Fund Commentary Q4 2019

SATURNA CAPITAL

SEXTANT MUTUAL FUNDS

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2019 was a great year for equity markets, with the S&P 500 Index returning 31.49%, the best annual profit since 2013. At Saturna, we're not forecasting 2020 to generate the outsized gains seen in 2019. Still, we enter the new decade optimistically.

It's rare for the market to experience downturns or big profits following a year when returns exceed 25%. Since 1927, the S&P 500 experienced downturns in only 8% of the years following a year with returns in excess of 25%. Over this same period, only three years saw repeated returns greater than 25%. While statistics may support our forecast, we note "past returns may not indicate future performance." Why then do we believe 2020 will follow a similar course of decent returns? Four reasons:

- the four-year US presidential election cycle,
- calming global trade tensions,
- a reduction of Brexit's uncertainties, and
- accommodative yet stretched global monetary policies.

After minimal debate, both parties in the US Congress agreed to bigger spending and deficits, and the economy is roaring. Touting his business forward approach to governing and claiming success for the long bull market, President Trump will likely focus his re-election campaign on the economy. As the country moves from primaries to the general election, an incumbent's narrative always pulls the opposition toward the middle.

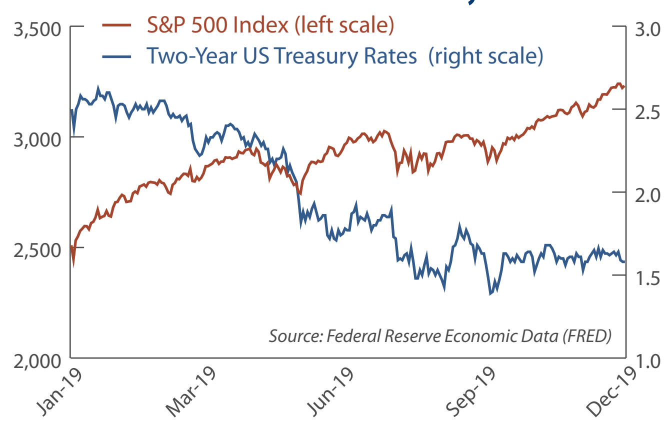
Also awaiting the election returns, the US-China trade war should see reduced agitations. As President Trump looks to claim victory and President Xi takes advantage of US election related pressures, the two sides are compelled to sign an agreement. This "phase one" deal is set to be signed on January 15th. The truce calls for China to increase imports of US farm goods and the US to decrease tariffs on Chinese products. This deal may address topics that frequently gain headlines, but it fails to address more fundamental issues on state-supported industry and tactics that the Chinese government uses to capture Western technologies.

Brexit will also have continued impact through 2020. The UK leaving the European Union on January 31, 2020, will not mark the end of the process. December's election saw the Conservatives gain an 80-seat majority, removing the roadblocks to the withdrawal agreement. Now a transition period begins where a trade agreement is negotiated, defining how the EU and the UK do business going forward. This deal is set to take effect December 31, 2020. As the UK "gets Brexit done" this month, expect a first bounce in the economy. However, details of the trade agreement, and uncertainty related to it, will likely produce volatility in 2020 as the December deadline approaches.

Beyond geopolitics, 2019 marked a year of renewed expansionary monetary policy as fears of recession sprouted across the globe. These fears led the Federal Reserve to cut interest rates while central banks elsewhere amassed record levels of negative yielding debt during the summer of 2019. In turn, low to negative interest rates injected fuel into equities, igniting the record bull market.

Although the amount of negative yielding debt has since been cut, central banks are operating with less dry powder to reignite the economy should fear of recession renew. We expect that in 2020 central banks will play the part of observer as they balance the need to keep tools on hand for an economic downturn with the want to see 2019's stimulus work its way through the financial system. At its December meeting, the Federal Reserve confirmed a wait and see approach, noting members "agreed that maintaining the current stance of monetary policy would give the Committee some time to assess the full effects on the economy of its policy decisions and communications over the course of this year."

S&P 500 Index vs Two-Year US Treasurys



Environmental, social, and governance factors gained in importance and visibility throughout 2019. Wildfires in the Amazon, Indonesia, and Australia, protests in Hong Kong, and intensifying debates surrounding the social role of big technology firms all highlight this trend. Attention focused on the social impact of technology firms such as China Inc., Facebook, Google, and Apple, and their role in elections and human rights. As these firms have gained dominance, their rising power is also gaining greater scrutiny for the often-hidden risks they pose to human rights especially in the realm of surveillance and data privacy.[1]

According to a poll conducted across 10,000 people in nine countries – over 70% of people are concerned about how technology companies collect and use their personal data and want governments to do more to regulate the space.[2] Attempts to regulate data privacy in the US have so far been relatively unsuccessful, but continued public pressure could bring about a change for how these companies operate. To quote Philip Alston, United Nations Special Rapporteur on poverty and human rights, "We are entering into a different operating environment where our current governance and civic structures for human rights protection are inadequate to deal with the darker side of big tech."[3] As investors, Saturna continues to evaluate the impacts to these firms, and their impact to society.

If 2019 was a year in which the rising tide lifted all boats, in 2020 we expect to find out which boats are in need of repair and which are ocean worthy. As such, we see returns in 2020 favoring firms with strong fundamentals and earnings growth. Continued multiple expansion would be a surprise.

What could go wrong? Perhaps the breakout of realpolitik in the Mideast, as the US moves back leaving Arabia and Israel richly armed, impotent Europe dithers, Turkey rebuilds its loose empire (Kurdistan, Libya) with Russian aid, and Iran dominates its "allies" for a route (across Iraq, Syria, and Lebanon) to the Mediterranean?

Sextant Growth Fund

As of December 31, 2019

The Sextant Growth Fund Investor Shares wrapped up an excellent year by gaining 7.95% in the fourth quarter. While that trailed the 9.07% return of the S&P 500 Index, the Fund's 36.38% return for the full year easily surpassed the S&P 500's 31.49% return. The Fund also performed well against its Morningstar Large Growth category, finishing in the 17th percentile, meeting our goal of consistently being in the top quartile.

Sextant Growth's sole purchase of Apple dates to 1998, yet here it stands 21 years later as the Fund's largest contributor for the year. In a testament to long-term investing, the $11,767 invested then is now worth $2.98 million. While consumers are holding onto their phones longer, Apple has built a formidable services business with Apple Music, Apple Pay, the App Store, and other high margin activities. We believe electronic payments remain a business with substantial growth opportunities and, in 2019, investors shared our optimism, driving up the price of Worldpay (subsequently acquired by Fidelity National Information Services) and Mastercard. Qualcomm has run a gauntlet of challenges including patent lawsuits, disputes with major customers, and government investigations, yet remains the company with the best cellular communications IP and is strongly positioned for the transition to 5G. Microsoft has taken a page from Amazon's book with its Azure cloud services, driving its share price sharply higher. Within the retail arena, Costco regained momentum after an off year, partially helped by strong overseas performances, while apparel discounter Ross Stores is ideally placed to benefit from the widespread increases in minimum wage. Edwards Life was the best performer among our Health Care selections and its heart valve business continues to grow at an impressive pace. After a lackluster 2018, bank stocks rebounded last year, especially in the second half, with JP Morgan a leader among the group. Finally, Adobe, which was the top contributor last year and among the top 10 in 2017, continued its impressive run based on its dominant position within digital media. Reviewing the current positioning of the stocks constituting the top performers list, we believe each enjoys an identifiable competitive advantage that warrants continued inclusion in the portfolio.

One way to tell it's been a good year is when only one of your detractors actually detracted from overall returns and six enjoyed positive double-digit returns. We were too early in selling Amgen, as the stock staged a strong fourth

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10 Largest Contributors YTD	Return	Contribution
Apple	88.97%	3.75
Worldpay, Class A	76.63%	1.79
Qualcomm	60.67%	0.47
Mastercard, Class A	59.16%	2.50
Microsoft	57.57%	2.68
Edwards Lifesciences	52.31%	1.14
JP Morgan Chase	47.27%	0.95
Adobe	45.78%	2.37
Costco Wholesale	45.70%	1.14
Ross Stores	41.34%	0.99

10 Largest Detractors YTD	Return	Contribution
Amgen	-8.32%	-0.09
Dupont De Nemours	2.34%	0.02
Fidelity National Info Serv	4.58%	0.16
Booking Holdings	7.51%	0.14
Merck	13.59%	0.18
Alaska Air Group	13.78%	0.15
Xilinx	16.39%	0.27
Oracle	19.33%	0.27
Sensata Technologies Holding	20.14%	0.20
Abbott Laboratories	22.10%	0.80

Top 10 Holdings	Portfolio Weight
Adobe	6.59%
Microsoft	6.41%
Apple	6.31%
Amazon.com	6.07%
Mastercard, Class A	5.72%
Alphabet, Class A	4.56%
Abbott Laboratories	3.88%
Fidelity National Information Srvcs	3.33%
Stanley Black & Decker	3.09%
Costco Wholesale	3.09%

Sextant International Fund

The Sextant International Fund Investor Shares gained 5.14% in the fourth quarter, trailing the 8.21% return of the MSCI EAFE Index. Regardless, the full year return of 26.85% outpaced the 22.66% return of the benchmark index by a solid margin. Within its Morningstar category of Foreign Large Growth, the Fund trailed by 0.96% year-to-date, placing it in the 65th percentile. Considering that the Fund ranked in the 1st percentile last year, outpacing the category by 10.13 percentage points, we are satisfied with Fund performance this year. That is especially true given that 2018's performance led to significant Fund inflows, creating a cash drag for the year.

Given the news that has come out of Brazil and Argentina over the course of the last year, it may be surprising to see the Latin American eBay at the top of the contributors list. Regardless, MercadoLibre dominates internet commerce in the two countries and has further strengthened its position by developing an electronics payments business. At the end of last year, we visited ASML in the Netherlands and came away convinced that its dominant position in the lithography market was only going to improve. That confidence was rewarded with the shares nearly doubling. On the same trip we also met with Wolters Kluwer and were equally impressed by the strides it has made in developing its electronic media distribution and information services businesses. Europe doesn't immediately come to mind when one considers global software leaders, but France's Dassault has performed remarkably over the past few years, as has Israel's Nice Ltd., which focuses on products to defeat financial crime and improve compliance. Panamanian-based airline Copa slumped in the first quarter but rebounded as it demonstrated sharply improved profitability through the remainder of the year. We believed that a change of top management at Novartis would be beneficial for the stock and that has indeed transpired. There have been stumbles, but we see the company continuing to improve. Rounding out our airline exposure, Air Canada nearly doubled in price in 2018 on higher revenue and improved profitability. Finally, Unilever, with its heavy exposure to emerging markets, managed to register better growth than generally seen among the multi-national food and household products companies.

Only three of the detractors suffered negative price moves, the largest being Chinese pharmaceutical and medical equipment distributor Sinopharm. We find that curious given consistent, impressive earnings growth combined with an attractive dividend yield and valuation. Alcon was a spin-out from

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10 Largest Contributors YTD	Return	Contribution
MercadoLibre	95.30%	4.40
ASML Holding	93.14%	3.36
NICE Systems ADR	43.38%	2.50
Dassault Systemes ADR	40.85%	2.32
Wolters Kluwer	25.58%	2.20
Copa Holdings, Class A	41.08%	1.23
Novartis ADS	29.42%	1.04
Air Canada	96.77%	0.94
Novo Nordisk ADS	28.66%	0.74
Unilever ADS	12.86%	0.61

10 Largest Detractors YTD	Return	Contribution
Sinopharm Group	-10.97%	-0.16
Alcon	-2.15%	-0.02
Belmond, Class A	-0.16%	-0.01
ANA Holdings	0.90%	0.01
SAP ADS	4.43%	0.03
Pernod Ricard ADR	6.16%	0.04
Commerzbank ADS	8.20%	0.04
Nutrien	5.71%	0.06
Iberdrola	4.02%	0.08
Subaru ADR	19.33%	0.09

Top 10 Holdings	Portfolio Weight
Wolters Kluwer	7.68%
NICE Systems ADR	6.52%
ASML Holding NY	6.22%
MercadoLibre	6.01%
Dassault Systemes ADR	5.90%
Copa Holdings, Class A	3.41%
Novartis ADS	3.28%
BASF ADR	3.15%
Novo Nordisk ADS	3.04%
Unilever ADS	3.00%

Sextant Global High Income Fund

The Sextant Global High Income Fund returned 2.45% in the fourth quarter of 2019, ending the period with $10 million of total net assets, including 16.8% of cash and equivalents. The Fund underperformed its equity benchmark, the S&P Global 1200 Index, which returned 8.91%, as well as its fixed-income benchmark, the Bloomberg Barclays Global High Yield Corporate Index, which rose 3.40%. It also underperformed its Morningstar World Allocation peer group, which returned 4.97%.

The Fund's Argentina US dollar bonds posted the portfolio's best return during the quarter, rising 23.51%. However, the Fund still carries a substantial loss on the bonds, which fell precipitously earlier in the year in anticipation of the defeat of the previous reform-oriented president at the polls last fall. The next best performer was the British insurer Aviva, which returned 12.11%. We purchased Aviva in the prior quarter in anticipation of a resolution of Brexit uncertainty, its ability to benefit from a weak British pound, and an attractive dividend yield.

The Fund's worst performer in the quarter was Subaru. Global automobile sales were relatively weak in 2019, and Subaru faced some quality control issues in the second half of the year that may have soured investors.

During the quarter, the Fund purchased 2026 4.375% bonds in Netflix. We believe Netflix bonds offer an attractive yield relative to the company's risk, and other corporate bonds with similar ratings. Netflix is spending heavily to produce new content and has to borrow in the corporate bond market to finance this spending. We admire the company's unique culture and strong track record of executing ambitious strategies and believe it will eventually generate substantial cash flows to service its debt after ramping up its content offerings.

The Fund liquidated its position in Western Digital in the quarter. The disk drive manufacturer operates in a highly cyclical business that has been especially sensitive to ongoing international trade disputes. We purchased the shares after a sharp decline near the beginning of 2019 and were happy to take the profits after a strong rebound.

The fourth quarter offered investors a respite from the worries that plagued markets in the third quarter: the US yield curve steepened after a short lived inversion where two-year notes yielded more than 10-year notes, suggesting the Federal Reserve had regained investors' confidence in keeping monetary policy sufficiently loose to stave off a recession; meanwhile, markets were also buoyed by optimism that

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10 Largest Contributors YTD	Return	Contribution
Applied Materials	40.29%	0.86
AT&T	33.29%	0.80
Microchip Technology	23.95%	0.73
Aviva ADR	25.23%	0.64
Mexico Bonos Desarrollo *(6.50% 06/10/2021)*	16.24%	0.63
GlaxoSmithKline ADS	29.18%	0.60
United States Treasury Bond *(6.125% 11/15/2027)*	9.98%	0.55
CCR	36.64%	0.54
BHP Biliton ADR	24.48%	0.53
CNOOC ADR	15.98%	0.49

10 Largest Detractors YTD	Return	Contribution
Republic of Argentina *(7.5% 4/22/2026)*	-32.05%	-0.77
South32 ADR	-17.08%	-0.37
SK Telecom ADR	-13.45%	-0.35
Orange ADR	-5.29%	-0.11
Shenzhen Investment Holdings	-1.15%	-0.02
Goodrich Petroleum	-25.63%	-0.01
Equinor ADR	-1.01%	0.00
US Treasury Bill *(07/30/2019)*	0.06%	0.00
Federal Republic of Brazil *(2.50% 01/05/2022)*	1.01%	0.01
US Treasury Bill *(08/22/2019)*	0.12%	0.01

Top 10 Holdings	Portfolio Weight	
United States Treasury Note *(2.5% 01/15/2022)*	*Bond*	7.60%
Mexico Bonos Desarrollo *(6.50% 06/10/2021)*	*Bond*	4.45%
Aviva ADR	*Equity*	3.07%
AT&T	*Equity*	2.92%
Jefferies Group *(5.125% 01/20/2023)*	*Bond*	2.69%
T-Mobile *(6.50% 01/15/2026)*	*Bond*	2.67%
Netflix *(4.375% 11/15/2026)*	*Bond*	2.55%
Burlington Northern Santa Fe *(5.05% 03/01/2041)*	*Bond*	2.47%
Equinor ADR	*Equity*	2.38%
GlaxoSmithKline ADS	*Equity*	2.34%

Sextant Short-Term Bond Fund, Sextant Bond Income Fund

As of December 31, 2019

The Sextant Short-Term Bond Fund returned 0.64% in the fourth quarter, compared to its benchmark, the FTSE US BIG Govt/Corp 1-3 Year Bond Index, which returned 0.58%. The Morningstar Short-Term Bond Category returned 0.61%. The Sextant Bond Income Fund returned -0.03% during the quarter, compared to the 0.18% return of its benchmark, the FTSE US BIG Bond Index, and the 0.19% average return of the Morningstar Long-Term Bond category. Year-to-date, the Sextant Short-Term Bond Fund returned 4.01%, compared to its benchmark, the FTSE US BIG Govt/Corp 1-3 Year Bond Index, which returned 4.00%, and the Sextant Bond Fund returned 10.22%, compared to the 8.86% return of its benchmark, the FTSE US BIG Bond Index.

During the fourth quarter, the US Federal Reserve Bank executed a third 0.25% Federal Funds target rate cut, leaving the rate at 1.50%, below the level of June 2018. The entire US yield curve steepened, eliminating the recession signal emanating from the formerly inverted yield curve. Mixed returns for the quarter lowered the previous stellar year-to-date returns.

The US Federal Reserve also expanded short-term liquidity funding to address funding shortfalls in the US repo market. An unusual structural balance of payments deficit caused by record US government deficit borrowing, restrictive banking regulations, and weak foreign demand for US Treasury paper, combined to create the funding deficit.

Short-term liquidity provided by the US Fed finally softened the US dollar, easing the domestic and international pressure on global funding markets. The US Purchasing Managers Manufacturing Index (PMI) stabilized, and the Non-Manufacturing PMI recorded another positive quarter. US personal income also recovered well from the October low. Britain made genuine progress towards leaving the European Union, and the US and China achieved a preliminary agreement over trade. The new-found optimism for the global economy was palpable.

Reinvigorated investors poured assets into financial assets, especially income producing assets such as high-yield bonds. Reinvestment risk suddenly re-emerged as an urgent investment objective. The nature of this "risk-on" trade was different. Investors were more selective and not every credit sector benefited equally. Corporate bond spreads narrowed significantly, returning to previous lows in 1998, 2003, and

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Sextant Short-Term Bond Fund **Top 10 Holdings**	**Portfolio Weight**
US Treasury Note *(3.625% 02/15/2021)*	8.28%
US Treasury Note *(2.875% 4/30/2025)*	7.15%
US Treasury Note *(2.50% 08/15/2023)*	4.64%
McCormick *(2.70% 08/15/2022)*	4.57%
Honeywell International *(4.25% 03/01/2021)*	4.18%
Loews *(2.625% 05/15/2023)*	4.13%
Burlington Northern Santa Fe *(3.05% 09/01/2022)*	3.70%
AvalonBay Communities *(2.85% 03/15/2023)*	3.68%
Qualcomm *(2.60% 01/30/2023)*	3.67%
Gilead Sciences *(2.55% 09/01/2020)*	3.62%

Sextant Bond Income Fund **Top 10 Holdings**	**Portfolio Weight**
US Treasury Bond *(4.25% 5/15/2039)*	8.00%
US Treasury Bond *(5.375% 02/15/2031)*	4.24%
Apple *(4.50% 02/23/2036)*	3.35%
Intel *(4.00% 12/15/2032)*	3.31%
Microsoft *(4.20% 11/03/2035)*	3.28%
Burlington Northern Santa Fe *(5.05% 03/01/2041)*	3.03%
US Treasury Note *(3.625% 02/15/2021)*	2.98%
Praxair *(3.55% 11/07/2042)*	2.88%
United Technologies *(6.05% 06/01/2036)*	2.68%
Puget Sound Energy *(4.434% 11/15/2041)*	2.68%

Sextant Core Fund

During the fourth quarter of 2019, the S&P 500 Index and the FTSE US Big Bond Index posted total returns of 9.07% and 0.18%. For the quarter, the Sextant Core Fund produced a total return of 4.42%, compared to the 5.41% total return of the benchmark Dow Jones Moderate Portfolio. Year-to-date, the Fund's total return of 19.99% exceeds that of the benchmark's 18.60%.

Equities

The Sextant Core Fund's mandate allocates a 60% weight in equity securities, with two-thirds being US-domiciled companies and one-third being foreign-domiciled companies. The Fund's average equity allocation for the year was 61.5%. During the year, the Fund increased the number of equity positions and reduced the average position size. One of the largest sector allocations, Technology, contributed the most to performance as that sector once again led the market. Consumer Discretionary was also a notable positive contributor for annual performance, while a handful of equity positions, mostly in the Industrials sector, detracted from annual performance.

Fixed Income

The US Federal Reserve Bank lowered the Federal Funds rate and boosted US liquidity in the quarter. The US dollar weakened, easing borrowing conditions. Great Britain made progress on Brexit, while the US and China reached a preliminary trade agreement. Global economic growth stabilized, long-term yields rose, and investors' appetite for risk rebounded.

The US Treasury yield curve steepened with short rates falling and long rates rising. Corporate bond yields followed in step. High-yield bonds outperformed investment grade bonds. Short-term markets outperformed the longer-term markets. Real rates of return were pushed down close to zero.

With yields only slightly higher than recent lows, credit spreads offering historically little additional compensation, and real yields near zero, it is tempting to discount the appeal of bonds in 2020. But bonds still offer one exceptional quality. During 2019, bonds demonstrated excellent negative correlation to common stocks on days when stock prices fell, helping to balance risks in the Sextant Core Fund portfolio.

10 Largest Contributors YTD	Return	Contribution
Apple	88.97%	0.74
VF	51.72%	0.55
Nextera Energy	42.69%	0.54
Ally Financial	37.99%	0.49
Ross Stores	41.34%	0.48
Inditex ADR	43.55%	0.47
Parker Hannifin	40.76%	0.46
Qualcomm	60.67%	0.43
Linde	39.06%	0.41
Koninklijke Philips	42.32%	0.41

10 Largest Detractors YTD	Return	Contribution
3M	-11.58%	-0.15
Pfizer	-6.92%	-0.09
Dow	-12.40%	-0.05
L3Harris Technologies	-1.03%	-0.02
Micro Focus ADR	-15.23%	-0.01
HP	-1.30%	-0.01
BASF ADR	-2.02%	-0.01
Nintendo ADR	0.73%	0.00
Sensata Technologies Holding	1.14%	0.01
PacifiCorp *(6.00% 01/15/2039)*	0.42%	0.01

Top 10 Holdings		Portfolio Weight
United States Treasury Bond *(6.25% 8/15/2023)*	*Bond*	2.95%
Welltower *(4.25% 4/15/2028)*	*Bond*	2.22%
United States Treasury Note *(2.75% 11/15/2023)*	*Bond*	2.11%
PacifiCorp *(6.00% 01/15/2039)*	*Bond*	1.99%
Lowe's *(4.25% 09/15/2044)*	*Bond*	1.56%
Boeing (5.875 02/15/2040)	*Bond*	1.54%
Amgen	*Equity*	1.54%
Gilead Sciences *(3.70% 04/01/2024)*	*Bond*	1.54%
Johnson & Johnson	*Equity*	1.52%
Union Pacific *(3.375% 02/01/2035)*	*Bond*	1.50%

Sextant Growth Fund *Continued from page 6*

quarter rally, but we remain unimpressed by the growth versus valuation profile. We also exited DuPont, which was a more beneficial decision, as that stock continued to slump throughout the year. Finally, Booking Holdings was sold, as the competitive environment within online travel becomes challenged by Google's ever extending tentacles. We remain invested in the remaining stocks, all of which performed reasonably. We believe they all feature an attractive thesis. Note that Fidelity National Information Services entered the portfolio when it acquired WorldPay.

Among the top 10 positions, Starbucks and Stanley Black & Decker have been playing musical chairs. Last quarter the former replaced the latter, while at year-end, the positions were again reversed, with Stanley Black & Decker re-entering the list. We expect both to remain significant holdings in the Fund.

Sextant International Fund *Continued from page 7*

Novartis, while Belmond was acquired by LVMH early in the year after soaring over the course of 2017. ANA Holdings has not enjoyed the returns of our other airline investments, but is a more recent addition, having been added to the portfolio last summer. French liquor company Pernod Ricard, Spanish electricity generating company Iberdrola, and Germany's Commerzbank are also new additions for 2019, as the portfolio had become concentrated and large Fund inflows necessitated new investment ideas.

Since the third quarter, Novo Nordisk replaced Toronto-Dominion Bank, which remains in the Fund.

Sextant Global High Income Fund *Continued from page 8*

the Trump administration would find a way to make a deal with China that would avoid the imposition of high tariffs on Chinese-produced consumer goods.

As we end the year and begin a new decade, we see stock valuations are high, credit spreads are narrow, and political and economic uncertainty remain elevated. We remain cautious and on the lookout for better opportunities to deploy excess cash.

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

2018. High-yield spreads narrowed more than investment grade spreads. While high investment grade yield curves pivoted (short rates down 0.40% and long rates up 0.30%) following the US Treasury curve, BBB underperformed across the curve. The single B curve steepened 0.50%, while single B long high-yield rates held steady, outperforming other sectors. Despite the turmoil around them, the investment grade municipal bond yield curve was unchanged.

Real yields (nominal yields less inflation) fell close to zero across the yield curve as investors bid up prices and squeezed real positive income out of the bond markets.

Global growth has stabilized, and recession fears have receded. The US economy continued its slow steady growth. Strong labor markets pushed the personal consumption expenditure index up by 0.20% to 1.50% year-over-year. The consumer price index rose to 2.1% year-over-year matching the Fed's target of 2.00%. Reflecting the weaker US dollar and new economic optimism, the 30-year US Treasury yield rose 0.29%, settling at 2.34%. An inflation forecaster, the yield spread between 10-year and 30-year US Treasurys remained unchanged at 0.45%.

With historically low inflation, modest economic growth, a reinforced yield famine, and most central banks reticent to reignite full scale quantitative easing, market conditions remain supportive of bond prices.

Performance Summary

As of December 31, 2019

Average Annual Total Returns *(before taxes)*	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**15 Year**	**Expense Ratio[A]** *Gross*	*Net*
Sextant Growth Fund Investor Shares (SSGFX)	36.38%	18.78%	10.29%	11.68%	8.81%	0.92%	
Sextant Growth Fund Z Shares (SGZFX)[B]	36.77%	n/a	n/a	n/a	n/a	0.70%	
S&P 500 Index	31.49%	15.26%	11.69%	13.55%	8.99%	n/a	
Morningstar Large Growth Category	31.90%	18.09%	12.10%	13.40%	9.30%	n/a	
Sextant International Fund Investor Shares (SSIFX)	26.85%	15.20%	9.00%	5.83%	6.69%	1.05%	
Sextant International Fund Z Shares (SIFZX)[B]	27.19%	n/a	n/a	n/a	n/a	0.84%	
MSCI EAFE Index	22.66%	10.10%	6.18%	5.99%	5.33%	n/a	
Morningstar Foreign Large Growth Category	27.83%	12.69%	7.25%	6.90%	5.85%	n/a	
Sextant Core Fund (SCORX)	19.99%	9.46%	5.52%	6.11%	n/a	0.88%	
Dow Jones Moderate US Portfolio Index	18.60%	8.98%	6.60%	7.75%	6.43%	n/a	
Morningstar Allocation – 50% to 70% Equity Category	19.23%	8.55%	6.22%	7.90%	6.21%	n/a	
Sextant Global High Income Fund (SGHIX)[C]	11.47%	8.32%	5.74%	n/a	n/a	0.97%	0.75%
S&P Global 1200 Index	28.22%	13.39%	9.50%	9.99%	7.63%	n/a	
Bloomberg Barclays Global High Yield Corp Index	13.42%	6.48%	5.52%	7.03%	7.02%	n/a	
Morningstar World Allocation Category	16.10%	7.19%	4.51%	6.02%	5.67%	n/a	
Sextant Short-Term Bond Fund (STBFX)	4.01%	1.85%	1.62%	1.54%	2.30%	0.91%	0.60%
FTSE USBIG Govt/Corp 1-3 Year Index	4.00%	2.11%	1.64%	1.50%	2.44%	n/a	
Morningstar Short-Term Bond Category	4.72%	2.46%	2.00%	2.18%	2.64%	n/a	
Sextant Bond Income Fund (SBIFX)	10.22%	4.64%	3.24%	4.20%	4.00%	0.84%	0.65%
FTSE US Broad Investment-Grade Bond Index	8.86%	4.08%	3.08%	3.73%	4.22%	n/a	
Morningstar Long-Term Bond Category	19.31%	7.87%	5.51%	7.39%	6.40%	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 December 31, 2019, was 5.53%.

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 395 Foreign Large Growth Funds

Sextant Growth Fund

Investor Shares (SSGFX)

Z Shares (SGZFX)

Among 1,223 Large Growth Funds

Sextant Core Fund

SCORX

Among 643 Allocation 50% – 70% Equity Funds

Sextant Global High Income Fund

SGHIX

Among 378 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 November 30, 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	*100%*
Sextant Growth Fund	*100%*
Sextant Core Fund	*83%*
Sextant Global High Income Fund	*71%*

The Sextant Short-Term Bond 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

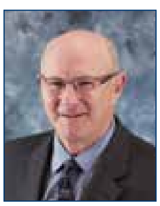
Sextant Growth, Portfolio Manager
Sextant International, Deputy Portfolio Manager

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

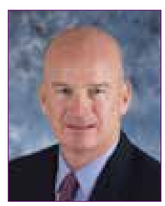
Bryce Fegley, CFA, CIPM, Investment Analyst & Sextant Global High Income Fund Portfolio Manager, joined Saturna Capital in 2001 and worked in brokerage/trading and later as an investment analyst. Beginning in 2010, he spent two years as President of our Malaysian subsidiary, Saturna Sdn Bhd, directing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

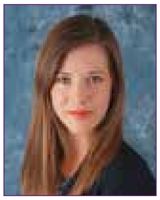


Chris Paul MBA, CFA®
Senior Investment Analyst

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] *Zein, Zafirah. 5 Trends That Will Shape Sustainability and Business in 2020, Eco-Business, January 2, 2020. https://www.eco-business.com/news/5-trends-that-will-shape-sustainability-and-business-in-2020/*

[2] *Bacchi, Umberto. Privacy Concerns Pushing People to Change Online Behavior, Poll Shows, Reuters, December 3, 2019. https://www.reuters.com/article/us-global-tech-privacy/privacy-concerns-pushing-people-to-change-online-behavior-poll-shows-idUSKBN1Y803D*

[3] *Special Rapporteur on Extreme Poverty and Human Rights, United Nations Human Rights Office of the High Commissioner. https://www.ohchr.org/EN/Issues/Poverty/Pages/SRExtremePovertyIndex.aspx*

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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.*