

FUND INFORMATION

Fund TypeHigh Yield Bond

Inception Dates
Individual Investor Class.....10/8/99
Institutional Class.....6/1/04

12b-1 Charges
Individual Investor Class0.25%
Institutional Class.....N/A

Expense Ratios (as of 12/31/08) Net⁶ Gross
Individual Investor Class0.99% 1.19%
Institutional Class0.74% 0.94%

Minimum Investment
Individual Investor Class\$250
Institutional Class\$500,000

FUND OBJECTIVE

The High Yield Bond Fund's primary investment objective is to seek high current income. As a secondary investment objective the High Yield Bond Fund seeks capital appreciation.

FUND MANAGEMENT

The Fund invests primarily in high-yield, fixed-income securities rated below BBB-⁷ by Standard & Poor's Ratings Group or below Baa3⁸ by Moody's Investors Service. The Fund can invest in convertible bonds, preferred stocks, zero-coupon, pay-in-kind, deferred-payment, and other high-yielding securities. Up to 40% of the Fund can be invested in high-yielding debt and equity securities of foreign issuers. Research focuses on the financial history and condition, cash flow trends, analysts' recommendations, and management of each issue considered. The Fund seeks securities issued by companies in more economically stable industries or in higher-growth sectors. At times, the Fund may hold large amounts of high-quality cash instruments. When deciding on how much cash to hold, the Fund looks at the anticipated direction of domestic interest rates, the global economic outlook, and their anticipated effect on the high-yield market.

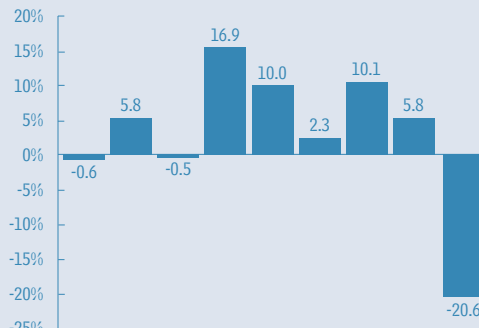
FUND PERFORMANCE as of March 31, 2009

RETURNS (%)¹

	Cumulative Return (%)		Average Annual Return (%)			
	3-month	1-year	3-year	5-year	10-year	Since Inception
Pax World High Yield Bond Fund						
Individual Investor Class (PAXHX)	8.97	-11.90	-0.64	2.02	—	3.25
Institutional Class ² (PXHIX)	8.89	-11.76	-0.54	2.20	—	3.35
Merrill Lynch High Yield Master I Index³	5.26	-19.95	-4.85	-0.26	—	2.92

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

ANNUAL TOTAL RETURNS (PAXHX)¹



NAV AND DISTRIBUTION HISTORY

Period	Distributions		
	Year End NAV	Dividends	Capital Gain
2008	\$6.10	\$0.626	\$0.012
2007	\$8.37	\$0.627	\$0.029
2006	\$8.54	\$0.618	\$0.004
2005	\$8.35	\$0.572	\$0.124
2004	\$8.85	\$0.601	\$0.019
2003	\$8.64	\$0.546	—
2002	\$7.89	\$0.560	—
2001	\$8.50	\$0.750	—
2000	\$8.74	\$0.878	—

LIPPER RANKINGS⁴

Based on total returns

(High Current Yield Bond Funds)	Rank/# of funds	Decile
1 Year	33 out of 461	1st
3 Year	8 out of 390	1st
5 Year	10 out of 335	1st

MORNINGSTAR RATINGS^{TM 5}

Based on risk adjusted returns

(High Yield Bond)	# of stars	# of Funds
Overall	★★★★★	473
3 Year	★★★★★	473
5 Year	★★★★★	405

You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. For this and other information, call 800.767.1729 or visit www.paxworld.com for a fund prospectus and read it carefully before investing.

¹Figures include reinvested dividends, capital gains distributions, and changes in principal value. The principal risks of investing in the Pax World mutual funds include (i) price volatility, (ii) credit risk (the possibility that the issuer of a bond will be unable to make interest payments and/or repay the principal on its debt), (iii) interest rate risk (the risk that the price of bonds and the value of the fund can decrease when interest rates rise), (iv) risks associated with foreign security investments (such as the risks of political or economic instability in the country of the issuer, the possibility of the imposition of exchange controls, and the risk of currency fluctuations), (v) leverage risk, (vi) risks associated with sustainable investing, (vii) management risk and, in general, (viii) the risk of losing money by investing in the funds.

²The performance information shown for Institutional Class shares represents the performance of the Individual Investor Class shares for the period prior to Institutional Class inception. Expenses have not been adjusted to reflect the expenses allocable to Institutional Class shares. If such expenses were reflected, the returns would be higher than those shown. Institutional Class Inception date return since June 1, 2004 is 2.73% (annualized).

³The Merrill Lynch High Yield Master I Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. One cannot invest directly in an index.

⁴Lipper rankings are based on total returns (not including sales charges) for the periods indicated and compare total return performance with that of other funds in the category.

⁵Morningstar RatingsTM are based on risk-adjusted 3-, 5-, and 10-year (if applicable) returns, and past performance is no guarantee of future results. Ratings are subject to change every month. For each fund with at least a three-year history, Morningstar calculates a Morningstar RatingTM based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.)

⁶High Yield Bond Fund fee waivers and reimbursements are contractual and in effect until at least 12/31/2012.

⁷BBB- rating is Standard & Poor's rating of bonds of adequate credit quality. Protection of interest and principal is considered adequate, but the entity is more susceptible to adverse changes in financial and economic conditions, or there may be other adversities present which reduce the strength of the entity and its rated securities.

⁸Baa3 rating is a Moody's rating of bonds. Obligation rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

FUND CHARACTERISTICS

As of March 31, 2009

TOP TEN HOLDINGS

Security Name	Percentage
Wind Acquisition Finance SA, 144A, 10.750%, 12/01/15	2.2
DirecTV Holdings, 144A, 7.750%, 10/01/16	2.0
GameStop Corp., & GS, Inc., 8.000%, 10/01/12	1.8
HCA, Inc., 9.250%, 11/15/16	1.8
Chattem, Inc., 7.000%, 03/01/14	1.8
Millicom International Cellular SA, 10.000%, 12/01/13	1.8
Susser Holdings LLC, 10.625%, 12/15/13	1.7
Denbury Resources, Inc., 9.750%, 03/01/16	1.7
Stater Brothers Holdings, 7.750%, 04/15/15	1.7
Alliance Imaging, Inc., 7.250%, 12/15/12	1.7

Holdings are subject to change.

SECTOR ALLOCATION

Sector	Percentage
Telecommunications	15.7
Consumer Cyclical	12.6
Energy	11.1
Services Non-Cyclical	10.5
Consumer Non-Cyclical	9.2
Services Cyclical	8.6
Media	2.8
Capital Goods	2.0
Technology & Electronics	1.6
Utility	1.0
Brokerage	0.9
Pfd-Banking	0.7
Pfd-Real Estate	0.6
Basic Industry	0.6
Real Estate	0.6

ASSET ALLOCATION

Asset Type	Percentage
U.S. Bonds	59.2
Foreign Bonds	17.5
Foreign Stock	1.1
U.S. Stocks	0.7
Cash & Equivalents	21.5

30 DAY SEC YIELD (Indv. Investor Class) 11.53%

PORTFOLIO STATISTICS

(Indv. Investor Class)	
Total Net Assets (millions; all share classes)	\$195.09
NAV	\$6.49
Turnover Rate (as of 12/31/08)	29%
Number of Issues	86

RISK STATISTIC

(Indv. Investor Class)	
Jensen Alpha ¹	2.42
Alpha ²	0.27
Beta ³	0.78
R-Squared ⁴	85
Standard Deviation ⁵	11.81

CREDIT QUALITY RATINGS⁶

(Ratings by Moody's)	Percentage
A	1.2
Ba	22.1
B	46.9
Caa	6.2
C	0.1
Not Rated	0.2

¹Jensen Alpha is a version of alpha that takes into consideration a fund's performance relative to the risk-free rate plus its beta, compared to its benchmark. This ratio is an indication of a manager's ability to achieve a greater return relative to its benchmark.

²Alpha is a coefficient measuring risk-adjusted performance, considering the risk due to the specific security, rather than the overall market.

³Beta coefficient measures an investment's relative volatility or impact of a per-unit change in the independent variable (market) on the dependent variable (portfolio), holding all else constant.

⁴R-Squared is a measure of how much a portfolio's performance can be explained by the returns from the overall market (or a benchmark index).

⁵Standard Deviation measures a fund's variation around its mean performance over time. Higher figures indicate greater volatility.

⁶Credit quality ratings are from Moody's Investor Services. If no Moody's rating is available, the Standard & Poor's rating is reported. If unrated, the investment manager determines a comparable rating. In calculating average quality, the investment manager assigns ratings to U.S. Government and Government Related securities that are higher than the ratings assigned to securities rated Aaa. The credit quality of the investment in the portfolio does not apply to the stability or safety of the Fund or its shares.

PORTFOLIO MANAGER



Mary Austin, CFA[®] has been with the Pax World High Yield Bond Fund since its inception in 1999. Ms. Austin started as an analyst before becoming Co-Portfolio Manager in November 2005 and then Portfolio Manager the following November. Prior to joining Pax World, Mary worked for Salomon Smith Barney as a sell-side equity analyst covering small- to mid-cap specialty pharmaceutical and medical technology companies, and assisted many innovative healthcare companies as they went public. Mary is a member of The Boston Society of Security Analysts and the New York Society of Security Analysts.

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ABOUT SUSTAINABLE INVESTING

Pax World mutual funds seek to invest in forward-thinking companies with sustainable business models. To identify those companies, we combine rigorous financial analysis with equally rigorous environmental, social and governance (ESG) criteria. The result, we believe, is an increased level of scrutiny that helps us identify better-managed companies that are leaders in their industries, meet positive standards of corporate responsibility and focus on the long term. By investing in those companies, we intend for our shareholders to benefit from their vision and success.

For more information about Pax World High Yield Bond Fund and our entire family of mutual funds, or to open an account, please visit www.paxworld.com or call 800.767.1729.