

Q. Can I get some additional information or examples for each of the proposals?

A. There are four proposals (depending on which Funds are owned):

- 1) Shareholders of each Trust are being asked to elect Trustees to the Trust's Board.

Under the Investment Company Act of 1940, which regulates mutual funds, trustee vacancies can be filled by appointment so long as a majority of trustees have been elected by shareholders. One board member recently retired so we want to replace that board member. However, there are no longer a sufficient number of elected board members to appoint any further board members, so we are asking shareholders to elect the entire board at this time.

- 2) Shareholders of Pax Balanced Fund, Pax ESG Beta Quality Fund and Pax High Yield Bond Fund are being asked to approve a proposal to change the investment objectives of such Funds from fundamental to non-fundamental. This change would align these Funds with our other Funds so that all of the Pax World Funds' investment objectives are non-fundamental.

Non-fundamental simply means that the board is able to approve changes to the Funds' investment objectives as opposed to having to seek shareholder approval through the more cumbersome and expensive proxy process each time they wish to do so. If the Board were to approve a change to a Fund's investment objective in the future, shareholders would be notified and the prospectus of the applicable Fund would be modified accordingly.

There is no current intention to change any of these three Funds' investment objectives.

An example of a change to a Fund's investment objective happened in 2014 in our Global Environmental Markets Fund. We wanted to include sustainable food and agriculture stocks in the Fund's investment objective to incorporate a change in how the fund's sub-adviser, Impax Asset Management Ltd., defined environmental markets. In that case the board was able to approve the change to add "*sustainable food, agriculture and forestry*" to the investment objective without a shareholder proxy because that Fund, like most mutual funds today, permitted the trustees to alter the investment objective without a shareholder proxy.

- 3) Shareholders of all Funds are being asked to approve a proposal to amend the Funds' fundamental investment restriction on lending. The proposed amendment is intended to provide the Funds with additional flexibility on lending to the extent permitted under applicable law, and also has the effect of conforming more closely to the requirements of the Investment Company Act of 1940.

There is no current intention to change in any significant way the manner in which a Fund is managed if Proposal 3 is approved. Should the Funds apply for and be granted an exemptive order by the SEC in the future, this amendment would allow the Funds more flexibility to lend and borrow money. For example, this would allow one Fund to lend to another Fund in the event of a liquidity crisis or to cover large redemptions on one of the Funds.

- 4) Shareholders of Trust I Funds and the only Trust III Fund, Pax Ellevest Global Women's Index Fund, are being asked to approve a proposal to authorize Pax World Management LLC and Pax Ellevest Management LLC to enter into and materially amend investment sub-advisory agreements with sub-advisers that are not affiliated persons of the Advisers, with the approval of the Board, but without obtaining additional shareholder approval.

An example of a change to a sub-advisory agreement happened in 2015 in our Global Environmental Markets Fund, which involved a change in the ownership of Impax Asset Management Group plc, the parent company to Impax Asset Management Ltd., the fund's sub-adviser. In that case, a proxy was sent to, and approved by, shareholders of the Fund, expenses of which were borne by the shareholders of the Fund. This change would allow the board of trustees to approve a new sub-advisory contract in this situation without seeking shareholder approval.

Q. Why am I being asked to vote on these items now if there are no plans to make changes to the Funds?

A. The main objective of this shareholder meeting and proxy is to elect Trustees to the Board. Because the proxy is going to all shareholders, we also are taking the opportunity to address some additional, somewhat technical items in the Funds' registration statement (Prospectus and Statement of Additional Information).

A proxy is also typically quite costly, and proxy expenses are borne by shareholders, so it can be efficient to address a number of proposals in a single proxy.