

Domini Impact International Equity FundSM

Institutional Shares



The Fund invests primarily in mid- to large-cap equities across Europe, the Asia-Pacific region, and throughout the rest of the world. It is managed through a two-step process designed to capitalize on the strengths of Domini Impact Investments and Wellington Management Company, the Fund's subadvisor. Domini creates an approved list of companies based on its social, environmental and governance analysis, and Wellington seeks to add value and manage risk through a systematic and disciplined portfolio construction process.

Total Returns as of December 31, 2016	Oct 2016	Nov 2016	Dec 2016	Fourth Quarter 2016	Year to Date	One Year	Three Year*†	Five Year*†	Ten Year*†	Since Inception (12/27/06)*†
DOMOX	-0.53%	-3.20%	3.12%	-0.72%	3.61%	3.61%	0.92%	9.34%	0.55%	0.54%
MSCI EAFE	-2.04%	-1.98%	3.44%	-0.68%	1.51%	1.51%	-1.15%	7.02%	1.22%	1.32%

MARKET OVERVIEW

For the fourth quarter of 2016, international equities posted modest losses in U.S. dollar terms, with the MSCI EAFE Index down 0.7%. Returns were hindered by a sharp rise in the dollar against most other currencies following the unexpected U.S. election results. The Japanese yen was one of the largest decliners, down 13.2% as the yield spread between U.S. and Japanese bonds widened; the Bank of Japan (BOJ) is seeking to keep rates flat at about zero, while U.S. Treasury rates are on the rise. Emerging market currencies also declined significantly against the dollar on concerns about potential U.S. trade protectionism under the incoming administration. The Federal Reserve Bank's more aggressive rate-hike rhetoric at its December meeting further fueled the dollar's rise.

In their local markets, international equity returns looked more encouraging. Taking currency movements out of the equation, the MSCI EAFE would have returned 7.1% for the quarter. European equities generally posted solid returns, with investors welcoming the European Central Bank's December announcement that it would extend its quantitative easing program, while lowering its monthly asset purchases. Eurozone consumer confidence improved to its strongest reading since April 2015, while retail sales grew at their fastest rate in two years and inflation accelerated. French stocks outperformed on news that the economy grew 0.2% in the third quarter, rebounding from a 0.1% contraction the previous quarter, and manufacturing activity continued to increase. Stocks also performed well in Germany, where business confidence and factory orders grew, driven by a rebound in domestic demand. In October, a slower pace of growth in UK home prices added to growing concerns that the housing market is slowing in the wake of the "Brexit" referendum.

Stocks rallied in the Asia-Pacific region, particularly in Japan thanks to support from the weaker yen and the BOJ's continued accommodative monetary policy stance. Australian equities also gained on the prospects for reflation, shrugging off a contraction in third-quarter real GDP growth. Stocks in Hong Kong fell amid a continuing decline in retail sales, with sentiment further impacted by rising U.S. interest rates and concerns over capital controls in China.

Performance was generally worse in emerging markets, as U.S. trade protectionism fears and the prospect of tighter U.S. dollar-liquidity dampened sentiment. China was particularly hard hit, with export-dependent sectors faring the worst.

FUND PERFORMANCE

For the quarter, the Fund's Institutional shares declined 0.72%, underperforming the MSCI EAFE Index, which declined 0.68%. Security selection made an overall positive contribution to relative performance, with strong selection in the consumer staples, materials, real estate and information technology sectors compensating for weaker selection in the consumer discretionary and energy sectors. Sector allocation made a modestly negative contribution to relative returns. The Fund benefitted from its underweight to consumer staples, healthcare and utilities, but this was offset by its exposure to other sectors, primarily its underweight to energy and overweight to real estate.

Security selection was particularly strong in France and Japan. In Europe, poor selection in the UK and Germany was more than offset by stronger selection in France, the Netherlands, Switzerland and Norway. The Fund's out-of-benchmark emerging-market positions were an overall detriment to relative performance, particularly due to weak performance in Turkey and China.

The top contributor to relative performance was Norwegian aluminum and hydroelectric power company **Norsk Hydro**, which returned 11.3% after reporting strong third-quarter results driven by higher aluminum prices, which offset seasonal weakness and currency headwinds, and higher-than-expected production and cost improvements in bauxite and alumina. The company stated that it expects global

(continued on next page)

*Average annual total returns.

†Institutional shares were not offered prior to 11/30/12. All performance information for time periods beginning prior to 11/30/12 is the performance of the Investor shares. This performance has not been adjusted to reflect the lower expenses of the Institutional shares.

Past performance is no guarantee of future results. The Fund's returns quoted above represent past performance after all expenses. Investment return, principal value, and yield will fluctuate. Your shares, when redeemed, may be worth more or less than their original cost. Call 1-800-762-6814 or visit www.domini.com for performance information current to the most recent month-end, which may be lower or higher than the performance data quoted. A 2.00% fee applies on sales/exchanges made less than 30 days after purchase/exchange, with certain exceptions.

Expense Ratio – Gross / Net: 1.10% (Per current prospectus. Domini has contractually agreed to cap Institutional share expenses to not exceed 1.27% until 11/30/17, subject to earlier modification by the Fund's Board of Trustees. See prospectus for details.)

Domini Impact International Equity FundSM

Institutional Shares



aluminum demand growth to land in the higher end of its forecasted range due to strong demand in China.

Other top contributors included banking and financial services group **ING**, the largest Dutch lender, which rose 14.2% after reporting better-than-expected earnings growth for the third quarter, driven by investment gains, increasing deposits, and progress on cost savings. French-Italian electronics and semiconductor manufacturer **STMicroelectronics** gained more than 35%, as strong third-quarter results and fourth-quarter outlook demonstrated continued progress on sales growth and margin improvement. The company states it is benefitting from strong demand in the smartphone market and increasing use of chips in sensors in everything from connected cars to smart lighting fixtures. French insurance firm **AXA** also made a strong positive contribution, returning 8.5% during the period it was held by the Fund. AXA expects increasing U.S. long-term interest rates and the stronger U.S. dollar to benefit its balance sheet and earnings over the next year.

The Fund also benefitted from not owning benchmark-holding **Nestlé**, the Swiss food and beverage company, which declined 9.0% amid slowing revenue growth due to weakness in emerging markets and deflation in Europe. Nestlé is not approved for investment by the Domini Funds primarily due to its leading role in the infant formula and bottled water industries, and related concerns.

The largest detractor from relative performance was Danish wind-turbine manufacturer **Vestas Wind Systems**, which declined 20.9%. Despite reporting solid third-quarter results, management announced that it expects lower activity in fiscal-year 2017 in the U.S., where election results added to worries around potential negative changes to wind-power regulations.

A number of other large detractors came from the UK, where investor sentiment remains more subdued following the EU "Brexit" referendum. Despite reporting solid third-quarter sales, with strength in the UK and Poland offsetting weakness in France, home-improvement retailer **Kingfisher** declined 10.9% for the quarter. UK-based telecommunications group **Vodafone** declined 12.5% after announcing that it was taking a significant write-down on the value of its Indian unit. A recent mobile startup launched by India's richest man, Mukesh Ambani, has upended the Indian telecommunications market with a free voice and data promotion that has created much uncertainty and forced Vodafone to delay plans for an initial public offering that would spin the unit off.

Japanese mobile app developer **COLOPL**, a non-benchmark holding, was another significant detractor, declining 44.8%. The company is forecasting a significant profit decline for the fiscal year, with sales for existing apps expected to gradually drop off while the company pivots its focus to the budding virtual-reality (VR) market.

The Fund's relative performance was also dampened by not owning Anglo-Dutch multinational oil and gas company **Royal Dutch Shell**, a benchmark holding that gained 13.8% for the quarter.

TOP RELATIVE CONTRIBUTORS AND DETRACTORS

CONTRIBUTORS

Company	Sector	Stock Return*
Norsk Hydro ASA	Materials	11.3 %
ING Groep NV	Financials	14.2
STMicroelectronics	Information Technology	35.4
AXA SA	Financials	8.5
Nestle SA**	Consumer Staples	-9.0

DETRACTORS

Company	Sector	Stock Return*
Vestas Wind Systems	Industrials	-20.9 %
Royal Dutch Shell PL**	Energy	13.8
Kingfisher PLC	Consumer Discretionary	-10.9
COLOPL Inc.	Information Technology	-44.8
Vodafone Group	Telecommunication Services	-12.5

*Represents return for period in the Fund's Portfolio or return for the entire period if not held. Stocks that were not held in the Portfolio are noted with two asterisks (**).

Investing internationally involves special risks, such as currency fluctuations, social and economic instability, differing securities regulations and accounting standards, limited public information, possible changes in taxation, and periods of illiquidity. These risks are magnified in emerging markets.

The performance information quoted above does not reflect the deduction of taxes that a shareholder would pay on distributions or the redemption of Fund shares. Total return is based on the Fund's net asset values and assumes all dividends and capital gains were reinvested. An investment in the Fund is subject to market risks such as sector concentration and style risk. You may lose money.

The MSCI EAFE Index is an unmanaged index of common stocks. You cannot invest directly in an index.

As of 12/31/16, these companies represented the following percentages of the Fund's portfolio: COLOPL, Inc. (0.30%); ING Groep N.V. (1.86%); Kingfisher plc (1.85%); Norsk Hydro ASA (1.95%); STMicroelectronics N.V. (0.86%);

Vodafone Group plc (1.69%); Vestas Wind Systems A/S (1.41%). AXA S.A. was not held by the Fund. Nestlé S.A. and Royal Dutch Shell plc are not currently approved for investment or held by the Fund. The composition of the Fund's portfolio is subject to change. Obtain a copy of the Fund's most recent Annual Report, containing a complete description of the Fund's portfolio, by calling 1-800-762-6814 or at www.domini.com. This commentary should not be considered a recommendation of the financial attractiveness as an investment of any of the companies mentioned.

Domini® is a registered service mark of Domini Impact Investments LLC ("Domini").



is a service mark of Domini.

This material must be preceded or accompanied by a current prospectus. Please read it carefully before investing.

DSIL Investment Services LLC, Distributor. 1/17