Domini Impact Bond Fund℠

Performance Commentary - Second Quarter 2018

Investor Shares - DSBFX | Institutional Shares - DSBIX

The Fund is managed through a two-step process designed to capitalize on the strengths of Domini Impact Investments and Wellington Management Company. Domini sets social and environmental guidelines and objectives for each asset class, and develops an approved universe of companies, and Wellington utilizes proprietary analytical tools to manage the portfolio. Wellington Management Company has been serving as subadviser of the Fund since January 7, 2015.

Total Returns as of June 30, 2018	DSBFX	DSBIX	BBUSA**
Second Quarter 2018	-0.11%	-0.03%	-0.16%
Year to Date	-1.55%	-1.50%	-1.62%
One Year	-0.19%	0.02%	-0.40%
Three Year*	2.10%	2.34%	1.72%
Five Year* [1]	1.84%	2.07%	2.27%
Ten Year* [1]	3.03%	3.03%	3.72%

MARKET OVERVIEW

Global fixed-income sectors generated mixed results during the second quarter. Sovereign yields outside of Europe generally moved higher, driven by continued global growth momentum and rising inflation expectations. Government bonds enjoyed short-lived periods of strength, however, amid escalating tensions between the U.S. and its trade partners and bouts of elevated political uncertainty in Europe. Concerns over increased leverage and heavy supply of corporate debt due to a pickup in mergers and acquisitions activity weighed on credit spreads. The U.S. dollar rallied versus most currencies, as strong U.S. economic data reinforced expectations that policy rates are likely to continue to move higher.

Global monetary policies diverged during the period. The U.S. Federal Reserve (Fed) raised its target rate by 25 basis points, as expected, and forecast two additional hikes this year—one more than was projected at the March Federal Open Market Committee meeting. The Committee upgraded growth and employment projections, while also shifting inflation expectations higher. The European Central Bank (ECB) announced an end to quantitative easing, slated for December 2018, but pledged to keep policy rates unchanged at least through the summer of 2019. The People's Bank of China (PBOC) unexpectedly cut its reserve-requirement ratio for most banks by 100 bps to free up lending to small businesses. The Bank of England (BOE) maintained its policy rate and asset-purchase program after growth fell shy of its forecasts.

In the U.S., first-quarter GDP grew at a 2.0% annualized rate, labor market strength continued, and small-business and consumer surveys painted an optimistic outlook for the economy. Supply shortages and higher mortgage rates led to mixed housing-market data. Eurozone economic confidence held firm despite announced trade tariffs between the currency bloc and the U.S. Eurozone inflation rose to 2% year-over-year as a result of higher energy prices, while the core rate fell to a 1% year-over-year pace. Japanese retail sales indicated weakness in consumer spending despite the jobless rate falling to the lowest level in 25 years. China's manufacturing Purchasing Managers' Index (PMI) declined due to weaker exports, while new order helped lift its non-manufacturing PMI.

Sovereign yield movements were somewhat limited across most developed markets, as increasing inflation pressures balanced heightened political uncertainty. Expectations for continued monetary tightening lifted U.S. and Canadian short-term yields. Ten-year yields in the countries fell sharply along with broader risk aversion following the Italian election outcome, but finished higher over the quarter as inflation expectations rose. Elevated political uncertainty in Europe—including the formation of a populist Italian government and the ousting of Spanish Prime Minister Rajoy—provided support for core European government yields at the expense of peripheral yields. Emerging-markets debt and investment-grade corporate bonds posted negative excess returns as credit spreads widened. High-yield bonds generated positive excess returns, as coupon income offset widening spreads, while the sector also benefitted from continued demand—and a lack of supply—for income.

(continued on next page)

**Average annual total returns.* ***Bloomberg Barclays U.S. Aggregate Index*
[1]Institutional shares were not offered prior to 11/30/11. All performance information for the periods beginning prior to 11/30/11 is the performance of the Investor shares. This performance has not been adjusted to reflect the lower expenses of the Institutional shares.

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PERFORMANCE COMMENTARY

The Fund modestly outperformed the Bloomberg Barclays US Aggregate (BBUSA) Bond Index for the quarter, with Investor shares declining 0.11%—five basis points better than BBUSA return of -0.16%. Outperformance was primarily driven by the Fund's interest-rate positioning, positioning within investment-grade corporate bonds, and exposure to inflation-protected instruments.

Throughout the quarter, the Fund's submanager maintained an overweight to corporate credit, where positioning had an overall positive impact on benchmark-relative returns. An underweight to investment-grade credit, which was positive for performance, was maintained in favor of allocations to high-yield credit and bank loans, as well as other sectors where the submanager saw a more favorable outlook. The submanager continued to see attractive valuations and low default expectations in bank loans, and continued to favor taxable municipal bonds, particularly health care issuers. The Fund's below-investment-grade taxable municipal positions were additive to performance over the quarter.

The submanager also continued to favor high-quality securitized sectors. Within agency mortgage-backed securities (MBS), an allocation to FNMA ("Fannie Mae") Designated Underwriting and Servicing (DUS) bonds detracted from relative results, as the sector underperformed amid broader macroeconomic concerns. An allocation to commercial mortgage-backed securities (CMBS) contributed modestly to performance.

The Fund held directional interest-rate positions during the quarter, which had an overall positive impact on performance. Its short front-end positions helped performance as the market began to price in a faster pace of Fed rate hikes beyond 2018. The Fund was also positioned for rising inflation expectations, as the submanager continued to believe the market was underpricing inflation expectations. This positioning helped results, as stronger inflation data and the expected impact of trade tariffs increased the market's inflation expectations.

Past performance is no guarantee of future results. *The Fund's returns quoted above represent past performance after all expenses. The returns reflect any applicable expense waivers in effect during the periods shown. Without such waivers, returns would be lower. Investment return, principal value, and yield will fluctuate. Your shares, when redeemed, may be worth more or less than their original cost. An investment in the Fund is not a bank deposit. The Fund is not insured and is subject to credit, interest rate, liquidity, and market 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.*

For the period reported in its current prospectus, the Fund's annual operating expenses totaled: Net: 0.87% / Gross: 1.10% (Investor), Net: 0.57% / Gross: 0.96% (Institutional). The Fund's adviser has contractually agreed to waive certain fees and/or reimburse certain ordinary operating expenses in order to limit Investor and Institutional share expenses to 0.87% and 0.57%, respectively, of the average daily net assets per annum of each class. The agreement expires on November 30, 2018 absent an earlier modification by the Fund's Board.

The Fund charges a 2.00% redemption fee on sales or exchanges of shares made less than 30 days after the settlement of purchase or acquisition through exchange, with certain exceptions. Certain fees and expenses also apply to a continued investment in the Fund and are described in the prospectus. See the Fund's current prospectus for further information.

Total return for the Fund is based on the Fund's net asset values and assumes all dividends and capital gains were reinvested. The returns above do not reflect the deduction of fees and taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

During periods of rising interest rates, bond funds can lose value. Some of the Fund's community development investments may be unrated and may carry greater credit risks than the Fund's other holdings. 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.

Investments in derivatives can be volatile. Potential risks include currency risk, leverage risk (the risk that small market movements may result in large changes in the value of an investment), liquidity risk, index risk, pricing risk, and counterparty risk (the risk that the counterparty may be unwilling or unable to honor its obligations). TBA (To Be Announced) securities involve the risk that the security the Fund buys will lose value prior to its delivery. There also is the risk that the security will not be issued or that the other party to the transaction will not meet its obligation, which can adversely affect the Fund's results.

The Fund may hold a substantial portion of its assets in the direct obligations of U.S. government agencies and government-sponsored entities such as Fannie Mae (formally known as the Federal National Mortgage Association), Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation), the Federal Farm Credit Banks Funding Corporation, or the Government National Mortgage Association ("Ginne Mae"). Although the U.S. government guarantees principal and interest payments on securities issued by the U.S. government and some of its agencies, such as *securities issued by the Ginne Mae, this guarantee does not apply to losses resulting from declines in the market value of these securities. Some of the U.S. government securities that the Domini Funds may hold are not guaranteed or backed by the full faith and credit of the U.S. government, and no assurance can be given that the U.S. government will provide financial support and sponsorship to Fannie Mae, Freddie Mac, or other government-sponsored enterprises in the future. The reduction or withdrawal of historical financial market support activities by the U.S. Government and Federal Reserve, or other governments/central banks could negatively impact financial markets generally, and increase market, liquidity and interest rate risks which could adversely affect the Fund's returns.*

Performance attribution is provided from Wellington Management Company's proprietary attribution system. Certain factors, which may affect performance, are not included, such as withholding taxes, fair value pricing when implemented by the Fund, accounting agent T+1 differences, market value discrepancies due to different pricing sources, methodology differences for large cash flows and NAV rounding. Wellington Management's proprietary systems are designed to support the management of portfolios and are not meant to be used as an accounting system. This information is intended to provide insight into the investment process and is not intended to be precise calculations. Attribution should be considered a tool that can help explain sources of alpha in terms of direction and magnitude.

The Bloomberg Barclays U.S. Aggregate Bond Index ("BBUSA") is an index representing securities that are U.S. domestic, taxable, and dollar denominated and covering the U.S investment grade fixed rate bond market, with index components for government and corporate securities and asset-backed securities. You cannot invest directly in an index.

The composition of the Fund's portfolio is subject to change. The Domini Funds maintain portfolio holdings disclosure policies that govern the timing and circumstances of disclosure to shareholders and third parties of information regarding the portfolio investments held by the Funds. Visit www.domini.com to view the most current list of the Fund's holdings. Obtain a copy of the Fund's most recent Annual or Semi-Annual Report, containing a complete description of the Fund's portfolio, by calling 1-800-762-6814 or at www.domini.com.

This commentary is provided for informational purposes only. Nothing herein is to be considered a recommendation concerning the merits of any noted company, or an offer of sale or solicitation of an offer to buy shares of any Fund or company referenced herein.

Carefully consider the Fund's investment objectives, risk factors and charges and expenses before investing. This and other information can be found in the Fund's prospectus, which may be obtained by calling 1-800-762-6814, or at www.domini.com. Please read the prospectus carefully before investing or sending money.

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