

Domini Impact Equity FundSM

Investor Shares



The Fund invests primarily in mid- and large-cap U.S. equities. 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 September 30, 2017	July 2017	Aug 2017	Sep 2017	Third Quarter 2017	Year to Date	One Year	Three Year*	Five Year*	Ten Year*†	Since Inception (6/3/91)*†
DSEFX	2.30%	0.24%	1.90%	4.48%	10.12%	14.48%	5.46%	10.87%	5.97%	8.36%
S&P 500	2.06%	0.31%	2.06%	4.48%	14.24%	18.61%	10.81%	14.22%	7.44%	9.57%

MARKET OVERVIEW

U.S. equities continued to rally for the eighth straight quarter, with the S&P 500 returning 4.48%. Ongoing controversies surrounding the White House and escalating geopolitical tensions with Russia, North Korea and Iran were not enough to derail momentum, as strong corporate earnings and generally encouraging economic data, including a solid labor market, helped lift the index to another series of record highs. Second-quarter GDP growth of 3.1% represented the strongest year-over-year growth since the third quarter of 2015, and an August rise in the Institute of Supply Management's Non-Manufacturing Index suggested that the acceleration in growth during the first six months of the year could continue during the second half.

Despite the economy's upward trajectory, persistently disappointing inflation has been a concern of the Federal Reserve. However, signs of firming inflation in August provided some relief and increased investor expectations for further interest rate increases and the end of this year and in 2018. In a well-telegraphed move, the Fed announced that it would begin its balance-sheet normalization program in October, stating that the process would be gradual and predictable. Meanwhile, after several failed attempts at repealing the Affordable Care Act, Congressional Republicans pivoted their efforts to tax reform, unveiling a long-awaited blueprint in September for a plan that would slash corporate taxes and reduce the number of tax brackets for individuals.

FUND PERFORMANCE

The Fund's Investor shares returned 4.48% for the quarter, matching the S&P 500 Index return. Security selection made a positive contribution to relative performance, with particularly strong selection in the consumer discretionary, consumer staples and industrials sectors partially offset by weaker selection in health care. Sector allocation made a negative contribution, with an underweight to energy and an overweight to consumer staples detracting from relative results.

The top contributor to relative performance this quarter was **Lam Research Corporation**, a supplier of wafer fabrication equipment and services to the semiconductor industry, which returned more than 31%. The company posted impressive results for its fiscal fourth quarter and marked its fifth consecutive year of double-digit revenue growth, driven by strong demand from customers like Samsung, Micron, SK Hynix and Intel. Another semiconductor equipment and services provider, **Applied Materials**, was also among the top contributors, rising more than 26%. The company, which provides manufacturing equipment, services and software to the global semiconductor, display and related industries, posted solid results for its fiscal third quarter, highlighted by record revenues that surpassed expectations. Outperformance was driven by record sales of wafer fabrication equipment for circuits used to produce LEDs, optical computer equipment and CPUs.

Lifestyle-oriented content developer **Scripps Networks Interactive**, which primarily produces home, food, travel and related programming for television, internet and digital platforms, was another top contributor, returning more than 26%. The stock gained on news of its long-

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*Average annual total returns.

† On 11/30/06, the Fund, formerly a passively managed index fund, transitioned to an active management strategy. Past performance before 11/30/06 represents the former investment strategy, and is not indicative of future results.

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. The Fund is not insured and is subject to market, sector concentration, style and foreign investing risks. Investing internationally involves special risks, such as currency fluctuations, social and economic instability, differing security regulations and accounting standards limited public information possible changes in taxation, and periods of illiquidity. You may lose money. 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. Quoted performance data does not reflect the deduction of this fee, which would reduce the performance quoted. See the Fund's prospectus for further information.

Expense Ratio – Gross 1.08% / Net: 1.08% (Per current prospectus. Domini has contractually agreed to cap Investor share expenses to not exceed 1.25% until 11/30/17, subject to earlier modification by the Fund's Board of Trustees. See prospectus for details.)

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awaited purchase by Discovery Networks, for which approval from the Department of Justice seems likely given the relatively small scale of the combined entity compared to some of its competitors.

Other top contributors this quarter included biopharmaceutical research company **Gilead Sciences** and discount home and apparel retailer **Ross Stores**, which gained more than 15% and 12%, respectively. Gilead posted better-than-expected results for the second quarter and surprised investors by increasing its full-year sales forecast for its declining HCV drug franchise thanks to marketing efforts that it says have helped the company reach new patients. The company realized strong gains after announcing a long-awaited deal to purchase clinical-stage oncology company Kite Pharma for a record \$11.9 billion. Gilead believes cellular therapies like those being developed by Kite have the potential to become a cornerstone of cancer treatment, and sees the acquisition as the start of a long-term strategy to build a leading oncology platform. Meanwhile, Ross Stores bucked the trend in retail, with strong customer traffic and solid margins driving better better-than-expected second-quarter results, and raised third-quarter forecasts.

The largest detractor from relative performance this quarter was diagnostic information services company

Quest Diagnostics, which declined more than 15% after the Centers for Medicare and Medicaid Services released 2018 preliminary rates for the new Clinical Laboratory Fee Schedule under the Protecting Access to Medicare Act, cutting rates to the worst-case scenario.

Chipotle Mexican Grill dropped more than 26%, as it continues to wage an uphill battle to regain its prior sales, profits and valuation levels. The company posted mixed results for the second quarter, with slightly underwhelming revenues but better-than-expected margins, while the third quarter started with a sharp drop in demand due to a new norovirus outbreak in late July.

Other significant detractors included technology companies **IBM** and **F5 Networks**, which both declined around 5%. IBM reported its 21st straight quarter of year-over-year revenue declines, as it continues to struggle to make progress on a five-year-old plan to steer the company away from legacy products like computers and operating systems, which have been a drag on growth, and toward newer technologies in services and software. Despite management stating in April that it expected key contracts in the technology services and cloud platforms segment to come through during the second quarter, segment revenues were down 5.1% year-over-year, marking the second consecutive quarter of declines for the key business unit. Enterprise application services company F5 Networks reported slowing product growth and disappointing guidance, with the weak near-term outlook prompting Wall Street analysts to cut forecasts.

TOP RELATIVE CONTRIBUTORS AND DETRACTORS

CONTRIBUTORS

Company	Sector	Stock Return*
Lam Research Corporation	Information Technology	31.18 %
Applied Materials, Inc.	Information Technology	26.39
Scripps Networks Inter., Inc.	Consumer Discretionary	26.13
Gilead Sciences, Inc.	Health Care	15.16
Ross Stores, Inc.	Consumer Discretionary	12.06

DETRACTORS

Company	Sector	Stock Return*
Quest Diagnostics Inc.	Health Care	-15.42 %
Chipotle Mexican Grill, Inc.	Consumer Discretionary	- 26.15
IBM Corp.	Information Technology	- 4.69
F5 Networks, Inc.	Information Technology	- 5.18
PepsiCo, Inc.	Consumer Staples	-2.86

*Represents return for period in the Fund's Portfolio or return for the entire period if not held.

**Not held in the Portfolio.

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 Standard & Poor's 500 Index (S&P 500) is an unmanaged index of common stocks. You cannot invest directly in an index.

As of 9/30/17, these companies represented the following percentages of the Fund's portfolio: Applied Materials, Inc. (2.39%); Chipotle Mexican Grill, Inc. (0.39%); F5 Networks, Inc. (0.24%); Gilead Sciences, Inc. (2.61%); Intel Corporation (2.36%); International Business Machines Corp. (2.47%); Lam Research Corporation (2.15%); PepsiCo, Inc. (2.72%); Quest Diagnostics Inc. (2.00%); and Ross Stores, Inc. (2.37%). Micron Technology, Inc. and Scripps Networks Interactive, Inc. were not held by the Fund. Kite Pharma, Inc.; SK

Hynix, Inc.; and Samsung Electronics Co., Ltd. were not approved for investment by the Domini Funds. 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.

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

DSIL Investment Services LLC, Distributor. 10/17