Fund Commentary • Q2 2017

Saturna Capital

Amana Mutual Funds Trust

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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

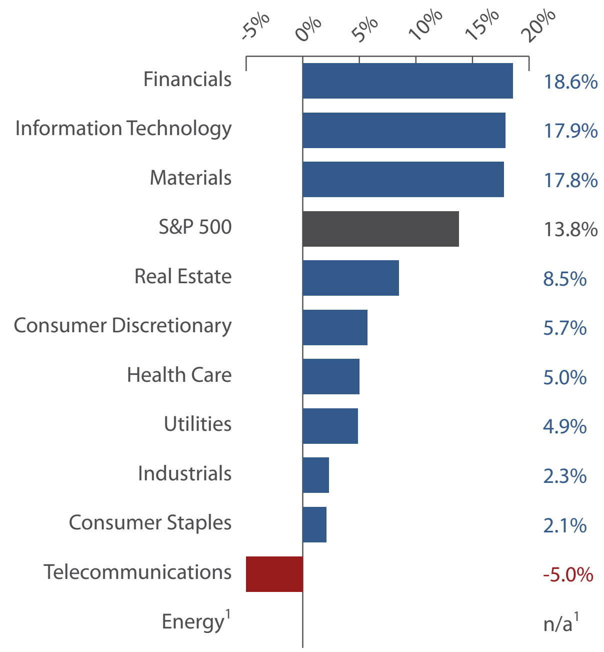
Carpe Diem

While markets continued to advance in the second quarter, the pace slowed appreciably from the first; unsurprising considering that signature initiatives of the Trump administration – replacing the Affordable Care Act, tax reform, and infrastructure development – have failed to launch. In the absence of political momentum, companies stepped up, with the S&P 500 constituents reporting first-quarter earnings growth of 13.81%, a surprisingly strong number that eases concerns over market valuation. Information Technology, Financials, and Materials led the earnings charge, but the strength was broad-based, and only Telecommunications reported a year-on-year decline.

Looking at sector performances, there has been some shuffling at the top and bottom of the order, but, generally speaking, sectors that performed well in Q1 continued to do so in Q2, while those that lagged in Q1 remained weak. Information Technology remained the top-performing sector through the first half; logical given its earnings growth. Nonetheless, in Q2, Technology surrendered some of its performance lead to Health Care. Health Care has not been among the top performers in growing earnings, but after a difficult 2016 it remains inexpensive relative to the overall market. Industrials stocks continued to do well despite modest earnings performance, likely reflecting reflation hopes.

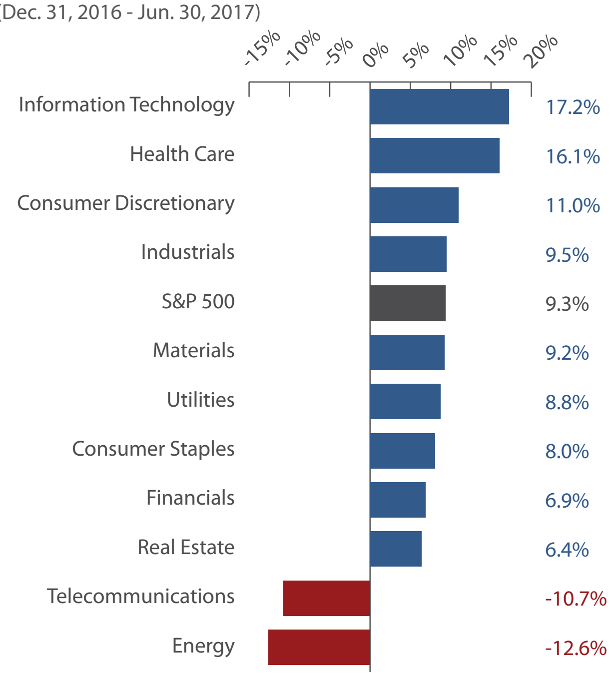
While US conditions have been good for stock market investors, the global environment has been ebullient. Most European markets have experienced double-digit returns in US dollars. The UK was a notable exception following the prime minister's misguided decision to call early elections in hopes of strengthening the conservative hand in negotiating the terms of the UK's exit from the European Union (EU). Instead, the Tories lost their majority and have had to bring in a minority partner to form a government, a development that has added uncertainty to Brexit. Elsewhere, China, Taiwan, and South Korea have also experienced double-digit stock market appreciation. Mexico has enjoyed a strong performance, supported by the recovery in the value of the Mexican peso, while Canada has been an outlier, stumbling on the back of weaker commodity prices. Inflation and interest rates are generally low around the world, and foreign exchange rates have been stable, although the weakening of the US dollar against the euro has contributed to dollar-based returns in those markets. Despite the unconventional stance adopted by the US toward its allies, there are no major flashpoints. North Korea's test of an intercontinental ballistic missile (ICBM) and the stand-off between Qatar and other Middle Eastern countries present challenges but nothing new.

S&P 500 Earnings Growth by Sector 2017 Q1
(Dec. 31, 2016 - Mar. 31, 2017)



Source: FactSet

S&P 500 Performance by Sector 2017 1H
(Dec. 31, 2016 - Jun. 30, 2017)



Source: Bloomberg

One area that has not provided attractive returns has been Energy, as shown in the accompanying sector performance chart. We have reduced our oil exposure, and Amana Income and Amana Growth are now fossil-fuel free. A contentious debate exists over the future of oil prices, with one camp believing that reductions in exploration and production budgets over the past several years will eventually lead to higher prices. The other side believes the need for oil-exporting governments to balance budgets means that attempts to control production are destined to fail. At the same time, improving US technology in tight oil fields creates new supply independent of OPEC, while better fuel efficiency and alternative drive trains (hybrid/electric) reduce oil demand. Transportation accounts for 69.8% of oil consumption in the US.[2] We do not know which side will be proven correct, although we have seen rapid reductions in battery prices lead to more aggressive estimates for the market share of electric cars over the next 10 years. We do know a significant risk of stranded assets exists in the event prices fail to recover. That's a risk we are not willing to accept when Norwegian chemical company Yara announces plans for an all-electric (and autonomous) cargo ship for coastal operations,[3] Volvo states that by 2019 all its new vehicle introductions will be hybrid or all-electric,[4] and Volkswagen expects that by 2025 up to 25% of its vehicle sold will be battery-powered.[5]

Outlook

Complacency often represents the greatest risk, and there's a lot of it going around. Last quarter we discussed the historically low levels of volatility, a situation that continues. Unemployment stands at a 16-year low of 4.3%[6] and the 10-year Treasury yield at 2.35%.[7] The Federal Reserve has raised interest rates three times in the current tightening phase, and, at 1.50%,[8] the discount rate has narrowed the gap with Treasury bonds. To date, the US economy and stock market have handled the removal of quantitative easing and transition to traditional tightening with aplomb. Will that continue to be the case? Such thoughts occupy the minds of some members of the Federal Reserve Open Market Committee. According to the minutes from the June meeting, "…a few participants expressed concern that subdued market volatility, coupled with a low equity premium, could lead to a buildup of risks to financial stability."[9]

On the other hand, there are times when conditions change measurably for the better. The populist/nativist political trend in Europe that started with the UK's decision to exit the EU has stalled with Emmanuel Macron's stunning victory in the French presidential election and the subsequent success of his En Marche! party in winning a majority of seats in the National Assembly. Macron has set a centrist course, expressing strong support for the EU, while stressing the need to ease France's regulatory regime and tame its debt and deficits. Losses by anti-EU fringe parties in Italy and Germany support the idea that Brexit may have provided a wake-up call rather than an omen. It's worth remembering that reforms enacted under previous German Chancellor Gerhard Schröder in the late 1990s through the early 2000s set the stage for Germany's economic performance today. France may never match Germany, but any improvement in the regulatory environment of the EU's second-largest economy (after the UK exits) is positive for the EU and global economic activity.

Amana Income Fund

As of June 30, 2017

In the second quarter, the Amana Income Fund Investor Shares ceded some of its lead over the S&P 500, gaining 2.84% versus 3.09% for the benchmark index. Year-to-date returns are nearly identical at 9.35% and 9.34%, respectively. The Fund remains well ahead of the Russell 1000 Value Index, which has provided a 4.65% return year-to-date. Contributions to return were diverse in the quarter with Health Care, Industrials, Consumer, Technology, and Materials all appearing.

Illinois Tool Works and Honeywell were among the top contributors for all of 2016, as well as in the first and second quarters of 2017. Such a string of outperformance may raise valuation questions, but Honeywell has consistently raised earnings at high single-digit percentages, while paying an attractive dividend. Illinois Tool Works carries a lower dividend but has been growing earnings at a faster clip and remains reasonably valued relative to Industrials. Nike has appeared for the second consecutive quarter after a difficult 2016, and its most recent earnings announcement pushed the stock 10% higher on the day.

As with our best stocks, three companies are making repeat appearances on the detractors list: Carlisle, General Mills, and Intel. In the first quarter, Intel's contribution was neutral, but in a strong market the lack of appreciation was enough to place it on the detractors list. General Mills has a long history of solid performance but has failed to keep pace with changes in its industry, notably the dramatic shift to Greek-style yogurt, the decline of breakfast cereal, and the growing popularity of natural/organic foods. Carlisle missed earnings in its latest report and has had challenges integrating acquisitions.

Among top holdings only Colgate has dropped off, replaced by Canadian National Railway on the basis of relative price performance.

10 Largest Contributors	Return	Contribution
3M	9.47%	0.35
Illinois Tool Works	8.63%	0.33
Novartis ADR	12.39%	0.31
Canadian National Railway	10.06%	0.30
Honeywell International	7.29%	0.28
Praxair	12.42%	0.25
AbbVie	12.39%	0.21
Taiwan Semiconductor ADR	9.87%	0.21
Nike, Class B	6.23%	0.20
United Technologies	9.42%	0.20

10 Largest Detractors	Return	Contribution
W.W. Grainger	-21.91%	-0.31
Carlisle	-10.04%	-0.26
JM Smucker	-9.19%	-0.17
General Mills	-5.34%	-0.14
Intel	-5.77%	-0.14
Eli Lilly	-1.52%	-0.06
Methanex	-5.39%	-0.06
Kimberly-Clark	-1.18%	-0.03
Pfizer	-0.86%	-0.03
Procter & Gamble	-2.26%	-0.02

Top 10 Holdings	Portfolio Weight
Illinois Tool Works	4.08%
3M	4.06%
Honeywell International	3.99%
Rockwell Automation	3.94%
Eli Lilly	3.82%
Microsoft	3.62%
Nike, Class B	3.36%
PPG Industries	3.30%
Parker Hannifin	3.29%
Canadian National Railway	3.24%

30-Day Yield	
Investor Shares (AMANX):	1.23%
Institutional Shares (AMINX):	1.46%

Asset-weighted average debt to market cap: 15.6%

Amana Growth Fund

For the second quarter, the Amana Growth Fund Investor Shares continued outperforming, rising 4.41%, bringing the year-to-date return to 14.17%. The Fund has surpassed the S&P 500's returns both for the quarter (3.09%) and year-to-date (9.34%). The Fund didn't quite keep up with the 4.67% appreciation of the Russell 1000 Growth Index in the second quarter but has outpaced the Russell's 13.99% rise through the first half of the year.

As was the case with the Amana Income Fund, no single sector dominated returns, although Technology made the strongest showing. Taiwan Semiconductor is one of the few stocks to appear in both the Income and Growth Funds, being one of the few Technology stocks to pay an attractive dividend. The semiconductor cycle has been of unusual duration and may be considered an area of risk. We believe there are sufficient new applications driving semiconductor demand, including the Internet of Things (IoT), pharmaceutical research, and automated driving, to maintain the cycle until the next big surge of demand appears with 5G wireless communications.

After a long run of solid sales growth, expanding margins, and growing earnings per share, TJX, the owners of TJ Maxx, Home Sense, and other retail outlets, hit a speed bump in the second quarter with sales growth slowing and higher costs preventing margin improvement. While retail across the spectrum has suffered from online merchants, we believe TJX has unique characteristics, including one of the strongest buying groups in the industry, that will propel it beyond the current slowdown. Fastenal may be suffering from association with other industrial distributors, such as Grainger, that have been challenged by Amazon. Its performance, however, remains good, and we remain committed.

Lowe's and Eli Lilly have fallen out of the top 10 list and have been replaced by Agilent and Alphabet.

10 Largest Contributors	Return	Contribution
Novo-Nordisk ADR	25.12%	0.57
Intuit	14.83%	0.54
Agilent Technologies	12.43%	0.39
Trimble	11.43%	0.38
Adobe Systems	8.69%	0.37
Estee Lauder, Class A	13.61%	0.34
Alphabet, Class A	9.66%	0.30
Xilinx	11.71%	0.27
Norfolk Southern	9.26%	0.26
Taiwan Semiconductor ADR	9.87%	0.26

10 Largest Detractors	Return	Contribution
TJX Companies	-8.38%	-0.30
Fastenal	-14.88%	-0.30
Cisco Systems	-6.59%	-0.22
Lowe's	-5.30%	-0.16
Qualcomm	-2.74%	-0.08
Eli Lilly	-1.52%	-0.06
Harris	-1.50%	-0.04
ASML Holding	-0.90%	-0.03
Clorox Company	-0.59%	-0.02
TripAdvisor	-13.12%	-0.01

Top 10 Holdings	Portfolio Weight
Apple	4.71%
Adobe Systems	4.59%
Church & Dwight	4.55%
Amgen	3.97%
Intuit	3.88%
Trimble	3.70%
Johnson & Johnson	3.60%
Agilent Technologies	3.46%
Alphabet, Class A	3.32%
TJX Companies	3.28%

Asset-weighted average debt to market cap: 12.7%

Amana Developing World Fund

As of June 30, 2017

The Amana Developing World Fund Investor Shares returned 5.50% in the second quarter, trailing the 5.95% return of the MSCI ACWI ex-USA Index, which Morningstar identifies as the most comparable index, and the MSCI Emerging Markets Index return of 6.27%. Through the first half of the year the Fund gained 13.02% against 14.44% for the MSCI ACWI ex-USA Index and 18.43% for the MSCI Emerging Markets Index.

The top three contributors in the most recent quarter also held the top three positons in Q1. In fact, six of the stocks in the above list are taking a consecutive quarterly bow, with Unilever, Techtronic, and Clicks Group also reappearing. These six companies represent a diversity of geographies and industries, from South American e-commerce leader MercadoLibre to Chinese internet giant Tencent and global luggage leader Samsonite. Samsonite is doing a good job at consolidating the industry, as well as developing its online and omnichannel competence. Unilever has been spurred by a takeover approach to more aggressively streamline its business. Techtronic Industries' most recent results showed solid progress in expanding the reach of its power tools business, while the Clicks Group, despite South Africa's political woes, remains the best-managed retail operation in the country.

The movement of most detractors was minor, with the exception of Hikma and Pandora. Hikma was forced to write down part of the value of its West-Ward Columbus business in the US, while the company also postponed the launch of its generic Advair (asthma) product. Pandora has been hit by concerns over slowing growth in the US, despite the fact that its China business is growing extremely rapidly. The reduction in share price, with minimal changes in earnings expectations, has made the valuation very attractive.

The only change among the top 10 holdings is that global apparel manufacturer and retailer VF Corporation has replaced Philippine power generator Aboitiz Power.

10 Largest Contributors	Return	Contribution
MercadoLibre	18.70%	1.05
Tencent Holdings ADR	24.89%	0.94
Samsonite International	16.64%	0.56
SM Prime Holdings	16.86%	0.56
Ford Otomotiv Sanayi	28.83%	0.53
Kansas City Southern	22.43%	0.45
Clicks Group	12.28%	0.42
Telekomunikasi Indonesia ADS	10.95%	0.37
Techtronic Industries	14.62%	0.30
Unilever ADS	10.50%	0.28

10 Largest Detractors	Return	Contribution
Hikma Pharmaceuticals	-22.21%	-0.34
Pandora	-14.91%	-0.30
Aboitiz Power	-7.36%	-0.17
Bangkok Airways	-8.28%	-0.16
CNOOC ADR	-6.26%	-0.09
Manila Electric	-5.37%	-0.08
Bangkok Dusit Medical Services	-8.36%	-0.07
China Mobile ADS	-2.49%	-0.05
Enel Americas ADR	-7.58%	-0.03
Petronas Gas	-2.56%	-0.03

Top 10 Holdings	Portfolio Weight
MercadoLibre	6.05%
Tencent Holdings ADR	4.46%
Samsonite International	3.74%
SM Prime Holdings	3.63%
Clicks Group	3.60%
Telekomunikasi Indonesia ADS	3.48%
Unilever ADS	2.74%
Hong Kong & China Gas	2.49%
Kalbe Farma	2.48%
VF	2.38%

Asset-weighted average debt to market cap: 15.3%

Amana Participation Fund

As of June 30, 2017, the Amana Participation Fund Investor Shares (AMAPX) and Institutional Shares (AMIPX) each returned 1.83% year-to-date, as compared to 3.05% for the Citi Sukuk Index. The portfolio holds 31 separate issues posting a modified duration of 3.62 years, a 30-day yield for the Investor Shares of 2.24%, and a 30-day yield for the Institutional Shares of 2.44%. Factors contributing to underperformance include differences in the Fund's composition relative to the benchmark with regard to investment objective, duration, regional allocation, and security allocation.

The Participation Fund's investment objective is capital preservation and current income consistent with Islamic principles, while the Citi Sukuk benchmark measures the performance of global Islamic fixed income securities. The Fund targets a dollar-weighted average maturity between two and five years, a policy that aims to mitigate duration risk and helps the Fund meet its primary objective of capital preservation. Unlike the Fund, the Citi Sukuk benchmark holds several securities with maturities that extend into the early 2040s. The Fund intentionally has a smaller exposure to countries that tend to experience greater price volatility relative to the broader *sukuk* market. Some of the more price-volatile regions include South Africa, Indonesia, and Turkey. The Fund does not own any positions originating from South Africa and allocates 5.34% and 5.82% of its total assets to issuers domiciled in Indonesia and Turkey, respectively. The Citi Sukuk benchmark allocates 0.81% to South Africa, and 16.28% and 9.23% to Indonesia and Turkey, respectively.

The second quarter of 2017 marked several positive milestones along with setbacks in the Islamic markets and community. In April of 2017, Saudi Arabia undertook the largest-ever sovereign *sukuk* issue at $9.0 billion, which was met with high demand from US, Asian, and European investors. Saudi Arabia's large *sukuk* offering followed their enormous $17.5 billion conventional sovereign loan offering back in October of 2016. Other countries are following suit by first issuing conventional debt and then a separate *sukuk* issue. In February of 2017, Oman issued its first $2.0 billion conventional debt offering and is expected to issue its first US dollar *sukuk* issue sometime in the second half of 2017.

As with the good times, challenges remain in the market. Many Gulf Cooperation Council members continue to face fiscal shortfalls due to low oil prices compounded by a reduction in government-sponsored fiscal support and geopolitical tensions. Qatar remains sequestered both economically and politically following a surprise move by Saudi Arabia, UAE, Bahrain, and Egypt in early June of 2017.

Top 10 Holdings	Portfolio Weight
MAF Sukuk	4.64%
SIB Sukuk Co III	4.41%
DIFC Sukuk	3.98%
CBB International Sukuk	3.97%
EMG Sukuk	3.97%
Dubai DOF Sukuk	3.93%
EIB Sukuk	3.85%
DEWA Sukuk 2013	3.84%
ICD Sukuk	3.82%
Ooredoo Tamweel	3.81%

30-Day Yield	
Investor Shares (AMAPX):	2.24%
Institutional Shares (AMIPX):	2.44%

Credit Profile	
Moody's Investor Services	
Aa	3.8%
A	21.7%
Baa	22.4%
Ba	2.6%
Unrated	47.2%
Cash and equivalents	2.4%

Credit ratings are determined by Moody's Investors Service, a Nationally Recognized Statistical Rating Organization. If Moody's does not rate a particular security, that security is categorized as not rated.

We will continue to monitor these developments closely, but at this point our exposure to Qatar remains small, and what is owned represents among the highest quality Qatari credit issues.

The two top-performing securities at the end of the second quarter, include Indonesia's government-issued *sukuk*, INDOIS 4.55 03/29/26, and TNB Global Ventures *sukuk*, TNBMK 3.244 10/19/26, the large Malaysian utility, returning 5.92% and 5.38%, respectively. The two worst-performing issues throughout the second quarter were Qatar Islamic Bank sukuk, QIBKQD 2.754 10/27/20, and Qatar's sovereign sukuk, QATAR 3.241 01/18/23, posting returns of -0.91% and -0.72%, respectively.

Over the upcoming second half of the year we will continue to place our focus on owning US dollar-denominated investments offered by high-quality issuers positioned to endure political challenges and an environment characterized by lower priced oil.

Performance Summary

As of June 30, 2017

Average Annual Total Returns *(Before Taxes)*	**Ticker**	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**Expense Ratio**
Income Fund Investor Shares	AMANX	10.96% ▲	6.14% ▲	11.86% ▲	7.20% ▲	1.15%
Income Fund Institutional Shares	AMINX	11.22% ▲	6.40% ▲	n/a	n/a	0.90%
S&P 500 Index		17.90% ▲	9.60% ▲	14.61% ▲	7.17% ▲	n/a
Russell 1000 Value Index		15.51% ▲	7.34% ▲	13.92% ▲	5.54% ▲	n/a
Growth Fund Investor Shares	AMAGX	18.00% ▲	9.49% ▲	12.14% ▲	7.47% ▲	1.09%
Growth Fund Institutional Shares	AMIGX	18.26% ▲	9.74% ▲	n/a	n/a	0.85%
S&P 500 Index		17.90% ▲	9.60% ▲	14.61% ▲	7.17% ▲	n/a
Russell 1000 Growth Index		20.42% ▲	11.09% ▲	15.28% ▲	8.90% ▲	n/a
Developing World Fund Investor Shares	AMDWX	4.03% ▲	-3.20% ▼	-0.07% ▼	n/a	1.51%
Developing World Fund Institutional Shares	AMIDX	4.31% ▲	-2.95% ▼	n/a	n/a	1.20%
MSCI Emerging Markets Index		23.75% ▲	1.07% ▲	3.95% ▲	1.91% ▲	n/a
Participation Fund Investor Shares	AMAPX	1.32% ▲	n/a	n/a	n/a	1.12%
Participation Fund Institutional Shares	AMIPX	1.46% ▲	n/a	n/a	n/a	0.72%
Citi Sukuk Index		2.78% ▲	3.54% ▲	3.77% ▲	4.20% ▲	n/a

Expense ratios shown are as stated in the Funds' most recent Prospectus dated September 22, 2016.

***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 Russell 1000 Growth Index measures the performance of the large-cap growth segment of the US equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Value Index measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth values. 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 June 30, 2017

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	92	81	84	17	1
Institutional Shares (AMINX)	★★	n/a	★★	☆☆	☆☆☆☆☆	🌐🌐🌐🌐🌐
% Rank in Category	n/a	90	78	82	15	1
Number of Funds in Category	1,223	1,392	1,223	1,080	802	1,222
Amana Growth Fund – "Large Growth" Category						
Investor Shares (AMAGX)	★★★	n/a	★★★	★★	★★★★	🌐🌐🌐🌐🌐
% Rank in Category	n/a	70	43	83	54	1
Institutional Shares (AMIGX)	★★★	n/a	★★★	☆☆	☆☆☆☆	🌐🌐🌐🌐🌐
% Rank in Category	n/a	67	38	81	52	1
Number of Funds in Category	1,277	1,424	1,277	1,152	803	1,284
Amana Developing World Fund – "Diversified Emerging Markets" Category						
Investor Shares (AMDWX)	★	n/a	★★	★	n/a	🌐🌐🌐🌐
% Rank in Category	n/a	99	92	97	n/a	25
Institutional Shares (AMIDX)	★★	n/a	★★	☆	n/a	🌐🌐🌐🌐
% Rank in Category	n/a	99	90	97	n/a	25
Number of Funds in Category	634	814	634	436	n/a	634

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 June 30, 2017. 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 May 31, 2017. 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	*99%*
Amana Growth Fund	*99%*
Amana Developing World Fund	*64%*

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.

Important Disclaimers and Disclosure

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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.*

Footnotes

[1] *The Energy sector reported $8.5 billion in earnings for Q1 2017, compared to a -$1.5 billion loss in Q1 2016. Due to the loss in the previous year (creating a negative denominator for any percentage change calculation) the resulting percentage change between the two periods using the absolute number method would be 667%, which may be misleading.*

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[3] *Lambert, Fred. A new all-electric and autonomous cargo ship is planned for operation in 2018, electrek.com, May 11, 2017. https://electrek.co/2017/05/11/all-electric-autonomous-cargo-ship/*

[4] *Boston, William. Volvo Plans to Go Electric, to Abandon Conventional Car Engine by 2019, The Wall Street Journal, July 5, 2017. https://www.wsj.com/articles/volvo-to-phase-out-conventional-car-engine-1499227202*

[5] *Rauwald, Christoph. VW Bets on SUVs, Electric Cars in Overhaul of Namesake Brand, Bloomberg News, May 5, 2017. https://www.bloomberg.com/news/articles/2017-05-05/vw-brand-sees-substantial-improvement-as-turnaround-takes-hold*

[6] *US Bureau of Labor Statistics, Civilian Unemployment Rate [UNRATE], FRED, Federal Reserve Bank of St. Louis. https://fred.stlouisfed.org/series/UNRATE*

[7] *Board of Governors of the Federal Reserve System (US), 10-Year Treasury Constant Maturity Rate [DGS10], FRED, Federal Reserve Bank of St. Louis. https://fred.stlouisfed.org/series/DGS10*

[8] *International Monetary Fund, Interest Rates, Discount Rate for US [INTDSRUSM], FRED, Federal Reserve Bank of St. Louis. https://fred.stlouisfed.org/series/INTDSRUSM193N*

[9] *Minutes of the Federal Open Market Committee, June 13-14, 2017, page 9. https://www.federalreserve.gov/monetarypolicy/files/fomcminutes20170614.pdf*

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