Spotlight on Impact Investing

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

PAX WORLD FUNDS OFFERS TWO GLOBAL THEMATIC FUNDS THAT GIVE INVESTORS THE OPPORTUNITY TO MAKE A SIGNIFICANT IMPACT:

- **Pax Global Environmental Markets Fund (PGRNX)** 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)** invests in the highest rated companies in the world when it comes to advancing women’s leadership.

DIRECT HIGH-IMPACT INVESTMENTS

- Pax World Funds works to achieve measurable impacts by investing in green bonds and short-term notes and certificates of deposit issued by Community Development Financial Institutions (CDFIs) and credit unions.
- **Pax Core Bond Fund (PAXBX)** 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 March 31, 2020, Pax World Funds held approximately $233 million in direct high-impact investments.*

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

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.
DIRECT HIGH-IMPACT INVESTMENTS

Impact Issuer Types | As of 3/31/20
---|---
Green Bonds 28.5% | Impact Asset Backed Securities 10.6% | Social Bonds 2.9% | Agency Bonds 3.5% | Community Investment Notes/CDs 4.3% | Municipal Bonds 5.1% | SDG Bonds 5.5% | Supranational Bonds 5.8% | Green Mortgage Backed Securities 10.2% | * Includes Solar, Auto & Education ABS

Impact Focus Areas | As of 3/31/20
---|---
Environment & Energy 38.8% | Affordable Housing 3.3% | Sustainable Infrastructure (U.S.) 4.1% | Community Development 4.3% | Education 6.3% | Development Finance 9.4% | Sustainable Products & Services 31.2%

EXAMPLES OF DIRECT HIGH-IMPACT INVESTMENTS: ALL HOLDINGS AS OF 3/31/20

<table>
<thead>
<tr>
<th>Investment</th>
<th>Impact</th>
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<tbody>
<tr>
<td>PNC Financial Services Group Green Bonds</td>
<td>Funds projects that promote a transition to a low-carbon economy and offer sustainability benefits in three categories: (1) renewable energy, (2) energy efficiency, and (3) green buildings</td>
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<td>Capital Impact Partners</td>
<td>Channel investor capital to high-impact community development initiatives</td>
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<tr>
<td>Asian Development Bank Green Bonds</td>
<td>Seek to fund projects that mitigate greenhouse gas (GHG) emissions and adapt to the consequences of climate change</td>
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<tr>
<td>Mosaic Solar Loan Trust Asset Backed Securities</td>
<td>Securitization of loans made to consumers to finance the purchase and installation of residential solar power generation systems and related items or services</td>
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<tr>
<td>Fannie Mae Green Mortgage Backed Securities</td>
<td>Provide mortgage financing to apartment buildings and cooperatives to finance energy and water efficiency property improvements</td>
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RISKS: Equity investments are subject to market fluctuations, the fund’s share price can fall because of weakness in the broad market, a particular industry, or specific holdings. Emerging market and international investments involve risks 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. Yield and share price will vary with changes in interest rates and market conditions. Investors should note that if interest rates rise significantly from current levels, bond fund total returns will decline and may even turn negative in the short term. There is also a chance that some of the fund’s holdings may have their credit rating downgraded or may default. 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.

As of 3/31/20, PNC Financial Services Group Green Bonds were 0.2% of holdings of the Pax Sustainable Allocation Fund, 0.6% for Pax Core Bond Fund, 1.2% of the Pax ESG Beta Quality Fund, 0.2% of the Pax Ellevate Global Women’s Leadership Fund, and 0.1% of the Pax ESG Beta Dividend Fund. Capital Impact Partners were 0.03% of holdings of the Pax Sustainable Allocation Fund and 0.1% of the Pax Core Bond Fund. Asian Development Bank Green Bonds were 0.3% of holdings of the Pax Sustainable Allocation Fund and 0.8% of the Pax Core Bond Fund. Mosaic Solar Loan Trust Asset Backed Securities were 0.3% of holdings of the Pax Sustainable Allocation Fund and 0.7% of the Pax Core Bond Fund. Holdings subject to change.

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