

Shareholder Information

Pricing of Fund Shares

How NAV Is Calculated

The per share net asset value (“NAV”) is calculated by adding the total value of a Fund’s investments and other assets, subtracting its liabilities and then dividing that figure by the number of outstanding shares of the Fund:

$$\text{NAV} = \frac{\text{Total Assets} - \text{Liabilities}}{\text{Number of Shares Outstanding}}$$

The NAV for each Fund is determined and its shares are priced at the close of regular trading on the NYSE, normally at 4 p.m. Eastern Time each day (a “Business Day”) the NYSE is open for trading.

Each Fund’s securities, other than short-term debt obligations, are generally valued at current market prices. If market quotations are not available, prices will be based on fair value as determined by a method approved by the Funds’ Trustees. Due to the subjective and variable nature of fair value pricing, it is possible that the fair value determined for a particular security may be materially different from the value realized upon such security’s sale. Debt obligations with remaining maturities of 60 days or less are valued at amortized cost. Shares of the underlying funds held by the Genesis Portfolios are generally priced at the NAV for each underlying fund as calculated by that fund.

Your order for a purchase of shares (including purchases through exchanges) is priced on Business Days at the next determined offering price, which is NAV plus any applicable sales charge as noted in the section on “Distribution Arrangements/Sales Charges” calculated after your order is received in good order. Your order for a redemption of shares (including redemptions through exchanges) is priced on Business Days at the next determined NAV minus any applicable redemption fees.

Business Days Defined

A business day for the Funds is generally a day that the New York Stock Exchange is open for business. The NYSE and the Funds will not open on the following holidays: New Year’s Day, Martin Luther King, Jr. Day, Presidents’ Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day.

Purchasing and Adding to Your Shares

Account Type	Minimum Initial Investment per Fund	Minimum Subsequent Investment per Fund
Praxis Mutual Funds		
Class A		
Regular (non-retirement)	\$ 2,500	\$ 100
Retirement	\$ 2,500	\$ 100
Automatic Investment Plan	\$ 100	\$ 100
Praxis Genesis Portfolios		
Regular (non-retirement)	\$ 1,000	\$ 50
Retirement	\$ 1,000	\$ 50
Automatic Investment Plan	\$ 50	\$ 50
Class I	\$100,000	N/A

Each Fund may, at its discretion, waive investment minimums and any applicable service fees for initial and subsequent purchases for investors who purchase shares.

You may purchase the Funds directly or through investment representatives, who may charge additional fees and may require higher minimum investments or impose other limitations on buying and selling shares. BHIL Distributors, LLC (the “Distributor”) has relationships with certain brokers and other financial intermediaries who are authorized to accept, or designate intermediaries to accept, purchase and redemption orders for the Funds. If you purchase through such a broker, your order will be priced at the NAV plus any applicable sales charge next determined after your broker or its designated intermediary receives it in good order. Contact your investment representative to determine whether they have an established relationship with the Distributor. If you purchase shares through an investment representative, that party is responsible for transmitting orders by 4 p.m. Eastern Time and may have an earlier cut-off time for purchase and sale requests. Such investment representatives may designate other entities to receive purchase and redemption orders on behalf of the Funds. Consult your investment representative for specific information.

Shareholder Information

Purchasing and Adding to Your Shares (continued)

All checks must be in U.S. Dollars drawn on a domestic bank. The Funds will not accept payment in cash or money orders. The Funds will not accept postdated checks, or any conditional order or payment. To prevent check fraud, the Funds will not accept third party checks, Treasury checks, credit card checks, traveler's checks or starter checks for the purchase of shares.

U.S. Bancorp Fund Services, LLC (the "Transfer Agent") will charge a \$25 fee against a shareholder's account, in addition to any loss sustained by the Funds, for any payment that is returned. It is the policy of the Funds not to accept applications under certain circumstances or in amounts considered disadvantageous to shareholders. The Funds reserve the right to reject any application.

Customer Identification Program

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account and to determine whether such person's name appears on government lists of known or suspected terrorists and terrorist organizations. When you open a new account to buy shares of the Funds, the Funds or your investment representative will ask your name, address, date of birth, taxpayer identification or other government identification number and other information that will allow the Funds to identify you. If the Funds or your investment representative are unable to adequately identify you within the time frames set forth in the law, your shares may be automatically redeemed. If the net asset value per share has decreased since your purchase, you will lose money as a result of this redemption. In the event of fraud or wrongdoing, your assets will not be redeemable, and the account will be frozen.

Instructions for Opening or Adding to an Account

By Regular Mail

Initial investment:

1. Carefully read and complete the application. Establishing your account privileges now saves you the inconvenience of having to add them later.
2. Make check or bank draft payable to "Praxis Mutual Funds".
3. Mail to: Praxis Mutual Funds
c/o U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701.

The Funds do not consider the U.S. Postal Service or other independent delivery services to be its agents. Therefore, deposit in the mail or with such services, or receipt at U.S. Bancorp Fund Services, LLC post office box, of purchase orders does not constitute receipt by the Transfer Agent of the Fund.

Subsequent investment:

1. Use the investment slip attached to your account statement. Or, if unavailable, include the following information on a piece of paper:
 - Fund name and Fund number
 - Amount invested
 - Account name
 - Account number

Include your account number on your check.

2. Mail to: Praxis Mutual Funds
c/o U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701.

The Funds do not consider the U.S. Postal Service or other independent delivery services to be its agents. Therefore, deposit in the mail or with such services, or receipt at U.S. Bancorp Fund Services, LLC post office box, of purchase orders does not constitute receipt by the Transfer Agent of the Fund.

Shareholder Information

Purchasing and Adding to Your Shares (continued)

Avoid 28 Percent Tax Withholding

The Funds are required to withhold 28 percent of taxable dividends, capital gains distributions and redemptions paid to shareholders who have not provided the Fund with their certified Taxpayer Identification Number in compliance with IRS rules. To avoid this, make sure you provide your correct Tax Identification Number (Social Security Number for most investors) on your account application.

By Overnight Service

Please call (800) 977-2947 for mailing instructions.

Electronic Purchases

Unless the telephone options were declined on the account application, investors may purchase additional shares of the Funds by calling (800) 977-2947. If you established your bank information at the time of application, and your account has been open for at least 15 days, telephone orders will be accepted via electronic funds transfer from your bank account through the Automated Clearing House ("ACH") network. Your bank must be a member of the ACH network, and you must have banking information established on your account prior to making a purchase. If your order is received in proper form prior to 4 p.m. Eastern Time, your shares will be purchased at the applicable price calculated on the day your order is placed.

Telephone trades must be received by or prior to market close. During periods of high-market activity, shareholders may encounter higher than usual call waits. Please allow sufficient time to place your telephone transaction. Once a telephone transaction has been placed, it cannot be canceled or modified.

Electronic vs. Wire Transfer

Wire transfers allow financial institutions to send immediately cleared and available funds to each other almost instantaneously. When funds are sent through the ACH network the process of debiting or crediting your account may take 2 - 3 days, and the funds may not be considered clear and available for up to 15 calendar days.

Internet Purchases

After your account is established, you may set up a user ID and password by logging onto www.praxismutualfunds.com. This will enable you to purchase shares by having the purchase amount deducted from your bank account by electronic funds transfer via the ACH network. Your fund account must be set up with bank account instructions and your bank must be an ACH member in order to complete internet transactions.

The Fund employs procedures to confirm that transactions entered through the internet are genuine. These procedures include passwords, encryption and other precautions reasonably designed to protect the integrity, confidentiality and security of shareholder information. The Funds and the Transfer Agent will not be responsible for any loss, liability or expense for any fraudulent or unauthorized instructions entered via the internet.

By Wire Transfer

Note: Your bank may charge a wire transfer fee.

For initial investment:

If you are making your first investment in the Funds, before you wire funds, the Transfer Agent must have a completed account application. You may mail, fax, or overnight delivery your account application to the Transfer Agent. Upon receipt of your completed account application, the Transfer Agent will establish an account for you and a customer service representative will contact you with the account number and wire instructions. Your bank must include both the name of the Fund you are purchasing, the account number, and your name so that monies can be correctly applied. Your bank may charge a wire transfer fee. Please call (800) 977-2947 to advise the Transfer Agent of your intent to wire funds. This will help ensure proper credit upon receipt of your wire.

Wired funds must be received prior to 4 p.m. Eastern Time to be eligible for same day pricing. The Fund and the Transfer Agent are not responsible for the consequences of delays resulting from the banking or Federal Reserve wire system, or from incomplete wiring instructions.

Automatic Investment Plan

Once your account has been opened with the initial minimum investment, you may make additional purchases at regular intervals in the Praxis Class A shares through the Automatic Investment Plan. This Plan provides a convenient method to have monies deducted from your bank account for investment into the Fund. Automatic investments can be as little as \$100 per fund for Praxis Funds and \$50 per fund for Genesis Portfolios (see above in the section entitled "Purchasing and Adding to Your Shares" for more information about investment minimums). Your financial institution must be a member of the

Shareholder Information

Purchasing and Adding to Your Shares (continued)

Automated Clearing House (ACH) network. If your bank rejects your payment, the Fund's transfer agent will charge a \$25 fee to your account. Any request to change or terminate your Automatic Investment Plan should be submitted to the transfer agent 5 days prior to effective date.

To invest regularly from your bank account:

1. Complete the Automatic Investment Plan portion on your Account Application. Make sure you note:
 - Your bank name, address and account number;
 - The amount you wish to invest automatically (minimum \$100 per fund for Praxis Mutual Funds and \$50 per fund for Genesis Portfolios); and
 - How often you want to invest (twice a month, every month, four times a year, twice a year or once a year).
2. Attach a voided personal check.

Information about the Everence Money Market Account

The Everence Money Market Account offered through Urban Partnership Bank is an FDIC-insured (up to certain limits) interest-bearing account with direct community development benefits. The Money Market Account is only available to individuals, trusts, and nonprofit organizations. The Money Market Account is not available to 403(b) plans. You may open and maintain an Everence Money Market Account at no charge, and take advantage of free check-writing (with a \$250 minimum per check) and easy transfers by telephone to and from your Praxis Mutual Fund account. Check-writing privileges are not available for retirement accounts. An Everence Money Market Account is subject to certain terms and conditions. Please call (800) 977-2947 or visit www.everence.com for more information. The rate of return for the Everence Money Market Account will vary and may present other risks. The Praxis Mutual Funds are not affiliated with Urban Partnership Bank and are not FDIC-insured. The Everence Money Market Account is an option provided by the Adviser and made available to Fund shareholders; it is not a Praxis Mutual Fund and is not offered or sponsored by the Praxis Mutual Funds. Urban Partnership Bank reimburses the Adviser for expenses related to offering the Everence Money Market Account.

Dividends and Distributions

All dividends and distributions will be automatically reinvested unless you request otherwise. You may change this election at any time by notifying the Transfer Agent by telephone or in writing at least five days prior to the record date of the distribution. There are no sales charges for reinvested distributions. Capital gains are distributed at least annually.

Distributions are made on a per share basis regardless of how long you've owned your shares. Therefore, if you invest shortly before the distribution date, some of your investment will be returned to you in the form of a distribution.

Selling Your Shares

You may sell your shares at any time. Your sales price will be the next NAV after your sell order is received in proper form by the Transfer Agent. Your proceeds will be reduced by any applicable redemption fee. Payment for shares redeemed will typically be made on the Business Day following the redemption of shares but the Funds reserve the right to delay sending payment of the proceeds for up to 7 calendar days after receipt of the redemption request.

Instructions for Selling Shares

By Telephone (unless you have declined telephone sales privileges)

Call (800) 977-2947 between 8:30 a.m. and 7 p.m. Eastern Time, on days the Funds are open for business, with instructions as to how you wish to receive your funds (i.e., by mail, wire, electronic transfer). If an account has more than one owner or authorized person, the Fund will accept telephone instructions from any one owner or authorized person. Shares held in IRA and other retirement accounts may be redeemed by telephone. Investors will be asked whether or not to withhold taxes from any distribution.

By mail

1. Write a letter of instruction indicating:
 - Your Fund, Fund number and account number
 - Amount you wish to redeem
 - Address where your check should be sent
 - Account owner signature

Shareholder Information

Selling Your Shares (continued)

2. Mail to:
Praxis Mutual Funds
c/o U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701.

The Funds do not consider the U.S. Postal Service or other independent delivery services to be its agents. Therefore, deposit in the mail or with such services, or receipt at U.S. Bancorp Fund Services, LLC post office box, of purchase orders does not constitute receipt by the Transfer Agent of the Fund.

By Overnight Service

Please call (800) 977-2947 for mailing instructions. Please see General Policies on Selling Shares below for additional charges that may apply.

Internet Redemptions

After your account is established, you may set up a user ID and password by logging onto www.praxismutualfunds.com. This will enable you to sell shares by having the redemption amount deposited to your bank account by electronic funds transfer via the ACH network. Your fund account must be set up with bank account instructions and your bank must be an ACH member. You must have indicated on your application that telephone and internet transactions are authorized and also have provided a voided check with which to establish your bank account instructions in order to complete internet transactions. Retirement accounts may not be eligible for internet redemptions.

The Funds employ procedures to confirm that transactions entered through the internet are genuine. These procedures include passwords, encryption and other precautions reasonably designed to protect the integrity, confidentiality and security of shareholder information. The Funds and the Transfer Agent will not be responsible for any loss, liability or expense for any fraudulent or unauthorized instructions entered via the internet.

Wire Transfer

You must already have bank instructions established on your account.

Call (800) 977-2947 to request a wire transfer. If you call by 4 p.m. Eastern Time, your payment will normally be wired to your bank on the next business day. The Fund may charge a wire transfer fee.

Note: Your financial institution may also charge a separate fee.

Withdrawing Money from Your Fund Investment

As a mutual fund shareholder, you are technically selling shares when you request a withdrawal in cash. This is known as redeeming shares or a redemption of shares. A redemption fee may apply to shares held less than 30 days. See "Market Timing and Excessive Trading — Redemption Fee" below.

Systematic Withdrawal Plan

You may redeem your Praxis Class A shares through the Systematic Withdrawal Plan. Under the Plan, you may choose to receive a specified dollar amount, generated from the redemption of shares in your account, on a monthly, quarterly, semi-annual or annual basis. Each payment should be a minimum of \$50. If you elect this method of redemption, the Fund will send a check to your address of record, or will send the payment via electronic funds transfer through the ACH network, directly to your bank account.

For payment through the ACH network, your bank must be an ACH member and your bank account information must be maintained on your Fund account. This Program may be terminated at any time by the Funds. You may also elect to terminate your participation in this Plan at any time by contacting the Transfer Agent 5 days in advance of the next withdrawal.

A withdrawal under the Plan involves a redemption of shares and may result in a gain or loss for federal income tax purposes. In addition, if the amount withdrawn exceeds the dividends credited to your account, the account ultimately may be depleted.

General Policies on Selling Shares

Redemptions in Writing Required

The following circumstances require that your request to sell shares be made in writing accompanied by an original signature guarantee to help protect against fraud. Signature guarantees will generally be accepted from domestic banks, brokers, dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings

Shareholder Information

General Policies on Selling Shares (continued)

associations, as well as from participants in the NYSE Medallion Signature Program and the Securities Transfer Agents Medallion Program. A notary public is not an acceptable signature guarantor.

A signature guarantee, from either a Medallion program or a non-Medallion program member, is required to redeem shares in the following situations:

- If ownership is being changed on your account;
- When redemption proceeds are payable or sent to any person, address or bank account not on record;
- If a change of address was received by the Transfer Agent within the last 30 calendar days; or
- For all redemptions in excess of \$50,000 from any shareholder account.

In addition to the situations described above, the Fund(s) and/or the Transfer Agent reserve the right to require a signature guarantee in other instances based on the circumstances relative to the particular situation. Non-financial transactions, including establishing or modifying certain services on an account, may require a signature guarantee, signature verification from a Signature Validation Program member, or other acceptable form of authentication from a financial institution source. The Funds reserve the right to waive any signature guarantee requirement at their discretion.

A \$15.00 fee may be charged to your account for requests to send checks by overnight mail.

Verifying Telephone Redemptions

The Funds have implemented procedures to ensure that telephone redemptions are only made by authorized shareholders. All telephone calls are recorded for your protection and you will be asked for information to verify your identity. Given these precautions, unless you have specifically indicated on your application that you do not want the telephone redemption feature, you may be responsible for any fraudulent telephone orders. If appropriate precautions have been taken, the Transfer Agent will not be liable for losses due to unauthorized transactions.

Redemptions within 15 Days of Shares Purchased by Check or Electronic Funds Transfer

If any portion of the shares to be redeemed represents an investment made by check or electronic funds transfer through the ACH network, the fund may delay the payment of the redemption proceeds until the Transfer Agent is reasonably satisfied that the purchase has been collected.

Delayed Redemption Request

Payment for redemptions may be delayed under extraordinary circumstances or as permitted by the Securities and Exchange Commission ("SEC") in order to protect remaining shareholders.

Redemption in Kind

The Funds reserve the right to make payments in securities rather than cash, known as "redemption in kind", for large redemptions that could be disruptive to the Fund operations and not be in the best interest of remaining Fund shareholders. Each of the Funds has made an election pursuant to Rule 18f-1 under the Investment Company Act of 1940, as amended (the "1940 Act"). This election requires that the Funds redeem shares solely in cash up to the lesser of \$250,000 or 1 percent of the NAV of the Fund during any 90 day period for any one shareholder. If a Fund deems it advisable for the benefit of all shareholders, redemption in kind will consist of securities equal in market value to your shares. When you convert these securities to cash, you will pay brokerage charges.

Undeliverable Dividend Distribution, Capital Gain and Redemption Checks

If you elect to receive distributions and/or capital gains paid in cash, and the U.S. Postal Service cannot deliver the check, or if a check remains outstanding for 6 months, the Fund reserves the right to reinvest the distribution check in your account, at the Fund's current net asset value, and to reinvest all subsequent distributions.

Closing of Small Accounts

Class A Shares — If your Praxis Fund account falls below \$2,500 for any reason, the Fund may ask you to increase your balance. If 45 days after notification your account balance is still below \$2,500, the Fund may close your account and send you the proceeds at the current NAV.

If your Praxis Genesis Portfolio account falls below \$1,000 for any reason, the Fund may ask you to increase your balance. If 45 days after notification your account balance is still below \$1,000, the Fund may close your account and send you the proceeds at the current NAV.

Class I Shares — If your Praxis Fund account falls below \$100,000 for any reason, the Fund may ask you to increase your balance. If 45 days after notification your account balance is still below \$100,000, the Fund may close your account and send you the proceeds at the current NAV.

Shareholder Information

General Policies on Selling Shares (continued)

Annual Account Fee

If the value of your Praxis Class A shares account falls below \$5,000 for any reason, including market fluctuation, you may be subject to a \$25 annual fee on each of your accounts you own that has a balance below \$5,000. The annual account fee applies to both retirement and nonretirement accounts and may be assessed in all Praxis Funds, regardless of a Fund's minimum investment amount.

Example: You own the Praxis Value Index Fund and the Praxis Impact Bond Fund. Each Fund has a balance of \$2,500. Because both Funds have less than the required minimum balance, \$25 will be deducted from both the Praxis Value Index Fund and Praxis Impact Bond Fund. Consolidating your investments from these two Funds into one Fund would allow you to reach the minimum whereby no annual fee would be charged. You can also avoid this annual fee by converting your Funds into the Genesis Portfolios (see below).

If the value of your Praxis Genesis Portfolio account falls below \$1,000 for any reason, including market fluctuation, you may be subject to a \$25 annual account fee on each Portfolio you own that has a balance below \$1,000. The annual account fee applies to both retirement and nonretirement fund accounts and may be assessed on fund accounts in all Genesis Portfolios, regardless of a Fund's minimum investment amount. The fee will be waived for Genesis Portfolios, regardless of the account balance, in the following circumstances:

- You register for online access by visiting www.praxismutualfunds.com and elect to receive statements, reports, and other materials electronically, so long as that election remains in effect;
- Accounts that are set up with an active monthly automatic investment plan, so long as that plan remains in effect;
- Accounts held in 403(b), SIMPLE IRA and SEP-IRA plans that have had a transaction within the 12 months prior to the annual fee being charged.

The fee is collected by redeeming fund shares in the amount of \$25, is deducted from fund accounts in July each year and is used to contractually reduce the fee paid by the Funds to the Transfer Agent for its services.

Shares held through an omnibus account or wrap-fee program for which a Fund has waived investment minimums, accounts held through financial intermediaries, and the Everence Money Market accounts are not subject to this fee. The Funds reserve the right to waive the annual account fee in certain situations at their discretion.

Account Inactivity

It is important that the Funds maintain a correct address for each investor. An incorrect address may cause an investor's account statements and other mailings to be returned to the Funds. Based upon statutory requirements for returned mail, the Funds will attempt to locate the investor or rightful owner of the account. If the Funds are unable to locate the investor, they will determine whether the investor's account can legally be considered abandoned. The Funds are legally obligated to escheat (or transfer) abandoned property to the appropriate state's unclaimed property administrator in accordance with federal and state statutory requirements. The investor's last known address of record determines which state has jurisdiction.

Market Timing and Excessive Trading

Market timing may interfere with the management of a Fund's portfolio and result in increased costs. The Funds do not accommodate market timers. On behalf of the Funds, the Board of Trustees has adopted policies and procedures to discourage short term trading or to compensate the Funds for costs associated with it. If the Funds believe, in their sole discretion, that an investor is engaged in excessive short-term trading or is otherwise engaged in market timing activity, the Funds may, with or without prior notice to the investor, reject further purchase orders from that investor, and the Funds disclaim responsibility for any consequent losses that the investor may incur. The Funds' response to any particular market timing activity will depend on the facts and circumstances of each case, such as the extent and duration of the market timing activity and the investor's trading history in the Funds.

Risks Presented by Excessive Trading Practices

Parties engaged in market timing may use many techniques to seek to avoid detection. Despite the efforts of the Funds and their agents to prevent market timing, there is no guarantee that the Funds will be able to prevent all such practices. For example, the Funds receive purchase, exchange and redemption orders through financial intermediaries and cannot always reasonably detect market timing that may be facilitated by these intermediaries or by the use of omnibus account arrangements offered by these intermediaries to investors. Omnibus account arrangements typically aggregate the share ownership positions of multiple shareholders and often result in the Funds being unable to monitor the purchase, exchange and redemption activity of a particular shareholder. To the extent that the Funds and their agents are unable to curtail excessive trading practices in a Fund, those practices may interfere with the efficient management of the Fund's investment portfolio, and may, for example, cause the Fund to maintain a higher cash balance than it otherwise would have maintained or to experience higher portfolio turnover than it otherwise would have experienced. This could hinder performance and lead to increased brokerage and administration costs. Those increased costs would be borne by Fund shareholders.

Shareholder Information

Market Timing and Excessive Trading (continued)

For a Fund that invests significantly in foreign securities traded on markets that may close prior to when the Fund determines its NAV, excessive trading by certain shareholders may cause dilution in the value of Fund shares held by other shareholders. Each Fund has procedures designed to adjust closing market prices of foreign securities under certain circumstances to reflect what it determines to be the fair value of those securities at the time when the Fund determines its NAV, which are intended to mitigate this risk. To the extent that a Fund invests in securities that may trade infrequently, such as securities of smaller companies, it may be susceptible to market timing by investors who seek to exploit perceived price inefficiencies in the Fund's investments. This is commonly referred to as price arbitrage. In addition, the market for securities of smaller companies may at times show market momentum, in which positive or negative performance may continue for a period of time for reasons unrelated to the fundamentals of the issuer. Certain investors may seek to capture this momentum by trading frequently in the Fund's shares. Because securities of smaller companies may be less liquid than securities of larger companies, the Fund may be unable to purchase or sell investments at favorable prices in response to cash inflows or outflows caused by timing activity.

Redemption Fee

The Fund will charge a redemption fee of 2 percent of the total redemption amount if you sell or exchange your shares after holding them for less than 30 days subject to certain exceptions and limitations described below. The fee will be limited to the extent that any shares that are not subject to the fee (e.g., shares acquired via a dividend reinvestment) are sold or exchanged first. The Funds are intended for long term investment. The redemption fee is paid directly to the Fund and is intended to discourage short-term trading in Fund shares and to compensate the Fund for costs associated with short-term investment in the Fund. The longest-held shares in your account will be exchanged or redeemed first.

This fee does not apply to:

- Minimum required distributions from retirement plan accounts for shareholders age 70 1/2 and older. The maximum amount subject to this waiver is based only upon the shareholder's Praxis retirement accounts.
- The return of an excess contribution or deferral amount from a retirement plan.
- Redemption for the reallocation of purchases received under a systematic investment plan for rebalancing purposes.
- Redemption by a discretionary platform for mutual fund wrap programs for rebalancing purposes.
- Shares acquired via dividend reinvestment.
- Shares held in retirement plans that are established as omnibus accounts or managed by a third-party administrator.
- Shares transferred from one retirement plan to another in the same Fund.
- Shares sold through a systematic withdrawal plan, an automatic investment plan or non-discretionary rebalancing programs.
- Redemptions requested within 30 days following the death or disability of the shareholder.
- Certain omnibus accounts where it is impractical to impose the fee.

The Funds reserve the right to modify these exceptions or to waive the redemption fee.

Restriction and Rejection of Purchase or Exchange Orders

The Funds reserve the right to restrict or reject, for any reason, and without any prior notice, any purchase or exchange order. The Funds reserve the right to delay, for up to one business day, the processing of exchange requests in the event that, in a Fund's judgment, such delay would be in the Fund's best interest, in which case, both the redemption and purchase will be processed at the conclusion of the delay period.

The Funds' policy imposing redemption fees generally applies to all investors. In accordance with Rule 22c-2 under the 1940 Act, the Funds have entered into information sharing agreements with financial intermediaries that are authorized to submit orders in nominee name on behalf of other parties. Under these agreements, a financial intermediary is obligated to: (1) adopt and enforce during the term of the agreement, a market-timing policy, the terms of which are acceptable to the Funds; (2) furnish the Funds, upon their request, with information regarding customer trading activities in shares of any of the Funds; and (3) enforce its market-timing policy with respect to customers identified by the Funds as having engaged in market timing. When information regarding transactions in any of the Funds' shares is requested by the Funds and such information is in the possession of a person that is itself a financial intermediary to a financial intermediary (an "indirect intermediary"), any financial intermediary with whom the Funds have an information sharing agreement is obligated to obtain transaction information from the indirect intermediary or, if directed by the Funds, to restrict or prohibit the indirect intermediary from purchasing shares of any of the Funds on behalf of other persons.

Financial intermediaries maintaining omnibus accounts with a Fund may impose market timing policies that are more restrictive than the market timing policy adopted by the Board of Trustees. For instance, these financial intermediaries may impose limits on the number of purchase and sale transactions that an investor may make over a set period of time and impose penalties for transactions in excess of those limits. Financial intermediaries also may exempt certain types of transactions from these limitations. If you purchased your shares through a financial intermediary, you should read carefully any materials provided by the financial intermediary together with this prospectus to fully understand the market timing policies applicable to you.

Shareholder Information

Market Timing and Excessive Trading (continued)

Important Notice to Financial Intermediaries

The Funds require that you identify yourself if you are a financial intermediary that establishes omnibus accounts in the Funds for your customers. If you do not identify yourself and a Fund determines that you are a financial intermediary, the Fund has the right to refuse future purchases from you and will apply its Market Timing Policy to your account(s) or may close your account immediately and send you the proceeds computed at the current NAV.

Distribution Arrangements/Sales Charges

This section describes the sales charges and fees you will pay as an investor in the Praxis Class A shares and ways to qualify for reduced sales charges. This prospectus, which includes sales load breakpoint information, is available on the Funds' website at www.praxismutualfunds.com. In addition, a description of such sales load breakpoints and ways to qualify for reduced sales charges is provided on the website.

Sales Charge (Load)	Front-end sales charge; reduced sales charges available. ⁽¹⁾
Distribution and Service (12b-1) Fee	Subject to annual distribution and shareholder servicing fees of up to 0.50% of each Fund's total assets. ⁽²⁾

⁽¹⁾ You may incur a Contingent Deferred Sales Charge (CDSC) on shares redeemed within 2 years of a purchase of \$1 million or more.

⁽²⁾ The Trustees have authorized the Funds to charge no more than 0.25 percent as a 12b-1 fee.

Calculation of Sales Charges

You may purchase Class A Shares at their public offering price which is equal to their NAV, plus a sales charge imposed at the time of purchase. Part of the money you invest will be used to pay the sales charge. The remainder is invested in Fund shares. The sales charge decreases with larger purchases. There is no sales charge on reinvested dividends and distributions. Because of rounding of the calculation in determining the sales charge, you may pay more or less than what is shown in the tables below.

The current sales charge rates for each of the Funds are as follows:

For the Impact Bond Fund

Your Investment	Sales Charge as a % of Offering Price	Sales Charge as a % of Your Net Investment	Dealer Allowance as a % of Offering Price
Less than \$50,000	3.75%	3.90%	3.25%
\$50,000 but less than \$100,000	3.25%	3.36%	2.75%
\$100,000 but less than \$250,000	2.75%	2.83%	2.25%
\$250,000 but less than \$500,000	2.00%	2.04%	1.50%
\$500,000 but less than \$1,000,000	1.00%	1.01%	0.50%
\$1,000,000 and above ⁽¹⁾	0.00%	0.00%	0.00%

For the International Index Fund, the Value Index Fund, the Growth Index Fund, the Small Cap Index Fund, the Conservative Portfolio, the Balanced Portfolio, and the Growth Portfolio

Your Investment	Sales Charge as a % of Offering Price	Sales Charge as a % of Your Net Investment	Dealer Allowance as a % of Offering Price
Less than \$50,000	5.25%	5.54%	4.75%
\$50,000 but less than \$100,000	4.00%	4.17%	3.50%
\$100,000 but less than \$250,000	3.00%	3.09%	2.50%
\$250,000 but less than \$500,000	2.00%	2.04%	1.50%
\$500,000 but less than \$1,000,000	1.50%	1.52%	1.00%
\$1,000,000 and above ⁽¹⁾	0.00%	0.00%	0.00%

⁽¹⁾ There is no initial sales charge on purchases of \$1 million or more. However, a CDSC of up to 1 percent of the purchase price will be charged to the shareholder if shares are redeemed in the first year after purchase, or up to 0.50 percent if redeemed in the second year after purchase. This charge will be based on the lower of your cost for the shares or their NAV at the time of redemption. There will be no CDSC on reinvested distributions.

Shareholder Information

Distribution Arrangements/Sales Charges (continued)

Sales Charge Reductions

Reduced sales charges are available to shareholders with investments of \$50,000 or more. You may qualify for reduced sales charges under the following circumstances:

- *Rights of Accumulation ("ROA")*. When the value of shares of any class you already own (excluding your Everence Money Market Account) plus the amount you invest reaches the amount needed to qualify for reduced sales charges, your added investment will qualify for the reduced sales charge. The value of the shares you already own is based on the current day's NAV. You can include purchases by, and accounts owned by, family household members at the same address (spouse and children under the age of 21). You will need to provide written instructions with respect to accounts that should be aggregated under this ROA.
- *Letter of Intent*. You may combine share purchases of any Fund (excluding your Everence Money Market Account) and receive the same sales charge as if all shares had been purchased at once by signing a Letter of Intent ("LOI"). Your individual purchases will be made at the applicable sales charge based on the amount you intend to invest over a 13-month period. Purchases resulting from the reinvestment of dividends and capital gains do not apply toward the fulfillment of the LOI. Your accumulated holdings (as described and calculated under "Rights of Accumulation" above) are eligible to be aggregated as of the start of the 13-month period and will be credited toward satisfying the LOI. Shares equal to 5% of the amount of the LOI will be held in escrow during the 13-month period. If, at the end of that time the total amount of purchases made is less than the amount intended, you will be required to pay the difference between the reduced sales charge and the sales charge applicable to the individual purchases had the LOI not been in effect. This amount will be obtained from the redemption of the escrowed shares. Any remaining escrowed shares will be released to you.

If you establish an LOI with the Praxis Mutual Funds you can aggregate your accounts as well as the accounts of your immediate family members at the same address (spouse and children under the age of 21). You will need to provide written instructions with respect to the other accounts whose purchases should be considered in fulfillment of the LOI.

Your first purchase of shares at a reduced sales charge under a LOI indicates acceptance of these terms.

To obtain such discounts, it is necessary at the time of purchase for a shareholder to inform the Fund or financial intermediary of the existence of other accounts in which there are holdings eligible to be aggregated to meet these sales load breakpoints. If you do not inform the Fund that you are eligible for a discount, you may not receive a reduced sales charge to which you are entitled.

In addition to the breakpoint discount methods described above, the Funds reserve the right to reduce or waive sales charges under certain circumstances and for certain categories of investors or to modify these waivers at any time.

403(b), SIMPLE IRA and SEP IRA

By investing in a 403(b), SIMPLE individual retirement account ("IRA") or a SEP IRA plan, you, and all plan participants, will be eligible to receive a reduced Class A sales charge on all plan contributions made by the group that exceed the amount needed to qualify for reduced sales charges, provided that a group discount is requested. Should a group discount be requested, please be aware that 403(b), SIMPLE IRA and SEP IRA plan accounts will not eligible to be counted under a ROA or LOI sales charge reduction or waiver with accounts other than accounts in the 403(b), SIMPLE IRA or SEP IRA plan.

Sales Charge Waivers

The following qualify for waivers of front-end sales charges:

1. Current or retired Trustees of the Funds, officers, directors, employees and retired employees of the Adviser or any Sub-Adviser and the Adviser's or any Sub-Adviser's affiliates, and spouses and children under the age of 21 of each of the foregoing;
2. Employees or registered representatives (and their spouses and children under the age of 21, and their employed staff) of financial institutions or broker-dealers having agreements to sell Shares of the Funds;
3. All Everence Capital Management, Mennonite Foundation and Everence Trust Company investment advisory accounts and other affiliates of the Adviser;
4. Investment advisers or financial planners who place trades for their own accounts or the accounts of their clients, and who charge a management, consulting or other fee for their services; and clients of such investment advisers or financial planners who place trades for their own accounts if the accounts are linked to the master account of such investment adviser or financial planner on the books and records of the broker or agent";
5. Employee benefit or retirement plans, other than employee benefit or retirement plans that purchase Class A Shares through brokerage relationships in which sales charges are customarily imposed.
6. Purchases through a broker-dealer or other financial intermediaries maintaining an omnibus account with the Funds, provided purchases are made by (a) registered investment advisers; or (b) retirement and deferred compensation plans and trusts used to fund those plans, including, but not limited to, those defined in Section 401, 403(b) or 457 of the Internal Revenue Code and "rabbi trusts";

Shareholder Information

Distribution Arrangements/Sales Charges (continued)

Shareholders must notify the Funds either directly or through their broker-dealers AT THE TIME OF PURCHASE that they are entitled to a waiver of the sales charge. The waiver will be granted subject to confirmation of the investor's situation. Sales load waivers do not apply to any fees imposed on redemptions or exchanges. Please see the sections entitled "General Policies on Selling Shares" and "Market Timing and Excessive Trading" for more information.

Application of CDSC

For purchases into the Class A shares of \$1 million or more and purchases into accounts with a value of more than \$1 million, regardless of amount, there is no initial sales charge. However, a Contingent Deferred Sales Charge (CDSC) of 1 percent will be charged on these shares if redeemed in the first year after purchase, and 0.50 percent if redeemed in the second year after purchase.

The CDSC for Class A shares is calculated based upon the original purchase cost or the current market value of the shares being sold, whichever is less. Because of rounding of the calculation in determining the CDSC, you may pay more or less than the indicated rate. Your CDSC holding period is based upon the anniversary of your purchase.

To keep your CDSC as low as possible, each time you request to sell shares we will first sell any shares in your account that carry no CDSC. If there are not enough of these to meet your request, we will sell those shares that have been held the longest. There is no CDSC on shares acquired through reinvestment of dividends or other distributions. However, any period of time you held shares in the Everence Money Market Account will not be counted for purposes of calculating the CDSC.

The CDSC for Class A shares is generally waived if the shares are sold:

1. Following the death or disability of a Shareholder. A Shareholder will be treated as disabled if he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration. The Shareholder must furnish proof of disability to the Funds;
2. To the extent that the redemption represents a minimum required distribution from an Individual Retirement Account or other retirement plan to a Shareholder who has attained the age of 70 1/2;
3. To the extent that the redemption is involuntary;
4. For redemptions where the Shareholder withdraws no more than 12 percent of the account value annually using the Systematic Withdrawal Plan feature, subject to the limitation set forth under "Systematic Withdrawal Plan", above;

Shareholders must notify the Funds directly, AT THE TIME OF REDEMPTION, that they are entitled to a waiver of the CDSC. The waiver will be granted subject to confirmation of the investor's situation.

The Adviser, at its own expense and from its own legitimate profits, may provide compensation to dealers in connection with sales of Shares of a Fund. Shares sold subject to the waiver of the sales charges are not eligible for the payment of such compensation.

Additional Payments to Financial Intermediaries

The Adviser and/or its affiliates may pay out of their own assets and legitimate profits compensation to broker-dealers and other persons for the sale and distribution and/or for the servicing of shares of the Funds. This compensation consists of payments over and above the sales charges (and any applicable Rule 12b-1 fees) and service fees paid by the Funds. This compensation may be made to supplement commissions re-allowed to dealers, and may take the form of incentives for health benefits and deferred compensation. To earn incentives, the Adviser may combine Fund sales with sales of other products offered by the Adviser and/or its affiliates, including insurance products. In addition, the Adviser may make payments, in the form of intra-company payments, out of its own assets and legitimate profits and at no additional cost to the Funds or shareholders, to its affiliates in consideration of the assets invested in the Funds through that affiliate or ongoing shareholder services provided by that affiliate to shareholders.

The Adviser may also pay additional concessions, including de minimis non-cash promotional incentives, such as de minimis merchandise or trips, to broker/dealers employing registered representatives who have sold or are expected to sell a minimum dollar amount of shares of the Fund.

Reinstatement Privilege

You may, within 90 days of redemption, reinvest all or part of your sale proceeds by sending a written request and a check to the Fund. If the redemption proceeds were from the sale of your shares, you can reinvest into shares of any Praxis Fund Class A with the same registration at the NAV next calculated after the Fund receives your request.

Distribution and Service (12b-1) Fees

Class A Shares incur 12b-1 fees. 12b-1 fees compensate the Distributor and other dealers and investment representatives for services and expenses relating to the sale and distribution of the Funds' shares and/or for providing shareholder services. 12b-1 fees are paid from Fund assets on an on-going basis, and may increase the cost of your investment. See "Fees and Expenses" tables for the Funds for additional information.

Shareholder Information

Distribution Arrangements/Sales Charges (continued)

The Rule 12b-1 Plan authorizes Class A shares to pay a 12b-1 fee of up to 0.50 percent of the average daily net assets of the applicable Fund, although the Board of Trustees has currently authorized payments not to exceed 0.25 percent. The Distributor may use up to 0.25 percent of the 12b-1 fee for shareholder servicing and for distribution.

Long-term shareholders may pay indirectly more than the equivalent of the maximum permitted front-end sales charge due to the recurring nature of 12b-1 distribution and service fees.

Exchanging Your Shares

Instructions for Exchanging Shares

You can exchange your shares in one Fund for the same class shares of another Fund, or into or from the Everence Money Market Account (for more information regarding the Everence Money Market Account see section entitled "Automatic Investment Plan"), usually without paying additional sales charges (see "Notes" below), subject to eligibility requirements. Additionally, you can exchange your Class A shares of a particular fund for Class I shares of the same fund at relative net asset value, subject to the requirement as to minimum amount. These exchanges are not subject to a redemption fee. Please see the section entitled "General Policies on Selling Shares" and the heading regarding "Redemption Fee".

You must meet the minimum investment requirements for the Fund into which you are exchanging. Exchanges from one Fund to another generally are taxable. Exchanges may be made by sending a written request to Praxis Mutual Funds, c/o U.S. Bancorp Fund Services, LLC, P.O. Box 701, Milwaukee, WI 53201-0701, or by calling (800) 977-2947.

Please provide the following information:

- Your name and telephone number
- The exact name on your account
- Taxpayer Identification Number (usually your Social Security Number)
- Dollar value or number of shares to be exchanged
- The name of the Fund from which the exchange is to be made, the Fund number, and the account number
- The name of the Fund and the Fund number into which the exchange is being made. If this is an existing account, please provide the account number.

See "Selling your Shares" for important information about telephone transactions.

Notes on Exchanges

The registration and Tax Identification Numbers of the two accounts must be identical. The Exchange Privilege (including automatic exchanges) may be changed or eliminated at any time upon a 60 day notice to shareholders.

If you enter the Praxis Family of Funds via the Everence Money Market Account and subsequently exchange to any Class A Fund, we will assess the sales charge that applies to the Fund. The Fund will charge a redemption fee of 2 percent if you exchange your shares after holding them for less than 30 days, subject to certain exceptions and limitations as described above. Be sure to read carefully the prospectus of any Fund into which you wish to exchange shares.

Electronic Delivery of Prospectuses and Shareholder Reports

You may request electronic delivery of Fund prospectuses and annual and semi-annual reports by calling the Funds at (800) 977-2947 or enrolling online at www.praxismutualfunds.com.

Combined General Mailings (Householding)

Multiple accounts held directly with Praxis that have the same Social Security Number will receive one mailing per household of information such as prospectuses, semi-annual and annual reports. Call Praxis at (800) 977-2947 to request further grouping of accounts to receive fewer mailings, or to request that each account still receive a separate mailing.

Directed Dividends

A shareholder with an account having a current market value of at least \$5,000 may elect to have all income dividends and capital gains distributions from a Fund reinvested in one of the other Funds (provided the other Fund is maintained at its minimum required balance). The entire directed dividend (100 percent) must be reinvested into the other Fund if this option is chosen. This option is available only to the same shareholder involving Funds with the same shareholder registration.

The Directed Dividend Option may be modified or terminated by the Funds at any time after notice to the participating shareholders. Participation in the Directed Dividend Option may be terminated or changed by the shareholder at any time by writing the Funds.

Shareholder Information

Automatic Voluntary Charitable Contributions to the Mennonite Foundation

The Mennonite Foundation, an affiliate of Everence, was organized as a not-for-profit, public foundation in 1952 and received 501(c)(3) tax status in 1953. The Foundation's primary purposes are to facilitate the missions of church institutions through a wide range of planned giving and asset management services, and to provide stewardship education seminars in church and other settings.

In keeping with the Stewardship Investing objectives of the Funds, Fund shareholders may elect to make automatic, voluntary contributions of all or a percentage of their income dividends and/or capital gains to the Foundation. In order to make such an election, shareholders must elect to receive income dividends and/or capital gain distributions in cash. Shareholders may indicate their desire to contribute by completing the appropriate section of the account application regarding dividend elections. In order to qualify for the automatic charitable contributions plan, shareholders are required to maintain a minimum balance of \$10,000 in the account from which voluntary contributions are made.

The Foundation will manage contributions received from shareholders in the Foundation's "Donor Advised Fund", under current operating procedures. A shareholder may advise the Foundation, with respect to their contributions, as to the identity of desired charitable distributees and the possible timing and amounts of distributions. The Donor Advised Fund has a minimum distribution amount of \$100, and requires a minimum balance of \$1,000 at all times. The Foundation retains legal and equitable control of the Donor Advised Fund and follows a published list of guidelines when determining whether to make a distribution. Shareholders with an account balance under \$10,000 may also participate in The Mennonite Foundation Donor Advised Fund by making contributions directly to the Foundation.

Contributions to the Foundation are charitable contributions and, subject to tax law limitations, are tax-deductible as an itemized deduction on the tax return of the contributor. Shareholders who contribute to the Foundation will receive an annual report of Foundation activities during the year.

The directors of the Foundation serve in a voluntary capacity and are not paid directly or indirectly for their service to the Foundation, except for expenses associated with directors' meetings. The Foundation and the Adviser have certain officers in common. In addition, certain officers of the Foundation also serve on the Board of Directors for the Adviser.

You may obtain additional information, including the operating procedures of the Donor Advised Fund, by writing to The Mennonite Foundation, 1110 N. Main Street, Goshen, Indiana, 46528.

Charitable Gift Option

The charitable gift option allows certain shareholders of the Funds to designate all or any portion of their accounts to automatically be transferred to a church or charitable organization at the death of the shareholder. To participate in the charitable gift option, shareholders should call (800) 977-2947 for more information and to receive the necessary enrollment forms. For a shareholder to change the charitable gift option instructions or to discontinue the feature, a written request must be sent to the Funds. It shall be the responsibility of the shareholder to ascertain the tax-exempt qualification of a receiving organization. Neither the Funds, nor the Adviser, nor the Distributor will verify the qualifications of any receiving organizations or issue any charitable receipts. An investor should consult with his or her own tax counsel and estate planner as to the availability and tax and probate consequences of this feature of the Funds under applicable state or federal law.

Dividends, Distributions and Taxes

Any income a Fund receives is paid out, less expenses, in the form of dividends to its shareholders. Income dividends on the International Index Fund, the Value Index Fund, the Growth Index Fund and the Small Cap Index Fund are usually paid annually. Income dividends on the Impact Bond Fund are usually paid monthly. To the extent the Genesis Portfolios invest in the International Index Fund, the Value Index Fund, the Growth Index Fund and the Small Cap Index Fund and receive dividends, they will be paid annually. To the extent the Genesis Portfolios invest in the Impact Bond Fund and receive dividends, they will be paid monthly. Capital gains, if any, for all Funds are distributed at least annually.

A redemption or exchange of shares is considered a sale, and capital gains from any sale or exchange may be subject to applicable taxes. Generally, any such capital gains will be long-term or short-term depending on whether the holding period for the shares exceeds one year, except that any loss realized on shares held for six months or less will be treated as a long-term capital loss to the extent of any long-term capital gain dividends that were received on the shares. Additionally, any loss realized on a sale or exchange of shares of a Fund may be disallowed under the "wash sale" rules to the extent the shares disposed of are replaced with other shares of the Fund within a period of 61 days beginning 30 days before and ending 30 days after the date of disposition. If disallowed, the loss will be reflected in an adjustment to the basis of the shares acquired.

The Funds (or their administrative agents) are required to report to the IRS and furnish to shareholders the cost basis information for sale transactions of shares purchased on or after January 1, 2012. Shareholders may elect to have one of several cost basis methods applied to their account when calculating the cost basis of shares sold, including average cost, first-in, first-out or some other specific identification method. Unless you instruct otherwise, the Funds will use average cost as their default cost basis method. Shareholders should consult with their tax advisors to determine the best cost basis method for their tax situation. Shareholders that hold their shares through a financial intermediary should contact such financial intermediary with respect to reporting of cost basis and available elections for their accounts.

Shareholder Information

Dividends, Distributions and Taxes (continued)

Dividends and other distributions are treated in the same manner for federal income tax purposes whether you receive them in cash or in additional shares. Dividends generally are taxable as ordinary income. Distributions designated by a Fund as long-term capital gain distributions will be taxable to you at your long-term capital gains rate, regardless of how long you have held your Fund shares.

If you are an individual investor, a portion of the dividends you receive from a Fund may be treated as “qualified dividend income” which is taxable to individuals at the same rates that are applicable to long-term capital gains. A Fund distribution is treated as qualified dividend income to the extent that the Fund receives dividend income from taxable domestic corporations and certain qualified foreign corporations, provided that certain holding period and other requirements are met. Fund distributions generally will not qualify as qualified dividend income to the extent attributable to interest, capital gains, REIT distributions and, in many cases, distributions from non-U.S. corporations.

If a portion of a Fund’s income consists of dividends paid by U.S. corporations, a portion of the dividends paid by the Fund may be eligible for the dividends-received deduction for corporate shareholders.

An additional 3.8% Medicare tax is imposed on certain net investment income (including ordinary dividends and capital gain distributions received from a Fund and net gains from redemptions or other taxable dispositions of Fund shares) of U.S. individuals, estates and trusts to the extent that such person’s “modified adjusted gross income” (in the case of an individual) or “adjusted gross income” (in the case of an estate or trust) exceeds certain threshold amounts.

A distribution will be treated as paid to you on December 31 of the current calendar year if it is declared by a Fund in October, November or December with a record date in such a month and paid by the Fund during January of the following calendar year.

If more than 50% of the value of a Fund’s total assets at the close of its taxable year consists of stock or securities of foreign corporations, or if at least 50% of the value of a Fund’s total assets at the close of each quarter of its taxable year is represented by interests in other regulated investment companies, that Fund may elect to “pass through” to its shareholders the amount of foreign taxes paid or deemed paid by that fund. If that Fund so elects, each of its shareholders would be required to include in gross income, even though not actually received, its pro rata share of the foreign taxes paid or deemed paid by that fund, but would be treated as having paid its pro rata share of such foreign taxes and would therefore be allowed to either deduct such amount in computing taxable income or use such amount (subject to various limitations) as a foreign tax credit against federal income tax (but not both). It is expected that, in certain years, the International Index Fund may elect to “pass through” to its shareholders the amount of foreign taxes paid or deemed paid by the International Index Fund.

You will be notified in February each year about the federal tax status of distributions made by the Fund. Depending on your residence for tax purposes, distributions also may be subject to state and local taxes, including withholding taxes.

Foreign shareholders will generally be subject to U.S. withholding tax with respect to dividends received from a Fund and may be subject to U.S. estate tax with respect to their shares of a Fund. There is a penalty on certain pre-retirement distributions from retirement accounts.

This tax discussion is meant only as a general summary. Because each investor’s tax situation is unique, you should consult your tax adviser about the particular consequences to you of investing in the Funds.