

## High impact investments drive measurable improvements on sustainability projects globally

by Pax World Sustainable Investing Research Team

The Pax World Funds are active participants in the quickly expanding market for green bond and high impact investments that are funding important environmental, infrastructure and community development efforts globally. These include:

- Green bonds and financing for sustainable infrastructure projects
- Community investment notes and certificates of deposit (CDs)

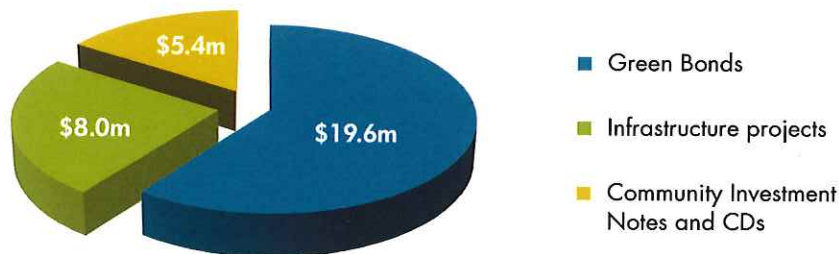
As of October 31, 2014, the Pax World Funds held approximately \$33 million in such high impact investments<sup>1</sup>.

### KEY TAKEAWAYS

- » Green bonds and related investments are funding important environmental, infrastructure and community development efforts globally.
- » Impact investments fund projects such as energy efficiency, renewable energy finance, consumer financing for sustainable technologies and climate change mitigation.
- » Pax World Funds also promote sustainable development through community investing.
- » Pax World seeks to invest in organizations that target underserved communities in such areas as affordable housing, small businesses, community development and revitalization, health care, education, women's equality and the environment.
- » Through these high impact investments, we are putting our shareholders' assets to work to help improve the quality of life for people in communities around the world.

### Impact Investing in Fixed Income at Pax World

Pax World works to achieve measurable social and environmental impacts through its fixed income investments primarily through the following:



Source: Pax World Management LLC as of 10/31/2014. Subject to change.

### Green bonds and sustainable infrastructure

The Pax World Funds invest in green bonds issued by the World Bank, Bank of America, State of California and sustainable infrastructure projects in several other states. These investments

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<sup>1</sup>As of 10/31/2014 the Pax World Balanced Fund had \$2.6M in Alderwood Water and Wastewater District, \$4.9M in Bank of America Green Bonds, \$3.5M in California Green Bonds, \$3M in the Calvert Foundation, \$248K in CEI Investment Notes, Inc., \$3.3M in the City of Portland, OR Urban Renewal, \$499K in Enterprise Community Load Fund, \$100K in Hope Credit Union, \$7.9M in International Finance Corp. (World Bank), \$1.9M in North American Development Bank, \$417K in Self-Help Credit Union and \$248K in Urban Partnership Bank. The Pax World High Yield Bond Fund had \$2M in Bank of America Green Bonds, \$600K in Beneficial State Bank (One PacificCoast Bank), \$100K in Self-Help Credit Union and \$200K in Urban Partnership Bank. Subject to change.

fund projects that include energy efficiency, renewable energy finance, consumer financing for sustainable technologies, climate change mitigation, and natural resource conservation, among others. Projects that the Pax World Funds are financing with their investments include:

- International Finance Corporation (IFC), a member of the World Bank Group, is the largest global development institution focused on the private sector in developing countries, mobilizing capital and advising businesses with the goal of employing more people and delivering essential services to promote energy efficiency, renewable energy and sustainable development.
- Bank of America Green Bonds finance investments in equipment and systems that facilitate the use of renewable energy such as solar, wind, and geothermal. Projects include lighting retrofits, district heating, co-generation, and building insulation.
- State of California Green Bonds finance environmentally beneficial projects addressing air pollution reduction, clean water and drinking water, energy efficiency and conservation projects in public buildings, protection of beaches, bays and coastal waterways, flood prevention and climate change reduction.
- City of Portland, Oregon Urban Renewal Bonds re-fund maturing bonds issued beginning in 1985 to fund redevelopment and urban renewal projects in Portland, including improvements to the downtown transit system, open spaces, and supporting a mix of low, middle income, and business in downtown neighborhoods.
- Alderwood Water and Wastewater District Bonds fund capital improvements to the largest water and sewer district in the state of Washington, providing water and sanitary sewer service to more than 250,000 retail and wholesale customers.
- North American Development Bank and its sister institution, the Border Environment Cooperation Commission, finance projects that address environmental and human health problems near the U.S.-Mexico border.

### Community investment notes and CDs

Pax World Funds also promote sustainable development through community investing, most commonly through investments in short-term debt instruments issued by non-corporate entities and CDs issued by community banking entities. Current investments include the Calvert Foundation, CEI Investment Notes, the Enterprise Community Loan Fund, Hope Credit Union, One PacificCoast Bank (now Beneficial State Bank), Self-Help Credit Union and Urban Partnership Bank.

Pax World seeks to invest in organizations that target underserved communities in such areas as affordable housing, small businesses, community development and revitalization, health care, education, women's equality and the environment.

"Pax World believes these investments will positively impact underserved communities, an important principle of its investment and business philosophy," explains Pax World Chief Investment Officer Steve Falci. "From an investment perspective, these bonds and related debt

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securities generally are of high quality. They are issued by financially sound organizations and have predictable and stable revenue streams which can fund interest and principal payments to bondholders. Through these investments, we are putting our shareholders' assets to work to help improve the quality of life for people in communities around the world."

## Pax World Management LLC

Pax World is a leader in sustainable investing, the full integration of environmental, social and governance (ESG) factors into investment analysis, security selection, portfolio construction and risk management. Pax World combines rigorous ESG analysis with equally rigorous financial analysis in seeking to identify better-managed, industry leading companies that meet positive corporate responsibility standards, have a clear vision for managing risk, and are focused on delivering long-term value to shareholders. Pax World launched the first socially responsible mutual fund in 1971 and today offers a family of eleven mutual funds including ESG Managers® Portfolios, multi-manager asset allocation portfolios powered by Morningstar Associates, LLC, and separately managed accounts. For more information, visit [paxworld.com](http://paxworld.com).

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**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](http://www.paxworld.com). Please read it carefully before investing.**

**An investment in the Pax World Funds involves risk, including loss of principal.**



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