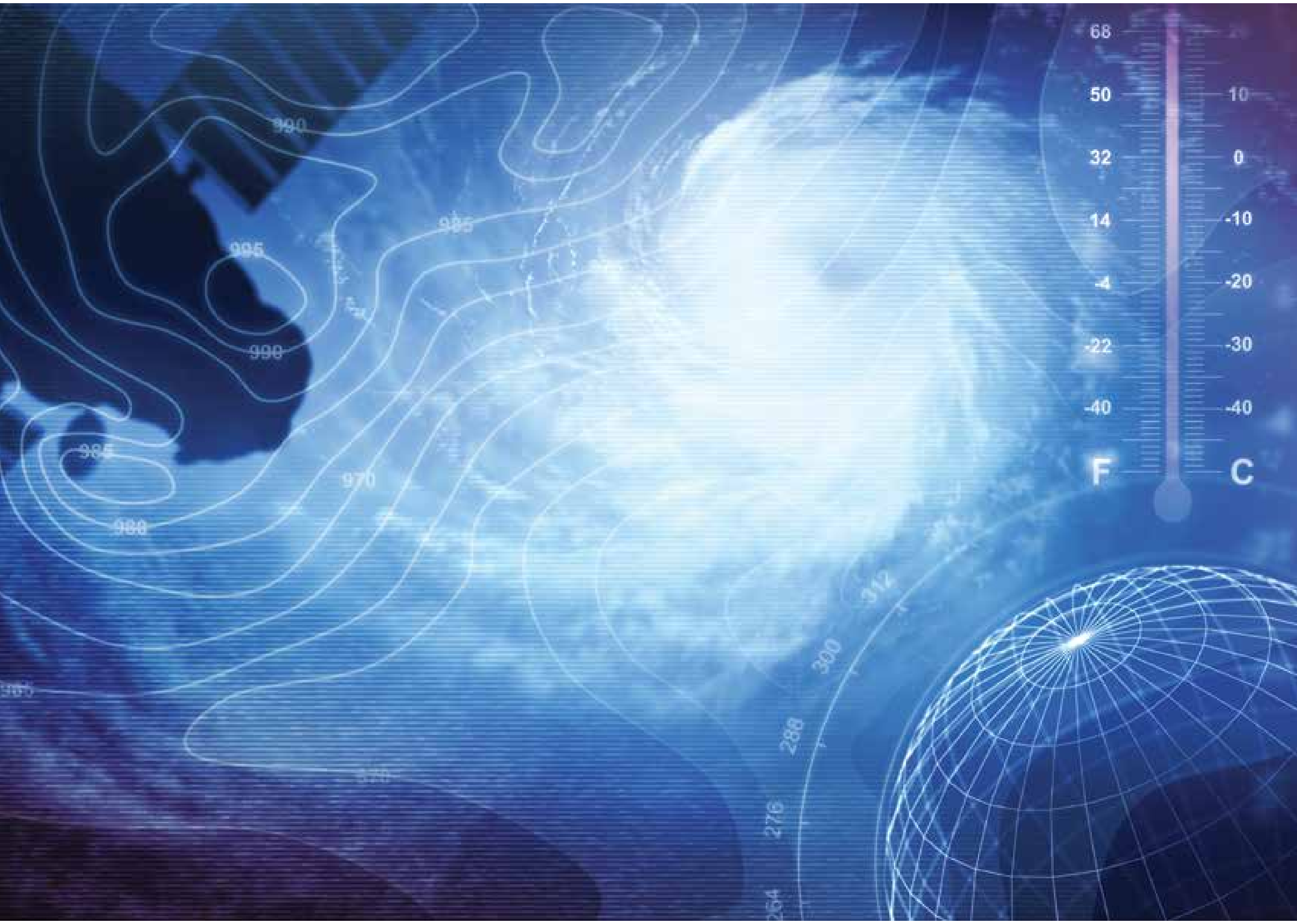
Fund Commentary • Q1 2018



Saturna Capital

Amana Mutual Funds Trust

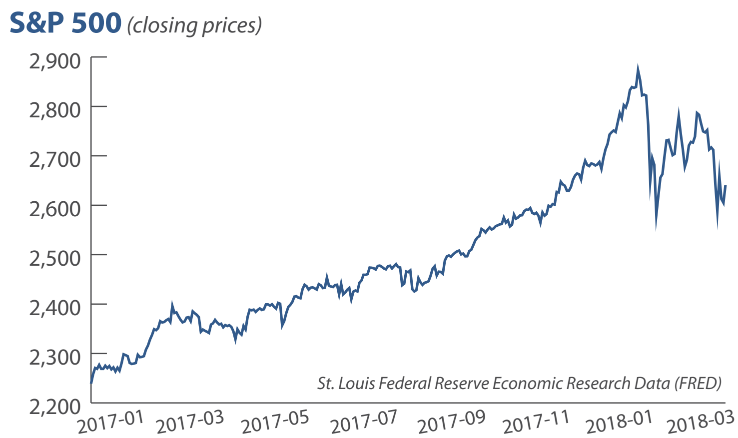
Please consider an investment's objectives, risks, charges, and expenses carefully before investing. To obtain this and other important information about Amana Funds in a current prospectus or summary prospectus, please visit www.amanafunds.com or call toll free 1-800-728-8762. Please read the prospectus or summary prospectus carefully before investing. Distributed by Saturna Brokerage Services, a wholly-owned subsidiary of Saturna Capital Corporation, investment adviser to the Amana Funds.

Environment

And Now for Something Completely Different

In our 2017 year-end commentary we discussed the unprecedented absence of volatility in the stock market over the previous year. Through the first few weeks of 2018 the good times continued to roll as the S&P 500 Index appreciated over 6%, buoyed by a strong Christmas season and the recently enacted tax reform. At the end of January and into early February, however, investors were reminded that the stock market does not move in a linear fashion as the S&P 500 slumped -10.16% from a high of 2872.87 on January 26 to 2581.00 on February 8 before finishing out the quarter with a decline of -0.76%.

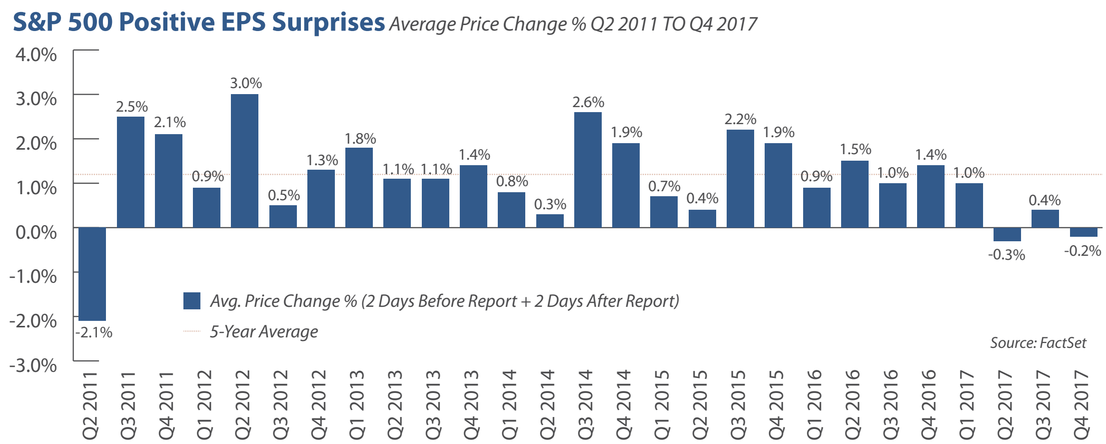
A Typhoon of Volatility Strikes Previously Calm Waters



While there was no specific catalyst that sparked the sell-off, once it started the market became more vulnerable to headlines of the day. Whether concerning steel tariffs, trade action against China, Facebook's travails, or the President's dislike of Amazon, a single tweet could push the market sharply in one direction or the other. Following a 2017 that experienced only four daily downdrafts greater than 1% (the largest of which was -1.82%), gyrations of -2% or more became almost the norm in the first quarter, with five such instances, including a -4.10% plunge on February 5.

The remarkably calm market of 2017 was an aberration but it's interesting that "animal spirits" appeared when they did. Fourth quarter earnings reports (released throughout the first quarter) were excellent, with 77% of S&P 500 companies exceeding sales estimates,[1] while aggregate sales growth of 8.2% was the highest since the fourth quarter of 2011. With such strong sales, the majority of companies also reported positive earnings surprises,[2] and the fourth quarter earnings per share (EPS) growth rate was a healthy 14.8%. The solid performance is expected to continue for the first quarter, and, as of the end of March, the Q1 earnings growth rate for the S&P 500 was estimated at a tax-cut enhanced 17.3%, the highest since the first quarter of 2011.[3]

On the other hand, perhaps we shouldn't have been surprised that strong earnings were met by choppy markets, since that condition had been developing for the past few quarters. The most logical explanation would be that earnings surprises were insufficient to offset what many investors had come to view as unsustainably high valuations.



Outlook

The S&P 500 closed 2017 at 2673.61, while Thomson Reuters Eikon financial analysis shows 2017 earnings are estimated at $130.61 for a year-end price-to-earnings ratio of 20.47x. The current (April 2) estimate for 2018 EPS stands at $147.99, implying excellent 13.31% earnings expansion and a 2018 year-end price-to-earnings ratio of 17.84x. Despite the highly attractive earnings and reasonably attractive valuation, we expect volatility to remain, as the pros and cons in the market and the economy are more balanced than previously. The bull market and the economic expansion are getting long in the tooth, and there are risks to both in the form of inflation and interest rates. It seems reasonable that a $1.5 trillion tax cut,[4] combined with shrinking unemployment and steady wage growth could lead to increased inflationary pressures, which would be exacerbated by dollar weakness relative to major trading partners. Inflation leads to higher interest rates, while increased borrowing by the federal government could potentially lead to "crowding out" of other borrowers, further increasing costs.

From an index perspective, another risk is the rise of exchange traded funds (ETFs). Since ETFs buy the index, companies with momentum, such as the FAANGs (Facebook, Amazon, Apple, Netflix, and Google) can grow to outsize index positions; positions that active managers may not feel comfortable matching, leading to underperformance. Of course, the reverse happens when money flows out of the markets and ETFs, leading to concentrated selling of the largest stocks. This phenomenon likely goes some way in explaining recent volatility.

Amana Income Fund

Following a good 2017, the Amana Income Fund got off to a rocky start during the first quarter of 2018, with Investor Shares shedding -3.36% against a -0.76% decline in the S&P 500 and a -0.98% drop in the Morningstar Large Blend category.

Technology, which drove market returns in 2017, continued to perform well for the Fund, with Microsoft, Microchip, Taiwan Semiconductor, and Intel among the top contributors. Microsoft has announced a further realignment of its business toward the cloud and artificial intelligence to reflect future growth opportunities. A number of major pharmaceutical companies, which had a difficult 2017 as a group, rebounded, including GlaxoSmithKline, which is under new leadership, and Bristol-Myers Squibb. Nike has performed well everywhere around the world of late, except in its home market. Nonetheless, management made positive commentary about the sales progress in North America and the opportunity to expand margins, allowing the stock to continue the rebound that started in the fourth quarter of last year. In February we attended a consumer goods conference and were impressed by the continuing positive outlook for long-term investment and global spice merchant McCormick, as people worldwide look to liven up their everyday fare.

Five of the largest detractors in the first quarter were top contributors for all of 2017, illustrating the non-linearity of returns. We remain positive on the investment outlook for all five: 3M, Rockwell Automation, Parker Hannifin, Illinois Tool Works, and Honeywell. These are solidly-managed companies that have created sustainable competitive advantages in their respective industries. We are less enthusiastic about the outlook for General Mills, which reported weak sales and margins for the fourth quarter and reduced guidance going forward.

Despite enjoying a decent first quarter, appreciating by 4.94%, Nike dropped out of the top 10 holdings list and was replaced by Intel.

10 Largest Contributors YTD	Return	Contribution
Microsoft	4.98%	0.26
WW Grainger	18.01%	0.23
Intel	8.17%	0.22
Taiwan Semiconductor ADR	7.67%	0.17
Nike, Class B	4.94%	0.15
Microchip Technology	4.18%	0.14
GlaxoSmithKline ADR	12.96%	0.11
McCormick & Co.	3.96%	0.09
Bristol-Myers Squibb	2.77%	0.07
Abbott Laboratories	4.28%	0.05

10 Largest Detractors YTD	Return	Contribution
General Mills	-24.58%	-0.61
Parker Hannifin	-15.43%	-0.60
Rockwell Automation	-10.63%	-0.44
Canadian National Railway	-12.83%	-0.40
DowDupont	-11.91%	-0.38
3M	-7.47%	-0.34
Eli Lilly	-8.15%	-0.29
Illinois Tool Works	-7.32%	-0.27
Carlisle	-8.86%	-0.24
Honeywell International	-6.13%	-0.21

Top 10 Holdings	Portfolio Weight
3M	4.19%
Rockwell Automation	3.84%
Microsoft	3.69%
Eli Lilly	3.52%
Parker Hannifin	3.46%
Illinois Tool Works	3.45%
Intel	3.44%
Microchip Technology	3.38%
PPG Industries	3.28%
Honeywell International	3.18%

30-Day Yield	
Investor Shares (AMANX):	1.15%
Institutional Shares (AMINX):	1.40%

Asset-weighted average debt to market cap: 16.0%

Amana Growth Fund

The Amana Growth Fund Investor Shares gained 1.34% in the first quarter; well ahead of the -0.76% decline in the S&P 500 Index but trailing the Morningstar Large Growth category return of 2.30%. Much of the outperformance versus the benchmark index came in March, when the Fund exhibited solid defensive characteristics, slipping only -0.84% against a -2.54% tumble in the S&P 500.

Adobe, which was the top contributor in 2017, continued its strong run in the first quarter of the year. Other 2017 performers that continued to do well were Estée Lauder, Harris, ASML, Intuit, and Taiwan Semiconductor. Tax and accounting software company Intuit is an obvious beneficiary of the new tax law, while Estée Lauder has demonstrated resilience in an environment that has been difficult for many other Consumer Staples companies. A weaker dollar has helped as the company derives a large portion of its sales overseas. We visited Silicon Valley during the quarter and came away from the trip convinced that semiconductor demand remains strong and can likely cross the gap until demand for 5G kicks in, which bodes well for Taiwan Semiconductor. Last quarter we remarked that, despite a poor year, we remained committed to the investment thesis behind TJX and its "treasure hunting" retail model. That patience was rewarded as it performed well in Q1.

Celgene, Qualcomm, and Dentsply Sirona, all of which performed poorly last year, continued to weigh on returns in the first quarter. Celgene suffered from poor Phase III trial results for a multiple sclerosis drug that had been pegged as a potential blockbuster. Qualcomm dipped when the administration blocked Broadcom from proceeding with a takeover, a deal Qualcomm opposed in any event. With 5G around the corner and Qualcomm continuing to hold pole position in the Technology sector, we believe better days are ahead. Dentsply hit an all-time high the first trading day of the year, but it's been downhill since. Dentsply performed well at the end of last year on a management shake-up and hopes for the future, but quarterly results and forward earnings guidance under the new CEO trailed expectations.

Despite Q1 hiccups, we remain positive on the outlook for Trimble, Johnson & Johnson, Clorox, and Novo Nordisk. Novo Nordisk enjoyed an exceptionally strong 2017, so profit-taking does not come as a surprise. Novo has received approval for a new insulin drug and has recently published very exciting Phase II trial results for an obesity drug that could be the first consistently effective treatment.

10 Largest Contributors YTD	Return	Contribution
Adobe Systems	21.29%	0.98
Estée Lauder, Class A	15.08%	0.52
Harris	13.21%	0.42
ASML Holding NY	11.91%	0.36
Intuit	8.59%	0.35
Cisco Systems	9.58%	0.32
Keysight Technologies	23.15%	0.28
Taiwan Semiconductor ADR	7.67%	0.21
TJX Companies	5.96%	0.18
Xilinx	6.37%	0.15

10 Largest Detractors YTD	Return	Contribution
Trimble	-14.44%	-0.53
Qualcomm	-13.82%	-0.41
Johnson & Johnson	-8.20%	-0.28
Eli Lilly & Co.	-8.15%	-0.25
Clorox	-11.88%	-0.25
EMCOR Group	-6.97%	-0.23
Novo-Nordisk ADR	-6.96%	-0.21
Dentsply Sirona	-23.99%	-0.20
Norfolk Southern	-7.09%	-0.18
Celgene	-15.28%	-0.18

Top 10 Holdings	Portfolio Weight
Adobe Systems	5.80%
Apple	5.04%
Intuit	4.65%
Estée Lauder, Class A	4.09%
Cisco Systems	3.83%
Harris	3.75%
ASML Holding	3.64%
Amgen	3.61%
Church & Dwight	3.60%
Agilent Technologies	3.59%

Asset-weighted average debt to market cap: 12.0%

There were a number of changes among the top 10 holdings during the quarter, with Alphabet (Google), Trimble, and Johnson & Johnson all dropping out. They were replaced by ASML, Harris, and Cisco.

Amana Developing World Fund

The Amana Developing World Fund had a challenging start to the year, with Investor Shares falling -2.24% during the quarter, while the Morningstar Emerging Markets Category has gained 2.01%. A relevant index, the MSCI All Country World ex-USA, shed -1.91 % during the quarter, compared to the MSCI Emerging Markets Index (the Fund's prospectus benchmark) gaining 1.42%.

Missing from the above list of top performers is Argentine e-commerce company MercadoLibre. We discovered the company was selling alcohol and were forced to sell it at the end of last year. While alcohol sales are clearly contrary to the Fund's mandate, the timing was unfortunate given that the stock appreciated over 30% from our late November sale through the end of the first quarter.

The Philippine and Indonesian stock markets have performed poorly at the start of the year, while both of their currencies have depreciated against the US dollar, accounting for the presence of SM Prime, Aboitiz, Telekomunikasi Indonesia, and Kalbe Farma among the leading detractors. Dr. Reddy's Laboratories has been sold from the portfolio.

Telekomunikasi Indonesia and Baidu have fallen out of the top 10 holdings, although both remain in the portfolio, and were replaced by Unilever and Randgold Resources.

10 Largest Contributors YTD	Return	Contribution
Clicks Group	8.12%	0.37
Advanced Info Service	13.44%	0.24
Taiwan Semiconductor ADR	7.67%	0.21
Tencent Holdings ADR	1.46%	0.13
Hong Kong & China Gas	5.46%	0.12
Bangkok Dusit Medical Services	15.81%	0.12
IHH Healthcare	8.20%	0.11
CNOOC ADS	7.91%	0.07
Kansas City Southern Industries	2.58%	0.06
Genomma Lab Internacional, Class B	2.63%	0.03

10 Largest Detractors YTD	Return	Contribution
SM Prime Holdings	-14.40%	-0.53
Telekomunikasi Indonesia ADR	-18.56%	-0.53
Randgold Resources ADR	-14.69%	-0.43
Kalbe Farma	-16.08%	-0.36
Techtronic Industries	-12.22%	-0.35
Naspers ADS	-11.01%	-0.20
Bangkok Airways	-10.53%	-0.19
Aboitiz Power	-8.12%	-0.17
Dr. Reddy's Laboratories ADR	-10.86%	-0.15
BIMB Holdings	-5.68%	-0.11

Top 10 Holdings	Portfolio Weight
Tencent Holdings ADR	5.83%
Clicks Group	4.60%
Samsonite International	3.61%
SM Prime Holdings	3.18%
Taiwan Semiconductor ADR	2.79%
VF	2.70%
Techtronic Industries	2.50%
Unilever ADR	2.48%
Ford Otomotiv Sanayi	2.48%
Randgold Resources ADR	2.47%

Asset-weighted average debt to market cap: 14.4%

Amana Participation Fund

The first quarter of 2018, particularly the early part of February, marked a renewed period of market volatility as risk assets experienced downside pressure while US interest rates rose. Over the quarter, new Fed Chairman Jerome Powell extended on the Federal Reserve's path to raise the Fed Funds Rate by another one quarter of one percent to a target range of 1.5% -1.75% on March 21, 2018. This marked the sixth time that the Federal Open Market Committee (FOMC) raised interest rates since December 16, 2015. Fed Chairman Jerome Powell offered favorable guidance following the hike saying, "the economic outlook has strengthened in recent months." He cited the stimulus offered by the tax-cut and said "ongoing job gains are boosting incomes and confidence" while global economic growth "is on a firm trajectory."[5]

The path of normalizing monetary policies among global central banks has been gaining momentum. For example, since the end of the first quarter of last year, Mexico has raised its interest rate five times, Canada has raised its interest rate three times, and the United Kingdom increased its interest rates for the first time since the GFC in November 2017.[6] Additionally, when the FOMC raises interest rates, it has other knock-on-effects in the global markets, particularly for those countries whose currency is pegged to the US dollar, as these countries are then required to follow suit by raising their domestic interest rates in lockstep to retain their local currency's peg to the US dollar. This contributed to the increase in volatility observed in the markets. Despite these periods of short-term volatility, the Amana Participation Fund continues to own a diversified portfolio of high quality companies positioned to provide capital preservation and current income.

While the Amana Participation Fund Institutional Shares posted a -0.67% decline by the end of the first quarter, the Fund outperformed the Citi Sukuk Index by 40 bps which reported a return of -1.07%. Over the same period the Amana Participation Investor Shares reported a -0.83% decline. The portfolio holds 31 separate issues posting a modified duration of 3.68 years, a 30-day yield for the Institutional Shares of 3.08%, and a 30-day yield for the Investor Shares of 2.84%. The top-performing securities for the quarter include Bahrain's sovereign sukuk (BHRAIN 6.273 11/22/18) returning 0.74%, followed by the Turkey's sovereign sukuk (TURKSK 2.803 03/26/18) returning 0.72%. The two worse-performing issues over the quarter were issues with longer maturities: Saudi Arabia's sovereign sukuk (KSA 3.628 04/20/27) which fell -3.95% and Indonesia's sovereign sukuk (INDOIS 4.55 03/29/26) which fell -2.33%.

Top 10 Holdings	Portfolio Weight
EMG Sukuk	4.65%
KSA Sukuk	4.37%
MAF Sukuk	4.21%
DIFC Sukuk	4.21%
EIB Sukuk	4.14%
DP World Crescent	4.14%
Equate Sukuk	4.12%
ICD Sukuk	4.11%
SIB Sukuk Co III	4.06%
Al Shindagha Sukuk	3.98%

30-Day Yield	
Investor Shares (AMAPX):	2.84%
Institutional Shares (AMIPX):	3.08%

Credit Profile	
AA	3.64%
A	20.37%
BBB	41.63%
B	2.94%
Unrated	25.72%
Cash and equivalents	5.70%

Credit ratings are the lesser of S&P Global Ratings or Moody's Investors Service, Nationally Recognized Statistical Rating Organizations. If neither S&P nor Moody's rate a particular security, that security is categorized as not rated.

The Fund is well positioned from a credit perspective to meet its investment objective of capital preservation and current income, while being entirely invested in US dollar-denominated securities. Over the upcoming second quarter, we anticipate another interest rate hike at the FOMC's June meeting and for markets to experience volatility, partially as a result of global central banks normalizing monetary policies. Additionally, we anticipate many sovereign issuers, including members of the Gulf Cooperative Council (GCC) – Bahrain, Kuwait, Oman, Saudi Arabia, UAE and Qatar – as well as Malaysia and Indonesia, will experience favorable economic growth throughout the year as oil and other commodity prices have stabilized after prices bottomed out in 2016.

Performance Summary

As of March 31, 2018

Average Annual Total Returns *(Before Taxes)*	**Ticker**	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**Expense Ratio**
Income Fund Investor Shares	AMANX	10.59% ▲	7.76% ▲	9.87% ▲	8.13% ▲	1.13%
Income Fund Institutional Shares	AMINX	10.86% ▲	8.02% ▲	n/a	n/a	0.89%
S&P 500 Index		13.99% ▲	10.79% ▲	13.29% ▲	9.49% ▲	n/a
Growth Fund Investor Shares	AMAGX	19.54% ▲	11.31% ▲	13.11% ▲	9.58% ▲	1.10%
Growth Fund Institutional Shares	AMIGX	19.84% ▲	11.57% ▲	n/a	n/a	0.86%
S&P 500 Index		13.99% ▲	10.79% ▲	13.29% ▲	9.49% ▲	n/a
Developing World Fund Investor Shares	AMDWX	10.77% ▲	1.06% ▲	-0.52% ▼	n/a	1.35%
Developing World Fund Institutional Shares	AMIDX	11.07% ▲	1.28% ▲	n/a	n/a	1.14%
MSCI Emerging Markets Index		24.93% ▲	8.81% ▲	5.02% ▲	3.02% ▲	n/a
Participation Fund Investor Shares	AMAPX	0.33% ▲	n/a	n/a	n/a	0.92%
Participation Fund Institutional Shares	AMIPX	0.56% ▲	n/a	n/a	n/a	0.68%
Citi Sukuk Index		1.21% ▲	2.39% ▲	2.98% ▲	4.22% ▲	n/a

Expense ratios shown are as stated in the Funds' most recent Prospectus dated September 21, 2017.

Performance data quoted represents past performance, is before any taxes payable by shareowners, and is no guarantee of future results. *Current performance may be higher or lower than that stated herein. Performance current to the most recent month-end is available by calling toll-free 1-800-728-8762 or visiting www.amanafunds.com. Average annual total returns are historical and include change in share value as well as reinvestment of dividends and capital gains, if any. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Shares of a Fund may only be offered for sale through the Fund's prospectus or summary prospectus.*

The S&P 500 is an index comprised of 500 widely held common stocks considered to be representative of the US stock market in general. The MSCI Emerging Markets Index, produced by Morgan Stanley Capital International, measures equity market performance in over 20 emerging market countries. The Citi Sukuk Index measures the performance of global Islamic fixed income securities, also known as sukuk. When available, Saturna uses total return components of indices mentioned. Investors cannot invest directly in the indices.

Institutional Shares of the Amana Funds began operations September 25, 2013.

The Amana Developing World Fund began operations September 28, 2009.

The Amana Participation Fund began operations September 28, 2015.

***Income**, **Growth**, **Developing World**, and **Participation** Funds: The value of the shares of each of the Funds rises and falls as the value of the securities in which the Funds invest goes up and down. The Amana Mutual Funds limit the securities they purchase to those consistent with Islamic principles. This limits opportunities and may affect performance. Each of the Funds may invest in securities that are not traded in the United States. Investments in the securities of foreign issuers may involve risks in addition to those normally associated with investments in the securities of US issuers. These risks include currency and market fluctuations, and political or social instability. The risks of foreign investing are generally magnified in the smaller and more volatile securities markets of the developing world.*

***Growth Fund**: The smaller and less seasoned companies that may be in the Growth Fund have a greater risk of price volatility.*

***Participation Fund**: While the Participation Fund does not invest in conventional bonds, risks similar to those of conventional nondiversified fixed-income funds apply. These include: diversification and concentration risk, liquidity risk, interest rate risk, credit risk, and high-yield risk. The Participation Fund also includes risks specific to investments in Islamic fixed-income instruments. The structural complexity of sukuk, along with the weak infrastructure of the sukuk market, increases risk. Compared to rights of conventional bondholders, holders of sukuk may have limited ability to pursue legal recourse to enforce the terms of the sukuk or to restructure the sukuk in order to seek recovery of principal. Sukuk are also subject to the risk that some Islamic scholars may deem certain sukuk as not meeting Islamic investment principles subsequent to the sukuk being issued.*

Morningstar Ratings™

As of March 31, 2018

Morningstar Ratings™ A	Overall	1 Year	3 Year	5 Year	10 Year	Sustainability Rating™ B
Amana Income Fund – "Large Blend" Category						
Investor Shares (AMANX)	★★★	n/a	★★	★★	★★★	🌐🌐🌐🌐🌐
% Rank in Category	n/a	81	77	86	69	1
Institutional Shares (AMINX)	★★	n/a	★★	☆☆	☆☆☆	🌐🌐🌐🌐🌐
% Rank in Category	n/a	79	75	84	66	1
Number of Funds in Category	1,204	1,401	1,204	1,077	802	1,216
Amana Growth Fund – "Large Growth" Category						
Investor Shares (AMAGX)	★★★	n/a	★★★	★★★	★★★	🌐🌐🌐🌐🌐
% Rank in Category	n/a	57	44	65	59	1
Institutional Shares (AMIGX)	★★★	n/a	★★★	☆☆☆	☆☆☆	🌐🌐🌐🌐🌐
% Rank in Category	n/a	54	39	61	56	1
Number of Funds in Category	1,213	1,376	1,213	1,099	779	1,196
Amana Developing World Fund – "Diversified Emerging Markets" Category						
Investor Shares (AMDWX)	★	n/a	★	★	n/a	🌐🌐🌐🌐🌐
% Rank in Category	n/a	98	99	98	n/a	6
Institutional Shares (AMIDX)	★	n/a	★	☆	n/a	🌐🌐🌐🌐🌐
% Rank in Category	n/a	98	99	97	n/a	6
Number of Funds in Category	666	815	666	474	n/a	665

The Morningstar Sustainability Rating and the Morningstar Portfolio Sustainability Score are not based on fund performance and are not equivalent to the Morningstar Rating ("Star Rating").

[A] Morningstar Ratings™ ("Star Ratings") are as of March 31, 2018. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance (not including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

% Rank in Category is the fund's percentile rank for the specified time period relative to all funds that have the same Morningstar category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. Percentile ranks within categories are most useful in those categories that have a large number of funds.

[B] Morningstar Sustainability Ratings are as of February 28, 2018. The Morningstar Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio are managing their environmental, social, and governance ("ESG") risks and opportunities relative to the fund's Morningstar category peers. The Morningstar Sustainability Rating calculation is a two-step process. First, each fund with at least 50% of assets covered by a company-level ESG score from Sustainalytics receives a Morningstar Portfolio Sustainability Score™. The Morningstar Portfolio Sustainability Score is an asset-weighted average of normalized company-level ESG scores with deductions made for controversial incidents by the issuing companies, such as environmental accidents, fraud, or discriminatory behavior. The Morningstar Sustainability Rating is then assigned to all scored funds within Morningstar Categories in which at least ten (10) funds receive a Portfolio Sustainability Score and is determined by each fund's rank within the following distribution: High (highest 10%), Above Average (next 22.5%), Average (next 35%), Below Average (next 22.5%), and Low (lowest 10%). The Morningstar Sustainability Rating is depicted by globe icons where High equals 5 globes and Low equals 1 globe. A Sustainability Rating is assigned to any fund that has more than half of its underlying assets rated by Sustainalytics and is within a Morningstar Category with at least 10 scored funds; therefore, the rating it is not limited to funds with explicit sustainable or responsible investment mandates. Morningstar updates its Sustainability Ratings monthly. Portfolios receive a Morningstar Portfolio Sustainability Score and Sustainability Rating one month and six business days after their reported as-of date based on the most recent portfolio. As part of the evaluation process, Morningstar uses Sustainalytics' ESG scores from the same month as the portfolio as-of date.

The Fund's portfolios are actively managed and is subject to change, which may result in a different Morningstar Sustainability Score and Rating each month.

The Funds were rated on the following percentages of Assets Under Management:

Amana Income Fund	*95%*
Amana Growth Fund	*99%*
Amana Developing World Fund	*73%*

The Amana Mutual Funds offer two share classes – Investor Shares and Institutional Shares, each of which has different expense structures.

The Amana Participation Fund has not yet been rated by Morningstar.

About The Authors

Scott Klimo CFA
Chief Investment Officer
Amana Developing World Fund Portfolio Manager
Amana Income Fund and **Amana Growth Fund** Deputy Portfolio Manager

Scott Klimo, Chief Investment Officer and Portfolio Manager, joined Saturna Capital in May 2012. He received his BA in Asian Studies from Hamilton College in Clinton, NY and also attended the Chinese University of Hong Kong and the Mandarin Training Center in Taipei, Taiwan. Mr. Klimo has over 25 years experience in the financial industry with the first several years of his career spent living and working in a variety of Asian countries and the past 10 years working as a senior analyst, research director, and portfolio manager covering global equities. Mr. Klimo is a chartered financial analyst (CFA) charterholder. He is a supporter of various environmental organizations and served for several years on the Board of Directors of the Marin County Bicycle Coalition. Outside of work Mr. Klimo is an avid cyclist and scuba diver; pursuits he shares with his wife and two teenage children.

Patrick Drum MBA, CFA, CFP®
Research Analyst
Amana Participation Fund Portfolio Manager

Patrick T. Drum, Research Analyst and Portfolio Manager, joined Saturna Capital in October 2014. He is a select member of the United Nations Principles for Responsible Investment (UNPRI) Fixed Income Outreach Subcommittee and an adjunct professor of finance at Pinchot University, formerly known as Bainbridge Graduate Institute (BGI). Mr. Drum has nearly 10 years of experience integrating ESG considerations into fixed income portfolio management. He holds a BA in economics from Western Washington University and an MBA from Seattle University Albers School of Business. He is a Chartered Financial Analyst Charterholder (CFA) and a Certified Financial Planner®. Mr. Drum has more than 20 years of investment experience in serving institutions and private clients.

Footnotes

[1] Butters, John. Earnings Insight: Q4'17 by the Numbers [Infographic], FactSet, March 8, 2018. https://insight.factset.com/earnings-insight-q417-by-the-numbers-infographic

[2] Butters, John. S&P 500 Sees Negative Price Reaction to Positive EPS Surprises For Q4 2017, FactSet, March 12, 2018. https://insight.factset.com/sp-500-sees-negative-price-reaction-to-above-average-positive-eps-surprises-for-q4-2017

[3] Butters, John. Earnings Insight, FactSet, March 29, 2018. https://insight.factset.com/hubfs/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight_032918.pdf

[4] Analysis of Growth and Revenue Estimates Based on the U.S. Senate Committee on Finance Tax Reform Plan, Department of the Treasury Press Release, December 11, 2017. https://www.treasury.gov/press-center/press-releases/Documents/TreasuryGrowthMemo12-11-17.pdf

[5] Ydstie, John. Fed Raises Interest Rates Again As New Chairman Steps Into Spotlight [Infographic], NPR.org, March 21, 2018. https://www.npr.org/sections/thetwo-way/2018/03/21/595264873/feds-new-chairman-steps-into-spotlight-amid-an-expected-rate-increase

[6] Central Bank Rates, November 2, 2017: http://www.cbrates.com/england/index.htm

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***Asset-weighted average debt to market capitalization**: This ratio represents the average debt to market capitalization of the portfolio. It is calculated by taking the debt to market capitalization for each company (its debt divided by its market capitalization), then weighting these values (multiplying each by the company's percent share of total portfolio assets), then totaling the weighted values.*

***Effective maturity** and **modified duration** are measures of a fund's sensitivity to changes in interest rates and the markets. A fund's effective maturity is a dollar-weighted average length of time until principal payments must be paid. Longer maturities typically indicate greater sensitivity to interest rate changes than shorter maturities. Modified duration differs from effective maturity in that it accounts for interest payments in addition to the length of time until principal payments must be paid. Longer durations tend to indicate greater sensitivity to interest rate changes than shorter durations. Call options and other security specific covenants may be used when calculating effective maturity and modified duration.*

*A Fund's **30-Day Yield**, sometimes referred to as standardized yield, current yield, or SEC yield, is based on methods of computation prescribed in SEC Form N-1A. Calculated by dividing the net investment income per share during the preceding 30 days by the net asset value per share on the last day of the period, the 30-Day Yield provides an estimate of a Fund's investment income rate, but may not equal the actual income distribution rate.*

We note that unlike many funds, the Amana Funds' expenses are not subsidized by its adviser, Saturna Capital, therefore the 30-Day Yields presented are actual, according to the SEC's calculation methodology.