



# PAX WORLD MANAGEMENT CORP

PRESENTATION FOR

## **New Hampshire Businesses for Social Responsibility**

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PRESENTED BY



Pax World Management Corp.

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# About Pax World

Introduced first SRI (Socially Responsible Investing) screened mutual fund in 1971

- We have since evolved this investment process to what we now refer to as Sustainable Investing, which utilizes environmental, social, and governance (ESG) criteria to evaluate companies we invest in.

Headquartered in Portsmouth, New Hampshire

Over \$2.7 billion under management with more than 100,000 shareholders in the Pax World Funds (3/31/08)

Pax World Management Corp advises the following Pax World mutual funds:

- Pax World Balanced Fund
- Pax World Growth Fund
- Pax World Value Fund
- Pax World Small Cap Fund
- Pax World International Fund
- Pax World High Yield Bond Fund
- Pax World Women's Equity Fund
- Pax World Global Green Fund

# Investment Philosophy

Pax World mutual funds seek to invest in forward-thinking companies with sustainable business models

In reviewing potential investments by the funds, we combine rigorous financial analysis with equally rigorous environmental, social and governance analysis

- Identify better-managed companies that are leaders in their sectors; that meet positive standards of corporate responsibility; and that focus on the long term

We intend for the Pax World Funds' shareholders to benefit from the vision and success of these types of companies

# ESG Analysis & Shareowner Advocacy

Goal of ESG analysis: identify well-managed companies

## ESG criteria

- Environmental protection
- Workplace practices and human rights protection
- Community impact
- Product safety and integrity
- Corporate governance and business ethics
- Exclusionary criteria
  - Tobacco
  - Weapons
  - Gaming as a main line of business

Shareowner advocacy: making good companies even better

- Advocacy history: Sudan, climate change, sustainability reporting
- Expansion of shareowner advocacy: governance for long-term value, climate change, biodiversity, gender empowerment

# Key Performance Indicators

## Environmental, Social, Governance Indicators:

- Emissions Data
- Workforce Diversity Data
- Governance Policies & Procedures

## Value of KPIs

- “What gets measured, gets managed”

# The Value of ESG Indicators

“Our conclusion is that companies need to manage all inputs to their business in order to enjoy sustained competitive advantage and a valuation premium versus their peers. What is more profound, perhaps, is that investors cannot rely on ESG factors alone but need to integrate them into an industrial framework and valuation methodology to pick stocks.” (GS Sustain, June 22, 2007).

# Thank you.

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