.1% and Linde PLC 3.1%.

Pax Ellevest Global Women's Leadership Fund top ten holdings as of 12/31/18: Microsoft Corp. 4.0%, Canadian Utilities, Ltd., Class A 2.1%, American Water Works Co., Inc. 2.1%, Texas Instruments, Inc. 2.0%, Wolters Kluwer NV 2.0%, Intuit, Inc. 2.0%, Swedbank AB, Class A 2.0%, Estee Lauder Cos, Inc., The, Class A 1.9%, Cisco Systems, Inc. 1.9% and Johnson & Johnson 1.9%.

Pax MSCI EAFE ESG Leaders Index Fund top ten holdings as of 12/31/18: Roche Holding AG 2.7%, Total SA 2.0%, GlaxoSmithKline PLC 1.9%, SAP SE 1.5%, Commonwealth Bank of Australia 1.5%, Unilever NV 1.5%, Allianz SE 1.4%, Novo Nordisk A/S, Class B 1.4%, Siemens AG 1.3% and Westpac Banking Corp. 1.1%.

Pax Core Bond Fund top ten holdings as of 12/31/18: United States Treasury Note, 3.125%, 5/15/48 5.4%, United States Treasury Note, 2.375%, 8/15/24 5.0%, United States Treasury Note, 2.625%, 2/28/23 4.3%, United States Treasury Note, 2.750%, 9/30/20 2.5%, United States Treasury Note, 2.125%, 11/30/23 2.1%, United States Treasury Note, 4.500%, 2/15/36 1.6%, United States Treasury Note, 4.375%, 11/15/39 1.4%, United States Treasury Note, 0.375%, 7/15/27 1.4%, United States Treasury Note, 2.375%, 3/15/21 1.0% and United States Treasury Note, 0.125%, 4/15/22 0.9%.

Pax High Yield Bond Fund top ten holdings as of 12/31/18: Manitowoc Company, Inc., 12.750%, 8/15/21 0.9%, Scientific Games International, Inc., 10.000%, 12/1/22 0.9%, Fly Leasing, Ltd., 6.375%, 10/15/21 0.8%, Ally Financial, Inc. 4.250%, 4/15/21 0.8%, Lamb Weston Holdings, Inc., 144A, 4.625%, 11/1/24 0.8%, United Rentals North America, Inc. 5.750%, 11/15/24 0.8%, Hca, Inc., 5.875%, 5/1/23 0.8%, Air Canada, 7.750%, 04/15/21 0.8%, Ally Financial, Inc. 3.500%, 1/27/19 0.7% and Sprint Corp., 7.250%, 9/15/21 0.7%.

Pax Balanced Fund top ten holdings as of 12/31/18: Microsoft Corp. 2.1%, Amazon.com, Inc. 1.9%, Apple, Inc. 1.5%, Ingersoll-Rand PLC 1.2%, JPMorgan Chase & Co. 1.2%, Waste Management, Inc. 1.2%, IBM 1.1%, Eli Lilly & Co. 1.1%, Merck & Co., Inc. 1.1% and Alphabet, Inc., Class A 1.1%.

Holdings are subject to change.

BENCHMARK INDEX DISCLOSURES

Pax Large Cap Fund Benchmark Index - The S&P 500 Index is an unmanaged index of large capitalization common stocks.

Pax Mid Cap Fund Benchmark Index - The Russell Midcap Index 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.

Pax Small Cap Fund Benchmark 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.

Pax ESG Beta Quality Fund Benchmark Index - The Russell 1000 Index measures the performance of the 1,000 largest U.S. companies, as measured by market capitalization. It is a subset of the Russell 3000 Index, which measures the largest 3,000 companies. The Russell 1000 Index is comprised of over 90% of the total market capitalization of all listed U.S. stocks.

Pax ESG Beta Dividend Fund Benchmark Index - The Russell 1000 Index measures the performance of the 1,000 largest U.S. companies, as measured by market capitalization. It is a subset of the Russell 3000 Index, which measures the largest 3,000 companies. The Russell 1000 Index is comprised of over 90% of the total market capitalization of all listed U.S. stocks.

Pax Global Opportunities Fund Benchmark Index - The MSCI ACWI (Net) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and United States. The emerging market country indexes included are: 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.

Pax Global Environmental Markets Fund Benchmark Index - The MSCI ACWI (Net) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and United States. The emerging market country indexes included are: 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.

Pax Ellevest Global Women's Leadership Fund Benchmark Index - The Impax Global Women's Leadership Index is a customized market-weighted index consisting of equity securities of issuers organized or operating in countries around the world that demonstrate a commitment to advancing and empowering women through gender diversity on their boards, in management and through other policies and programs, and an understanding of the potential business advantages associated with greater gender diversity, as rated by Impax World Gender Analytics. In addition, the companies comprising the Index meet certain environmental, social and governance (ESG) or sustainability thresholds, as rated by MSCI ESG Research.

The MSCI World (Net) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index consists of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

Pax MSCI EAFE ESG Leaders Index Fund Benchmark Index - The MSCI EAFE ESG Index is designed to measure the performance of equity securities of issuers of developed countries around the world excluding the U.S. and Canada that have high Environmental, Social and Governance (ESG) ratings relative to their sector and industry peers, as rated by MSCI ESG Research annually.

Pax Core Bond Fund Benchmark Index - The Bloomberg Barclays US Aggregate Bond Index is a broad base index, maintained by Bloomberg L.P. often used to represent investment grade bonds being traded in United States.

Pax High Yield Bond Fund Benchmark Index - The ICE BofAML U.S. High Yield BB-B (Constrained 2%) Index tracks the performance of BB- and B-rated fixed income securities publicly issued in the major domestic or eurobond markets, with total index allocation to an individual issuer limited to 2%.

Pax Balanced Fund Benchmark Index - The Blended Index is comprised of 60% S&P 500 Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index. The S&P 500 Index is an unmanaged index of large capitalization common stocks. The Bloomberg Barclays U.S. Aggregate Bond Index represents securities that are U.S. domestic, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities and asset-backed securities.

One cannot invest directly in an index.

RISKS: Equity investments are subject to market fluctuations, a 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. Investments in high yield bonds generally are subjected to greater price volatility based on fluctuations in issuer and credit quality. When investing in bonds, you are subject, but not limited to, the same interest rate, inflation and credit risks associated with the underlying bonds owned by the Fund. Mortgage related securities tend to become more sensitive to interest rate changes as interest rates rise, increasing their volatility. Funds that emphasize investments in mid-size and 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. The Pax Global Opportunities Fund is new and has a limited operating history.

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