

December 31, 2010

# 2010 Annual Report



**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

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## For More Information

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### General Fund Information

877.374.7678

### Shareholder Account Information

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### Account Inquiries

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Providence, RI 02940-8024

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30 Penhallow Street, Suite 400

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P.O. Box 9824

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### Custodian

State Street Bank

and Trust Company

225 Franklin Street

Boston, MA 02110

## Letter to Shareholders

by Joseph Keefe, President & CEO



Dear fellow shareholders,

As 2010 came to a close, we began to see strong signals that the U.S. economy was on the road to recovery. Not recovery at a blistering pace, mind you, but steady, forward progress just the same. In fact, we saw the equity markets begin to recover as early as September 2010. By the end of December, the S&P 500 Index was up 15.06% for the year. Some parts of the market performed even better—the Russell 2000

Index of small-cap companies was up 26.85% for the year. As the New Year began, many if not most economic forecasters were projecting positive, if moderate, GDP growth together with improving equity returns for 2011.

At Pax World, all of our funds delivered positive returns for 2010. Moreover, we are optimistic about the prospects for continued economic recovery together with positive investment returns in 2011.

As markets continue to recover, however, we should not forget about what caused the precipitous decline in the first place. As a mutual fund company focused on sustainable investing, we need to remind ourselves that it was ultimately a set of unsustainable business practices in the financial sector that led to the crisis in the first place—a myopic, short-term focus, poor risk management, excessive leverage, and the financial engineering of opaque derivatives and other financial instruments meant to serve the short-term interests of traders rather than the long-term interests of investors.

Nor should we forget that too many people are still unemployed and too many homes are still being foreclosed.

We need to remember that the financial sector failed the American people. It seems to me that we have an obligation to learn the lessons of this failure and to offer investors sound, sustainable financial strategies going forward.

At Pax World, we are trying our best to do this. In 2010, we continued to advocate for sound financial regulations and more sustainable business practices. We sent letters to Congress, the White House, and the Securities and Exchange Commission (SEC) supporting key provisions of the Dodd-Frank

financial reform legislation, such as proxy access allowing investors to nominate board candidates. We used our power as a shareholder to file “Say-on-Pay” resolutions at several companies asking for an advisory vote on executive compensation. We also filed shareholder resolutions asking companies to review their political contributions policies in light of the U.S. Supreme Court’s decision in *Citizens United vs. Federal Election Commission* allowing unlimited use of corporate assets to fund independent political ads.

On the environmental front, Pax World filed shareholder resolutions on the ecological impacts of oil sands operations and hydraulic fracturing (or “fracking”) for natural gas extraction, and with fellow institutional investors sent letters to Congress, the EPA and others urging action on climate change legislation, increased fuel economy standards, and improved sustainability reporting.

We continued our ongoing work on gender equality and women’s empowerment by withholding support from all-male board slates while leading campaigns to encourage companies to embrace gender diversity on their boards and to endorse the Women’s Empowerment Principles, an initiative of the UN Global Compact and UNIFEM.

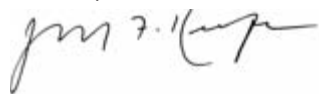
We also launched two new series of funds for sustainable investors in 2010: the ESG Managers™ Portfolios reported on herein, a series of multi-manager asset allocation funds with asset allocation, manager selection and portfolio construction by Morningstar Associates; and ESG Shares®, the first family of exchange traded funds (ETFs) focused exclusively on a sustainable investing approach.

One hopes that we have learned some of the hard lessons from the financial crisis and economic downturn. Certainly the financial sector needs to focus on real, long-term value creation rather than continued short-term profits derived from asset bubbles, financial engineering and hyper trading. As investors, we can take steps designed to ensure that corporations and markets produce better long-term social, environmental and financial outcomes. That’s what sustainable investing is all about. At Pax World, we tried our best to advance these goals in 2010, and we enter 2011 with renewed commitment and

enthusiasm.

Thank you for your continued confidence.

Sincerely,



Joseph F. Keefe  
President and CEO

*You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. For this and other important information, please obtain a fund prospectus by calling 800.767.1729. Please read it carefully before investing. Distributed by ALPS Distributors, Inc.*

The ESG Managers™ Portfolios use multiple managers (“Sleeve Subadvisers”) and direct investments in mutual funds 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. The Sleeve Subadvisers include experienced managers of mutual funds and separately managed accounts that also follow environmental, social and governance (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 strategies.

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

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.

*\*Represents direct investments in mutual fund shares (see Schedules of Investments).*

## Portfolio Commentary



Portfolio Construction  
Advisors  
**Jon Hale, Ph.D., CFA,**  
**Managing Consultant,**  
**Morningstar Associates**  
& **Peter Di Teresa,**  
**Senior Investment**  
**Consultant, Morningstar**  
**Associates**

The ESG Managers Portfolios are diversified, multi-manager funds, consisting of underlying equity and fixed-income strategies run by separate managers from multiple firms, all of whom pursue Sustainable Investment strategies. Assets are allocated to the underlying managers primarily on the basis of Morningstar Associates' long-term strategic asset allocation targets, although at any given time, allocations may diverge from the long-term targets due to specific market conditions. Under normal circumstances, the Aggressive Growth Portfolio will be invested approximately 95% in equity securities and 5% in fixed income securities; the Growth Portfolio will be invested approximately 70% in equity securities and 30% in fixed income securities; the Moderate Portfolio will be invested approximately 50% in equity securities and 50% in fixed income securities; and the Conservative Portfolio will be invested approximately 35% in equity securities and 65% in fixed income securities.

In 2010, equity markets continued the rebound that began in the spring of 2009. In the U.S., the S&P 500 Index gained 15.06% for the year. Small-cap stocks delivered even stronger results as the Russell 2000 Index rose 26.85% for 2010. International stocks lagged the

U.S., with the MSCI EAFE (Net) Index posting a gain of 7.75%.

Markets overcame several obstacles during the course of the year. In the spring the Greek debt crisis evolved into broad concern about the finances of a number of other peripheral European Union members. Investors began to question the long-term survivability of the EU itself, at least in its present form, and near-term growth prospects for the region were generally lowered. Around the same time, second-quarter U.S. GDP growth came in at a modest 1.7% as the anticipated benefits of fiscal stimulus didn't fully materialize. Unemployment stayed stubbornly high and housing remained shaky. After a difficult August, Federal Reserve chief Ben Bernanke indicated the Fed may make additional purchases of long-term bonds—a form of quantitative easing. The final plan announced in November, which became known as QE2, projects the purchase of \$600 billion in Treasury bonds in monthly increments through June 2011.

The QE2 talk seemed to pay early dividends as interest rates fell and stocks rallied in September. Meanwhile, the economic news brightened through year end. Third-quarter GDP growth rose to 2.6%, reducing fears of a double-dip recession. Consumer spending beat expectations during the holiday season, the job market flashed a few encouraging signs, and President Obama signed a tax deal to extend the Bush tax cuts and reduce payroll taxes.

Small caps dominated large caps for the year. Small caps lost more during the corrections in June and August but powered ahead during rallies in the first and fourth quarters. Growth and value stocks, on the other hand, performed more evenly relative to one another, although growth stocks notched modestly higher returns.

International equities generally lagged behind U.S. stocks in 2010. European stocks suffered through the Greek debt crisis early in the year and then stumbled again in November as Ireland succumbed to pressure and accepted a bailout from the European Central Bank. Emerging markets delivered divergent performances. As measured by the MSCI country indices, China gained just 4.6% in 2010 as the country took steps to slow its rampant growth and stem inflationary fears. Brazil rose 6.5% amid the election of a new president. Russia gained 19% on rising oil prices. India soared 21% to lead the pack, with large inflows from foreign investors lifting prices.

Fixed-income investments performed well for most of the year as corporate profits recovered while interest rates fell. With QE2 looming, the yield on the 10-year Treasury dropped down to 2.39% in early October. But it rose again toward the end of the year, finishing at 3.30%, as the improving economy and rich bond prices led to a sell-off. Overall, the Barclays Capital U.S. Aggregate Bond Index gained 6.5% in 2010, despite losing 1.3% in the fourth quarter.

### Aggressive Growth Portfolio

For the since-inception period from January 4, 2010 through December 31, 2010, the ESG Managers Aggressive Growth Portfolio had a total return of 9.96%, while its Blended Benchmark<sup>1</sup> had a total return of 10.52%.

The underlying strategy that had the biggest positive impact on returns was Neuberger Berman Socially Responsive. A growth-leaning strategy consisting mostly of U.S. large-cap stocks, it posted a 20.3% return. With 17.6% of assets, the Neuberger Berman strategy was the Fund's largest position at the end of 2010.

**Portfolio Commentary, continued**

The Fund's two smaller-cap strategies also posted significant returns: Parnassus Small Cap gained 32.8% and Ariel Small/Mid Cap Value gained 22.8%. Because the Fund's positions in each of those two strategies is only about 5% of assets, however, their overall impact on the Fund's performance was smaller than Neuberger Berman's.

The biggest detractors from performance included the Fund's other two large-cap strategies to which significant assets were allocated. ClearBridge ESG Large Cap Value had a 9.1% return, but that lagged the S&P 500 Index's 13.4% return covering the period from the Fund's inception through the end of the year. Parnassus Equity-Income, a core U.S. large-cap holding, gained 7.1%, also well behind the S&P 500 Index.

Contributors to Since-Inception Performance	Inception return	12/31/10 allocation	Net contribution above benchmark
Neuberger Berman Socially Responsive	20.30%	17.60%	1.54%
Parnassus Small Cap	32.80%	5.10%	0.50%
Ariel Small/Mid Cap Value	22.80%	4.70%	0.07%

Detractors from Since-Inception Performance	Inception return	12/31/10 allocation	Net contribution above benchmark
Portfolio 21	-1.40%	7.40%	-1.11%
Parnassus Equity-Income	7.10%	16.50%	-0.82%
ClearBridge ESG Large Cap Value	9.10%	14.80%	-0.35%

**Growth Portfolio**

For the since-inception period from January 4, 2010 through December 31, 2010, the ESG Managers Growth Portfolio had a total return of 9.79%, while its Blended Benchmark<sup>2</sup> had a total return of 9.88%.

The underlying manager that had the biggest positive impact on returns was Parnassus Small Cap, which gained 34.8% during the period. Neuberger Berman Socially Responsive, a growth-leaning strategy consisting mostly of U.S. large-cap stocks posted a 21.3% return. Because it has the largest allocation in the Fund, Neuberger Berman's net positive impact was nearly the same as that of Parnassus Small Cap. Next in line was Ariel Small/Mid Cap Value, which gained 22.8%.

The biggest detractor from performance was Portfolio 21, a concentrated global stock strategy that lost 0.7% during the period. While Parnassus Equity-Income

**Portfolio Commentary, continued**

and ClearBridge ESG Large Cap Value both posted positive returns, 7.8% and 9.2%, respectively, they both lagged well behind the S&P 500 Index's 13.4% return.

Contributors to Since-Inception Performance	Inception return	12/31/10 allocation	Net contribution above benchmark
Neuberger Berman Socially Responsive	21.30%	12.60%	1.02%
Parnassus Small Cap	34.80%	5.00%	0.50%
Ariel Small/Mid Cap Value	22.80%	3.20%	0.08%

Detractors from Since-Inception Performance	Inception return	12/31/10 allocation	Net contribution above benchmark
Portfolio 21	-0.70%	6.70%	-0.80%
Parnassus Equity-Income	7.80%	10.20%	-0.43%
ClearBridge ESG Large Cap Value	9.20%	11.00%	-0.31%

**Moderate Portfolio**

For the since-inception period from January 4, 2010 through December 31, 2010, the ESG Managers Moderate Portfolio had a total return of 7.50%, while its Blended Benchmark<sup>3</sup> had a total return of 9.16%.

Among the Fund's underlying strategies, the biggest contributors to and detractors from performance were the same as they were for the Growth Portfolio (see above). Additionally, however, with more assets devoted to fixed income investments, the relative underperformance of the Fund's fixed-income managers also hurt it relative to its Blended Benchmark. With the exception of Pax World High Yield Bond, none of the Fund's underlying bond managers beat the Barclays Capital U.S. Aggregate Bond Index for the period.

Contributors to Since-Inception Performance	Inception return	12/31/10 allocation	Net contribution above benchmark
Neuberger Berman Socially Responsive	22.10%	9.10%	0.71%
Parnassus Small Cap	35.50%	2.20%	0.24%
Ariel Small/Mid Cap Value	23.60%	2.00%	0.05%

Detractors from Since-Inception Performance	Inception return	12/31/10 allocation	Net contribution above benchmark
Portfolio 21	-2.30%	5.90%	-0.78%
Parnassus Equity-Income	10.00%	9.00%	-0.18%
ClearBridge ESG Large Cap Value	8.80%	8.90%	-0.16%

**Portfolio Commentary, continued****Conservative Portfolio**

For the since-inception period from January 4, 2010 through December 31, 2010, the ESG Managers Conservative Portfolio had a total return of 7.46%, versus its Blended Benchmark<sup>4</sup>, which had a total return of 8.44%.

As was the case with the other ESG Managers Portfolios, the most positive contributions to performance during the period came from Neuberger Berman Socially Responsive, Parnassus Small Cap, and Ariel Small/Mid Cap Value. But because the overall equity exposure in the Conservative Portfolio is targeted at only 35% of assets, the strong performance of the three equity strategies didn't have as significant of an impact on overall performance.

Instead, the lagging performance from three of the Fund's fixed-income managers kept the Fund below its benchmark for the period. With shorter durations and limited U.S. Treasury exposure, compared with the Barclays Capital U.S. Aggregate Bond Index, the Fund's two largest bond positions, Everence Intermediate Bond and Community Capital Bond, trailed the index. The Pax World Real Return strategy, which is in the Fund to provide long-term inflation protection, also lagged the bond index for the period.

<b>Contributors to Since-Inception Performance</b>	Inception return	12/31/10 allocation	Net contribution above benchmark
Neuberger Berman Socially Responsive	22.00%	5.90%	0.39%
Parnassus Small Cap	34.80%	2.30%	0.15%
Ariel Small/Mid Cap Value	23.20%	2.20%	0.03%

<b>Detractors from Since-Inception Performance</b>	Inception return	12/31/10 allocation	Net contribution above benchmark
Portfolio 21	0.20%	4.90%	-0.43%
ClearBridge ESG Large Cap Value	8.70%	6.00%	-0.17%
Miller/Howard Equity Income	9.00%	3.60%	-0.13%

Looking ahead to 2011, we believe the outlook for equities is generally favorable as the economy continues its modest path to recovery. Among the positives, the jobs picture has stabilized somewhat and consumer confidence is growing. Corporate balance sheets are healthy, which could result in increased capital spending and M&A activity. Should interest rates rise later in the year, it would be another positive signal to equity markets that the recovery is sustainable.

**Portfolio Commentary, continued**

Headwinds clearly remain, though. Unemployment appears likely to back down only modestly. Housing remains weak. Corporate earnings could suffer from more difficult year-over-year comparisons, and the market appears to be more or less fully valued. The Morningstar measure of fair value in the U.S. stock market stood at 1.05 as the year began, indicating that the median stock covered by Morningstar equity analysts is 5% overvalued. We expect to maintain an overweight position to U.S. equities during 2011's first quarter, a reflection of a stronger economic outlook for the U.S. than for Europe and Japan.

At the end of 2010, we began adding a new strategy to the Funds: Schroder Emerging Market Equity Fund (SEMNX). While the U.K.-based Schroder Investment Management North America, Ltd. has incorporated the impact of ESG issues into its securities analysis for some time, it has recently formalized its approach, making the fund appropriate for inclusion in the ESG Managers Portfolios. This position provides much-needed exposure to the world's fastest growing economies via a manager committed to incorporating ESG issues into its stock selection.

Finally, it's worth noting our belief that the Funds are well positioned for a rising interest-rate environment. We're continuing to overweight high-yield bonds, which typically are not as sensitive to rate increases, but have the potential to continue their positive performance as the economy strengthens. Our high-yield strategy, Pax World High Yield Bond Fund, has historically plied the more conservative end of the high-yield market, which we believe is a plus in the slow-recovery environment. We believe the shorter-duration stance of our bond managers should also protect the Funds should rates rise, and our position in Treasury Inflation Protected Securities should help protect against a rise in inflation expectations.

<sup>1</sup>The Blended Benchmark is composed of 60% S&P 500 Index, 35% MSCI EAFE (Net) Index and 5% Barclays Capital Aggregate Bond Index. Investors cannot invest directly in any index.

<sup>2</sup>The Blended Benchmark is composed of 45% S&P 500 Index, 25% MSCI EAFE (Net) Index and 30% Barclays Capital Aggregate Bond Index. Investors cannot invest directly in any index.

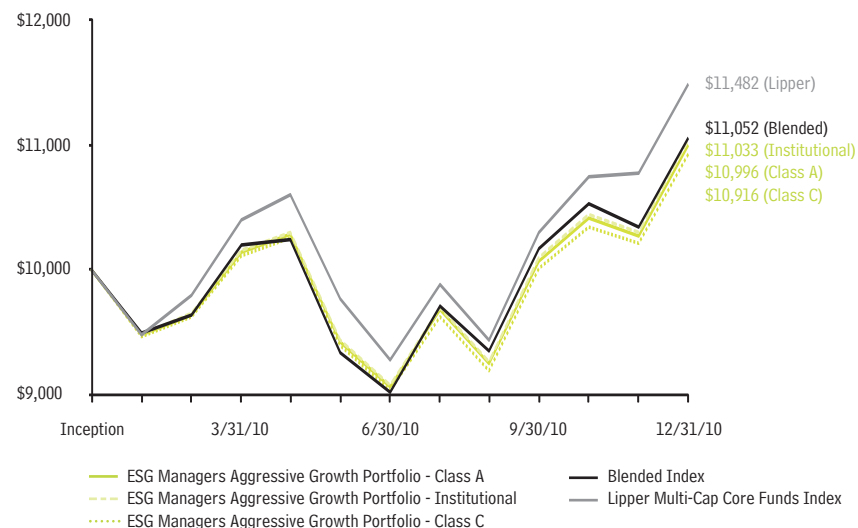
<sup>3</sup>The Blended Benchmark is composed of 33% S&P 500 Index, 17% MSCI EAFE (Net) Index and 50% Barclays Capital Aggregate Bond Index. Investors cannot invest directly in any index.

<sup>4</sup>The Blended Benchmark is composed of 23% S&P 500 Index, 12% MSCI EAFE (Net) Index and 65% Barclays Capital Aggregate Bond Index. Investors cannot invest directly in any index.



**Portfolio Commentary, continued**

The portfolio commentary in this report provides insight in an effort to help you examine your fund. The views expressed therein are those of the portfolio construction advisors and are for the period covered by this report. Such commentary does not necessarily represent the views of the Board of Trustees of your fund. The views expressed herein are subject to change at any time based upon market and/or other conditions and Pax World Management LLC and the funds disclaim any responsibility to update such views. The commentaries should not be relied upon as investment advice.

**Aggressive Growth Portfolio****Portfolio Highlights****Total Return—Historical****Returns—Year ended December 31, 2010**

Share class		Total Return	
		3 months	Since Inception <sup>1</sup>
<b>Class A<sup>2</sup></b> (PAGAX)	NAV <sup>3</sup>	9.22%	9.96%
	POP	3.27%	3.94%
<b>Institutional Class</b> (PAGIX)		9.30%	10.33%
<b>Class C<sup>4</sup></b> (PAGCX)	NAV <sup>3</sup>	9.05%	9.16%
	CDSC	7.96%	8.07%
Blended Index <sup>5, 6, 7, 8, 10</sup>		8.71%	10.52%
Lipper Multi-Cap Core Funds Index <sup>9, 10</sup>		11.40%	14.82%

Total returns have not been annualized. Total return figures include reinvested dividends and capital gains distributions, and changes in principal value, and do not reflect the taxes that a shareholder might pay on Fund distributions or on the redemption of Fund shares. These figures represent past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance shown. For more recent month-end performance data, please visit [www.esgmanagers.com](http://www.esgmanagers.com).

<sup>1</sup>The Fund's inception date is January 4, 2010.

**Aggressive Growth Portfolio, continued**

<sup>2</sup>A 1.00% CDSC (contingent deferred sales charge) may be charged on any shares sold within 1 year of purchase over \$1 million. POP (public offering price) reflects the maximum sales load for the Fund's Class A Shares of 5.50%. NAV performance does not reflect the deduction of the sales load or the CDSC, which, if reflected, would reduce the performance shown.

<sup>3</sup>NAV is Net Asset Value.

<sup>4</sup>A 1.00% CDSC (contingent deferred sales charge) may be charged on shares redeemed within 1 year of purchase. NAV performance does not reflect the deduction of the CDSC, which, if reflected, would reduce the performance shown.

<sup>5</sup>The Blended Index is composed of 60% S&P 500 Index, 35% MSCI EAFE (Net) Index and 5% Barclays Capital U.S. Aggregate Bond Index.

<sup>6</sup>The S&P 500 Index is an index of large capitalization common stocks.

<sup>7</sup>The MSCI EAFE (Europe, Australasia, Far East) Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. As of July 2010 the MSCI EAFE Index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. Performance for the MSCI EAFE Index is shown "net", which includes dividend reinvestments after deduction of foreign withholding tax.

<sup>8</sup>The Barclays Capital U.S. Aggregate Bond Index represents securities that are U.S. domestic, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities and asset-backed securities.

<sup>9</sup>The Lipper Multi-Cap Core Funds Index tracks the results of the 30 largest mutual funds in the Lipper Multi-Cap Core Funds Average. The Lipper Multi-Cap Core Funds Average is a total return performance average of the mutual funds tracked by Lipper, Inc. that, by portfolio practice, invest at least 75% of their equity assets in any one market capitalization range over an extended period of time. Multi-Cap Core Funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SuperComposite 1500 Index. The Lipper Multi-Cap Core Funds Index is not what is typically considered to be an "index" because it tracks the performance of other mutual funds rather than the changes in the value of a group of securities, a securities index or some other traditional economic indicator.

<sup>10</sup>Unlike the Aggressive Growth Portfolio, the Blended Index and the Lipper Multi-Cap Core Funds Index are not investments, are not professionally managed, have no policy of sustainable investing and (with the exception of the Lipper Multi-Cap Core Funds Index) do not reflect deductions for fees, expenses or taxes.

Asset Allocation	Percent of Market Value
Cash & Equivalents.....	3.8%
U.S. Stocks.....	64.5%
Foreign Stocks.....	26.9%
U.S. Bonds .....	1.9%
Foreign Bonds .....	0.6%
Non-Affiliated Investment Companies & Exchange Traded Funds.....	2.3%
Total.....	100.0%

**Aggressive Growth Portfolio, continued****Manager Allocation**

Manager/Strategy	Percent of Net Assets
<b>EQUITY</b>	
<b>Large-Cap/Multi-Cap</b>	
ClearBridge ESG Large Cap Value .....	14.8%
Miller/Howard Equity Income .....	6.5%
Parnassus Equity Income .....	16.5%
Neuberger Berman Socially Responsive Large Cap Blend .....	17.6%
Pax World Multi-Cap Equity.....	5.1%
<b>Small/Mid-Cap</b>	
Ariel Small/Mid Cap Value.....	4.7%
Parnassus Small Cap .....	5.1%
<b>International/World</b>	
Pax World International Equity .....	15.1%
Portfolio 21 World Stock .....	7.4%
Schroder Emerging Markets Equity .....	1.5%
<b>Sector Specific</b>	
Pax World Global Green (Environmental Technologies) .....	3.1%
<b>Total Equities.....</b>	<b>97.4%</b>

**FIXED INCOME****High Yield**

Pax World High Yield Bond.....	2.7%
<b>Total Fixed Income.....</b>	<b>2.7%</b>
Other .....	-0.1%

Total.....100.0%

**Top Ten Holdings**

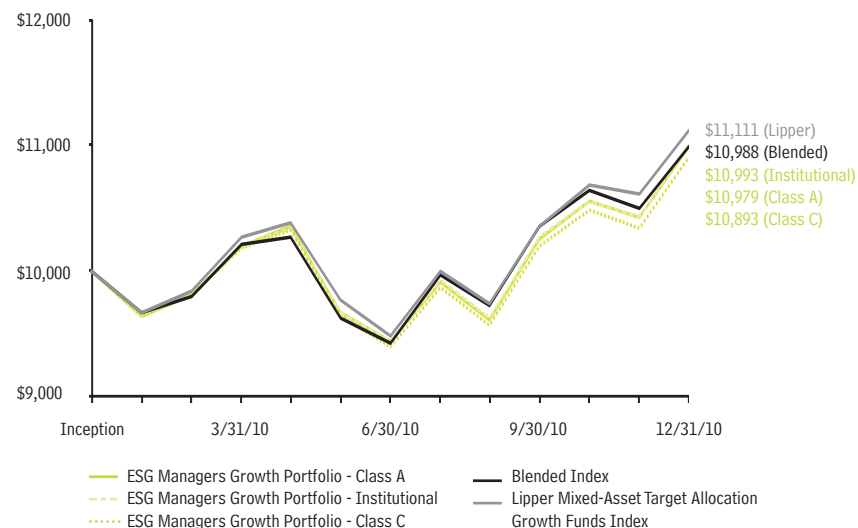
Company	Percent of Net Assets
NIKE, Inc., Class B .....	0.5%
Scripps Networks Interactive, Class A .....	0.5%
Time Warner, Inc. ....	0.4%
Comcast Corp., Class A .....	0.4%
Time Warner Cable, Inc.....	0.4%
News Corp., Class A .....	0.4%
SES SA .....	0.3%
DISH Network Corp., Class A .....	0.2%
McDonald's Corp. ....	0.2%
CBS Corp., Class B.....	0.2%
Total.....	3.5%

*Excludes Affiliated and Non-Affiliated Investment Companies.*

**Aggressive Growth Portfolio, continued****Sector Diversification**

Sector	Percent of Market Value
Corporate Bonds .....	2.5%
Consumer Discretionary .....	8.7%
Consumer Staples .....	7.6%
Energy.....	9.0%
Financials.....	14.3%
Health Care .....	11.4%
Industrials .....	12.3%
Information Technology.....	15.5%
Materials .....	3.8%
Telecommunication Services.....	3.4%
Utilities .....	5.4%
Non-Affiliated Investment Companies & Exchange Traded Funds.....	2.3%
Cash & Equivalents.....	3.8%
Total.....	100.0%

May include companies representing multiple industries within a single "Sector".

**Growth Portfolio****Portfolio Highlights****Total Return—Historical****Returns—Year Ended December 31, 2010**

Share class		Total Return	
		3 months	Since Inception <sup>1</sup>
<b>Class A<sup>2</sup></b> (PGPAX)	NAV <sup>3</sup>	7.04%	9.79%
	POP	1.22%	3.77%
<b>Institutional Class</b> (PMIIX)		7.12%	9.93%
<b>Class C<sup>4</sup></b> (PWCCX)	NAV <sup>3</sup>	6.85%	8.93%
	CDSC	5.78%	7.84%
Blended Index <sup>5, 6, 7 8, 10</sup>		6.08%	9.88%
Lipper Mixed-Assets Target Allocation Growth Funds Index <sup>9, 10</sup>		7.30%	11.11%

Total returns have not been annualized. Total return figures include reinvested dividends and capital gains distributions, and changes in principal value, and do not reflect the taxes that a shareholder might pay on Fund distributions or on the redemption of Fund shares. These figures represent past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance shown. For more recent month-end performance data, please visit [www.esgmanagers.com](http://www.esgmanagers.com).

<sup>1</sup>The Fund's inception date is January 4, 2010.

**Growth Portfolio, continued**

<sup>2</sup>A 1.00% CDSC (contingent deferred sales charge) may be charged on any shares sold within 1 year of purchase over \$1million. POP (public offering price) reflects the maximum sales load for the Fund's Class A Shares of 5.50%. NAV performance does not reflect the deduction of the sales load or the CDSC, which, if reflected, would reduce the performance shown.

<sup>3</sup>NAV is Net Asset Value.

<sup>4</sup>A 1.00% CDSC (contingent deferred sales charge) may be charged on shares redeemed within 1 year of purchase. NAV performance does not reflect the deduction of the CDSC, which, if reflected, would reduce the performance shown.

<sup>5</sup>The Blended Index is composed of 45% S&P 500 Index, 25% MSCI EAFE (Net) Index and 30% Barclays Capital U.S. Aggregate Bond Index.

<sup>6</sup>The S&P 500 Index is an index of large capitalization common stocks.

<sup>7</sup>The MSCI EAFE (Europe, Australasia, Far East) Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. As of July 2010 the MSCI EAFE Index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. Performance for the MSCI EAFE Index is shown "net", which includes dividend reinvestments after deduction of foreign withholding tax.

<sup>8</sup>The Barclays Capital U.S. Aggregate Bond Index represents securities that are U.S. domestic, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities and asset-backed securities.

<sup>9</sup>The Lipper Mixed-Asset Target Allocation Growth Funds Index tracks the results of the 30 largest mutual funds in the Lipper Mixed-Asset Target Allocation Growth Funds Average. The Lipper Mixed-Asset Target Allocation Growth Funds Average is a total return performance average of mutual funds tracked by Lipper, Inc. whose primary objective is to conserve principal by maintaining, at all times a mix of between 60%-80% equity securities, with the remainder invested in bonds, cash, and cash equivalents. The Lipper Mixed-Asset Target Allocation Growth Funds Index is not what is typically considered to be an "index" because it tracks the performance of other mutual funds rather than changes in the value of a group of securities, a securities index or some other traditional economic indicator.

<sup>10</sup>Unlike the Growth Portfolio, the Blended Index and the Lipper Mixed-Asset Target Allocation Growth Funds Index are not investments, are not professionally managed, have no policy of sustainable investing and (with the exception of the Lipper Mixed-Asset Target Allocation Growth Funds Index) do not reflect deductions for fees, expenses or taxes.

Asset Allocation	Percent of Market Value
Cash & Equivalents.....	3.8%
U.S. Stocks.....	48.9%
Foreign Stocks.....	24.6%
U.S. Bonds.....	18.2%
Foreign Bonds.....	2.1%
Non-Affiliated Investment Companies & Exchange Traded Funds.....	2.4%
Total.....	100.0%

**Growth Portfolio, continued****Manager Allocation**

Manager/Strategy	Percent of Net Assets
<b>EQUITY</b>	
<b>Large-Cap/Multi-Cap</b>	
ClearBridge ESG Large Cap Value.....	11.0%
Miller/Howard Equity Income.....	5.7%
Parnassus Equity Income.....	10.2%
Neuberger Berman Socially Responsive Large Cap Blend.....	12.6%
Pax World Multi-Cap Equity.....	4.7%
<b>Small/Mid-Cap</b>	
Ariel Small/Mid Cap Value.....	3.2%
Parnassus Small Cap.....	5.0%
<b>International/World</b>	
Pax World International Equity.....	14.5%
Portfolio 21 World Stock.....	6.7%
Schroder Emerging Markets Equity.....	1.5%
<b>Sector Specific</b>	
Pax World Global Green (Environmental Technologies).....	2.5%
<b>Total Equities.....</b>	<b>77.6%</b>

**FIXED INCOME****Investment Grade**

Access Capital Investment Grade Fixed Income.....	2.9%
Community Capital Investment Grade Fixed Income.....	1.6%
Everence Investment Grade Fixed Income.....	5.4%

**Inflation-Protected**

Pax World Real Return.....	3.8%
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**High Yield**

Pax World High Yield Bond.....	8.8%
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<b>Total Fixed Income.....</b>	<b>22.5%</b>
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Other.....	-0.1%
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Total.....	100.0%
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**Top Ten Holdings—Equity**

Company	Percent of Net Assets
Procter & Gamble Co., The.....	1.0%
Bank of New York Mellon Corp., The.....	0.9%
JPMorgan Chase & Co.....	0.9%
Danaher Corp.....	0.8%
Cisco Systems, Inc.....	0.8%
Microsoft Corp.....	0.7%
Praxair, Inc.....	0.7%
Mastercard, Inc., Class A.....	0.7%
Charles Schwab Corp., The.....	0.6%
Teleflex, Inc.....	0.6%
Total.....	7.7%

*Excludes Affiliated and Non-Affiliated Investment Companies.*

**Growth Portfolio, continued****Top Ten Holdings—Fixed Income**

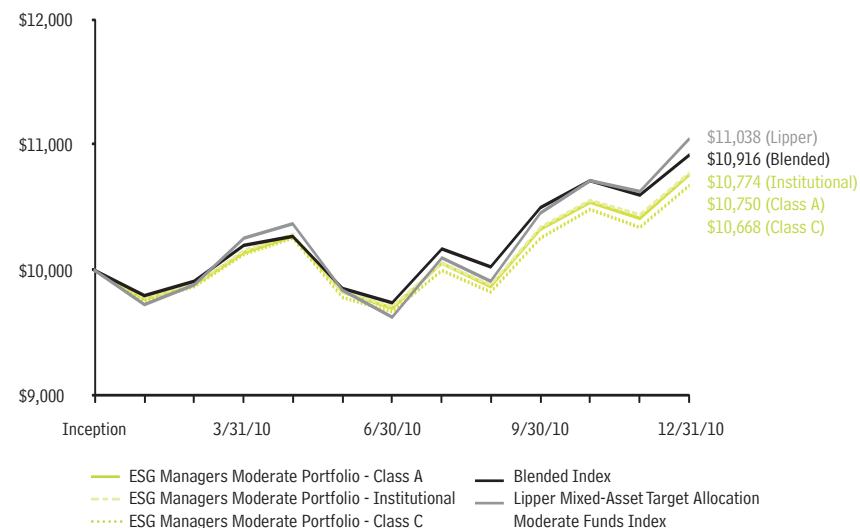
Company	Percent of Net Assets
Ginnie Mae, 2.021%, 10/16/50 .....	1.4%
Fannie Mae, 4.500%, 07/01/40 .....	1.1%
Fannie Mae, 4.500%, 03/01/39 .....	0.9%
United States Treasury Note (TIPS), 0.500%, 04/15/15 .....	0.7%
United States Treasury Note (TIPS), 1.750%, 01/15/28 .....	0.7%
U.S. Dept of Housing & Urban Development, 5.680%, 07/01/40 .....	0.6%
United States Treasury Note (TIPS), 1.375%, 07/15/18 .....	0.5%
United States Treasury Note (TIPS), 1.625%, 01/15/15 .....	0.4%
Citigroup Funding, Inc, 1.875%, 10/22/12 .....	0.4%
United States Treasury Note (TIPS), 2.375%, 01/15/25 .....	0.4%
Total .....	7.1%

*Excludes Affiliated and Non-Affiliated Investment Companies.*

**Sector Diversification**

Sector	Percent of Market Value
Bonds .....	20.3%
<i>Corporate: 11.1%, Agency/Gov't Related: 2.0%, Municipal: 0.3%, Mortgage Backed: 3.0%. Treasury: 3.9%</i>	
Consumer Discretionary .....	7.0%
Consumer Staples .....	5.7%
Energy .....	7.5%
Financials .....	11.4%
Health Care .....	9.2%
Industrials .....	9.9%
Information Technology .....	12.5%
Materials .....	3.2%
Telecommunication Services .....	3.0%
Utilities .....	4.1%
Non-Affiliated Investment Companies & Exchange Traded Funds .....	2.4%
Cash & Equivalents .....	3.8%
Total .....	100.0%

*May include companies representing multiple industries within a single "Sector".*

**Moderate Portfolio****Portfolio Highlights****Total Return—Historical****Returns—Period ended December 31, 2010**

Share class		Total Return	
		3 months	Since Inception <sup>1</sup>
<b>Class A<sup>2</sup></b> (PMPAX)	NAV <sup>3</sup>	4.16%	7.50%
	POP	-1.57%	1.61%
<b>Institutional Class</b> (PWPIX)		4.25%	7.74%
<b>Class C<sup>4</sup></b> (PWPCX)	NAV <sup>3</sup>	4.00%	6.68%
	CDSC	2.96%	5.61%
Blended Index <sup>5, 6, 7, 8, 10</sup>		3.99%	9.16%
Lipper Mixed-Assets Target Allocation Moderate Funds Index <sup>9, 10</sup>		5.61%	10.38%

*Total returns have not been annualized. Total return figures include reinvested dividends and capital gains distributions, and changes in principal value, and do not reflect the taxes that a shareholder might pay on Fund distributions or on the redemption of Fund shares. These figures represent past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance shown. For more recent month-end performance data, please visit [www.esgmanagers.com](http://www.esgmanagers.com).*

<sup>1</sup>The Fund's inception date is January 4, 2010.

**Moderate Portfolio, continued**

<sup>2</sup>A 1.00% CDSC (contingent deferred sales charge) may be charged on any shares sold within 1 year of purchase over \$1million. POP (public offering price) reflects the maximum sales load for the Fund's Class A Shares of 5.50%. NAV performance does not reflect the deduction of the sales load or the CDSC, which, if reflected, would reduce the performance shown.

<sup>3</sup>NAV is Net Asset Value.

<sup>4</sup>A 1.00% CDSC (contingent deferred sales charge) may be charged on shares redeemed within 1 year of purchase. NAV performance does not reflect the deduction of the CDSC, which, if reflected, would reduce the performance shown.

<sup>5</sup>The Blended Index is composed of 33% S&P 500 Index, 17% MSCI EAFE (Net) Index and 50% Barclays Capital U.S. Aggregate Bond Index.

<sup>6</sup>The S&P 500 Index is an index of large capitalization common stocks.

<sup>7</sup>The MSCI EAFE (Europe, Australasia, Far East) Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. As of July 2010 the MSCI EAFE Index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. Performance for the MSCI EAFE Index is shown "net", which includes dividend reinvestments after deduction of foreign withholding tax.

<sup>8</sup>The Barclays Capital U.S. Aggregate Bond Index represents securities that are U.S. domestic, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities and asset-backed securities.

<sup>9</sup>The Lipper Mixed-Asset Target Allocation Moderate Funds Index tracks the results of the 30 largest mutual funds in the Lipper Mixed-Asset Target Allocation Moderate Funds Average. The Lipper Mixed-Asset Target Allocation Moderate Funds Average is a total return performance average of mutual funds tracked by Lipper, Inc. whose primary objective is to conserve principal by maintaining, at all times a mix of between 40%-60% equity securities, with the remainder invested in bonds, cash, and cash equivalents. The Lipper Mixed-Asset Target Allocation Moderate Funds Index is not what is typically considered to be an "index" because it tracks the performance of other mutual funds rather than changes in the value of a group of securities, a securities index or some other traditional economic indicator.

<sup>10</sup>Unlike the Moderate Portfolio, the Blended Index and the Lipper Mixed-Asset Target Allocation Moderate Funds Index are not investments, are not professionally managed, have no policy of sustainable investing and (with the exception of the Lipper Mixed-Asset Target Allocation Moderate Funds Index) do not reflect deductions for fees, expenses or taxes.

**Asset Allocation**

Percent of Market Value

Cash & Equivalents.....	2.8%
U.S. Stocks.....	37.1%
Foreign Stocks.....	15.9%
U.S. Bonds.....	41.4%
Foreign Bonds.....	1.1%
Non-Affiliated Investment Companies & Exchange Traded Funds.....	1.7%
Total.....	100.0%

**Moderate Portfolio, continued****Manager Allocation**

Manager/Strategy Percent of Net Assets

**EQUITY****Large-Cap/Multi-Cap**

ClearBridge ESG Large Cap Value.....	8.9%
Miller/Howard Equity Income.....	5.0%
Parnassus Equity Income.....	9.0%
Neuberger Berman Socially Responsive Large Cap Blend.....	9.1%
Pax World Multi-Cap Equity.....	3.0%

**Small/Mid-Cap**

Ariel Small/Mid Cap Value.....	2.0%
Parnassus Small Cap.....	2.2%

**International/World**

Pax World International Equity.....	7.6%
Portfolio 21 World Stock.....	5.9%
Schroder Emerging Markets Equity.....	1.3%

**Sector Specific**

Pax World Global Green (Environmental Technologies).....	2.3%
<b>Total Equities.....</b>	<b>56.3%</b>

**FIXED INCOME****Investment Grade**

Access Capital Investment Grade Fixed Income.....	4.9%
Community Capital Investment Grade Fixed Income.....	5.5%
Everence Investment Grade Fixed Income.....	20.0%

**Inflation-Protected**

Pax World Real Return.....	8.9%
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**High Yield**

Pax World High Yield Bond.....	4.5%
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<b>Total Fixed Income.....</b>	<b>43.8%</b>
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Other.....	-0.1%
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Total.....	100.0%
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**Top Ten Holdings—Equity**

Company Percent of Net Assets

Procter & Gamble Co., The.....	0.8%
JPMorgan Chase & Co.....	0.7%
Bank of New York Mellon Corp., The.....	0.7%
Microsoft Corp.....	0.6%
Danaher Corp.....	0.6%
Praxair, Inc.....	0.6%
Mastercard, Inc., Class A.....	0.6%
Cisco Systems, Inc.....	0.6%
Charles Schwab Corp., The.....	0.5%
Johnson & Johnson.....	0.5%
Total.....	6.2%

Excludes Affiliated and Non-Affiliated Investment Companies.

**Moderate Portfolio, continued****Top Ten Holdings—Fixed Income**

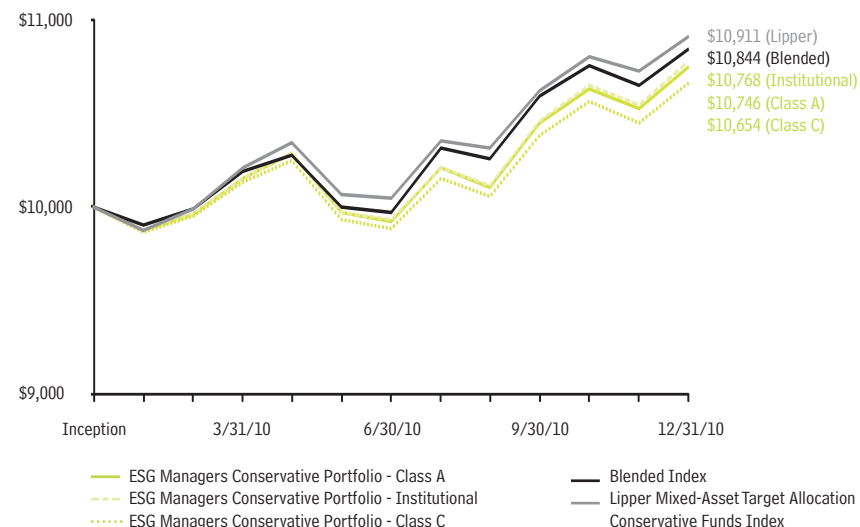
Company	Percent of Net Assets
Fannie Mae, 4.500%, 07/01/40 .....	2.2%
Ginnie Mae, 3.459%, 05/16/36 .....	1.6%
Ginnie Mae, 4.500%, 08/20/40 .....	1.6%
United States Treasury Note (TIPS), 0.500%, 04/15/15 .....	1.5%
Kirkwood Community College Iowa, 2.500%, 06/01/17 .....	1.5%
Citigroup Funding, Inc, 1.875%, 10/22/12 .....	1.4%
Freddie Mac, 3.750%, 03/27/19 .....	1.3%
Freddie Mac, 5.000%, 07/15/37 .....	1.2%
Farmer Mac, 6.075%, 04/20/40 .....	1.1%
United States Treasury Note (TIPS), 1.375%, 07/15/18 .....	1.1%
Total .....	14.5%

*Excludes Affiliated and Non-Affiliated Investment Companies.*

**Sector Diversification**

Sector	Percent of Market Value
Bonds .....	42.5%
<i>Corporate: 14.7%, Agency/Gov't Related: 6.3%, Municipal: 2.5%, Mortgage Backed: 10.0%, Treasury: 9.0%</i>	
Consumer Discretionary .....	4.7%
Consumer Staples .....	4.2%
Energy .....	5.2%
Financials .....	8.2%
Health Care .....	6.6%
Industrials .....	7.3%
Information Technology .....	8.9%
Materials .....	2.4%
Telecommunication Services .....	2.1%
Utilities .....	3.4%
Non-Affiliated Investment Companies & Exchange Traded Funds .....	1.7%
Cash & Equivalents .....	2.8%
Total .....	100.0%

*May include companies representing multiple industries within a single "Sector".*

**Conservative Portfolio****Portfolio Highlights****Total Return—Historical****Returns—Period ended December 31, 2010**

Share class		Total Return	
		3 months	Since Inception <sup>1</sup>
<b>Class A<sup>2</sup></b> (PWMAX)	NAV <sup>3</sup>	2.86%	7.46%
	POP	-2.73%	1.57%
<b>Institutional Class</b> (PWMIX)		2.95%	7.68%
<b>Class C<sup>4</sup></b> (PVMCX)	NAV <sup>3</sup>	2.61%	6.54%
	CDSC	1.59%	5.48%
Blended Index <sup>5, 6, 7, 8, 10</sup>		2.40%	8.44%
Lipper Mixed-Assets Target Allocation Conservative Funds Index <sup>9, 10</sup>		2.71%	9.11%

*Total returns have not been annualized. Total return figures include reinvested dividends and capital gains distributions, and changes in principal value, and do not reflect the taxes that a shareholder might pay on Fund distributions or on the redemption of Fund shares. These figures represent past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance shown. For more recent month-end performance data, please visit [www.esgmanagers.com](http://www.esgmanagers.com).*

<sup>1</sup>The Fund's inception date is January 4, 2010.



**Conservative Portfolio, continued**

<sup>2</sup>A 1.00% CDSC (contingent deferred sales charge) may be charged on any shares sold within 1 year of purchase over \$1million. POP (public offering price) reflects the maximum sales load for the Fund's Class A Shares of 5.50%. NAV performance does not reflect the deduction of the sales load or the CDSC, which, if reflected, would reduce the performance shown.

<sup>3</sup>NAV is Net Asset Value.

<sup>4</sup>A 1.00% CDSC (contingent deferred sales charge) may be charged on shares redeemed within 1 year of purchase. NAV performance does not reflect the deduction of the CDSC, which, if reflected, would reduce the performance shown.

<sup>5</sup>The Blended Index is composed of 23% S&P 500 Index, 12% MSCI EAFE (Net) Index and 65% Barclays Capital U.S. Aggregate Bond Index.

<sup>6</sup>The S&P 500 Index is an index of large capitalization common stocks.

<sup>7</sup>The MSCI EAFE (Europe, Australasia, Far East) Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. As of July 2010 the MSCI EAFE Index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. Performance for the MSCI EAFE Index is shown "net", which includes dividend reinvestments after deduction of foreign withholding tax.

<sup>8</sup>The Barclays Capital U.S. Aggregate Bond Index represents securities that are U.S. domestic, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities and asset-backed securities.

<sup>9</sup>The Lipper Mixed-Asset Target Allocation Conservative Funds Index tracks the results of the 30 largest mutual funds in the Lipper Mixed-Asset Target Allocation Conservative Funds Average. The Lipper Mixed-Asset Target Allocation Conservative Funds Average is a total return performance average of mutual funds tracked by Lipper, Inc. whose primary objective is to conserve principal by maintaining, at all times a mix of between 20%-40% equity securities, with the remainder invested in bonds, cash, and cash equivalents. The Lipper Mixed-Asset Target Allocation Conservative Funds Index is not what is typically considered to be an "index" because it tracks the performance of other mutual funds rather than changes in the value of a group of securities, a securities index or some other traditional economic indicator.

<sup>10</sup>Unlike the Conservative Portfolio, the Blended Index and the Lipper Mixed-Asset Target Allocation Conservative Funds Index are not investments, are not professionally managed, have no policy of sustainable investing and (with the exception of the Lipper Mixed-Asset Target Allocation Conservative Funds Index) do not reflect deductions for fees, expenses or taxes.

Asset Allocation	Percent of Market Value
Cash & Equivalents.....	3.6%
U.S. Stocks.....	26.2%
Foreign Stocks.....	12.0%
U.S. Bonds.....	55.8%
Foreign Bonds.....	1.1%
Non-Affiliated Investment Companies & Exchange Traded Funds.....	1.3%
Total.....	100.0%

**Conservative Portfolio, continued****Manager Allocation**

Strategy	Percent of Net Assets
<b>EQUITY</b>	
<b>Large-Cap/Multi-Cap</b>	
ClearBridge ESG Large Cap Value.....	6.0%
Miller/Howard Equity Income.....	3.6%
Parnassus Equity Income.....	5.6%
Neuberger Berman Socially Responsive Large Cap Blend.....	5.9%
Pax World Multi-Cap Equity.....	2.1%
<b>Small/Mid-Cap</b>	
Ariel Small/Mid Cap Value.....	2.2%
Parnassus Small Cap.....	2.3%
<b>International/World</b>	
Pax World International Equity.....	5.7%
Portfolio 21 World Stock.....	4.9%
Schroder Emerging Markets Equity.....	1.0%
<b>Sector Specific</b>	
Pax World Global Green (Environmental Technologies).....	1.4%
<b>Total Equities.....</b>	<b>40.7%</b>

**FIXED INCOME**

<b>Investment Grade</b>	
Community Capital Investment Grade Fixed Income.....	12.5%
Everence Investment Grade Fixed Income.....	30.3%
<b>Inflation-Protected</b>	
Pax World Real Return.....	11.9%
<b>High Yield</b>	
Pax World High Yield Bond.....	4.6%
<b>Total Fixed Income.....</b>	<b>59.3%</b>
<b>Total.....</b>	<b>100.0%</b>

**Top Ten Holdings—Equity**

Company	Percent of Net Assets
Procter & Gamble Co., The.....	0.5%
JPMorgan Chase & Co.....	0.5%
Bank of New York Mellon Corp., The.....	0.5%
Danaher Corp.....	0.4%
Microsoft Corp.....	0.4%
Praxair, Inc.....	0.4%
Google, Inc., Class A.....	0.4%
International Business Machines Corp.....	0.3%
Mastercard, Inc., Class A.....	0.3%
McCormick & Co., Inc.....	0.3%
Total.....	4.0%

Excludes Affiliated and Non-Affiliated Investment Companies.



**Conservative Portfolio, continued****Top Ten Holdings—Fixed Income**

Company	Percent of Net Assets
Ginnie Mae, 4.500%, 11/20/40.....	4.9%
Ginnie Mae, 4.500%, 01/15/40.....	2.1%
Citigroup Funding, Inc, 1.875%, 10/22/12.....	2.1%
Freddie Mac, 3.750%, 03/27/19.....	1.9%
Freddie Mac, 5.000%, 07/15/37.....	1.8%
United States Treasury Note (TIPS), 1.375%, 07/15/18.....	1.8%
United States Treasury Note (TIPS), 1.625%, 01/15/15.....	1.7%
Ginnie Mae, 4.500%, 08/20/40.....	1.7%
Federal Home Loan Bank, 5.000%, 11/17/17.....	1.6%
Ginnie Mae, 4.175%, 01/16/38.....	1.5%
Total.....	21.1%

*Excludes Affiliated and Non-Affiliated Investment Companies.*

**Sector Diversification**

Sector	Percent of Market Value
Bonds.....	56.9%
<i>Corporate: 20.3%, Agency/Gov't Related: 9.5%, Mortgage Backed: 15.6%, Treasury: 11.5%</i>	
Consumer Discretionary.....	3.9%
Consumer Staples.....	2.9%
Energy.....	3.6%
Financials.....	5.8%
Health Care.....	4.6%
Industrials.....	5.2%
Information Technology.....	6.4%
Materials.....	1.8%
Telecommunication Services.....	1.5%
Utilities.....	2.5%
Non-Affiliated Investment Companies & Exchange Traded Funds.....	1.3%
Cash & Equivalents.....	3.6%
Total.....	100.0%

*May include companies representing multiple industries within a single "Sector".*

**Sustainable Investing**

Senior Vice President for  
Sustainable Investing  
**Julie Gorte, Ph.D.**

**Sustainability Update**

The beginning of a new year is, in our world, a time to anticipate the start of a new proxy season and the opportunities it gives us to help improve the prospects of the companies in which we invest. This year marks the first year that public companies will be required to offer shareholders the opportunity to cast an advisory vote on their executive compensation plans, and to offer shareholders the choice of having such a vote every one, two or three years.

Corporate governance is a comprehensive measure, including hundreds of individual data points and criteria. While there is a great deal of variation in how different investors and rating agencies see governance, executive compensation is included in all of them. In fact, there is probably no single indicator of governance that is more important than executive compensation, and none that is more fundamentally broken. Despite increasingly frequent episodes of outrage over the size of executive compensation—most recently during the financial crisis—and increasingly specific regulation over what must be reported, it is difficult to point to any real progress in reining in excessive executive compensation over the past two decades. In part because of the financial crisis, and revelations that some of the most outlandish compensation was awarded to CEOs and other executives of some of the firms most responsible for the economic woes we have endured, the SEC last year required all companies to offer their shareholders the opportunity to provide an advisory vote on their executive compensation packages, and further stipulated that companies must do this at least every three years. Companies can choose whether to do this annually, or less frequently.

We are now on the threshold of seeing those advisory votes on company proxies. Since the regulation was finalized, we have seen nine executive compensation plans on company proxies, and we are about to see them for most, if not all, U.S. companies in our portfolios, most of them during proxy season (roughly March through June). We have voted against two-thirds of them, and we anticipate a great many more votes against compensation packages as the proxy season heats up. We have voted in favor of every

**Sustainability Report, continued**

resolution proposing an annual vote, and against all those proposing less frequent reporting.

Executive compensation is one of the most effective ways that the incentives of corporate management can be aligned with those of shareholders. Compensation packages with vague or sparse ties to financial performance are common, and we now have a new tool to use to let companies know how we feel about it. If all shareholders did this, reform might indeed happen. It took a lot of momentum to get to this point, and Pax World was one of the investors that helped create and sustain that momentum: we sent comments to the SEC on its proposed rule on executive compensation; we filed several “Say on Pay” resolutions; and we communicated our strong support for the advisory vote to the drafters of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which made such votes mandatory for the first time. Driving wedges into the largely opaque and cloistered system of lavish executive compensation hasn’t been easy, and progress hasn’t been fast. But we’ve struck pay dirt, and we will continue to dig.

In a much less well-publicized rulemaking last year, the SEC also began for the first time to require boards to report on their diversity, and again, Pax World was one of the enterprises that supported this new rule when the SEC proposed it. Pax World has been co-leading a global engagement on board diversity under the auspices of the United Nations Principles for Responsible Investment for nearly a year, and we have conducted a thorough review of the academic literature linking women’s empowerment with financial performance. What we know from this experience is that diverse boards are more likely to do a better job of overseeing and managing corporate governance than homogeneous ones—in the United States, that means all-white, all-male boards—and that those differences actually matter in financial measures like earnings quality and more conservative earnings reporting. We are working hard to create investor momentum in favor of more diverse boards. If most investors voted as we do at Pax World—withholding votes from every board slate that includes no women—we could make real progress in the dismal statistics on board diversity, and very likely in the quality of corporate governance. We will be launching new initiatives to encourage other investors to vote as we do.

**Sustainability Report, continued**

On both issues—executive compensation and board diversity—we have been part of what Margaret Mead called a small group of committed individuals, which she maintained was the only thing that has ever changed the world. As a small firm dedicated to sustainable investing, we are always aware that progress on all measures of sustainability is needed, and that even a large investor working alone probably won’t get very far. But working with others, and leading where we can, we have shown that progress is not just possible, it’s underway.

## Shareholder Expense Examples

**Examples** As a shareholder of the ESG Managers™ Aggressive Growth, Growth, Moderate or Conservative Portfolios, you incur ongoing costs, including management fees; distribution and/or service (12b-1) fees; and other Fund expenses. The examples on the next page are intended to help you understand your ongoing costs (in dollars) of investing in each of the Funds and compare these costs with the ongoing costs of investing in other mutual funds. For more information, see the prospectus or talk to your financial adviser.

The examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire period beginning on July 1, 2010 and ending on December 31, 2010.

Please note that Individual Retirement Account (IRA), Coverdell Education Savings, Roth IRA, SEP-IRA, SIMPLE IRA, and 403(b)(7) accounts are charged an annual custodial fee of \$12. If you are invested in one of these account types, you should add an additional \$6 to the estimated expenses paid during the period.

**Actual Expenses** For each Fund, the first table on the next page provides information about actual account values and actual expenses. You may use the information in this table, together with the amount you invested, to estimate the expenses that you paid over the period. For the Fund, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

**Hypothetical Examples for Comparison Purposes** For each Fund, the second table on the following page provides information about hypothetical account values and hypothetical expenses based on each Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not each Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare these 5% hypothetical examples with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

## Shareholder Expense Examples, continued

Please note that the expenses shown in the tables are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the second table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

Based on Actual Fund Return	Beginning Account Value (7/1/10)	Ending Account Value (12/31/10)	Annualized Expense Ratio	Expenses Paid During Period <sup>1</sup>
Aggressive Growth - Class A	\$ 1,000.00	\$ 1,213.10	1.23%	\$ 6.86
Aggressive Growth - Institutional	1,000.00	1,215.00	0.98%	5.47
Aggressive Growth - Class C	1,000.00	1,208.90	1.98%	11.02
Growth - Class A	1,000.00	1,164.20	1.08%	5.89
Growth - Institutional	1,000.00	1,165.10	0.83%	4.53
Growth - Class C	1,000.00	1,160.00	1.83%	9.96
Moderate - Class A	1,000.00	1,108.70	1.10%	5.85
Moderate - Institutional	1,000.00	1,109.70	0.85%	4.52
Moderate - Class C	1,000.00	1,103.90	1.85%	9.81
Conservative - Class A	1,000.00	1,083.00	1.10%	5.78
Conservative - Institutional	1,000.00	1,083.90	0.85%	4.46
Conservative - Class C	1,000.00	1,078.50	1.85%	9.69

<sup>1</sup>Expenses are equal to each Funds’ annualized expense ratio, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period beginning on July 1, 2010 and ending on December 31, 2010).

Based on Hypothetical 5% Return (before expenses)	Beginning Account Value (7/1/10)	Ending Account Value (12/31/10)	Annualized Expense Ratio	Expenses Paid During Period <sup>1</sup>
Aggressive Growth - Class A	\$ 1,000.00	\$ 1,019.00	1.23%	\$ 6.26
Aggressive Growth - Institutional	1,000.00	1,020.27	0.98%	4.99
Aggressive Growth - Class C	1,000.00	1,015.22	1.98%	10.06
Growth - Class A	1,000.00	1,019.76	1.08%	5.50
Growth - Institutional	1,000.00	1,021.02	0.83%	4.23
Growth - Class C	1,000.00	1,015.98	1.83%	9.30
Moderate - Class A	1,000.00	1,019.66	1.10%	5.60
Moderate - Institutional	1,000.00	1,020.92	0.85%	4.33
Moderate - Class C	1,000.00	1,015.88	1.85%	9.40
Conservative - Class A	1,000.00	1,019.66	1.10%	5.60
Conservative - Institutional	1,000.00	1,020.92	0.85%	4.33
Conservative - Class C	1,000.00	1,015.88	1.85%	9.40

<sup>1</sup>Expenses are equal to each Funds’ annualized expense ratio, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period beginning on July 1, 2010 and ending on December 31, 2010).

## Schedule of Investments

### ESG Managers™ Aggressive Growth Portfolio

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
<b>COMMON STOCK: 75.6%</b>			<b>COMMON STOCK, continued</b>		
<b>Consumer Discretionary: 7.4%</b>			<b>Consumer Staples, continued</b>		
Arbitron, Inc.	220	\$ 9,134	Corn Products International, Inc.	79	\$ 3,634
Best Buy Co., Inc.	22	754	Costco Wholesale Corp.	235	16,969
BorgWarner, Inc. (a)	26	1,881	CVS Caremark Corp.	430	14,951
CBS Corp., Class B	510	9,716	Energizer Holdings, Inc. (a)	60	4,374
Cinemark Holdings, Inc.	178	3,069	General Mills, Inc.	8	285
Comcast Corp, Class A	949	19,749	Hansen Natural Corp. (a)	39	2,039
Darden Restaurants, Inc.	19	882	HJ Heinz Co.	119	5,886
DeVry, Inc.	160	7,677	JM Smucker Co., The	452	29,674
DISH Network Corp., Class A (a)	586	11,521	Kellogg Co.	114	5,823
DR Horton, Inc.	70	835	Kimberly-Clark Corp.	289	18,219
Expedia, Inc.	49	1,229	Kraft Foods, Inc., Class A	135	4,254
Gannett Co, Inc.	625	9,431	McCormick & Co., Inc.	897	41,737
Hennes & Mauritz AB, B Shares	16	533	Nash Finch Co.	45	1,913
Home Depot, Inc.	270	9,466	Natura Cosmeticos SA	21	603
International Game Technology	430	7,607	PepsiCo, Inc.	213	13,915
Interpublic Group of Cos., Inc. (a)	730	7,753	Procter & Gamble Co., The	988	63,558
J. Crew Group, Inc. (a)	85	3,667	Safeway, Inc.	286	6,432
Johnson Controls, Inc.	183	6,991	Sysco Corp.	966	28,400
KB Home	550	7,420	Unilever PLC, ADR	204	6,300
Lowe's Cos., Inc.	69	1,731	United Natural Foods, Inc. (a)	350	12,838
Macy's, Inc.	13	329	WD-40 Co.	235	9,466
McDonald's Corp.	148	11,360			303,942
Meredith Corp.	130	4,505	<b>Energy: 7.4%</b>		
Mohawk Industries, Inc. (a)	130	7,379	Apache Corp.	73	8,704
Newell Rubbermaid, Inc.	325	5,909	Baker Hughes, Inc.	93	5,317
News Corp., Class A	1,337	19,467	BG Group PLC, ADR	340	34,680
NIKE, Inc., Class B	295	25,199	Cimarex Energy Co.	145	12,837
Nordstrom, Inc.	140	5,933	ConocoPhillips	375	25,538
Pulte Group, Inc. (a)	825	6,204	El Paso Corp.	1,311	18,039
Reed Elsevier PLC	1,100	9,292	Enerplus Corp.	407	12,552
Royal Caribbean Cruises, Ltd. (a)	190	8,930	Ensco PLC, ADR	110	5,872
Scripps Networks Interactive, Class A	441	22,822	EQT Corp.	104	4,663
SES SA	516	12,287	Kinder Morgan Management LLC, LP	321	21,469
Sotheby's	60	2,700	Newfield Exploration Co. (a)	455	32,810
Stanley Black & Decker, Inc.	122	8,158	Noble Corp.	407	14,558
Staples, Inc.	350	7,970	Noble Energy, Inc.	193	16,613
Target Corp.	139	8,358	Petroleo Brasileiro SA, ADR	182	6,887
Tiffany & Co.	110	6,850	Quicksilver Resources, Inc. (a)	526	7,753
Time Warner Cable, Inc.	297	19,611	Range Resources Corp.	6	270
Time Warner, Inc.	635	20,427	Royal Dutch Shell PLC, ADR	304	20,301
Toll Brothers, Inc. (a)	360	6,839	Sasol Ltd., ADR	24	1,249
Washington Post Co., The, Class B	10	4,394	Seadrill, Ltd.	230	7,802
		345,969	SM Energy Co.	75	4,420
<b>Consumer Staples: 6.5%</b>			Southern Union Co.	348	8,376
Coca-Cola Co., The	159	10,457	Spectra Energy Corp.	753	18,817
Constellation Brands, Inc. (a)	100	2,215	Statoil ASA, ADR	514	12,218

## Schedule of Investments, continued

### ESG Managers™ Aggressive Growth Portfolio, continued

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
<b>COMMON STOCK, continued</b>			<b>COMMON STOCK, continued</b>		
<b>Energy, continued</b>			<b>Financials, continued</b>		
Suncor Energy, Inc.	363	\$ 13,899	Travelers Cos., Inc., The	183	\$ 10,195
W&T Offshore, Inc.	1,050	18,764	Unibail-Rodamco SE, REIT	75	14,849
Weatherford International, Ltd. (a)	488	11,126	Wells Fargo & Co.	1,036	32,105
		345,534	Willis Group Holdings PLC	52	1,800
					535,084
<b>Financials: 11.5%</b>			<b>Health Care: 9.8%</b>		
Aflac, Inc.	240	13,543	Abbott Laboratories	194	9,295
American Express Co.	286	12,275	Amgen, Inc. (a)	48	2,635
Banco Bradesco SA, ADR	600	12,174	Analogic Corp.	40	1,980
Bank of America Corp.	1,070	14,274	Baxter International, Inc.	325	16,452
Bank of Montreal	74	4,260	Beckman Coulter, Inc.	55	4,138
Bank of New York Mellon Corp., The	2,084	62,937	Becton, Dickinson & Co.	385	32,540
BlackRock, Inc.	126	24,013	Bio-Rad Laboratories, Inc., Class A (a)	100	10,385
CB Richard Ellis Group, Inc., Class A (a)	330	6,758	Bristol-Myers Squibb Co.	186	4,925
Charles Schwab Corp., The	2,492	42,638	Covidien PLC	570	26,026
China Life Insurance Co. Ltd., ADR	28	1,713	Cyberonics, Inc. (a)	225	6,980
Chubb Corp.	118	7,038	Eli Lilly & Co.	162	5,676
Cincinnati Financial Corp.	206	6,528	Furieux Pharmaceutical, Inc. (a)	185	2,673
City National Corp.	60	3,682	Gen-Probe, Inc. (a)	375	21,881
Digital Realty Trust, Inc., REIT	136	7,009	Gilead Sciences, Inc. (a)	225	8,154
Glacier Bancorp, Inc.	200	3,022	GlaxoSmithKline PLC, ADR	147	5,765
Goldman Sachs Group, Inc., The	11	1,850	Hospira, Inc. (a)	580	32,300
HCC Insurance Holdings, Inc.	150	4,341	Johnson & Johnson	485	29,997
HCP, Inc., REIT	262	9,639	LHC Group, Inc. (a)	285	8,550
Hospitality Properties Trust, REIT	32	737	Medtronic, Inc.	1,000	37,090
Hudson City Bancorp., Inc.	755	9,619	Merck & Co., Inc.	466	16,795
Janus Capital Group, Inc.	630	8,171	Mylan, Inc. (a)	185	3,909
Jones Lang LaSalle, Inc.	95	7,972	Novartis AG	200	11,773
JPMorgan Chase & Co.	1,442	61,170	Novartis AG, ADR	203	11,967
Lazard, Ltd., LP, Class A	215	8,490	Novo Nordisk A/S, ADR	149	16,773
Loews Corp.	248	9,650	Pfizer, Inc.	760	13,308
Markel Corp. (a)	43	16,260	Roche Holding AG	98	14,366
Marsh & McLennan Cos., Inc.	405	11,073	Roche Holding AG, ADR	602	22,063
Morgan Stanley	315	8,571	Sirona Dental Systems, Inc. (a)	20	836
NYSE Euronext	250	7,495	St. Jude Medical, Inc. (a)	17	727
optionsXpress Holdings, Inc.	128	2,006	Teleflex, Inc.	720	38,743
Potlatch Corp., REIT	300	9,765	Teva Pharmaceutical Industries, Ltd., ADR	354	18,454
PrivateBancorp, Inc.	150	2,157	Thermo Fisher Scientific, Inc. (a)	11	609
Progressive Corp., The	1,570	31,196	Valeant Pharmaceuticals International	334	9,449
Royal Bank of Canada	300	15,708	VCA Antech, Inc. (a)	260	6,055
Royal Bank of Canada (Canadian)	150	7,893	WellPoint, Inc. (a)	113	6,426
SEI Investment Co.	170	4,044			459,695
State Street Corp.	199	9,222			
T Rowe Price Group, Inc.	25	1,614			
Tower Group, Inc.	220	5,628			

**Schedule of Investments, continued****ESG Managers™ Aggressive Growth Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
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**COMMON STOCK, continued****Industrials: 9.3%**

3M Co.	302	\$	26,063
Administaff, Inc.	240		7,032
Brady Corp., Class A	190		6,196
Brink's Co., The.	225		6,048
Canadian National Railway Co.	221		14,690
Cia de Concessões Rodovias	43		1,215
Cooper Industries PLC	285		16,613
Cummins, Inc.	82		9,021
Danaher Corp.	1,114		52,547
Deere & Co.	233		19,351
Diana Shipping, Inc. (a)	137		1,647
Dun & Bradstreet Corp.	80		6,567
East Japan Railway Co.	200		12,978
Emerson Electric Co.	362		20,696
Empresas ICA SAB de CV, ADR (a)	191		1,948
Expeditors International of Washington, Inc.	66		3,604
General Electric Co.	809		14,797
Graco, Inc.	60		2,367
Herman Miller, Inc.	980		24,794
Honeywell International, Inc.	293		15,576
ICF International, Inc. (a)	435		11,188
IDEX Corp.	355		13,888
Illinois Tool Works, Inc.	180		9,612
Ingersoll-Rand PLC	68		3,202
Interface, Inc., Class A	395		6,182
Iron Mountain, Inc.	277		6,928
Nordson Corp.	44		4,043
Pentair, Inc.	300		10,953
RR Donnelley & Sons, Co.	490		8,560
Siemens AG	100		12,386
Simpson Manufacturing Co., Inc.	80		2,472
SKF AB	650		18,548
Vestas Wind Systems A/S (a)	250		7,917
Waste Management, Inc.	1,050		38,714
WW Grainger, Inc.	120		16,573
			<u>434,916</u>

**Information Technology: 14.5%**

Accenture PLC., Class A	425		20,608
Altera Corp.	727		25,867
Anixter International, Inc.	480		28,670
BMC Software, Inc. (a)	38		1,791
Brocade Communications Systems, Inc. (a)	1,900		10,051
Canon, Inc.	300		15,410
Ceragon Networks, Ltd. (a)	675		8,897

**COMMON STOCK, continued****Information Technology, continued**

Ciena Corp. (a)	350	\$	7,368
Cisco Systems, Inc. (a)	1,804		36,495
Citrix Systems, Inc. (a)	41		2,805
Clicksoftware Technologies, Ltd. (a)	625		4,813
Cognex Corp.	80		2,354
Cymer, Inc. (a)	105		4,732
Electronics for Imaging, Inc. (a)	475		6,797
EMC Corp. (a)	406		9,297
Fair Isaac Corp.	165		3,856
Finisar Corp. (a)	225		6,680
Google, Inc., Class A (a)	61		36,232
Harmonic, Inc. (a)	380		3,257
Hewlett-Packard Co.	775		32,628
Intel Corp.	1,043		21,934
International Business Machines Corp.	218		31,994
Intuit, Inc. (a)	390		19,227
Jack Henry & Associates, Inc.	115		3,352
Mastercard, Inc., Class A	210		47,063
Maxim Integrated Products, Inc.	333		7,865
Mentor Graphics Corp. (a)	500		6,000
Microchip Technology, Inc.	235		8,039
Microsoft Corp.	1,849		51,624
Motorola Solutions, Inc. (a)	111		4,224
National Instruments Corp.	653		24,579
Oclaro, Inc. (a)	80		1,052
Oracle Corp.	36		1,127
Paychex, Inc.	750		23,183
QUALCOMM, Inc.	749		37,068
Riverbed Technology, Inc. (a)	120		4,220
Sourcefire, Inc. (a)	71		1,841
SunPower Corp., Class A (a)	450		5,774
Taiwan Semiconductor, ADR	702		8,803
Tellabs, Inc.	825		5,594
Teradata Corp. (a)	10		412
Texas Instruments, Inc.	1,148		37,310
VeriSign, Inc.	470		15,354
WebSense, Inc. (a)	445		9,010
Yahoo!, Inc. (a)	1,901		31,613
			<u>676,870</u>

**Materials: 2.6%**

Air Products & Chemicals, Inc.	157		14,279
Compass Minerals International	30		2,678
Crown Holdings, Inc. (a)	214		7,143
Ecolab, Inc.	300		15,126
Novozymes A/S, ADR	57		7,964

**Schedule of Investments, continued****ESG Managers™ Aggressive Growth Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
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**COMMON STOCK, continued****Materials, continued**

Nucor Corp.	341	\$	14,943
Praxair, Inc.	425		40,575
Rio Tinto PLC, ADR	57		4,085
Svenska Cellulosa AB, B Shares	650		10,263
Syngenta AG, ADR	53		3,115
Vale SA, ADR	26		899
			<u>121,070</u>

**Telecommunication Services: 2.2%**

America Movil SAB de CV, Series L, ADR	98		5,619
American Tower Corp., Class A (a)	118		6,094
AT&T, Inc.	589		17,305
BCE, Inc.	93		3,298
CenturyLink, Inc.	364		16,806
Portugal Telecom SGPS SA	93		1,062
Tele Norte Leste Participacoes SA, ADR	289		4,248
Telefonica SA	400		9,132
Telefonica SA, ADR	111		7,595
Verizon Communications, Inc.	317		11,342
Vodafone Group PLC, ADR	375		9,911
Windstream Corp.	534		7,443
			<u>99,855</u>

**Utilities: 4.4%**

AGL Resources, Inc.	290		10,397
American Water Works Co., Inc.	473		11,962
Black Hills Corp.	225		6,750
Energen Corp.	755		36,436
Iberdrola Renovables SA	3,000		10,662
MDU Resources Group, Inc.	1,100		22,297
National Grid PLC	1,000		8,643
National Grid PLC, ADR	172		7,633
NiSource, Inc.	578		10,184
Northeast Utilities	181		5,770
Northwest Natural Gas Co.	165		7,668
Oneok, Inc.	294		16,308
Pepco Holdings, Inc.	245		4,471
Portland General Electric Co.	700		15,190
Questar Corp.	620		10,794
Red Electrica Corp. SA	150		7,072
Sempra Energy	239		12,544
Veolia Environnement, ADR	12		352
			<u>205,133</u>

**Total Common Stocks**

(Cost \$3,142,553)			<u>3,528,068</u>
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**AFFILIATED INVESTMENT COMPANIES: 20.8%**

Pax World Global Green Fund (b)	15,204	\$	146,565
Pax World High Yield Bond Fund (b)	16,284		125,713
Pax World International Fund (b)	76,883		<u>701,169</u>

**TOTAL AFFILIATED INVESTMENT COMPANIES**

(Cost \$904,803)			<u>973,447</u>
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**NON-AFFILIATED INVESTMENT COMPANIES: 1.5%**

Schroder Emerging Markets Equity Fund (c)	5,157		<u>71,739</u>
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**TOTAL NON-AFFILIATED INVESTMENT COMPANIES**

(Cost \$71,481)			<u>71,739</u>
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**TOTAL INVESTMENTS: 97.9%**

(Cost \$4,118,837)			4,573,254
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**OTHER ASSETS AND LIABILITIES—**

(Net): 2.1%			<u>97,671</u>
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**Net Assets: 100.0%**

			<u>\$ 4,670,925</u>
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(a)	Non income producing security
(b)	Institutional Class shares
(c)	Investor Class shares
ADR	American Depository Receipt
LP	Limited Partnership
REIT	Real Estate Investment Trust

**Schedule of Investments, continued****ESG Managers™ Growth Portfolio**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
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**COMMON STOCKS: 57.2%****Consumer Discretionary: 5.6%**

Arbitron, Inc.	390	\$	16,193
Best Buy Co., Inc.	37		1,269
BorgWarner, Inc. (a)	44		3,184
CBS Corp., Class B	605		11,525
Cinemark Holdings, Inc.	281		4,844
Comcast Corp, Class A	1,211		25,201
Darden Restaurants, Inc.	32		1,486
DeVry, Inc.	205		9,836
DISH Network Corp., Class A (a)	805		15,826
DR Horton, Inc.	185		2,207
Expedia, Inc.	82		2,057
Gannett Co, Inc.	715		10,789
Hennes & Mauritz AB, B Shares	27		899
Home Depot, Inc.	360		12,622
International Game Technology	490		8,668
Interpublic Group of Cos., Inc. (a)	835		8,868
J. Crew Group, Inc. (a)	175		7,550
Johnson Controls, Inc.	231		8,824
KB Home	900		12,141
Lowe's Cos., Inc.	114		2,859
Macy's, Inc.	23		582
McDonald's Corp.	208		15,966
Meredith Corp.	150		5,198
Mohawk Industries, Inc. (a)	150		8,514
Newell Rubbermaid, Inc.	385		6,999
News Corp., Class A	1,762		25,655
NIKE, Inc., Class B	390		33,314
Nordstrom, Inc.	160		6,781
Pulte Group, Inc. (a)	1,400		10,528
Reed Elsevier PLC	2,000		16,894
Royal Caribbean Cruises, Ltd. (a)	230		10,810
Scripps Networks			
Interactive, Class A	572		29,601
SES SA	663		15,788
Sotheby's	65		2,925
Stanley Black & Decker, Inc.	142		9,496
Staples, Inc.	575		13,093
Target Corp.	182		10,944
Tiffany & Co.	110		6,850
Time Warner Cable, Inc.	393		25,950
Time Warner, Inc.	835		26,862
Toll Brothers, Inc. (a)	630		11,969
Washington Post Co., The, Class B	10		4,394
			<u>465,961</u>

**COMMON STOCKS, continued****Consumer Staples: 4.5%**

Coca-Cola Co., The	204	\$	13,417
Constellation Brands, Inc. (a)	120		2,658
Corn Products International, Inc.	132		6,072
Costco Wholesale Corp.	309		22,313
CVS Caremark Corp.	529		18,393
Energizer Holdings, Inc. (a)	70		5,103
General Mills, Inc.	13		463
Hansen Natural Corp. (a)	66		3,450
HJ Heinz Co.	181		8,952
JM Smucker Co., The	546		35,845
Kellogg Co.	143		7,304
Kimberly-Clark Corp.	377		23,766
Kraft Foods, Inc., Class A	224		7,058
McCormick & Co., Inc.	1,026		47,740
Nash Finch Co.	75		3,188
Natura Cosmeticos SA	35		1,006
PepsiCo, Inc.	292		19,076
Procter & Gamble Co., The	1,228		78,997
Safeway, Inc.	360		8,096
Sysco Corp.	1,112		32,693
Unilever PLC, ADR	269		8,307
United Natural Foods, Inc. (a)	350		12,839
WD-40 Co.	240		<u>9,668</u>
			<u>376,404</u>

**Energy: 5.8%**

Apache Corp.	85		10,135
Baker Hughes, Inc.	156		8,919
BG Group PLC, ADR	444		45,288
Cimarex Energy Co.	195		17,263
ConocoPhillips	513		34,935
El Paso Corp.	1,730		23,805
Enerplus Corp.	634		19,553
Enscoc PLC, ADR	184		9,822
EQT Corp.	173		7,757
Kinder Morgan Management LLC, LP	503		33,641
Newfield Exploration Co. (a)	578		41,680
Noble Corp.	582		20,818
Noble Energy, Inc.	243		20,917
Petroleo Brasileiro SA, ADR	239		9,044
Quicksilver Resources, Inc. (a)	853		12,573
Range Resources Corp.	11		495
Royal Dutch Shell PLC, ADR	395		26,378
Sasol Ltd., ADR	39		2,030
Seadrill, Ltd.	359		12,177
SM Energy Co.	135		7,956
Southern Union Co.	543		13,070

**Schedule of Investments, continued****ESG Managers™ Growth Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
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**COMMON STOCKS, continued****Energy, continued**

Spectra Energy Corp.	945	\$	23,616
Statoil ASA, ADR	816		19,396
Suncor Energy, Inc.	499		19,107
W&T Offshore, Inc.	1,475		26,358
Weatherford International, Ltd. (a)	630		<u>14,363</u>
			<u>481,096</u>

**Financials: 8.4%**

Aflac, Inc.	265		14,954
American Express Co.	398		17,082
Banco Bradesco SA, ADR	1,200		24,348
Bank of America Corp.	1,396		18,623
Bank of Montreal	110		6,333
Bank of New York Mellon Corp., The	2,540		76,708
BlackRock, Inc.	167		31,827
CB Richard Ellis Group, Inc., Class A (a)	375		7,680
Charles Schwab Corp., The	3,125		53,469
China Life Insurance Co. Ltd., ADR	48		2,936
Chubb Corp.	155		9,244
Cincinnati Financial Corp.	322		10,204
City National Corp.	75		4,602
Digital Realty Trust, Inc., REIT	213		10,978
Glacier Bancorp, Inc.	330		4,986
Goldman Sachs Group, Inc., The	19		3,195
HCC Insurance Holdings, Inc.	170		4,920
HCP, Inc., REIT	408		15,010
Hospitality Properties Trust, REIT	53		1,221
Hudson City Bancorp., Inc.	875		11,148
Janus Capital Group, Inc.	720		9,338
Jones Lang LaSalle, Inc.	110		9,231
JPMorgan Chase & Co.	1,720		72,962
Lazard, Ltd., LP, Class A	255		10,070
Loews Corp.	328		12,762
Markel Corp. (a)	51		19,285
Marsh & McLennan Cos., Inc.	501		13,697
Morgan Stanley	411		11,183
NYSE Euronext	389		11,662
optionsXpress Holdings, Inc.	212		3,322
Potlatch Corp., REIT	450		14,648
PrivateBancorp, Inc.	175		2,517
Progressive Corp., The	1,980		39,343
Royal Bank of Canada	335		17,541
Royal Bank of Canada (Canadian)	200		10,524
SEI Investment Co.	300		7,137

**COMMON STOCKS, continued****Financials, continued**

State Street Corp.	281	\$	13,022
T Rowe Price Group, Inc.	42		2,711
Tower Group, Inc.	400		10,232
Travelers Cos., Inc., The	242		13,482
Unibail-Rodamco SE, REIT	75		14,850
Wells Fargo & Co.	1,304		40,410
Willis Group Holdings PLC	87		<u>3,012</u>
			<u>692,409</u>

**Health Care: 7.6%**

Abbott Laboratories	304		14,565
Amgen, Inc. (a)	81		4,447
Analogic Corp.	60		2,971
Baxter International, Inc.	450		22,779
Beckman Coulter, Inc.	65		4,890
Becton, Dickinson & Co.	535		45,218
Bio-Rad Laboratories, Inc., Class A (a)	135		14,020
Bristol-Myers Squibb Co.	294		7,785
Covidien PLC	741		33,834
Cyberonics, Inc. (a)	375		11,633
Eli Lilly & Co.	245		8,585
Furiex Pharmaceutical, Inc. (a)	315		4,552
Gen-Probe, Inc. (a)	470		27,425
Gilead Sciences, Inc. (a)	285		10,328
GlaxoSmithKline PLC, ADR	233		9,138
Hospira, Inc. (a)	726		40,431
Johnson & Johnson	689		42,615
LHC Group, Inc. (a)	475		14,250
Medtronic, Inc.	1,050		38,945
Merck & Co., Inc.	674		24,291
Mylan, Inc. (a)	309		6,529
Novartis AG	400		23,546
Novartis AG, ADR	269		15,858
Novo Nordisk A/S, ADR	184		20,713
Pfizer, Inc.	1,060		18,561
Roche Holding AG	173		25,361
Roche Holding AG, ADR	767		28,111
Sirona Dental Systems, Inc. (a)	25		1,045
St. Jude Medical, Inc. (a)	27		1,154
Teleflex, Inc.	925		49,774
Teva Pharmaceutical Industries, Ltd., ADR	449		23,406
Thermo Fisher Scientific, Inc. (a)	18		996
Valeant Pharmaceuticals International	461		13,041
VCA Antech, Inc. (a)	460		10,712



**Schedule of Investments, continued****ESG Managers™ Growth Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
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**COMMON STOCKS, continued****Health Care, continued**

WellPoint, Inc. (a)	148	\$ <u>8,414</u>
		<u>629,923</u>

**Industrials: 7.0%**

3M Co.	405	34,952
Administaff, Inc.	415	12,160
Brady Corp., Class A	215	7,011
Brink's Co., The.	270	7,258
Canadian National Railway Co.	279	18,545
Cia de Concessionarios Rodoviaras	72	2,034
Cooper Industries PLC	315	18,361
Cummins, Inc.	138	15,181
Danaher Corp.	1,408	66,415
Deere & Co.	326	27,074
Diana Shipping, Inc. (a)	228	2,741
Dun & Bradstreet Corp.	93	7,634
East Japan Railway Co.	200	12,978
Emerson Electric Co.	504	28,814
Empresas ICA SAB de CV, ADR (a)	319	3,254
Expeditors International of Washington, Inc.	111	6,061
General Electric Co.	1,087	19,881
Graco, Inc.	105	4,142
Herman Miller, Inc.	1,243	31,448
Honeywell International, Inc.	381	20,254
ICF International, Inc. (a)	529	13,606
IDEX Corp.	405	15,844
Illinois Tool Works, Inc.	234	12,496
Ingersoll-Rand PLC	113	5,321
Interface, Inc., Class A	450	7,043
Iron Mountain, Inc.	325	8,128
Nordson Corp.	75	6,891
Pentair, Inc.	325	11,866
RR Donnelley & Sons, Co.	764	13,347
Siemens AG	125	15,484
Simpson Manufacturing Co., Inc.	165	5,100
SKF AB	900	25,683
TNT NV	800	21,157
Vestas Wind Systems A/S (a)	300	9,501
Waste Management, Inc.	1,150	42,400
WW Grainger, Inc.	155	<u>21,406</u>
		<u>581,471</u>

**Information Technology: 11.3%**

Accenture PLC., Class A	500	24,245
Altera Corp.	945	33,623
Anixter International, Inc.	595	35,539
BMC Software, Inc. (a)	63	2,970

**COMMON STOCKS, continued****Information Technology, continued**

Brocade Communications Systems, Inc. (a)	3,300	\$ 17,457
Canon, Inc.	600	30,819
Ceragon Networks, Ltd. (a)	1,200	15,816
Ciena Corp. (a)	675	14,209
Cisco Systems, Inc. (a)	3,073	62,167
Citrix Systems, Inc. (a)	68	4,652
Clicksoftware Technologies, Ltd. (a)	1,075	8,278
Cognex Corp.	150	4,413
Cymer, Inc. (a)	190	8,563
eBay, Inc. (a)	650	18,090
Electronics for Imaging, Inc. (a)	850	12,164
EMC Corp. (a)	678	15,526
Fair Isaac Corp.	215	5,025
Finisar Corp. (a)	400	11,876
Google, Inc., Class A (a)	73	43,360
Harmonic, Inc. (a)	600	5,142
Hewlett-Packard Co.	896	37,722
Intel Corp.	1,557	32,744
International Business Machines Corp.	244	35,809
Intuit, Inc. (a)	541	26,671
Jack Henry & Associates, Inc.	225	6,559
Mastercard, Inc., Class A	249	55,803
Maxim Integrated Products, Inc.	520	12,282
Mentor Graphics Corp. (a)	850	10,200
Microchip Technology, Inc.	367	12,555
Microsoft Corp.	2,195	61,284
Motorola Solutions, Inc. (a)	150	5,708
National Instruments Corp.	849	31,956
Oclaro, Inc. (a)	175	2,301
Oracle Corp.	61	1,909
Paychex, Inc.	850	26,274
QUALCOMM, Inc.	913	45,184
Riverbed Technology, Inc. (a)	200	7,034
Sourcefire, Inc. (a)	90	2,334
SunPower Corp., Class A (a)	600	7,698
Taiwan Semiconductor, ADR	1,102	13,819
Tellabs, Inc.	1,275	8,645
Teradata Corp. (a)	17	700
Texas Instruments, Inc.	1,450	47,125
VeriSign, Inc.	540	17,642
Websense, Inc. (a)	750	15,187
Yahoo!, Inc. (a)	2,438	<u>40,543</u>
		<u>939,622</u>

**Schedule of Investments, continued****ESG Managers™ Growth Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
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**COMMON STOCKS, continued****Materials: 2.0%**

Air Products & Chemicals, Inc.	208	\$ 18,918
Compass Minerals International	35	3,124
Crown Holdings, Inc. (a)	278	9,280
Ecolab, Inc.	350	17,647
Novozymes A/S, ADR	66	9,222
Nucor Corp.	470	20,595
Praxair, Inc.	588	56,136
Rio Tinto PLC, ADR	96	6,879
Svenska Cellulosa AB, B Shares	1,000	15,789
Syngenta AG, ADR	88	5,173
Vale SA, ADR	44	<u>1,521</u>
		<u>164,284</u>

**Telecommunication Services: 1.8%**

America Movil SAB de CV, Series L, ADR	164	9,404
American Tower Corp., Class A (a)	197	10,173
AT&T, Inc.	822	24,150
BCE, Inc.	147	5,213
CenturyLink, Inc.	454	20,961
Portugal Telecom SGPS SA	206	2,351
Tele Norte Leste Participacoes SA, ADR	451	6,630
Telefonica SA	600	13,698
Telefonica SA, ADR	168	11,495
Verizon Communications, Inc.	417	14,920
Vodafone Group PLC, ADR	601	15,884
Windstream Corp.	832	<u>11,598</u>
		<u>146,477</u>

**Utilities: 3.2%**

AGL Resources, Inc.	335	12,010
American Water Works Co., Inc.	738	18,664
Black Hills Corp.	240	7,200
Energen Corp.	835	40,297
Iberdrola Renovables SA	2,500	8,885
MDU Resources Group, Inc.	1,190	24,121
National Grid PLC	2,000	17,287
National Grid PLC, ADR	270	11,983
NiSource, Inc.	902	15,893
Northeast Utilities	285	9,086
Northwest Natural Gas Co.	180	8,365
Oneok, Inc.	472	26,182
Pepco Holdings, Inc.	382	6,972
Portland General Electric Co.	700	15,190
Questar Corp.	675	11,752
Red Electrica Corp. SA	300	14,142
Semptra Energy	323	16,950

**COMMON STOCKS, continued****Utilities, continued**

Veolia Environnement, ADR	21	\$ <u>616</u>
		<u>265,595</u>

**TOTAL COMMON STOCKS**

(Cost \$4,270,751)		<u>4,743,242</u>
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**AFFILIATED INVESTMENT COMPANIES: 25.8%**

Pax World Global Green Fund (b)	21,112	203,515
Pax World High Yield Bond Fund (b)	94,437	729,053
Pax World International Fund (b)	131,884	<u>1,202,784</u>

**TOTAL AFFILIATED INVESTMENT COMPANIES**

(Cost: \$2,046,862)		<u>2,135,352</u>
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**NON-AFFILIATED INVESTMENT COMPANIES: 1.5%**

Schroder Emerging Markets Equity Fund (c)	9,149	<u>127,258</u>
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**TOTAL NON-AFFILIATED INVESTMENT COMPANIES**

(Cost: \$126,801)		<u>127,258</u>
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**BONDS: 13.3%****CORPORATE BONDS: 3.5****Consumer Discretionary: 0.2%**

BorgWarner, Inc., 5.750%, 11/01/16	\$ 6,000	6,433
Omnicom Group, Inc., 5.900%, 04/15/16	10,000	<u>11,158</u>
		<u>17,591</u>

**Consumer Staples: 0.1%**

Avon Products, Inc., 5.625%, 03/01/14	10,000	<u>11,089</u>
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**Energy: 0.3%**

Conoco, Inc., 6.950%, 04/15/29	10,000	12,324
Midamerican Energy Co., 6.750%, 12/30/31	10,000	<u>11,716</u>
		<u>24,040</u>

**Financials: 2.0%**

Ally Financial, Inc., 1.750%, 10/30/12	25,000	25,454
AMB Property LP, 6.125%, 12/01/16	10,000	10,891

**Schedule of Investments, continued****ESG Managers™ Growth Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
<b>CORPORATE BONDS, continued</b>			<b>CORPORATE BONDS, continued</b>		
<b>Financials, continued</b>			<b>Utilities: 0.1%</b>		
BlackRock, Inc., 3.500%, 12/10/14	\$ 15,000	\$ 15,570	American Water Capital Corp., 6.085%, 10/15/17	\$ 7,000	\$ <u>7,864</u>
Citigroup Funding, Inc., 1.875%, 10/22/12	30,000	30,614	<b>TOTAL CORPORATE BONDS</b> (Cost \$281,158)		<u>289,528</u>
Intl. Bank for Reconstruction and Development, 2.000%, 12/04/13	25,000	25,634	<b>U.S. GOVERNMENT AGENCY BONDS: 1.0%</b>		
JPMorgan Chase & Co., 4.650%, 06/01/14	10,000	10,682	<b>Federal Home Loan Bank System (Agency): 1.0%</b>		
Markel Corp., 6.800%, 02/15/13	10,000	10,598	5.000%, 11/17/17	20,000	22,708
NASDAQ OMX Group, 4.000%, 01/15/15	6,000	6,113	5.500%, 07/15/36	10,000	<u>11,055</u>
Progressive Corp., The, 6.700%, 06/15/37	5,000	5,144			<u>33,763</u>
State Street Corp., 7.350%, 06/15/26	10,000	11,706	<b>Freddie Mac (Agency): 0.3%</b>		
Wachovia Corp., 5.500%, 05/01/13	10,000	10,889	3.750%, 03/27/19	25,000	<u>25,925</u>
Willis North America, Inc., 5.625%, 07/15/15	10,000	<u>10,519</u>	<b>Fannie Mae (Agency): 0.3%</b>		
		<u>173,814</u>	4.125%, 04/15/14	15,000	16,373
<b>Health Care: 0.3%</b>			4.375%, 10/15/15	10,000	<u>11,018</u>
Beckman Coulter, Inc., 6.000%, 06/01/15	10,000	10,924			<u>27,391</u>
Howard Hughes Medical, Inc., 3.450%, 09/01/14	10,000	<u>10,564</u>	<b>TOTAL U.S. GOVERNMENT AGENCY BONDS</b> (Cost \$86,638)		<u>87,079</u>
		<u>21,488</u>	<b>GOVERNMENT BONDS: 0.3%</b>		
<b>Industrials: 0.1%</b>			AID-Egypt, 4.450%, 09/15/15	10,000	10,972
Owens Corning, Inc., 6.500%, 12/01/16	5,000	<u>5,302</u>	U.S. Dept of Housing & Urban Development, 1.800%, 08/01/14	10,000	<u>10,139</u>
<b>Information Technology: 0.2%</b>			<b>TOTAL GOVERNMENT BONDS</b> (Cost \$21,089)		<u>21,111</u>
Analog Devices, Inc., 5.000%, 07/01/14	10,000	10,786			
KLA-Tencor Corp., 6.900%, 05/01/18	6,000	<u>6,610</u>			
		<u>17,396</u>			
<b>Materials: 0.1%</b>					
Domtar Corp., 9.500%, 08/01/16	5,000	<u>5,925</u>			
<b>Telecommunication Services: 0.1%</b>					
Sprint Capital Corp., 7.625%, 01/30/11	5,000	<u>5,019</u>			

**Schedule of Investments, continued****ESG Managers™ Growth Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
<b>MUNICIPAL BONDS: 0.2%</b>			<b>MORTGAGE-BACKED SECURITIES, continued</b>		
Morehead State University Kentucky, 3.750%, 11/01/17	\$ 5,000	\$ 5,042	<b>Commercial Mortgage-Backed: 0.3%</b>		
New York State Housing Finance Agency, 4.500%, 11/15/27	10,000	9,348	6.465%, 04/15/34	\$ 2,547	\$ 2,546
South Dakota State Health & Educational Facilities, 3.250%, 08/01/15	5,000	<u>5,063</u>	4.865%, 03/15/46	10,000	10,442
			4.559%, 09/15/27	10,000	<u>10,059</u>
<b>TOTAL MUNICIPAL BONDS</b> (Cost \$19,599)		<u>19,453</u>			<u>23,047</u>
<b>U.S. TREASURY NOTES: 3.9%</b>			<b>TOTAL MORTGAGE-BACKED SECURITIES</b> (Cost \$364,793)		<u>368,223</u>
3.500%, 01/15/11 (TIPS)	13,822	13,841	<b>TOTAL BONDS</b> (Cost \$1,080,023)		<u>1,100,869</u>
2.000%, 04/15/12 (TIPS)	10,778	11,178	<b>TOTAL INVESTMENTS: 97.8%</b> (Cost \$7,524,437)		<u>8,106,721</u>
0.625%, 04/15/13 (TIPS)	8,278	8,534	<b>OTHER ASSETS AND LIABILITIES—</b> (Net): 2.2%		<u>182,104</u>
1.875%, 07/15/13 (TIPS)	17,862	19,060	<b>Net Assets: 100.0%</b>		<u>\$ 8,288,825</u>
2.000%, 07/15/14 (TIPS)	18,564	20,085	(a) Non income producing security.		
1.625%, 01/15/15 (TIPS)	32,070	34,238	(b) Institutional Class shares		
0.500%, 04/15/15 (TIPS)	58,532	59,904	(c) Investor Class share		
1.375%, 07/15/18 (TIPS)	41,582	43,879	(d) Fair Valued security.		
1.375%, 01/15/20 (TIPS)	8,091	8,420	ADR American Depository Receipt		
2.375%, 01/15/25 (TIPS)	26,686	29,763	LP Limited Partnership		
1.750%, 01/15/28 (TIPS)	57,417	58,592	REIT Real Estate Investment Trust		
3.375%, 04/15/32 (TIPS)	6,161	<u>7,981</u>	TIPS Treasury Inflation Protected Securities		
<b>TOTAL U.S. TREASURY NOTES</b> (Cost \$306,746)		<u>315,475</u>			
<b>MORTGAGE-BACKED SECURITIES: 4.4%</b>					
<b>U.S. GOVERNMENT MORTGAGE BACKED: 4.1%</b>					
<b>Ginnie Mae (Mortgage-Backed): 1.4%</b>					
2.021%, 10/16/50	118,168	<u>119,557</u>			
<b>Fannie Mae (Mortgage-Backed): 2.1%</b>					
6.040%, 07/01/13	9,519	9,890			
4.500%, 03/01/39	72,498	74,519			
4.500%, 07/01/40	85,426	<u>87,794</u>			
		<u>172,203</u>			
<b>Farmer Mac (Mortgage-Backed): 0.6%</b>					
5.680%, 07/20/40	53,218	<u>53,416</u>			



## Schedule of Investments, continued

### ESG Managers™ Moderate Portfolio

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
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#### COMMON STOCKS: 44.0%

##### Consumer Discretionary: 4.0%

Arbitron, Inc.	155	\$	6,436		
Best Buy Co., Inc.	22		754		
BorgWarner, Inc. (a)	26		1,881		
CBS Corp., Class B	340		6,477		
Cinemark Holdings, Inc.	223		3,845		
Comcast Corp, Class A	849		17,668		
Darden Restaurants, Inc.	19		882		
DeVry, Inc.	120		5,758		
DISH Network Corp., Class A (a)	601		11,816		
DR Horton, Inc.	75		895		
Expedia, Inc.	48		1,204		
Gannett Co, Inc.	415		6,262		
Hennes & Mauritz AB, B Shares	16		533		
Home Depot, Inc.	275		9,642		
International Game Technology	310		5,484		
Interpublic Group of Cos., Inc. (a)	490		5,204		
J. Crew Group, Inc. (a)	60		2,588		
Johnson Controls, Inc.	179		6,838		
KB Home	375		5,059		
Lowe's Cos., Inc.	68		1,705		
Macy's, Inc.	13		329		
McDonald's Corp.	163		12,512		
Meredith Corp.	90		3,119		
Mohawk Industries, Inc. (a)	90		5,108		
Newell Rubbermaid, Inc.	225		4,091		
News Corp., Class A	1,362		19,831		
NIKE, Inc., Class B	275		23,491		
Nordstrom, Inc.	95		4,026		
Pulte Group, Inc. (a)	560		4,211		
Reed Elsevier PLC	1,100		9,292		
Royal Caribbean Cruises, Ltd. (a)	130		6,110		
Scripps Networks Interactive, Class A	394		20,390		
SES SA	543		12,930		
Sotheby's	40		1,800		
Stanley Black & Decker, Inc.	82		5,483		
Staples, Inc.	575		13,093		
Target Corp.	135		8,118		
Tiffany & Co.	70		4,359		
Time Warner Cable, Inc.	308		20,337		
Time Warner, Inc.	634		20,395		
Toll Brothers, Inc. (a)	250		4,749		
Washington Post Co., The, Class B	6		2,636		
			<u>307,341</u>		

#### COMMON STOCKS, continued

##### Consumer Staples: 3.6%

Coca-Cola Co., The	157	\$	10,326		
Constellation Brands, Inc. (a)	65		1,440		
Corn Products International, Inc.	78		3,588		
Costco Wholesale Corp.	214		15,453		
CVS Caremark Corp.	417		14,499		
Energizer Holdings, Inc. (a)	40		2,916		
General Mills, Inc.	8		285		
Hansen Natural Corp. (a)	39		2,039		
HJ Heinz Co.	149		7,370		
JM Smucker Co., The	379		24,881		
Kellogg Co.	113		5,772		
Kimberly-Clark Corp.	289		18,219		
Kraft Foods, Inc., Class A	133		4,191		
McCormick & Co., Inc.	760		35,363		
Nash Finch Co.	20		850		
Natura Cosmeticos SA	21		603		
PepsiCo, Inc.	207		13,523		
Procter & Gamble Co., The	929		59,763		
Safeway, Inc.	276		6,207		
Sysco Corp.	880		25,872		
Unilever PLC, ADR	219		6,763		
United Natural Foods, Inc. (a)	350		12,838		
WD-40 Co.	185		<u>7,451</u>		
			<u>280,212</u>		

##### Energy: 4.4%

Apache Corp.	63		7,511		
Baker Hughes, Inc.	92		5,260		
BG Group PLC, ADR	288		29,376		
Cimarex Energy Co.	121		10,712		
ConocoPhillips	372		25,333		
El Paso Corp.	1,315		18,094		
Enerplus Corp.	520		16,037		
Enscoc PLC, ADR	109		5,818		
EQT Corp.	103		4,619		
Kinder Morgan Management LLC, LP	412		27,554		
Newfield Exploration Co. (a)	395		28,483		
Noble Corp.	405		14,487		
Noble Energy, Inc.	171		14,720		
Petroleo Brasileiro SA, ADR	183		6,925		
Quicksilver Resources, Inc. (a)	366		5,395		
Range Resources Corp.	6		270		
Royal Dutch Shell PLC, ADR	303		20,234		
Sasol Ltd., ADR	23		1,197		
Seadrill, Ltd.	289		9,803		
SM Energy Co.	50		2,947		
Southern Union Co.	446		10,735		

## Schedule of Investments, continued

### ESG Managers™ Moderate Portfolio, continued

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
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#### COMMON STOCKS, continued

##### Energy, continued

Spectra Energy Corp.	828	\$	20,692		
Statoil ASA, ADR	614		14,595		
Suncor Energy, Inc.	363		13,899		
W&T Offshore, Inc.	890		15,904		
Weatherford International, Ltd. (a)	483		<u>11,013</u>		
			<u>341,613</u>		

##### Financials: 6.7%

Aflac, Inc.	225		12,697		
American Express Co.	297		12,747		
Banco Bradesco SA, ADR	1,000		20,290		
Bank of America Corp.	1,071		14,287		
Bank of Montreal	92		5,296		
Bank of New York Mellon Corp., The	1,882		56,836		
BlackRock, Inc.	118		22,488		
CB Richard Ellis Group, Inc., Class A (a)	220		4,506		
Charles Schwab Corp., The	2,251		38,515		
China Life Insurance Co. Ltd., ADR	28		1,713		
Chubb Corp.	119		7,097		
Cincinnati Financial Corp.	258		8,176		
City National Corp.	45		2,761		
Digital Realty Trust, Inc., REIT	165		8,504		
Glacier Bancorp, Inc.	130		1,964		
Goldman Sachs Group, Inc., The	12		2,018		
HCC Insurance Holdings, Inc.	100		2,894		
HCP, Inc., REIT	338		12,435		
Hospitality Properties Trust, REIT	31		714		
Hudson City Bancorp., Inc.	730		9,300		
Janus Capital Group, Inc.	420		5,447		
Jones Lang LaSalle, Inc.	65		5,455		
JPMorgan Chase & Co.	1,349		57,225		
Lazard, Ltd., LP, Class A	145		5,726		
Loews Corp.	254		9,883		
Markel Corp. (a)	39		14,747		
Marsh & McLennan Cos., Inc.	393		10,745		
Morgan Stanley	314		8,544		
NYSE Euronext	314		9,414		
optionsXpress Holdings, Inc.	126		1,974		
Potlatch Corp., REIT	450		14,648		
PrivateBancorp, Inc.	100		1,438		
Progressive Corp., The	1,384		27,500		
Royal Bank of Canada	275		14,399		
Royal Bank of Canada (Canadian)	200		10,524		
SEI Investment Co.	125		2,974		
State Street Corp.	203		9,407		

#### COMMON STOCKS, continued

##### Financials, continued

T Rowe Price Group, Inc.	25	\$	1,614		
Tower Group, Inc.	160		4,093		
Travelers Cos., Inc., The	185		10,306		
Unibail-Rodamco SE, REIT	60		11,880		
Wells Fargo & Co.	1,015		31,455		
Willis Group Holdings PLC	51		<u>1,766</u>		
			<u>516,402</u>		

##### Health Care: 5.7%

Abbott Laboratories	243		11,642		
Amgen, Inc. (a)	48		2,635		
Analogic Corp.	30		1,485		
Baxter International, Inc.	400		20,248		
Beckman Coulter, Inc.	35		2,633		
Becton, Dickinson & Co.	346		29,244		
Bio-Rad Laboratories, Inc., Class A (a)	70		7,270		
Bristol-Myers Squibb Co.	234		6,196		
Covidien PLC	490		22,373		
Cyberonics, Inc. (a)	150		4,653		
Eli Lilly & Co.	203		7,113		
Furieux Pharmaceutical, Inc. (a)	150		2,168		
Gen-Probe, Inc. (a)	340		19,839		
Gilead Sciences, Inc. (a)	209		7,574		
GlaxoSmithKline PLC, ADR	184		7,216		
Hospira, Inc. (a)	477		26,564		
Johnson & Johnson	580		35,873		
LHC Group, Inc. (a)	200		6,000		
Medtronic, Inc.	880		32,639		
Merck & Co., Inc.	527		18,993		
Mylan, Inc. (a)	183		3,867		
Novartis AG	300		17,660		
Novartis AG, ADR	202		11,908		
Novo Nordisk A/S, ADR	117		13,171		
Pfizer, Inc.	811		14,201		
Roche Holding AG	144		21,109		
Roche Holding AG, ADR	555		20,341		
Sirona Dental Systems, Inc. (a)	10		418		
St. Jude Medical, Inc. (a)	16		684		
Teleflex, Inc.	625		33,631		
Teva Pharmaceutical Industries, Ltd., ADR	328		17,099		
Thermo Fisher Scientific, Inc. (a)	11		609		
Valeant Pharmaceuticals International	305		8,628		
VCA Antech, Inc. (a)	170		3,959		

**Schedule of Investments, continued****ESG Managers™ Moderate Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
<b>COMMON STOCKS, continued</b>			<b>COMMON STOCKS, continued</b>		
<b>Health Care, continued</b>			<b>Information Technology, continued</b>		
WellPoint, Inc. (a)	117	\$ 6,653	Brocade Communications Systems, Inc. (a)	1,375	\$ 7,274
		<u>446,296</u>	Canon, Inc.	300	15,410
<b>Industrials: 5.4%</b>			Ceragon Networks, Ltd. (a)	500	6,590
3M Co.	272	23,474	Ciena Corp. (a)	250	5,263
Administaff, Inc.	170	4,981	Cisco Systems, Inc. (a)	2,132	43,130
Brady Corp., Class A	125	4,076	Citrix Systems, Inc. (a)	40	2,736
Brink's Co., The.	170	4,570	Clicksoftware Technologies, Ltd. (a)	425	3,273
Canadian National Railway Co.	186	12,363	Cognex Corp.	65	1,912
Cia de Concessioneros Rodoviaras	42	1,187	Cymer, Inc. (a)	75	3,380
Cooper Industries PLC	260	15,155	eBay, Inc. (a)	325	9,045
Cummins, Inc.	82	9,021	Electronics for Imaging, Inc. (a)	335	4,794
Danaher Corp.	1,019	48,066	EMC Corp. (a)	402	9,206
Deere & Co.	222	18,437	Fair Isaac Corp.	130	3,038
Diana Shipping, Inc. (a)	135	1,623	Finisar Corp. (a)	160	4,750
Dun & Bradstreet Corp.	55	4,515	Google, Inc., Class A (a)	58	34,450
East Japan Railway Co.	200	12,978	Harmonic, Inc. (a)	275	2,357
Emerson Electric Co.	359	20,524	Hewlett-Packard Co.	732	30,817
Empresas ICA SAB de CV, ADR (a)	189	1,928	Intel Corp.	1,364	28,685
Expeditors International of Washington, Inc.	66	3,604	International Business Machines Corp.	211	30,966
General Electric Co.	836	15,290	Intuit, Inc. (a)	353	17,403
Graco, Inc.	40	1,578	Jack Henry & Associates, Inc.	85	2,478
Herman Miller, Inc.	776	19,633	Mastercard, Inc., Class A	197	44,150
Honeywell International, Inc.	296	15,735	Maxim Integrated Products, Inc.	428	10,109
ICF International, Inc. (a)	395	10,159	Mentor Graphics Corp. (a)	315	3,780
IDEX Corp.	300	11,736	Microchip Technology, Inc.	305	10,434
Illinois Tool Works, Inc.	180	9,612	Microsoft Corp.	1,737	48,497
Ingersoll-Rand PLC	67	3,155	Motorola Solutions, Inc. (a)	110	4,186
Interface, Inc., Class A	265	4,147	National Instruments Corp.	595	22,396
Iron Mountain, Inc.	257	6,428	Oclaro, Inc. (a)	50	658
Nordson Corp.	44	4,043	Oracle Corp.	35	1,096
Pentair, Inc.	250	9,128	Paychex, Inc.	700	21,637
RR Donnelley & Sons, Co.	625	10,919	QUALCOMM, Inc.	682	33,752
Siemens AG	125	15,484	Riverbed Technology, Inc. (a)	119	4,185
Simpson Manufacturing Co., Inc.	70	2,164	Sourcefire, Inc. (a)	67	1,737
SKF AB	900	25,683	SunPower Corp., Class A (a)	600	7,698
TNT NV	400	10,578	Taiwan Semiconductor, ADR	873	10,947
Vestas Wind Systems A/S (a)	300	9,501	Tellabs, Inc.	580	3,932
Waste Management, Inc.	960	35,395	Teradata Corp. (a)	10	412
WW Grainger, Inc.	102	<u>14,086</u>	Texas Instruments, Inc.	994	32,305
		<u>420,956</u>	VeriSign, Inc.	375	12,251
<b>Information Technology: 8.3%</b>			Websense, Inc. (a)	310	6,278
Accenture PLC., Class A	390	18,911	Yahoo!, Inc. (a)	1,761	<u>29,284</u>
Altera Corp.	628	22,344			<u>643,453</u>
Anixter International, Inc.	398	23,773			
BMC Software, Inc. (a)	37	1,744			

**Schedule of Investments, continued****ESG Managers™ Moderate Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
<b>COMMON STOCKS, continued</b>			<b>COMMON STOCKS, continued</b>		
<b>Materials: 1.6%</b>			<b>Utilities, continued</b>		
Air Products & Chemicals, Inc.	156	\$ 14,188	Sempra Energy	247	\$ 12,962
Compass Minerals International	15	1,339	Veolia Environnement, ADR	13	<u>381</u>
Crown Holdings, Inc. (a)	220	7,344			<u>214,675</u>
Ecolab, Inc.	300	15,126	<b>TOTAL COMMON STOCKS</b>		
Novozymes A/S, ADR	44	6,148	(Cost \$3,077,492)		<u>3,409,428</u>
Nucor Corp.	341	14,943	<b>AFFILIATED INVESTMENT COMPANIES: 14.4%</b>		
Praxair, Inc.	469	44,775	Pax World Global Green Fund (b)	18,515	178,485
Rio Tinto PLC, ADR	56	4,013	Pax World High Yield Bond Fund (b)	45,481	351,115
Svenska Cellulosa AB, B Shares	1,000	15,789	Pax World International Fund (b)	64,745	<u>590,478</u>
Syngenta AG, ADR	52	3,057			
Vale SA, ADR	26	<u>898</u>	<b>TOTAL AFFILIATED INVESTMENT COMPANIES</b>		
		<u>127,620</u>	(Cost \$1,071,187)		<u>1,120,078</u>
<b>Telecommunication Services: 1.4%</b>			<b>NON-AFFILIATED INVESTMENT COMPANIES: 1.3%</b>		
America Movil SAB de CV, Series L, ADR	97	5,562	Schroder Emerging Markets Equity Fund (c)	7,355	<u>102,306</u>
American Tower Corp., Class A (a)	117	6,042	<b>TOTAL NON-AFFILIATED INVESTMENT COMPANIES</b>		
AT&T, Inc.	655	19,244	(Cost \$101,938)		<u>102,306</u>
BCE, Inc.	117	4,149	<b>BONDS: 38.4%</b>		
CenturyLink, Inc.	351	16,206	<b>CORPORATE BONDS: 12.3%</b>		
Portugal Telecom SGPS SA	90	1,027	<b>Consumer Discretionary: 0.9%</b>		
Tele Norte Leste Participacoes SA, ADR	373	5,483	BorgWarner, Inc., 5.750%, 11/01/16	\$ 20,000	21,444
Telefonica SA	500	11,415	Omnicom Group, Inc., 5.900%, 04/15/16	45,000	<u>50,209</u>
Telefonica SA, ADR	135	9,237			<u>71,653</u>
Verizon Communications, Inc.	319	11,414	<b>Consumer Staples: 0.6%</b>		
Vodafone Group PLC, ADR	439	11,603	Avon Products, Inc., 5.625%, 03/01/14	45,000	<u>49,899</u>
Windstream Corp.	680	<u>9,478</u>	<b>Energy: 1.5%</b>		
		<u>110,860</u>	Conoco, Inc., 6.950%, 04/15/29	35,000	43,135
<b>Utilities: 2.4%</b>			Midamerican Energy Co., 6.750%, 12/30/31	45,000	<u>52,722</u>
AGL Resources, Inc.	240	8,604			<u>95,857</u>
American Water Works Co., Inc.	604	15,275	<b>Financials: 6.5%</b>		
Black Hills Corp.	210	6,300	AMB Property LP, 6.125%, 12/01/16	30,000	32,674
Energen Corp.	680	32,817			
Iberdrola Renovables SA	2,500	8,885			
MDU Resources Group, Inc.	1,015	20,574			
National Grid PLC	2,000	17,287			
National Grid PLC, ADR	215	9,542			
NiSource, Inc.	735	12,951			
Northeast Utilities	227	7,237			
Northwest Natural Gas Co.	150	6,971			
Oneok, Inc.	341	18,915			
Pepco Holdings, Inc.	317	5,785			
Portland General Electric Co.	600	13,020			
Questar Corp.	580	10,098			
Red Electrica Corp. SA	150	7,071			

**Schedule of Investments, continued****ESG Managers™ Moderate Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
<b>CORPORATE BONDS, continued</b>			<b>CORPORATE BONDS, continued</b>		
<b>Financials, continued</b>			<b>Telecommunication Services: 0.3%</b>		
Ally Financial, Inc., 1.750%, 10/30/12	\$ 30,000	\$ 30,545	Sprint Capital Corp., 7.625%, 01/30/11	\$ 20,000	\$ 20,075
BlackRock, Inc., 3.500%, 12/10/14	40,000	41,519	<b>Utilities: 0.4%</b>		
Citigroup Funding, Inc., 1.875%, 10/22/12	110,000	112,253	American Water Capital Corp., 6.085%, 10/15/17	25,000	28,084
Intl. Bank for Reconstruction and Development, 2.000%, 12/04/13	75,000	76,902	<b>TOTAL CORPORATE BONDS</b> (Cost \$923,800)		
JPMorgan Chase & Co., 4.650%, 06/01/14	25,000	26,706	<b>U.S. GOVERNMENT AGENCY BONDS: 3.7%</b>		
Markel Corp., 6.800%, 02/15/13	30,000	31,795	<b>Federal Home Loan Bank System (Agency): 1.3%</b>		
NASDAQ OMX Group, 4.000%, 01/15/15	24,000	24,451	5.000%, 11/17/17	70,000	79,479
Progressive Corp., The, 6.700%, 06/15/37	25,000	25,721	5.500%, 07/15/36	20,000	22,109
State Street Corp., 7.350%, 06/15/26	20,000	23,412	<b>Freddie Mac (Agency): 1.3%</b>		
Wachovia Corp., 5.500%, 05/01/13	35,000	38,108	3.750%, 03/27/19	94,000	97,478
Willis North America, Inc., 5.625%, 07/15/15	30,000	31,555	<b>Fannie Mae (Agency): 1.1%</b>		
		495,641	1.250%, 08/20/13	20,000	20,144
			4.125%, 04/15/14	15,000	16,372
			4.375%, 10/15/15	30,000	33,058
			6.625%, 11/15/30	10,000	12,656
					82,230
<b>Health Care: 1.0%</b>			<b>TOTAL U.S. GOVERNMENT AGENCY BONDS</b> (Cost \$279,436)		
Beckman Coulter, Inc., 6.000%, 06/01/15	30,000	32,772	<b>GOVERNMENT BONDS: 0.8%</b>		
Howard Hughes Medical, Inc., 3.450%, 09/01/14	45,000	47,540	AID-Egypt, 4.450%, 09/15/15	35,000	38,403
		80,312	U.S. Dept of Housing & Urban Development, 1.800%, 08/01/14	25,000	25,346
<b>Industrials: 0.2%</b>			<b>TOTAL GOVERNMENT BONDS</b> (Cost \$63,813)		
Owens Corning, Inc., 6.500%, 12/01/16	18,000	19,088	<b>MUNICIPAL BONDS: 2.5%</b>		
<b>Information Technology: 0.9%</b>			Commonwealth Financing Auth. Pennsylvania, 4.860%, 06/01/18		
Analog Devices, Inc., 5.000%, 07/01/14	45,000	48,539	Kirkwood Community College Iowa, 2.500%, 06/01/17		
KLA-Tencor Corp., 6.900%, 05/01/18	22,000	24,235			
		72,774			
<b>Materials: 0.2%</b>					
Domtar Corp., 9.500%, 08/01/16	16,000	18,960			

**Schedule of Investments, continued****ESG Managers™ Moderate Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
<b>MUNICIPAL BONDS, continued</b>			<b>U.S. GOVERNMENT MORTGAGE BACKED, continued</b>		
Morehead State University Kentucky, 3.750%, 11/01/17	\$ 10,000	\$ 10,084	<b>Farmer Mac (Mortgage-Backed): 1.1%</b>		
New York State Housing Finance Agency, 4.500%, 11/15/27	10,000	9,348	6.075%, 04/20/40 (d)	\$ 87,300	\$ 88,185
South Dakota State Health & Educational Facilities, 3.250%, 08/01/15	10,000	10,127	<b>COMMERCIAL MORTGAGE-BACKED: 1.2%</b>		
<b>TOTAL MUNICIPAL BONDS</b> (Cost \$199,530)			GMAC Commercial Mortgage, 6.465%, 04/15/34	11,462	11,458
		196,005	JP Morgan Chase Commercial Mtg Sec Corp., 4.865%, 03/15/46	45,000	46,990
<b>U.S. TREASURY NOTES: 9.0%</b>			LB-UBS Commercial Mortgage Trust, 4.559%, 09/15/27	35,000	35,206
3.500%, 01/15/11 (TIPS)	31,415	31,456			93,654
2.000%, 04/15/12 (TIPS)	25,866	26,826	<b>TOTAL MORTGAGE-BACKED SECURITIES</b> (Cost \$777,894)		
0.625%, 04/15/13 (TIPS)	31,041	32,004			
1.875%, 07/15/13 (TIPS)	44,058	47,015	<b>TOTAL BONDS</b> (Cost: \$2,921,217)		
2.000%, 07/15/14 (TIPS)	44,089	47,702			
1.625%, 01/15/15 (TIPS)	76,740	81,926	<b>TOTAL INVESTMENTS: 98.1%</b> (Cost \$7,171,834)		
0.500%, 04/15/15 (TIPS)	115,047	117,743			
1.375%, 07/15/18 (TIPS)	79,108	83,477	<b>OTHER ASSETS AND LIABILITIES—</b>		
1.375%, 01/15/20 (TIPS)	45,511	47,360	<b>(Net): 1.9%</b>		
2.375%, 01/15/25 (TIPS)	62,653	69,878			
2.375%, 01/15/27 (TIPS)	14,098	15,703	<b>Net Assets: 100.0%</b>		
1.750%, 01/15/28 (TIPS)	73,076	74,572			
3.375%, 04/15/32 (TIPS)	16,018	20,752			
<b>TOTAL U.S. TREASURY NOTES</b> (Cost \$676,744)					
		696,414			
<b>MORTGAGE-BACKED SECURITIES: 10.1%</b>					
<b>U.S. GOVERNMENT MORTGAGE BACKED: 8.9%</b>					
<b>Ginnie Mae (Mortgage-Backed): 3.2%</b>					
3.459%, 05/16/36	125,000	124,903			
4.500%, 08/20/40	117,434	122,118			
		247,021			
<b>Freddie Mac (Mortgage-Backed): 1.2%</b>					
5.000%, 07/15/37	84,073	89,201			
<b>Fannie Mae (Mortgage-Backed): 3.4%</b>					
6.040%, 07/01/13	19,038	19,781			
4.500%, 03/01/39	72,498	74,518			
4.500%, 07/01/40	165,886	170,484			
		264,783			

**Schedule of Investments, continued****ESG Managers™ Conservative Portfolio**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
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**COMMON STOCKS: 31.7%****Consumer Discretionary: 3.3%**

Arbitron, Inc.	110	\$	4,567
Best Buy Co., Inc.	11		377
BorgWarner, Inc. (a)	13		941
CBS Corp., Class B	260		4,953
Cinemark Holdings, Inc.	119		2,052
Comcast Corp, Class A	359		7,471
Darden Restaurants, Inc.	9		418
DeVry, Inc.	90		4,318
DISH Network Corp., Class A (a)	278		5,465
DR Horton, Inc.	50		597
Expedia, Inc.	23		577
Gannett Co, Inc.	310		4,678
Hennes & Mauritz AB, B Shares	8		266
Home Depot, Inc.	127		4,453
International Game Technology	235		4,157
Interpublic Group of Cos., Inc. (a)	360		3,823
J. Crew Group, Inc. (a)	50		2,157
Johnson Controls, Inc.	91		3,476
KB Home	270		3,642
Lowe's Cos., Inc.	32		803
Macy's, Inc.	7		177
McDonald's Corp.	63		4,836
Meredith Corp.	65		2,252
Mohawk Industries, Inc. (a)	65		3,689
Newell Rubbermaid, Inc.	160		2,909
News Corp., Class A	626		9,115
NIKE, Inc., Class B	190		16,230
Nordstrom, Inc.	70		2,967
Pulte Group, Inc. (a)	405		3,046
Reed Elsevier PLC	1,100		9,292
Royal Caribbean Cruises, Ltd. (a)	100		4,700
Scripps Networks Interactive, Class A	164		8,487
SES SA	222		5,286
Sotheby's	30		1,350
Stanley Black & Decker, Inc.	61		4,079
Staples, Inc.	350		7,970
Target Corp.	63		3,788
Tiffany & Co.	55		3,425
Time Warner Cable, Inc.	140		9,244
Time Warner, Inc.	295		9,490
Toll Brothers, Inc. (a)	175		3,325
Washington Post Co., The, Class B	5		2,197
			<u>177,045</u>

**Consumer Staples: 2.5%**

Coca-Cola Co., The	71		4,670
Constellation Brands, Inc. (a)	50		1,108

**COMMON STOCKS, continued****Consumer Staples, continued**

Corn Products International, Inc.	38	\$	1,748
Costco Wholesale Corp.	92		6,643
CVS Caremark Corp.	191		6,641
Energizer Holdings, Inc. (a)	30		2,187
General Mills, Inc.	4		142
Hansen Natural Corp. (a)	19		993
HJ Heinz Co.	78		3,858
JM Smucker Co., The	187		12,277
Kellogg Co.	52		2,656
Kimberly-Clark Corp.	135		8,510
Kraft Foods, Inc., Class A	65		2,048
McCormick & Co., Inc.	358		16,658
Nash Finch Co.	20		850
Natura Cosmeticos SA	11		316
PepsiCo, Inc.	95		6,206
Procter & Gamble Co., The	422		27,147
Safeway, Inc.	125		2,811
Sysco Corp.	379		11,143
Unilever PLC, ADR	94		2,903
United Natural Foods, Inc. (a)	200		7,337
WD-40 Co.	90		3,625
			<u>132,477</u>

**Energy: 3.1%**

Apache Corp.	30		3,577
Baker Hughes, Inc.	44		2,515
BG Group PLC, ADR	133		13,566
Cimarex Energy Co.	55		4,869
ConocoPhillips	171		11,645
El Paso Corp.	604		8,311
Enerplus Corp.	250		7,710
Ensco PLC, ADR	52		2,776
EQT Corp.	49		2,197
Kinder Morgan Management LLC, LP	189		12,640
Newfield Exploration Co. (a)	174		12,547
Noble Corp.	190		6,796
Noble Energy, Inc.	74		6,370
Petroleo Brasileiro SA, ADR	84		3,179
Quicksilver Resources, Inc. (a)	236		3,479
Range Resources Corp.	3		135
Royal Dutch Shell PLC, ADR	138		9,216
Sasol Ltd., ADR	12		625
Seadrill, Ltd.	155		5,258
SM Energy Co.	35		2,063
Southern Union Co.	229		5,512
Spectra Energy Corp.	382		9,546
Statoil ASA, ADR	311		7,392

**Schedule of Investments, continued****ESG Managers™ Conservative Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
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**COMMON STOCKS, continued****Energy, continued**

Suncor Energy, Inc.	166	\$	6,356
W&T Offshore, Inc.	470		8,399
Weatherford International, Ltd. (a)	220		5,016
			<u>161,695</u>

**Financials: 4.6%**

Aflac, Inc.	100		5,643
American Express Co.	136		5,837
Banco Bradesco SA, ADR	400		8,116
Bank of America Corp.	491		6,550
Bank of Montreal	40		2,303
Bank of New York Mellon Corp., The	827		24,975
BlackRock, Inc.	50		9,529
CB Richard Ellis Group, Inc., Class A (a)	170		3,482
Charles Schwab Corp., The	971		16,614
China Life Insurance Co. Ltd., ADR	14		856
Chubb Corp.	56		3,340
Cincinnati Financial Corp.	136		4,310
City National Corp.	35		2,148
Digital Realty Trust, Inc., REIT	85		4,381
Glacier Bancorp, Inc.	105		1,587
Goldman Sachs Group, Inc., The	6		1,009
HCC Insurance Holdings, Inc.	75		2,171
HCP, Inc., REIT	165		6,070
Hospitality Properties Trust, REIT	15		346
Hudson City Bancorp., Inc.	315		4,013
Janus Capital Group, Inc.	310		4,021
Jones Lang LaSalle, Inc.	50		4,196
JPMorgan Chase & Co.	589		24,985
Lazard, Ltd., LP, Class A	110		4,344
Loews Corp.	115		4,475
Markel Corp. (a)	17		6,428
Marsh & McLennan Cos., Inc.	179		4,894
Morgan Stanley	144		3,918
NYSE Euronext	165		4,947
optionsXpress Holdings, Inc.	61		956
Potlatch Corp., REIT	250		8,138
PrivateBancorp, Inc.	75		1,079
Progressive Corp., The	626		12,439
Royal Bank of Canada	115		6,021
Royal Bank of Canada (Canadian)	75		3,946
SEI Investment Co.	85		2,022
State Street Corp.	95		4,402
T Rowe Price Group, Inc.	12		774
Tower Group, Inc.	105		2,686
Travelers Cos., Inc., The	85		4,735

**COMMON STOCKS, continued****Financials, continued**

Unibail-Rodamco SE, REIT	35	\$	6,930
Wells Fargo & Co.	457		14,161
Willis Group Holdings PLC	26		900
			<u>244,677</u>

**Health Care: 4.0%**

Abbott Laboratories	102		4,887
Amgen, Inc. (a)	23		1,263
Analogic Corp.	20		990
Baxter International, Inc.	150		7,593
Beckman Coulter, Inc.	30		2,257
Becton, Dickinson & Co.	157		13,270
Bio-Rad Laboratories, Inc., Class A (a)	50		5,193
Bristol-Myers Squibb Co.	123		3,257
Covidien PLC	223		10,182
Cyberonics, Inc. (a)	105		3,257
Eli Lilly & Co.	106		3,714
Furiex Pharmaceutical, Inc. (a)	100		1,445
Gen-Probe, Inc. (a)	155		9,044
Gilead Sciences, Inc. (a)	90		3,262
GlaxoSmithKline PLC, ADR	100		3,922
Hospira, Inc. (a)	241		13,421
Johnson & Johnson	218		13,483
LHC Group, Inc. (a)	135		4,050
Medtronic, Inc.	360		13,352
Merck & Co., Inc.	261		9,406
Mylan, Inc. (a)	88		1,859
Novartis AG	200		11,773
Novartis AG, ADR	93		5,482
Novo Nordisk A/S, ADR	59		6,642
Pfizer, Inc.	399		6,986
Roche Holding AG	70		10,261
Roche Holding AG, ADR	250		9,163
Sirona Dental Systems, Inc. (a)	10		418
St. Jude Medical, Inc. (a)	8		342
Teleflex, Inc.	300		16,143
Teva Pharmaceutical Industries, Ltd., ADR	149		7,767
Thermo Fisher Scientific, Inc. (a)	5		277
Valeant Pharmaceuticals International	138		3,904
VCA Antech, Inc. (a)	135		3,144
WellPoint, Inc. (a)	53		3,015
			<u>214,424</u>

**Schedule of Investments, continued****ESG Managers™ Conservative Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
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**COMMON STOCKS, continued****Industrials: 3.9%**

3M Co.	117	\$ 10,097
Administaff, Inc.	130	3,809
Brady Corp., Class A	95	3,098
Brink's Co., The.	125	3,360
Canadian National Railway Co.	77	5,118
Cia de Concessoes Rodovitarias	21	593
Cooper Industries PLC	115	6,703
Cummins, Inc.	39	4,290
Danaher Corp.	457	21,557
Deere & Co.	99	8,222
Diana Shipping, Inc. (a)	66	793
Dun & Bradstreet Corp.	42	3,448
East Japan Railway Co.	200	12,978
Emerson Electric Co.	166	9,490
Empresas ICA SAB de CV, ADR (a)	91	928
Expeditors International of Washington, Inc.	32	1,747
General Electric Co.	377	6,895
Graco, Inc.	30	1,184
Herman Miller, Inc.	411	10,398
Honeywell International, Inc.	135	7,177
ICF International, Inc. (a)	170	4,372
IDEX Corp.	160	6,259
Illinois Tool Works, Inc.	82	4,379
Ingersoll-Rand PLC	32	1,507
Interface, Inc., Class A	195	3,052
Iron Mountain, Inc.	113	2,826
Nordson Corp.	21	1,929
Pentair, Inc.	110	4,016
RR Donnelley & Sons, Co.	323	5,643
Siemens AG	50	6,194
Simpson Manufacturing Co., Inc.	40	1,236
SKF AB	550	15,695
Vestas Wind Systems A/S (a)	250	7,918
Waste Management, Inc.	405	14,933
WW Grainger, Inc.	46	6,354
		<u>208,198</u>

**Information Technology: 5.9%**

Accenture PLC., Class A	165	8,001
Altera Corp.	281	9,998
Anixter International, Inc.	195	11,647
BMC Software, Inc. (a)	18	849
Brocade Communications Systems, Inc. (a)	960	5,078

**COMMON STOCKS, continued****Information Technology, continued**

Canon, Inc.	300	\$ 15,410
Ceragon Networks, Ltd. (a)	360	4,745
Ciena Corp. (a)	185	3,894
Cisco Systems, Inc. (a)	691	13,979
Citrix Systems, Inc. (a)	19	1,300
Clicksoftware Technologies, Ltd. (a)	300	2,310
Cognex Corp.	40	1,177
Cymer, Inc. (a)	60	2,704
Electronics for Imaging, Inc. (a)	260	3,721
EMC Corp. (a)	195	4,466
Fair Isaac Corp.	95	2,220
Finisar Corp. (a)	115	3,414
Google, Inc., Class A (a)	34	20,195
Harmonic, Inc. (a)	170	1,457
Hewlett-Packard Co.	308	12,967
Intel Corp.	738	15,520
International Business Machines Corp.	126	18,492
Intuit, Inc. (a)	160	7,888
Jack Henry & Associates, Inc.	60	1,749
Mastercard, Inc., Class A	80	17,929
Maxim Integrated Products, Inc.	220	5,196
Mentor Graphics Corp. (a)	260	3,120
Microchip Technology, Inc.	155	5,303
Microsoft Corp.	771	21,526
Motorola Solutions, Inc. (a)	90	3,425
National Instruments Corp.	256	9,636
Oclaro, Inc. (a)	25	329
Oracle Corp.	18	563
Paychex, Inc.	285	8,809
QUALCOMM, Inc.	296	14,649
Riverbed Technology, Inc. (a)	58	2,040
Sourcefire, Inc. (a)	28	726
SunPower Corp., Class A (a)	200	2,566
Taiwan Semiconductor, ADR	451	5,656
Tellabs, Inc.	400	2,712
Teradata Corp. (a)	5	206
Texas Instruments, Inc.	440	14,300
VeriSign, Inc.	185	6,044
Websense, Inc. (a)	225	4,555
Yahoo!, Inc. (a)	732	12,172
		<u>314,643</u>
<b>Materials: 1.3%</b>		
Air Products & Chemicals, Inc.	72	6,548
Compass Minerals International	10	893
Crown Holdings, Inc. (a)	98	3,271
Ecolab, Inc.	175	8,824

**Schedule of Investments, continued****ESG Managers™ Conservative Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
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**COMMON STOCKS, continued****Materials, continued**

Novozymes A/S, ADR	20	\$ 2,794
Nucor Corp.	220	9,640
Praxair, Inc.	223	21,290
Rio Tinto PLC, ADR	27	1,935
Svenska Cellulosa AB, B Shares	600	9,473
Syngenta AG, ADR	25	1,470
Vale SA, ADR	13	449
		<u>66,587</u>

**Telecommunication Services: 1.0%**

America Movil SAB de CV, Series L, ADR	47	2,695
American Tower Corp., Class A (a)	57	2,943
AT&T, Inc.	322	9,460
BCE, Inc.	55	1,950
CenturyLink, Inc.	160	7,387
Portugal Telecom SGPS SA	44	502
Tele Norte Leste Participacoes SA, ADR	190	2,793
Telefonica SA	325	7,420
Telefonica SA, ADR	71	4,858
Verizon Communications, Inc.	146	5,224
Vodafone Group PLC, ADR	214	5,656
Windstream Corp.	352	4,908
		<u>55,796</u>

**Utilities: 2.1%**

AGL Resources, Inc.	120	4,302
American Water Works Co., Inc.	312	7,890
Black Hills Corp.	100	3,000
Energen Corp.	285	13,754
Iberdrola Renovables SA	2,000	7,108
MDU Resources Group, Inc.	420	8,513
National Grid PLC	1,000	8,643
National Grid PLC, ADR	116	5,148
NiSource, Inc.	381	6,713
Northeast Utilities	119	3,794
Northwest Natural Gas Co.	65	3,021
Oneok, Inc.	174	9,652
Pepco Holdings, Inc.	161	2,938
Portland General Electric Co.	400	8,680
Questaar Corp.	235	4,091
Red Electrica Corp. SA	150	7,071
Sempra Energy	115	6,035
Veolia Environnement, ADR	6	177
		<u>110,530</u>

**COMMON STOCKS, continued****TOTAL COMMON STOCKS**

(Cost \$1,522,540)	\$ 1,686,072
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**AFFILIATED INVESTMENT COMPANIES: 11.8%**

Pax World Global Green Fund (b)	7,928	76,430
Pax World High Yield Bond Fund (b)	31,735	244,991
Pax World International Fund (b)	33,202	302,800

**TOTAL AFFILIATED INVESTMENT COMPANIES**

(Cost \$593,193)	624,221
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**NON-AFFILIATED INVESTMENT COMPANIES: 1.0%**

Schroder Emerging Markets Equity Fund (c)	3,690	51,329
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**TOTAL NON-AFFILIATED INVESTMENT COMPANIES**

(Cost \$51,152)	51,329
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**BONDS: 52.9%****CORPORATE BONDS: 19.0%****Consumer Discretionary: 1.4%**

BorgWarner, Inc., 5.750%, 11/01/16	\$ 24,000	25,733
Omnicom Group, Inc., 5.900%, 04/15/16	45,000	50,209
		<u>75,942</u>

**Consumer Staples: 0.9%**

Avon Products, Inc., 5.625%, 03/01/14	45,000	49,899
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**Energy: 1.8%**

Conoco, Inc., 6.950%, 04/15/29	35,000	43,135
Midamerican Energy Co., 6.750%, 12/30/31	45,000	52,722
		<u>95,857</u>

**Financials: 10.1%**

Ally Financial, Inc., 1.750%, 10/30/12	45,000	45,818
AMB Property LP, 6.125%, 12/01/16	35,000	38,120
BlackRock, Inc., 3.500%, 12/10/14	45,000	46,709



**Schedule of Investments, continued****ESG Managers™ Conservative Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
<b>CORPORATE BONDS, continued</b>			<b>CORPORATE BONDS, continued</b>		
<b>Financials, continued</b>			<b>Utilities: 0.5%</b>		
Citigroup Funding, Inc., 1.875%, 10/22/12	\$ 110,000	\$ 112,253	American Water Capital Corp., 6.085%, 10/15/17	\$ 25,000	\$ 28,084
Intl. Bank for Reconstruction and Development, 2.000%, 12/04/13	75,000	76,902	<b>TOTAL CORPORATE BONDS</b>		
JPMorgan Chase & Co., 4.650%, 06/01/14	25,000	26,706	(Cost \$976,987)		1,006,884
Markel Corp., 6.800%, 02/15/13	35,000	37,094	<b>U.S. GOVERNMENT AGENCY BONDS: 5.4%</b>		
NASDAQ OMX Group, 4.000%, 01/15/15	24,000	24,451	<b>Federal Home Loan Bank System (Agency): 2.1%</b>		
Progressive Corp., The, 6.700%, 06/15/37	25,000	25,721	5.000%, 11/17/17	75,000	85,156
State Street Corp., 7.350%, 06/15/26	20,000	23,412	5.500%, 07/15/36	25,000	27,636
Wachovia Corp., 5.500%, 05/01/13	35,000	38,107			112,792
Willis North America, Inc., 5.625%, 07/15/15	35,000	36,814	<b>Freddie Mac (Agency): 1.9%</b>		
		532,107	3.750%, 03/27/19	95,000	98,515
<b>Health Care: 1.6%</b>			<b>Fannie Mae (Agency): 2.0%</b>		
Beckman Coulter, Inc., 6.000%, 06/01/15	35,000	38,235	1.250%, 08/20/13	17,000	17,122
Howard Hughes Medical, Inc., 3.450%, 09/01/14	45,000	47,539	4.125%, 04/15/14	10,000	10,915
		85,774	4.375%, 10/15/15	30,000	33,058
<b>Industrials: 0.4%</b>			6.625%, 11/15/30	10,000	12,656
Owens Corning, Inc., 6.500%, 12/01/16	20,000	21,208			73,751
<b>Information Technology: 1.4%</b>			<b>TOTAL U.S. GOVERNMENT AGENCY BONDS</b>		
Analog Devices, Inc., 5.000%, 07/01/14	45,000	48,539	(Cost \$282,130)		285,058
KLA-Tencor Corp., 6.900%, 05/01/18	22,000	24,235	<b>GOVERNMENT BONDS: 1.2%</b>		
		72,774	AID-Egypt, 4.450%, 09/15/15	35,000	38,403
<b>Materials: 0.4%</b>			U.S. Dept of Housing & Urban Development, 1.800%, 08/01/14	25,000	25,346
Domtar Corp., 9.500%, 08/01/16	17,000	20,145	<b>TOTAL GOVERNMENT BONDS</b>		
<b>Telecommunication Services: 0.5%</b>			(Cost \$63,813)		63,749
Sprint Capital Corp., 7.625%, 01/30/11	25,000	25,094	<b>U.S. TREASURY NOTES: 11.5%</b>		
			3.500%, 01/15/11 (TIPS)	35,184	35,231
			2.000%, 04/15/12 (TIPS)	28,022	29,062
			0.625%, 04/15/13 (TIPS)	7,243	7,468
			1.125%, 06/15/13	65,000	65,543
			1.875%, 07/15/13 (TIPS)	48,822	52,098
			2.000%, 07/15/14 (TIPS)	48,730	52,724
			1.625%, 01/15/15 (TIPS)	85,903	91,708
			0.500%, 04/15/15 (TIPS)	8,073	8,263
			1.625%, 01/15/18 (TIPS)	10,439	11,184
			1.375%, 07/15/18 (TIPS)	88,235	93,109
			1.375%, 01/15/20 (TIPS)	22,250	23,154

**Schedule of Investments, continued****ESG Managers™ Conservative Portfolio, continued**

Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value	Percent of Net Assets, Name of Issuer and Title of Issuer	Shares/ Principal/ Contracts	Value
<b>U.S. TREASURY NOTES, continued</b>			<b>TOTAL MORTGAGE-BACKED SECURITIES</b>		
2.375%, 01/15/25 (TIPS)	\$ 69,614	\$ 77,642	(Cost \$827,822)		\$ 834,653
2.375%, 01/15/27 (TIPS)	10,845	12,079	<b>TOTAL BONDS</b>		
1.750%, 01/15/28 (TIPS)	26,099	26,633	(Cost \$2,741,523)		2,800,185
3.375%, 04/15/32 (TIPS)	18,482	23,943	<b>TOTAL INVESTMENTS: 97.4%</b>		
<b>TOTAL U.S. TREASURY NOTES</b>			(Cost \$4,908,408)		5,161,807
(Cost \$590,771)		609,841	<b>OTHER ASSETS AND LIABILITIES—</b>		
<b>MORTGAGE-BACKED SECURITIES: 15.8%</b>			(Net): 2.6%		135,884
<b>U.S. GOVERNMENT MORTGAGE BACKED: 12.5%</b>			<b>Net Assets: 100.0%</b>		
<b>Ginnie Mae (Mortgage-Backed): 10.2%</b>					\$ 5,297,691
4.175%, 01/16/38	75,000	79,271	(a) Non income producing security		
4.500%, 01/15/40	108,507	112,835	(b) Institutional Class shares		
4.500%, 08/20/40	86,066	89,499	(c) Investor Class shares		
4.500%, 11/20/40	249,540	259,494	ADR American Depository Receipt		
		541,099	LP Limited Partnership		
<b>Freddie Mac (Mortgage-Backed): 1.8%</b>			REIT Real Estate Investment Trust		
5.000%, 07/15/37	87,895	93,256	TIPS Treasury Inflation Protected Securities		
<b>Fannie Mae (Mortgage Backed): 0.5%</b>					
6.040%, 07/01/13	23,798	24,726			
<b>Small Business Administration: 1.5%</b>					
0.600%, 07/25/20	24,102	23,955			
5.490%, 03/01/28	53,856	57,963			
		81,918			
<b>Commercial Mortgage-Backed: 1.8%</b>					
GMAC Commercial Mortgage, 6.465%, 04/15/34	11,462	11,458			
JP Morgan Chase Commercial Mtg Sec Corp., 4.865%, 03/15/46	45,000	46,990			
LB-UBS Commercial Mortgage Trust, 4.559%, 09/15/27	35,000	35,206			
		93,654			

**Statements of Assets and Liabilities**

ASSETS	Aggressive Growth	Growth	Moderate	Conservative
Investments, at cost—Note A.....	<u>\$ 4,118,837</u>	<u>\$ 7,524,437</u>	<u>\$ 7,171,834</u>	<u>\$ 4,908,408</u>
Investments in unaffiliated issuers, at value—Note A.....	\$ 3,599,807	\$ 5,971,369	\$ 6,484,385	\$ 4,537,586
Investments in affiliated issuers, at value—Note C.....	<u>973,447</u>	<u>2,135,352</u>	<u>1,120,078</u>	<u>624,221</u>
Total Investments .....	4,573,254	8,106,721	7,604,463	5,161,807
Cash .....	169,284	302,681	204,380	185,434
Prepaid expenses.....	2,297	2,429	2,477	2,347
Receivables:				
Receivable for shares sold .....	—	1,737	—	2,482
Dividends and interest—Note A .....	4,522	17,090	30,490	25,005
Investment securities sold .....	13,494	22,114	13,088	6,349
Other .....	<u>405</u>	<u>608</u>	<u>469</u>	<u>292</u>
<b>Total Assets</b> .....	<u>4,763,256</u>	<u>8,453,380</u>	<u>7,855,367</u>	<u>5,383,716</u>
<b>LIABILITIES</b>				
Payables:				
Payable for shares redeemed .....	—	1,507	—	—
Investment securities purchased .....	23,458	87,935	33,614	22,102
Accrued expenses:				
Investment advisory fees—Note B.....	2,277	3,673	3,654	2,519
Distribution expense.....	9,863	11,878	3,899	1,235
Transfer agent fees .....	6,580	6,548	6,380	6,347
Printing and other shareholder communication fees.....	3,147	3,658	3,401	2,288
Custodian fees .....	14,557	12,590	14,583	14,492
Legal and audit fees.....	28,260	33,058	33,085	33,206
Other accrued expenses.....	<u>4,189</u>	<u>3,708</u>	<u>3,501</u>	<u>3,836</u>
<b>Total Liabilities</b> .....	<u>92,331</u>	<u>164,555</u>	<u>102,117</u>	<u>86,025</u>
<b>NET ASSETS</b> .....	<u>\$ 4,670,925</u>	<u>\$ 8,288,825</u>	<u>\$ 7,753,250</u>	<u>\$ 5,297,691</u>

**Statements of Assets and Liabilities, continued**

	Aggressive Growth	Growth	Moderate	Conservative
<b>NET ASSETS REPRESENTED BY</b>				
Paid in Capital .....	\$ 4,209,286	\$ 7,710,642	\$ 7,342,404	\$ 5,042,895
Undistributed (distributions in excess of) net investment income .....	—	3,324	(484)	(6)
Accumulated net realized gain (loss) .....	7,193	(7,478)	(21,345)	1,376
Net unrealized appreciation (depreciation) of:				
Investments .....	454,417	582,284	432,629	253,399
Foreign currency translations .....	29	53	46	27
<b>NET ASSETS .....</b>	<b>\$ 4,670,925</b>	<b>\$ 8,288,825</b>	<b>\$ 7,753,250</b>	<b>\$ 5,297,691</b>
<b>Class A</b>				
Net Assets .....	\$ 768,141	\$ 2,067,974	\$ 2,071,383	\$ 1,163,840
Capital Shares Outstanding .....	70,510	191,463	195,956	110,332
Net asset value per share .....	<u>\$ 10.89</u>	<u>\$ 10.80</u>	<u>\$ 10.57</u>	<u>\$ 10.55</u>
<b>Institutional Class</b>				
Net assets .....	\$ 2,578,909	\$ 4,704,651	\$ 5,291,890	\$ 4,106,517
Capital Shares Outstanding .....	236,425	435,673	500,205	388,976
Net asset value per share .....	<u>\$ 10.91</u>	<u>\$ 10.80</u>	<u>\$ 10.58</u>	<u>\$ 10.56</u>
<b>Class C</b>				
Net assets .....	\$ 1,323,875	\$ 1,516,200	\$ 389,977	\$ 27,334
Capital Shares Outstanding .....	121,701	140,697	37,028	2,602
Net asset value per share .....	<u>\$ 10.88</u>	<u>\$ 10.78</u>	<u>\$ 10.53</u>	<u>\$ 10.50</u>



**Statements of Operations**

	Aggressive Growth	Growth	Moderate	Conservative
<b>INVESTMENT INCOME</b>				
Income				
Dividends (net of foreign withholding tax of \$1,572; \$2,172; \$1,617; and \$923; respectively) .....	\$ 60,281	\$ 77,401	\$ 57,956	\$ 30,276
Dividends from affiliate—Note C .....	20,672	81,702	43,814	25,566
Interest (net of foreign withholding tax of \$0; \$0; \$0; and \$0; respectively) .....	1	24,988	78,100	75,236
Other income .....	—	93	72	37
Total Income .....	<u>80,954</u>	<u>184,184</u>	<u>179,942</u>	<u>131,115</u>
Expenses				
Investment advisory fees—Note B .....	30,922	50,676	48,308	32,690
Distribution expenses—Class A (Note B) .....	862	1,658	2,282	1,137
Distribution expenses—Class C (Note B) .....	2,250	2,555	404	24
Service plan expenses—Class C (Note B) .....	6,751	7,665	1,212	73
Transfer agent fees .....	51,496	48,985	48,818	49,162
Printing and other shareholder communication fees .....	6,584	7,652	7,139	4,882
Custodian fees .....	46,755	37,905	46,872	46,466
Legal fees and related expenses .....	6,673	6,746	6,754	6,696
Trustees' fees and expenses .....	14,207	14,362	14,368	14,265
Compliance expense .....	8,915	8,915	8,915	8,915
Audit fees .....	26,443	31,443	31,443	31,443
Registration fees .....	84,665	83,187	81,922	81,818
Other expenses .....	3,669	9,895	11,320	9,000
Total Expenses .....	<u>290,192</u>	<u>311,644</u>	<u>309,757</u>	<u>286,571</u>
Less:				
Advisory fee waiver—Note B .....	(10,951)	(24,978)	(18,942)	(9,999)
Expenses assumed by Adviser—Note B .....	<u>(235,631)</u>	<u>(225,602)</u>	<u>(235,655)</u>	<u>(238,354)</u>
Net expenses .....	<u>43,610</u>	<u>61,064</u>	<u>55,160</u>	<u>38,218</u>
Net investment income .....	<u>37,344</u>	<u>123,120</u>	<u>124,782</u>	<u>92,897</u>
<b>REALIZED AND UNREALIZED GAIN (LOSS)</b>				
Net realized gain (loss) on:				
Investments .....	7,022	(15,778)	(25,817)	(1,477)
Foreign currency transactions .....	467	826	891	620
Change in unrealized appreciation (depreciation) on:				
Investments .....	454,417	582,284	432,629	253,399
Foreign currency translation .....	29	53	46	27
Net realized and unrealized gain (loss) on investments and foreign currency .....	<u>461,935</u>	<u>567,385</u>	<u>407,749</u>	<u>252,569</u>
Net increase in net assets resulting from operations .....	<u>\$ 499,279</u>	<u>\$ 690,505</u>	<u>\$ 532,531</u>	<u>\$ 345,466</u>

Commencement of Operations for each Fund—January 4, 2010

**Statements of Changes in Net Assets**

	Aggressive Growth	Growth	Moderate	Conservative
<b>INCREASE (DECREASE) IN NET ASSETS</b>				
Operations				
Investment income (loss), net .....	\$ 37,344	\$ 123,120	\$ 124,782	\$ 92,897
Net realized gain (loss) on investments and foreign currency transactions .....	7,489	(14,952)	(24,926)	(857)
Change in unrealized appreciation (depreciation) on investments and foreign currency translations .....	454,446	582,337	432,675	253,426
Net increase in net assets resulting from operations .....	<u>499,279</u>	<u>690,505</u>	<u>532,531</u>	<u>345,466</u>
Distributions to shareholders from:				
Net investment income				
Class A .....	(6,146)	(20,134)	(26,608)	(13,358)
Institutional Class .....	(27,658)	(78,338)	(91,865)	(77,121)
Class C .....	<u>(4,167)</u>	<u>(14,128)</u>	<u>(3,279)</u>	<u>(200)</u>
Total distributions to shareholders .....	<u>(37,971)</u>	<u>(112,600)</u>	<u>(121,752)</u>	<u>(90,679)</u>
From capital share transactions:				
Class A				
Proceeds from shares sold .....	700,042	1,976,572	2,211,965	1,111,238
Proceeds from reinvestment of distributions .....	6,113	19,051	25,554	13,060
Cost of shares redeemed .....	<u>(4,994)</u>	<u>(33,196)</u>	<u>(269,517)</u>	<u>(595)</u>
Net increase (decrease) from Class A transactions .....	<u>701,161</u>	<u>1,962,427</u>	<u>1,968,002</u>	<u>1,123,703</u>
Institutional Class				
Proceeds from shares sold .....	1,020,698	103,873	57,000	169,380
Proceeds from reinvestment of distributions .....	27,658	78,338	91,865	77,121
Cost of shares redeemed .....	<u>(34,939)</u>	<u>(2,935)</u>	<u>—</u>	<u>(303)</u>
Net increase (decrease) from Institutional Class transactions .....	<u>1,013,417</u>	<u>179,276</u>	<u>148,865</u>	<u>246,198</u>
Class C				
Proceeds from shares sold .....	1,195,035	1,445,239	432,445	25,421
Proceeds from reinvestment of distributions .....	4,167	12,662	3,169	82
Cost of shares redeemed .....	<u>(6,663)</u>	<u>(70,911)</u>	<u>(67,237)</u>	<u>—</u>
Net increase from Class C transactions .....	<u>1,192,539</u>	<u>1,386,990</u>	<u>368,377</u>	<u>25,503</u>
Net increase from capital share transactions .....	<u>2,907,117</u>	<u>3,528,693</u>	<u>2,485,244</u>	<u>1,395,404</u>
Net increase in net assets .....	<u>3,368,425</u>	<u>4,106,598</u>	<u>2,896,023</u>	<u>1,650,191</u>
Net assets				
Beginning of period .....	<u>1,302,500</u>	<u>4,182,227</u>	<u>4,857,227</u>	<u>3,647,500</u>
End of period (1) .....	<u>\$ 4,670,925</u>	<u>\$ 8,288,825</u>	<u>\$ 7,753,250</u>	<u>\$ 5,297,691</u>
(1) Includes undistributed net investment income (loss) .....	<u>\$ —</u>	<u>\$ 3,324</u>	<u>\$ (484)</u>	<u>\$ (6)</u>

Commencement of Operations for each Fund—January 4, 2010

**Statements of Changes in Net Assets—Shares of Beneficial Interest**

	Aggressive Growth	Growth	Moderate	Conservative
<b>Class A</b>				
Shares sold .....	70,361	192,760	219,217	109,033
Shares issued in reinvestment of distributions .....	573	1,794	2,478	1,257
Shares redeemed .....	(524)	(3,191)	(25,839)	(58)
Net increase in shares outstanding .....	<u>70,410</u>	<u>191,363</u>	<u>195,856</u>	<u>110,232</u>
<b>Institutional Class</b>				
Shares sold .....	107,417	10,334	5,709	16,937
Shares issued in reinvestment of distributions .....	2,641	7,617	8,973	7,518
Shares redeemed .....	(3,683)	(301)	—	(29)
Net increase in shares outstanding .....	<u>106,375</u>	<u>17,650</u>	<u>14,682</u>	<u>24,426</u>
<b>Class C</b>				
Shares sold .....	121,885	146,317	43,202	2,494
Shares issued in reinvestment of distributions .....	383	1,238	307	8
Shares redeemed .....	(667)	(6,958)	(6,581)	—
Net increase in shares outstanding .....	<u>121,601</u>	<u>140,597</u>	<u>36,928</u>	<u>2,502</u>

Commencement of Operations for each Fund—January 4, 2010

## Financial Highlights

Selected data for a share outstanding throughout each period.

	Net asset value, beginning of period	Income (loss) from investment operations		Total from investment operations	Distributions to shareholders				Net asset value, end of period	Total return <sup>2</sup>	Net assets end of period (in \$000's)	Ratios to average net assets <sup>3</sup>				Portfolio Turnover <sup>4</sup>
		Net investment income (loss) <sup>1</sup>	Net realized and unrealized gain (loss)		From net investment income	From net realized gains	Tax return of capital	Total distributions				Net expenses including reimbursements and waivers	Net investment income (loss)	Net expenses before voluntary waivers	Gross expenses excluding reimbursements and waivers	
Aggressive Growth																
Class A																
For the Period Ended December 31, 2010	\$ 10.00	\$ 0.13	\$ 0.86	\$ 0.99	\$ 0.10	\$ —	\$ —	\$ 0.10	\$ 10.89	9.96%	\$ 768	1.23%	1.32%	1.55%	8.40%	40%
Institutional Class																
For the Period Ended December 31, 2010	\$ 10.00	\$ 0.13	\$ 0.90	\$ 1.03	\$ 0.12	\$ —	\$ —	\$ 0.12	\$ 10.91	10.33%	\$ 2,579	0.98%	1.32%	1.30%	8.15%	40%
Class C																
For the Period Ended December 31, 2010	\$ 10.00	\$ 0.04	\$ 0.88	\$ 0.92	\$ 0.04	\$ —	\$ —	\$ 0.04	\$ 10.88	9.16%	\$ 1,324	1.98%	0.43%	2.30%	9.15%	40%
Growth																
Class A																
For the Period Ended December 31, 2010	\$ 10.00	\$ 0.25	\$ 0.72	\$ 0.97	\$ 0.17	\$ —	\$ —	\$ 0.17	\$ 10.80	9.79%	\$ 2,068	1.08%	2.42%	1.49%	5.17%	30%
Institutional Class																
For the Period Ended December 31, 2010	\$ 10.00	\$ 0.22	\$ 0.76	\$ 0.98	\$ 0.19	\$ —	\$ —	\$ 0.19	\$ 10.80	9.93%	\$ 4,705	0.83%	2.18%	1.24%	4.92%	30%
Class C																
For the Period Ended December 31, 2010	\$ 10.00	\$ 0.14	\$ 0.75	\$ 0.89	\$ 0.11	\$ —	\$ —	\$ 0.11	\$ 10.78	8.93%	\$ 1,516	1.83%	1.36%	2.24%	5.93%	30%
Moderate																
Class A																
For the Period Ended December 31, 2010	\$ 10.00	\$ 0.21	\$ 0.53	\$ 0.74	\$ 0.17	\$ —	\$ —	\$ 0.17	\$ 10.57	7.50%	\$ 2,071	1.10%	2.05%	1.41%	5.19%	36%
Institutional Class																
For the Period Ended December 31, 2010	\$ 10.00	\$ 0.21	\$ 0.56	\$ 0.77	\$ 0.19	\$ —	\$ —	\$ 0.19	\$ 10.58	7.74%	\$ 5,292	0.85%	2.09%	1.16%	4.93%	36%
Class C																
For the Period Ended December 31, 2010	\$ 10.00	\$ 0.13	\$ 0.53	\$ 0.66	\$ 0.13	\$ —	\$ —	\$ 0.13	\$ 10.53	6.68%	\$ 390	1.85%	1.34%	2.16%	5.94%	36%
Conservative																
Class A																
For the Period Ended December 31, 2010	\$ 10.00	\$ 0.21	\$ 0.53	\$ 0.74	\$ 0.19	\$ —	\$ —	\$ 0.19	\$ 10.55	7.46%	\$ 1,164	1.10%	2.04%	1.33%	6.67%	27%
Institutional Class																
For the Period Ended December 31, 2010	\$ 10.00	\$ 0.22	\$ 0.54	\$ 0.76	\$ 0.20	\$ —	\$ —	\$ 0.20	\$ 10.56	7.68%	\$ 4,107	0.85%	2.14%	1.08%	6.41%	27%
Class C																
For the Period Ended December 31, 2010	\$ 10.00	\$ 0.13	\$ 0.52	\$ 0.65	\$ 0.15	\$ —	\$ —	\$ 0.15	\$ 10.50	6.54%	\$ 27	1.85%	1.27%	2.08%	7.41%	27%

<sup>1</sup> Based on average shares outstanding during the period.

<sup>2</sup> Total return represents aggregate total return for the period indicated, includes reinvestment of all dividends and distributions, and does not reflect the deduction of any applicable sales charges. Total returns for periods of less than one year have not been annualized.

<sup>3</sup> Ratios representing periods of less than one year have been annualized.

<sup>4</sup> Not annualized

Commencement of Operations for each Fund—January 4, 2010

## Notes to Financial Statements

### Pax World Funds Series Trust I

#### NOTE A—Organization and Summary of Significant Accounting Policies

**Organization** Pax World Funds Series Trust I (the “Trust”), which is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), is an open-end management investment company organized under the laws of the Commonwealth of Massachusetts on May 25, 2006. As of December 31, 2010, the Trust offered eleven investment funds.

These financial statements relate only to the ESG Managers Aggressive Growth Portfolio (the “Aggressive Growth Portfolio”), ESG Managers Growth Portfolio (the “Growth Portfolio”), ESG Managers Moderate Portfolio (the “Moderate Portfolio”), and ESG Managers Conservative Portfolio (the “Conservative Portfolio”) (each a “Fund” and collectively, the “Funds”), each a diversified series of the Trust. The Funds described herein commenced operations on January 4, 2010.

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 (see Note B). Each Sleeve Subadviser seeks to invest the assets of its sleeve(s) in accordance with sustainability or environmental, social and governance (“ESG”) criteria. 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. 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.

The Aggressive Growth Portfolio’s primary investment objective is to seek a high level of long-term capital appreciation. The 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 can invest up to 100% of its total assets in equity securities and up to 25% of its total assets in fixed income securities. Additionally, the Aggressive Growth Portfolio can 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.

The Growth Portfolio’s investment objective is to seek long-term capital appreciation. Under normal market conditions, the Growth Portfolio will 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 can invest up to 100% of its total assets in equity securities and up to 50% of its total assets in fixed income securities. Additionally, the Growth Portfolio can 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.

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. Under normal market conditions, the Moderate Portfolio will 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 can invest up to 70% of its total assets in equity securities and up to 70% of its total assets in fixed income securities. Additionally, the Moderate Portfolio can invest up to 50% of its total assets in securities of non-U.S. issuers including investments in emerging markets. Over the longer term, relative to other funds, the Moderate Portfolio should offer shareholders the potential for a medium level of income and a medium level of capital growth.

## Notes to Financial Statements, continued

The ESG 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. Under normal market conditions, the Conservative Portfolio will 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 cash and approximately 35% of its total assets in equity securities (e.g., stocks). The Conservative Portfolio can 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 can invest up to 40% of its total assets in securities of non-U.S. issuers including investments in emerging markets. Over the longer term, relative to 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.

Under the Trust's organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this could involve future claims that may be made against the Trust that have not yet occurred. However, based on experience, the Trust expects the risk of loss to be remote.

**Accounting Estimates** The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Valuation of Investments** Investments for which market quotations are readily available are valued at fair value. Fair 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. Short-term investments having a maturity of 60 days or less are generally valued at amortized cost, which approximates fair value.

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. 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.

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. Various factors may be considered in order to make a good faith determination of a security's fair value. These factors include, but are not limited to, the type and cost of the security; relevant financial or business developments of the issuer; actively traded similar or related securities; conversion or exchange rights on the security; related corporate actions; 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 before the time at which Funds' net asset value is determined; and changes in overall market conditions. At December 31, 2010, two securities were fair valued in good faith pursuant to policies and procedures approved by the Board, the Growth Portfolio held one security fair valued at \$53,416, representing 0.64% of the Fund's net asset value, and the Moderate Portfolio held one security fair valued at \$88,185, representing 1.14% of the Fund's net asset value.

## Notes to Financial Statements, continued

For those Funds that invest in non-U.S. securities, investors should be aware that many securities markets and exchanges outside the U.S. close prior to the close of the NYSE, and the closing prices for securities in such markets or on such exchanges may not fully reflect events that occur after such close but before the close of the NYSE. As a result, the Funds' fair value pricing procedures require the Funds to fair value foreign equity securities if there has been a movement in the U.S. market that exceeds a specified threshold. Although the threshold may be revised from time to time and the number of days on which fair value prices will be used will depend on market activity, it is possible that fair value prices will be used by the Funds to a significant extent. The value determined for an investment using the Funds' fair value pricing procedures may differ from recent market prices for the investment.

The net asset value per share ("NAV") of each class of a Fund's shares 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.

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.

Fair value is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. A three-tier hierarchy has been established to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the

assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Funds' own assumptions in determining the fair value of investments)

Equity securities, including restricted securities and options on equity securities, for which market quotations are readily available, valued at the last reported sale price or official closing price as reported by an independent pricing service, are generally categorized as Level 1 in the hierarchy. Foreign equities may also be valued at official close, or may be valued based on the fair value pricing procedures noted above. When fair valuation methods are applied to foreign securities, they are generally categorized as Level 2. Utilizing fair valuation of foreign securities for significant market movements may result in transfers between Level 1 and Level 2 categorizations for such securities. Debt securities are valued at evaluated prices received from independent pricing services and are generally categorized as Level 2 in the hierarchy. Investments in mutual funds are generally categorized as Level 1. Short-term securities with remaining maturities of sixty days or less, which are valued at amortized cost, are generally categorized as Level 2 in the hierarchy.

Investments that use Level 2 or Level 3 inputs may include, but are not limited to: (i) an unlisted security related to corporate actions; (ii) a restricted security (e.g., one that may not be publicly sold without registration under the Securities Act of 1933, as amended); (iii) a security whose trading has been suspended or which has been de-listed from its primary exchange; (iv) a security that is thinly traded; (v) a security in default or bankruptcy proceedings for which there is no current market quotation; (vi) a security affected by currency controls or restrictions; and (vii) a security affected by a significant event (e.g., an event that occurs after the close of the markets on



**Notes to Financial Statements, continued**

which a security is traded but before the time at which the Funds' net assets are computed and that may materially affect the value of the Funds' investments). Examples of events that may be "significant events" are government actions, natural disasters, armed conflict, acts of terrorism, and significant market fluctuations.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Funds' net assets as of December 31, 2010:

	Level One	Level Two	Level Three	Totals
<b>Aggressive Growth</b>				
Common Stocks - Domestic	\$ 3,341,134	\$ —	\$ —	\$ 3,341,134
Common Stocks - Foreign	27,695	159,239	—	186,934
Affiliated Investment Companies	973,447	—	—	973,447
Unaffiliated Investment Companies	71,739	—	—	71,739
<b>Total</b>	<b>\$ 4,414,015</b>	<b>\$ 159,239</b>	<b>\$ —</b>	<b>\$ 4,573,254</b>
<b>Growth</b>				
Common Stocks - Domestic	\$ 4,444,503	\$ —	\$ —	\$ 4,444,503
Common Stocks - Foreign	47,808	250,931	—	298,739
Affiliated Investment Companies	2,135,352	—	—	2,135,352
Unaffiliated Investment Companies	127,258	—	—	127,258
Corporate Bonds	—	289,528	—	289,528
U.S. Govt Agency Bonds	—	87,079	—	87,079
Government Bonds	—	21,111	—	21,111
Municipal Bonds	—	19,453	—	19,453
U.S. Treasury Notes	—	315,475	—	315,475
Mortgage-Backed Securities	—	314,807	53,416	368,223
<b>Total</b>	<b>\$ 6,754,921</b>	<b>\$ 1,298,384</b>	<b>\$ 53,416</b>	<b>\$ 8,106,721</b>

	Level One	Level Two	Level Three	Totals
<b>Moderate</b>				
Common Stocks - Domestic	\$ 3,172,563	\$ —	\$ —	\$ 3,172,563
Common Stocks - Foreign	38,932	197,933	—	236,865
Affiliated Investment Companies	1,120,078	—	—	1,120,078
Unaffiliated Investment Companies	102,306	—	—	102,306
Corporate Bonds	—	952,343	—	952,343
U.S. Govt Agency Bonds	—	281,296	—	281,296
Government Bonds	—	63,749	—	63,749
Municipal Bonds	—	196,005	—	196,005
U.S. Treasury Notes	—	696,414	—	696,414
Mortgage-Backed Securities	—	694,659	88,185	782,844
<b>Total</b>	<b>\$ 4,433,879</b>	<b>\$ 3,082,399</b>	<b>\$ 88,185</b>	<b>\$ 7,604,463</b>

<b>Conservative</b>				
Common Stocks - Domestic	\$ 1,538,979	\$ —	\$ —	\$ 1,538,979
Common Stocks - Foreign	22,808	124,285	—	147,093
Affiliated Investment Companies	624,221	—	—	624,221
Unaffiliated Investment Companies	51,329	—	—	51,329
Corporate Bonds	—	1,006,884	—	1,006,884
U.S. Govt Agency Bonds	—	285,058	—	285,058
Government Bonds	—	63,749	—	63,749
U.S. Treasury Notes	—	609,841	—	609,841
Mortgage-Backed Securities	—	834,653	—	834,653
<b>Total</b>	<b>\$ 2,237,337</b>	<b>\$ 2,924,470</b>	<b>\$ —</b>	<b>\$ 5,161,807</b>

Following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value:

	Growth	Moderate
Balance as of January 4, 2010	\$ —	\$ —
Realized Gain (loss)	—	—
Change in unrealized appreciation (depreciation)	199	885
Net purchases (sales)	53,217	87,300
Transfers in and/or out of Level Three	—	—
Balance as of December 31, 2010	\$ 53,416	\$ 88,185

The change in unrealized gain/loss on Level 3 securities held at December 31, 2010 totaled gains of \$199 and \$885 in the Growth and Moderate Portfolios, respectively, for the year-to-date period then ended.



## Notes to Financial Statements, continued

In January 2010, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2010-06 “Improving Disclosures about Fair Value Measurements”. Portions of ASU No. 2010-06 which involve improved disclosures surrounding amounts and reasons for significant transfers in and out of Level 1 and Level 2 fair value measurements as well as inputs and valuation techniques used to measure fair value within Level 2 or Level 3, became effective for the current fiscal yearend and have been adopted by the Funds. The remaining portion of ASU No. 2010-06 requires more detailed disclosures of information pertaining to purchases, sales, issuances and settlements on a gross basis in the reconciliation of activity in Level 3 fair value measurements. These new and revised disclosures are required to be implemented for fiscal years beginning after December 15, 2010. Management is currently evaluating the impact that the adoption of this remaining portion of ASU No. 2010-06 may have on the Funds’ financial statement disclosures.

The Funds recognize transfers between Levels as of the end of the period. As of December 31, 2010, the Funds did not have any significant transfers between valuation levels.

**Investment Transactions** Investment transactions are recorded as of the date of purchase, sale or maturity. Net realized gains and losses from the sale or disposition of securities are determined on the identified cost basis, which is also used for federal income tax purposes. Corporate actions (including cash dividends) are recorded net of foreign tax withholdings.

**Investment Income** Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis and includes accretion of discount and amortization of premiums, if any. The value of additional securities received as dividend payments is recorded as income and as an increase to the cost basis of such securities. The Funds amortize purchase price premium and accrete discount on bonds, if any, over the remaining life of the bonds using the effective interest method of amortization; for callable bonds, the amortization period is to the most likely call date.

**Distributions to Shareholders** Distributions to shareholders are recorded by each of the Funds on the ex-dividend dates. 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. Income and capital gains distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles.

**Expenses** Expenses of the Funds that are directly identifiable to a specific Fund are applied to that Fund. Expenses that are not readily identifiable to a specific Fund are allocated in a manner deemed equitable, taking into consideration the nature and type of expense and the relative net assets of the Funds. Expenses directly attributable to a class of shares, such as distribution fees, are charged to that class. Each Fund has adopted a distribution plan, applicable to certain classes of its shares.

**Federal Income Taxes** 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 (the “Code”). If a Fund so qualifies and satisfies certain distribution requirements, such Fund will ordinarily not be subject to 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. Therefore, no federal income or excise tax provision is required. The Funds are treated as separate entities for U.S. federal income tax purposes.

**Foreign Currency Transactions** The accounting records of the Funds are maintained in U.S. dollars. In addition, purchases and sales of investment securities, dividend and interest income, and certain expenses are translated at the rates of exchange prevailing on the respective dates of such transactions. Net realized and unrealized foreign currency exchange gains or losses occurring during the holding period of investment securities are a component of realized gain (loss) on investment transactions and unrealized appreciation (depreciation) on investments, respectively.

**Non-U.S. Securities** Non-U.S. markets can be significantly more volatile than domestic markets, causing the prices of some of the 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. 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. If the Fund invests substantially in securities of non-U.S. issuers tied economically to

**Notes to Financial Statements, continued**

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.

**NOTE B—Investment Advisory Fee and Transactions with Affiliated and Other Parties**

The Trust has entered into an Investment Advisory Contract (the “Agreement”) with Pax World Management LLC (the “Adviser”). Pursuant to the terms of the agreement, the Adviser, subject to the supervision of the Board of Trustees of the Trust, is responsible for managing the assets of the Funds in accordance with the Funds’ investment objective, investment programs and policies.

Pursuant to the Agreement the Adviser has contracted to furnish the Funds continuously with an investment program, determining what investments to purchase, sell and exchange for the Funds and what assets to hold uninvested. The Adviser also has contracted to provide office space and certain management and administrative facilities for the Funds. In return for such services, the Funds pay an advisory fee to the Adviser at the following annual rates (expressed as a percentage of the average daily net assets of such Fund):

Fund	Average Net Asset Value of Fund
Aggressive Growth.....	0.90%
Growth.....	0.85%
Moderate.....	0.80%
Conservative.....	0.75%

The Adviser has entered into an Asset Allocation Agreement with Morningstar Associates, whereby Morningstar Associates, subject to the supervision of the Board of Trustees of the Trust and the Adviser, is responsible for certain portfolio construction services for the Funds.

Pursuant to the Asset Allocation Agreement Morningstar Associates has contracted to have supervisory responsibility for: (i) the implementation 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) overseeing and monitoring the ongoing performance of Sleeve Subadvisers of each Fund, including their compliance with the investment objectives, policies and restrictions of the relevant Fund. For its services under the Asset Allocation Agreement, Morningstar Associates receives from the Adviser a fee based on a percentage of each applicable Fund’s average daily net assets from the Adviser’s advisory fee (the “Lead Subadvisory fee”) at an annual rate of 0.15%.

Pursuant to Subadvisory Contracts, the Sleeve Subadvisers manage the Funds’ portfolios of securities and make decisions with respect to the purchase and sale of investments, subject to the general control of the Board of Trustees of the Funds, the Adviser, and Morningstar Associates. For their services under their respective Subadvisory Contracts, each Sleeve Subadviser receives from the Adviser a fee based on a percentage of the applicable sleeve’s average daily net assets from the Adviser’s investment advisory fee (the “Subadvisory fees”).

Payment of fees to Morningstar and the Sleeve Subadvisers is the responsibility of the Adviser, and is not an additional expense of the Funds.

The Adviser, Morningstar Associates and several sleeve subadvisors provided initial seed capital to commence operations of the Funds. During the period, the Adviser voluntarily waived advisory fees related to a portion of the initial seed capital and also related to acquired fund fees for investments in other mutual funds managed by the Adviser. For the period ended December 31, 2010, the Funds incurred the following advisory fees and fee waivers:

Fund	Gross Advisory Fees	Fees Waived	Net Advisory Fee
Aggressive Growth	\$ 30,922	\$ 10,951	\$ 19,971
Growth	50,676	24,978	25,698
Moderate	48,308	18,942	29,366
Conservative	32,690	9,999	22,691

The Adviser has contractually agreed to reimburse Funds to the extent that each Fund’s respective expenses exceed, on an annual basis, the following percentages of average daily net assets:

**Notes to Financial Statements, continued**

Fund	Class A	Institutional	Class C
Aggressive Growth	1.44%	1.19%	2.19%
Growth	1.34%	1.09%	2.09%
Moderate	1.24%	0.99%	1.99%
Conservative	1.14%	0.89%	1.89%

*The Adviser has contractually agreed to reimburse expenses to the extent they exceed the expense caps indicated until at least December 31, 2012.*

Such expenses include (i) management and distribution fees; (ii) the fees of affiliated and unaffiliated Trustees; (iii) the fees of the Funds' custodian and transfer agent; (iv) the fees of the Funds' legal counsel and independent registered public accounting firm; (v) the reimbursement of organizational expenses; and (vi) expenses related to shareholder communications including all expenses of shareholders' and Board of Trustees' meetings and of preparing, printing and mailing reports, proxy statements and prospectuses to shareholders.

For the period ended December 31, 2010, the dollar amount of expense reimbursements for each of the Funds were as follows:

Fund	Total Expense Reimbursement by Adviser		
	Class A	Institutional	Class C
Aggressive Growth	\$ 23,635	\$ 150,264	\$ 61,732
Growth	25,090	161,837	38,675
Moderate	35,627	193,720	6,308
Conservative	24,870	212,949	535

Each Fund has adopted a plan (a "Distribution 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 and for personal services rendered to the Fund shareholders in connection with the maintenance of shareholder accounts. The Funds' distributor may pay all or any portion of the distribution fee to securities dealers or other organizations (including, but not limited to, any affiliate of the distributor) as commissions, asset-based sales charges or other compensation with respect to the sale of indicated shares of such Fund, and may retain all or any portion of the distribution fee as compensation for the distributor's services as principal underwriter of the indicated shares of such Fund. The annual fees may equal up to 0.25% for

Class A shares or up to 0.75% for Class C shares of the average daily net assets allocable to such classes of shares of a Fund.

In addition to the Distribution 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).

Several individuals who are officers and/or Trustees of the Trust are also employees of the Adviser.

**NOTE C—Investment Information**

Purchases and proceeds from sales of investments for the Funds for the period ended December 31, 2010 were as follows:

Fund	Purchases		Sales	
	Investments <sup>1</sup>	U.S. Government Bonds	Investments <sup>1</sup>	U.S. Government Bonds
Aggressive Growth	\$ 5,468,338	\$ —	\$ 1,356,524	\$ —
Growth	8,479,550	820,847	1,673,167	74,004
Moderate	7,468,038	1,875,856	1,891,307	203,853
Conservative	4,411,033	1,681,876	990,936	123,889

<sup>1</sup>Excluding short-term investments and U.S. Government bonds.

**Notes to Financial Statements, continued**

The term “affiliated company” includes other investment companies that are managed by the Adviser. At December 31, 2010, the Funds held the following investments in affiliated companies:

Fund	Value at 12/31/10	Purchases Cost	Sales Cost	Realized Gain (Loss)	Unrealized Gain (Loss)	Income Distributions
<b>Aggressive Growth</b>						
Pax World International Fund	\$ 701,169	\$ 739,712	\$ 92,708	\$ (2,539)	\$ 56,704	\$ 8,946
Pax World Global Green Fund	146,565	135,122	—	—	11,443	610
Pax World High Yield Bond Fund	125,713	129,834	4,570	(48)	497	11,116
<b>Total</b>	<b>\$ 973,447</b>	<b>\$1,004,668</b>	<b>\$ 97,278</b>	<b>\$ (2,587)</b>	<b>\$ 68,644</b>	<b>\$ 20,672</b>
<b>Growth Portfolio</b>						
Pax World International Fund	\$1,202,784	\$1,172,076	\$ 39,327	\$ (2)	\$ 70,037	\$ 10,969
Pax World Global Green Fund	203,515	186,113	—	—	17,402	942
Pax World High Yield Bond Fund	729,053	745,388	17,063	(323)	1,051	69,791
<b>Total</b>	<b>\$2,135,352</b>	<b>\$2,103,577</b>	<b>\$ 56,390</b>	<b>\$ (325)</b>	<b>\$ 88,490</b>	<b>\$ 81,702</b>
<b>Moderate Portfolio</b>						
Pax World International Fund	\$590,478	\$ 915,830	\$351,582	\$ (8,488)	\$ 34,718	\$ 5,103
Pax World Global Green Fund	178,485	165,008	—	—	13,477	863
Pax World High Yield Bond Fund	351,115	416,329	65,923	12	697	37,848
<b>Total</b>	<b>\$1,120,078</b>	<b>\$1,497,167</b>	<b>\$417,505</b>	<b>\$ (8,476)</b>	<b>\$ 48,892</b>	<b>\$ 43,814</b>
<b>Conservative Portfolio</b>						
Pax World International Fund	\$ 302,800	\$ 447,736	\$169,105	\$ (670)	\$ 24,839	\$ 2,889
Pax World Global Green Fund	76,430	70,084	—	—	6,346	359
Pax World High Yield Bond Fund	244,991	245,431	273	(11)	(156)	22,318
<b>Total</b>	<b>\$ 624,221</b>	<b>\$ 763,251</b>	<b>\$169,378</b>	<b>\$ (681)</b>	<b>\$ 31,029</b>	<b>\$ 25,566</b>

Income distributions from affiliates are included as dividend income on the Statement of Operations. Dividends are reinvested, with reinvestment amount included under Purchases Cost column above.

For federal income tax purposes, the identified cost of investments owned at December 31, 2010 as well as the gross unrealized appreciation (depreciation) of investments and resulting net unrealized appreciation (depreciation) as of December 31, 2010 were as follows for the Funds:

Fund	Identified cost of investments for Federal income tax basis	Gross unrealized appreciation	Gross unrealized depreciation	Net unrealized appreciation (depreciation)
Aggressive Growth	\$ 4,127,536	\$ 493,966	\$ 48,248	\$ 445,718
Growth	7,536,132	640,584	69,995	570,589
Moderate	7,187,743	483,590	66,870	416,720
Conservative	4,912,416	291,598	42,207	249,391

At December 31, 2010, the Aggressive Growth Portfolio, Growth Portfolio, Moderate Portfolio and Conservative Portfolio had unrealized foreign currency gains of \$29, \$53, \$46 and \$27, respectively.

**Repurchase Agreements** The Funds may enter into repurchase agreements with institutions that the Adviser has determined are creditworthy. Each repurchase agreement is recorded at cost. In the case of repurchase agreements with broker-dealers, the value of the underlying securities (or collateral) will be at least equal at all times to the total amount of the repurchase obligation, including the interest factor. A Fund bears the risk of loss in the event the other party to a repurchase agreement defaults on its obligations and the Fund is delayed or prevented from exercising its rights to dispose of the collateral securities. This risk includes the risk of procedural costs or delays in addition to a loss on the securities if their value should fall below their repurchase price.

**Restricted and Illiquid Securities** The Funds may purchase certain restricted securities and limited amounts of illiquid securities. The Funds may invest in securities exempt from registration under Rule 144A of the Securities Act of 1933 (“the Act”) which are restricted from sale to the public and may only be sold to a qualified institutional buyer. The Funds do not have the right to demand that such securities be registered. The value of such securities is determined by valuations supplied by a pricing service or, if not available, in good faith by or at the direction of the Board of Trustees. Without regard to the underlying holdings of affiliated investment companies in which the Funds invest, at December 31, 2010, the Funds did not directly hold any securities exempt from registration under Rule 144A of the Act.

The Fund will classify as “illiquid” all securities that may no longer be disposed of within seven days in the ordinary course of business at approximately the amount at which the Fund has valued such security for the purpose of calculating the Fund’s net asset value. Illiquid investments may include restricted securities, repurchase agreements that mature in more than seven days or that have a notice or demand feature more than seven days, certain over-the counter option contracts and participation interests in loans. Because illiquid securities trade less frequently and in smaller volume than liquid securities, the Fund may experience difficulty in closing out positions at prevailing market prices. Without regard to the underlying holdings of investment companies in which the Funds invest, at December 31, 2010, the Funds did not directly hold any securities which were deemed illiquid.

**Notes to Financial Statements, continued****NOTE D—Tax Information**

For financial reporting purposes, capital accounts are adjusted to reflect the tax character of permanent book/tax differences. Reclassifications are primarily due to tax treatment of gain (loss) on foreign currency transactions, paydown transactions, and tax treatment related to investments in REITs, ETFs and PFICs.

For the period ended December 31, 2010, the Funds recorded the following reclassifications:

Fund	Undistributed net investment income	Accumulated net realized gain (loss)	Paid-in capital
Aggressive Growth	\$ 627	\$ (296)	\$ (331)
Growth	(7,196)	7,474	(278)
Moderate	(3,514)	3,581	(67)
Conservative	(2,224)	2,233	(9)

Net investment income, net realized gains (losses) and net assets were not affected by these reclassifications.

The timing and characterization of certain income and capital gains distributions are determined annually in accordance with federal tax regulations, which may differ from GAAP. In addition to permanent differences previously noted, temporary differences may arise from recognition of certain items of income, expense, gain or loss in different periods for financial reporting and tax purposes. Such differences will reverse at some time in the future. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. For tax purposes, short-term capital gains are considered ordinary income.

The tax character of distributions paid during 2010 was as follows:

Fund	Distributions Paid in 2010		
	Ordinary Income	Return of Capital	Long-term Capital Gains
Aggressive Growth	\$ 37,971	\$ —	\$ —
Growth	112,600	—	—
Moderate	121,752	—	—
Conservative	90,679	—	—

As of December 31, 2010, the components of distributable earnings on a tax basis were as follows:

Fund	Undistributed ordinary income	Undistributed long-term capital gain	Other temporary differences	Net unrealized appreciation (depreciation)
Aggressive Growth	\$ 14,282	\$ 1,610	\$ —	\$ 445,747
Growth	3,338	4,203	—	570,642
Moderate	—	—	(5,920)	416,766
Conservative	2,576	2,802	—	249,418

During the period from November 1, 2010 through December 31, 2010, the Moderate Portfolio incurred a foreign currency loss of \$473. This loss is treated for federal income tax purposes as if it occurred on January 1, 2011. Accordingly, during 2010, the Fund may have made distributions, as required by Internal Revenue Code Regulations, in excess of amounts recognized for financial reporting purposes.

For federal income tax purposes, capital loss carryforwards may be carried forward and applied against future capital gains. As of December 31, 2010, the Moderate Portfolio had \$5,447 in capital loss carryforwards, which expires in 2018.

**Uncertain Tax Position** Management has analyzed the Funds' tax positions taken for the Funds' first tax year, 2010, which will be subject to examination by the Funds' major tax jurisdictions. The Funds recognize interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. Management has concluded that, as of and during the period ended December 31, 2010, no provision for federal income tax is necessary and, therefore, the Funds did not have a liability for any unrecognized tax expenses.

**Note E—Other**

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Management has evaluated subsequent events and has determined that no events have occurred that require disclosure.

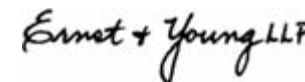
**Report of Independent Registered Public Accounting Firm**

To the Board of Trustees and Shareholders of Pax World Funds Series Trust I:

We have audited the accompanying statements of assets and liabilities of ESG Managers Aggressive Growth Portfolio, ESG Managers Growth Portfolio, ESG Managers Moderate Portfolio and ESG Managers Conservative Portfolio (collectively, the “Funds”; four of the eleven funds constituting the Pax World Funds Series Trust I), including the schedules of investments, as of December 31, 2010, and the related statements of operations, changes in net assets and the financial highlights for each of the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds’ management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds’ internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds’ internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2010, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of ESG Managers Aggressive Growth Portfolio, ESG Managers Growth Portfolio, ESG Managers Moderate Portfolio and ESG Managers Conservative Portfolio of Pax World Funds Series Trust I at December 31, 2010, the results of their operations, the changes in their net assets and the financial highlights for each of the periods indicated therein, in conformity with U.S. generally accepted accounting principles.



Boston, Massachusetts  
February 23, 2011



## Notes to Financial Statements, continued

### Proxy Voting (Unaudited)

You may obtain a description of the Funds' policies and procedures that the Funds use to determine how to vote proxies relating to their portfolio securities, without charge, upon request by contacting the Funds at 800.374.8920, or within the Statement of Additional Information available on ESG Managers' website at [www.esgmanagers.com](http://www.esgmanagers.com) or on the SEC's website at [www.sec.gov](http://www.sec.gov).

The information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12 month period ended June 30 is available without charge, upon request, by telephoning ESG Managers (toll-free) at 800.374.8920 or visiting ESG Managers' website at [www.esgmanagers.com](http://www.esgmanagers.com) and will be available without charge by visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

### Quarterly Portfolio Holdings Disclosure (Unaudited)

Each Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Each Fund's Form N-Qs are available on the SEC website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800.SEC.0330. Information contained in each Fund's Form N-Qs may also be obtained by visiting ESG Managers website at [www.esgmanagers.com](http://www.esgmanagers.com) or telephoning ESG Managers (toll-free) at 800.374.8920.

### Federal Tax Information (Unaudited)

The percentages of ordinary income distributed by each of the Funds that is Qualified Dividend Income (QDI) and that qualifies for the corporate dividends received deduction (DRD) are as follows:

Fund	QDI%	DRD%
Aggressive Growth	100.00%	100.00%
Growth	100.00%	49.37%
Moderate	77.24%	33.65%
Conservative	56.98%	22.32%

### Management of the Funds (Unaudited)

The business of the Trust is managed under the direction of the Trust's Board of Trustees. The Adviser serves as investment adviser to the Funds pursuant to an investment advisory agreement between the Adviser and the Trust. The Trust's Board of Trustees oversees the Adviser and decides upon matters of general policy. The Board of Trustees meets at least four (4) times per year, and reviews the performance and operations of the Funds. The Adviser, either directly or through others selected by the Adviser, furnishes daily investment advisory services.

### Officers/Trustees

The following table reflects the name and age, position(s) held with the Trust, the term of office and length of time served, the principal occupation(s) during the past five (5) years, other directorships held, and the number of portfolios overseen in the Pax World Fund Family of those persons who were the trustees and/or officers of the Funds on December 31, 2010. The trustees and officers set forth in the first table below (Interested Trustees and Officers) are considered interested persons under the 1940 Act by virtue of their position or affiliation with the Adviser. The trustees in the second table (Disinterested Trustees) are not considered interested persons and have no affiliation with the Adviser. The business address of each trustee and officer is 30 Penhallow Street, Suite 400, Portsmouth, NH 03801.

None of the officers or trustees of the Funds are related to one another by blood, marriage or adoption. The aggregate remuneration paid by each Fund during the period covered by the report to (i) all Trustees and all members of any advisory board for regular compensation; (ii) each Trustee and each member of an advisory board for special compensation; (iii) all officers; and (iv) each person of whom any officer or Trustee of the Fund is an affiliated person is as follows: Aggressive Growth Portfolio, \$11,745; ESG Managers Growth Portfolio, \$11,874; Moderate Portfolio, \$11,878; and Conservative Portfolio, \$11,793.



**Notes to Financial Statements, continued****Interested Trustees and Officers**

Name and Age	Position(s) Held With the Trust; Term of Office <sup>1</sup> ; and Length of Time Served	Principal Occupation(s) During Past Five Years and Other Directorships Held by Trustee or Officer	Number of Portfolios in the Pax World Fund Family Overseen by Trustee
Laurence A. Shadek (61)	Trustee (since 2006)	Chairman of the Board of the Adviser (1996-present); Executive Vice-President of Wellington Shields & Co. LLC or its predecessor (1986-present); Executive Vice President of Pax World Money Market Fund (1998-2008); Chairman of the Board of Directors of the Pax World Balanced Fund (1996-2006), Pax World Growth Fund (1997-2006), and Pax World High Yield Bond Fund (1999-2006); member of the Board of Trustees of Franklin & Marshall College (1998-present).	12
Joseph Keefe (57)	Trustee, Chief Executive Officer (since 2006)	Chief Executive Officer (2005-present) and President (2006-present) of the Adviser; President of Pax World Money Market Fund (2006-2008); Senior Vice President of the Pax World Balanced, Pax World Growth, and Pax World High Yield Bond Fund (2005-2006); President of New Circle Communications LLC (2000-2005); Co-Chair of The Carbon Coalition (2003-present); member of the Boards of Directors of Americans for Campaign Reform (2003-present), Women Thrive Worldwide (2009-present) and the Social Investment Forum (2000-2006).	12
John Boese (47)	Chief Compliance Officer (since 2006)	Chief Compliance Officer of the Adviser (2006-present); Vice President and Chief Regulatory Officer of the Boston Stock Exchange, Boston, MA (2000–2006).	N/A
Maureen Conley (48)	Secretary (since 2006)	Senior Vice President of Shareholder Services/Operations (2005-present) and Manager of Shareholder Services (2000-2005) for the Adviser.	N/A
Alicia K. DuBois (51)	Treasurer (since 2006)	Chief Financial Officer for the Adviser (2006-present); Assistant Treasurer for both Jefferson Pilot Investment Advisory Corp. and Jefferson Pilot Variable Fund, Inc. (2001-2006); and Assistant Vice President at Lincoln Financial Group (formerly Jefferson-Pilot Corp.) (2005-2006)	N/A
Scott LaBreche (38)	Assistant Treasurer (since 2010)	Director, Portfolio Analysis & Reporting for the Adviser (2009-present), Fund Administration Manager & Portfolio Analyst for the Adviser (2007-2009), Securities Fund Analyst, Lincoln Financial Group (formerly Jefferson Pilot Financial) (2000-2007).	N/A

**Dinterested Trustees**

Name and Age	Position(s) Held With the Trust; Term of Office <sup>1</sup> ; and Length of Time Served	Principal Occupation(s) During Past Five Years and Other Directorships Held by Trustee or Officer	Number of Portfolios in the Pax World Fund Family Overseen by Trustee
Adrian P. Anderson (56) <sup>2</sup>	Trustee (since 2007)	Chief Executive Officer of North Point Advisors, LLC (2004-present); Senior Consultant of Gray and Co. (1999-2004).	12
Carl H. Doerge, Jr. (72) <sup>2</sup>	Chairman of the Board of Trustees; Trustee (since 2006)	Private investor (1995-present); member of the Board of Trustees and Police Commissioner of the Village of Upper Brookville, NY (1998-present); member of the Board of Directors (1998-present) and Chairman of the Investment Committee (1999-present) of St. Johnland Nursing Home in Kings Park, NY.	12
Cynthia Hargadon (54) <sup>3</sup>	Trustee (since 2006)	Managing Director of CRA Rogers Casey (2006-2010); Senior Consultant of North Point Advisors, LLC (2003-2006); President of Potomac Asset Management, Inc. (2000-2002).	12
Louis F. Laucirica (69) <sup>2</sup>	Trustee (since 2006)	Associate Dean and Director of Undergraduate Studies of Stevens Institute of Technology, Howe School (1999-2010).	12
John L. Liechty (56) <sup>3</sup>	Trustee (since 2010)	Principal, Integrated Investment Solutions (2009-present); President and CEO, MMA Praxis Mutual Funds (1997-2008).	12
Nancy S. Taylor (55) <sup>3</sup>	Trustee (since 2006)	Senior Minister, Old South Church in Boston, MA (2005-present); Minister and President, Massachusetts Conference, United Church of Christ (2001-2005); Trustee, Andover Newton Theological School (2002-present); Chair of the Board of Trustees of Andover Newton Theological School; Board of Managers, Old South Meeting House (2005-present); Director, Ecclesia Ministries, a ministry to Boston's homeless population (2003-present).	12

<sup>1</sup> Trustees of the Funds hold office until a successor is chosen and qualifies. Officers of the Funds are appointed by the Board of Trustees and hold office until a successor is chosen and qualifies.

<sup>2</sup> Designates a member of the Audit Committee. The Audit Committee has the responsibility of overseeing the establishment and maintenance of an effective financial control environment, for overseeing the procedures for evaluating the system of internal accounting control and for evaluating audit performance. The Audit Committee meets on at least a quarterly basis.

<sup>3</sup> Designates a member of the Nomination, Compensation & Compliance Committee. The Nomination, Compensation & Compliance Committee is responsible for considering and recommending Board candidates, reviewing and recommending Board compensation, and overseeing regulatory and fiduciary compliance matters. The Nomination, Compensation & Compliance Committee meets on at least a quarterly basis.

The Statement of Additional Information includes additional information about the trustees and is available upon request without charge by calling 877.374.7678 between the hours of 9:00 a.m. and 6:00 p.m. Eastern time or by visiting our website at [www.esgmanagers.com](http://www.esgmanagers.com).

**Please note that the information contained herein does not constitute tax advice. Always consult your tax advisor before making any tax-related investment decisions.**

This annual report is intended for shareholders of the ESG<sup>TM</sup> Managers Portfolios only, and is not authorized for distribution to other persons unless accompanied or preceded by a prospectus. Please consider the Funds' investment objectives, risks and charges and expenses carefully before investing. The Funds' prospectus contains this and other information about the Funds and may be obtained by calling 877.374.7678, emailing [info@paxworld.com](mailto:info@paxworld.com) or visiting [www.esgmanagers.com](http://www.esgmanagers.com). The performance data quoted herein represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. In addition, current performance may be lower or higher than the performance data quoted herein. For more recent month-end performance information, please call 877.374.7678 or visit [www.esgmanagers.com](http://www.esgmanagers.com).

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