Sustainable, Responsible and Impact Mutual Fund and ETF Chart

Fund Profile:
Pax ESG Beta Dividend Fund Individual

General Fund Information

Ticker: PAXDX

Assets under management (AUM): $99.95M (in US$ millions)

General Fund Type: Equity Large Cap

Specific Sizes or Types of Investments: Large Cap equities that pay dividends

Financial Objective: The Pax ESG Beta Dividend Fund seeks income and [capital appreciation, secondarily, capital preservation].

Specific ESG Focus: Driven by a quantitative process designed to consistently overweight a U.S. large cap portfolio toward stocks with stronger ESG profiles, higher dividend yield, and higher quality investment fundamentals that may support future dividend payments. Incorporates the proprietary Pax Sustainability Score, which has been shaped by decades of ESG investing experience and is a robust evaluation of how companies are meeting ESG challenges and opportunities. Leverages well-established dividend and dividend sustainability factors that have demonstrated the potential to reward investors over long periods. Optimized to target factor exposures, maintain a higher dividend yield and manage portfolio risk relative to the Russell 1000 Index.

To invest, call: 800-767-1729

Fund Institution Information

Institution Name:
Pax World Funds

Mutual Funds Description: Established in 1971, Pax World is a recognized leader in sustainable investing. The Pax World sustainable investing approach fully integrates analysis of macroeconomic and market trends, fundamental security-specific financial data, environmental, social and governance (ESG) factors, and disciplined portfolio strategies. Our efforts are focused on building investment portfolios comprised of well-managed, forward-thinking companies that are leaders in their industries, are focused on the long term, can anticipate and mitigate risk, and that embrace high standards of corporate responsibility.

Contact info:
30 Penhallow St., Ste. 400
Portsmouth, NH 03801
United States
Phone: (800) 767-1729
Fax: (603) 431-8732
Email: info@paxworld.com
Web: http://www.paxworld.com

Account Minimums
Minimum Account: 1000
Minimum IRA: 1000

Methodology

Screening Venue: In-house

Screening Party: Pax World Sustainability Research Team.

Screening Database Used: In addition to primary research conducted by the Sustainability Research Department at Pax World, sustainability research analysts incorporate ESG information from third-party data and research sources as well as information from government databases, company reports and websites, and organizations with expertise on key ESG issues.

Screening Process: Companies in the Russell 1000 Index are scored on a scale from 1-10 (10 is best). The score is designed to capture material information regarding a company’s risk and performance potential. Pax’s scoring framework takes into consideration over 180 ESG performance and risk indicators from third-party research providers in addition to original Pax research, including custom gender leadership and carbon intensity ratings. The team assesses key ESG issues for each sector, industry and sub-industry and weights ESG variables accordingly. How exposed is the company to material ESG risks? How can the company take advantage of ESG opportunities? Overall, the score emphasizes a company’s management of ESG-related risks. Further, the score adjusts for significant ESG-related controversies and whether a company’s ESG performance is improving or regressing.

Proxy Voting Information

Proxy Voting Guidelines or Policies: Open external link in new window

Proxy Voting Records: Open external link in new window

Specific Screening Information by Category

Environment

- **Other Environmental**: Combination of Positive and Restricted/Exclusionary Strategies - Our environmental criteria focus on companies’ ability to manage operational and reputational risks and to capitalize on opportunities created by the shift towards a more sustainable economy. We focus on 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. Generally, we favor companies with comprehensive environmental policies, practices and performance, those with good environmental performance compared with industry peers, and those that are working to improve environmental sustainability.

Social

- **Diversity & Equal Employment Opportunity**: Combination of Positive and Restricted/Exclusionary Strategies - Pax World supports investing in communities and promoting sustainable development in the United States and around the globe. The Fund may invest in debt instruments issued by a range of non-corporate entities, including government agencies, states and municipalities, and may invest up to 5% of Fund assets in community development financial institutions that target underserved areas and directly support affordable housing, small businesses, community development and revitalization, health care, education and the environment. Such investments may include investments in micro-credit or micro-finance institutions that advance women’s equality and sustainable development around the globe. We believe such investments can often offer a greater social return through their direct effect on local communities and in fostering sustainable development.

- **Human Rights**: Combination of Positive and Restricted/Exclusionary Strategies - Pax World believes it is the responsibility of businesses to protect and uphold human rights in their own operations and throughout their supply chain. We seek to avoid companies that show disregard for, or are in conflict with stakeholder constituencies or the communities where they do business.

- **Labor Relations**: Combination of Positive and Restricted/Exclusionary Strategies - Pax World believes that constructive labor management relations are an indicator of sound management and a sustainable business model.
We favor companies that treat their employees well and have good labor and employee relations. We also favor companies that have positive health and safety policies and procedures in place. We seek to avoid companies that show disregard for, or are in conflict with, stakeholder constituencies, such as employees or contractors, and companies with relative poor health and safety profiles.

- **Conflict Risk:** Restricted/Exclusionary Investment - Restricted/Exclusionary Investment - Pax World seeks to avoid companies whose business operations have contributed to human rights abuses in the Sudan.

**Governance**

- **Board Issues:** Combination of Positive and Restricted/Exclusionary Strategies - Our governance criteria focus on companies' ability to align the interests of managers with those of shareholders over the long term, including loyalty to shareholders, transparency and accountability as demonstrated in such areas as board structure and procedures, executive compensation, shareholder rights, misconduct including corruption, bribery and fraud, and policies regarding takeover defenses and political spending. In addition, we examine board and executive diversity, particularly gender diversity. We believe gender diversity on boards and in senior management is material to a company's business prospects.

- **Executive Pay:** Combination of Positive and Restricted/Exclusionary Strategies - Pax World believes that executive compensation should be designed to create an incentive for sustainable, long-term value creation. Pax World primarily addresses executive and director compensation issues through our proxy voting guidelines, which are publicly available on our website.

**Products**

- **Alcohol:** Combination of Positive and Restricted/Exclusionary Strategies - Combination of Strategies Among alcoholic beverage manufacturers, Pax World generally seeks to invest in companies that have policies and programs designed to promote the responsible use and responsible marketing of alcohol. We favor companies that provide transparency surrounding responsible use initiatives or public education campaigns, disclose responsible marketing codes or provide information on how guidelines regarding the content of advertisements are set and implemented. Pax World seeks to avoid alcoholic beverage manufacturers that we believe engage in activities such as marketing to underage consumers or promoting excessive use.

- **Animal Welfare:** Combination of Positive and Restricted/Exclusionary Strategies - For companies engaged in animal testing, Pax World seeks those which, for example, have policies and programs designed to avoid suffering, support alternatives to animal testing, have declining amounts of animal tests and provide adequate disclosure regarding the amount of testing performed and guidelines for animal care.

- **Defense/Weapons:** No Investment - Pax avoids investing in companies that manufacture or sell weapons, including firearms.

- **Tobacco:** No Investment - Pax World generally seeks to avoid investing in companies that manufacture tobacco products.

**Other**

- **Shareholder Engagement - Shareholder Resolutions:** Filed or co-filed with companies on environmental, social or governance issues

- **Shareholder Engagement - Private Dialogue:** Conducted with companies on environmental, social or governance issues

**Performance Data**

*Data provided by: Bloomberg - Information current as of March 31, 2020*

**Year-to-date rate of return:** -20.11%

**1-year rate of return:** -10.55%

**3-year rate of return:** 3%

**5-year rate of return:** --

**10-year rate of return:** --

**Previous year rate of return:** 25.85%
Management fee: 0.65%

Expense ratio: 0.9%

Standard deviation: 19.41%

Benchmark used: Russell 1000

Disclaimer: 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 Pax ESG Beta Dividend Fund is new and has a limited operating history. You should consider Pax World Funds 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 our websites. Please read it carefully before investing. Performance data quoted represent past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.

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1660 L Street NW, Suite 306
Washington, DC 20036
Phone (202) 872 5361 Fax (202) 775 8686