Fund Commentary Q3 2019

Saturna Capital

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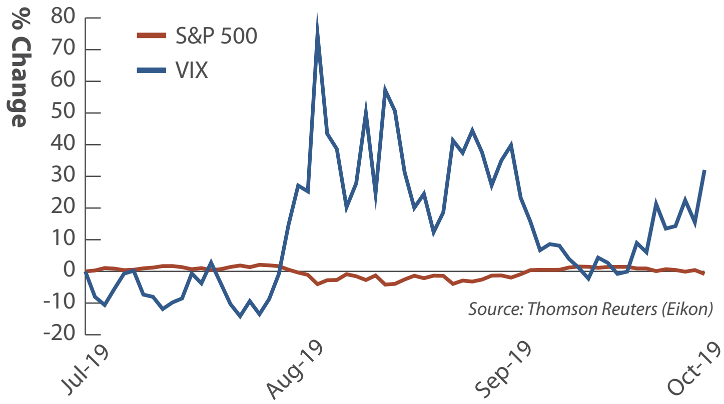
Rocky Waters

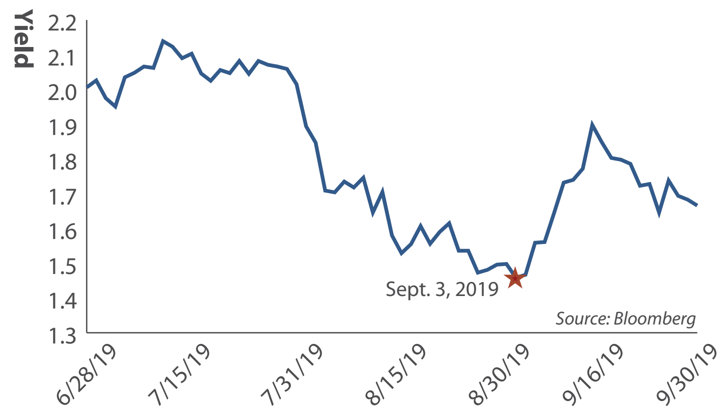
Volatility reared its head in August after the S&P 500 Index surged to new highs in July. With a dovish Federal Reserve lowering interest rates and a strong economy led by American consumers, the S&P 500 peaked on July 26, 2019 above 3,025. These gains soon evaporated with the Index falling more than -6% over the next two weeks as investor concern was reignited over the simmering US-China trade war. While the S&P was selling off, the VIX, a gauge of US equity market volatility, reached highs not seen since last December's market tumble. When equity markets suddenly change tone, pulling back the curtains and looking into developments in the fixed-income markets can provide useful clarity.

S&P 500 versus CBOE VIX

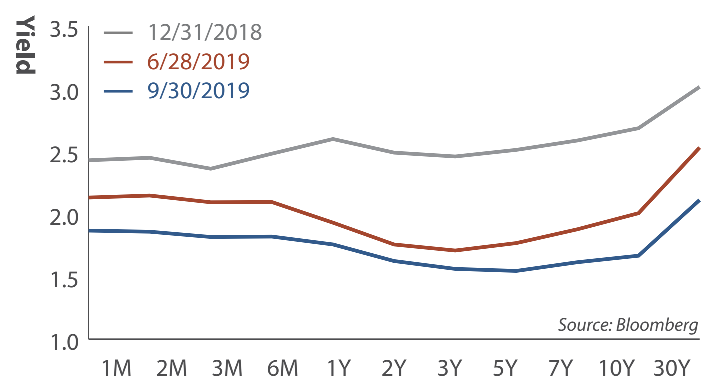


Equity market volatility was equally reflected in fixed-income markets. During the third quarter, the US Treasury market experienced a level of volatility not seen since 2016. The 10-year US Treasury had an especially wild ride as yields dropped to a three-year low of 1.43% on September 3rd while August brought the biggest monthly gain for Treasurys since 2008. Treasury yields tumbled on the back of sliding yields in Europe, and US-China trade war[1] concerns. However, the rally ended abruptly as stronger than expected economic data indicated a possibility of slower rate cuts. Consumer price data came in above forecasts as well. Both 10-year and 30-year Treasury yields jumped 35 basis points the week of September 9th, which then saw the 10-year ending the week at 1.90%, and the 30-year yield at 2.37%, their worst week since 2016.[2]

10-Year Treasury Yield



US Treasury Yield Curves



Overall, the entire Treasury curve moved downward during the quarter. As of September 30th, the 10-year had fallen back down to 1.67% due to investor fears that a contraction in September's ISM manufacturing report meant the manufacturing sector was heading for a recession. Year-to-date, there have been 22 days with a 10 basis point or more move in the 10-year yield. In 2018 and 2017 there were only eight such moves the entire year. The last comparable year was 2016, which saw 39 big moves.[3]

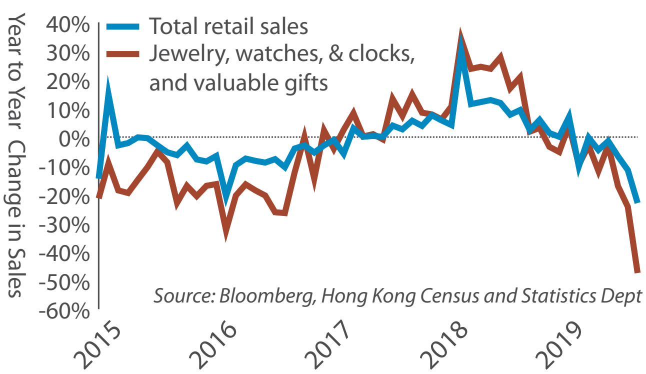
Political Unrest

Volatility in the third quarter wasn't limited to markets, as political unrest cropped up around the globe. Among the most heated issues, protests in Hong Kong have captured the world's attention. The protests, which have been simmering since March, exploded on June 9th when half a million demonstrators took to the streets demanding the repeal of a proposed extradition bill. Quickly after this ramp up in protests, Hong Kong Chief Executive Carry Lam indefinitely delayed the bill that would have allowed for the extradition of individuals to mainland China.

When protesters stormed the city's Legislative Council on July 1st, the 22nd anniversary of Hong Kong's handover from Britain, it became clear that the protests were about more than one extradition bill. They were about the city's sovereignty and its demands for greater democratic freedoms. Protests further escalated on October 1st, the 70th anniversary of the founding of the People's Republic of China, with police using live ammunition to deter demonstrators.

While the chaos in Hong Kong may not have immediate implications for the global economy, it has significantly slowed the city's economy. At the end of August, year-on-year retail sales were down 23% and sales of luxury items were down 47%. These sales declines are enough to slow the growth of the global luxury sector and have caused some retailers to shut their doors and focus marketing on mainland China. In addition to retail, Hong Kong's presence as a financial center is being challenged, and in August, Ali Baba decided to delay its $15 billion listing on the city's exchange.

Hong Kong Retail Sales



Beyond Hong Kong, political tensions have been on the rise across the globe. In August approximately 50,000 people gathered in Moscow, protesting against political repression and for fair elections. Then in September, attacks on key oil installations in Saudi Arabia crippled the country's oil production, temporarily sending oil prices to a three-month high. Meanwhile, here we are at the start of the fourth quarter and Britain is as divided as ever in how to exit the European Union. With an October 31 deadline looming, prudence suggests we bundle up and prepare for a hard Brexit.

Carbon Risks

Climate change continues to be a focus for Saturna Capital. As data emerges about the dangers related to rising temperatures, it's becoming more important than ever to identify risks and opportunities in our investments. Carbon risk is one component of the overall environmental, social, and governance (ESG) analysis conducted on each holding. Corporations in carbon-intensive industries, and financial institutions that have exposure to carbon-intensive industries such as power generation, mining, or energy-intensive firms, are exposed to transition risk, which refers to the impact of regulation changes, reputational risk, and potential shifts in consumer preferences during the transition to a low-carbon economy. Unexpected regulatory change can quickly alter the value of a business's assets, some of which may become economically unviable or "stranded." Transition risks can also arise if new technologies displace high-emitting current technology, or, if consumer preferences shift towards green products.

The Reserve Bank of Australia recently released a publication that explores how climate change is posing increasing risk to financial stability. While the report specifically speaks to Australia, the assertions are true globally. They state that, "Transition risk will be greatest for banks that lend to firms in carbon-intensive industries and to individuals or businesses that are reliant on these firms. Other financial institutions investing in carbon-intensive industries, such as superannuation and investment funds, are also exposed to the risk that climate change will diminish the value of their investments. This could occur both through direct investments in carbon-intensive industries, or indirect investments in banks that lend to these industries."[4]

A New Business Roundtable

On August 19, the Business Roundtable, a group of 181 CEOs from America's largest companies, made waves for releasing a statement that seemed to fly in the face of shareholder primacy. The *Statement on the Purpose of a Corporation* outlined a "fundamental commitment to all of our stakeholders" and members committed to "delivering value to our customers," "investing in our employees," "dealing fairly and ethically with our suppliers," "supporting the communities in which we work," and, last but not least, "generating long-term value for our shareholders."

At Saturna, this change in approach aligns with our values. After all, to maximize profits necessarily means considering the needs of stakeholders. Businesses create value through offering products that address customer needs and wants. They benefit from smoother and more efficient operations by dealing fairly with their suppliers and local communities. Through fulfilling these commitments, companies can generate long-term shareholder value.

We believe that companies proactively managing business risks relating to ESG issues make better contributions to the global economy and are more resilient. Saturna is thoughtful about how we construct our portfolios and we believe truly value-added strategies require active management with robust qualitative and quantitative analysis.

Sextant Growth Fund

As of September 30, 2019

The Sextant Growth Fund continued its solid run, rising 3.29% in the third quarter versus a 1.70% gain for the S&P 500 Index. Through the first nine months of the year, the Fund appreciated 26.33%, comfortably surpassing the S&P 500's return of 20.55%. Although Technology accounts for the largest Fund exposure, companies from a variety of sectors have contributed to the Fund's strong 2019 returns.

No position has been held longer in the Fund than Apple, yet it continues to be a leading contributor as the services business becomes a significant contributor to sales, while earning attractive margins. Edwards Life has moved from strength to strength as its heart valves continue to expand the addressable market. Worldpay has now been absorbed by Fidelity National Information Services but we remain enthusiastic about the opportunities in electronic payments. Coatings company RPM showed progress in its margin improvement program. Low unemployment and higher wages have supported discount retailer Ross Stores and Costco, while Lowe's has been more of a self-help story as current management gets a handle on the business after a year at the helm. Nike has continued to prosper and grow rapidly in China despite the trade tensions, no doubt helped by the fact that very little of their offering is produced in the US.

Several of the top detractors suffered only minimal share price erosion such as Abbott Labs, Merck, TE Connectivity, Oracle, and Fidelity National Information Services, which slipped slightly following the completion of its acquisition of Worldpay. Xilinx and Trimble were the only stocks to suffer significant declines. In the case of Xilinx, management reset expectations with the second quarter results, primarily due to macro uncertainties in the semiconductor market. With agriculture a major part of its business, Trimble suffers from weak commodity prices, which have developed as China reduces its purchases of US agricultural output in favor of other suppliers. Adobe and Amazon were weak during the quarter but their positions as detractors stems primarily from large position sizes.

Within the top 10 positions, Starbucks replaced Stanley Black & Decker, and Worldpay was absorbed by Fidelity National Information Services.

10 Largest Contributors	Return	Contribution
Apple	13.60%	0.65
Alphabet, Class A	12.78%	0.50
Edwards Lifesciences	19.04%	0.46
Worldpay, Class A	10.16%	0.35
RPM International	13.24%	0.33
Ross Stores	11.09%	0.30
Costco Wholesale	9.26%	0.28
Lowe's	9.55%	0.25
Microsoft	4.14%	0.24
Nike, Class B	12.17%	0.24

10 Largest Detractors	Return	Contribution
Amazon.com	-8.33%	-0.55
Xilinx	-18.39%	-0.46
Adobe	-6.24%	-0.39
Trimble	-13.97%	-0.35
Honeywell International	-2.60%	-0.05
Oracle	-3.01%	-0.04
TE Connectivity	-2.22%	-0.03
Fidelity National Information Services	-0.44%	-0.01
Merck & Co. Inc.	1.06%	-0.01
Abbott Laboratories	-0.13%	0.00

Top 10 Holdings	Portfolio Weight
Amazon.com	6.12%
Microsoft	6.07%
Adobe Inc.	5.93%
Mastercard, Class A	5.58%
Apple	5.17%
Alphabet, Class A	4.46%
Abbott Laboratories	4.01%
Fidelity National Information Services	3.41%
Costco Wholesale	3.25%
Starbucks	2.99%

Sextant International Fund

As of September 30, 2019

The Sextant International Fund slipped -0.44% in the third quarter, while the MSCI EAFE Index dropped -1.00%. Year-to-date, the Fund has returned 20.64%, well ahead of the 13.35% return registered by the Index. Contributors to returns have been diverse in terms of both sectors and geography, with a number of new positions appearing among the best stocks in the third quarter.

Technology is not a major sector exposure for the Fund, but global lithography leader ASML and enterprise software company NICE Systems led the positive returns in the third quarter. They were followed by a pair of Canadian companies – Air Canada and telecom incumbent BCE. Japan had three companies among the top contributors with Mitsubishi Finance, Toyota, and Subaru all performing well. The latter two have been performing well in an otherwise lackluster vehicle market. Spanish utility Iberdrola, which is expanding its renewable energy activities, is a new investment for the Fund, as is global consulting company Accenture. Panamanian-based airline Copa has performed well this year but received an additional boost when Delta Airlines announced its intention to take a 20% stake in LatAm Airlines, sparking speculation that Copa could also become a target.

Apart from the French and German software firms Dassault and SAP, most of the share price moves among the detractors were minor. Both stocks had strong runs through the first half of the year, rising nearly 40%, and have taken a bit of a breather. The third quarter softness has been exacerbated for dollar-based investors by a weakening euro. South American e-commerce and payments giant MercadoLibre has been the strongest contributor by far, with year-to-date returns more than doubling from the start of the year through early August. We are not concerned about the recent minor decline in share price. As a domestic consumer play, Fomento Economico Mexicano shrugged off the trade concerns of the first half of the year. As those concerns have abated, investors have switched to more export-oriented opportunities. Medical distributor Sinopharm, listed in Hong Kong has been challenged by the protests in the entrepôt. We view the other moves among the detractors as little more than market noise.

10 Largest Contributors	Return	Contribution
ASML Holding	19.47%	0.78
NICE Systems ADR	4.96%	0.30
Air Canada	7.46%	0.14
BCE	6.27%	0.13
Mitsubishi UFJ Financial ADS	6.95%	0.11
Subaru ADR	16.76%	0.10
Iberdrola	6.55%	0.10
Toyota Motor ADS	8.47%	0.10
Accenture, Class A	4.10%	0.07
Copa Holdings, Class A	1.85%	0.06

10 Largest Detractors	Return	Contribution
Dassault Systemes ADR	-11.48%	-0.61
MercadoLibre	-9.90%	-0.52
SAP ADS	-13.84%	-0.24
Fomento Economico Mexico ADR	-5.34%	-0.15
BASF ADR	-4.49%	-0.14
Novartis ADS	-4.83%	-0.13
Total ADS	-5.45%	-0.12
Nutrien	-6.15%	-0.08
Sinopharm Group	-8.87%	-0.06
Unilever ADS	-2.27%	-0.06

Top 10 Holdings	Portfolio Weight
Wolters Kluwer	6.74%
NICE Systems ADR	5.31%
MercadoLibre	5.09%
ASML Holding NY	4.59%
Dassault Systemes ADR	4.47%
Unilever ADS	2.77%
Copa Holdings, Class A	2.74%
Toronto-Dominion Bank	2.69%
Novartis ADS	2.65%
BASF ADR	2.58%

Sextant Global High Income Fund

As of September 30, 2019

The Sextant Global High Income Fund returned -0.96% in the third quarter of 2019, ending the period with $9.8 million of total net assets, including 17.4% of cash and equivalents. The Fund underperformed its equity benchmark, the S&P Global 1200 Index, which returned 0.72%, as well as its fixed-income benchmark, the Bloomberg Barclays Global High Yield Corporate Index, which returned 0.39%. It also underperformed its Morningstar World Allocation peer group, which returned 0.07%.

Disk drive manufacturer Western Digital had the best return of the Fund's holdings in the third quarter, rising 25.43%. The company, with its global supply chain and customer footprint, has been vulnerable to attention on trading relationships, which created an attractive entry point early this year. Subaru, another company with exposure to trade concerns, was the Fund's next best holding, with a return of 16.76% in the quarter.

Unfortunately, the Fund experienced a pair of large stings in the quarter. The Argentina US dollar bond returned -44.94% after a primary election in that country indicated that current pro-reform president Mauricio Macri is likely to lose his bid for reelection. His opposition, Peronist candidate Alberto Fernández, has investors worried that the new government will abandon reforms and cripple the country's fiscal position. Optimists hold the dim hope that Fernández, if elected, will be too constrained by the country's economic difficulties to enact populist policies. The election is set for late October.

Meanwhile, Micro Focus International, a UK company that specializes in legacy mainframe software used by industries such as banking and airlines, returned -43.64% after unexpectedly cutting its revenue outlook. Micro Focus had appeared to be on the mend after some indigestion in its acquisition of HP Enterprises last year. However, the glum forecast suggested the business is still foundering, and that lower revenue may take a big bite from profits because the company has little margin for further cutting costs in its bare-bone operations.

The Fund added shares of British insurer Aviva during the quarter. The company may benefit from the weak British pound, a resolution of Brexit uncertainty, and an economic recovery in Europe. Meanwhile its dividend yield was above 8% at the time of purchase.

The Fund sold its positions in semiconductor manufacturer Applied Materials and Brazilian toll road operator CCR after strong rebounds in their share prices.

Continued on page 11.

10 Largest Contributors	Return	Contribution
Western Digital	25.43%	0.64
AT&T	14.64%	0.37
Subaru ADR	16.76%	0.29
Aviva ADR	11.70%	0.29
United States Treasury Bond *(6.125% 11/15/2027)*	3.27%	0.18
GlaxoSmithKline ADS	7.87%	0.16
CCR	8.01%	0.14
Burlington Northern Santa Fe *(5.05% 03/01/2041)*	4.70%	0.12
Grupo Bimbo *(4.875% 06/27/2044)*	5.14%	0.11
Colombia Republic *(8.375% 02/15/2027)*	7.25%	0.11

10 Largest Detractors	Return	Contribution
Micro Focus International ADR	-43.64%	-0.99
Republic of Argentina *(7.5% 4/22/2026)*	-44.94%	-0.97
South32 ADR	-19.53%	-0.42
BHP Biliton ADR	-12.33%	-0.29
SK Telecom ADR	-10.30%	-0.23
Royal Dutch Shell ADR, Class A	-8.02%	-0.21
Itau Unibanco Holding ADR, Class A	-8.61%	-0.19
CNOOC ADR	-8.13%	-0.16
Total ADS	-5.45%	-0.12
Novartis ADS	-4.83%	-0.08

Top 10 Holdings		Portfolio Weight
US Treasury Bill *(10/22/2019)*	*Bond*	12.71%
US Treasury Note *(2.5% 01/15/2022)*	*Bond*	7.78%
Mexico Bonos Desarrollo *(6.50% 06/10/2021)*	*Bond*	4.37%
Western Digital	*Equity*	3.03%
AT&T	*Equity*	2.89%
Aviva ADR	*Equity*	2.80%
Jefferies Group *(5.125% 01/20/2023)*	*Bond*	2.74%
T-Mobile *(6.50% 01/15/2026)*	*Bond*	2.73%
Burlington Northern Santa Fe *(5.05% 03/01/2041)*	*Bond*	2.55%
Equinor ADR	*Equity*	2.31%

Sextant Short-Term Bond Fund, Sextant Bond Income Fund

The Sextant Short-Term Bond Fund returned 0.45% in the third quarter, compared to its benchmark, the FTSE US BIG Govt/Corp 1-3 Year Bond Index, which returned 0.68%. The Morningstar Short-Term Bond Category returned 0.78%. The Sextant Bond Income Fund returned 2.66% during the quarter, compared to the 2.37% return of its benchmark, the FTSE US BIG Bond Index, and the 5,33% average return of the Morningstar Long-Term Bond category.

During the quarter, US yields declined significantly as global manufacturing slowed, the US-China trade dispute deepened, and the UK's departure from the European Union remained unresolved. The slowdown in global manufacturing crystallized a new consensus among central banks to act early, in advance of any meaningful economic slowdown. The European and Japanese central banks signaled a willingness to re-energize their monetary policy accommodations if needed. The US Federal Reserve lowered the overnight federal funds rate back to 1.75% where it was a year earlier. This unwound 0.50% of its 2.25% 2015-2018 tightening.

Despite the Fed' recent ease, the US dollar remained firm, creating a competitive disadvantage for US exporters and those whose liabilities are denominated in US dollars. As a result, the political pressure on the US Federal Reserve to weaken the US dollar and engage in the US-China trade dispute continues. US Treasury yields appear to anticipate another 0.25% reduction in the US overnight funds rate shortly.

The 30-year US Treasury yield declined another 0.48%, establishing a new sub 2.00% cycle low, eclipsing the previous low set in 2016. 2019's third quarter is the third consecutive quarter of yield declines that cumulatively total 1.00% to 1.40%, producing three quarters of strong fixed-income returns. Real yields (nominal yields less inflation) fell close to or below zero across the yield curve.

The US Treasury yield curve out to 15 years to maturity remained inverted as investors added duration in anticipation of a new round of competitive policy easing. High-yield and corporate borrower yield spreads widened further as the strength of the US dollar increased the cost of repaying US dollar denominated debt.

As global growth softens, a US recession remains at the forefront of the minds of US investors. Yet the US economy continues to grow. In addition, continuing wage growth and

Continued on page 11.

Sextant Short-Term Bond Fund Top 10 Holdings	**Portfolio Weight**
United States Treasury Note *(3.625% 02/15/2021)*	8.42%
United States Treasury Note *(2.50% 08/15/2023)*	4.72%
McCormick & Co. *(2.70% 08/15/2022)*	4.63%
US T-Note *(2.875% 10/31/2020)*	4.61%
Honeywell International *(4.25% 03/01/2021)*	4.24%
Burlington Northern Santa Fe *(3.05% 09/01/2022)*	3.75%
AvalonBay Communities *(2.85% 03/15/2023)*	3.74%
Qualcomm *(2.60% 01/30/2023)*	3.71%
3M *(2.00% 06/26/2022)*	3.68%
Gilead Sciences *(2.55% 09/01/2020)*	3.67%

Sextant Bond Income Fund Top 10 Holdings	**Portfolio Weight**
United States Treasury Note *(3.625% 02/15/2021)*	8.76%
United States Treasury Bond *(5.375% 02/15/2031)*	4.53%
Apple *(4.50% 02/23/2036)*	3.50%
Intel *(4.00% 12/15/2032)*	3.44%
Microsoft *(4.20% 11/03/2035)*	3.44%
Burlington Northern Santa Fe *(5.05% 03/01/2041)*	3.19%
Puget Sound Energy *(4.434% 11/15/2041)*	2.84%
United Technologies Corp *(6.05% 06/01/2036)*	2.76%
US T-Note (*2.125% 6/30/2021)*	2.73%
United States Treasury Bond *(6.125% 08/15/2029)*	2.60%

Sextant Core Fund

During the third quarter of 2019, the S&P 500 Index and the FTSE US Big Bond Index posted total returns of 1.70% and 2.37%. For the quarter, the Sextant Core Fund produced a total return of 1.90%, outperforming the 0.29% total return of the benchmark Dow Jones Moderate Portfolio. Year-to-date, the Fund's total return of 14.91% exceeds that of the benchmark's 12.35%.

Equities

The Sextant Core Fund ended the quarter with an equity allocation of 54%, below its 60% mandate and the 59% allocation at the end the second quarter of 2019. Positions in the utility (NextEra, Duke, Dominion) and consumer (Subaru, P&G) sectors positively contributed to performance, while the technology (Micro Focus) and health care (Pfizer, UnitedHealth, Johnson and Johnson) sectors contained detractors.

During the quarter, the Fund introduced 10 new positions and exited six positions, increasing the total number of positions to 64. Exposure increased in the utility, healthcare, communications, and materials sectors and decreased in the technology and financial sectors. These transactions were consistent with the mandate of a value investment style in the income producing securities of more seasoned companies. Over the remainder of the year, the Fund expects to return the equity exposure to the mandate of 60%. At quarter end, the year-to-date portfolio turnover increased to 27.7% attributable to position exists and tax loss harvesting.

Fixed Income

During the quarter, US yields declined significantly as global manufacturing slowed, the US-China trade dispute deepened, and the UK's departure from the European Union remined unresolved. The European and Japanese central banks signaled a willingness to re-energize their monetary policy accommodations if needed. The US Federal Reserve lowered the overnight federal funds rate back to 1.75%, where it was a year earlier. This unwound 0.50% of its 2.25% 2015-2018 tightening.

Despite the Fed' recent ease, the US dollar remained firm, creating a competitive disadvantage for US exporters and those whose liabilities are denominated in US dollars. As a result, the political pressure on the US Federal Reserve to weaken the US dollar and engage in the US-China trade dispute continues.

Continued on page11.

10 Largest Contributors	Return	Contribution
NextEra Energy	14.37%	0.19
Subaru ADR	16.76%	0.15
Duke Energy	11.40%	0.14
Ross Stores	11.09%	0.12
Apple	13.60%	0.12
Bristol-Myers Squibb	12.80%	0.12
Dominion Energy	9.82%	0.12
Lowes *(4.25% 09/15/2044)*	6.62%	0.11
Chubb	10.13%	0.11
Procter & Gamble	14.17%	0.11

10 Largest Detractors	Return	Contribution
Micro Focus International ADR	-43.64%	-0.47
Pfizer	-16.28%	-0.22
UnitedHealth Group	-10.53%	-0.13
Johnson & Johnson	-6.42%	-0.10
Toronto-Dominion Bank	-1.40%	-0.08
Xilinx	-18.39%	-0.08
Citigroup	-8.67%	-0.08
Sensata Technologies Holding	-7.45%	-0.07
Garrett Motion Inc	-16.81%	-0.07
Total ADS	-5.45%	-0.06

Top 10 Holdings		Portfolio Weight
United States Treasury Bond *(6.25% 8/15/2023)*	*Bond*	3.20%
United States Treasury Note *(2.75% 11/15/2023)*	*Bond*	2.28%
Boeing *(5.875 02/15/2040)*	*Bond*	1.69%
Lowes *(4.25% 09/15/2044)*	*Bond*	1.67%
Gilead Sciences *(3.70% 04/01/2024)*	*Bond*	1.65%
Union Pacific Corp *(3.375% 02/01/2035)*	*Bond*	1.61%
United States Treasury Note *(2.00% 11/30/2022)*	*Bond*	1.58%
Duke Energy	*Equity*	1.55%
NextEra Energy	*Equity*	1.45%
Qualcomm *(3.25% 05/20/2027)*	*Bond*	1.43%

Sextant Global High Income Fund *Continued from page 8*

The third quarter was marked by heightened interest rate volatility amid continued signs of deterioration in global economic conditions and increasing trade frictions. With economic and market indicators flashing mixed signals, the Fund has boosted its level of cash through disposition of investments where we believe little upside remains. Meanwhile, we continue to look for opportunities, like Aviva, that we believe may benefit most from an eventual resolution of economic and political uncertainty.

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

falling unemployment are beginning to push the Personal Consumption Expenditure Index (PCE 1.77% YOY) and the Consumer Price Index (CPI 1.75% YOY) closer to the favored 2.00%. In a bullish sign for the US economy, the yield spread between 10-year and 30-year US Treasuries remained close to 0.45%.

With low and stable inflation, modest economic growth, a pervasive yield famine, and central banks willing to add further monetary stimulus, market conditions remain supportive of bond prices.

Sextant Core Fund *Continued from page 10*

The 30-year US Treasury yield declined another -0.48%, establishing a new sub 2.00% cycle low, eclipsing the previous low set in 2016. Real yields (nominal yields less inflation) fell close to or below zero across the yield curve.

The US Treasury yield curve out to 15 years to maturity remained inverted as investors added duration in anticipation of a new round of competitive policy easing. High-yield and corporate borrower yield spreads widened further as the strength of the US dollar increased the cost of repaying US dollar denominated debt.

The US economy continues to grow, creating wage growth and falling unemployment which are beginning to push the Personal Consumption Expenditure Index (PCE 1.77% YOY) and the Consumer Price Index (CPI 1.75% YOY) closer to the favored 2.00%. In a bullish sign for the US economy, the yield spread between 10-year and 30-year US Treasuries remained close to 0.45%.

With low and stable inflation, modest economic growth, a pervasive yield famine, and central banks willing to add further monetary stimulus, market conditions remain supportive of bond prices.

Performance Summary **As of September 30, 2019**

Average Annual Total Returns *(before taxes)*	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**15 Year**	**Expense Ratio[A]** *Gross*	*Net*
Sextant Growth Fund Investor Shares (SSGFX)	26.33%	6.12%	15.92%	9.58%	11.66%	9.30%	0.92%	
Sextant Growth Fund Z Shares (SGZFX)[B]	26.63%	6.44%	n/a	n/a	n/a	n/a	0.70%	
S&P 500 Index	20.55%	4.25%	13.39%	10.83%	13.23%	9.00%	n/a	
Morningstar Large Growth Category	20.54%	1.87%	14.62%	11.04%	13.13%	9.33%	n/a	
Sextant International Fund Investor Shares (SSIFX)	20.64%	10.18%	12.14%	7.10%	5.84%	7.45%	1.05%	
Sextant International Fund Z Shares (SIFZX)[B]	20.83%	10.43%	n/a	n/a	n/a	n/a	0.84%	
MSCI EAFE Index	13.35%	-0.82%	7.01%	3.77%	5.39%	5.78%	n/a	
Morningstar Foreign Large Growth Category	16.79%	0.61%	7.18%	4.94%	6.29%	6.15%	n/a	
Sextant Core Fund (SCORX)	14.91%	6.47%	7.42%	4.73%	6.14%	n/a	0.88%	
Dow Jones Moderate US Portfolio Index	12.35%	3.71%	6.81%	5.83%	7.45%	6.66%	n/a	
Morningstar Allocation – 50% to 70% Equity Category	13.42%	3.53%	7.13%	5.60%	7.80%	6.32%	n/a	
Sextant Global High Income Fund (SGHIX)[C]	8.80%	4.23%	7.42%	4.85%	n/a	n/a	0.97%	0.75%
S&P Global 1200 Index	17.73%	2.53%	10.97%	7.85%	9.54%	7.81%	n/a	
Bloomberg Barclays Global High Yield Corp Index	9.70%	5.05%	5.50%	4.42%	7.27%	7.17%		
Morningstar World Allocation Category	10.65%	1.75%	5.21%	3.34%	5.90%	5.89%	n/a	
Sextant Short-Term Bond Fund (STBFX)	3.35%	4.19%	1.52%	1.43%	1.50%	2.25%	0.91%	0.60%
FTSE USBIG Govt/Corp 1-3 Year Index	3.39%	4.58%	1.79%	1.56%	1.48%	2.41%	n/a	
Morningstar Short-Term Bond Category	4.08%	4.57%	2.11%	1.83%	2.23%	2.61%	n/a	
Sextant Bond Income Fund (SBIFX)	10.26%	11.40%	3.23%	3.69%	4.13%	4.06%	0.84%	0.65%
FTSE US Broad Investment-Grade Bond Index	8.66%	10.44%	2.96%	3.40%	3.71%	4.28%	n/a	
Morningstar Long-Term Bond Category	19.08%	18.53%	5.60%	6.34%	7.22%	6.50%	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 27, 2019, and incorporate results from the fiscal year ended November 30, 2019. 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, 2020.

[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, 2019, was 5.38%.

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.

Morningstar Sustainability Ratings™

Sextant International Fund

Investor Shares (SSIFX)

Z Shares (SIFZX)

Among 399 Foreign Large Growth Funds

Sextant Growth Fund

Investor Shares (SSGFX)

Z Shares (SGZFX)

Among 1,236 Large Growth Funds

Sextant Core Fund

SCORX

Among 658 Allocation 50% – 70% Equity Funds

Sextant Short-Term Bond Fund

STBFX

Among 490 Short-Term Bond 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, 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 is not limited to funds with explicit sustainable or responsible investment mandates. Morningstar updates its398 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 are 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 International Fund	*74%*
Sextant Growth Fund	*97%*
Sextant Core Fund	*70%*
Sextant Short-Term Bond Fund	*66%*

The Sextant Global High Income and Sextant Bond Income Funds were not rated.

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

About The Authors

Scott Klimo CFA®
Vice President and Chief Investment Officer

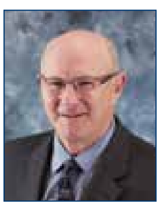
Sextant Growth, Portfolio Manager
Sextant International, Deputy Portfolio Manager

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.

Bryce Fegley MS, CFA®, CIPM®
Senior Investment Analyst

Sextant Global High Income, Portfolio Manager

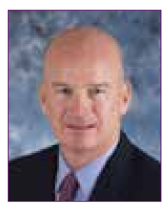
Bryce Fegley, CFA, CIPM, Investment Analyst & Sextant Global High Income Fund Portfolio Manager, joined Saturna Capital in 2001 and worked in brokerage/trading and later as an investment analyst. Beginning in 2010, he spent two years as President of our Malaysian subsidiary, Saturna Sdn Bhd, directing 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 earned a BA in English Literature from the University of Colorado at Boulder. 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.



Phelps McIlvaine
Vice President

Sextant Short-Term Bond, Sextant Bond Income Fund, Sextant Core, 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.

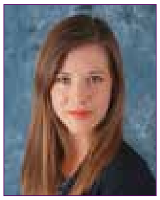


Chris Paul MBA, CFA®
Senior Investment Analyst

Sextant Core 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 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.

About The Authors *(continued)*



Elizabeth Alm CFA®

Senior Investment Analyst

Elizabeth Alm CFA, Investment Analyst, joined Saturna Capital in April of 2018. Originally from Connecticut, she graduated from New York University with degrees in Economics and Anthropology including field work completed in Luxor, Egypt. Prior to joining Saturna, Ms. Alm spent 11 years at Wells Fargo Asset Management as a senior research analyst focusing on high-yield municipal bonds. As part of her previous role, she also worked on the management of several municipal SMA strategies. Ms. Alm is a Chartered Financial Analyst (CFA) charterholder.

Levi Stewart Zurbrugg MBA, CPA®

Senior Investment Analyst

Levi Stewart Zurbrugg, Senior Investment Analyst, joined Saturna in June 2019. He graduated from Western Washington University with a BA in Business Administration and has an MBA from the University of Washington's Foster School of Business. Prior to Saturna, Levi worked at the Sustainability Accounting Standards Board as a Sector Analyst for the Consumer Staples sector. He is a Certified Public Accountant and is currently a Level III candidate in the Chartered Financial Analyst (CFA) program.

Footnotes:

[1] *Chen, Lou Vivien. Treasuries Dive, Sending 10-Year Yield to Highest in Six Weeks, Bloomberg, September 13, 2019. https://www.bloomberg.com/news/articles/2019-09-13/treasuries-dive-sending-10-year-yield-to-highest-in-six-weeks*

[2] *Wells, Peter. Treasuries Notch Biggest Weekly Drop Since 2016 As Rotation Hits, Financial Times, September 13, 2019. https://www.ft.com/content/27594466-d64a-11e9-8367-807ebd53ab77*

[3] *Domm, Patti. The Bond Market's Roller Coaster Ride Could Continue Until There's a Clear Signal Either Way on Recession, CNBC, October 1, 2019. https://www.cnbc.com/2019/10/01/the-bond-markets-roller-coaster-ride-could-continue.html*

[4] *Financial Stability Risks from Climate Change, Reserve Bank of Australia Financial Stability Review, October 2019. https://www.rba.gov.au/publications/fsr/2019/oct/box-c-financial-stability-risks-from-climate-change.html*

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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.*

*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.*