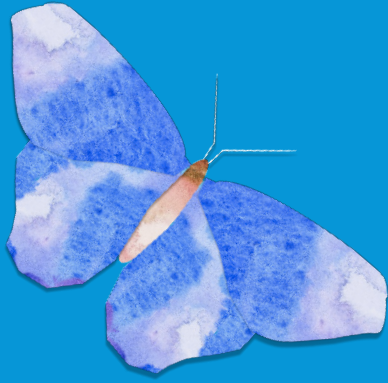


First Quarter 2016

Investing for GoodSM
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Additional Dialogues

In addition to those discussed in this Update, we also engaged with the following companies during the quarter on these issues:

Chipotle

Food safety, sustainability reporting

Facebook, Google, LinkedIn, Microsoft, Yahoo

Global Network Initiative, human rights

Home Depot

Pesticides and pollinators

Kroger

Nutrition, palm oil, firearms sales

Mondelez

Sustainability goals, including climate change

Staples

Minimum wage reform

Signed investor letter to ten of the largest pharmaceutical and medical supply companies on prescription drug take-back.

Met with **ONE Future Coalition**, a group of companies along the natural gas value chain working to limit methane emissions.

Positive Change at Four Companies

Domini submits shareholder proposals each year because they have proven to be a very effective tool in changing corporate behavior. They send a strong message to corporate management, and can often encourage the company to speak to us about reaching an agreement.

We were pleased to reach agreements to withdraw four proposals during the first quarter.

In response to our request to adopt a set of principles for minimum wage reform, **Best Buy** informed us that its board of directors was overseeing a process already underway to further develop the company's position on wage levels within the company to ensure its employees have sustainable careers and that Best Buy continues to attract the best talent. We chose to withdraw our proposal in exchange for the company's agreement to include additional factors in that process, including the effect of minimum wage reform on the company. Domini is also helping to coordinate investor education on this issue.

We were pleased to withdraw our proposal with **First Solar** after dialogue in the fourth quarter about the company's political activities. At our request, First Solar's board adopted a resolution to begin full disclosure of its political contributions, and also adopted a policy to restrict its trade associations from using its dues payments for electoral purposes.

Working with other investors, we withdrew our shareholder proposal to **Whole Foods** seeking information about the company's efforts to mitigate the impact of its palm oil purchases on deforestation and human rights. The company agreed to enhancements to its Palm Oil Pledge, and to continuing dialogue to discuss implementation.

Our proposal to **3M** addressing share buybacks caught the attention of Gretchen Morgenson, the Pulitzer Prize-winning Market Watch columnist for the Sunday edition of the *New York Times*: "We're not against buybacks," said Adam M. Kanzer, a managing director at Domini. "The question is at what point do buybacks become excessive and when do they undermine the long-term value of the company?" We pointed out that 3M spent \$21 billion to purchase its own shares over the past five years, but only \$22 billion on research and development and strategic acquisitions. When such a substantial portion of a company's capital expenditures is directed to buybacks, we believe it makes sense to ask whether there's a more constructive way to invest that capital, such as research and development, employee compensation and training, and climate mitigation. The proposal prompted constructive conversations with 3M and **Target**, where we were able to withdraw our proposal in exchange for a commitment to enhanced disclosures.

Stock Exchange Listing Standards

Stock exchanges around the world set "listing standards" – basic requirements each company must meet in order to be "listed" and have its shares traded on that exchange. When an exchange adopts a listing standard, therefore, it can have a dramatic impact on its market, raising standards for thousands of companies.

Some exchanges, like the Johannesburg Stock Exchange and the Hong Kong Stock Exchange, require listed companies to publish sustainability information. In 2014, we were part of a drafting committee coordinated by the Investor Network on Climate Risk (INCR) that produced, on behalf of a large coalition of investors, a framework for a sustainability listing standard. That proposal was submitted to the World Federation of

(continued on reverse)



Exchanges, a coalition of twenty-two stock exchanges whose Sustainability Working Group has now produced reporting guidance on sustainability, consisting of 33 key performance indicators on social, environmental and governance matters. During the quarter, we submitted comments on the proposed standards, and look forward to working with INCR on the next stage of this important project.

Addressing Corporate Tax Avoidance

Corporate tax avoidance has been an important component of our engagement and policy work for several years. The United Nations' backed Principles for Responsible Investment is a global network of investors responsible for \$60 trillion in assets. After expressions of interest from a significant number of its members, PRI established a Taskforce on Tax, including Domini, to develop guidance to help investors engage with corporations on global tax strategies. In the fourth quarter, the PRI published the result of this work, and in the first quarter hosted a roundtable discussion with a group of six non-US corporations to discuss the guidance. We were very encouraged by the constructive nature of the meeting and look forward to continuing our work with the Taskforce.

Deepening our Impact – Green Bonds

Although our engagement work has historically focused on corporations, leveraging our rights as shareholders, we are also interested in opportunities to deepen the impact of the Domini Social Bond Fund through engagements with issuers and standard setters. To date, these engagements have focused on green bonds, designed to finance projects and activities that address climate change or serve other environmentally beneficial purposes.

In January, we spoke with **Morgan Stanley** to discuss their inaugural green bonds to fund renewable energy and energy efficiency projects, and highlighted the importance of greater transparency in the green bond market.

We attended a meeting with **California State Treasurer** John Chiang to discuss green bond evaluation approaches, best practices, and policy incentives to grow municipal green bond issuances. The state is planning on issuing green bonds to address water stress and climate change impacts in the region. We provided feedback on California's 2014 green bond and hope to continue our dialogue with the state.

We were also delighted to join the **US Green City Bonds Coalition** to promote low-carbon and climate resilient infrastructure investments through the development of municipal green bonds.

In the fourth quarter, we participated in a Ceres-organized introductory meeting with **S&P Global Ratings** (formerly, Standard & Poor's Rating Services) to discuss the inclusion of climate risks into its oil and gas company credit ratings.

About Domini Social Investments

Domini Social Investments manages mutual funds for individual and institutional investors who wish to create positive change in society by integrating social and environmental standards into their investment decisions. Visit www.domini.com or call 1-800-582-6757 to learn more.

As of March 31, 2016, these companies represented the following percentages of the Domini Social Equity Fund's portfolio: Alphabet Inc. (3.18%), Amazon Inc. (2.85%), Best Buy Co. Inc. (1.15%), Chipotle Mexican Grill Inc. (1.69%), Facebook Inc. (0.44%), First Solar Inc. (<0.01%), Home Depot Inc. (<0.01%), The Kroger Co. (2.00%), Microsoft Corp. (4.78%), Mondelez International Inc. (<0.01%), Staples Inc. (<0.01%), Target Corp. (0.71%), Whole Foods Market Inc. (0.48%) and Yahoo Inc. (<0.01%). LinkedIn Inc. was not held by the Fund. Johannesburg Stock Exchange Ltd. and Stock Exchange of Hong Kong Ltd. were not held by any of the Domini Funds. The composition of the Funds' portfolios is subject to change.

The Domini Funds are not insured and are subject to market risks, such as sector concentration and style risk. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. You may lose money. This information is provided for educational purposes only, and should not be considered investment advice with respect to any of the holdings listed.

The Domini Social Bond Fund is not insured and is subject to market risks, including interest rate and credit risks. During periods of rising interest rates, bond funds can lose value. The Fund currently holds a large percentage of its portfolio in mortgage-backed securities. During periods of falling interest rates, mortgage-backed securities may prepay the principal due, which may lower the Fund's return by causing it to reinvest at lower interest rates. Some of the Fund's community development investments may be unrated and carry greater credit risks than its other investments.

You should consider the Domini Funds' investment objectives, risks, charges, and expenses carefully before investing. Obtain a copy of the Funds' current prospectus for complete information on these and other topics, by calling 1-800-582-6757 or online at www.domini.com. Please read it carefully before investing or sending money.