



June 12, 2007

Mr. Christopher Cox
Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Dear Commissioner Cox:

I am President and CEO of PAX World Management Corp., investment adviser to Pax World Funds. We follow a sustainable investing approach, meaning that we actively integrate environmental, social and governance issues into investment analysis and decision making.

I write today to express my concern about some of the ideas that were apparently raised at the recent SEC roundtable meetings regarding shareholder resolutions. In particular, I refer to the somewhat alarming suggestion that the right of shareowners to sponsor advisory resolutions be further restricted or even eliminated.

Pax World has long believed in the importance of active ownership, and we have been involved in shareholder advocacy initiatives through voting our proxies, writing letters and entering into dialogue with companies and sponsoring shareholder resolutions. As you know, this process is an important means for formalizing communication between concerned investors and management on social, environmental and corporate governance issues.

If the notion of restricting or eliminating shareholder advisory proposals becomes a formal SEC rulemaking proposal, I expect you will see vigorous opposition from individual and institutional investors. After the corporate scandals of recent years, surely corporate managers need to be more attentive, not less, to shareholder interests. I am surprised, to say the least, that the SEC would be looking at curtailing (rather than expanding) shareholder rights at this time.

I would urge the SEC to drop this concept before it gets to the proposal stage. One proposal was that advisory resolutions be disallowed or further restricted but binding resolutions, like bylaw amendments, be permitted. This is hardly a solution. More than 95 percent of shareowner resolutions are "advisory" in nature, and yet they have had a profound impact on corporate policies and conduct over the past 35 years. While new, creative methods to improve investor-management communications would be welcome, eliminating investor rights in favor of "chat rooms" or other faux communications would be a disastrous step backwards.

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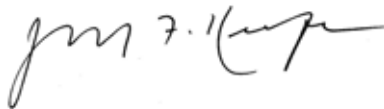
It is the genius of the SEC's current proxy system that shareholders of every size can participate in the marketplace of ideas by filing resolutions, and that the principal test of those ideas is their ability to garner support of fellow shareowners. Creating steeper thresholds for filing of resolutions would be inconsistent with this system. The SEC itself has noted that the proxy is an asset and needs to be treated accordingly – if shareholders' only right is to vote in favor of or abstain from management-sponsored resolutions, the whole notion of a public corporation begins to break down.

There are numerous examples of positive changes in corporate governance and on social and environmental issues that have come about as a result of shareholder engagement through advisory resolutions. And when the SEC required mutual funds to disclose their proxy voting records annually, it was done with the understanding that the proxy is an asset and that voting proxies conscientiously is therefore a fiduciary duty. Indeed, at Pax World we believe it is our fiduciary duty not only to vote our proxies but to proactively intervene if a company's governance or social record is putting shareholder value at risk. Clearly, sponsorship of an advisory resolution is one meaningful way of doing this, and is an essential shareholder right.

It would be inappropriate for the SEC, having long allowed shareowners to place advisory resolutions on the proxy, to now, as some roundtable participants apparently suggested, "devolve" those rights to the states or to corporate management to establish their own rules. The system of advisory resolutions that the SEC has established is too important and central to the American system of corporate governance and to the integrity of capital markets to allow corporations or states to "opt out" of these important mechanisms.

On behalf of Pax World and our investors, please know that we strongly oppose any move to take away shareholder rights to file advisory resolutions.

Sincerely,

A handwritten signature in black ink, appearing to read "J. F. Keefe", written over a faint date "7.11.07".

Joseph F. Keefe
President & CEO