

2021 Proxy voting report

Introduction

Praxis Mutual Funds® considers proxy voting an extension of shareholder advocacy and a fundamental privilege and responsibility of stock ownership. Proxy voting offers us the opportunity to represent our values on a wide range of issues directly to companies and their leadership. And the votes we cast can speak for the people and environments that have no voice in corporate circles. While many proposals on ballots are nonbinding, company management pays close attention to the will of shareholders, and action often accompanies even modest voting results.

Praxis holds over 1,000 companies and through proxy voting, we can provide input to corporate leadership beyond those companies we can engage through shareholder advocacy. Praxis has developed a sophisticated, values-driven proxy voting policy that seeks to carefully consider every resolution and ensure it is voted appropriately.

2021 policy revisions

In 2020, Praxis undertook a substantial review of our proxy voting guidelines with the assistance of Proxy Insight, an international proxy voting analytics organization. The objective of this initiative was to compare Praxis' voting records and policy with comparable firms in the faith-based, socially responsible investing (SRI), environmental, social, governance (ESG), and mainstream mutual fund fields to help determine potential policy changes for Praxis. Based on this review, Praxis made two meaningful policy revisions in 2021 on board diversity and executive compensation.

Board diversity

We seek to encourage diverse boards of directors as a reflection of our values and our commitment to addressing racial and gender inequality, in addition to our belief that it represents good governance policy. One primary way we can promote board diversity is through our proxy votes. This means voting in favor of diversity resolutions, but more commonly, voting against nominees on boards where there is a lack of diversity.

Our previous policy recommended voting against incumbent members of the board's nominating committee if the board did not include at least one woman and one racially diverse director and wasn't at least 30% diverse overall (diverse is defined as a female or ethnic minority). Our new policy recommends votes against all directors up for election if the same criteria aren't met.

Executive compensation

One important way that we can represent our values on the issue of income and wealth inequality is through our votes on executive compensation packages. Management Say-on-Pay (MSOP) proposals represent an opportunity for investors to weigh in on the compensation awarded to the company's top executive(s). These proposals are required to appear on the ballot of most U.S. companies annually. Voting against a MSOP proposal does not mean we have an exhaustively researched alternative – it is simply a signal we are sending to the company that we believe its top executive compensation policies are excessive.



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Our former policy recommended votes against MSOP proposals in cases of significant misalignment between CEO pay and company performance, problematic pay practices, or poor communication with shareholders on compensation issues. Our new policy keeps the same foundation while adding an additional recommendation of voting against MSOP proposals if the CEO's total pay exceeds \$10 million. Currently, \$10 million represents 145 times median income.

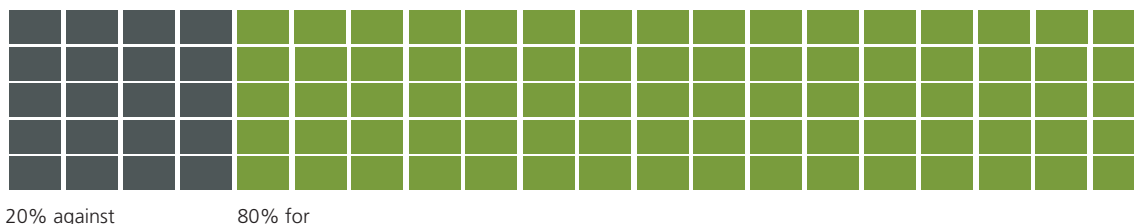
Praxis 2021 voting statistics

Through its votes, Praxis supported shareholder measures to encourage positive policy changes and corporate reform. In total, Praxis voted on more than 15,000 corporate resolutions at over 1,300 company meetings.

Total meetings	Resolutions
1,341	15,726

Praxis seeks to vote according to our values, whether or not that aligns with the recommendation of corporate management. During the 2021 proxy season, Praxis voted against management recommendations 20% of the time. Some examples of votes against management include voting against board directors over 1,300 times (for reasons such as absenteeism, conflict of interest, and lack of diversity), and supporting numerous shareholder proposals on environmental and social issues that management opposed.

Voting alignment with management



Key takeaways from the 2021 proxy season

The 2021 proxy season was historically successful on many fronts, particularly for issues that Praxis engages companies on, such as climate change and inequality.

The Interfaith Center on Corporate Responsibility reported that its members (including Praxis) filed 297 shareholder resolutions on environmental, social, and governance (ESG) issues at nearly 200 companies. More than 120 went to ballot and received record levels of support. Eight proposals that gained majority votes addressed the climate crisis and another eight cited racial justice/diversity, equity and inclusion risks. Many of those that didn't end up on the ballot were withdrawn by shareholders due to productive conversations with the company – including over half of climate proposals.

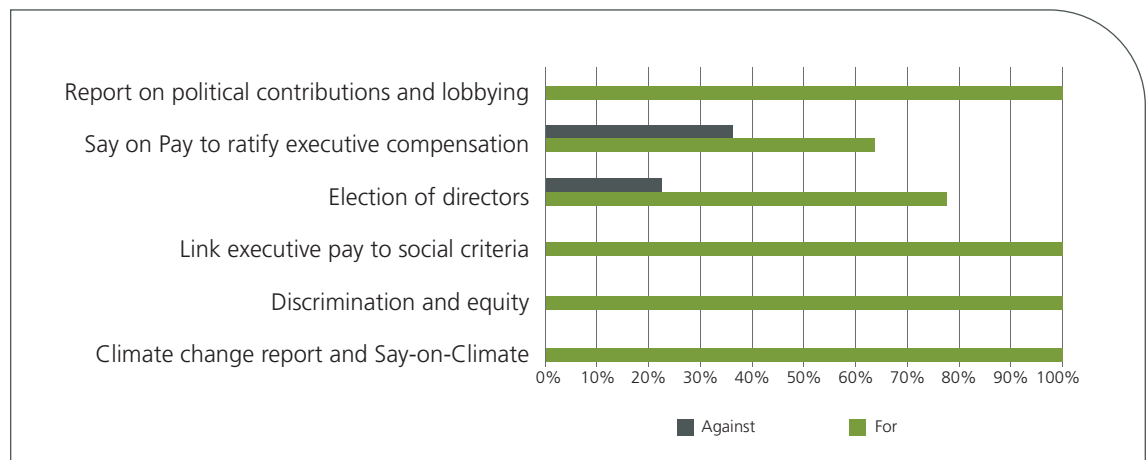
Recommendations from proxy advisory services ISS and Glass Lewis – as well as proxy support from major funds such as BlackRock, Vanguard, and State Street, which hold significant stakes in companies – were important drivers for this year's successes.

According to Proxy Preview, there were 34 majority votes for shareholder ESG proposals, eclipsing last year's record of 21. Last year, two votes broke 70%, while this year, 17 did. Four of the six that received more than 90% were supported by management – a first for U.S. environmental and social resolutions. Importantly, other high-scoring proposals were opposed by management but still earned major support.

In perhaps the most surprising example from 2021, ExxonMobil shareholders voted to replace three members of the board of directors with new members who espouse pro-climate and clean energy policies. Long viewed as a climate laggard within responsible investment and nongovernmental organization (NGO) circles, the events at ExxonMobil would have been unthinkable even a year ago. While Praxis doesn't hold ExxonMobil and didn't vote on this issue, this example demonstrates how quickly the investor mood has shifted.

The mainstreaming of investor environmental and social concerns is a boon for the Earth and for social justice. How these historic votes will translate into policy and operational changes at companies has yet to be seen, but historically, this kind of clear investor signal leads to corporate action. In one measure of progress, hundreds of companies – including dozens of energy firms – have made recent commitments to achieve net-zero carbon emissions by 2050 or earlier.

Praxis vote highlights 2021



Environment and social

Climate change

Continuing recent trends, the number of climate-related shareholder proposals as well as levels of support have grown significantly in the past year. Reports on climate disclosure remain the most common form of proposal. However, many investors are moving beyond requests for disclosure to voting against directors for perceived failures of climate risk mitigation. The 2021 season also saw the advent of the Say-on-Climate proposal, an attempt to secure a dedicated ballot item that would enable investors to express views on a company's management of climate-related risks on a recurring basis. Praxis voted in favor of all climate-related shareholder proposals.

Discrimination and equity

Considering the national movement toward racial justice and equity, there has been a surge of shareholder proposals relating to issues of discrimination and equity. Praxis co-filed one such proposal at Amazon in 2021. The resolution requested the board of directors to commission a racial equity audit analyzing Amazon's impacts on civil rights, equity, diversity and inclusion, and the impacts of those issues on Amazon's business. The proposal received 44% of the vote – very high for a first-time proposal, signifying its importance to many investors.

Linking executive pay to social criteria

A recent development in shareholder proposals is establishing the integration of sustainability criteria into executive compensation plans. Praxis is part of this movement, co-filing a proposal with Alphabet requesting that the Board Compensation Committee prepare a report assessing the feasibility of integrating sustainability metrics, including metrics regarding diversity, into performance measures or vesting conditions that apply to senior executives.

Governance

Election of directors

In 2021, Praxis voted for individual directors 78% of the time, down slightly from 2020. This is mostly due to our new approach to promoting board diversity, which includes voting against more directors on boards lacking diversity. However, the drop was less notable than anticipated. Boards have been rapidly diversifying, year-to-year, and that means fewer votes against board members that Praxis has historically voted against for diversity reasons. We see this as a positive trend, and it means that our policy will recommend fewer votes against directors if this shift continues.

Management Say-on-Pay (MSOP)

MSOP proposals grant investors the opportunity to have a “say” on the level of executive compensation at the company. Praxis’ support of MSOP proposals dropped from 79% in 2020 to 63% in 2021. This reflects our recent policy change that takes a more stringent position on excessive pay packages.

Political contributions and lobbying

Praxis voted unanimously in favor of shareholder proposals that called for a report on corporate political contributions and lobbying. These resolutions are intended to promote transparency and shed light on corporate public policy priorities.



Consider the fund's investment objectives, risks, charges and expenses carefully before you invest. The fund's prospectus and summary prospectus contain this and other information. Call 800-977-2947 or visit praxismutualfunds.com for a prospectus, which you should read carefully before you invest.

Praxis Mutual Funds are advised by Everence Capital Management and distributed through Foreside Financial Services, LLC, member FINRA. Investment products offered are not FDIC insured, may lose value, and have no bank guarantee.

The Fund's investment strategy could cause the fund to sell or avoid securities that may subsequently perform well, and the application of ESG screens may cause the fund to lag the performance of its index.

As of Oct. 31, 2021, the Praxis Growth Index Fund has invested 7.20% of its assets in Alphabet, and 5.79% of its assets in Amazon. The Praxis Mutual Funds does not have any holdings in ExxonMobil. Fund holdings are subject to change. To obtain holdings as of the most previous quarter, visit praxismutualfunds.com. Fund holdings are subject to change. To obtain holdings as of the most previous quarter, visit praxismutualfunds.com.