Fund Commentary Q3 2018

SATURNA CAPITAL

SEXTANT MUTUAL FUNDS

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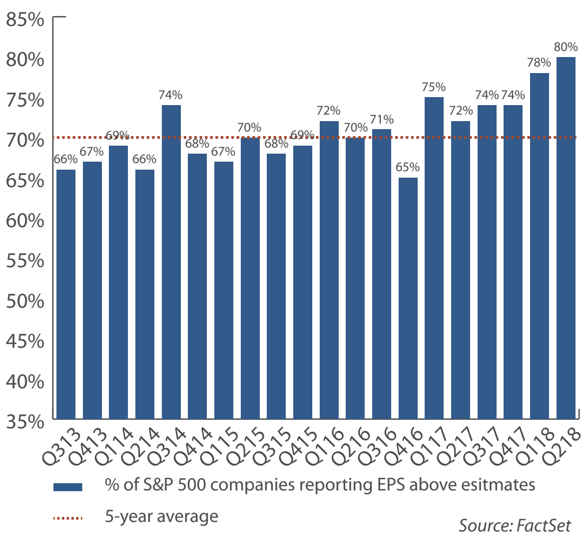
Please consider an investment's objectives, risks, charges, and expenses carefully before investing. To obtain this and other important information about the Sextant Mutual Funds in a current prospectus or summary prospectus, please visit www.sextantfunds.com or call toll free 1-800-728-8762. Please 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

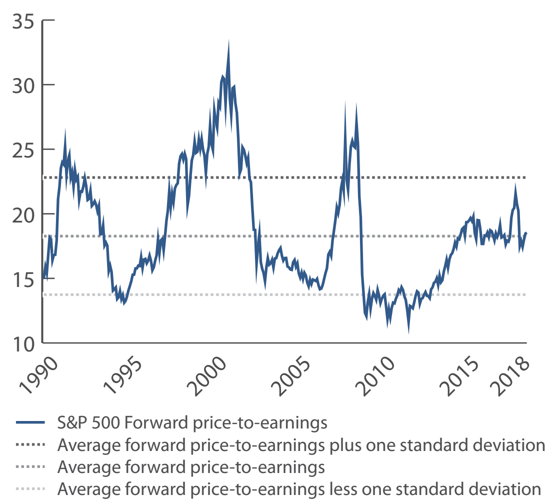
US stock markets enjoyed the strongest quarter of the year over the summer – a resounding rebuke to the old saw, Sell in May and Go Away. As analysts like to say on earnings conference calls, let's "unpack" the third quarter, "breaking down" the "puts & takes." Chief among sources of support for US equity markets has been earnings, boosted primarily by tax reduction with an assist from share buybacks. The phenomenon was especially pronounced for second quarter results, released throughout the third quarter, with 80% of companies reporting earnings above the mean EPS estimate. To be sure, sandbagging is a well-honed talent and there has never been a quarter over the past five years when the majority of earnings did not exceed the mean estimate. Regardless, the second quarter numbers represent the high point of a trend that has been gaining momentum over the past two years. Higher earnings, of course, address the single greatest stock market concern – valuation. While the last 28 years show that stock market valuation tends not to spend much time around the median level – where we are today – it's hard to say that valuation is stretched. One can just as easily make an argument for further appreciation as for a downturn.

S&P 500 Positive EPS Surprise (% of Companies)



Source: FactSet

S&P 500: Forward price-to-earnings

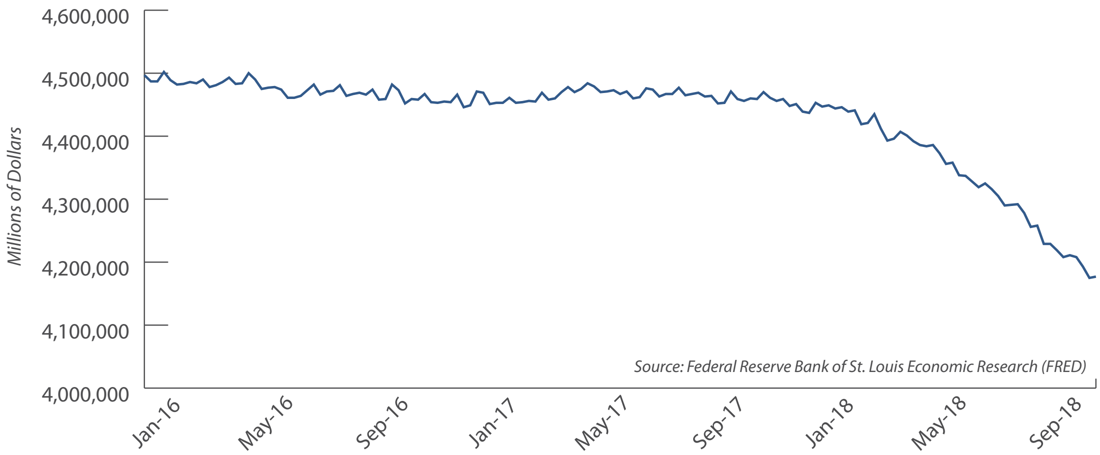


Source: Bloomberg, Saturna Capital research

Another driving force behind index appreciation has been strong performance among a handful of mega-cap companies. Most notable are the two largest market capitalization companies in the world, Apple and Amazon, which appreciated 21.95% and 17.84%, respectively, in the quarter. It must be remembered that the outsize influence of these stocks works in both directions and they can drag an index down as quickly as they pulled it up. Unlike the dot-com boom at the turn of the century, however, we're not "counting eyeballs" or measuring "stickiness." These are legitimate companies with real operations, not Pets.com.[1]

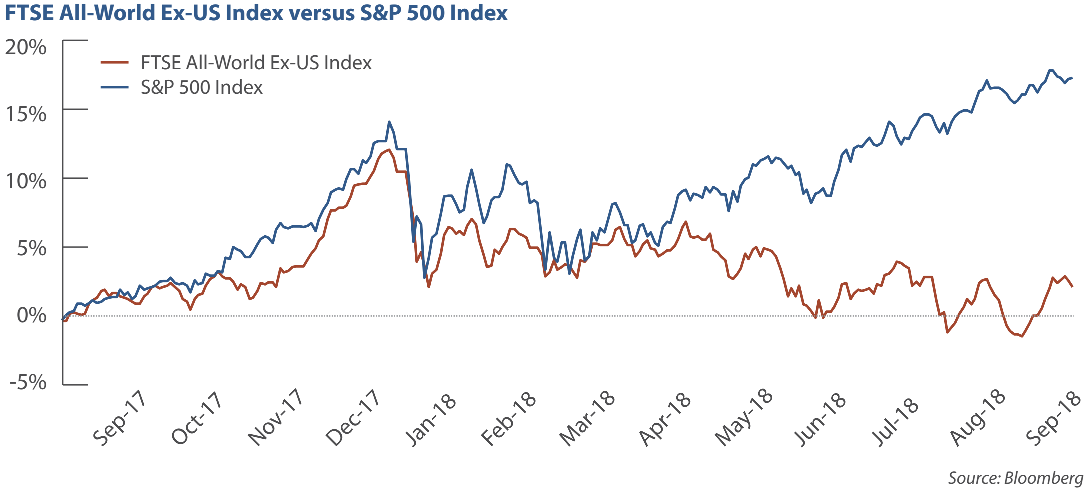
One source of concern for equity investors has been the removal of the US Federal Reserve's "extraordinary monetary policy" or quantitative easing (QE). As shown in the *All Federal Reserve Banks: Total Assets* chart, that process is underway, yet any impact on the stock market has yet to be seen. That said, the European Central Bank and the Bank of Japan continue to pump money into their economies and, unlike Vegas, what's created in Europe or Japan doesn't have to stay there.

All Federal Reserve Banks: Total Assets



Traveling euros and yen may provide a partial explanation for our final 2018 stock market discussion topic – the performance divergence between the US and international markets, as shown in the chart below. Overseas investors may see more enticing opportunities on American shores and move their money accordingly, while US investors pull back from international exposure. Aforementioned US tax policy and earnings strength are key factors. Poor performance among emerging markets, including currency stress in Turkey, Brazil, Indonesia, India, and South Africa has also contributed, as has the weakness in China with its technology juggernauts (Tencent, Alibaba, and Baidu) struggling in the wake of regulatory and personnel changes. Neither are international developed markets strangers to turmoil, with the UK and EU unable to agree on Brexit terms, a populist government in Italy raising concerns over that country's future solvency, and broader worries over European bank exposure to Turkey. Even Japan, which has benefited from favorable press, improving margins, and a recent market rebound, has yet to recapture ground lost early in the year.

FTSE All-World Ex-US Index versus S&P 500 Index



Outlook

We are wary of opining on the future with a contentious election just around the corner. How that turns out could significantly affect market sentiment, especially in the event of Democratic victories. Additionally, certain economic signals are blinking yellow, if not quite red. Foremost among these is the housing market as higher interest rates reduce affordability and dent the enthusiasm that has pushed up prices around the country. Forward markets currently indicate the Federal Reserve will hike rates once more this year, so pressure could intensify. Following an acceleration in the shift from passenger cars toward SUVs, one might wonder about the effect of higher gasoline prices on the automotive industry. Of course, there's also the question of tariffs. As the world's largest market, with a relatively low reliance on exports, US tariffs have been more damaging to companies outside of the United States. Whether that continues, especially as the US and China remain at loggerheads, is more difficult to say. If September automotive sales are any indication, future sailing may not be smooth. In September GM, Ford and Toyota experienced year-on-year sales declines of -15.6%, -11.3% and -10.4%, respectively.[2] Finally, there's the US dollar, which has strengthened against the Japanese yen, the euro, and most other currencies this year. Foreign exchange headwinds are becoming a regular element of earnings announcements for US multinational companies. Opposing all these potential negatives, who predicted the level of stock market returns investors have enjoyed over the past two years? As always, we believe remaining fully invested for the long term in well-managed, financially solid companies to be the best course of action.

Sextant Growth Fund

As of September 30, 2018

In the third quarter, the Sextant Growth Fund returned 11.71%, outpacing both the 7.71% total return of the S&P 500 and the 7.54% gain in the Morningstar Large Growth Category. Over the first nine months of the year, the Fund has gained 19.54%, well ahead of the 10.56% return of the S&P 500 Total Return Index and the 15.64% gain of the Morningstar Large Growth Category.

Over the first two quarters, Amazon and Adobe were the two largest contributors. In the third quarter, Apple nudged its way back into the top position, while Amazon remained at number two. Other strongly performing Technology companies included Microsoft, Trimble, and Qualcomm, which soothed investors' disappointment over its failed NXP Semiconductor acquisition by embarking on a massive share buyback. The Fund invested in Worldpay earlier in the year. The company is one of the world's largest electronic payment processors and the second quarter results confirmed our thesis that it is set for solid growth through cost and revenue synergies due to the merger of the former Vantiv and Worldpay.

Half of the top detractors in the quarter made a positive contribution to Fund returns in the quarter, including double-digit contributions from Hasbro and Nike. In 2018, Facebook has had a hard time not tripping over its own feet. Worries of a slowdown in top line growth, departures of key executives such as the founders of WhatsApp and Instagram, and data privacy failures have all contributed. That said, it remains one of the most powerful online advertising platforms in the world, with access to data Google can only dream of. The potential wrench in its gears is political involvement. Data privacy seems to be developing into a non-partisan issue of concern, but if the Democrats take control of the House we believe the business will be safe since they are unlikely to support efforts to reign in companies about which the President has been rather disparaging.

During the quarter, Facebook and RPM dropped out of the top ten holdings and were replaced by Stanley Black & Decker and Home Depot.

10 Largest Contributors	Return	Contribution
Apple	22.38%	1.42
Amazon.com	17.84%	1.10
Microsoft	16.43%	0.73
Adobe Systems	10.72%	0.68
Abbott Laboratories	20.82%	0.62
Mastercard, Class A	13.42%	0.56
Worldpay, Class A	23.83%	0.55
Trimble	32.34%	0.54
Qualcomm	29.49%	0.42
Ross Stores	17.20%	0.40

10 Largest Detractors	Return	Contribution
Facebook, Class A	-15.37%	-0.51
Booking Holdings	-2.13%	-0.04
Juniper Networks	-3.94%	-0.03
TE Connectivity	-1.89%	-0.03
DowDuPont	-1.91%	-0.03
Ally Financial	1.25%	0.03
Stryker	5.51%	0.07
Sensata Technologies Holding	4.14%	0.08
Hasbro	14.60%	0.11
Nike, Class B	6.58%	0.12

Top 10 Holdings	Portfolio Weight
Apple	7.29%
Amazon.com	6.91%
Adobe Systems	6.70%
Alphabet, Class A	5.44%
Microsoft	4.88%
Mastercard, Class A	4.47%
Abbott Laboratories	3.44%
JP Morgan Chase	3.29%
Home Depot	2.93%
Stanley Black & Decker	2.87%

Sextant International Fund

The Sextant International Fund continued its strong run this year, rising 6.51% in the third quarter, outperforming the MSCI ACWI ex-USA Index which gained 0.70%, and the Morningstar Foreign Large Growth Category which rose 0.21%. Year-to-date, the Fund has returned 5.18%, against -3.09% for ACWI and -0.20% for the Morningstar Foreign Large Growth Category.

The positive third quarter returns of the Sextant International Fund were driven by a wide diversity of stocks and no theme for the quarter emerged. Healthcare, Technology, Finance, Retail (brick and click), and Media all contributed. Belmond is a luxury hotel operator that hired Goldman Sachs as a strategic adviser on the company's future. Such actions almost always result in the sale or major restructuring of the company, and investors quickly bid up the price. Subsequent to the end of the quarter, a number of companies emerged as being interested in bidding for Belmond. Wolters Kluwer has outperformed over the long term as it has transitioned its technical information business from analog to digital. Economic disruption in Argentina and Brazil has been negative for MercadoLibre but it rebounded over the summer after dropping sharply in the second quarter.

Apart from MercadoLibre, other out-of-benchmark investments performed well, such as Mexican Coke bottler Fomento Economico and Canadian bank Toronto-Dominion.

Just as was the case among the contributors, there was no identifiable theme among the weaker stocks during the quarter, although notably, three of the largest "detractors" made a positive contribution to Fund returns. Panamanian-based airline Copa continued to perform poorly, with rising fuel prices the most recent catalyst. Concerns over the semiconductor cycle held back lithography firm ASML. Toyota fell victim to tariff worries, although it may do better now that the US and Japan have agreed to discuss trade on a bilateral basis. Weakness in the Australian residential property market is affecting Australia & New Zealand Banking Group.

Unilever, Copa, and Total dropped out of the top ten holdings list during the quarter. The former two were due to price declines, while we are reducing the position in Total following a strong run in the oil price. They were replaced by Belmond, which may not remain long if it is sold, Novartis, which has been making a number of interesting moves under a new CEO, and Fomento Economico, a historically volatile stock that now sits at the top of its long-term range.

As of September 30, 2018

10 Largest Contributors	Return	Contribution
Belmond, Class A	63.68%	2.44
Wolters Kluwer	11.33%	1.00
NICE Systems ADR	10.31%	0.66
MercadoLibre	13.90%	0.65
Novartis ADR	14.06%	0.55
Fomento Economico Mexico ADR	12.73%	0.53
Dassault Systemes ADR	6.27%	0.47
Sinopharm Group	24.42%	0.36
Total ADR	7.57%	0.32
Toronto-Dominion Bank	6.01%	0.27

10 Largest Detractors	Return	Contribution
Copa Holdings, Class A	-14.68%	-0.63
BASF ADR	-7.07%	-0.41
ASML Holding	-5.03%	-0.31
Industria de Diseno Textil	-11.24%	-0.17
Australia & New Zealand Banking ADR	-3.81%	-0.10
Toyota Motor ADR	-3.46%	-0.07
Rio Tinto ADS	-5.72%	-0.05
Unilever ADR	0.23%	0.01
BCE	1.53%	0.05
Nutrien	6.80%	0.09

Top 10 Holdings	Portfolio Weight
Wolters Kluwer	9.51%
Dassault Systemes ADR	7.77%
NICE Systems ADR	6.99%
Belmond, Class A	6.20%
ASML Holding NY	5.74%
BASF ADR	5.42%
MercadoLibre	5.19%
Toronto-Dominion Bank	4.64%
Fomento Economico Mexico ADR	4.53%
Novartis ADR	4.34%

Sextant Global High Income Fund

As of September 30, 2018

The Sextant Global High Income Fund returned 3.19% in the third quarter of 2018, ending the period with $9.3 million of total net assets, which included 5.8% in cash. Fund performance during the quarter trailed the returns of the S&P Global 1200 benchmark, which rose 5.06%, but fared better than its Morningstar World Allocation peer group, which returned 1.33%, and the Bloomberg Global Corporate High Yield Index, which rose 1.98%.

No one theme stood out to account for the Fund's performance during the quarter. Instead, an assortment of company-specific matters drove the overall Fund return. Korean phone company SK Telecom returned 19.55%, rebounding after a hiccup in the first half of 2018. Chinese oil company CNOOC returned 17.99%, as Brent oil finished the quarter above $80 for the first time in four years. Swedish bank SEB returned 17.27%, sharply outperforming other European banks during the quarter. Finally, apparel manufacturer and retailer VF Corp returned 15.22% in the quarter, as fears over the future of so-called brick and mortar retail continued to subside.

On the downside, Brazilian toll-road operator CCR had another poor quarter, returning -19.39%. Microchip Technology, which has been among the Fund's best long-term performers, returned -12.86% with its near-term outlook dimming. Another toll-road operator, Hopewell Highway Infrastructure, was re-listed in Hong Kong after most of its shares were acquired by an unlisted company, and returned -11.30%.

The Fund did not invest in any new issues during the quarter, but added to its investments in SK Telecom and CCR. The Fund did not make any sales in the quarter.

The US dollar remained strong against most other currencies as the Fed continued its modest pace of rate hikes and pushed real yields in the US higher than elsewhere in the developed world.

As the third quarter ended, the US, Canada, and Mexico announced terms for a new trade agreement to replace the North American Free Trade Agreement. While the agreement will require approval from the US congress before it is enacted, the announcement appears to forestall some of the more dire outcomes that have been feared, such as a unilateral cancellation of NAFTA by the Trump administration, or more onerous tariffs on imports. The Fund has had a bullish outlook on the Mexican peso, and peso denominated bonds (the Fund's second biggest holding), and we are optimistic that the clarification of trade issues will help the peso appreciate toward fair value relative to the dollar.

10 Largest Contributors	Return	Contribution
CNOOC ADR	17.99%	0.56
VF	15.22%	0.40
SK Telecom ADR	19.55%	0.40
HP	14.22%	0.35
Mexico Bonos Desarrollo *(6.50% 06/10/2021)*	7.02%	0.32
Equinor ADR	7.74%	0.26
Skandinaviska Enskilda Banken, Class A	17.27%	0.23
Novartis ADR	14.06%	0.22
South32 ADR	7.69%	0.21
Total ADR	7.57%	0.19

10 Largest Detractors	Return	Contribution
Microchip Technology	-12.86%	-0.50
CCR	-19.39%	-0.50
Hopewell Highway Infrastruct	-11.30%	-0.23
Orange ADR	-4.68%	-0.08
United States Treasury Bond *(6.125% 11/15/2027)*	-0.70%	-0.05
Colombia Republic Bond *(8.375% 02/15/2027)*	-0.96%	-0.02
Royal Dutch Shell ADR, Class A	-0.17%	-0.01
National Oilwell Varco	-0.63%	-0.01
Lincoln National *(4.388% 04/20/2067)*	-0.02%	0.00
Colony TX NFM Sales Tax Revenue *(7.625% 10/01/2042)*	0.53%	0.00

Top 10 Holdings		Portfolio Weight
United States Treasury Bond *(6.125% 11/15/2027)*	*Bond*	6.66%
Mexico Bonos Desarrollo *(6.50% 06/10/2021)*	*Bond*	4.71%
Equinor ADR	*Equity*	3.62%
CNOOC ADR	*Equity*	3.59%
Microchip Technology	*Equity*	3.38%
BHP Billiton (Australia) ADR	*Equity*	3.20%
VF	*Equity*	3.00%
South32 ADR	*Equity*	2.85%
T-Mobile *(6.50% 01/15/2026)*	*Bond*	2.80%
Royal Dutch Shell ADR, Class A	*Equity*	2.77%

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

Sextant Short-Term Bond Fund, Sextant Bond Income Fund

As of September 30, 2018

The Sextant Short-Term Bond Fund returned 0.58% in the third quarter, performing relatively better than its benchmark, the FTSE US BIG Govt/Corp 1-3 Year Bond Index, which returned 0.32%. The Morningstar Short-Term Bond Category returned 0.50%. The Sextant Bond Income Fund returned 0.20% during the quarter, compared to the 0.03% return of its benchmark, the FTSE US BIG Bond Index, and the -0.04% average return of the Morningstar Long-Term Bond category.

During the third quarter of 2018, the US Federal Reserve Bank increased the federal funds rate—the rate banks charge each other for overnight loans—from 2.00% to 2.25%. The US Federal Reserve Bank's total balance sheet assets declined a modest $40 billion per month (quantitative tightening) during the quarter. The Fed has ample justification for further rate hikes in 2018 and 2019, as low unemployment, increasing personal consumption rates, second-quarter GDP of 2.90%, and the Fed's own inflation indicators all point to continued growth.

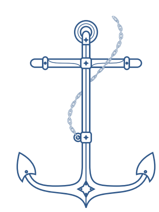
For the last two years, the divergence in monetary policy between US tightening and the ongoing easing in the Eurozone, Japan, and China created strong capital inflows into the US. This disparity in yields boosted the value of the US dollar, US assets, and helped fund the recent $1 trillion expansion in US government borrowing. This capital movement also drained liquidity from emerging markets and weakened their asset values. Credit conditions in emerging and developed markets like Argentina, Turkey, China, and Italy have been impacted by a strong US dollar and rising US rates.

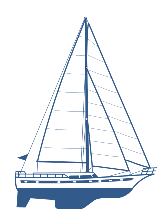
Today, the once compelling currency swapped equivalent yield advantage of US bonds has now disappeared, leaving the US exposed to more challenging funding conditions which may have contributed to the recent uptick in yields. The 30-yr US Treasury bond yield recently moved out of its three-year trading range to settle at 3.34%. However, the recent uptick in yields was similar along the entire curve leaving the 2-yr 30-yr US Treasury yield spread unchanged at 45 basis points. US Bond buyers still view the recent increase in the US inflation rate as transitory.

Continued on page 11

Sextant Short-Term Bond Fund Top 10 Holdings	Portfolio Weight
United States Treasury Note *(3.625% 02/15/2021)*	8.99%
United States Treasury Note *(2.50% 08/15/2023)*	4.81%
McCormick & Co. (2.70% 08/15/2022)	4.75%
Honeywell International *(4.25% 03/01/2021)*	4.54%
Gilead Sciences *(2.55% 09/01/2020)*	3.89%
Adobe Systems *(4.75% 02/01/2020)*	3.80%
Qualcom *(2.60% 01/30/2023)*	3.77%
3M *(2.00% 06/26/2022)*	3.77%
Juniper Networks *(4.60% 03/15/2021)*	3.76%
Abbott Laboratories *(4.125% 05/27/2020)*	3.74%

Sextant Bond Income Fund Top 10 Holdings	Portfolio Weight
United States Treasury Bond *(5.375% 02/15/2031)*	5.01%
Apple *(4.50% 02/23/2036)*	3.81%
Intel *(4.00% 12/15/2032)*	3.70%
Microsoft *(4.20% 11/03/2035)*	3.70%
Cincinnati Financial *(6.92% 05/15/2028)*	3.06%
Lowe's *(5.80% 10/15/2036)*	2.97%
United Technologies *(6.05% 06/01/2036)*	2.94%
United States Treasury Bond *(6.125% 08/15/2029)*	2.92%
Puget Sound Energy *(7.02% 12/01/2027)*	2.89%
Statoil (Norsk Hydro Yankee) *(7.15% 01/15/2029)*	2.84%





Sextant Core Fund

As of September 30, 2018

During the third quarter of 2018, the S&P 500 Index continued its positive streak and posted gains during each month for a total return of 7.71%. For the quarter, the Sextant Core Fund produced a return of 5.06% and outperformed the benchmark Dow Jones Moderate Portfolio Index, which returned 2.23%. Second and third quarter performance more than offset the Fund's underperformance in the first quarter; the year-to-date Fund return of 2.94% now exceeds that of the benchmark 2.70%. Overall, equities contributed to and fixed income detracted from the quarterly performance.

Equities

The Sextant Core Fund ended the quarter with an equity allocation of 60%, in line with its mandate. Positions in the health care (Pfizer), industrial (Fastenal), and technology (Qualcomm) sectors positively contributed to performance, while detractors were concentrated in the technology (NXP) sector.

During the quarter, the Fund introduced six new positions and exited five positions. These transactions were consistent with the mandate of a value investment style in the income producing securities of more seasoned companies.

Fixed Income

During the third quarter of 2018, the US Federal Reserve Bank increased the Federal Funds rate from 2.00% to 2.25%. The Fed has ample justification for further rate hikes in 2018 and 2019.

For the last two years, the divergence in monetary policy between US tightening and the ongoing easing in the Eurozone, Japan, and China has created strong capital inflows into the US. This disparity in yields boosted the value of the US dollar, US assets, and helped fund the recent $1 trillion expansion in the US government borrowing.

Today, the once compelling currency swapped equivalent yield advantage of US bonds has now disappeared, leaving the US exposed to more challenging funding conditions which may have contributed to the recent uptick in yields.

High yield credit spreads remain near historic lows, increasing the risk adjusted appeal of investment grade paper. Recent overall demand for fixed income remains robust and has favored investment grade securities and shorter maturities.

Continued on page 11

10 Largest Contributors	Return	Contribution
CA	24.01%	0.36
Apple	22.38%	0.32
Qualcomm	29.49%	0.29
Abbott Laboratories	20.82%	0.27
Pfizer	22.51%	0.26
Parker Hannifin	18.53%	0.23
Ross Stores	17.20%	0.23
Fastenal	21.40%	0.22
Lowe's	20.72%	0.22
Taiwan Semiconductor ADR	20.79%	0.21

10 Largest Detractors	Return	Contribution
NXP Semiconductors	-21.54%	-0.39
Tencent Holdings ADR	-18.73%	-0.16
Infineon Technologies ADR	-11.15%	-0.11
Ingredion	-8.49%	-0.05
Intel	-4.29%	-0.05
Johnson Controls International	-6.04%	-0.05
Bellsouth Capital Funding *(7.875% 02/15/2030)*	-3.34%	-0.05
BCE	-3.12%	-0.03
DowDuPont	-1.91%	-0.03
US Treasury Bond *(4.5% 02/15/2036)*	-2.37%	-0.03

Top 10 Holdings		Portfolio Weight
US Treasury Bond *(6.25% 8/15/2023)*	*Bond*	3.83%
United States Treasury Note *(2.75% 11/15/2023)*	*Bond*	2.64%
Welltower *(4.25% 4/15/2028)*	*Bond*	2.62%
Gilead Sciences *(3.70% 04/01/2024)*	*Bond*	1.91%
United States Treasury Note *(2.00% 11/30/2022)*	*Bond*	1.83%
Toronto-Dominion Bank	*Equity*	1.72%
Apple	*Equity*	1.72%
Johnson & Johnson	*Equity*	1.68%
PNC Financial Services Group	*Equity*	1.65%
Parker Hannifin	*Equity*	1.61%

Sextant Core Fund, *continued from page 10*

Rising rates also have a positive side. It has been a long time since we considered the many positive wealth effects of rising interest rates, not the least of which is a rising discount rate that may reduce future pension liabilities and the degree of underfunding.

Over the last twenty years, the monthly average yield of the 2-yr US Treasury note was 2.29%. For the US Treasury 5-yr note, it was 2.95%. Today, those yields are above their twenty-year averages at 2.87% and 3.05% respectively. Yields on five-year investment grade corporate notes are near 4%. With annual PCE inflation around 2%, short and intermediate investment grade bond yields once again offer positive real returns.

Sextant Short-Term Bond Fund, Sextant Bond Income Fund, *continued from page 9*

Despite the recent tightening in the Bloomberg US Financial Conditions Index, the appetite for credit remains strong. The sub investment grade sector has especially benefited from rising oil prices. Rising US bond yields are beginning to affect debt sensitive companies and industries, including commercial and residential real estate and automobile sales. High yield credit spreads remain near historic lows, increasing the risk adjusted appeal of investment grade paper. Recent overall demand for fixed income remains robust and has favored investment grade securities and shorter maturities.

Rising rates also have a positive side. The unwinding of the zero-interest rate yield famine is finally restoring some of the advantages of saving instead of borrowing. It has been a long time since we considered the many positive wealth effects of rising interest rates, not the least of which is a rising discount rate that may reduce future pension liabilities and the degree of underfunding.

Over the last twenty years, the monthly average yield of the 2-yr US Treasury note was 2.29%. For the US Treasury 5-yr note, it was 2.95%. Today, those yields are above their twenty-year averages at 2.87% and 3.05% respectively. Yields on five-year investment grade corporate notes are near 4%. With annual PCE inflation around 2%, short and intermediate investment grade bond yields once again offer positive real returns.

Morningstar Sustainability Ratings™

Sextant Growth Fund

Investor Shares (SSGFX)

Z Shares (SGZFX)

Among 1,258 Large Growth Funds

Sextant International Fund

Investor Shares (SSIFX)

Z Shares (SIFZX)

Among 347 Foreign Large Growth Funds

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

Sextant Core Fund

SCORX

Among 703 Allocation 50% – 70% Equity Funds

Sextant Short-Term Bond Fund

STBFX

Among 474 Short-Term Bond Funds

Sextant Global High Income Fund

SGHIX

Among 399 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 August 31, 2018. The Morningstar Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio are managing their environmental, social, and governance ("ESG") risks and opportunities relative to the fund's Morningstar category peers. The Morningstar Sustainability Rating calculation is a two-step process. First, each fund with at least 50% of assets covered by a company-level ESG score from Sustainalytics receives a Morningstar Portfolio Sustainability Score™. The Morningstar Portfolio Sustainability Score is an asset-weighted average of normalized company-level ESG scores with deductions made for controversial incidents by the issuing companies, such as environmental accidents, fraud, or discriminatory behavior. The Morningstar Sustainability Rating is then assigned to all scored funds within Morningstar Categories in which at least ten (10) funds receive a Portfolio Sustainability Score and is determined by each fund's rank within the following distribution: High (highest 10%), Above Average (next 22.5%), Average (next 35%), Below Average (next 22.5%), and Low (lowest 10%). The Morningstar Sustainability Rating is depicted by globe icons where High equals 5 globes and Low equals 1 globe. A Sustainability Rating is assigned to any fund that has more than half of its underlying assets rated by Sustainalytics and is within a Morningstar Category with at least 10 scored funds; therefore, the rating it is not limited to funds with explicit sustainable or responsible investment mandates. Morningstar updates its Sustainability Ratings monthly. Portfolios receive a Morningstar Portfolio Sustainability Score and Sustainability Rating one month and six business days after their reported as-of date based on the most recent portfolio. As part of the evaluation process, Morningstar uses Sustainalytics' ESG scores from the same month as the portfolio as-of date.

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

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

Sextant Growth Fund	*99%*
Sextant International Fund	*98%*
Sextant Core Fund	*75%*
Sextant Short-Term Bond Fund	*70%*
Sextant Global High Income Fund	*71%*

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

As of September 30, 2018

Average Annual Total Returns (Before Taxes)	**1 Year**	**3 Year**	**5 Year**	**10 Year**	*Gross* (**Expense Ratio**[A])	*Net*
Sextant Growth Investor Shares (SSGFX)	27.30% ▲	15.13% ▲	12.21% ▲	9.89% ▲	0.76%	0.76%
Sextant Growth Z Shares (SGZFX)[B]	27.59% ▲	n/a	n/a	n/a	0.51%	0.51%
S&P 500 Index	17.91% ▲	17.33% ▲	13.96% ▲	11.97% ▲	n/a	
Sextant International Investor Shares (SSIFX)	9.38% ▲	12.43% ▲	6.04% ▲	5.06% ▲	1.04%	1.04%
Sextant International Z Shares (SIFZX)[B]	9.71% ▲	n/a	n/a	n/a	0.79%	0.78%
MSCI EAFE Index	3.25% ▲	9.78% ▲	4.91% ▲	5.87% ▲	n/a	
Sextant Core Fund (SCORX)	6.40% ▲	7.92% ▲	5.44% ▲	5.86% ▲	0.73%	0.73%
Dow Jones Moderate Portfolio Index	6.73% ▲	9.26% ▲	6.68% ▲	7.62% ▲	n/a	
Sextant Global High Income Fund (SGHIX)[C]	4.48% ▲	12.04% ▲	5.77% ▲	n/a	1.06%	0.75%
S&P Global 1200 Index	11.40% ▲	14.51% ▲	9.92% ▲	9.13% ▲	n/a	
Bloomberg Barclays Global High Yield Corporate Bond Index	1.72% ▲	7.26% ▲	4.64% ▲	9.24% ▲	n/a	
Sextant Short-Term Bond (STBFX)	-0.20% ▼	0.77% ▲	0.91% ▲	1.83% ▲	0.88%	0.60%
FTSE USBIG Government / Corporate 1-3 Index	0.21% ▲	0.70% ▲	0.79% ▲	1.65% ▲	n/a	
Sextant Bond Income (SBIFX)	-1.40% ▼	1.73% ▲	2.66% ▲	4.18% ▲	0.86%	0.65%
FTSE US Broad Investment-Grade Bond Index	-1.24% ▼	1.34% ▲	2.15% ▲	3.77% ▲	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 March 28, 2018, and incorporate results from the fiscal year ended November 30, 2017. 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 March 31, 2019.*

[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. Its annualized since inception return as of September 30, 2018, was 5.56%.*

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 MSCI ACWI Ex-US Index, produced by Morgan Stanley Capital International, measures equity market performance throughout the world excluding US-based companies. 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 FTSE 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 FTSE 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.

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.

About The Authors

Scott Klimo CFA
Vice President and Chief Investment Officer

Sextant Growth Fund, Portfolio Manager

Sextant International 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.

Phelps McIlvaine
Vice President

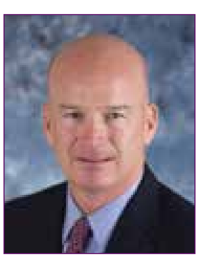
Sextant Short-Term Bond Fund, Sextant Bond Income Fund, Sextant Core Fund, Portfolio Manager

Phelps McIlvaine, Vice President, joined Saturna Capital in 1993. He serves Saturna as Portfolio Manager and a Research Analyst for Idaho Tax-Exempt Fund, Sextant Short-Term Bond Fund, Sextant Bond Income Fund, and Sextant Core Fund. He also acts as Director for Saturna's wholly-owned brokerage subsidiary, Saturna Brokerage Services. Mr. McIlvaine was born in Illinois in 1953, and has a BA in economics (University of Denver, 1975 Phi Beta Kappa). Mr. McIlvaine entered the investment business in 1976 and traded US bond and derivative markets from 1977 to 1986 for commercial banks in Boston and Chicago. From 1987 to 1993 he managed fixed income derivative hedge funds in Chicago and London. He serves on the Endowment Committees of the Nooksack Salmon Enhancement Association and the Bellingham Interfaith Coalition.

Bryce Fegley MS, CFA, CIPM
Senior Investment Analyst

Sextant Global High Income Fund, Portfolio Manager

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.



Chris Paul MBA, CFA
Senior Investment Analyst

Sextant Core Fund Fund, Portfolio Manager

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.

Footnotes

[1] *Pets.com is a high profile example of a dot-com IPO implosion. https://en.wikipedia.org/wiki/Pets.com*

[2] *Roberts, Adrienne. Auto Sales Sputtered in September Amid Rising Interest Rates, Trade Concerns, The Wall Street Journal, October 2, 2018. https://www.wsj.com/articles/auto-sales-sputter-in-september-amid-rising-interest-rates-trade-concerns-1538503880?mod=hp_lista_pos3 https://data.worldbank.org/indicator/NE.EXP.GNFS.ZS?year_high_desc=true*

[3] *Moody's Investor Service: Sukuk issuance to remain broadly stable in 2018, Press Release, September 4, 2018. https://www.salaamgateway.com/en/story/moodys_sukuk_issuance_to_remain_broadly_stable_in_2018-SALAAM04092018081557/*

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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.*

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.*