

# Pax Large Cap Fund

Q3 2022

## INVESTMENT OVERVIEW

A core equity strategy that fully integrates analysis of sustainability risks and opportunities and invests in companies that have strong prospects and attractive valuations.

- The Fund uses a proprietary sustainability lens and ESG<sup>^</sup> research to better manage sustainability risks and identify opportunities and is fossil fuel free.
- Bottom-up stock selection focuses on identifying companies with favorable business trends, superior management, and potential catalysts that can drive stock price appreciation.
- Disciplined valuation process evaluates long-term upside potential and downside risk.
- A high conviction portfolio of 40 to 60 stocks is closely monitored to limit unintended sector and portfolio risk exposures and to maintain a consistent core investment style.
- Promotes improved corporate outcomes through shareholder engagement program and proxy voting efforts.

## FUND FACTS

Net Assets (mill., all classes)	as of 9/30/2022	\$1,243.04
Inception Dates		
Investor, Institutional		12/16/2016
Market Cap (Weighted Avg.) <sup>1</sup>		\$391.9B
Number of Holdings		51
Turnover rate	as of 12/31/2021	25%
Minimum Investments		
Investor		\$1,000
Institutional		\$250,000
Portfolio Management Team	Andrew Braun, Senior Portfolio Manager Barbara Browning, CFA®, Co-Portfolio Manager	

## PERFORMANCE

as of 9/30/2022

	RETURNS (%) <sup>g</sup>			AVERAGE ANNUAL RETURNS (%) <sup>g</sup>		
	3 MONTH	YTD	1 YEAR	3 YEAR	5 YEAR	INCEPTION (12/16/16)
Investor Class	-7.00	-25.41	-18.18	9.98	10.57	11.18
Institutional Class	-6.89	-25.22	-17.91	10.27	10.86	11.46
S&P 500 Index <sup>e</sup>	-4.88	-23.87	-15.47	8.16	9.24	10.29
Lipper Large-Cap Core Funds Index <sup>f</sup>	-4.88	-23.58	-15.77	6.79	7.79	8.94

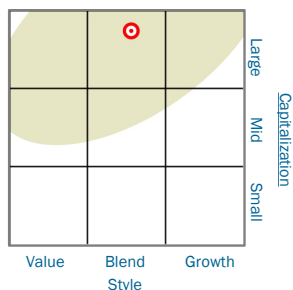
*Performance data quoted represent past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For most recent month-end performance information, visit [www.impaxam.com](http://www.impaxam.com).*

**FUND DETAILS**

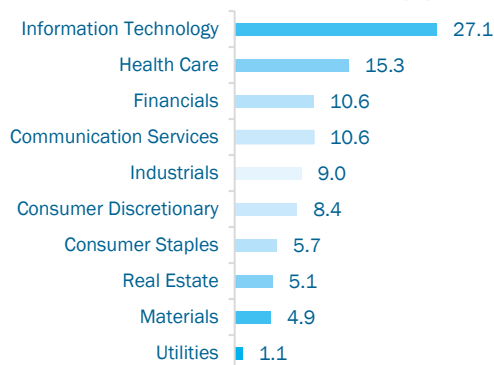
SHARE CLASS	CUSIP	SYMBOL	MANAGEMENT FEES	12b-1 FEES	TOTAL EXPENSES
Investor	704223494	PAXLX	0.65%	0.25%	0.97%
Institutional	704223486	PXLIX	0.65%	-	0.71%

**CHARACTERISTICS** as of 9/30/2022

**MORNINGSTAR STYLE BOX<sup>§</sup>**



**SECTOR BREAKDOWN (%)**



**TOP TEN HOLDINGS (WEIGHT%)**

Microsoft Corp.	6.1
Apple, Inc.	5.0
Alphabet, Inc., Class A	3.4
Trane Technologies PLC	2.8
Merck & Co., Inc.	2.6
JPMorgan Chase & Co.	2.5
Lowe's Cos., Inc.	2.5
CVS Health Corp.	2.5
Walt Disney Co., The	2.5
T-Mobile US, Inc.	2.5

Holdings are subject to change

	CALENDAR YEAR RETURNS (%) <sup>¶</sup>				
	as of 12/31/2021				
	2021	2020	2019	2018	2017
Investor Class	30.57	23.75	34.85	-5.01	20.65
Institutional Class	30.92	23.99	35.23	-4.79	20.96
S&P 500 Index <sup>§</sup>	28.71	18.40	31.49	-4.38	21.83
Lipper Large-Cap Core Funds Index <sup>f</sup>	26.04	16.10	28.79	-5.13	20.90

**MORNINGSTAR SUSTAINABILITY RATING<sup>TM†</sup>**



High

Sustainability Percentile Rank in Category: 6.  
Sustainability Score: 19.15.

Global Category: US Equity Large Cap Blend  
Based on 98% of AUM out of a universe of 3,382 funds.  
Sustainability Score as of 8/31/2022.  
Sustainability Rating as of 8/31/2022.

**RISK STATISTICS (3 YEAR)** as of 9/30/2022

	STANDARD DEVIATION <sup>2</sup>	BETA <sup>3</sup>	ALPHA <sup>4</sup>	R-SQUARED <sup>5</sup>
Investor Class	19.34	0.95	0.17	97
Institutional Class	19.31	0.95	0.19	97
S&P 500 Index <sup>§</sup>	20.02	1.00	-	100

**RISK:** 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 Large Cap Fund is new and has a limited operating history. The Fund is actively managed. The investment techniques and decisions of the investment adviser and the Fund's portfolio manager(s), including the investment adviser's assessment of a company's ESG profile when selecting investments for the Fund, may not produce the desired results and may adversely impact the Fund's performance, including relative to other Funds that do not consider ESG factors or come to different conclusions regarding such factors.

<sup>^</sup>Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

<sup>¶</sup>Figures include reinvested dividends, capital gains distributions, and changes in principal value.

<sup>§</sup>The S&P 500 Index is an unmanaged index of large capitalization common stocks.

<sup>f</sup>Lipper Large-Cap Core Funds Index invests at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of their dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. Large-cap core funds have more latitude in the companies in which they invest. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

One cannot invest directly in an index.

You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. For this and other information, call 800.767.1729 or visit [www.impaxam.com](http://www.impaxam.com) for a fund prospectus and read it carefully before investing.

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## IMPORTANT INFORMATION

<sup>§</sup>The Morningstar style box is a nine-square grid that classifies securities by size along the vertical axis and by style (Value and Growth Characteristics) along the horizontal axis. Morningstar's equity style methodology uses a building block, holdings-based approach. Funds are classified as large, mid, or small based on the market capitalization of its portfolio holdings. Style is determined at the stock level and then those attributes are rolled up to determine the overall investment style of a fund.

<sup>†</sup>Morningstar Sustainability Rating™ measures how well the companies in a fund's portfolio manage their environmental, social and governance (ESG) risks and opportunities relative to the fund's peers. First, a Morningstar Portfolio Sustainability Score™ ranging from 0 to 100 is derived from an asset weighted average of the underlying company ESG scores quarterly. Next, scored funds are rated monthly: The top 10% receive 5 globes (High), the next 22.5% receive 4 (Above Average), the next 35% receive 3 (Average), the next 22.5% receive 2 (Below Average), and the bottom 10% receive 1 (Low). Sustainalytics provides company-level analysis used in the calculation of Morningstar's Sustainability Score. A higher score indicates that a fund, on average, has more of its assets invested in companies that score well according to the Sustainalytics methodology. For details, visit <http://morningstar.com/company/sustainability>.

Sustainability Score for the Pax Large Cap Fund as of is . Percent Rank in Category is and Sustainability Rating is globes as of . Sustainalytics provides company-level analysis used in the calculation of Morningstar's Sustainability Score.

<sup>¶</sup>The Morningstar Low Carbon Designation is given to portfolios with low Carbon Risk Score and low levels of fossil fuel exposure. Morningstar calculates the Carbon Risk Score based on company-level carbon-risk assessments from Sustainalytics, a leading independent provider of ESG and corporate governance ratings and research. Morningstar calculates carbon metrics on a quarterly basis for any fund that has at least 67 percent of its portfolio assets covered by Sustainalytics' company-level carbon-risk research. The Carbon Risk Score is the asset-weighted sum of the carbon risk scores of its holdings, averaged over the trailing 12 months and displayed as a number starting from zero, with a lower score indicating lower carbon risk. The Morningstar® Portfolio Fossil Fuel Involvement™ percentage is a portfolio's asset-weighted percentage exposure to fossil fuels, averaged over the trailing 12 months. The Low Carbon Designation is based on a fund's Carbon Risk Score and its Fossil Fuel Involvement percentage.

The Morningstar Low Carbon Designation is intended to allow investors to easily identify low-carbon funds across the global universe. The designation is an indicator that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy. The Morningstar Portfolio Fossil Fuel Involvement percentage assesses the degree to which a portfolio is exposed to thermal coal extraction and power generation as well as oil and gas production, power generation, and products & services. To receive the designation, a portfolio must meet two criteria: a. A 12-month trailing average Morningstar Portfolio Carbon Risk Score below 10 and b. A 12-month trailing average exposure to fossil fuels less than 7% of assets, which is approximately a 33% underweighting to the global equity universe. Please visit <http://corporate1.morningstar.com/SustainableInvesting/> for more detail information about the Morningstar Low Carbon Designation and its calculation.

Low Carbon Designation as of 6/30/2022. Portfolio as of 6/30/2022. Category: US Equity Large Cap Blend. Based on 96% of AUM. Data is based on long positions only.

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<sup>1</sup>Weighted Average is an average in which each quantity to be averaged is assigned a weight. These weightings determine the relative importance of each quantity on the average.

<sup>2</sup>Standard Deviation measures a Fund's variation around its mean performance; a high standard deviation implies greater volatility.

<sup>3</sup>Beta reflects the sensitivity of a Fund's return to fluctuations in its benchmark; a beta for a benchmark is 1.00: a beta greater than 1.00 indicates above average volatility and risk.

<sup>4</sup>Alpha is a coefficient measuring risk-adjusted performance, considering the risk due to the specific security, rather than the overall market. A positive alpha reflects relative risk-adjusted performance of the Fund versus its benchmark.

<sup>5</sup>R-Squared is a measure of how much a portfolio's performance can be explained by the returns from the overall market (or a benchmark index). The measure ranges from 0, which means that the Fund's performance bears no relationship to the performance of the benchmark, to 100, which means that the Fund's performance is perfectly synchronized with the performance of the benchmark.

<sup>6</sup>The Weighted Average Carbon Intensity (Tons CO<sub>2</sub>/\$M Sales) measures a fund's exposure to carbon intensive companies. This figure represents the estimated greenhouse gas emissions per \$1 million in sales across the fund's holdings. This allows for comparisons between funds of different sizes. A portfolio's weighted average carbon intensity is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions / \$M Sales) for each portfolio company and calculating the weighted average by portfolio weight.

At the company level, the carbon intensity (Scope 1 + 2 Emissions/\$M Sales) represents the company's most recently reported or estimated Scope 1 + Scope 2 greenhouse gas emissions normalized by sales in USD. MSCI ESG Research collects company-specific direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions data from company public documents and the Carbon Disclosure Project (CDP). If a company does not report GHG emissions, then MSCI ESG Research uses a proprietary methodology to estimate Scope 1 and Scope 2 GHG emissions. The data is updated on an annual basis. Scope 1 emissions are those from sources owned or controlled by the company, typically direct combustion of fuel as in a furnace or vehicle. Scope 2 emissions are those caused by the generation of electricity purchased by the company. For more information, visit <https://www.msci.com/index-carbon-footprint-metrics>

The Fund and Index weighted average carbon intensity numbers are calculated by and sourced from Factset, using MSCI ESG Research company-level data. As of 9/30/2022, the Fund weighted average carbon intensity was 31.98 vs. 159.68 for the benchmark. Data availability for the Fund is 98.00% by weight, and 98.41% of the benchmark by weight.

<sup>7</sup>The Impax Systematic ESG Rating is a proprietary ranking of companies' environmental, social and governance (ESG) performance developed by Impax's Sustainability Research Team. The score is designed to capture material information regarding a company's risk and performance potential. Companies in the Russell 1000 Index are rated on a scale from 0-10 (10 is best). Impax's rating framework takes into consideration 72 ESG performance and risk indicators from third-party research providers in addition to original Impax 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. For more information, visit: <https://impaxam.com/pax-world-funds/impax-systematic-esg-rating/>.

The Russell 1000 Index measures the performance of the 1,000 largest US companies, as measured by market capitalization. One cannot invest directly in an index.