Fund Commentary

Q1 2019

Amana Mutual Funds Trust

On the cover: the "Sand Fire" that burned out of control for three days near Santa Clarita, CA in 2016.

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.

ESG Issues Move Beyond the Investment Sphere, Further Emphasizing Their Importance

Prudent investing requires a thoughtful look at the business-related risks underlying any investment. While "risk" has traditionally focused on a number of economic and financial metrics, proactive risk management around environmental, social, and governance (ESG) issues is proving to be critical for successful business operations.

In the past year, we have seen examples of how poor performance on social and governance issues has translated to reputational and regulatory risk for major tech companies. Facebook, long seen as a governance pariah due to its dual class share structure allowing Mark Zuckerberg to control a majority of the voting rights with a minority of the economic interest, saw its stock price collapse 40% between July and December 2018, partially due to poor second quarter financial performance, but also resulting from a larger set of issues the company faces and will continue to face: Facebook users and investors have lost faith in the company's ability to manage the profusion of privacy and content controversies that occur on a near-weekly basis. Though Zuckerberg himself recently opined on the need for outside regulation of the Internet,[1] one must question his conversion. Is he trying to get ahead of inevitable regulatory action in the hopes of shaping it? Maybe he believes government regulation could choke off future competition. Perhaps he's hoping to avoid the fate of others in his industry – namely Google, which has now paid fines to the European Union totaling $9.3 billion[2] due to its advertising practices. These developments manifestly affect consumer perceptions of the business, as shown in the chart below. Unsurprisingly, Facebook led the pack in reputational damage. Elon Musk's Twitter account clearly affected Tesla, while sexual discrimination/harassment issues took Nike down several points.

Brand Reputations That Took a Hit In 2019

Biggest drops in brand rating between 2018 and 2019

facebook	TESLA		TARGET	
2019 Rank	2019 Rank	2019 Rank	2019 Rank	2019 Rank
94	42	88	72	35
Change in Rank	Change in Rank	Change in Rank	Change in Rank	Change in Rank
↘ -43	↘ -39	↘ -29	↘ -23	↘ -23

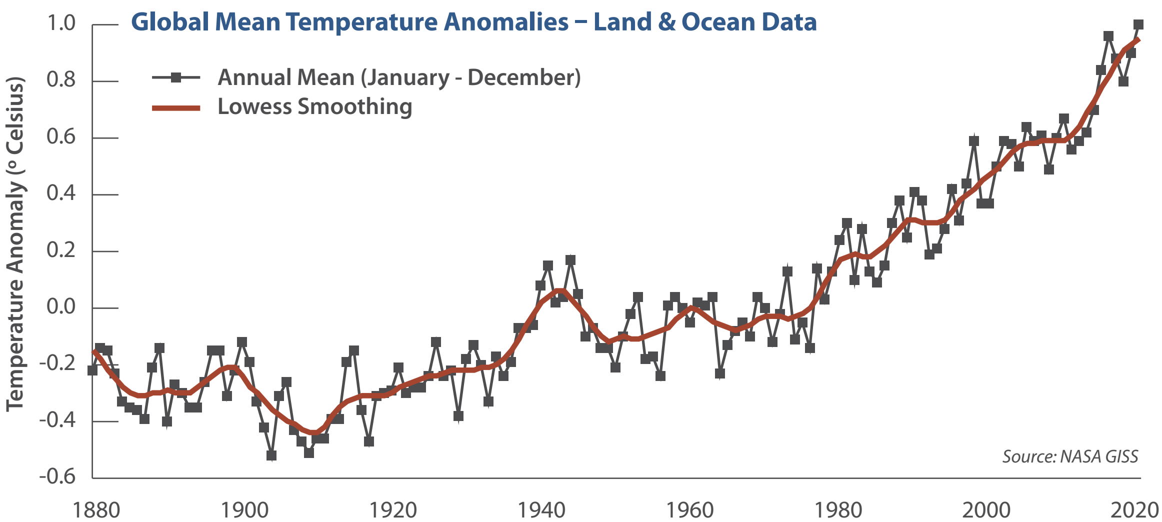
Chick-fil-A	Google	COMCAST	sears
2019 Rank	2019 Rank	2019 Rank	2019 Rank
22	41	91	97
Change in Rank	Change in Rank	Change in Rank	Change in Rank
↘ -18	↘ -13	↘ -13	↘ -9

Source: Statista; Axios Harris Poll 100

Similarly, environmental risks are not new phenomena to financial analysts but are heating up in an era of increased climate risk. Indeed, the risks could even be said to be existential as they spread beyond shipwrecks and oil spills to changes in global climate. A first attempt at quantifying the effects of CO_2 on global climate was made in 1896 by Swedish scientist Svante Arrhenius,[3] and anthropomorphic climate change has been understood by scientists for decades,[4] but the investment and economic risks of a warmer climate have only recently begun to be explored. In the past year, both the Federal Reserve Bank of San Francisco and the Federal Reserve Bank of Richmond have published research regarding the deleterious effect climate change will have on the economy. One US-based asset management firm, managing over $300 billion, went so far as to hire three climate scientists to review how global warming will affect its investment portfolios.[5]

In a March 2019 Economic Letter, the Federal Reserve Bank of San Francisco cited rising sea levels, more frequent storms, floods, droughts, and hotter temperatures as events that will directly affect the economy,[6] and investigated how climate change relates "to the Fed's goals of financial and macroeconomic stability." Similarly, in an August 2018 Economic Brief, the Richmond Fed cited evidence "that the consequence of higher temperatures on the US economy may be more widespread than previously thought," and that "rising temperatures could reduce overall growth of US economic output by as much as one-third by 2100."[7] Bloomberg has summed up the pending crisis by stating, "in short, climate change is becoming relevant for a range of macroeconomic issues, including potential output growth, capital formation, productivity, and the long-run level of the real interest rate."[8] Bloomberg also notes that that European companies are better prepared for climate change impacts than their US competitors.[9]

Data Doesn't Lie - the Earth is Warming



California utility PG&E certainly understands the existential risks, having filed for bankruptcy in January 2019 in anticipation of $30 billion in liabilities for two years of wildfires, including last year's Camp Fire, recognized as the deadliest wildfire in California history. PG&E's bankruptcy is distinguished by two other superlatives, as well: it is the largest ever filed by a utility and the first to implicate climate change.

Echoing the San Francisco and Richmond Feds, the fourth National Climate Assessment – commissioned by the US government and released in November 2018 – underscores the extent to which climate events are now material business risks: "without substantial and sustained global mitigation and regional adaptation efforts, climate change is expected to cause growing losses to American infrastructure and property and impede the rate of economic growth over this century."[10] The report notes that continued emissions output, in particular, will cause "annual losses in some economic sectors … projected to reach hundreds of billions of dollars by the end of the century – more than the current gross domestic product (GDP) of many US states."[11]

The *2018 Trends Report* issued by the US Forum for Sustainable and Responsible Investment found that exposure to climate change and carbon has become nearly as high of a risk to institutional investors as investments in conflict countries such as Sudan or in tobacco. The AUM managed by insurance companies that incorporate ESG criteria – climate and carbon exposure frequently being key themes – rose by 1,922% between 2010 and 2018, and specific fossil fuel divestment on behalf of institutional investors grew 372% between 2016 and 2018; since we know risk management is the foremost activity of insurance companies and institutional investors, it's safe to say that for many of the most risk-averse asset managers, the writing is on the wall.

Even players in the oil industry are paying attention: in early April, Royal Dutch Shell announced they would leave the American Fuel and Petrochemical Manufacturers – an industry lobby group – over a "material misalignment" in climate policy.[12] The announcement came just a week after reporting revealed the huge sums of money Shell and other large oil and gas companies spend on lobbying per year. On March 25th, Forbes noted that "every year, the world's five largest publicly owned oil and gas companies spend approximately $200 million on lobbying designed to control, delay or block binding climate-motivated policy."[13]

For many of the most risk-averse asset managers, the writing is on the wall.

What these reports don't mention is that environmental risks are not limited to physical threats. Regulatory risks abound as governments adopt policies to counter a warming planet. Environmental risks also potentially endanger a company's intangible value (image and branding), which has come to dominate many businesses' overall value. Consumers are seeking safer, healthier, and less wasteful products. In 2017, 26% of consumers reported that "environmental and social concerns always / usually influence purchase decisions"[14] and 48% of consumers reported prioritizing reducing their environmental impact when it came to food purchases.[15] As consumers become more aware of the increase in climate events, they also more actively seek to reduce their impact on the environment, with implications for a range of companies.

The traditional barometers by which investment risk is measured have expanded by necessity, but the new threat of climate risk is intricately linked to more familiar forms of risk including reputational and regulatory risk. As environmental issues like wildfires, and social and governance issues like data security and customer privacy continue to grab headlines and weigh on the minds of consumers, financial markets will see upheaval and consumers will become savvier, choosing to vote with their dollars by moving toward less impactful products and activities. Saturna Capital's analysts are committed to identifying trends, top performers, and solutions providers among industries, so that we can be sure our investments are well positioned for the long term, new normal.

Amana Income Fund

We often speak of the downside protection that our conservative approach to fund management may provide. That was demonstrated in the fourth quarter of 2018, as the Amana Income Investor shares declined -9.14% against a -13.52% drop in the S&P 500 Index. The flip side of that equation is that the fund may lag during bullish periods, such as what we saw in the first quarter of this year. With the S&P 500 returning 13.65% in the first quarter, the Amana Income Fund trailed, returning 11.67%. The Fund also lagged its Morningstar Large Blend category in the quarter, which gained 12.94%.

Technology has recovered solidly from its fourth quarter malaise, with Microsoft and Intel appearing among the top contributors. While investors often consider Microsoft "yesterday's story," exiling it from inclusion among the FAANGs (Facebook, Apple, Amazon, Netflix, Google), for the trailing 12 months ended March 31st it has outperformed all of those stocks. Many are likely unaware of the company's outstanding cloud business, Azure, and the success it has achieved in head-to-head competition with Amazon and Google. After a rough fourth quarter, Industrials, such as Honeywell, Rockwell and Parker Hannifin also recovered on receding fears of a global trade war as deadlines for agreement with China are pushed back and officials continue to negotiate.

With four of the largest "detractors" providing a positive return, the market has been strong. That makes it potentially more concerning to see major pharmaceutical companies holding the top three positions for negative return. Are there macro forces at work or did each of the companies coincidentally suffer for specific reasons? We believe there are significant macro factors at work with the primary one being that drug discovery is becoming more difficult. 2018 saw multiple phase three trials end in failure. In several cases, the failed candidates had been acquired through multi-billion-dollar acquisitions. That companies are willing to spend billions on unproven drugs speaks to the difficulty of filling pipelines solely through internal research & development. AbbVie and Bristol-Myers both provided examples of the dynamic at work. AbbVie took a $4 billion write down in January on a failed cancer candidate it had acquired in 2016 for $5.8 billion.[16] Bristol-Myers sold off when it announced its intention to acquire Celgene for $74 billion,[17] an aggressive deal given that BMY's market capitalization stands only slightly larger. The planned acquisition attracted opposition from activist investors given that Celgene had

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As of March 31, 2019

10 Largest Contributors	Return	Contribution
Microsoft	16.62%	0.71
Eli Lilly	12.73%	0.70
Canadian National Railway	21.30%	0.66
Honeywell International	20.93%	0.65
Rockwell Automation	17.24%	0.62
Carlisle	22.39%	0.58
Parker Hannifin	15.61%	0.51
Genuine Parts	17.51%	0.49
Intel	15.15%	0.49
Air Products & Chemicals	20.04%	0.49

10 Largest Detractors	Return	Contribution
AbbVie	-11.48%	-0.32
Bristol-Myers Squibb	-7.38%	-0.20
Pfizer	-1.88%	-0.08
RPM International	-0.61%	-0.01
Resideo Technologies	-6.13%	0.00
Rio Tinto ADS	2.06%	0.01
DowDupont	0.37%	0.02
Procter & Gamble	14.09%	0.04
Nutrien	13.30%	0.08
GlaxoSmithKline ADR	10.98%	0.12

Top 10 Holdings	Portfolio Weight
Eli Lilly	5.96%
Microsoft	4.80%
McCormick & Co	3.90%
Rockwell Automation	3.90%
Pfizer	3.62%
Intel	3.58%
Canadian National Railway	3.54%
Honeywell International	3.53%
Parker Hannifin	3.50%
PPG Industries	3.34%

30-Day Yield	
Investor Shares (AMANX):	1.20%
Institutional Shares (AMINX):	1.44%

Asset-weighted average debt to market cap: 17.7%

Amana Growth Fund

In the first quarter the Amana Growth Fund Investor Shares continued their strong 2018 performance by gaining 17.46%, solidly outpacing both the S&P 500 Index and the Morningstar Large Growth category, which rose 13.65% and 15.67% respectively. Technology, which accounts for the largest sector exposure in the Fund, was punished in the fourth quarter last year but rebounded in the first quarter of 2019. Despite Technology having driven a large portion of market appreciation over the past several years, the companies remain one of the few sources of secular growth. When combined with strong cash generation, rock solid balance sheets and reasonable valuations, we believe the sector will continue to drive returns going forward.

Technology stocks dominated the strongest contributors list with an especially impressive performance from chip-maker Xilinx. While volatility remains a prospect over the next few quarters, we believe that semiconductor companies are set for strong performance as we roll into the 2020's, with the transition to 5G wireless communication being a key driver of demand. Xilinx is well-positioned at the leading edge of the transition and fourth quarter 2018 results drove the shares nearly 20% higher in the first quarter. Apple was slaughtered in the fourth quarter of 2018, dropping from an all-time high of $232.07 in early October to a low of $142.19 (-39%) on the first trading day of the New Year, and obituaries were starting to appear bemoaning the slowdown in handset sales. Apple, however, has other tricks, including over one billion devices in circulation that are a powerful conduit for delivering media content, as the company outlined at its end-of-quarter presentation.

Growth outperformed value in the first quarter, leading to only one of Amana Growth's "detractors" making a negative contribution. As with Amana Income, however, it was a pharma/biotech stock. While Amgen has not suffered any major trial failures, some products pegged as potential blockbusters have failed to launch as aggressively as hoped. There are also questions concerning the pipeline as biosimilar competition looms as a threat to certain franchises. Given its technology pedigree, Qualcomm's performance was disappointing as the company remains locked in legal battles with various key industry players such as Apple.

During the quarter, Xilinx's strong appreciation led to its replacing Johnson & Johnson among the top ten holdings.

As of March 31, 2019

10 Largest Contributors	Return	Contribution
Intuit	33.10%	1.57
Xilinx	49.35%	1.38
Adobe	17.79%	0.99
Cisco Systems	25.60%	0.88
Estee Lauder, Class A	27.60%	0.87
Apple	20.94%	0.85
Keysight Technologies	40.46%	0.68
Stryker	26.34%	0.67
TJX Companies	19.40%	0.66
Agilent Technologies	19.15%	0.63

10 Largest Detractors	Return	Contribution
Amgen	-1.65%	-0.06
Qualcomm	1.34%	0.00
Synnex	18.48%	0.04
Clorox	4.76%	0.09
Lincoln Electric Holdings	6.97%	0.12
PepsiCo	11.81%	0.16
Alphabet, Class A	12.63%	0.18
Gartner	18.65%	0.23
Taiwan Semiconductor ADR	10.97%	0.25
Johnson & Johnson	9.04%	0.26

Top 10 Holdings	Portfolio Weight
Adobe	5.87%
Intuit	5.76%
Apple	4.69%
Church & Dwight	4.19%
Cisco Systems	3.97%
Xilinx	3.73%
Estee Lauder, Class A	3.72%
TJX Companies	3.65%
Agilent Technologies	3.54%
Amgen	3.30%

Asset-weighted average debt to market cap: 11.5%

Amana Developing World Fund

The Amana Developing World Fund Investor Shares' outperformance in the fourth quarter's falling market reversed in the sharply appreciating markets experienced during the first quarter. During the quarter, the Fund gained 7.79% against the 9.91% appreciation for the MSCI Emerging Markets Index.

Several companies that suffered in the fourth quarter of 2018, especially those related to China, rebounded to start the year. Consumer products manufacturers sourcing in China, such as power tool maker Techtronics and clothing retailer VF Corp, recovered as the US and China appear more committed to settling their trade differences. Chinese internet and gaming leviathan Tencent came under pressure from government authorities in the fourth quarter with regard to new game releases, but that seems to have eased. China remains committed to addressing its air pollution problem and developing the natural gas infrastructure, which boosted Hong Kong and China Gas. Momentum has also been building with China's "Belt and Road" initiative, an effort often described as building a modern silk road. Hong Kong-based Kerry Logistics is a major beneficiary of anything that improves China's trade links.

South African pharmaceutical company Aspen released disappointing results in March, leading to a sharp sell-off. Between the poor execution and rapidly rising debt, we took the decision to exit the position. While we like the long-term outlook for Taiwanese technology company Silergy, we took the opportunity of first quarter weakness to realize some losses. We have held Indofood CBP as a long-term play on rising consumption in Indonesia, but 2018 earnings were disappointing due to rising expenses. Unfortunately, the company's largest and most profitable division, instant noodles, is also the slowest growing.

Techtronic returned to join the top ten holdings with its first quarter rebound, as did Samsung Electronics, replacing South Indonesian telecom incumbent Telekomunikasi and African miner Barrick Gold.

As of March 31, 2019

10 Largest Contributors	Return	Contribution
Tencent Holdings ADR	16.49%	0.84
Techtronic Industries	26.47%	0.68
VF	22.56%	0.68
Kansas City Southern Industries	21.90%	0.48
Hong Kong & China Gas	15.87%	0.48
SM Prime Holdings	11.33%	0.46
Advantech	20.54%	0.45
Kerry Logistics Network	21.89%	0.44
Naspers ADR	19.35%	0.43
Colgate-Palmolive	15.94%	0.42

10 Largest Detractors	Return	Contribution
Aspen Pharmacare Holdings	-28.02%	-0.22
Silergy	0.65%	-0.22
Indofood CBP Sukses Makmur	-9.82%	-0.19
Ford Otomotiv Sanayi	-8.19%	-0.13
KPJ Healthcare	-3.64%	-0.08
International Flavors & Fragrances	-3.52%	-0.08
Clicks Group	-2.67%	-0.07
BIMB Holdings Warrants	91.50%	0.01
Enel Americas ADR	0.78%	0.01
MultiChoice Group	27.18%	0.02

Top 10 Holdings	Portfolio Weight
Tencent Holdings ADR	5.52%
SM Prime Holdings	4.08%
VF	3.48%
Hong Kong & China Gas	3.37%
Clicks Group	3.32%
Techtronic Industries	3.14%
Samsung Electronics	3.13%
Colgate-Palmolive	2.88%
Taiwan Semiconductor ADR	2.87%
Unilever ADR	2.83%

Asset-weighted average debt to market cap: 17.2%

Amana Participation Fund

For the first quarter of 2019, the Amana Participation Fund Institutional Shares returned 2.43% while the Investor Shares 2.27%. For the same time period, the FTSE Sukuk Index returned 3.70%. For the trailing 12 months ending the first quarter of 2019, the Fund's Institutional Shares returned 3.23% while the Investor Shares returned 3.00%; the FTSE Sukuk Index returned 5.12%. The Funds' favorable performance can be attributed to the Gulf Cooperative Council (GCC)[18] region's large foreign capital inflows, and our investment process that emphasizes high-quality issuers characterized over the long-term as having strong financial performance and robust capital buffers.

The Amana Participation Institutional Fund Shares provided a SEC 30-day yield of 3.05%, with the Amana Participation Investor Shares offering a SEC 30-day yield of 2.81%. The Amana Participation Fund reported an effective duration of 3.39 years. The Fund is diversified among 27 separate issues to meet its investment objective of capital preservation and current income while being entirely invested in US dollar denominated securities.

As the first quarter of 2019 comes to an end, the GCC continues to provide investors a supportive and constructive investment climate. While the IMF downgraded its 2019 growth forecast for the region, its 2020 outlook remains largely unchanged as inflationary pressures appear to be abating. The Federal Reserve's Open Market Committee (FOMC) announcement to leave interest rates unchanged, while also indicating no further interest rate increases for the year on March 20, 2019, is also supportive. The region can be expected to benefit from the FOMC's decision as it is likely to reduce future borrowing costs, while also encouraging additional capital deployment and other fiscal stimulative programs. The steady rise in oil prices throughout the first quarter can also be expected to be positive for the region as it increases government revenues. For example, at the end of 2018, the closing price of oil was $45.61; it rose to $60.14 on March 29, 2019, reflecting a 31.8% increase over the quarter. Additionally, JP Morgan's plan to include GCC debt and sukuk issues in its emerging market indexes commenced during the first quarter of 2019, introducing an estimated range of $20-$60 billion in new investor demand over the coming year to the region.[19]

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As of March 31, 2019

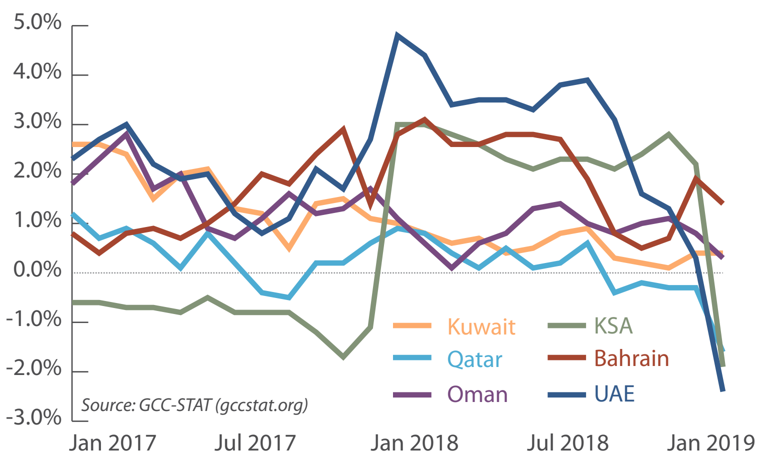
Top 10 Holdings	Portfolio Weight
Al Shindagha Sukuk	4.51%
Oman Sovereign Sukuk	4.26%
EMG Sukuk	4.24%
MAF Sukuk	4.22%
DP World Crescent	4.20%
Equate Sukuk Spc	4.19%
DIFC Sukuk	4.19%
Petronas Global	4.15%
KSA Sukuk	4.15%
EIB Sukuk	4.15%

30-Day Yield	
Investor Shares (AMAPX):	2.81%
Institutional Shares (AMIPX):	3.05%

Credit Profile	
AA	3.84%
A	17.97%
BBB	38.62%
BB	3.54%
Not rated	27.18%
Cash and equivalents	8.85%

Credit ratings are the lesser of S&P Global Ratings or Moody's Investors Service. If neither S&P nor Moody's rate a particular security, that security is categorized as not rated (except for US Treasury securities and securities issued or backed by US agencies which inherit the credit rating for the US government). Ratings range from AAA (highest) to D (lowest). Bonds rated BBB or above are considered investment grade. Credit ratings BB and below are lower-rated securities (junk bonds). Ratings apply to the creditworthiness of the issuers of the underlying securities and not the Fund or its shares. Ratings may be subject to change.

GCC Consumer Price Index - Modulating Influences?



Performance Summary

As of March 31, 2019

Average Annual Total Returns *(Before Taxes)*	**Ticker**	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**Expense Ratio**
Income Fund Investor Shares	AMANX	9.51% ▲	10.58% ▲	8.07% ▲	12.46% ▲	1.10%
Income Fund Institutional Shares	AMINX	9.77% ▲	10.84% ▲	8.33% ▲	n/a	0.87%
S&P 500 Index		9.50% ▲	13.54% ▲	10.91% ▲	15.92% ▲	n/a
Growth Fund Investor Shares	AMAGX	18.73% ▲	18.13% ▲	12.90% ▲	14.81% ▲	1.08%
Growth Fund Institutional Shares	AMIGX	19.01% ▲	18.40% ▲	13.16% ▲	n/a	0.85%
S&P 500 Index		9.50% ▲	13.54% ▲	10.91% ▲	15.92% ▲	n/a
Developing World Fund Investor Shares	AMDWX	-6.89% ▼	1.67% ▲	-1.48% ▼	n/a	1.31%
Developing World Fund Institutional Shares	AMIDX	-6.78% ▼	1.85% ▲	-1.24% ▼	n/a	1.13%
MSCI Emerging Markets Index		-7.28% ▲	10.70% ▲	3.68% ▲	8.94% ▲	n/a
Participation Fund Investor Shares	AMAPX	3.00% ▲	2.07% ▲	n/a	n/a	0.87%
Participation Fund Institutional Shares	AMIPX	3.23% ▲	2.30% ▲	n/a	n/a	0.62%
FTSE Sukuk Index		5.12% ▲	3.38% ▲	3.55% ▲	6.11% ▲	n/a

Expense ratios shown are as stated in the Funds' most recent Prospectus dated September 28, 2018.

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

The S&P 500 is an index comprised of 500 widely held common stocks considered to be representative of the US stock market in general. The MSCI Emerging Markets Index, produced by Morgan Stanley Capital International, measures equity market performance in over 20 emerging market countries. The MSCI ACWI Ex-US Index, produced by Morgan Stanley Capital International, measures equity market performance throughout the world excluding US-based companies. The FTSE Sukuk Index measures the performance of global Islamic fixed income securities, also known as sukuk. The FTSE All-World Ex-US Index comprises Large and Mid cap stocks providing coverage of Developed and Emerging Markets excluding the US. When available, Saturna uses total return components of indices mentioned. Investors cannot invest directly in the indices.

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

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

The Amana Participation Fund began operations September 28, 2015.

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

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

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

Morningstar Ratings™

As of March 31, 2019

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	21	79	75	90	3
Institutional Shares (AMINX)	★★★	n/a	★★	★★★	☆☆	🌐🌐🌐🌐🌐
% Rank in Category	n/a	18	75	69	88	3
Number of Funds in Category	1,218	1,412	1,218	1,081	810	1,215
Amana Growth Fund – "Large Growth" Category						
Investor Shares (AMAGX)	★★★★	n/a	★★★★	★★★★	★★★	🌐🌐🌐🌐🌐
% Rank in Category	n/a	5	20	27	76	1
Institutional Shares (AMIGX)	★★★★	n/a	★★★★	★★★★	☆☆☆	🌐🌐🌐🌐🌐
% Rank in Category	n/a	5	17	24	73	1
Number of Funds in Category	1,256	1,397	1,256	1,114	805	1,254
Amana Developing World Fund – "Diversified Emerging Markets" Category						
Investor Shares (AMDWX)	★	n/a	★	★	n/a	🌐🌐🌐🌐
% Rank in Category	n/a	27	99	97	n/a	17
Institutional Shares (AMIDX)	★	n/a	★	★	n/a	🌐🌐🌐🌐
% Rank in Category	n/a	26	98	95	n/a	17
Number of Funds in Category	707	833	707	553	n/a	713

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

[A] Morningstar Ratings™ ("Star Ratings") are as of March 31, 2019. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance (not including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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

[B] Morningstar Sustainability Ratings are as of February 28, 2019. The Morningstar Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio are managing their environmental, social, and governance ("ESG") risks and opportunities relative to the fund's Morningstar category peers. The Morningstar Sustainability Rating calculation is a two-step process. First, each fund with at least 50% of assets covered by a company-level ESG score from Sustainalytics receives a Morningstar Portfolio Sustainability Score™. The Morningstar Portfolio Sustainability Score is an asset-weighted average of normalized company-level ESG scores with deductions made for controversial incidents by the issuing companies, such as environmental accidents, fraud, or discriminatory behavior. The Morningstar Sustainability Rating is then assigned to all scored funds within Morningstar Categories in which at least ten (10) funds receive a Portfolio Sustainability Score and is determined by each fund's rank within the following distribution: High (highest 10%), Above Average (next 22.5%), Average (next 35%), Below Average (next 22.5%), and Low (lowest 10%). The Morningstar Sustainability Rating is depicted by globe icons where High equals 5 globes and Low equals 1 globe. A Sustainability Rating is assigned to any fund that has more than half of its underlying assets rated by Sustainalytics and is within a Morningstar Category with at least 10 scored funds; therefore, the rating it is not limited to funds with explicit sustainable or responsible investment mandates. Morningstar updates its Sustainability Ratings monthly. Portfolios receive a Morningstar Portfolio Sustainability Score and Sustainability Rating one month and six business days after their reported as-of date based on the most recent portfolio. As part of the evaluation process, Morningstar uses Sustainalytics' ESG scores from the same month as the portfolio as-of date.

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

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

Amana Income Fund	*95%*
Amana Growth Fund	*93%*
Amana Developing World Fund	*81%*

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.

Amana Income Fund *Continued from page 6*

its own track record of trial failure during 2018; a year that saw its stock shed 39%. As for Pfizer, we believe the shares were simply taking a breather after a strong run in the second half of last year.

Over the course of the first quarter, there were no changes among the 10 largest holdings.

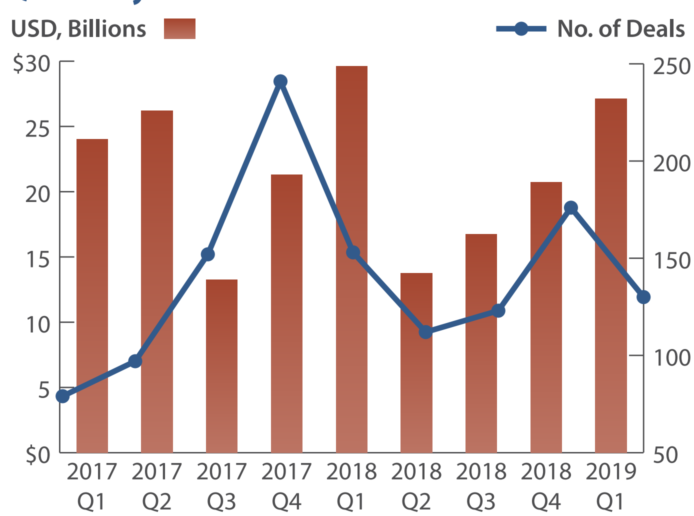
Amana Participation Fund *Continued from page 9*

In January of 2019, the IMF downgraded its 2019 growth projections by -0.30% to 2.4%, while keeping 2020 growth projections unchanged at 3.0%. The IMF forecasted a greater downward 2019 growth projection for Saudi Arabia, the GCC's largest economy and most populated country, by -0.60% to 1.8% while raising 2020 forecasts by 0.20% to 2.1%.[20] January 2019 inflation data appears to indicate that inflation may be falling for GCC member countries. For example, inflation data for January 2019 fell -1.9% for Saudi Arabia and -2.4% for the UAE down from December 2018 where the CPI grew 2.20% and 0.30%, respectively.[21] CPI information is provided in the accompanying illustration.

Sukuk issuance has steadily increased over each of the past four quarters. Total sukuk issuance in the first quarter of 2019 came in at $27.1 billion, representing a 30.9% quarter-to-quarter increase, up from $20.7 billion in the fourth quarter of 2018. For the trailing 12 months ending the first quarter of 2019, total sukuk issuance was $78.3 billion, down -13.3%, from the prior trailing 12-month period ending the first quarter of 2018 which reported $90.3 billion. The lower trailing 12-month sukuk issuance, in conjunction with new investor demand since JP Morgan's inclusion of GCC issues, offers a supportive investment climate as demand may outsize supply.

The top-performing issues for the first quarter include Oman's sovereign sukuk (OMANGS 4.397 06/01/24) and Indonesia's sovereign sukuk (INDOIS 4.55 03/29/26), offering a quarterly return of 6.06% and 5.83%, respectively. The two worse-performing issues over the quarter, include Emirates Islamic Bank (EIBMAL 2.874 02/19/19) and a separate Indonesian sovereign sukuk (INDOIS 6.125 03/15/19) returning 0.42% and 0.73%, respectively. The two worse-performing sukuk both matured during the first quarter of 2019 which, in part, explains the lower ranking performance.

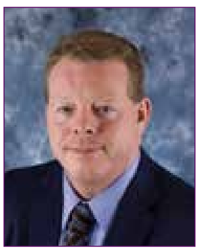
Quarterly Sukuk Issuance



About The Authors

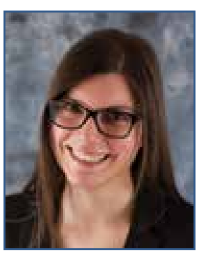
Scott Klimo CFA
Chief Investment Officer
Amana Developing World Fund Portfolio Manager
Amana Income Fund and **Amana Growth Fund** Deputy Portfolio Manager

Scott Klimo, Chief Investment Officer and Portfolio Manager, joined Saturna Capital in May 2012. He received his BA in Asian Studies from Hamilton College in Clinton, NY and also attended the Chinese University of Hong Kong and the Mandarin Training Center in Taipei, Taiwan. Mr. Klimo has over 30 years experience in the financial industry with the first several years of his career spent living and working in a variety of Asian countries and the past 20 years working as a senior analyst, research director, and portfolio manager covering global equities. Mr. Klimo is a chartered financial analyst (CFA) charterholder. He is a supporter of various environmental organizations and served for several years on the Board of Directors of the Marin County Bicycle Coalition.



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

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



Stephanie Ashton
Manager of Corporate Social Responsibility

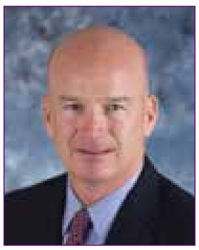
Stephanie Ashton joined Saturna Capital in 2012. As Manager of Corporate Social Responsibility she develops Saturna's internal sustainability initiatives, manages sustainability reporting, and contributes to overall sustainability strategy.

Ms. Ashton graduated from Western Washington University in 2006, majoring in English (Creative Writing emphasis) and minoring in French. Her professional background includes eight years in legal support as well as non-profit experience. She is passionate about a number of sustainability issues – notably sustainable agriculture and local food – and currently serves on the Board of Directors for the Bellingham Food Bank.

About The Authors *(continued)*

Bryce Fegley MS, CFA, CIPM
Senior Investment Analyst

Bryce Fegley, CFA, CIPM, Investment Analyst & Sextant Global High Income Fund Portfolio Manager, joined Saturna Capital in 2001 and worked in brokerage/trading and later as an investment analyst. Beginning in 2010, he spent two years as President of our Malaysian subsidiary, Saturna Sdn Bhd, directing its research and fund management operations. In 2012 he returned to Saturna Capital headquarters. Prior to joining Saturna, Mr. Fegley worked in brokerage operations in Seattle from 1997-2000. Originally from upstate New York, he studied at the University of Colorado at Boulder earning his BA in English Literature. Mr. Fegley earned an MS in Computational Finance and Risk Management from the University of Washington in December 2017. His volunteer activities include a board role with the Whatcom Family YMCA.



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Senior Investment Analyst

Chris Paul, Senior Investment Analyst, joined Saturna Capital in August 2016. He earned an MBA Finance from New York University and a BS in Computer Science from Syracuse University. Mr. Paul is a Chartered Financial Analyst® (CFA®) charterholder and Portfolio Manager of the Sextant Core Fund. His experience includes research and management positions at asset management firms and investment banks, as well as finance and operations roles at technology companies.

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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.*

***Forward price-to-earnings** is a quantification of the ratio of price-to-earnings (PE) using forecasted earnings for the PE calculation. While the earnings used are estimates and are not as reliable as current earnings data, the benefit in using estimated PE is that the forecasted earnings can either be for the next 12 months or for the next full-year fiscal period.*

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

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

*The **Axios Harris Poll 100** uses a two step process to rank the reputations of the most visible companies in the United States. First, the poll identifies the top of mind awareness of companies who either excelled or faltered in society, then a second group of survey participants ranks the companies across key dimensions of corporate reputation. For more information visit theharrispoll.com/axios-harrispoll-100/*

***Lowess smoothing** (locally weighted scatterplot smoothing) is a technique used in statistical analysis that allows for fitting a smooth or curved line to data points, especially where data is noisy or sparse.*