Sustainable, Responsible and Impact Mutual Fund and ETF Chart

Pax Core Bond Fund Institutional

General Fund Information

Ticker: PXBIX

Assets under management (AUM): $713.68M (in US$ millions)

General Fund Type: Bond (Fixed Income)

Specific Sizes or Types of Investments: The sectors and securities for investment include: treasuries, agencies, asset backed securities, investment grade corporate securities, municipals and high yield bonds

Financial Objective: The Core Bond Fund’s investment objective is to seek income and conservation of principal.

Specific ESG Focus: Pax World pioneered an investment approach known as sustainable investing – the full integration of environmental, social and governance (ESG) factors into investment analysis and portfolio construction. The result, we believe, is an increased level of scrutiny that helps us construct investment portfolios made up of better-managed companies that are leaders in their industries, meet positive standards of corporate responsibility and are more focused on the long term. Across traditional bond sectors, the portfolio manager looks for opportunities to invest a portion of the fund in bonds of issuers that are designed for positive impact. Community Investment Notes: Shorter-term instruments primarily focused on community development. Green Bonds: A growing universe of bonds focused on financing environmental projects. Sustainable Public Financing: Primarily municipal bonds focused on sustainable infrastructure solutions specific to municipalities or federal government agency securities focused more broadly on issues such as housing and agriculture. Bonds of Sustainable Solution Providers: Corporate bonds of companies that generate revenues from solutions across energy efficiency, clean energy, water and healthcare.

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.

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Account Minimums

Minimum Account: 250,000
Minimum IRA: 250,000

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: We believe ESG factors can have financial materiality and consideration of those factors can help better manage risk and deliver competitive long-term performance. We focus on the links between ESG issues and a company’s operational strength, efficiency, and management of long-term financial risks. The portfolio management team collaborates closely with Pax World’s Sustainability Research Team on issuer analysis.

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

- Community Development: 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.

- Diversity & Equal Employment Opportunity: Combination of Positive and Restricted/Exclusionary Strategies - Our workplace criteria focus on companies’ ability to create value through a productive workforce. We examine diversity, occupational health and safety, employee relations and human rights. We favor companies that implement programs, policies and procedures intended to encourage and foster safe, diverse and productive workplaces. We consider whether companies establish specific goals, measure their progress toward their goals in these issue areas and publicly report on their performance.
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 Positive and Restricted/Exclusionary 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 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 January 31, 2020

Year-to-date rate of return: 2.04%

1-year rate of return: 9.25%

3-year rate of return: 4.18%
5-year rate of return: --
10-year rate of return: --
Previous year rate of return: 8.06%
Management fee: 0.4%
Expense ratio: 0.46%
Standard deviation: 3.58%

Benchmark used: Barclays Capital US Aggregate Bond

Disclaimer: 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. Mortgage related securities tend to become more sensitive to interest rate changes as interest rates rise, increasing their volatility. There is also a chance that some of the fund’s holdings may have their credit rating downgraded or may default. The Pax Core Bond 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.