

December 30, 2009

Prospectus

The ESG Managers Asset Allocation Portfolios

ESG Managers® Aggressive Growth Portfolio

ESG Managers® Growth Portfolio

ESG Managers® Moderate Portfolio

ESG Managers® Conservative Portfolio



ESG MANAGERS® PORTFOLIOS



Pax World Management LLC

Pax World Management LLC is the investment
adviser to ESG Managers® Portfolios

This prospectus explains what you should know about the funds before you invest. Please read it carefully. **The Securities and Exchange Commission ("SEC") has not approved or disapproved these securities or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offense.**

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The ESG Managers Asset Allocation Portfolios

Multi-Manager Approach

The ESG Managers Aggressive Growth Portfolio, the ESG Managers Growth Portfolio, the ESG Managers Moderate Portfolio and the ESG Managers Conservative Portfolio (each, a “Fund” and collectively, the “Funds”) use multiple managers (“Sleeve Subadvisers”) to seek to achieve their investment objectives, and each Sleeve Subadviser seeks to invest the assets of its sleeve(s) in securities consistent with its investment style (e.g., large cap growth, small cap value, intermediate term bond) and within the parameters established by Morningstar Associates, LLC for the Funds. Each Sleeve Subadviser also invests the assets of its sleeve(s) in accordance with sustainability or environmental, social and governance (“ESG”) criteria discussed below under “Sustainability (Environmental, Social and Governance) Criteria” and in the Funds’ Statement of Additional Information. The Sleeve Subadvisers include experienced managers of mutual funds and separately managed accounts that also follow ESG criteria. These funds or separate accounts serve as models upon which Morningstar Associates, LLC has designed the sleeves’ investment parameters. The chart below lists these model mutual funds and separate account strategies.

<u>Sleeve Subadviser</u>	<u>Strategy</u>
Access Capital Strategies	Investment Grade Fixed Income Strategy
Ariel Investments, LLC.....	Small/Mid Cap Value Strategy
ClearBridge Advisors, LLC.....	Large Cap Value Strategy
Community Capital Management, Inc.....	Investment Grade Fixed Income Strategy
Miller/Howard Investments, Inc.	Equity Income Strategy
MMA Capital Management.....	Investment Grade Fixed Income Strategy
Neuberger Berman Management, LLC	Large Cap Blend Strategy
Parnassus Investments	Equity Income Strategy
Parnassus Investments	Small Cap Strategy
Portfolio 21 Investments	World Stock Strategy
Pax World Management LLC	Multi-Cap Equity Strategy
Pax World Management LLC	Global Green (Environmental Technologies) Strategy
Pax World Management LLC	High Yield Bond Strategy
Pax World Management LLC	Real Return Strategy
Pax World Management LLC	International Equity Strategy

There can be no assurance that the performance of any Fund will be comparable to that of any model mutual fund or separate account strategy referred to above, or that the results achieved by a Sleeve Subadviser will correlate closely to that of the applicable model mutual fund or separate account strategy.

ESG Managers Aggressive Growth Portfolio

(the “Aggressive Growth Portfolio”)

Risk/Return Summary

Investment Objectives

The Aggressive Growth Portfolio’s investment objective is to seek a high level of long-term capital appreciation.

Principal Investment Strategies

Under normal market conditions, the Aggressive Growth Portfolio expects to invest approximately 95% of its total assets in equity securities (e.g., stocks), and approximately 5% of its total assets in fixed income securities (e.g., corporate bonds, U.S. Treasury securities, agency securities and municipal bonds). The Aggressive Growth Portfolio may invest up to 100% of its total assets in equity securities and up to 25% of its total assets in fixed income securities. The Aggressive Growth Portfolio may invest up to 85% of its total assets in securities of non-U.S. issuers including investments in emerging markets. Over the longer term, relative to the other Funds, the Aggressive Growth Portfolio should offer shareholders the potential for a high level of capital growth with relatively little income.

ESG Managers Growth Portfolio

(the “Growth Portfolio”)

Risk/Return Summary

Investment Objectives

The Growth Portfolio’s investment objective is to seek long-term capital appreciation.

Principal Investment Strategies

Under normal market conditions, the Growth Portfolio expects to invest approximately 70% of its total assets in equity securities (e.g., stocks), and approximately 30% of its total assets in fixed income securities (e.g., corporate bonds, U.S. Treasury securities, agency securities and municipal bonds). The Growth Portfolio may invest up to 100% of its total assets in equity securities and up to 50% of its total assets in fixed income securities. The Growth Portfolio may invest up to 70% of its total assets in securities of non-U.S. issuers including investments in emerging markets. Over the longer term, relative to the other Funds, the Growth Portfolio should offer shareholders the potential for a low to medium level of income and a medium to high level of capital growth.

ESG Managers Moderate Portfolio

(the “Moderate Portfolio”)

Risk/Return Summary

Investment Objectives

The Moderate Portfolio’s primary investment objective is to seek long-term capital appreciation. As a secondary objective and to the extent consistent with its primary investment objective, the Moderate Portfolio seeks current income.

Principal Investment Strategies

Under normal market conditions, the Moderate Portfolio expects to invest approximately 50% of its total assets in equity securities (e.g., stocks), and approximately 50% of its total assets in fixed income securities (e.g., corporate bonds, U.S. Treasury securities, agency securities and municipal bonds). The Moderate Portfolio may invest up to 70% of its total assets in equity securities and up to 70% of its total assets in fixed income securities. The Moderate Portfolio may invest up to 50% of its total assets in securities of non-U.S. issuers including investments in emerging markets, though it is not currently anticipated that the Moderate Portfolio would invest more than 10% of its total assets in emerging market securities. Over the longer term, relative to the other Funds, the Moderate Portfolio should offer shareholders the potential for a medium level of income and a medium level of capital growth.

ESG Managers Conservative Portfolio

(the “Conservative Portfolio”)

Risk/Return Summary

Investment Objectives

The Conservative Portfolio’s primary investment objective is to seek preservation of capital and current income. As a secondary objective and to the extent consistent with its primary investment objective, the Conservative Portfolio seeks capital appreciation.

Principal Investment Strategies

Under normal market conditions, the Conservative Portfolio expects to invest approximately 65% of its total assets in fixed income securities (e.g., corporate bonds, U.S. Treasury securities, agency securities and municipal bonds), and approximately 35% of its total assets in equity securities (e.g., stocks). The Conservative Portfolio may invest up to 100% of its total assets in fixed income securities and up to 50% of its total assets in equity securities. The Conservative Portfolio may invest up to 40% of its total assets in securities of non-U.S. issuers including investments in emerging markets, though it is not currently anticipated that the Conservative Portfolio would invest more than 10% of its total assets in emerging market securities. Over the longer term, relative to the other Funds, the Conservative Portfolio should offer shareholders the potential for a medium to high level of income and a low to medium level of capital growth.

Principal Investment Strategies and Risks Common to the Funds

With respect to the fixed income portion each of their investment portfolios, the Funds may invest in (i) securities issued by the U.S. government, its agencies and instrumentalities, (ii) corporate bonds and asset backed securities of all types (including mortgage backed securities), and (iii) securities of foreign issuers. Each Fund may purchase fixed income securities of any rating, including junk bonds (e.g., securities rated lower than BBB- by Standard & Poor's Ratings Group or Baa by Moody's Investor Service or unrated securities of comparable quality as determined by Pax World Management LLC (the "Adviser" or "Pax World") or a subadviser to which the Adviser has delegated responsibility for selecting investments for a portion of the Fund's portfolio (each such adviser, a "Sleeve Subadviser"), though it is not currently anticipated that any Fund will invest more than 20% of its assets in junk bonds.

With respect to the equity portion of its investment portfolio, each Fund may invest in securities of companies with any market capitalization and the Adviser and each Sleeve Subadviser intend to focus on economic sectors that they believe offer the Funds the potential to meet their investment objectives. In addition, each Fund may invest in the securities of other investment companies that are part of the Pax World group of investment companies, including in particular mutual funds ("Underlying Pax Mutual Funds") and exchange traded funds ("Underlying Pax ETFs") managed by the Adviser. The Underlying Pax Mutual Funds include Pax World Global Green Fund, Pax World High Yield Bond Fund and Pax World International Fund. The Underlying Pax ETFs include ESG Shares Europe Asia Pacific Sustainability Index Fund. The Underlying Pax Mutual Funds and the Underlying Pax ETFs are referred to collectively herein as the "Underlying Pax Funds." Each Fund may invest in the securities of other investment companies, to the degree permitted by the Investment Company Act of 1940, as amended (the "1940 Act") and the rules adopted thereunder.

Each Fund follows a sustainable investing approach, which combines financial analysis with environmental, social, and/or governance (ESG) analysis in order to identify investments. As described in greater detail below under "About the Funds – Sustainable Investing," each Sleeve Subadviser uses its own ESG criteria to determine whether a particular investment is eligible for initial purchase. For the ESG criteria of the Sleeve Subadvisers, please see the Funds' Statement of Additional Information. Any Sleeve Subadviser that does not employ its own ESG criteria will only purchase investments determined, at the time of initial purchase, to be eligible by the Adviser using the Adviser's ESG criteria. For more information regarding the ESG criteria of

each Sleeve Subadviser, please see "Investment Philosophy–Sustainable Investing–The Sleeve Subadvisers" in the Statement of Additional Information.

Each Fund may (but is not required to) sell a particular security if any of the original reasons for purchase change materially, in response to adverse market conditions, when a more attractive investment is identified, to meet redemption requests, or if it is determined that a company no longer meets the environmental, social or governance criteria of the Sleeve Subadviser that purchased the security for its sleeve or of the Adviser, as applicable.

Each Fund's investments in securities of non-U.S. issuers may include investments in emerging markets and may be diversified across multiple countries or geographic regions, or may be focused on a particular geographic region.

Each Fund may utilize derivatives, including but not limited to repurchase agreements, foreign currency exchange contracts, options and futures contracts, for hedging and for investment purposes.

Although each Fund intends to manage the turnover of its portfolio, it is possible that, as a result of its investment strategies and the utilization of multiple Sleeve Subadvisers, the portfolio turnover rate of that Fund may be significant.

In response to unfavorable market or other conditions, each Fund may deviate from its principal investment strategies by making temporary defensive investments of some or all of its assets in high quality debt securities, cash and cash equivalents. When investing defensively, a Fund may not achieve its investment objective.

Investors should understand that "sustainable investing" refers to the full integration of environmental, social and governance criteria into the Funds' investment approach; it does not mean that the Funds will necessarily perform in the future as they have in the past. The approach to sustainable investing of each Sleeve Subadviser that employs its own ESG criteria will vary from that of the Adviser.

Each of the Underlying Pax ETFs seeks investment results that correspond generally to the performance, before fees and expenses, of its index. Specifically, the ESG Shares FTSE KLD Europe Asia Pacific Sustainability Index Fund seeks investment returns that closely correspond to the price and yield performance, before fees and expenses, of the FTSE KLD Europe Asia Pacific SustainabilitySM Index, which is created and maintained by KLD Research & Analytics, Inc. Because the Underlying Pax ETFs seek to track their indices adverse performance of a particular security in an Underlying Pax ETF's portfolio will ordinarily not result in the elimination of the

security from the Underlying Pax ETF's portfolio. Each Underlying Pax ETF offers and issues its shares at their net asset value per share only to certain institutional investors in aggregations of a specified number of ETF shares, generally in exchange for a basket of securities included in its underlying index, together with the deposit of a specified cash payment. The shares of Underlying Pax ETFs are listed and traded on national securities exchanges and also may be listed on certain non-U.S. securities exchanges.

Under normal market conditions, Pax World Global Green Fund will invest primarily in equity securities (such as common stocks, preferred stocks, and securities convertible into common or preferred stocks) of companies located around the world, including at least 40% of its net assets in securities of non-U.S. issuers. Pax World Global Green Fund invests in environmental markets—companies whose businesses and technologies focus on mitigating the environmental impacts of commerce, including such areas as alternative energy and energy efficiency; water treatment and pollution control; and waste technology and resource management. Pax World Global Green Fund is not constrained by any particular investment style or capitalization range. Pax World Global Green Fund may buy stocks in any sector or industry, may invest in “growth” stocks, “value” stocks or a combination of both, and may hold securities of large, medium and/or small capitalization companies. Pax World Global Green Fund's investments in securities of non-U.S. issuers may be diversified across multiple countries or geographic regions (including emerging market countries) or focused on a select geographic region, although it will normally have investments in a minimum of three different countries.

Under normal market conditions, Pax World High Yield Bond Fund invests at least 80% of its assets (plus any borrowings for investment purposes) in high-yield, fixed income securities (such as bonds, notes and debentures) that are rated below BBB- by Standard & Poor's Ratings Group or below Baa3 by Moody's Investors Service, similarly rated by another major rating service, or unrated and determined by the Adviser to be of comparable quality. These fixed income securities are commonly referred to as “junk bonds.” The Adviser anticipates that the dollar-weighted average maturity of the fixed income securities in Pax World High Yield Bond Fund's investment portfolio will be 10 years or less. Pax World High Yield Bond Fund may invest up to 40% of its assets in securities of non-U.S. issuers, including investments in emerging markets.

Under normal market conditions, the Pax World International Fund invests primarily in securities (such as common stocks, preferred stocks and equity securities convertible into common or preferred stocks) of non-U.S. issuers. Pax World International Fund is not constrained by any particular investment style or

capitalization range. Pax World International Fund may invest in “growth” stocks, “value” stocks or a combination of both, and may hold securities of large, medium and/or small capitalization companies. Additionally, Pax World International Fund's investments in securities of non-U.S. issuers may be diversified across multiple sectors and industries or focused on a limited number of sectors and industries, and may be diversified across multiple countries or geographic regions (including emerging market countries) or focused on a select geographic region.

The Adviser will, if applicable, purchase Underlying Pax ETF shares on behalf of the Funds in the secondary market (e.g., on a stock exchange) and purchase Underlying Pax Mutual Funds directly from the applicable Underlying Pax Mutual Fund. The relative weightings for each Fund in the various Underlying Pax Funds will vary over time, and the Adviser is not required to invest any Fund's assets in the Underlying Pax Funds or to invest any particular percentage of any Fund's assets in any given Underlying Pax Fund. The Adviser may add, eliminate or replace Underlying Pax Funds in a Fund's portfolio at any time.

When a Fund holds shares of an Underlying Pax Fund, the Adviser will waive the Fund's management fee in an amount equal to the management fee charged to the Underlying Pax Fund as allocable to such shares so that shareholders of the Fund do not bear duplicative management fees.

Principal Risks

The Funds are exposed to various risks and you may have a gain or loss when you sell your shares. The principal risks of investing in the Funds are described below.

- *Market Risk.* Conditions in a broad or specialized market, a sector thereof or an individual industry may adversely affect security prices, thereby reducing the value of a Fund's investments.
- *Interest Rate Risk.* As nominal interest rates rise, the value of debt securities held in the fixed income portion of a Fund's portfolio is likely to decrease. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate.
- *Credit Risk.* With respect to fixed income securities, changes in economic conditions generally or particular to the obligated entity may affect the

obligated entity's actual or perceived ability to make payments of interest or principal when due, which may cause the price of the security or the income derived therefrom to decline. Bonds that are backed by an issuer's taxing authority, including general obligation bonds, may be subject to legal limits on a government's power to increase taxes or otherwise to raise revenue, or may depend for payment on legislative appropriation and/or governmental aid. Some bonds, known as revenue obligations, are payable solely from revenues earned by a particular project or other revenue source. Consequently, revenue obligations are subject to a greater risk of default than general obligation bonds because investors can look only to the revenue generated by the project, assets, or company backing the project, rather than to the taxing power of the issuer.

- *Reinvestment Risk.* Income from the fixed income portion of a Fund's investments may decline if the Fund is forced to invest the proceeds from matured, called or otherwise disposed of debt securities or convertible securities at interest rates that are below the Fund's earnings rate at that time.
- *U.S. Government Securities Risk.* Certain securities issued by the United States government are neither insured nor guaranteed by the U.S. government. These securities may be supported by the government's ability to borrow from the U.S. Treasury, or may be supported only by the credit of the issuing agency or instrumentality. These securities are subject to greater issuer risk than securities issued or guaranteed by the U.S. Treasury.
- *High Yield Securities Risk.* To the extent a Fund invests in high yield securities (commonly known as "junk bonds"), it may be subject to greater levels of interest rate risk, credit risk and liquidity risk than funds that do not invest in such securities. High yield securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments when due. Rising interest rates or a general economic downturn may adversely affect the market for high yield securities and reduce the Fund's ability to sell them (liquidity risk). If the issuer of a high yield security is in default with respect to interest or principal payments, the Fund may lose its entire investment in that security.
- *Mortgage Risk.* Rising interest rates tend to extend the duration of mortgage related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, a Fund that holds mortgage-related securities may exhibit additional volatility. This is known as extension risk. In addition, mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner

than expected. This can reduce the Fund's returns because the Fund will have to reinvest that money at lower prevailing interest rates.

- *Non-U. S. Securities Risk.* Non-U.S. markets can be significantly more volatile than domestic markets, causing the prices of some or all of a Fund's investments to fluctuate significantly, rapidly and unpredictably. Non-U.S. securities may be less liquid than domestic securities; consequently, the Fund may at times be unable to sell non-U.S. securities at desirable times or prices. Brokerage commissions, custodial fees and other fees and expenses associated with securities transactions generally are higher for non-U.S. securities. In the event of a default in connection with certain debt securities issued by foreign governments, the Fund may have very limited recourse, if any. Additionally, foreign governments may impose taxes which would reduce the amount of income and capital gain available to distribute to shareholders. Other risks related to non-U.S. securities include delays in the settlement of transactions; less publicly available information about issuers; different reporting, accounting and auditing standards; the effect of political, social, diplomatic or economic events; seizure, expropriation or nationalization of the issuer or its assets; and the possible imposition of currency exchange controls. To the extent a Fund invests substantially in securities of non-U.S. issuers tied economically to a particular country or geographic region, it will be subject to the risks associated with such country or geographic region to a greater extent than a fund that is more diversified across countries or geographic regions.
- *Emerging Markets Securities Risk.* Emerging market securities are likely to have greater exposure to the risks discussed above. Additionally, emerging market countries generally have less mature economies and less developed securities markets with more limited trading activity, are more heavily dependent on international trade and support, have a higher risk of currency devaluation, and may have more volatile inflation rates or longer periods of high inflation than more developed countries. Emerging market countries also are more prone to rapid social, political and economic changes than more developed countries.
- *Growth Securities Risk.* Growth (equity) securities typically trade at higher multiples of current earnings than other securities. Therefore, the values of growth securities may be more sensitive to changes in current or expected earnings than the values of other securities.
- *Value Securities Risk.* The equity portion of each Fund's portfolio may be invested in companies that may not be expected to experience significant earnings growth, but whose securities the Adviser and/or a Sleeve Subadviser

believes are selling at a price lower than their true value. Companies that issue value securities may have experienced adverse business developments or may be subject to special risks that have caused their securities to be out of favor. If the Adviser's and/or a Sleeve Subadviser's assessment of a company's prospects is wrong, or if the market does not recognize the value of the company, the price of its securities may decline or may not approach the value that the Adviser and/or the Sleeve Subadviser anticipates.

- *Small- and Medium-Sized Company Risk.* Investing in securities of small- and medium-sized companies may involve greater volatility than investing in larger and more established companies because they can be subject to more abrupt and erratic share price changes than larger, more established companies. Securities of these types of companies may have limited liquidity, and their prices may be more volatile. The stocks of smaller capitalization companies tend to have less trading volume than stocks of larger capitalization companies. Less trading volume may make it more difficult for our portfolio managers to sell securities of smaller capitalization companies at quoted market prices. Finally, there are periods when investing in smaller capitalization stocks falls out of favor with investors and the stocks of smaller capitalization companies underperform.
- *Derivatives Risk.* Derivatives are financial contracts whose values are derived from traditional securities, assets, reference rates or market indices. Derivatives involve special risks and may result in losses. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing a Fund to lose more money than it would have lost had it invested in the underlying security. The values of derivatives may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility. The use of derivatives may also increase the amount of taxes payable by shareholders. Other risks arise from the Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Fund's derivative positions at times when the Fund might wish to terminate or sell such positions. Over-the-counter instruments (investments not traded on an exchange) may be illiquid, and transactions in derivatives traded in the over-the-counter market are subject to the risk that the other party will not meet its obligations. The use of derivatives also involves the risk of mispricing or improper valuation, the risk of ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying security, asset, reference rate or index. The Fund may not be able to find a suitable derivative transaction counterparty, and thus may be unable to invest in derivatives altogether.

- *Allocation Risk.* To the extent each Fund's investment performance depends upon how its assets are allocated and reallocated among debt securities, equity securities and equity related securities, as well as among domestic and foreign securities, allocation techniques and decisions of Morningstar Associates, LLC may not produce the desired results, and, therefore, a Fund may not achieve its investment objectives.
- *Multi-Manager Risk.* Because each Sleeve Subadviser makes investment decisions independently, it is possible that the security selection processes of the Sleeve Subadvisers may not complement one another. As a result, a Fund's aggregate exposure to a given security, industry or market capitalization could unintentionally be smaller or larger than intended. One or more Sleeve Subadvisers may underperform their peers from time to time, adversely affecting performance of a Fund. When new Sleeve Subadvisers are added or assets are reallocated among Sleeve Subadvisers, a Fund may have higher portfolio turnover and may incur higher transactions costs, which may adversely affect the Fund's performance. In addition, the separate investment decisions and the resulting purchase and sale activities of the Sleeve Subadvisers might lead to disadvantageous tax consequences, including the deferral of losses.
- *Turnover Risk.* A change in the securities held by a Fund is known as "portfolio turnover." High portfolio turnover involves correspondingly greater expenses to the Fund, including brokerage commissions or dealer markups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are taxed at ordinary income tax rates when distributed to shareholders who are individuals), and may adversely affect the Fund's after-tax returns. The trading costs and tax effects associated with portfolio turnover may adversely affect the Fund's performance.
- *Underlying Pax ETFs.* Each Underlying Pax ETF in which the Funds may invest employs a "passive management"—or indexing—investment approach designed to track the performance of its index. Under normal circumstances, more than 80% of each Underlying Pax ETF's total assets will be invested in component securities of its index and in American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs") and Euro Depositary Receipts ("EDRs" and, collectively with ADRs and GDRs, "Depositary Receipts") representing the securities in its index. Each Underlying Pax ETF may invest in securities that are not included in its index to the extent consistent with the foregoing 80% policy, which securities, will be evaluated by the Adviser for satisfaction of the Adviser's environmental,

social and governance (ESG) criteria. For example, an Underlying Pax ETF may invest in securities that are not components of its index in order to reflect various corporate actions and other changes to its Index (such as reconstitutions, additions and deletions) or in order to help it track its index. Each Underlying Pax ETF also may invest in cash and cash equivalents, as well as in futures, options, swap contracts and other derivatives. The Adviser intends that, over time, the correlation between each Fund's performance and that of its index, before fees and expenses, will be 95% or better, although there can be no assurance of achieving this objective. The ESG Shares FTSE KLD Europe Asia Pacific Sustainability Index Fund uses a "representative sampling" strategy in seeking to track the performance of its index. This means that the fund generally will invest in a sample of the securities in its index whose risk, return and other characteristics, in the Adviser's opinion, closely resemble the risk, return and other characteristics of the index as a whole. When the Funds invest in an Underlying Pax ETF, the Funds will be subject to equity market risk. The stock exchange price of an Underlying Pax ETF may be less than the value of that ETF's net assets due to discounts in the secondary market. The Funds will be subject to expenses (other than management fees) of the underlying Pax ETFs.

- *Inflation-Linked Security Risk.* Inflation-linked debt securities are subject to the effects of changes in market interest rates caused by factors other than inflation (real interest rates). In general, the price of an inflation-linked security tends to decrease when real interest rates increase and can increase when real interest rates decrease. Interest payments on inflation-linked securities are unpredictable and will fluctuate as the principal and interest are adjusted for inflation. Any increase in the principal amount of an inflation-linked debt security will be considered taxable ordinary income, even though the Fund will not receive the principal until maturity. There can also be no assurance that the inflation index used will accurately measure the real rate of inflation in the prices of goods and services. The Fund's investments in inflation-linked securities may lose value in the event that the actual rate of inflation is different than the rate of the inflation index. In addition, inflation-linked securities are subject to the risk that the CPI-U or other relevant pricing index may be discontinued, fundamentally altered in a manner materially adverse to the interests of an investor in the securities, altered by legislation or Executive Order in a materially adverse manner to the interests of an investor in the securities or substituted with an alternative index.
- *Acquired Funds Risk.* When the Funds acquire shares of other investment companies ("acquired funds"), the Funds are subject to the fees and expenses of those acquired funds. In addition, there is no assurance

that any acquired fund will achieve its investment objective. Acquired funds may be subject to limitations on the percentage of themselves that they may sell to the Funds as a group, which may mean that acquisition of the acquired funds by one Fund may preclude additional investments by other Funds. Acquired funds may limit the Adviser's and/or Morningstar Associates, LLC's access to holdings information, which may adversely affect the management of the Funds.

- *Sustainable Investing Risk.* The ESG criteria employed for each Fund may inhibit its ability to participate in certain attractive investment opportunities that otherwise would be consistent with its investment objective.

There are other circumstances (including additional risks not listed above) that could cause each Fund not to achieve its investment objectives. As with all mutual funds, shareholders of each Fund may lose money. For a discussion of additional risks applicable to the Funds, please see the section captioned "Investments and Special Considerations; Risk Factors" in the Statement of Additional Information. An investment in a Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Except as otherwise noted in this Prospectus or the Statement of Additional Information, the Funds' investment objectives and policies are not fundamental, and may be changed without a vote of shareholders.

Sleeve Subadvisers

The Adviser has delegated to Morningstar Associates, LLC ("Morningstar Associates") responsibility for recommending to the Adviser and the Board of Trustees of Pax World Funds Series Trust I (the "Trust") various Sleeve Subadvisers to which the Adviser will delegate responsibility for selecting securities for a portion of each Fund's portfolio. The Adviser has also delegated to Morningstar Associates responsibility for determining the portion of each Fund's assets that will be allocated for management by each Sleeve Subadviser (each such portion referred to as a "sleeve"). Each Sleeve Subadviser seeks to invest in securities consistent with the parameters established by the Adviser in conjunction with Morningstar Associates for that particular sleeve. The selection of Sleeve Subadvisers and the allocation of assets among Sleeve Subadvisers are discussed below under "About the Funds—Multi-Manager Approach."

Fund Performance

No performance information is shown for any Fund because the Funds had not yet commenced investment operations on December 30, 2009. Performance information will be provided for each Fund after it has completed a full calendar year of operations.

Fees & Expenses

The table below describes the fees and expenses that investors may pay if they buy and hold Class A, Class C, and Institutional Class shares of each Fund. The fees and expenses associated with an investment in each Fund are among several factors that an investor should consider before investing. "Other Expenses" include operating expenses such as trustees' and professional fees, registration fees, expenses relating to the preparation of shareholder reports and transfer agency and custodian fees.

Class A shares of the Funds are typically subject to a sales charge when you purchase shares and Class C shares are typically subject to a contingent deferred sales charge when you redeem shares within one year of purchase as well as distribution and service fees. The Funds offer a variety of share classes to accommodate different ways of paying the costs of distribution (up front or upon redemption/over time). It is important to understand that although Class C shares are not subject to an up-front sales charge, they are generally subject to a higher aggregate ongoing distribution and service fees than Class A shares.

The Funds had not yet commenced investment operations on December 30, 2009. Each Fund's annual operating expenses likely will vary from year to year. Total annual operating expenses for the current fiscal year may be higher or lower than those shown.

SHAREHOLDER FEES (FEES PAID DIRECTLY FROM YOUR INVESTMENT)

	Class A	Class C	Institutional Class
Maximum sales charge (load) imposed on purchases (as a % of offering price)	\$5.50%	None	None
Maximum deferred sales charge (load) imposed on redemptions (as a % of the lower of original purchase price or net asset value)	1.00% ¹	1.00% ²	None

ANNUAL FUND OPERATING EXPENSES (DEDUCTED FROM FUND ASSETS)

Aggressive Growth Portfolio

	Class A	Class C	Institutional Class
Management Fee	0.90%	0.90%	0.90%
Distribution and/or Service (Rule 12b-1) Fees	0.25%	1.00%	—
Other Expenses ³	0.87%	0.87%	0.87%
Acquired Fund Fees and Expenses ⁴	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>
Total Annual Fund Operating Expenses	2.17%	2.92%	1.92%
Less: Contractual Expense Reimbursements ⁵	<u>(0.73)%</u>	<u>(0.73)%</u>	<u>(0.73)%</u>
Net Annual Fund Operating Expenses	1.44%	2.19%	1.19%

Growth Portfolio

	Class A	Class C	Institutional Class
Management Fee	0.85%	0.85%	0.85%
Distribution and/or Service (Rule 12b-1) Fees	0.25%	1.00%	—
Other Expenses ³	0.87%	0.87%	0.87%
Acquired Fund Fees and Expenses ⁴	<u>0.20%</u>	<u>0.20%</u>	<u>0.20%</u>
Total Annual Fund Operating Expenses	2.17%	2.92%	1.92%
Less: Contractual Expense Reimbursements ⁵	<u>(0.83)%</u>	<u>(0.83)%</u>	<u>(0.83)%</u>
Net Annual Fund Operating Expenses	1.34%	2.09%	1.09%

Moderate Portfolio

	Class A	Class C	Institutional Class
Management Fee	0.80%	0.80%	0.80%
Distribution and/or Service (Rule 12b-1) Fees	0.25%	1.00%	—
Other Expenses ³	0.82%	0.82%	0.82%
Acquired Fund Fees and Expenses ⁴	<u>0.13%</u>	<u>0.13%</u>	<u>0.13%</u>
Total Annual Fund Operating Expenses	2.00%	2.75%	1.75%
Less: Contractual Expense Reimbursements ⁵	<u>(0.76)%</u>	<u>(0.76)%</u>	<u>(0.76)%</u>
Net Annual Fund Operating Expenses	1.24%	1.99%	0.99%

Conservative Portfolio

	Class A	Class C	Institutional Class
Management Fee	0.75%	0.75%	0.75%
Distribution and/or Service (Rule 12b-1) Fees	0.25%	1.00%	—
Other Expenses ³	0.82%	0.82%	0.82%
Acquired Fund Fees and Expenses ⁴	<u>0.09%</u>	<u>0.09%</u>	<u>0.09%</u>
Total Annual Fund Operating Expenses	1.91%	2.66%	1.66%
Less: Contractual Expense Reimbursements ⁵	<u>(0.77)%</u>	<u>(0.77)%</u>	<u>(0.77)%</u>
Net Annual Fund Operating Expenses	1.14%	1.89%	0.89%

¹This charge applies to investors who purchase \$1 million or more of Class A shares without an initial sales charge and redeem them within one year of purchase, with certain exceptions. See “How to Purchase Shares—Sales Charges.”

²This charge applies to investors who purchase Class C shares and redeem them within one year of purchase, with certain exceptions. See “How to Purchase Shares—Sales Charges.”

³Other Expenses are based on estimated amounts for the first fiscal year.

⁴Acquired Fund Fees and Expenses represent expenses indirectly borne by the Fund through its investment in other investment companies.

⁵The Adviser has agreed contractually to reimburse a portion of each Fund’s expenses so that the Fund’s ordinary operating expenses (excluding interest, taxes, certain securities lending costs, brokerage commissions, extraordinary expenses and Acquired Fund Fees and Expenses other than those of the Underlying Pax Funds), as a percentage of its average net assets, do not exceed the following applicable rate (the “Cap”) on an annualized basis on the Class A, Class C, and Institutional Class Shares, respectively: Aggressive Growth Portfolio—1.44%, 2.19%, and 1.19%; Growth Portfolio—1.34%, 2.09%, and 1.09%; Moderate Portfolio—1.24%, 1.99%, and 0.99%; and Conservative Portfolio—1.14%, 1.89%, and 0.89%. This reimbursement arrangement will continue in effect until at least December 31, 2010. If the Adviser reimburses expenses of a Fund pursuant to its Cap arrangement, the Adviser may recoup the amount of such reimbursement from such Fund at any time within three years after the year in which the Adviser incurred the reimbursement expense (the “Recovery Period”) if, and only to the extent that, a Fund’s annualized ordinary operating expense ratio is below the applicable Cap during the Recovery Period.

Expense Example

The table below is intended to help an investor compare the cost of investing in shares of the Funds with the cost of investing in other mutual funds.

The table assumes that an investor invests \$10,000 in shares of the applicable Class for the time periods indicated and then redeems all of his or her shares at the end of those periods. The table also assumes that the investment has a 5% return each year, that all dividends and distributions are reinvested and that the Class’s operating expenses remain the same throughout those periods. Although an investor’s actual expenses may be higher or lower than those shown in the table, based on these assumptions his or her expenses would be:

Aggressive Growth Portfolio			Growth Portfolio		
	1 Year	3 Year		1 Year	3 Year
Class A Shares	\$689	\$1,125	Class A Shares	\$679	\$1,116
Class C Shares			Class C Shares		
Assuming no redemption	\$222	\$835	Assuming no redemption	\$212	\$826
Assuming complete redemption at the end of the period	\$322	\$835	Assuming complete redemption at the end of the period	\$312	\$826
Institutional Class Shares	\$121	\$532	Institutional Class Shares	\$111	\$523

Moderate Portfolio			Conservative Portfolio		
	1 Year	3 Year		1 Year	3 Year
Class A Shares	\$669	\$1,073	Class A Shares	\$660	\$1,029
Class C Shares			Class C Shares		
Assuming no redemption	\$202	\$781	Assuming no redemption	\$192	\$598
Assuming complete redemption at the end of the period	\$302	\$781	Assuming complete redemption at the end of the period	\$292	\$598
Institutional Class Shares	\$101	\$477	Institutional Class Shares	\$91	\$429

Financial Highlights

The Funds had not yet commenced investment operations on December 30, 2009; therefore, no financial highlights are available for the Funds.

About the Funds

Multi-Manager Approach

The Funds use multiple Sleeve Subadvisers to seek to achieve their investment objectives and each Sleeve Subadviser seeks to invest the assets of its sleeve(s) in securities consistent with its investment style (e.g., large cap growth, small cap value, intermediate term bond) and within the allocations established by Morningstar Associates for the Funds. Each Sleeve Subadviser also invests the assets of its strategy or sleeve in accordance with sustainability or ESG criteria discussed below under “Sustainability (Environmental, Social and Governance) Criteria” and in the Funds’ Statement of Additional Information. The potential risks and returns of each Fund vary with the degree to which the Adviser and the Sleeve Subadvisers cause the Fund to invest in particular market segments and/or asset classes.

Morningstar Associates allocates portions of the Funds’ assets (referred to as “sleeves”) to several Sleeve Subadvisers who then manage their respective sleeves of the assets under the general supervision of the Adviser and Morningstar Associates. It is currently expected that the Adviser will manage one or more sleeves of the Funds’ assets itself. Morningstar Associates may adjust the relative proportions of assets managed by each Sleeve Subadviser from time to time. While Morningstar is expected to designate at least one Sleeve to be managed by the Adviser for each Fund, Morningstar is under no obligation to allocate assets to the Adviser or to any Sleeve

managed by the Adviser. Morningstar will allocate each Fund's assets to Sleeve Sub-Advisers or to the Adviser in Morningstar's sole discretion.

The Funds' "multi-manager" approach is designed to reduce the management risk inherent in individual security selection and to achieve lower volatility by combining the skills of Sleeve Subadvisers, where appropriate, with complementary investment approaches. The Funds will generally select one or more Sleeve Subadvisers to advise with respect to each distinct segment of a market based upon Morningstar Associates' evaluations of each Sleeve Subadviser's expertise and performance in investing in the particular market segment. Where a Sleeve Subadviser has been appointed, the Adviser will monitor the Sleeve Subadviser for adherence to each Fund's specific investment objectives, policies and strategies.

Allocation of assets among Sleeve Subadvisers is based on such factors as prudent diversification principles, general market outlooks (both domestic and global), historical performance, global markets' current valuations, and other economic factors. The Adviser and Morningstar Associates may periodically adjust asset allocations to favor those Sleeve Subadvisers that the Adviser and Morningstar Associates believe will provide the most favorable outlook for achieving a Fund's investment objective. As a result, it is not possible to predict the extent to which any Fund's assets will be invested by (or based upon the recommendations of) a particular Sleeve Subadviser at any time and one or more Sleeve Subadvisers may not be advising any assets for a particular Fund at any given time. Morningstar Associates may change the Funds' asset allocations at any time without notice to shareholders and without shareholder approval.

The Trust and the Adviser intend to file an exemptive application with the SEC requesting an exemptive order in connection with the Funds' proposed "manager of managers" structure. Consistent with the proposed structure, the Adviser intends to hire new Sleeve Subadvisers and terminate Sleeve Subadvisers from time to time. The issuance of such exemptive order by the SEC would permit the Adviser, subject to certain conditions and with the approval of the Board of Trustees, to appoint and replace Sleeve Subadvisers, enter into subadvisory agreements with each Sleeve Subadviser (each, a "Subadvisory Contract"), and amend and terminate Subadvisory Contracts with respect to the Funds without shareholder approval. This "manager of managers" structure is intended to enable the Funds to operate with greater efficiency and without incurring the expense and delays associated with obtaining shareholder approvals for matters relating to Sleeve Subadvisers or Subadvisory Contracts. However, there is no assurance that the SEC will issue the exemptive order. Unless and until the SEC issues the exemptive order described above, the

appointment of Sleeve Subadvisers and the entry into Subadvisory Contracts with respect to the Funds will require the approval of shareholders of the affected Funds.

Some Sleeve Subadvisers may operate on a non-discretionary basis, meaning that they may supply the Adviser with a model portfolio for a particular Sleeve, and the Adviser may purchase and/or sell securities in accordance with that Sleeve Subadviser's recommendations.

The following table identifies the Sleeve Subadvisers for the Funds, the investment style for each Sleeve Subadviser, the benchmark index for the portion of each Fund's assets that is managed by each Sleeve Subadviser and the assets under management of each Sleeve Subadviser as of September 30, 2009. For more details on each Sleeve Subadviser, please see "Management, Organization and Capital Structure."

Sleeve Subadviser	Investment Style	Benchmark Index	Assets under Management
Access Capital Strategies (Adviser Since 1997) 155 Federal Street, 16th Floor Boston, MA 02110	Investment Grade Intermediate Term Bond	BarCap US Aggregate Bond	\$690 million
Ariel Investments, LLC (Adviser Since 1983) 200 East Randolph Drive Suite 2900 Chicago, IL 60601	Small/Mid Cap Value	Russell 2000 Value	\$4.8 billion
ClearBridge Advisors, LLC (Adviser Since 2005) 620 8th Avenue New York, NY 10018	Large Cap Value	Russell 1000 Value	\$52.6 billion
Community Capital Management, Inc. (Adviser Since 1998) 2500 Weston Road, Suite 101 Weston, FL 33331	Investment Grade Intermediate Term Bond	BarCap US Aggregate Bond	\$1.1 billion
Miller/Howard Investments, Inc. (Adviser Since 1986) PO Box 549 Woodstock, NY 12498	Equity Income	S&P 500	\$1.1 billion
MMA Capital Management (Adviser Since 1990) 1110 North Main Street Goshen, IN 46527	Investment Grade Intermediate Term Bond	BarCap US Aggregate Bond	\$641 million
Neuberger Berman Management, LLC (Adviser Since 1939) 605 Third Avenue New York, NY 10158	Large Cap Blend	S&P 500	\$169 billion
Parnassus Investments* (Adviser Since 1984) 1 Market Street, Suite 1600 San Francisco, CA 94105	Large Cap Blend Small Cap Blend	S&P 500 Russell 2000	\$3.1 billion
Portfolio 21 Investments (Adviser Since 1988) 721 NW Ninth Avenue Suite 250 Portland, OR 97209	Global Core Equity	MSCI World	\$450 million
Pax World Management LLC (Adviser Since 1971) 30 Penhallow Street Suite 400 Portsmouth, NH 03801	International Equity Multi Cap Growth High Yield Bond Inflation Protected Bond Global Equity Clean Technologies	MSCI EAFE Russell 3000 Growth BarCap US High Yield Intermediate BarCap US Treasury TIPS FTSE Environmental Opportunities	\$2.4 billion

**This Sleeve Subadviser will manage the assets allocated to it on a discretionary basis; however, the Adviser will provide trading services and will place orders for portfolio transactions for the relevant sleeves. In the future, this Sleeve Subadviser may rely on its own trading services and place orders for portfolio transactions for the relevant sleeves.*

Sleeve Subadviser Investment Strategies

Access Capital Strategies (“Access Capital”)

Access Capital Strategies is a part of RBC Global Asset Management (U.S.) Inc.

Investment Grade Fixed Income Strategy. Access Capital seeks to invest the sleeve(s) it manages in debt securities and other debt instruments that it believes have a distinct double bottom line purpose—delivering both financial and social returns. The core economic activities supported by these investments may include affordable home ownership, affordable rental housing, urban and rural economic development, small business lending and support for Community Development Financial Institutions (CDFIs).

At least 90% of the investments of the sleeve(s) managed by Access Capital are expected to be (i) investment grade (rated BBB- or higher by Standard & Poor’s or Baa or higher by Moody’s) or above or (ii) be deemed by Access Capital to be of comparable credit quality to securities so rated. At least 50% (by market value) of the investments of the sleeve(s) are expected to be rated AAA or be guaranteed by an agency of the U.S. Government or by the U.S. Government itself. Access Capital generally intends to limit investments in non-rated issues or securities that Access Capital does not deem to be investment grade to 10% of its sleeve(s).

Whenever possible Access Capital will report to the Adviser on the specific loans (by geography, by type and by economic impact) that are contained within securities purchased. These loans may be wrapped by a mortgage- or asset-backed security structure (MBS or ABS) to achieve necessary credit quality and scale. However Access Capital will not make an investment for a sleeve unless the structure and the collateral within the security are both aligned with the applicable Fund’s objectives.

The types of investments made by sleeve(s) managed by Access Capital may include, but are not limited to:

- obligations of the U.S. Government, agencies, instrumentalities, political subdivisions and supranational entities;
- agency and non-agency mortgage backed securities and pass throughs comprised of loans secured by residential, multifamily and commercial

- properties;
- municipal bonds;
- structured finance instruments with community or economic development as the primary purpose; and
- securities issued by, serviced by or purchased from Community Development Financial Institutions (CDFIs).

Access Capital intends to limit investments by its sleeve(s) to investments that support community economic development in the United States of America.

Access Capital seeks to provide patient, long term fixed rate capital to individuals and communities in the United States. Investments by sleeve(s) it manages may include issues with final maturities of thirty years or longer. Access Capital will generally seek to construct and maintain its sleeve(s) so that their duration is approximately that of the Barclays Capital U.S. Aggregate Bond Index. Access Capital may use financial futures and derivatives in seeking to achieve the applicable Fund's objectives. Access Capital may also use reverse repurchases and/or other forms of borrowing provided that the amount of borrowed funds of the applicable sleeve deployed does not exceed the limits established for the applicable Fund as a whole.

Ariel Investments, LLC ("Ariel")

Small/Mid Cap Value Strategy. Ariel intends for the sleeve(s) it manages to invest primarily in stocks of companies with market capitalizations between \$1 billion and \$10 billion. Over time, the market capitalizations for the sleeve(s) managed by Ariel may change. These market capitalization ranges listed above reflect those currently being utilized when purchasing securities for sleeve(s) managed by Ariel and may change over time.

Ariel endeavors to follow a patient approach that focuses on the long term and that allows it to take advantage of rare buying opportunities that may arise from what Ariel believes to be a tendency of financial markets to excessively focus on the short term. Ariel intends to invest in quality companies that it has analyzed carefully and Ariel intends to make investments for its sleeve(s) only when such investments are selling at what Ariel believes to be excellent values. Ariel believes that its demand for depth over breadth creates a concentrated portfolio of well-researched stocks in industries where Ariel believes it has appropriate experience, understanding and expertise.

As a value investor, Ariel seeks to make opportunistic purchases in what it believes are great companies that are temporarily out of favor. Ariel seeks to invest in companies

when they are trading at a low valuation relative to potential earnings (price/earnings ratio generally less than 13x forward cash earnings) and/or a low valuation relative to intrinsic worth (generally a 40% discount to private market value (PMV)).

Ariel intends for its sleeve(s) to hold investments for a relatively long period of time—typically two to five years. During a longer-term investment horizon, the companies in a sleeve's portfolio may increase in market capitalization. As long as a portfolio company otherwise meets the applicable Fund's investment criteria and style, increased capitalization does not prevent Ariel from holding or buying more shares of a company for a sleeve.

Ariel believes that quality companies typically share the following attributes that Ariel believes should result in capital appreciation over time:

- high barriers to entry;
- sustainable competitive advantages;
- predictable fundamentals that allow for double digit earnings growth;
- skilled management teams; and
- solid financials.

Ariel's sleeve(s) generally will hold no more than 50 securities.

ClearBridge Advisors, LLC ("ClearBridge Advisors")

Large Cap Value Strategy. ClearBridge Advisors intends for the sleeve(s) it manages to invest primarily in common stocks of established U.S. companies. ClearBridge Advisors may also invest its sleeve(s) in other equity securities. Once ClearBridge Advisors determines that the investment criteria have been met, ClearBridge Advisors employs its Socially Aware Investment (SAI) guidelines for environmental, social and governance (ESG) criteria to identify investments consistent with both the financial and social objectives of the sleeve(s) it manages. Moreover, ClearBridge Advisors may consider some avoidance screens as part of its sustainability evaluation.

ClearBridge Advisors emphasizes individual security selection while diversifying the investments of the sleeve(s) it manages across industries, which may help to reduce risk. ClearBridge Advisors intends to focus on established large capitalization companies (over \$5 billion in market capitalization), seeking to identify those companies with favorable valuations and attractive growth potential. ClearBridge Advisors employs fundamental analysis to analyze each company in detail, ranking its management, strategy and competitive market position.

In selecting individual companies for investment, ClearBridge Advisors looks for:

- share prices that appear to be temporarily oversold or do not reflect positive company developments;
- share prices that appear to undervalue the company's assets, particularly on a sum-of-the-parts basis;
- special situations including corporate events, changes in management, regulatory changes or turnaround situations; and
- company-specific items such as competitive market position, competitive products and services, experienced management team and stable financial condition.

ClearBridge Advisors will review the adherence of the sleeve(s) it manages to its ESG investment guidelines on a periodic basis. ClearBridge Advisors intends that the stocks purchased in its sleeve(s) will meet ESG investment guidelines at the time of purchase. Stocks held by its sleeve(s) may be divested prior to reaching fair value, as determined by ClearBridge Advisors, if during the periodic review of the investment universe, ClearBridge Advisors determines that a stock no longer meets the ESG investment guidelines.

Community Capital Management, Inc. (“Community Capital Management”)

Investment Grade Fixed Income Strategy. Community Capital Management is an institutional fixed income manager. Community Capital Management intends to invest the sleeve(s) it manages in government related sub-sectors of the bond market traditionally excluded from the major bond indices. Community Capital Management believes these government-related sub-sectors of the bond market are chronically undervalued.

Community Capital Management specializes in the construction and management of high-quality government-related bond portfolios composed primarily of non-index securities. The portfolio management team establishes long-term strategic asset allocation ranges, which may call for the inclusion of instruments from the following subsectors (among others):

- taxable municipal bonds;
- U.S. Agency Multi-Family MBS;
- securitized pools of U.S. Government-guaranteed Small Business Administration (SBA) loans and United States Department of Agriculture (USDA) loans; and
- U.S. Agency Single-Family MBS (collateralized by loans with relatively low loan balances).

The selection and/or creation of securities within these subsectors often entails one or more of the following actions:

- maintaining perpetual awareness of supply of new and secondary issues;
- collaboration with municipal bond issuers and their underwriters; and
- analysis of secondary-market loans, and subsequent securitization.

Community Capital Management expects the credit quality and duration of the sleeve(s) it manages to be at or near the benchmark (the Barclays Capital Aggregate Bond Index). Within each subsector, bonds are assigned a fair market value (based largely on the bond's relative yield spread vis-à-vis similarly structured bonds of the same credit quality) and examined within the context of the entire portfolio, placing specific emphasis on duration, convexity, projected prepayment speeds, and liquidity constraints.

Community Capital Management seeks to mitigate interest rate risk by constructing a portfolio duration with the goal of remaining within a 10% or 15% band vis-à-vis the benchmark. Credit risk is monitored by researching (1) the bond issuer, (2) the debtors representing the loans collateralizing the bond, (3) the creditworthiness of the credit enhancing entity (when applicable), and (4) any national and/or local economic factors affecting the issue.

Community Capital Management's sell decisions are primarily by one of two “triggers”:

- portfolio drifts from duration target and/or sector allocation target; and
- changing credit conditions.

Miller/Howard Investments, Inc. (“Miller/Howard”)

Equity Income Strategy. Miller/Howard seeks to make sleeve investments that provide high current income, growth of income and growth of principal through investing in the broad equity market. Miller/Howard seek to add value to the Funds by lowering volatility, raising the income level and enhancing risk-adjusted total return. Miller/Howard believes that equities with rising dividends offer the opportunity for excess performance relative to broad market indices, with reduced volatility. Miller/Howard views dividend growth as the best signal from management regarding future prospects for a company. Miller/Howard believes that dividends also demonstrate that a company has earned what management claims it has earned, since dividends are paid in cash and that over time, increases in dividends support increases in the price of the equity producing those dividends. Miller/Howard has found that

high quality plus high yield plus high growth of yield can provide an increased opportunity for high total return and that this is a powerful formula for achieving solid performance over time.

Miller/Howard's strategy is to build portfolios of companies that in aggregate display the following characteristics: high financial strength, high dividend income, consistent history of paying and raising dividends, strong indication of growth of dividends, and management that is highly qualified and committed to the dividend and to increasing the dividend. Miller/Howard believes that the consistency of current and future cash flows to investors is paramount. Miller/Howard seeks to employ a bottom up process and diversification. Miller/Howard strives to have as much diversification as possible while adhering to its general guidelines which are a function of stock selection rather than a rule or fixed percentage for each industry.

Miller/Howard employs ESG criteria for building positions. By creating a financial profile for companies Miller/Howard views as financially strong with high and rising income and combining that evaluation with a social and environmental profile, Miller/Howard seeks to add an extra layer of due diligence to its investment process. Miller/Howard seeks to invest in companies that have low business risk and companies that are sustainable both financially and socially.

MMA Capital Management

Investment Grade Fixed Income Strategy. MMA Capital Management intends to invest the sleeve(s) it manages primarily in fixed income securities of all types, consistent with the MMA Capital Management's socially responsible investing criteria. The fixed income securities in which MMA Capital Management's sleeves will primarily invest include corporate bonds and notes, U.S. Government agency obligations, mortgage-backed securities and asset-backed securities. Certain securities issued by U.S. Government agencies or government-sponsored enterprises may not be guaranteed by the U.S. Treasury. MMA Capital Management will consider purchasing fixed income securities for its sleeve(s) that MMA Capital Management believes provide a competitive rate of return relative to the Barclays Capital Aggregate Bond Index. MMA Capital Management will structure its sleeve(s) using the Barclays Capital Aggregate Bond Index as a guide in determining sector allocations. MMA Capital Management will seek to underweight and overweight certain sectors, depending on the relative value, while maintaining overall interest rate exposure substantially similar to the Barclays Capital Aggregate Bond Index. MMA Capital Management will carefully consider selling a security that no longer meets the Fund's ESG criteria. MMA Capital Management will consider using interest rate futures contracts and credit default swap agreements to manage interest rate and credit risk of its sleeve(s). In the event these structures are used, U.S. Treasury instruments may be purchased

and deposited with the custodian or respective broker/dealer only to satisfy collateral requirements.

Neuberger Berman Management, LLC ("Neuberger Berman")

Large Cap Blend Strategy. Neuberger Berman intends to invest the sleeve(s) it manages mainly in common stocks of mid- to large-capitalization companies. Neuberger Berman seeks to reduce risk by investing across many different industries.

Neuberger Berman employs a research-driven and valuation sensitive approach to stock selection. Neuberger Berman seeks to identify stocks in well-positioned businesses that Neuberger Berman believes are undervalued in the market. Neuberger Berman looks for solid balance sheets, strong management teams with a track record of success, good cash flow, the prospect for above average earnings growth, and other valuation-related factors. Among companies that meet these criteria, Neuberger Berman looks for those that show leadership in three areas:

- environmental concerns;
- diversity in the work force; and
- progressive employment and workplace practices, and community relations.

Parnassus Investments ("Parnassus")

Parnassus will manage two sleeve strategies:

Equity Income Strategy. Parnassus' Equity Income Strategy seeks to achieve both current income and capital appreciation by investing primarily in a diversified portfolio of equity securities. Equity securities include common and preferred stock as well as convertible bonds. The Equity Income Strategy sleeve will normally be invested so as to emphasize equity securities that pay interest or dividends. The Equity Income Strategy sleeve also may be invested in non-dividend-paying equity securities, fixed-income securities and money-market instruments. Using a value-oriented investment process, Parnassus seeks to invest in equity securities that pay dividends above the yield of the Standard & Poor's 500 Index ("S&P 500 Index"), have the potential for capital appreciation and which Parnassus believes have the capacity to raise dividends in the future. To determine a company's prospects, Parnassus reviews the company's profit and loss statement, balance sheet, sales, earnings and dividend histories, net cash flow and outlook for future earnings.

Small Cap Strategy. With respect to its Small Cap Strategy sleeve, Parnassus seeks to invest primarily in the stock of companies with market capitalizations under \$3 billion at the time of initial purchase. These companies must, in Parnassus' opinion,

be undervalued, but they must also have good prospects for long-term growth and an identifiable catalyst that could move the stock higher in the succeeding 12 months.

Portfolio 21 Investments (“Portfolio 21”)

World Stock Strategy. Currently, Portfolio 21 anticipates that it may invest the sleeve(s) it manages in at least ten countries which may include: the United States, Sweden, the United Kingdom, Japan, Germany, Switzerland, Denmark, Finland, France and Australia.

Portfolio 21 selects stocks for their growth potential. When choosing foreign securities, Portfolio 21 may consider such factors as the condition and growth potential of the various economies and securities markets, currency and taxation policies and other pertinent financial, social, national and political factors.

Pax World Management LLC

The Adviser will manage five sleeve strategies:

Multi-Cap Equity Strategy. The Adviser may invest each Multi-Cap Equity Strategy sleeve’s assets in securities of companies with any market capitalization and intends to focus on economic sectors that the Adviser believes will outpace the overall rate of growth of the United States Gross Domestic Product.

International Equity Strategy. To pursue this strategy, the Adviser will invest in an Underlying Pax ETF and/or an underlying Pax World Mutual Fund.

The Underlying Pax ETF, the ESG Shares FTSE KLD Europe Asia Pacific Sustainability Index Fund (the “KLD ETF”) seeks investment returns that closely correspond to the price and yield performance, before fees and expenses, of the FTSE KLD Europe Asia Pacific SustainabilitySM Index, which is created and maintained by KLD Research & Analytics, Inc. (“KLD”). The index measures the performance of securities of issuers organized or operating in Europe and the Asia Pacific region, selected initially and adjusted annually using a KLD proprietary method. The selection process takes into account ESG performance, as well as region, sector and size. The index includes companies from the following twenty-three developed market countries in Europe and the Asia Pacific region: Australia, Hong Kong, Japan, New Zealand, Singapore, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. As of June 30, 2009, the index included companies with market capitalizations that ranged from \$269.2 million to \$142.4 billion.

The Underlying Pax Mutual Fund, the Pax World International Fund, invests primarily in securities (such as common stocks, preferred stocks and equity securities convertible into common or preferred stocks) of non-U.S. issuers. Pax World International Fund is not constrained by any particular investment style or capitalization range. Pax World International Fund may invest in “growth” stocks, “value” stocks or a combination of both, and may hold securities of large, medium and/or small capitalization companies. Additionally, Pax World International Fund’s investments in securities of non-U.S. issuers may be diversified across multiple sectors and industries or focused on a limited number of sectors and industries, and may be diversified across multiple countries or geographic regions (including emerging market countries) or focused on a select geographic region.

Global Green (Environmental Technologies) Strategy. To pursue this strategy, the Adviser will invest in an Underlying Pax Mutual Fund, the Pax World Global Green Fund (the “Global Green Fund”). Under normal market conditions, the Global Green Fund invests primarily in equity securities (such as common stocks, preferred stocks, and securities convertible into common or preferred stocks) of companies located around the world, including at least 40% of its net assets in securities of non-U.S. issuers. The Global Green Fund invests in environmental markets—companies whose businesses and technologies focus on mitigating the environmental impacts of commerce, including such areas as alternative energy and energy efficiency; water treatment and pollution control; and waste technology and resource management.

In determining which securities to buy for the Global Green Fund, the Global Green Fund’s subadviser selects equity securities on a company-by-company basis primarily through the use of fundamental analysis. The subadviser attempts to identify companies for possible investment by analyzing their valuations and growth prospects based on their market and competitive position, financial condition and economic, political and regulatory environment. The following characteristics may also be considered in analyzing the attractiveness of such companies: valuation factors such as price-to-earnings ratio; price-to-book ratio and/or price-to-cash flow ratio; a healthy balance sheet; overall financial strength; and catalysts for changes that improve future earnings prospects. The Global Green Fund is not constrained by any particular investment style, and may therefore invest in “growth” stocks, “value” stocks or a combination of both. Additionally, it may buy stocks in any sector or industry, and it is not limited to investing in securities of a specific market capitalization and may hold securities of large, medium and/or small capitalization companies.

High Yield Bond Strategy. To pursue this strategy, the Adviser will invest in an Underlying Pax Mutual Fund, the Pax World High Yield Bond Fund (the “High Yield Bond Fund”). Under normal market conditions, the High Yield Bond Fund invests

at least 80% of its net assets (plus any borrowings for investment purposes) in high-yield, fixed income securities (such as bonds, notes and debentures) that are rated below BBB- by Standard & Poor's Ratings Group or below Baa3 by Moody's Investors Service, similarly rated by another major rating service, or unrated and determined by the Adviser to be of comparable quality. These fixed income securities are commonly referred to as "junk bonds." The Adviser anticipates that the dollar-weighted average maturity of the fixed income securities in the High Yield Bond Fund's investment portfolio will be 10 years or less.

In determining which securities to buy for the High Yield Bond Fund, the Adviser considers, among other things, the financial history and condition of the issuer, its cash flow trends, analysts' recommendations and the issuer's outlook and management team. The Adviser may consider selling a particular security if any of the original reasons for purchase materially change, if a more attractive investment is identified, to meet redemption requests, or if a company no longer meets the Adviser's environmental, social or governance standards. The Adviser generally employs fundamental analysis in making these determinations. Fundamental analysis involves the review of financial statements and other data to attempt to predict whether the price of an issuer's security is undervalued or overvalued.

Real Return Strategy. Through each Real Return Strategy sleeve the Adviser seeks to provide current income and safety of principal primarily through investing in assets that the Adviser expects to perform well in an inflationary environment. These assets may include inflation-linked debt securities, such as U.S. Treasury securities and non-mortgage related securities of the U.S. Government, its agencies, instrumentalities and corporations, including Treasury Inflation Protected Securities ("TIPS"), and inflation-linked debt securities issued by domestic and foreign corporations and foreign governments. The assets may also include non-inflationary-linked debt securities such as U.S. Treasury bonds and investment-grade securities issued by foreign corporation and/or foreign governments.

Under normal conditions, the Adviser will invest between 50% and 100% of each Real Return Strategy sleeve's assets in inflation-linked debt securities, and between 0% and 50% in non-inflation-linked debt securities. The percentage and composition of the assets at any point in time will be determined by the Adviser based on its assessment of opportunities in the marketplace.

A Real Return Strategy sleeve may sell holdings for a variety of reasons, such as to adjust the sleeve's average maturity, to shift assets into or out of higher-yielding securities, or to adjust the sleeve's allocation among the various underlying assets.

Sustainability (Environmental, Social and Governance) Criteria

The Funds' Adviser and Sleeve Subadvisers apply a variety of sustainability or environmental, social and governance (ESG) criteria to the Funds' investments. Most of the Sleeve Subadvisers who manage different strategies within the Funds are asset managers with substantial experience in the field of sustainable investing. However, each of these Sleeve Subadvisers may also apply ESG criteria that differ from those applied by other Sleeve Subadvisers. The ESG criteria integrated by a particular Sleeve Subadviser into its investment approach may differ from the criteria applied by another Sleeve Subadviser, or the same criteria could be used by different Sleeve Subadvisers but weighted differently. Some Sleeve Subadvisers may have a more narrow focus on one set of ESG factors—for example, they may focus solely on environmental criteria (the "E" in ESG). By bringing a diverse group of asset managers with various ESG approaches under one roof in a series of sleeves, the Funds provide investors with exposure to a variety of ESG approaches, and a variety of asset classes, in the field of sustainable investing—or what some call "socially responsible" or "green" investing.

A small number of Sleeve Subadvisers may not ordinarily apply ESG criteria to the management of their other portfolios. Such Sleeve Subadvisers may be chosen for the Funds because of their investment management experience in an asset class where, in the determination of the Adviser and Morningstar Associates, there is no comparable Sleeve Subadviser available or appropriate who has prior ESG investing experience. In the case of such "non-ESG" Sleeve Subadvisers, the Adviser intends to modify investment decision-making made by such Sleeve Subadvisers through the application of Pax World's ESG criteria.

The ESG criteria that the Adviser applies to the sleeves of the Funds it manages itself, as well as to assets or sleeves managed by so-called "non-ESG" Sleeve Subadvisers, follows what the Adviser calls a Sustainable Investing approach—investing in forward-thinking companies with more sustainable business models. The Adviser identifies those companies by combining rigorous financial analysis with equally rigorous environmental, social and governance analysis. The result, we believe, is an increased level of scrutiny that helps us identify better-managed companies that are leaders in their industries; that meet positive standards of corporate responsibility; and that focus on the long term.

The Adviser avoids investing in issuers that it determines are significantly involved in the manufacture of weapons or weapons-related products, manufacture tobacco products, or engage in unethical business practices.

In seeking to invest in companies with sustainable business models that meet positive standards of corporate responsibility, the Adviser seeks to invest in companies with positive corporate policies and practices in the following areas:

- Environment
- Workplace Practices
- Corporate Governance
- Community
- Product Safety and Integrity

The Adviser's primary goal is to produce competitive returns for its investors. By integrating ESG criteria into its investment approach, the Adviser also seeks to promote peace, protect the environment, advance global equity and foster sustainable development.

Companies that the Funds invest in do not necessarily meet exemplary standards in all aspects of environmental, social and governance performance. The Adviser and Sleeve Subadvisers recognize that no company is perfect when it comes to corporate responsibility or sustainability. The Funds nonetheless endeavor to invest in companies that adhere to positive standards in these areas and deploy environmental, social and corporate governance criteria that are designed to assist us in identifying those investments. It is our belief that well-managed companies that maintain good relations with employees, consumers, communities, and the natural environment, and that strive to improve in those areas, will in the long run better serve investors as well.

For a more detailed discussion of the Adviser's ESG criteria, plus information on the ESG criteria of each of the ESG Sleeve Subadvisers, please see the Funds' Statement of Additional Information.

Sleeve Subadvisers with prior ESG experience are responsible for voting shareholder proxies with respect to the holdings in the sleeves they manage, while Pax World votes proxies for any sleeve it manages as well as sleeves managed by non-ESG Sleeve Subadvisers. Sleeve Subadvisers with prior ESG experience use their own proxy voting criteria to determine how to vote in support of social responsibility.

The Funds intend to vote shareholder proxies in accordance with the Adviser's and Sleeve Subadvisers' ESG criteria, engage in dialogue with corporate management on issues of concern, initiate or support shareholder resolutions at annual stockholders meetings aimed at persuading companies to adopt higher standards of corporate transparency, accountability and responsibility.

For the proxy voting policies of the Adviser and each Sleeve Subadviser with prior ESG experience, please see the Funds' Statement of Additional Information.

Portfolio Holdings

A description of each Fund's policies and procedures with respect to the disclosure of its portfolio securities is available in the Funds' Statement of Additional Information.

Management, Organization and Capital Structure

Investment Adviser

Pax World Management LLC, 30 Penhallow Street, Suite 400, Portsmouth, New Hampshire 03801 (the "Adviser"), is the investment adviser for each of the Funds described in this prospectus pursuant to an investment advisory agreement with the Trust (the "Management Contract"). The Adviser is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and has been an investment adviser since 1971. As of September 30, 2009, the Adviser had more than \$2.4 billion in assets under management. A discussion regarding the basis for the Board of Trustees' approval of the Management Contract will be available in the Funds' annual report for the period ended December 31, 2010.

As investment adviser to each of the Funds, the Adviser has overall supervisory responsibility for: (i) the general management and oversight of investment of each Fund's securities portfolio; (ii) the evaluation, selection and recommendation to the Board of Trustees of the hiring, termination and replacement of Morningstar Associates and Sleeve Subadvisers; and (iii) overseeing and monitoring the ongoing performance of Morningstar Associates and the Sleeve Subadvisers, including their compliance with the investment objectives, policies and limitations of the Funds.

Under the Management Contract, the Funds pay advisory fees to the Adviser based on the applicable Fund's average daily net assets at an annual rate as follows:

Fund	Annual Rate of Advisory Fee
Aggressive Growth Portfolio	0.90%
Growth Portfolio	0.85%
Moderate Portfolio	0.80%
Conservative Portfolio	0.75%

Morningstar Associates and all Sleeve Subadvisers are compensated by the Adviser out of the advisory fees the Adviser receives pursuant to the Management Contract and not by the Funds directly.

Morningstar Associates

Morningstar Associates, LLC, 22 W. Washington, Chicago, Illinois 60602 is the portfolio construction adviser to each of the Funds pursuant to an asset allocation subadvisory agreement with the Adviser (the “Asset Allocation Agreement”). Morningstar Associates is registered as an investment adviser with the SEC under the Advisers Act, and has been an investment adviser since 1999. A discussion regarding the basis for the Board of Trustees’ approval of the Asset Allocation Agreement will be available in the Funds’ annual report for the period ended December 31, 2010.

As the portfolio construction adviser to the Adviser and each of the Funds, Morningstar Associates has primary responsibility for: (i) the design of the asset allocation strategy of each Fund, (ii) the amount of assets allocated to each Sleeve Subadviser and/or the Adviser, (iii) the evaluation, selection and recommendation to the Adviser and the Board of Trustees of hiring, termination and replacement of Sleeve Subadvisers to manage the assets of each Fund, and (iv) together with the Adviser, overseeing and monitoring the ongoing performance of Sleeve Subadvisers of each Fund.

The Adviser compensates Morningstar Associates out of the advisory fees it receives from the applicable Fund and as of the date of this Prospectus, the Adviser pays a fee to Morningstar Associates at an annual rate of 0.15% of the daily net assets of each Fund.

Sleeve Subadvisers

The Adviser may, with the prior approval of the Board of Trustees and the shareholders of the relevant Fund, engage persons or entities to serve as Sleeve

Subadvisers to one or more Funds. In the event that the SEC issues an exemptive order permitting the Trust and the Adviser to adopt a “manager of managers” structure (as discussed above), the Adviser may, without shareholder approval, subject to certain conditions and with the approval of the Board of Trustees, (i) hire, terminate or replace Sleeve Subadvisers for the Funds, and (ii) change the terms of a subadvisory arrangement.

The Adviser has entered into separate Subadvisory Contracts with each Sleeve Subadviser and compensates each Sleeve Subadviser out of the investment advisory fees it receives from the applicable Fund. In general, the Sleeve Subadvisers have discretionary responsibility for investment of the Fund’s assets and the portfolio management of the Fund, but certain Sleeve Subadvisers may have non-discretionary responsibility for investment of their sleeve of the Fund. Each Sleeve Subadviser’s investment management services may include buying and selling securities on behalf of the Funds, as well as conducting the research that leads to buy and sell decisions. Each Sleeve Subadviser is registered as an investment adviser with the SEC under the Advisers Act and has experience acting as investment adviser and/or subadviser to other registered investment companies.

A discussion regarding the basis for the Board of Trustees’ approval of each Sleeve Subadviser’s Subadvisory Contract will be available in the Funds’ annual report for the period ended December 31, 2010.

Portfolio Managers

The following provides additional information about the individual portfolio managers who have primary responsibility for determining the Funds’ asset allocations and managing the Funds’ investments. The Statement of Additional Information provides additional information about (i) the portfolio managers’ compensation, (ii) other accounts, if any, managed by the portfolio managers, and (iii) the portfolio managers’ ownership of securities of any funds they manage.

The Funds are managed by the following portfolio construction team at Morningstar Associates:

Jon Hale, Ph.D., CFA, is a Managing Consultant for Morningstar Associates, LLC. Mr. Hale has been responsible for managing the portfolio construction of the Funds since the Funds’ inception. Mr. Hale joined Morningstar, Inc. in 1995 as a mutual-fund analyst, before helping launch Morningstar’s Institutional Investment Consulting Group in 1998. From 2000-2001, Mr. Hale served on the management

team at Domini Social Investments, LLC. In 2001, Mr. Hale rejoined the consulting group, which had become Morningstar Associates, LLC, as a senior consultant. Since 2006, he has been a member of the portfolio construction team that oversees asset allocation and multi-manager portfolios. In 2009, he was named Managing Consultant for Morningstar Associates. Prior to joining Morningstar, Inc., he taught at several universities. Mr. Hale holds a B.A. with Honors from the University of Oklahoma and a Ph.D. in political science from Indiana University.

Peter DiTeresa is a Senior Investment Consultant for Morningstar Associates, LLC. Mr. DiTeresa has been responsible for managing the portfolio construction of the Funds since the Funds' inception. Mr. DiTeresa, who joined Morningstar Associates in 2003, oversees various asset-allocation programs and multi-manager portfolios. Mr. DiTeresa joined Morningstar, Inc. in 1995 as a mutual-fund analyst. He holds a B.A. with Honors from the University of Chicago and an M.A. from Harvard University.

In addition to Messrs. Hale and DiTeresa, Morningstar Associates utilizes a number of other internal asset allocation consultants that serve as an investment resource to the portfolio construction team.

The following portfolio managers are primarily responsible for managing the indicated sleeves of the Funds:

Christopher H. Brown is Chief Investment Officer for the Adviser and manages the Pax World Multi-Cap Equity Strategy sleeve of each applicable Fund. Mr. Brown has been responsible for the management of the Pax World Multi-Cap Equity Strategy sleeve since the Funds' inception. Mr. Brown has been a portfolio manager with the Adviser since 1998. Mr. Brown is a graduate of the Boston University School of Management with a concentration in Finance.

Anthony Trzcinka, CFA, manages the Pax World Real Return Strategy sleeve of each applicable Fund. Mr. Trzcinka has been responsible for the management of the Pax World Real Return Strategy sleeve since the Funds' inception. Mr. Trzcinka has been a portfolio manager with the Adviser since 2003. Before joining the Adviser, Mr. Trzcinka spent more than three years at AEW Capital Management as an Assistant Vice President, and prior to that had more than 10 years of overall finance experience. Mr. Trzcinka has a Masters of Business Administration from Northeastern University and a Bachelor of Arts from the University of Massachusetts and holds the CFA designation. Mr. Trzcinka is a member of the Boston Security Analyst Society and the CFA Institute.

Mary V. Austin, CFA, manages the Pax World High Yield Bond Strategy sleeve of each applicable Fund. Ms. Austin has been responsible for the management of the Pax World High Yield Bond Strategy sleeve since the Funds' inception. Ms. Austin has been a portfolio manager with the Adviser since 2005 and has been involved with the management of funds for the Adviser since 1999. Ms. Austin received her Bachelor of Business Administration in Public Accounting from Pace University. Ms. Austin holds the CFA designation and is a member of the New York Society of Securities Analysts.

How Share Price Is Determined

The net asset value per share ("NAV") of each class of a Fund's shares is determined by dividing the total value of the Fund's net assets attributable to that class (i.e., the value of its securities and other assets less its liabilities, including expenses payable or accrued, but excluding capital stock and surplus) by the total number of shares outstanding of that class.

The NAV of the Funds is determined ordinarily as of the close of regular trading (normally 4:00 p.m. Eastern time) (the "NYSE Close") on the New York Stock Exchange on each day (a "Business Day") that the New York Stock Exchange is open for trading.

The Funds' investments for which market quotations are readily available are valued at market value. Market values for various types of securities and other instruments are determined on the basis of closing prices or last sales prices on an exchange or other market, or based on quotes or other market information obtained from quotation reporting systems, established market makers or pricing services. Please see "Purchase, Redemption, Exchange and Pricing of Fund Shares" in the Statement of Additional Information. Short-term investments having a maturity of 60 days or less are generally valued at amortized cost.

If market quotations are not readily available (including in cases when available market quotations are deemed to be unreliable), the Funds' investments will be valued as determined in good faith pursuant to policies and procedures approved by the Trustees (so called "fair value pricing"). Fair value pricing may require subjective determinations about the value of a security or other asset, and fair values used to determine a Fund's NAV may differ from quoted or published prices, or from prices that are used by others, for the same investments. Also, the use of fair value pricing may not always result in adjustments to the prices of securities or other assets held by a Fund.

The Funds may determine that market quotations are not readily available due to events relating to a single issuer (e.g., corporate actions or announcements) or events relating to multiple issuers (e.g., governmental actions or natural disasters). The Funds may determine the fair value of investments based on information provided by pricing services and other third-party vendors, which may recommend fair value prices or adjustments with reference to other securities, indices or assets. In considering whether fair value pricing is required and in determining fair values, the Funds may, among other things, consider significant events (which may be considered to include changes in the value of U.S. securities or securities indices) that occur after the close of the relevant market and the usual time of valuation. The Funds' use of fair value pricing may help deter short-term trading activity as discussed below under "Frequent Purchases and Redemptions of Fund Shares."

For purposes of calculating NAV, the Funds normally use pricing data for domestic equity securities received shortly after the NYSE Close and do not normally take into account trading, clearances or settlements that take place after the NYSE Close. Domestic fixed income and foreign securities are normally priced using data reflecting the earlier closing of the principal markets for those securities, subject to possible fair value adjustments. Information that becomes known to the Funds or their agents after NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or NAV determined earlier that day.

Investments initially valued in currencies other than the U.S. dollar are converted to U.S. dollars using exchange rates obtained from pricing services. As a result, NAV of a Fund's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of investments traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the New York Stock Exchange is closed, and the net asset value of a Fund's shares may change on days when an investor is not able to purchase, redeem or exchange shares.

Shareholder Guide

Choosing a Share Class

Each Fund offers Class A, Class C and Institutional Class shares. Each share class represents an investment in the same portfolio of securities, but each class has its

own sales charge and expense structure, allowing you and your financial representative to choose the class that best suits your investment needs.

Factors you should consider in choosing a class of shares include:

- how long you expect to own the shares;
- how much you intend to invest;
- the total expenses associated with owning shares of each class;
- whether you qualify for any reduction or waiver of sales charges (for example, Class A shares may be a less expensive option than Class C shares over time, particularly if you qualify for a sales charge reduction or waiver); and
- whether you plan to take any distributions in the near future.

Each investor's financial considerations are different. You should speak with your financial representative to help you decide which share class is best for you.

Comparison of Share Classes

	Class A	Class C	Institutional Class
Minimum Initial Investment	\$250	\$250	\$5,000,000
Minimum Subsequent Investment	\$50	\$50	None
Maximum Investment	None	\$999,999 ¹	None
Maximum Initial Sales Charge	5.50% ²	None	None
Maximum Contingent Deferred Sales Charge	1.00% ³	1.00% ⁴	None
Maximum Distribution and Service Fees	0.25%	1.00%	None

¹Orders for Class C shares of a Fund, other than Class C shares sold to qualified employee-benefit plans, will be refused when the total value of the purchase, plus existing account balances that are eligible to be linked under a right of accumulation for purchases of Class A shares (as described below), is \$1 million or more. Because Class A shares have a lower distribution fee and no shareholder servicing fee, and because the initial sales charge is eliminated for Class A share purchases of \$1 million or more, investors considering cumulative purchases of \$1 million and investors intending to hold their shares for a substantial period of time should consider whether Class A shares would be more advantageous and should consult their financial representative.

²Reduced for purchases of \$50,000 or more and eliminated for purchases of \$1 million or more.

³Applies to certain redemptions made within one year following purchases of \$1 million or more without an initial sales charge.

⁴Applies to shares sold within one year after purchase.

How to Purchase Shares

All accounts must be opened through an investment adviser, approved broker/dealer or other financial intermediary. Your financial representative may obtain an account

application from the Funds' website at www.esgmanagers.com or by contacting Pax World at 877.374.7678. The completed application, along with a check made payable to "the ESG Managers Portfolios" (or any other form of payment acceptable to the Funds in their discretion), must then be returned to ESG Managers Portfolios at the following address:

by regular mail to:

ESG Managers Portfolios
P.O. Box 9824
Providence, RI 02940-8024

or, by overnight delivery to:

ESG Managers Portfolios
101 Sabin Street
Pawtucket, RI 02860-1427
Toll-Free Telephone: 888.374.8920

Please note that the Trust cannot accept money orders or cashier's, third-party, traveler or starter checks.

Investors wishing to pay for shares by wire transfer (or by any other payment method) should contact Pax World at 888.374.8920.

Share purchases will not be processed until full payment is received. Share ownership shall be recorded on the books of the transfer agent in an account under the purchaser's name, and a confirmation of the purchase will be issued to the purchaser showing the account number and the number of shares owned.

Investment Minimums

Shares of the Funds are offered for sale on a continuous basis at the offering price, which is NAV plus any applicable sales charges (Class A only). Generally, share purchases are subject to the minimum investment amounts set forth below. A shareholder's financial advisor may establish higher investment minimums.

	Minimum Initial Investment	Minimum Subsequent Investment
Class A Shares	\$250	\$50
Class C Shares	\$250	\$50
Institutional Class	\$5,000,000	None

Each Fund may waive investment minimums and any applicable service fees for initial and subsequent purchases for investors who purchase shares through (1) certain omnibus accounts, (2) certain wrap-fee programs that offer asset allocation services and charge an asset-based fee, and (3) certain employer-sponsored retirement plans. In addition, each Fund may waive investment minimums and any applicable service fees in other circumstances at its discretion.

Sales Charges

Class A Shares

The initial sales charge you pay each time you buy Class A shares differs depending upon the amount you invest and may be reduced or eliminated for larger purchases as indicated below. The "offering price," the price you pay to buy shares, includes any applicable sales charge, which will be deducted directly from your investment. Shares acquired through reinvestment of dividends or capital gain distributions are not subject to an initial sales charge.

Investment	Offering Price	Sales Charge as a % of Net Amount Invested	Dealer Rate Commission as a % of Offering Price
Less than \$50,000	5.50%	5.82%	4.75%
\$50,000 but less than \$100,000	4.50%	4.71%	3.75%
\$100,000 but less than \$250,000	3.50%	3.63%	2.75%
\$250,000 but less than \$500,000	2.50%	2.56%	2.00%
\$500,000 but less than \$1,000,000	2.00%	2.04%	1.60%
\$1,000,000 or more	None	None	See Below

The sales charge, expressed as a percentage of the offering price or the net amount invested, may be higher or lower than the percentages described in the table above due to rounding. This is because the dollar amount of the sales charge is determined by subtracting the net asset value of the shares purchased from the offering price, which is calculated to two decimal places using standard rounding criteria. The impact of rounding will vary with the size of the investment and the net asset value of the shares. Similarly, any contingent deferred sales charge paid by you on investments in Class A shares may be higher or lower than the 1% charge described below due to rounding.

Except as provided below, investments in Class A shares of \$1 million or more may be subject to a 1.00% contingent deferred sales charge if the shares are sold within one year of purchase. The contingent deferred sales charge is based on the original purchase cost or the net asset value of the shares being sold, whichever is less. The distributor may pay dealers up to 1.00% on investments made in Class A shares with no initial sales charge. The Funds may reimburse the distributor for these payments through their plans of distribution (see "Distribution Arrangements" in this prospectus).

Class A shares Not Subject to a Sales Charge

The following investments are not subject to any initial or contingent deferred sales charge if the Funds are properly notified of the nature of the investment:

- Investments made by accounts that are part of certain qualified fee-based programs through an investment dealer's load-waived Class A share program;
- Investments in Class A shares made by endowments or foundations with \$10 million or more in assets;
- Investments made through an employer-sponsored retirement plan, provided its plan administrator or dealer of record has entered into an agreement with the Funds or it invests at least \$1 million in Class A shares of the Funds; and
- Certain rollover investments from retirement plans to IRAs (see "Rollovers from retirement plans to IRAs" in this prospectus for more information).

Certain other investors may qualify to purchase shares without a sales charge, such as employees of investment dealers and registered investment advisers authorized to sell the Funds and employees of the Adviser and the Sleeve Subadvisers. Please see the statement of additional information for more information about reductions and waivers of sales charges, including deferred sales charges. You may consult your financial representative or the Funds for assistance.

Class C shares

There is no front-end sales charge for Class C shares, but if you sell the shares within one year after purchase, you will have to pay a 1.00% contingent deferred sales charge ("CDSC"). The distributor may pay dealers up to 1.00% on investments made in Class C shares. The Funds may reimburse the distributor for these payments through their plans of distribution (see "Distribution Arrangements" in this prospectus). Shares acquired through reinvestment of dividends or capital gains are not subject to a CDSC.

Contingent Deferred Sales Charges (Class C and Certain Class A Shares)

A deferred sales charge of 1.00% will apply to Class C shares if redeemed within one year of purchase. Unless otherwise agreed with the Adviser, Class A shares that are part of a purchase of \$1 million or more (other than by a qualified retirement plan) will be subject to a 1.00% deferred sales charge if redeemed within 12 months of purchase. Please see the Funds' Statement of Additional Information for more information. Deferred sales charges will be based on the lower of the shares' original purchase price and current NAV. Shares not subject to any charge will be redeemed first, followed by shares held longest. You may sell shares acquired by reinvestment of distributions without a charge at any time.

Sales Charge Reductions and Waivers

The Funds offer two principal ways for you to qualify for discounts on initial sales charges on Class A shares, often referred to as "breakpoint discounts:"

Right of Accumulation. You can add the amount of your current purchases of Class A shares of one or more of the Funds to the value of your existing accounts in the Funds to obtain a breakpoint discount. Individuals can also include purchases by, and accounts owned by, their spouse and minor children, including accounts established through different financial representatives.

For your current purchases, you will pay the initial sales charge applicable to the total value of the linked accounts and purchases, which may be lower than the sales charge otherwise applicable to each of your current purchases.

To calculate the total value of your existing accounts and any linked accounts, the Funds will use the current maximum public offering price of those shares.

Statement of Intention. A statement of intention is a document in which you agree to make purchases of Class A shares in a specified amount within a period of 13 months. For each purchase you make under the statement of intention, you will pay the initial sales charge applicable to the total amount you have agreed to purchase. While a statement of intention is not a binding obligation on you, if you do not purchase the full amount of shares within 13 months, the applicable Fund or Funds will redeem shares from your account in an amount equal to the difference between the higher initial sales charge you would have paid in the absence of the statement of intention and the initial sales charge you actually paid.

Account types that may be linked with each other to obtain breakpoint discounts using the methods described above include:

- Individual accounts
- Joint accounts
- Accounts established as part of a retirement plan and IRA accounts (some restrictions may apply)
- Shares of the Funds owned through accounts in the name of your dealer or other financial intermediary (with documentation identifying beneficial ownership of shares)

In order to obtain a breakpoint discount, you must inform the Funds or your financial representative at the time you purchase shares of the existence of other accounts or purchases that are eligible to be linked for the purpose of calculating

the initial sales charge. If you do not let the Funds or your financial representative know that you are eligible for a discount, you may not receive a reduced sales charge to which you are entitled. The Funds or your financial representative may ask you for records or other information about other shares held in your accounts and linked accounts, including accounts opened with a different financial representative. Restrictions may apply to certain accounts and transactions. Further details about breakpoint discounts can be found in the Funds' Statement of Additional Information.

Additional Reductions and Waivers of Sales Charges

In addition to the breakpoint discount methods described above, sales charges may be reduced or waived under certain circumstances and for certain categories of investors.

Contingent Deferred Sales Charge Waivers

The contingent deferred sales charge on Class A and Class C shares may be waived in the following cases:

- permitted exchanges of shares, except if shares acquired by exchange are then redeemed within the period during which a contingent deferred sales charge would apply to the initial shares purchased;
- tax-free returns of excess contributions to IRAs;
- redemptions due to death or postpurchase disability of the shareholder (this generally excludes accounts registered in the names of trusts and other entities);
- redemptions due to the complete termination of a trust upon the death of the trustor/grantor or beneficiary, but only if such termination is specifically provided for in the trust document; and
- the following types of transactions, if together they do not exceed 12% of the value of an account annually (see the statement of additional information for more information about waivers regarding these types of transactions):
 - redemptions due to receiving required minimum distributions from retirement accounts upon reaching age 70 ½ (required minimum distributions that continue to be taken by the beneficiary(ies) after the account owner is deceased also qualify for a waiver); and
 - if you have established an automatic withdrawal plan, redemptions through such a plan (including any dividends and/or capital gain distributions taken in cash).

Rollovers from Retirement Plans to IRAs

Assets from retirement plans may be invested in Class A or Class C shares through an IRA rollover, subject to the other provisions of this prospectus. Rollovers invested in

Class A shares from retirement plans will be subject to applicable sales charges. However, rollovers IRAs invested in Class A shares will be made without a sales charge if the assets being rolled over were invested in the Funds at the time of distribution.

IRA rollover assets that roll over without a sales charge as described above will not be subject to a contingent deferred sales charge and investment dealers will be compensated solely with an annual service fee that begins to accrue immediately. IRA rollover assets invested in Class A shares that are not attributable to a Fund's investments, as well as future contributions to the IRA, will be subject to sales charges and the terms and conditions generally applicable to Class A share investments as described in this Prospectus and the Funds' Statement of Additional Information.

Right of Reinvestment

Subject to the Funds' policies regarding frequent purchase and redemption of Fund shares, you may reinvest proceeds from a redemption, dividend payment or capital gain distribution of Class A shares in any Fund without a sales charge provided that the reinvestment occurs within 90 days after the date of the redemption or distribution and is made into the same account from which you redeemed the shares or received the distribution. In order to take advantage of this privilege, you must notify the Fund or your broker/dealer at the time of the repurchase. The Funds reserve the right to modify or eliminate this privilege at any time without notice to shareholders.

In General

Generally, if a purchase order is received in proper form by the Trust's transfer agent by the close of trading on the New York Stock Exchange (usually 4:00 p.m., Eastern time) on a business day, the shares will be purchased at the net asset value determined as of that day (plus any applicable sales charges); otherwise, the shares will be purchased at the net asset value next determined (plus any applicable sales charges).

There are certain exceptions when an order is received by a broker or dealer prior to the close of regular trading on the New York Stock Exchange and then transmitted to the transfer agent after the net asset value has been calculated for that day (in which case the order may be processed at that day's net asset value, plus any applicable sales charges). In such cases, it is the financial institution's responsibility to transmit orders so that they will be received by the Trust's transfer agent (or such other entity) on a timely basis.

Investors who purchase shares through certain benefit plans should be aware that plan administrators may aggregate purchase, redemption and exchange orders for participants in the plan. Therefore, there may be a delay between the time the investor

places an order with the plan administrator and the time the order is forwarded to the transfer agent for execution.

The Trust does not process orders on days when the New York Stock Exchange is closed. If a purchase order is received by the transfer agent on a day when the New York Stock Exchange is closed, it will be processed on the next succeeding day when the New York Stock Exchange is open (at the succeeding day's net asset value, plus any applicable sales charges.)

The Trust reserves the right to refuse a purchase if, in the judgment of the Adviser, the purchase would adversely affect the Funds and their shareholders. In particular, the Trust and the Adviser each reserve the right to utilize various measures including, but not limited to, restricting purchases of Fund shares or closing an account when a pattern of frequent purchases and sales made in response to short-term fluctuations in share price appears evident. Notice of any such restrictions will vary according to the particular circumstances.

Federal law requires all financial institutions to obtain and record personal information about an investor to verify the investor's identity. If an investor refuses to provide such information, the Funds and other financial institutions may be unable to open an account for such investor. The Funds reserve the right to reject any purchase order (including via an exchange) or to suspend or to modify the continuous offering of shares. The Funds further reserve the right to close an account (or to take such other steps as the Funds deem reasonable) for any lawful reason, including but not limited to the suspicion of fraud or other illegal activity in connection with the account.

Share Certificates

The Funds do not issue share certificates.

Financial Advisors

A shareholder's financial advisor can help the shareholder purchase shares. A financial advisor may independently establish and charge transaction fees and/or other additional amounts for such services, which may change over time. These fees and additional amounts could reduce a shareholder's investment returns on shares of the Funds.

Purchasing Additional Shares

Investing by Mail

Shareholders may purchase additional shares of the Funds by mailing a check to the address above under the caption "How to Purchase Shares." Checks for subsequent purchases should be payable to "the ESG Managers Portfolios" and should clearly indicate the account number and Fund name. A written confirmation of the purchase transaction will be sent to the shareholder at his or her address of record. Please note that shares purchased by check are not immediately available for redemption. See the section captioned "How to Sell Shares" below for more information.

Investing by Telephone

In order to purchase additional shares of the Funds by telephone, a shareholder must:

- authorize telephone purchases and provide bank information for electronic (ACH) transfers on his or her initial application form or on an Optional Account Services form (the Optional Account Services form is available at the Funds' website at www.esgmanagers.com and may be requested by calling ESG Managers toll-free at 888.374.8920); and then
- telephone ESG Managers toll-free at 888.374.8920, Monday through Friday (except holidays) between the hours of 8:00 a.m. and 6:00 p.m., Eastern time.

For shareholder protection and to prevent fraudulent purchases, telephone calls may be recorded, and shareholders will be asked to verify their account information. A written confirmation of the purchase transaction will be sent to the shareholder at his or her address of record.

The Funds reserve the right to cancel any telephone purchase order for which electronic (ACH) payment has not been received by the next business day following the date on which the order is received. Please note that shares purchased by electronic (ACH) transfer are not immediately available for redemption. See the section captioned "How to Sell Shares" below for more information.

Investing by Wire Transfer

In order to purchase additional shares of the Funds by wire transfer, a shareholder must:

- telephone ESG Managers toll-free at 888.374.8920 to notify ESG Managers of the shareholder's intent to purchase shares of the Fund by wire transfer; and then
- instruct his or her bank to transfer funds by wire to the following account:

Bank Name:	PNC Bank, Philadelphia, PA
ABA Number:	031000053
Account Name:	ESG Managers® Portfolios
Account No.:	8551007715
Further Credit:	Fund Name, Share Class, Shareholder Name and Shareholder Account Number

A written confirmation of the purchase transaction will be sent to the shareholder at his or her address of record. Shares will be purchased at the net asset value next determined after the wire is received.

Automatic Investment Plan

Under the ESG Managers Automatic Investment Plan, a shareholder may make regular monthly or quarterly purchases of shares via an automatic debit from a bank account. For additional information about this service, please contact ESG Managers toll-free at 888.374.8920 between the hours of 8:00 a.m. and 6:00 p.m., Eastern time, or visit the Funds' website at www.esgmanagers.com.

How to Sell Shares

Financial Advisors

A shareholder's financial advisor can help the shareholder redeem shares. A financial advisor may independently establish and charge transaction fees and/or other additional amounts for such services, which may change over time. These fees and additional amounts could reduce a shareholder's investment returns on shares of the Funds.

Shareholders may redeem (sell) shares of a Fund as described below for cash at the net asset value per share next determined after the Fund's transfer agent receives a redemption request in proper form (less any applicable CDSC fee). A redemption request must be in writing and the signature(s) on the redemption request (and on the share certificates or stock transfer power, if the shares are certificated) must be guaranteed by an "eligible guarantor institution" if the proceeds of the redemption:

- exceed \$50,000;
- are to be paid to a person other than the record owner;
- are to be sent (i) to an address other than the address on the transfer agent's records or (ii) within 30 days after the transfer agent has been notified of an address change;
- are being sent by wire or ACH transfer to a bank account other than the one that is preauthorized on the transfer agent's records; or

- are to be paid to a corporation, partnership or fiduciary.

An "eligible guarantor institution" includes any domestic bank or trust company, broker, dealer, clearing agency, savings association or other financial institution that participates in a medallion program recognized by the Securities Transfer Agents Association. The three recognized medallion programs are:

- Securities Transfer Agents Medallion Program (STAMP);
- Stock Exchanges Medallion Program (SEMP); and
- New York Stock Exchange, Inc. Medallion Signature Program (MSP).

Signature guarantees made by entities that are not a part of these programs will not be accepted. Please note that financial institutions participating in a recognized medallion program may still be ineligible to provide a signature guarantee for transactions of greater than a certain dollar amount. The Trust's transfer agent reserves the right to request additional information from, and to make reasonable inquiries of, any eligible guarantor institution.

Generally, payment for shares redeemed will be made by check, electronic (ACH) transfer or wire transfer within seven days after receipt by the Trust's transfer agent of the redemption request in proper form. Redemptions and/or payments for shares redeemed may be suspended for more than seven days when trading on the New York Stock Exchange is restricted or during an emergency that makes it impractical for the Funds to dispose of their securities or to determine fairly the value of their net assets, or during any other period permitted by the SEC for the protection of investors. The Funds charge a fee of \$10.00 for each wire redemption.

Shares purchased by check or electronic (ACH) transfer are held in escrow by the Trust's transfer agent until the check has been collected or the payment has been received, which may take up to 10 days. Payment for shares redeemed will be delayed in such cases until the transfer agent has confirmed receipt of payment for such shares.

Redeeming by Mail

A shareholder may request a redemption of up to \$50,000 by written request signed by all account owners exactly as their names appear on the records of the Trust's transfer agent. If a corporation, partnership, trust or fiduciary requests redemption, written evidence of authority acceptable to the transfer agent must be submitted before the redemption request will be processed. Written redemption requests and all related documents and instruments should be directed to the transfer agent:

by regular mail to:

ESG Managers Portfolios
P.O. Box 9824
Providence, RI 02940-8024

or, by overnight delivery to:

ESG Managers Portfolios
101 Sabin Street
Pawtucket, RI 02860-1427
Toll-Free Telephone: 888.374.8920

Redeeming by Telephone

A shareholder may request a redemption of at least \$1,000 by telephone. Telephone redemptions may not exceed \$50,000 in the aggregate during any 30-day period. The proceeds from a telephone redemption may be paid only to the record owner(s), may be sent only to the record address or to a pre-authorized bank account and cannot be made within 30 days after the transfer agent has been notified of an address change for the account. If there are multiple record owners, the transfer agent may rely upon the instructions of only one record owner.

In order to redeem shares by telephone, a shareholder must:

- authorize telephone redemptions on his or her initial application form or on an Optional Account Services form (the Optional Account Services form is available at the Funds' website at www.esgmanagers.com and may be requested by calling ESG Managers toll-free at 888.374.8920); and then
- telephone ESG Managers toll-free at 888.374.8920, Monday through Friday (except holidays) between the hours of 8:00 a.m. and 6:00 p.m., Eastern time.

For shareholder protection and to prevent fraudulent redemptions, telephone calls may be recorded, and shareholders will be asked to verify their account information. A written confirmation of the redemption transaction will be sent to the shareholder at his or her address of record.

In General

Redemptions of Fund shares may be suspended when trading on the New York Stock Exchange is restricted or during an emergency which makes it impracticable for the Funds to dispose of their securities or to determine fairly the value of their net assets, or during any other period as permitted by the SEC for the protection of investors. Under these and other unusual circumstances, the Funds may suspend redemptions or postpone payment for more than seven days, as permitted by law.

Involuntary Redemptions

Due to the relatively high costs of maintaining small accounts, shareholders are asked to maintain an account balance in a Fund equal to at least the minimum investment necessary to open the account. The Trust reserves the right to redeem all shares held by any shareholder, other than an individual retirement account (IRA) or other tax-deferred retirement plan shareholder, whose account has a balance in an amount less than the minimum investment necessary to open the account. The Trust will give any shareholder subject to involuntary redemption 60 days' prior written notice, during which time the shareholder may purchase sufficient additional shares to avoid involuntary redemption. A shareholder's Fund account will not be liquidated if the reduction in size is due solely to decline in market value of a shareholder's Fund shares.

How to Exchange Shares

In General

Financial Advisors

A shareholder's financial advisor can help the shareholder exchange shares. A financial advisor may independently establish and charge transaction fees and/or other additional amounts for such services, which may change over time. These fees and additional amounts could reduce a shareholder's investment returns on shares of the Funds.

A shareholder may exchange shares of any Fund within the ESG Managers Portfolios for shares of the same class of any other Fund within the ESG Managers Portfolios, subject to the minimum investment requirements of such classes and to the frequent purchase and redemptions policies described below. In addition, an exchange will be treated as a redemption and purchase for tax purposes and any gain on such transaction may be subject to federal income tax, except that an exchange of shares between two classes of the same Fund generally is not a taxable exchange. Shares are exchanged on the basis of their respective net asset values, next determined after the transfer agent receives the exchange request in proper form.

The Trust reserves the right to suspend exchange privileges on any account if the Adviser determines that the account's exchange activity is likely to adversely affect its ability to manage the Funds. See the section below captioned "Frequent Purchases and Redemptions of Fund Shares."

Exchanging by Mail

Shareholders may exchange shares of a Fund by mailing an exchange request:

by regular mail to:

ESG Managers Portfolios
P.O. Box 9824
Providence, RI 02940-8024

or, by overnight delivery to:

ESG Managers Portfolios
101 Sabin Street
Pawtucket, RI 02860-1427
Toll-Free Telephone: 888.374.8920

Exchanging by Telephone

In order to exchange shares by telephone, a shareholder must:

- authorize telephone exchanges on his or her initial application form or on an Optional Account Services form (the Optional Account Services form is available at the Funds' website at www.esgmanagers.com and may be requested by calling Pax World toll-free at 888.374.8920); and then
- telephone Pax World toll-free at 888.374.8920, Monday through Friday (except holidays) between the hours of 8:00 a.m. and 6:00 p.m., Eastern time.

For shareholder protection and to prevent fraudulent exchanges, telephone calls may be recorded, and shareholders will be asked to verify their account information. A written confirmation of the exchange transaction will be sent to the shareholder at his or her address of record.

Frequent Purchases and Redemptions of Fund Shares

The Trust generally encourages shareholders to invest in the Funds as part of a long-term investment strategy. The interests of the Funds' long-term shareholders may be adversely affected by certain short-term trading activity by Fund shareholders. Such short-term trading activity, when excessive, has the potential to interfere with efficient portfolio management, to generate transaction and other costs, to dilute the value of Fund shares held by long-term shareholders and otherwise to adversely affect the Funds. This type of excessive short-term trading activity is referred to herein as "frequent purchases and redemptions." The Funds are not intended as a vehicle for frequent purchases and redemptions.

Accordingly, the Trust's Board of Trustees has adopted policies and procedures that are reasonably designed to discourage, and otherwise to limit the negative affects of, frequent purchases and redemptions of Fund shares by Fund shareholders. These policies and procedures require the Funds to:

- actively monitor daily purchases and redemptions in order to detect and prevent excessive and disruptive trading practices; and
- use fair value pricing when market prices are not readily available.

The policies and procedures described above are intended to deter frequent purchases and redemptions in the Funds. However, there can be no assurance that these policies and procedures, individually or collectively, will be totally effective in this regard. A substantial portion of purchase, redemption and exchange orders are received through omnibus accounts. Omnibus accounts, in which purchases and sales of Fund shares by multiple investors are aggregated for presentation to the Funds on a net basis, conceal the identity of individual investors from the Funds because the financial intermediary maintains the record of underlying beneficial owners. In addition, certain financial intermediaries have different policies regarding monitoring and restricting frequent purchases and redemptions in the underlying beneficial owner accounts that they maintain through an omnibus account that may be more or less restrictive than the Funds' practices discussed above.

The Trust's Board of Trustees reserves the right to amend its policies and procedures at any time and from time to time in its sole discretion, without prior notice to shareholders.

Taxes, Dividends and Distributions

Taxes

The following discussion is a summary of some important U.S. federal tax considerations generally applicable to investments in a Fund. Your investment in a Fund may have other tax implications. Please consult your tax adviser about foreign, federal, state, local or other tax laws applicable to you.

Each of the Funds intends to elect to be treated and qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended. If a Fund so qualifies and satisfies certain distribution requirements, such Fund will ordinarily not be subject to U.S. federal income tax on its net investment income (which includes short-term capital gains) and net capital gains that it distributes to shareholders. Each Fund expects to distribute all or substantially all of its income and gains to shareholders every year. If a Fund fails to qualify as a regulated

investment company in any taxable year, the Fund would be subject to fund-level taxation, and consequently, a reduction in income available for distribution to shareholders.

For U.S. federal income tax purposes, distributions of investment income are generally taxable as ordinary income. Taxes on distributions of capital gains are determined by how long a Fund owned (or is deemed to have owned) the investments that generated them, rather than by how long you have owned your shares. Properly designated distributions of net capital gains (that is, the excess of net long-term capital gains over net short-term capital losses) from the sale of investments that a Fund owned (or is deemed to have owned) for more than one year are generally taxable to shareholders as long-term capital gains.

Distributions of gains from investments that a Fund owned (or is deemed to have owned) for one year or less and gains on the sale of bonds characterized as market discount are generally taxable to shareholders as ordinary income. For the taxable years beginning before January 1, 2011, distributions of investment income designated by a Fund as derived from “qualified dividend income” are taxed at the current lower rates applicable to long-term capital gain, provided that both you and the relevant Fund meet certain holding period and other requirements. It is currently unclear whether Congress will extend, change or eliminate this provision to or for taxable years beginning on or after January 1, 2011. Distributions are taxable to you even if they are paid from income or gains earned by a Fund before your investment (and thus were included in the price you paid). Distributions are taxable to you whether you receive them in cash or reinvest them in additional shares. Distributions may also be subject to state and local taxes. Distributions by a Fund to retirement plans that qualify for tax-exempt treatment under federal income tax laws generally will not be taxable. Special tax rules apply to investments through such plans. You should consult your tax adviser to determine the suitability of a Fund as an investment through such a plan and the tax treatment of distributions from such a plan.

A Fund’s investments in certain debt obligations may cause the Fund to recognize taxable income in excess of the cash generated by such obligations. Thus, a Fund could be required at times to liquidate other investments (including when it is not advantageous to do so) in order to satisfy its distribution requirements.

Due to the multi-manager approach employed by the Funds, certain of the Funds’ investments may be more likely to be subject to one or more special tax rules (including, but not limited to, wash sale, constructive sale, short sale, and straddle rules) that may affect the timing, character and/or amount of a Fund’s distributions

to shareholders. See “Taxation” in the Statement of Additional Information for more information about the tax consequences of specific Fund investment practices and investments.

A Fund’s investments in foreign securities may be subject to foreign withholding and other taxes. In that case, a Fund’s return on those investments would be decreased. Generally, shareholders of the Funds will not be entitled to claim a credit or deduction with respect to any foreign taxes withheld from or paid by a Fund. However, if you are a shareholder of the Growth or Aggressive Growth Portfolios, you may be entitled to claim a credit or deduction with respect to foreign taxes withheld from or paid by such Fund in respect of foreign securities that it holds, provided that each of you and the Fund meet certain requirements. In addition, a Fund’s investment in foreign securities or foreign currencies may increase or accelerate the Fund’s recognition of ordinary income and may affect the timing or amount of the Fund’s distributions.

A Fund’s use of derivatives may affect the amount, timing and/or character of distributions to shareholders and therefore may increase the amount of taxes payable by shareholders.

Any gain resulting from the redemption, sale or exchange of your shares will generally also be subject to tax. If you exchange shares of one Fund for shares of another Fund, this generally will be treated as a redemption of Fund shares and purchase of new Fund shares and any gain realized on the redemption portion of the transaction generally will be subject to U.S. federal income tax.

A Fund may be required to withhold U.S. federal income tax from all taxable distributions and redemption proceeds payable to shareholders who fail to provide the Fund with correct taxpayer identification numbers or to make required certifications, or who have been notified by the IRS that they are subject to backup withholding. Backup withholding is not an additional tax; rather, it is a way in which the IRS ensures it will collect taxes otherwise due. Any amounts withheld may be credited against the shareholder’s U.S. federal income tax liability.

Special tax considerations apply to foreign persons investing in a Fund. Foreign persons are urged to consult the Statement of Additional Information for more information.

* * * * *

The tax information provided in this prospectus is general information and, unless otherwise explicitly noted, may not apply to a shareholder if he or she is investing through a tax-deferred account such as an IRA or a qualified employee benefit plan. This information is based on current tax laws and regulations, which may change

(possibly with retroactive effect). Shareholders are urged to consult their own tax advisers regarding their particular tax situation (under federal, state, local, and foreign tax laws). More information about taxes is contained in the Statement of Additional Information.

Dividends and Distributions

Each Fund distributes substantially all of its net investment income to shareholders in the form of dividends. Dividends paid by each Fund with respect to each class of shares are calculated in the same manner and at the same time, but dividends on Class A and Class C shares are expected to be lower than dividends on Institutional Class shares as a result of the distribution fees applicable to Class A and Class C shares.

The Funds expect to pay dividends of net investment income, if any, semiannually and to make distributions of capital gains, if any, at least annually. “Dividends” generally represent interest and dividends earned from securities held by a Fund, net of expenses incurred by that Fund. “Capital gains” generally represent net long-term capital gains on sales of securities held for more than 12 months and net short-term capital gains on sales of securities held for 12 months or less.

Shareholders may elect one of the following options for receipt of their dividend and capital gain distributions, if any:

- Reinvest all distributions in additional shares of the same class of the Fund . This will be done unless the shareholder elects another option.
- Reinvest all distributions in shares of the same class another Fund at net asset value. The shareholder must have an account existing in the Fund selected for investment with the identical registered name. The shareholder must elect this option on his or her account application or by a telephone request to the transfer agent.
- Receive dividends in cash (see options below) and reinvest capital gains in additional shares of the same class of the Fund or another Fund at net asset value.
- Reinvest dividends in additional shares of the same class of the Fund or another Fund at net asset value and receive capital gains in cash (see options below).
- Receive all distributions in cash by one of the following methods:
 - Send the check to the shareholder’s address of record.
 - Send the check to a third party address.

◦ Transfer the money to the shareholder’s bank via electronic (ACH) transfer.

Shareholders should elect an option by sending written instructions to the transfer agent:

by regular mail to:

ESG Managers Portfolios
P.O. Box 9824
Providence, RI 02940-8024

or, by overnight delivery to:

ESG Managers Portfolios
101 Sabin Street
Pawtucket, RI 02860-1427
Toll-Free Telephone: 888.374.8920

If a shareholder elects to have distributions reinvested in shares of a Fund, a confirmation of any reinvestment will be made through a quarterly statement sent to the shareholder by the transfer agent at such shareholder’s address of record.

Important Note Regarding “Lost Shareholders”

If a shareholder elects to receive Fund distributions in cash and the postal or other delivery service is unable to deliver checks to such shareholder’s address of record, the Funds’ transfer agent will hold the returned checks for such shareholder’s benefit in a non-interest bearing account until they escheat to a state under applicable law.

Distribution Arrangements

Rule 12b-1 Plans

Each Fund has adopted a plan (a “12b-1 Plan”) pursuant to Rule 12b-1 under the 1940 Act that allows it to pay distribution fees for the sale and distribution of its Class A and Class C shares. The annual fees may equal up to 0.25% for Class A or up to 0.75% for Class C of the average daily net assets allocable to such classes of shares of a Fund.

In addition to the 12b-1 Plan, each Fund has adopted a shareholder services plan (a “Services Plan”) with respect to Class C shares. Under each Services Plan, up to 0.25% of the average daily net assets allocable to Class C shares of the Fund may be used to pay service fees to qualified dealers for providing certain shareholder services (e.g., personal services rendered to such shareholders and/or the maintenance of shareholder accounts).

Because distribution and service fees are paid out of the Funds' assets on an ongoing basis, over time these expenses will increase the cost and reduce the return of your investment. The higher fees for Class C shares may cost you more over time than paying the initial sales charge and 12b-1 fee for Class A shares.

Payment for Sub-Transfer Agency Services

The Funds may make payments to financial intermediaries (such as brokers or third party administrators) for providing shareholder services to shareholders holding Fund shares in nominee or street name, including, without limitation, the following services: processing and mailing trade confirmations, monthly statements, prospectuses, annual reports, semi-annual reports, and shareholder notices and other SEC-required communications; capturing and processing tax data; issuing and mailing dividend checks to shareholders who have selected cash distributions; preparing record date shareholder lists for proxy solicitations; collecting and posting distributions to shareholder accounts; and establishing and maintaining systematic withdrawals and automated investment plans and shareholder account registrations. The actual services provided, and the payments made for such services, vary from firm to firm. These payments may be material to financial intermediaries relative to other compensation paid by the Funds and/or the Adviser, ALPS Distributors, Inc., the Trust's principal underwriter, and their affiliates and are in addition to any distribution and/or servicing (12b-1) fees paid to such financial intermediaries. The payments described above may differ depending on the Fund and may vary from amounts paid to the Trust's transfer agent for providing similar services to other accounts. The Adviser and ALPS Distributors, Inc. do not audit the financial intermediaries to determine whether such intermediaries are providing the services for which they are receiving such payments.

Additional Payments to Financial Intermediaries

In addition to the foregoing payments, the Adviser or the Funds' Distributor may make cash payments, from its own resources, to key Financial Intermediaries (including those who may offer Fund shares through specialized programs such as tax deferred retirement programs) in connection with distribution, which may include providing services intended to result in the sale of Fund shares, or to pay a portion of costs related to, marketing support, account consolidation, education, transaction processing and/or administrative services support. The Adviser may sponsor

informational meetings, seminars and other similar programs designed to market the Funds.

These compensation arrangements may vary by Financial Intermediary and may increase as the dollar value of Fund shares held through a particular Financial Intermediary increases. The amount of such compensation and payments may be made on a one-time and/or periodic basis. Because these payments are not made by the Funds, these payments are not reflected in the fees and expenses listed in the annual fund operating expenses table. Some of these payments are commonly referred to as "revenue sharing." At times, such payments may create an incentive for a Financial Intermediary to recommend or make shares of the Funds available to its customers and may allow the Funds greater access to the customers of the Financial Intermediary.

The Adviser or the Funds' Distributor may pay or allow other promotional incentive payments to Financial Intermediaries to the extent permitted by the rules adopted by the Securities and Exchange Commission and the Financial Industry Regulatory Authority relating to the sale of mutual fund shares.

Ask your Financial Intermediary for additional information as to what compensation, if any, it receives from the Funds, the Funds' Distributor or the Adviser.

Financial intermediaries that sell Fund shares may also act as a broker or dealer in connection with a Fund's purchase or sale of portfolio securities. However, the Funds and the Adviser do not consider a financial intermediary's sale of shares of a Fund as a factor when choosing brokers or dealers to effect portfolio transactions for the Funds.

Shareholder Services

Tax-Deferred Retirement Plans

Various tax-deferred retirement plans and accounts, including IRAs, Coverdell Education Savings Accounts, Roth IRAs, SIMPLE IRAs, and SEP (Simplified Employee Pension) IRA plans, are available through ESG Managers. Information regarding the establishment and administration of these plans, custodial fees and other details is available from ESG Managers. If a shareholder is considering adopting

such a plan, he or she should consult with his or her own legal and tax advisors with respect to the establishment and maintenance of such a plan.

Delivery of Shareholder Documents

In order to reduce expenses, it is intended that the Trust will deliver only one copy of a Fund's prospectus and each annual and semiannual report to any address shared by two or more accounts. Shareholders who wish to receive additional copies of these documents and who hold their shares directly with a Fund should request a separate copy by writing to ESG Managers Portfolios at P.O. Box 9824, Providence, RI 02940, by telephoning ESG Managers toll-free at 888.374.8920 or by visiting the Funds' website at www.esgmanagers.com. Alternatively, if shares are held through a specified benefit plan or financial institution, please contact it directly. Within thirty days after receipt of a shareholder's request by the Trust or financial institution, as applicable, such party will begin sending shareholders individual copies.

Pax World Management LLC Client Privacy Statement

Guiding Principles

The relationship between Pax World Management LLC and our clients is the most important asset of our firm. We strive to maintain your trust and confidence in our firm, an essential aspect of which is our commitment to protect your personal information to the best of our ability. We believe that all of our clients value their privacy, so we will not disclose your personal information to anyone unless it is required by law, at your direction, or is necessary to provide you with financial services. We have not and will not sell your personal information to anyone.

Personal Information That We Collect, Maintain and Communicate

Pax World Management LLC collects and maintains your personal information so we can provide investment management services to you. The types and categories of information we collect and maintain about you include:

- Information we receive from you to open an account or provide investment advice to you (such as your name, home address, telephone number, marital status, social security number, name and social security number of beneficiaries, occupation and employment information, and tax bracket and other financial information, and investment history, including any information contained in subscription documents or investor questionnaires).
- Information that we generate to service your account (such as trade tickets and account statements).
- Information that we may receive from third parties with respect to your account (such as information which we may receive from your investment advisors, attorneys, accountants or other financial advisors).

In order for us to provide these services to you, we do disclose your personal information in very limited instances, which include:

- Disclosures to companies - subject to strict confidentiality agreements - that perform services on our behalf (such as our technology consultants who assist

us in maintaining our computer systems).

- Disclosures to companies as permitted by law, including those necessary to service your account (such as providing account information to outside legal counsel, to other broker-dealers with whom you maintain an account or to custodians).
- Disclosures to regulatory agencies as permitted by law, including the Securities and Exchange Commission, the Treasury Department, and state securities commissions. These agencies may make official requests from time to time regarding customer accounts and trading activity, to which we are obligated to respond.

How We Protect Your Personal Information

To fulfill our privacy commitment at Pax World Management LLC, we have instituted firm-wide practices to safeguard the information that we maintain about you. These include:

- Adopting policies and procedures that put in place physical, electronic, and other safeguards to keep your personal information safe.
- Limiting access to personal information to those employees who need it to perform their job duties.
- Requiring third parties that perform services for us to agree by contract to keep your information strictly confidential.
- Protecting information of our former clients to the same extent as our current clients.

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If you have any questions regarding our privacy commitment, please contact Maureen Conley at Pax World Management LLC at 603-431-8022, x7388.

December 2009

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For More Information

General Fund Information

877.374.7678

Shareholder Account Information

888.374.8920

Account Inquiries

ESG Managers Portfolios
P.O. Box 9824
Providence, RI 02940-8024

Investment Adviser

Pax World Management LLC
30 Penhallow Street, Suite 400
Portsmouth, NH 03801

Transfer and Dividend Disbursing Agent

PNC Global Investment Servicing
P.O. Box 9824
Providence, RI 02940-8024

Custodian

State Street Bank and Trust Company
225 Franklin Street
Boston, MA 02110

Shareholder Reports The Funds' annual and semiannual reports to shareholders contain additional information about the Funds' investments. The Funds' annual report to shareholders discusses market conditions and investment strategies that significantly affected the Funds' performance during their last fiscal year.

Statement of Additional Information A Statement of Additional Information dated December 30, 2009 has been filed with the SEC. The statement of additional information, as supplemented from time to time, includes additional information about the Funds and is incorporated by reference in its entirety into this prospectus, which means that it is considered to be part of this prospectus.

Obtaining Fund Documents and Additional Information About the Funds The statement of additional information and the Funds' annual and semiannual reports are available, without charge, upon request by telephoning or emailing ESG Managers, or by visiting ESG Managers' website (www.esgmanagers.com).

Shareholder Inquiries Shareholders may direct inquiries concerning the Funds in writing by regular mail to ESG Managers Portfolios, P.O. Box 9824, Providence, RI 02940-8024, in writing by overnight delivery to ESG Managers Portfolios, 101 Sabin Street, Pawtucket, RI 02860-1427 (telephone: 888.374.8920), or by telephone (toll-free) to 888.374.8920 (or from outside the United States (collect) to 610.382.7849).

Securities and Exchange Commission Information about the Funds (including the statement of additional information) can be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 202.551.8090. The Funds' shareholder reports and other information about the Funds are available on the EDGAR Database on the SEC's website at www.sec.gov, and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, Washington, D.C. 20549-0102.

Investment Company Act File Number:
Pax World Funds Series Trust I #811-02064



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