Fund Commentary • Q2 2017

Saturna Capital

Sextant Mutual Funds

Please consider an investment's objectives, risks, charges, and expenses carefully before investing. To obtain this and other important information about the Sextant Mutual Funds in a current prospectus or summary prospectus, please visit www.sextantfunds.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 Sextant Mutual Funds.

Environment

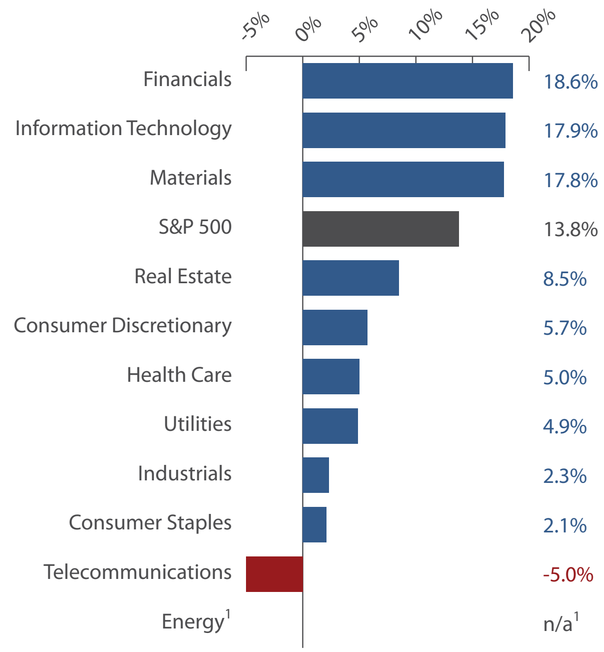
Carpe Diem

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.

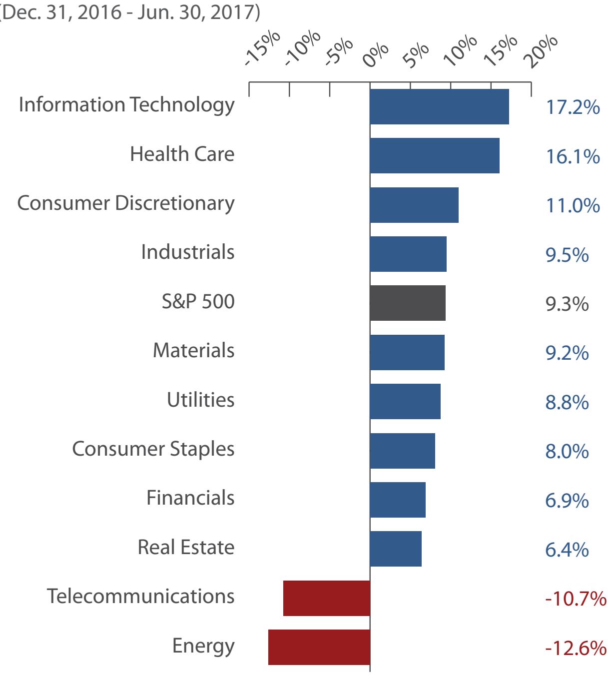
While US conditions have been good for stock market investors, the global environment has been ebullient. Most European markets have experienced double-digit returns in US dollars. The UK was a notable exception following the prime minister's misguided decision to call early elections in hopes of strengthening 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

Several of the Sextant Funds have exposure to the Energy complex. Many oil companies pay high dividends, making them appropriate for the Sextant Core Fund and the Sextant Global High-Income Fund. That said, it's difficult to miss the underperformance of the Energy sector in the accompanying sector performance chart. The oil market has been thrown into confusion by the rapid increase in US production despite lower prices, as well as the futility of the Saudi/OPEC attempt to restrict production as Iraq, Libya, and Nigeria raise output. Further confusion may result from Qatar's decision to sharply increase natural gas production in response to the economic embargo imposed by Saudi Arabia, Bahrain, the United Arab Emirates, and Egypt. Already the world's largest supplier of liquefied natural gas, Qatar's production hike will almost certainly lead to reduced prices and substitution of gas in place of dirtier fuels.

Further muddying the waters (while simultaneously clearing the skies) is the rapid fall in battery prices and rising expectations for sales of electric cars. Tesla's Model 3 will begin deliveries in the third quarter, while Volvo has announced that that by 2019 all its new vehicle introductions will be hybrid or all-electric.[2] France plans to ban the sale of all gasoline and diesel-fueled vehicles by 2040.[3] Given that transportation accounts for 69.8% of oil consumption in the United States,[4] these are important developments. Perhaps the most revolutionary development is the agreement among Tesla, French energy company Neoen, and the government of South Australia to install a 100-megawatt battery farm at the Hornsdale Wind Farm. South Australia has suffered from repeated power outages over the past year, and Elon Musk has guaranteed to complete the farm within 100 days or it will be free. These developments illustrate the need to analyze and understand all of the possibilities in energy production and distribution.

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%[5] and the 10-year Treasury yield at 2.35%.[6] The Federal Reserve has raised interest rates three times in the current tightening phase, and, at 1.50%,[7] 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."[8]

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.

Sextant Growth Fund

As of June 30, 2017

The Sextant Growth Fund Investor Shares appreciated 3.61% in the second quarter, ahead of the S&P 500's 3.09% gain, but lagging the 4.67% rise in the Russell 1000 Growth Index. Year-to-date, the Fund has returned 11.68%, leading the 9.34% rise in the S&P 500, but trailing the Russell 1000 Growth performance of 13.99%. Technology continued to be the leading contributor to Fund returns, while Health Care stepped up its contribution.

Edwards Life Sciences has been a volatile ride, but we have confidence in its transcatheter heart valve product, a view that the rest of the market has come around to after some doubts in the fourth quarter of last year. Amazon and Google (Alphabet) both achieved milestones when their share prices briefly exceeded $1,000. Despite the European Union recently levying a $2.7 billion fine against Google and questions of Amazon's retail dominance after its decision to acquire Whole Foods, we believe both, along with Facebook, are must-own internet properties. All three, along with Adobe, Stanley Black & Decker, Nike, and Abbott Labs were top contributors in the first quarter as well.

The majority of the detractors hardly moved during the quarter. One exception is TJX, which has been among the strongest performing retail stocks over the past few years. Like many physical retailers, questions have been raised about its viability in a world dominated by e-commerce and Amazon. We believe TJX's core strengths of an unrivaled buyer group and sophisticated models for determining store by store inventory provide an enduring competitive edge. We are less enthusiastic about Lowe's. The home improvement stores are considered relatively insulated from e-commerce, but developing omnichannel competence remains important, and Home Depot, which we have added to the portfolio, appears superior.

Due to lackluster performance, RPM has dropped out of the top 10 holding list and has been replaced by Microsoft, which has performed well in 2017.

10 Largest Contributors	Return	Contribution
Edwards Lifesciences	25.69%	0.60
Alphabet, Class A	9.66%	0.44
Adobe Systems	8.69%	0.34
Amazon	9.19%	0.33
Facebook, Class A	6.29%	0.31
Abbott Laboratories	10.12%	0.25
Stanley Black & Decker	6.36%	0.23
Nike, Class B	6.23%	0.23
Mastercard, Class A	8.20%	0.22
Ecolab	6.20%	0.19

10 Largest Detractors	Return	Contribution
TJX Companies	-8.38%	-0.42
Lowe's	-5.30%	-0.13
FLEETCOR Technologies	-4.77%	-0.12
Alaska Air	-2.32%	-0.04
RPM International	-0.30%	-0.02
Juniper Networks	-1.03%	-0.01
Costco Wholesale	-0.47%	0.00
Starbucks	0.27%	0.02
Ingredion	-0.59%	0.02
Valvoline	3.71%	0.02

Top 10 Holdings	Portfolio Weight
Apple	6.61%
Facebook, Class A	5.23%
Alphabet, Class A	4.95%
TJX Companies	4.59%
Starbucks	4.32%
Adobe Systems	4.15%
Amazon.com	3.95%
Nike, Class B	3.86%
Stanley Black & Decker	3.75%
Microsoft	3.48%

Sextant International Fund

The Sextant International Fund Investor Shares appreciated 4.41% in the second quarter, trailing the 6.37% gain in the MSCI EAFE Index. Year-to-date, the Fund has returned 11.93% versus 14.23% for the benchmark. For US dollar-based investors, currency movements played a significant role in the second quarter, especially the strengthening of the euro versus the dollar. The Sextant International Fund is underweight Europe relative to the benchmark, while having a large position in Canada. The Canadian dollar has appreciated but less significantly.

Currency tailwinds provided an assist to most of the Fund's top performers, especially Mexican Coca-Cola bottler Fomento Economico, although Panamanian Airline Copa, international hotel company Belmond, and South American e-commerce leader MercadoLibre were less exposed. Six of the top performers continued a trend established in the first quarter when they also appeared among the best performing stocks. These are Unilever, MercadoLibre, Wolters Kluwer, Novartis, Fomento Economico, and Dassault.

Several of the stocks that detracted from performance in the second quarter were taking a breather following periods of strong returns, including German chemical company BASF, Dutch lithography leader ASML, and Australia & New Zealand Banking. Inditex (Industria de Diseno Textil), owners of the fast fashion Zara clothing stores, is a new addition to the portfolio. We are evaluating the position in Toyota. Long viewed as a leader in automotive efficiency and quality, Toyota and Japanese cars in general no longer hold the quality advantage over Detroit of days past. At the same time, they are relatively stronger in sedans versus trucks and SUVs, which is contrary to the trends we have seen in American consumer preferences. Of course, Toyota also has significant operations around the world, but the company's margin performance has been weakening in all regions.

There were no changes to the top 10 holdings during the quarter.

10 Largest Contributors	Return	Contribution
NICE Systems ADS	15.80%	0.81
Novo-Nordisk ADR	25.12%	0.66
MercadoLibre	18.70%	0.60
Unilever ADS	10.50%	0.59
Novartis ADR	12.39%	0.56
Fomento Economico Mexico ADS	11.92%	0.47
Belmond, Class A	9.92%	0.40
Copa Holdings, Class A	4.71%	0.24
Dassault Systemes ADR	3.87%	0.21
Wolters Kluwer	3.01%	0.19

10 Largest Detractors	Return	Contribution
Australia & New Zealand Banking ADS	-5.97%	-0.18
BASF ADS	-2.70%	-0.15
Shire ADR	-5.14%	-0.13
Toyota Motor ADS	-3.31%	-0.11
Korea Electric Power ADS	-13.31%	-0.08
ASML Holding	-0.90%	-0.06
Sinopharm Group	-2.52%	-0.05
Statoil ADS	-2.58%	-0.04
Potash Corp of Saskatchewan	-3.98%	-0.04
Industria de Diseno Textil	-1.80%	-0.01

Top 10 Holdings	Portfolio Weight
ASML Holding	7.37%
Wolters Kluwer	6.40%
Unilever ADS	6.15%
NICE Systems ADS	5.96%
BASF ADS	5.65%
Dassault Systemes ADR	5.42%
Copa Holdings, Class A	5.32%
Novartis ADR	5.06%
Toronto-Dominion Bank	5.04%
Belmond, Class A	4.49%

Sextant Global High Income Fund

As of June 30, 2017

The Sextant Global High Income Fund returned 1.55% in the second quarter of 2017, ending the period with $8.8 million of total net assets, which included 11.3% in cash. Fund performance trailed the returns of the S&P Global 1200 benchmark (4.27%) and the Bloomberg Global Corporate High Yield Index (3.12%) during the quarter. The Fund also lagged its Morningstar World Allocation peer group, which returned 2.83% in the quarter.

Contributors to the Fund's performance included our Mexican peso-denominated bond (7.03%) as well as the stock of global pharmaceutical manufacturer Novartis (12.39%).

Detractors to performance were concentrated in the natural resources sector as oil prices weakened. Oil services operator National Oilwell Varco fell -17.71%, while CNOOC (Chinese National Offshore Oil Company) was off -6.26%. The Fund's Brazilian equities were also negatively impacted by renewed political scandals in the country: the stock of Brazilian bank Itau Unibanco fell -8.34%, and toll road operator CCR declined -9.32%.

During the quarter, the Fund purchased a new position in the common stock of VF Corp, a company that owns clothing brands such as North Face, Timberland, and Vans. The company's stock price has fallen by roughly 25% over the past 12 months as uncertainty about the future of brick and mortar retail and rise of e-commerce clouds the outlook for traditional retail brands. We believe VF Corp's collection of strong brands will remain valuable in spite of worries about the shrinking market share of physical retailers.

The Fund also added to its positions in the common stocks of several oil production companies in order to deploy excess cash in the midst of lower oil prices. For now, the Fund maintains an excess cash position and a conservative approach as we believe markets are significantly underpricing economic and political risk.

10 Largest Contributors	Return	Contribution
Mexico Bonos Desarrollo *6.50% 06/10/2021*	7.03%	0.25
Novartis ADR	12.39%	0.20
Puget Sound Energy *6.974% 06/01/2067*	9.13%	0.19
Microchip Technology	5.08%	0.17
Rent A Center *6.625% 11/15/2020*	7.60%	0.16
Grupo Bimbo *4.875% 06/27/2044*	6.88%	0.15
Burlington Northern Santa Fe *5.05% 03/01/2041*	5.36%	0.14
Skandinaviska Enskilda Banken, Class A	8.16%	0.14
Hopewell Highway Infrastructure	6.68%	0.13
US Treasury Bond *6.125% 11/15/2027*	1.54%	0.12

10 Largest Detractors	Return	Contribution
National Oilwell Varco	-17.71%	-0.34
Itau Unibanco ADS	-8.34%	-0.25
CCR	-9.32%	-0.18
CNOOC ADR	-6.26%	-0.13
Potash Corp of Saskatchewan	-3.98%	-0.06
BHP Billiton ADS	-2.01%	-0.05
Statoil ADS	-2.58%	-0.04
South32 ADR	-1.81%	-0.04
HP	-1.51%	-0.03
Total ADS	-0.35%	-0.01

Top 10 Holdings		Portfolio Weight
US Treasury Bond *6.125% 11/15/2027*	*Bond*	7.66%
Mexico Bonos Desarrollo *6.50% 06/10/2021*	*Bond*	3.74%
Microchip Technology	*Equity*	3.50%
T-Mobile USA *6.50% 01/15/2026*	*Bond*	3.13%
Jefferies Group *5.125% 01/20/2023*	*Bond*	3.09%
Itau Unibanco Holding ADS	*Equity*	2.76%
Burlington Northern Santa Fe *5.05% 03/01/2041*	*Bond*	2.65%
Federal Republic of Brazil *8.50% 01/05/2024*	*Bond*	2.56%
Royal Bank of Scotland *6.125% 12/15/2022*	*Bond*	2.48%
BHP Billiton ADS	*Equity*	2.42%

Sextant Short-Term Bond Fund, Sextant Bond Income Fund

Sextant Short-Term Bond Fund returned 0.34% for the quarter. The Fund has significant maturities during the next 12 months. Should the Fed continue to raise rates, the Fund may have opportunities to reinvest maturing issues at higher yields.

Sextant Bond Income Fund, with its long average maturity, returned 1.92% for the quarter as long-term yields declined slightly.

For the last nine years, central banks of the seven most powerful industrialized countries of the G7 tried to prevent a deflationary asset price collapse. Bond managers evolved to forecast central bank policy decisions instead of economic and inflation trends that often conflict with the course of modern central bank policy. Markets followed the central banks.

G7 central bank policy coordination also went through an evolution. Instead of focusing primarily on domestic policy objectives, central banks tacitly agreed to better coordinate domestic policy actions to avoid a currency war. This allowed the US Federal Reserve to lead a more unified world monetary policy. The construct amplified the speed, timing, and impact of the global effort to lower interest rates and spur economic expansion.

Today, central banks appear willing to withdraw from these extraordinary measures and abandon their zero interest-rate policies (ZIRP). US and European trends in economic growth and inflation have realigned with central banks' policy models to imply that the deflationary asset price threat has receded. Economic growth appears better able to fund debt service and protect the banking system.

Capital markets are passing over the threshold from historically low interest rates to higher interest rates. Wisely, central banks are not passing over this threshold together. Rather, they are proceeding slowly, single file, one at a time. The US reversed its quantitative easing program and zero interest-rate policy in 2014. Since then, foreign investors have continued to invest their excess profits and savings in the US, allowing the Fed to employ a lighter hand without major side effects, and US rates have declined slightly.

The world bond market's reaction to the Fed's first public mention of tapering its quantitative easing program was a swift 1% spike in 10-year note yields known as the "taper tantrum." The European Central Bank (ECB) is following suit with plans to withdraw QE in 2018. The world bond markets' reaction to the ECB's first mention of QE tapering was a similar, swift 30 basis-point yield spike that is ongoing. What is unique in the ECB's situation is that trillions of eurozone bonds are trading at negative yields. This may imply eurozone bond yields have further to rise in order to reach relatively normal levels. To the extent that investors have avoided negative-yielding bonds in Europe, a major eurozone yield spike could increase demand for eurozone bonds and push other nations' yields higher.

Political support is weakening for Japan's Prime Minister Abe and his "three arrows" policy that combines monetary easing, fiscal stimulus, and economic reforms to spur private investment. The Bank of Japan will eventually have to reverse its policy of accommodation.

China's low integration with the world's capital markets may also insulate the world's bond markets from their own internal policy reversal. Capital markets may be more sensitive to developments in Chinese credit than Chinese yields.

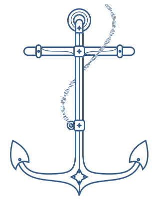
When extraordinary central bank policies are "normalized," the absolute level of rates may remain low in historic terms. The global yield famine is likely to continue. Population demographics imply rising savings, falling risk appetites, and solid demand for yield from pension funds, insurance companies, and banks.

If holding interest rates low increased values across asset classes, logic would imply that reversing these extraordinary polices could push some asset prices lower. But logic is not always useful in capital markets. The worlds' economies and the banking system are healthier. Global demand for income-producing assets is strong. While bonds may experience periods of higher yields over the next few years, higher yields are eagerly awaited by a world starving for a better retirement. More income for savers and investors may be on the way.

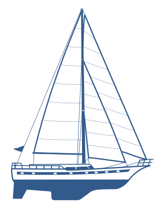
Bonds offer investors returns from income and capital appreciation. Neither of these forms of return seem as attractive as in the past. However, the US bond market is better positioned to meet investors needs than almost any other. In the event of another financial crisis, US assets may outperform.

We see a Goldilocks-like scenario in which the US economy is "just right." The inflation rate fell during the quarter. The 30-year US Treasury yield declined -0.17% to 2.84%. The yield spread between 30-year US Treasury bonds and 2-year US Treasury notes declined -0.20% to 1.45%. The June 30 Federal Reserve Bank of Atlanta Q2 2017 GDPNow forecast of US GDP growth stood at 2.72%, up from 0.90% on March 31. Low inflation and higher growth bode well for the next quarter.

Sextant Short-Term Bond Fund **Top 10 Holdings**	**Portfolio Weight**
US Treasury Note *2.5% 08/15/2023*	4.99%
Adobe Systems	3.95%
Gilead Sciences	3.95%
Abbott Laboratories	3.84%
Snap-On	3.67%
Teva Pharmaceutical	3.51%
Alibaba Holding Group	3.47%
BHP Billiton Finance USA	3.31%
Emerson Electric	3.21%
US Treasury Note *2.00% 09/30/2020*	2.95%



Sextant Bond Income Fund **Top 10 Holdings**	**Portfolio Weight**
US Treasury Bond *5.375% 02/15/2031*	5.83%
Apple	4.26%
Microsoft	4.15%
Intel	4.12%
Cincinnati Financial	3.51%
US Treasury Bond *6.125% 08/15/2029*	3.40%
Statoil	3.27%
Puget Sound Energy	3.23%
Becton Dickinson	3.21%
Merck & Co.	3.12%



Sextant Core Fund

As of June 30, 2017

Calendar year 2017 began with the S&P 500 index posting increases in each of the six months, producing a 9.34% total return. During this period, the Sextant Core Fund and its benchmark Dow Jones Moderate Portfolio Index also produced positive results each month. However, the Fund's second-quarter return of 2.51% trailed the benchmark Dow Jones Moderate Portfolio Index return of 2.72% for the same period. Over the first half of 2017, the Fund returned 7.09% compared to the benchmark return of 7.26%.

The Fund's average equity allocation for the second quarter was 66%, an increase from 58% in the fourth quarter of 2016. The increased allocation to equities contributed positively to portfolio return during the first half of 2017. Positions in the Consumer Staples, Materials, and Technology sectors contributed positively to performance, while those in the Energy and Consumer Discretionary sectors detracted. Positions in the Technology sector accounted for 16% of the equity portfolio, representing the largest allocation.

Capital markets are passing over the threshold from historically low interest rates to higher interest rates. Wisely, central banks are not passing over this threshold together. Rather, they are proceeding slowly, single file, one at a time. The US reversed its quantitative easing program and zero interest-rate policy in 2014. The European Central Bank (ECB) is now following suit with public commentary about withdrawing quantitative easing in the eurozone in 2018, exactly like the US Federal Reserve did in 2013. When central bank policies are fully "normalized," the absolute level of rates may remain low in historic terms. The global yield famine is likely to continue. The demand for secure income is likely to grow, and credit spreads are also less likely to widen to historic norms in the absence of another credit crisis.

If holding interest rates low increased bond values, logic would imply that reversing these extraordinary polices may push asset prices lower. But logic is not always useful in capital markets. The world's economies and the banking system are healthier and the global demand for income-producing assets is growing. While we may experience somewhat higher yields over the next few years, higher yields will be eagerly welcomed by a world starving for income.

Within the Fund's equity allocation, 56% is valued below the S&P 500 2017 projected price earnings multiple of 18.5x. Likewise, 92% of the Fund's equities yields more than the S&P 500 2017 projected dividend yield of 1.9%. Equity capital allocation focus will shift to the Fund's value and income characteristics, with an emphasis on value. Year-to-date turnover of 18% tracks below historical levels.

We see a Goldilocks-like scenario in which the US economy is "just right." US inflation remained moderate and economic growth improved. Low inflation and higher growth bode well for the next quarter.

10 Largest Contributors	Return	Contribution
Nestle ADS	16.86%	0.35
Delta Air Lines	17.42%	0.18
3M	9.47%	0.16
Alphabet, Class A	9.66%	0.16
Xilinx	11.71%	0.16
Novo Nordisk ADR	25.12%	0.16
Taiwan Semiconductor ADS	9.87%	0.15
NextEra Energy	9.92%	0.15
Unilever ADS	10.50%	0.14
Praxair	12.42%	0.14

10 Largest Detractors	Return	Contribution
Devon Energy	-24.52%	-0.24
Anadarko Petroleum	-24.79%	-0.19
National Oilwell Varco	-17.71%	-0.14
ConocoPhillips	-11.36%	-0.12
Ross Stores	-12.14%	-0.12
Lowe's	-5.30%	-0.11
Carlisle	-10.04%	-0.10
Intel	-5.77%	-0.06
Statoil ADS	-5.16%	-0.05
Procter & Gamble	-2.26%	-0.04

Top 10 Holdings		Portfolio Weight
NXP Semiconductors	*Equity*	2.38%
Nestle ADS	*Equity*	2.37%
Gilead Sciences *3.70% 04/01/2024*	*Bond*	2.36%
US Treasury Note *2.00% 11/30/2022*	*Bond*	2.27%
Apple	*Equity*	1.96%
US Treasury Note *2.125% 08/31/2020*	*Bond*	1.88%
Vodafone *4.625% 07/15/2018*	*Bond*	1.86%
Jefferies Group *5.125% 04/13/2018*	*Bond*	1.86%
3M	*Equity*	1.84%
PepsiCo	*Equity*	1.83%

Performance data quoted herein represents past performance and does not guarantee future results.

Morningstar Sustainability Ratings™

Sextant Growth Fund

Investor Shares (SSGFX)

Z Shares (SGZFX)

Among 1,284 Large Growth Funds

Sextant International Fund

Investor Shares (SSIFX)

Z Shares (SIFZX)

Among 592 Foreign Large Blend Funds

The Sextant Bond Income Fund has not yet received a Sustainability Rating.

Sextant Core Fund

SCORX

Among 727 Allocation 50% – 70% Equity Funds

Sextant Short-Term Bond Fund

STBFX

Among 451 Short-Term Bond Funds

Sextant Global High Income Fund

SGHIX

Among 389 World Allocation Funds

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").

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:

Sextant Growth Fund	*93%*
Sextant International Fund	*92%*
Sextant Core Fund	*81%*
Sextant Short-Term Bond Fund	*67%*
Sextant Global High Income Fund	*60%*

Performance Summary

As of June 30, 2017

Average Annual Total Returns (Before Taxes)	1 Year	3 Year	5 Year	10 Year	Expense Ratio[A] Gross	Expense Ratio[A] Net
Sextant Growth Investor Shares (SSGFX)	17.29% ▲	5.01% ▲	10.70% ▲	5.61% ▲	0.76%	0.76%
Sextant Growth Z Shares (SGZFX)[B]	n/a	n/a	n/a	n/a	0.51%	0.51%
S&P 500 Index	17.90% ▲	9.60% ▲	14.61% ▲	7.17% ▲	n/a	
Sextant International Investor Shares (SSIFX)	16.44% ▲	0.86% ▲	4.57% ▲	1.80% ▲	1.00%	1.00%
Sextant International Z Shares (SIFZX)[B]	n/a	n/a	n/a	n/a	0.75%	0.75%
MSCI EAFE Index	20.83% ▲	1.61% ▲	9.17% ▲	1.50% ▲	n/a	
Sextant Core Fund (SCORX)	7.64% ▲	2.12% ▲	5.20% ▲	3.81% ▲	0.80%	0.80%
Dow Jones Moderate Portfolio Index	10.35% ▲	4.36% ▲	7.86% ▲	5.21% ▲	n/a	
Sextant Global High Income Fund (SGHIX)[C]	15.62% ▲	1.83% ▲	5.29% ▲	n/a	0.92%	0.75%
S&P Global 1200 Index	19.47% ▲	5.97% ▲	11.93% ▲	4.65% ▲	n/a	
Bloomberg Global High Yield Corporate Bond Index	12.30% ▲	3.15% ▲	6.52% ▲	n/a	n/a	
Sextant Short-Term Bond (STBFX)	0.62% ▲	0.99% ▲	1.01% ▲	2.27% ▲	0.90%	0.60%
Citi USBIG Govt/Corp 1-3 Year Index	0.34% ▲	0.91% ▲	0.91% ▲	2.27% ▲	n/a	
Sextant Bond Income (SBIFX)	-0.36% ▼	2.67% ▲	2.55% ▲	4.48% ▲	0.76%	0.65%
Citi US Broad Investment-Grade Bond Index	-0.28% ▼	2.49% ▲	2.22% ▲	4.57% ▲	n/a	

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.sextantfunds.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.*

[A] By regulation, expense ratios shown are as stated in a Fund's most recent prospectus or summary prospectus, dated June 2, 2017, and incorporate results from the fiscal year ended November 30, 2016. Expense ratios of Sextant Core, Sextant Global High Income, Sextant Short-Term Bond, and Sextant Bond Income Funds are restated to reflect the ending of the Distribution (12b-1) Fees, as approved by the Board of Trustees on March 14, 2017. Higher expense ratios may indicate higher returns relative to a Fund's benchmark. The Adviser has voluntarily capped actual expenses of Sextant Global High Income at 0.75%, Sextant Short-Term Bond at 0.60% and actual expenses of Sextant Bond Income at 0.65% through June 2, 2018.

[B] Z Shares of Sextant Growth and Sextant International Funds began operations June 2, 2017.

[C] Sextant Global High Income Fund began operations March 30, 2012.

The S&P 500 Index is an index comprised of 500 widely held common stocks considered to be representative of the US stock market in general. The MSCI EAFE Index is an international index focused on Europe, Australasia, and the Far East. The S&P Global 1200 Index is a global stock market index covering nearly 70% of the world's equity markets. The Bloomberg Global High Yield Corporate Bond Index is a rules-based, market-value weighted index engineered to measure the non-investment grade, fixed-rate, taxable, global corporate bond market. The Dow Jones Moderate Portfolio Index is a broad-based index of stock and bond prices. The Citi USBIG Govt/Corp 1-3 Year Index is a broad-based index of shorter-term investment grade US government and corporate bond prices. The Citi US Broad Investment-Grade Bond Index is a broad-based index of medium and long-term investment grade bond prices. Investors cannot invest directly in the indices.

Important Disclaimers and Disclosure

This publication should not be considered investment, legal, accounting, or tax advice or a representation that any investment or strategy is suitable or appropriate to a particular investor's circumstances or otherwise constitutes a personal recommendation to any investor. This material does not form an adequate basis for any investment decision by any reader and Saturna may not have taken any steps to ensure that the securities referred to in this publication are suitable for any particular investor. Saturna will not treat recipients as its customers by virtue of their reading or receiving the publication.

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A Few Words About Risk

*The **Growth Fund** may invest in smaller companies, which involve higher investment risks in that they often have limited product lines, markets and resources, or their securities may trade less frequently and have greater price fluctuation than those of larger companies.*

*The **International Fund** involves risks not typically associated with investing in US securities. These include fluctuations in currency exchange rates, less public information about securities, less governmental market supervision, and lack of uniform financial, social, and political standards.*

*The **Core Fund** involves the risks of both equity and debt investing, although it seeks to mitigate these risks by maintaining a widely diversified portfolio that includes domestic stocks, foreign stocks, short and long-term bonds, and money market instruments.*

*Investment in the **Global High Income Fund** entails the risks of both equity and debt securities, although it seeks to mitigate these risks through a widely diversified portfolio that includes foreign and domestic stocks and bonds. Issuers of high-yield securities are generally not as strong financially as those issuing higher quality securities. Investments in high-yield securities can be speculative in nature. High-yield bonds may have low or no ratings and may be considered "junk bonds."*

*The risks inherent in the **Short-Term Bond** and **Bond Income Funds** depend primarily on the terms and quality of the obligations in their portfolios, as well as on bond market conditions. When interest rates rise, bond prices fall. When interest rates fall, bond prices rise. Bonds with longer maturities (such as those held by the Bond Income Fund) usually are more sensitive to interest rate changes than bonds with shorter maturities (such as those held by the Short-Term Bond Fund). The Funds entail credit risk, which is the possibility that a bond will not be able to pay interest or principal when due. If the credit quality of a bond is perceived to decline, investors will demand a higher yield, which means a lower price on that bond to compensate for the higher level of risk.*

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.

[2] 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

[3] Chrisafis, A, Vaughan, A. France to ban sales of petrol and diesel cars by 2040, The Guardian, July 6, 2017. https://www.theguardian.com/business/2017/jul/06/france-ban-petrol-diesel-cars-2040-emmanuel-macron-volvo

[4] Center for Climate and Energy Solutions website, Oil Quick Facts. https://www.c2es.org/energy/source/oil

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

[6] 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

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

[8] 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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