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

Not What You Might Have Expected from the Headlines

2017 was a remarkable year for equity markets around the world but not entirely in the way we normally think of a “Great Year for Stocks.” While the percentage gains were significant, they were not unprecedented. As recently as 2013, the S&P 500 Index (SPX) returned 32.39% compared to the 21.82% gain of 2017. That said, the consistency of price appreciation and absence of reversals (volatility) was unprecedented. There was not a single month during 2017 when the total return of the S&P 500 was negative.¹ Considering multiple Fed rate hikes, escalating tension with North Korea, President Trump’s restive Twitter rhetoric, administration departures, and an ongoing FBI investigation, that’s pretty surprising. We saw similarly steady market appreciation in 1995 and 2006, but in each of those years the total return was negative for at least one month. Our data goes back to 1986, and 2017 is the first year since then that the monthly total return record was unblemished. Have investors become so accustomed to buying dips that the slightest price decline brings support? While that may play a role, other factors were likely at work. The first may be that analysts did not start the year with excessive optimism. Usually the consensus estimate for aggregate market earnings declines, often precipitously, from the initial figure. In 2017, however, earnings estimates were stable throughout the year, supported by better-than-anticipated economic performance and a weakening of the US dollar, which increases earnings for US companies selling abroad. As a result, earnings themselves provided support for the market’s rise.

Secondly, hope springs eternal, and despite multiple failed attempts to repeal the Affordable Care Act, tax reduction remained firmly in Republican sights. Growing confidence that a bill would be passed contributed to the strongest market appreciation of the year during the fourth quarter. That confidence was rewarded with the tax bill’s passage and a cut in the corporate tax rate from 35% to 21%. While the median tax rate paid by profitable, large US corporations is lower than either the previous or new statutory rates (as low as 16% according to Forbes²), companies that primarily operate in the US and smaller companies lacking an army of tax accountants will undoubtedly benefit from the reduction. Other beneficiaries are companies with large piles of cash stashed overseas. On one hand, the tax bill imposes a “deemed repatriation” tax of 15.5% on liquid assets and 8% on less liquid assets,³ so overseas cash is no longer shielded from taxation. Nor will future earnings be shielded as the US moves to a territorial taxation system. On the other hand, 15.5% is more attractive than 35%, and the strategies companies have adopted to create profits overseas have clearly paid off. Whether the tax system reform spurs companies to bring money back to the US will depend on their individual circumstances and the most efficient uses for their overseas assets. Apart from the lower rates, that may be the most important aspect of the tax reform bill. Companies will have less incentive to allocate cash solely to reduce taxation and more incentive to allocate cash in the most economically efficient fashion.

The corporate tax rate has been cut from 35% to 21%.
While all eyes were focused on US stock market returns and tax reform, overseas markets did just as well and often better. Japan’s TOPIX Index returned 26.61%. Germany’s DAX Index and the French CAC 40 Index gained 28.25% and 28.28%, respectively, while Hong Kong’s Hang Seng Index soared 40.22%. As noted earlier, economic growth exceeded expectations, especially in Europe and Japan, and returns in those regions were helped by currency strength versus the US dollar. Even emerging markets joined in for the first time in several years with the MSCI Emerging Markets Index gaining 37.28%.

**Outlook**

2018 brings a new tax regime, a new head of the Federal Reserve, and, potentially, a new push to restore US infrastructure. In the right combination, these could lead to another year of respectable stock market returns, and the best course of action for most is to remain fully invested. Arguably, the tax bill should lead to a one-time reset of stock prices as the future benefits of lower taxes are discounted at an appropriate rate and reflected in valuations. Whether that has already happened cannot be determined precisely, but we see two effects. Companies are starting to provide updated earnings guidance in light of the bill, and for domestically oriented firms the increases can be surprisingly large. Other companies that have engaged in international tax minimization strategies are revealing their bills for deemed repatriation, which can also be large. Some, such as Apple, had fully reserved for the potential taxation of their overseas earnings and will enjoy hefty write-backs. Most companies, however, have not. The tax bills involve real cash and will sting but are unlikely to affect share prices significantly given the other benefits of the bill.

Following three rate increases in 2017, we expect only two additional hikes this year. We believe the normalization of interest rates to be a positive development and are not concerned that the increases will choke off economic activity. The wild card is new Federal Reserve Chairman Jerome Powell supplanting Janet Yellen, who had the misfortune to be appointed by Barack Obama, making it inescapable that Donald Trump would replace her. Mr. Powell is certainly qualified to assume the role, but change always brings uncertainty. Will he maintain the pace of rate hikes or pause and risk a resurgence in inflation?

Mr. Powell’s actions may be governed to an extent by whether Congress and the president are able to agree on an infrastructure program. That US infrastructure is in dire straits cannot be seriously argued. The time to aggressively invest (more aggressively than the stimulus package) would have been in the aftermath of the Global Financial Crisis when interest rates were lower and there was slack in the economy. Instead, having just passed a tax bill that is expected to raise the deficit by $1.5 trillion and with unemployment at levels many economists consider “full employment,” former budget hawks have suddenly become unconcerned about deficits. The odds of some sort of infrastructure package making its way through Congress seem better than even. As tensions simmer between the United States and North Korea and/or Iran, further stimulus from an increase in defense spending may also be in the cards. What that means for the deficit, inflation, rate hikes, the value of the US dollar, and the stock market remains to be seen, but we feel confident in saying that the potential for an economic downturn will not present a significant risk in 2018.
The Sextant Growth Fund Investor Shares appreciated 6.49% in the fourth quarter, raising the full year return to 22.36%. The Fund outpaced the S&P 500 return of 21.83%, but lagged the Morningstar Large Growth category return of 27.67% and finished the year in the 83rd percentile. Weakness versus the category can be traced to lower relative Technology exposure, although stock selection within the sector was good. Adobe was the standout performer, followed by Facebook, Apple, Microsoft, and Alphabet (Google). Arguably, Amazon, which also had an excellent year, should be included in that group as well, rather than in Retail. Mastercard, which straddles Technology, Retail, and Finance, had another strong year. Smartphones have already displaced cameras, MP3 players, alarm clocks, and other gadgets. The next thing to be displaced will likely be your wallet, and cash will continue to decline as a means of payment.

Retail investments, such as Home Depot, Lowe’s, and Ross Stores performed well, although TJX took a gap year in 2017. We believe the do-it-yourself home improvement stores are protected from Amazon by the nature of their product mix. Similarly, the “treasure hunting” nature of shopping at TJX and Ross Stores provides cover. Finally, we saw strong performances from Stanley Black & Decker and Abbott Labs. With home construction activity accelerating, Stanley Black & Decker should continue to enjoy buoyant conditions. Abbott Labs has transformed its business with acquisitions of St. Jude Medical and Alere, and we expect the company to start reaping the revenue and cost synergies.

Among the detractors, Signet, Under Armour, and EMCOR have been sold from the portfolio. Celgene declined on a management reset of earnings guidance toward the end of the year, but we believe the pipeline remains attractive. Johnson Controls is in the midst of a major restructuring, and we look forward to the fruits of that exercise being realized in 2018. Another company transforming its business is CVS. Already unique by including a prescription benefit manager with a retail operation, CVS is now adding health insurance to its stable. CVS is attempting to create a new model of delivering health care, and we are intrigued by the possibilities. We cut the position in Alaska Air at the start of the year but should have sold it all. At this point we find the stock too cheap and the outlook for air travel too positive to abandon the position. Hasbro has been a disappointment, affected by the

Continued on page 10
Sextant International Fund

The Sextant International Fund Investor Shares appreciated 3.99% in the fourth quarter. For the full year, the Fund returned 25.46% against 25.62% for the MSCI EAFE Index and 25.12% for its Morningstar Foreign Blend category, placing it in 45th percentile. Stock selection was good across most sectors in the third quarter but especially so in Information Technology, Health Care, and Consumer Staples. Regionally, the Fund did well in Western Europe, with excellent results in the Netherlands and Denmark. In Asia-Pacific we are underweight Japan, Australia, and Hong Kong, all of which performed well. Positive returns in Latin America and Israel made up the shortfall generated by our lack of Asian exposure.

Within the international arena in 2017, the best performing sectors were Technology and Industrials, and the Fund is well represented in both. ASML leads the world in the manufacture and sale of lithography machines, and the transition to Extreme Ultraviolet technology will give it a 100% share at the high end of the market. Whether MercadoLibre is a Technology or Consumer company can be debated but this "eBay of Latin America" has been an outstanding multiyear performer. The same is true of Dutch specialty publications company Wolters Kluwer, which has successfully managed the transition from print to digital business. While not generally considered a leader in Information Technology, France has produced Dassault Systemes, which has been a solid performer for years but really took off in 2017. Multiyear holding Novo Nordisk rebounded strongly in 2017 following lackluster performance during the presidential election campaign, when "Big Pharma" was a regular target of political grandstanding.

Half the largest “detractors” made positive contributions to Fund returns. Negative contributors were spread across different sectors, so no theme emerges. Belmond suffered from the hangover in Brazil following the 2016 Olympic Games, as well as from an active hurricane season. It may not be the best exposure in a world of rising temperatures and sea levels given the location of many of its high-end resorts. Carrefour has suffered from the weak economic activity in Europe, but more recent signs of recovery may point to a brighter future. Shire has encountered challenges with competing products in some important therapeutic areas.

Unilever and Belmond have been replaced among the top 10 holdings by MercadoLibre and Toronto-Dominion Bank due to relative price movements.

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**Performance data quoted herein represents past performance and does not guarantee future results.**
Sextant Global High Income Fund

The Sextant Global High Income Fund returned 1.35% in the fourth quarter of 2017, capping off a calendar year return of 15.44%. The Fund ended the period with total net assets of $9.4 million, which included 6.23% in cash. Fund performance during the quarter trailed the 5.66% return of the S&P Global 1200 benchmark and the 3.21% average return of its Morningstar World Allocation category peer group, but outperformed the 0.91% return of the Bloomberg Barclays Global High Yield Corporate Index.

Apparel distributor VF Corp, which the Fund added in May 2017, was the strongest performer during the quarter after rising 17.15%. SK Telecom rose 13.50% despite continuing tensions on the Korean peninsula; South Korea also hosts the 2018 Winter Olympics. The Fund’s natural resources holdings, including BHP Billiton, Royal Dutch Shell, and CNOOC, continued their recoveries from the depths of the 2014-2015 commodities and energy rout.

Investments that detracted from the Fund’s performance during the quarter included peso-denominated Mexican government bonds, down -8.15%, with a friendly resolution of NAFTA negotiations between the US, Canada, and Mexico appearing less plausible. We continue to believe that Mexican peso bonds remain the best values in foreign currency debt. Swedish bank Skandinaviska Enskilda fell -10.56% with weakness in the Swedish krona. And the British drug maker GlaxoSmithKline’s decline of -11.41% brought it to its lowest price since 2010. Still, the stock’s dividend yield of 5.85% is the highest among the major pharmaceutical manufacturers.

The Fund purchased two financial sector bonds during the quarter: Canadian Imperial Bank bonds denominated in Canadian dollars and bonds of the insurer Lincoln National Corporation.

The US government passed legislation to lower tax rates as the year came to a close. While US stocks enjoyed strong returns in 2017, foreign stock indices in both developed and emerging markets performed even better after lagging US returns for a number of years. Looking forward, we expect foreign stocks to continue to outperform, both because their underlying economies have more to gain from synchronized global economic growth, and because valuations are generally lower. Meanwhile, deflationary and disinflationary forces have mostly subsided, and for the first time in many years a path to higher inflation seems less than remote. As a result, we expect interest rates to continue to rise in 2018 and will be cautious in taking interest rate risk.

Performance data quoted herein represents past performance and does not guarantee future results.
The rising federal funds rate and a shrinking Federal Reserve balance sheet (quantitative tightening) put downward pressure on inflation expectations and produced substantially flatter fixed income yield curves. For example, two-year US Treasury note yield rose 0.67% while the thirty-year US Treasury yield declined -0.19%. Federal Reserve Board vacancies slowed major policy revisions. Improving earnings supported a further narrowing of credit spreads pushing them near record lows.

US Federal Reserve will move the fed funds rate higher cautiously. The US Treasury will issue a record amount of short-term bills and notes to finance the expanding federal deficit. These forces with soft inflation expectations will continue to flatten the yield curve. The US Federal Reserve can increase the federal funds rate to about 2.75% before they create a flat yield curve. At that point, a flat yield curve will give the Fed good reason to pause given the negative effects of an inverted curve can take years to become manifest. Assuming the yield curve keeps its current shape, with the federal funds rate at 2.75%, the 30-year bond yield would be about 4.20%.

The European Central Bank will eventually throttle back its stimulus. However, with Brexit negotiations underway, the ECB must be especially cautious not to unnerve Europe’s investors during the tightening process. China firmed rates to protect the exchange value of the yuan and reduce the level of corporate debt without slowing growth too much. Even Japan is showing signs of altering its single-minded adherence to zero interest rate targeting. With the possibility that central banks in the US, Europe, Japan, and China will tap the brakes simultaneously, interest rates in 2018 have the potential to be more volatile and upwardly mobile than over the last five years.

There is no denying a new momentum in global economic growth led by the US. Bolstered by lower corporate tax rates enacted at year-end, expectations for higher US growth, inflation, and interest rates are increasing. The long-term downtrend in bond yields may have reached a plateau. But it is important to make a critical distinction between the normalization (rise) of the policy-driven hyperlow interest rates and the birth of a bear market in bonds created by a major cyclical turning point in inflation expectations. The former is more likely than the latter. Without a lasting change

Continued on page 10

Performance data quoted herein represents past performance and does not guarantee future results.
The Sextant Core Fund’s fourth-quarter return of 3.36% trailed the benchmark Dow Jones Moderate Portfolio Index return of 3.92% for the same period. For the calendar year 2017, the Fund produced positive returns each month and generated a total return of 14.58%, compared to the benchmark return of 15.15%.

Equities

The Sextant Core Fund’s mandate specifies a 60% allocation to equity securities, with two-thirds being US-domiciled companies and one-third foreign-domiciled companies. The Fund averaged an equity allocation of 58.6% in the fourth quarter, a reduction from 62.1% in the third quarter of 2017. Positions in the Financial Services, Technology, and Consumer Discretionary sectors positively contributed to performance, while detractors dispersed across sectors. At quarter-end, the two largest sector allocations were Financial Services at 17.1% and Technology at 15.0% of the portfolio.

Fixed Income

US Federal Reserve will move the Fed Funds rate higher cautiously. The US Treasury will issue a record amount of short-term bills and notes to finance the expanding federal deficit. These forces with soft inflation expectations will continue to flatten the yield curve. A flat yield curve will give the US Federal Reserve good reason to pause given the negative effects of an inverted curve can take years to become manifest.

There is no denying a new momentum in global economic growth led by the US. Bolstered by lower corporate tax rates enacted at year-end, expectations for higher US growth, inflation, and interest rates are increasing. The long-term downtrend in bond yields may have reached a plateau. But it is important to make a critical distinction between the normalization (rise) of policy-driven hyperlow interest rates and the birth of a bear market in bonds created by a major cyclical turning point in inflation expectations. The former is more likely than the latter. Without a lasting change in inflation expectations, any trend toward significantly higher yields remains a remote possibility and an opportunity for bond investors.

In the event of an increase in bond yields, the diversification value of bonds and their role as a rational alternative to other asset classes will be restored. Higher bond yields

Continued on page 10
**Sextant Growth Fund, continued from page 5**

Bankruptcy of Toys"R"Us and talk of a potential merger with struggling Mattel. Nonetheless, we believe management has adopted the right strategy and the stock will recover. Juniper Networks' business is lumpy, which affected third quarter results and subsequent stock performance. We believe the longer-term outlook remains attractive. Finally, Priceline saw some impact on bookings from the hurricanes in Florida, Texas, and Puerto Rico. The company has the highest margins in the business and a strong international presence, where online booking penetration is lower than in the US.

Mastercard and Ecolab replaced TJX and Starbucks among the top 10 holdings. Mastercard had a tremendous run this year. Ecolab performed reasonably well but moved into the top 10 as a result of a reduction in the position size of TJX. While we continue to like TJX's business model, we diversified our exposure by adding Ross Stores. Starbucks was a poor performer in 2017, but we believe that it was largely a case of catching up to its valuation. While it may seem there's a Starbucks on every corner in the US, the company has a tremendous opportunity to expand its presence in China and other emerging markets, and to further saturate other developed markets. Starbucks will open its first store in Italy this year. One may ask why Italians would drink Starbucks, to which we would point out Italy's 554 McDonald's restaurants.

**Sextant Short-Term Bond Fund, Sextant Bond Income Fund, continued from page 8**

Inflation expectations, any trend toward significantly higher yields remains a remote possibility. It is important to remember the weakened policy arsenal of central banks should a recession develop in a G-7 member economies. A recession could send global yields back to historic lows.

The invigorating growth effects of the new US tax law will have to overcome the depressing effects of massive debt-funded deficits, weak demographics, and tighter monetary policy. By some estimates, an increase the federal funds rate of only 0.50% may be enough to offset the stimulative effect of the new lower tax rates. New limits on mortgage and home equity loan interest deductions may temper US home prices in an overheated housing market. Limits on the deductibility of interest paid by corporations will raise the cost of corporate mergers, debt-funded equity buybacks, and leverage in general. The higher after-tax cost of debt may have a dampening effect on business activity and inflation. Consumers have drawn down their savings rate and increased borrowing, limiting their ability to drive the economy forward next year. High public and private sector debt levels and monetary tightening will dampen inflation expectations, moderate economic growth, and weigh on long-term yields. The extraordinarily high public and private debt service costs are simply not sustainable at substantially higher rates.

In the event of an increase in bond yields, the diversification value of bonds and their role as a competitive alternative to other asset classes will be restored. Higher bond yields have the potential to convince pension managers, insurance companies, banks, and aging investors to bring back assets to fixed income from dividend-paying common stocks, reversing a trade they were forced into by central bank policies. A year from now, even if long-term yields are a full percentage point higher, the global yield famine will continue.

**Sextant Core Fund, continued from page 9**

During the fourth quarter, the Fund held 56 equity positions with an average market capitalization of $130 billion and an average position size of 1.1%. The Fund initiated five new positions, four in Financial Services and one in Health Care. Forty-eight percent of the Fund's equity portion is valued below the 17.5x price-to-earnings multiple projected for the S&P 500 in 2018. Likewise, 50% of the Fund's equity portion yields more than the S&P 500's projected 2018 dividend yield of 2.0%. Equity capital allocation will return to the 60% mandate level, and focus remains biased to value and income characteristics with an emphasis on value.
### Morningstar Sustainability Ratings™

| Sextant Growth Fund | | | | |
|---------------------|--------------------------------------------------|
| **Investor Shares (SSGFX)** | Among 1,226 Large Growth Funds |
| **Z Shares (SGZFX)** | |

| Sextant Core Fund | | | | |
|-------------------|--------------------------------------------------|
| **SCORX** | Among 719 Allocation 50% – 70% Equity Funds |

| Sextant Short-Term Bond Fund | | | | |
|-----------------------------|--------------------------------------------------|
| **STBFX** | Among 463 Short-Term Bond Funds |

| Sextant Global High Income Fund | | | | |
|-------------------------------|--------------------------------------------------|
| **SGHIX** | Among 400 World Allocation Funds |

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

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”).

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Morningstar Sustainability Ratings are as of November 30, 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 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**: 99%
- **Sextant International Fund**: 99%
- **Sextant Core Fund**: 79%
- **Sextant Short-Term Bond Fund**: 56%
- **Sextant Global High Income Fund**: 67%

The Sextant Growth and Sextant International Funds offer two share classes – Investor Shares and Z Shares, each of which has different expense structures.
## Performance Summary

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<tr>
<th>Average Annual Total Returns (Before Taxes)</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>Expense Ratio&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Gross</th>
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<tr>
<td>Sextant Growth Investor Shares (SSGFX)</td>
<td>22.36%</td>
<td>▲</td>
<td>6.02%</td>
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<td>0.51% 0.51%</td>
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<td>15.80% ▲</td>
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<td>Sextant Global High Income Fund (SGHIX)&lt;sup&gt;c&lt;/sup&gt;</td>
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<td>2.09% ▲</td>
<td>4.07%</td>
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### 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.

<sup>a</sup> 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.

<sup>b</sup> Z Shares of Sextant Growth and Sextant International Funds began operations June 2, 2017.

<sup>c</sup> 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 Barclays 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 Citigroup Gov./Corp. Investment Grade Index 1-3 Years 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.
About The Authors

Sextant Funds Portfolio Management

**Phelps McIlvaine**  
Sextant Short-Term Bond Fund  
Sextant Bond Income Fund  
Sextant Core Fund  
Portfolio Manager

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Sextant International Fund  
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Sextant Global High Income Fund  
Portfolio Manager

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Sextant Core Fund  
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*Performance data quoted herein represents past performance and does not guarantee future results.*
Footnotes

1 Chicago Board Options Exchange. www.cboe.com/micro/buywrite/dailypricehistory.xls


3 Jopson, B, Fleming, S. US tax bill imposes steep levy on overseas earnings, Financial Times, December 15, 2017. https://www.ft.com/content/789e69f6-e1ea-11e7-a8a4-0a1e63a52f9c

4 All foreign index return figures are expressed in US dollars.
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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.