Fund Commentary Q4 2019

SATURNA CAPITAL

SATURNA SUSTAINABLE 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.

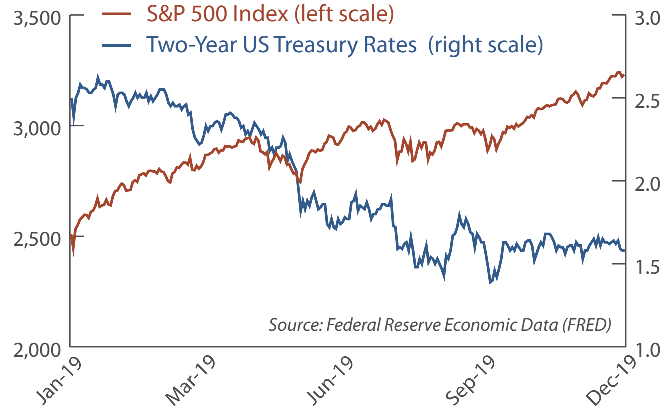
Also awaiting the election returns, the US-China trade war should see reduced agitations. As President Trump looks to claim victory and President Xi takes advantage of US election related pressures, the two sides are compelled to sign an agreement. This "phase one" deal is set to be signed on January 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.

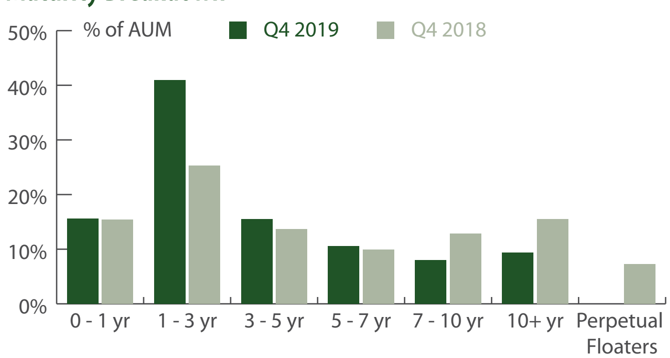
What could go wrong? Perhaps the breakout of realpolitik in the Mideast, as the US moves back leaving Arabia and Israel richly armed, impotent Europe dithers, Turkey rebuilds its loose empire (Kurdistan, Libya) with Russian aid, and Iran dominates its "allies" for a route (across Iraq, Syria, and Lebanon)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

Saturna Sustainable Bond Fund

For the year ending December 31, 2019, the Saturna Sustainable Bond Fund's return of 7.08% outperformed the FTSE WorldBig Index, which returned 6.88%. For the fourth quarter, the Fund also outperformed, returning 0.52% relative to the 0.36% return of the Index. The 30-day yield for the Fund was 2.21%, and the unsubsidized 30-day yield was 1.94%. As of December 31, 2019, the Fund had an effective duration (price sensitivity to changes in interest rates) of 3.29 years.

While the duration of the Fund came in from last quarter with the addition of three positions in the 1-3 year duration bucket, it is still substantially extended from the 1.88 year effective duration as of December 31, 2018. Over the past year, the Fund focused on favorable positioning for potential volatility. The portfolio shifted focus to high-grade corporate issues in the 1-3 year maturity range, and global exposure in well-diversified companies better positioned to handle business cycles. As a part of the overall strategy, the Fund is also set up to take advantage of select global opportunities with excellent sustainability stories should volatility lend to favorable pricing in 2020. As shown in the chart below, all of the Fund's floating rate securities were sold during the year and re-allocated to the 1-3 year and 3-5 year maturity buckets.

Maturity Breakdown



The Sustainable Bond Fund has been expanding positions in higher-grade corporate issues, while making strategic curve allocations with the use of Treasurys. As is shown in the Ratings Distribution chart, cash was deployed to higher grade securities, increasing exposure to credits rated A or better, while decreasing overall exposure to BBB rated bonds. There has also been a larger allocation to Treasurys.

For the one-year period ending December 31, 2019, the top performing corporate bonds were driven by high-quality companies with BBB ratings. Corporate credit spreads tightened throughout 2019, contributing to the Fund's outperformance relative to its benchmark. Favorable currency movements in the Mexican peso also drove returns. 28.6% of the portfolio had a total return of over 10% for year-end, and only two positions held at the end of the year had a negative total return for the year.

The top performing securities were as follows:

- AXA Insurance produced a total return of 21.48% and Starbucks also returned a very strong 15.29%. Both of these bonds are rated BBB from at least one rating agency and benefited from tightening credit spreads in the BBB corporate space.

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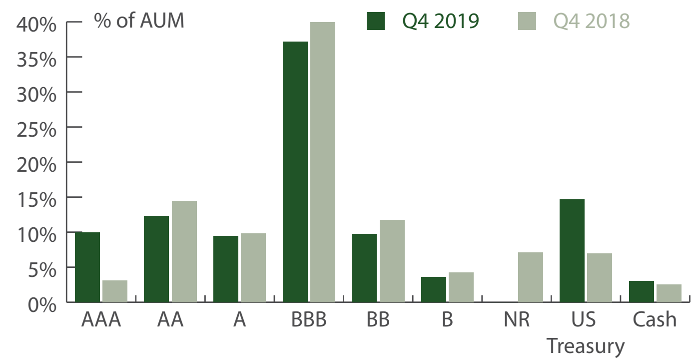
As of December 31, 2019

Top 10 Holdings	Portfolio Weight
Toronto-Dominion Bank	4.80%
Nokia	4.68%
KFW	4.65%
First Abu Dhabi Bank	4.50%
Koninklijke DSM	4.16%
Telus	4.15%
United States Treasury Note	3.99%
MAF Sukuk	3.82%
Mexico Bonos Desarrollo	3.74%
United States Treasury Bond	3.61%

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

Bond Ratings Breakdown



Saturna Sustainable Equity Fund

The Saturna Sustainable Equity Fund gained 8.39% in the fourth quarter, slightly behind the S&P Global 1200 Index, which rose 8.91%, and outperforming the Morningstar World Large Stock Category average which returned 8.18% over the quarter. For the full year, the Fund trounced both, returning 30.95% versus 28.22% for the S&P Global 1200 and 25.68% for the Morningstar category. Performance against the category placed the Fund in the 16th percentile for the year, meeting our goal of top quartile performance. Each of the Fund's 10 largest contributors achieved double-digit returns with STMicroelectronics, Apple, Murata Manufacturing, and wind energy powerhouse Siemens Gamesa showing the strongest performance. Full year returns among the largest contributors ranged from 38.77% (TJX Companies) to 88.97% (Apple).

Geneva-based STMicroelectronics, one of three Sustainable Equity holdings focused on semiconductor manufacturing, has considered sustainability to be a guiding business principal for over 25 years. ST scores exceptionally well on its energy and climate change policies and approach to environmental policy and reporting. ST's products – organized among the four applications of Smart Driving, Smart Industry, Smart Home & City, and Smart Things – prioritize energy efficiency and waste reduction. For the year 2018, ST reported that 42% of direct GHG emissions were offset by reforestation projects, and that 41% of water used in operations was recycled and reused.[4] ST has committed to reducing water consumption – critical for the water-intensive semiconductor industry – and has been recognized by the CDP with an A grade for water management.

Murata Manufacturing, a global leader in electronics components, primarily known for its capacitators – those pieces responsible for energy storage in nearly all electronic devices – rebounded impressively from earlier in 2019. Shortly after the end of the fourth quarter, Murata announced that its joint project with Google, the Coral Accelerator Module, was ready for sale; Coral is the world's smallest artificial intelligence module, and aims to overcome "some of the most pressing challenges in implementing AI solutions by delivering superior noise suppression and simplifying printed circuit board design in a smaller footprint."[5] Coral will enable new applications of AI among a variety of industries, and will no doubt prove to be a boon for Murata's sales in the coming year.

As of December 31, 2019

10 Largest Contributors YTD	Return	Contribution
Apple	88.97%	2.01
Adobe	45.78%	1.62
Mastercard, Class A	59.16%	1.54
Microsoft	57.57%	1.31
Dassault Systemes ADR	40.85%	1.16
NXP Semiconductors	75.71%	1.12
Taiwan Semiconductor ADS	64.81%	1.07
Accenture, Class A	51.21%	1.06
Koninklijke Philips	42.32%	0.84
TJX Companies	38.77%	0.82

10 Largest Detractors YTD	Return	Contribution
Hartalega Holdings	-8.49%	-0.25
3M	-11.58%	-0.24
Latam Airlines Group	-17.70%	-0.10
Banco Santander ADS	-2.21%	-0.02
Prosus	-10.75%	-0.02
Astellas Pharma ADS	0.53%	-0.01
MultiChoice Group	24.60%	0.01
IHH Healthcare	2.46%	0.03
Valeo	5.64%	0.03
Novartis ADS	0.46%	0.04

Top 10 Holdings	Portfolio Weight
Adobe	3.74%
Apple	3.33%
Dassault Systemes ADR	2.81%
Mastercard, Class A	2.79%
Microsoft	2.57%
Nintendo ADR	2.26%
Siemens Gamesa Renewable Energy	2.20%
Accenture, Class A	2.15%
AIA Group	2.15%
Taiwan Semiconductor ADS	2.14%

Detractors in the fourth quarter were mild, with only Hasbro showing a double-digit decrease. The portfolio's major detractors for the full calendar year include Latam Airlines Group, 3M, and Prosus. Latam has since been removed from the portfolio due to poor performance and for the incongruency of holding an airline in a sustainable fund. Though a necessary evil in many cases, air travel currently

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Performance Summary

As of December 31, 2019

Average Annual Total Returns *(Before Taxes)*	**1 Year**	**3 Year**	**Since Inception**[B]	**Expense Ratio**[A] *Gross*	*Net*	**Morningstar Sustainability Rating™**[C]
Sustainable Equity Fund (SEEFX)	30.95% ▲	15.16% ▲	7.99% ▲	1.27%	0.75%	
S&P Global 1200 Index	28.22% ▲	13.39% ▲	9.46% ▲	n/a		*Percent Rank in Category: 2*
S&P 500 Index	31.49% ▲	15.26% ▲	12.16% ▲	n/a		*Among 725 World Large Stock Funds*
Sustainable Bond Fund (SEBFX)	7.08% ▲	3.16% ▲	1.96% ▲	0.77%	0.65%	
FTSE WorldBIG Index	6.88% ▲	4.25% ▲	2.76% ▲	n/a		
MSCI All Country World Index	27.30% ▲	13.04% ▲	8.90% ▲	n/a		

[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, 2018. Saturna Capital, the Funds' investment adviser, has voluntarily capped actual expenses of the Sustainable Equity Fund at 0.75% and actual expenses of the Sustainable Bond Fund at 0.65% through March 31, 2020.

[B] Saturna Sustainable Equity Fund and Saturna Sustainable Bond Fund began operations on March 27, 2015.

***Performance data quoted herein represents past performance, which is no guarantee of future results.** 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. Current performance may be higher or lower than the performance data quoted herein. Performance current to the most recent month-end can be obtained by visiting www.saturnasustainable.com or calling toll-free 1-800-728-8762.*

The S&P 500 is an index comprised of 500 widely held common stocks considered to be representative of the US stock market in general. The S&P Global 1200 Index is a global stock market index covering nearly 70% of the world's equity markets. The FTSE WorldBIG Bond Index is a multi-asset, multi-currency benchmark, which provides a broad-based measure of the global fixed income markets. The MSCI ACWI covers approximately 85% of the global investable universe, with large- and mid-cap representation across 23 developed market and 23 emerging market countries. The MSCI ACWI Ex-US Index, produced by Morgan Stanley Capital International, measures equity market performance throughout the world excluding US-based companies. The CBOE Volatility Index, known by its ticker symbol VIX, is a popular measure of the stock market's expectation of volatility implied by S&P 500 index options. When available, Saturna uses total return components of indices mentioned. Investors cannot invest directly in the indices.

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

[C] 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 67% 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 are subject to change, which may result in a different Morningstar Sustainability Score and Rating each month.

The Saturna Sustainable Equity Fund was rated on 100% of Assets Under Management and the Saturna Sustainable Bond Fund was not rated.

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

Saturna Sustainable Bond Fund

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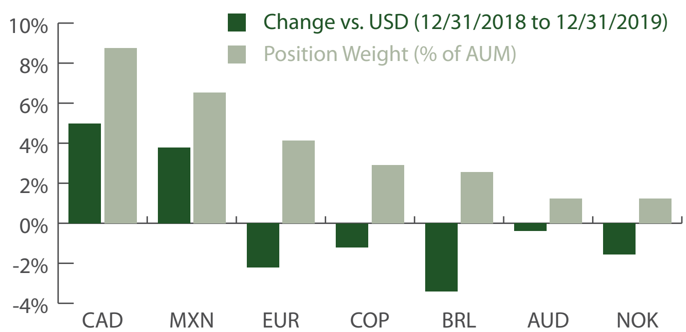
- Mexico Sovereign returned 16.24%. Performance came from favorable currency movements, and a high coupon.

The bottom performers were as follows:

- NMC Healthcare had a total return of -3.74%.
- Nestle returned -.02%. This performance was due to currency depreciation of the Norwegian krone relative to the dollar, details shown in the currency exposure graph below.

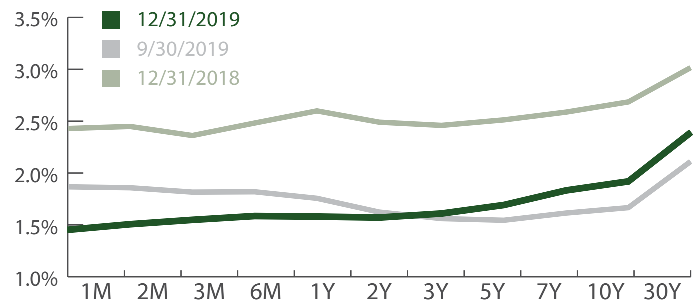
Currency Exposures



Year-end currency exposure favored Mexican peso-denominated positions, with overall total return of those securities at 15.78%. The peso appreciated 3.8% against the US dollar over the year. Canadian dollar-denominated positions also benefited from the currency movement as the CAD appreciated 5% against the dollar, and total return of the CAD positions averaged 9.33%. Foreign currencies held in the portfolio appreciated against the dollar in the last quarter, after a tough third quarter across the board. The Brazilian real was down 6.78% relative to the dollar through the third quarter of the year but recovered the fourth quarter with progress in Brazil's pension reform.

The outlook on monetary policy for early 2020 is that the Federal Reserve will likely stay on hold, keeping short end yields stable, while the longer end will move with the economy. The Federal Reserve meeting near month's end is likely to focus on funding markets and the balance sheet rather than any meaningful shifts in the monetary policy stance. 2019 saw three cuts by the Fed, which have helped reverse the yield curve inversion. 2019 saw the Treasury curve shift downward as recession fears driven by falling manufacturing activity and tariffs weighed on the economy and pushed yields lower. The third quarter saw steepening in the curve, with the short end falling. Going forward a trade deal with China or easing fears about a potential recession will likely see the 10-year treasury yields go higher.

US Treasury Curves



Saturna Sustainable Equity Fund

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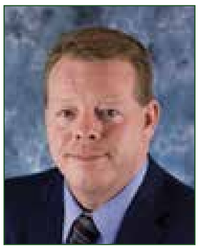
contributes about 2.5 percent of global carbon dioxide emissions. The United Nations anticipates the amount of CO2 emitted due to air travel will triple by 2050, while the International Council on Clean Transportation believes the increase will be "more than 1.5 times as fast as the UN estimate."[6] With a commitment to deeply analyzing an issuer's approach to the material ESG issues that impact its industry, Saturna's analysts seek true sustainability leaders that meet our strict financial criteria; our investment decisions will always be heavily weighed against the issuer's overall ESG commitment and performance. As long-term investors, we are focused on the sustainable business practices that improve our world and that also generate sustainable value.

Six of the Fund's top 10 holdings in the fourth quarter were consistent with those from the previous quarter, with Nintendo, Siemens Gamesa, Taiwan Semiconductor, and AIA Group replacing Home Depot, Church & Dwight, TJX Companies, and Koninklijke Philips.

About The Authors

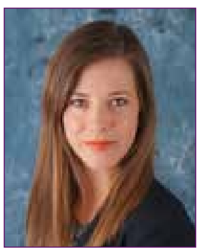
Jane Carten MBA
President and **Saturna Sustainable Equity Fund** Portfolio Manager

Jane Carten, President and Director, joined Saturna Capital in June 1997. Ms. Carten graduated from Western Washington University with an MBA and undergraduate degree in Computer Science and Business. As President, Ms. Carten oversees Saturna's daily operations and directs Saturna's internal and external information systems, managing the technology and marketing activities. She also directs Saturna's continuing education program and the philanthropic efforts of the firm. Ms. Carten is active in the Bellingham Bay Rotary and is a member of the Young Presidents' Organization; she is a former member of the Whatcom Museum Children's Advisory Board. She is a founder and former director of the nonprofit OpenAccess Internet Services and is a Bellingham Sister Cities member and contributor.



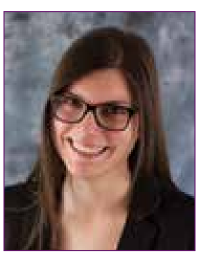
Patrick Drum MBA, CFA®, CFP®
Senior Investment Analyst and **Saturna Sustainable Bond Fund** Portfolio Manager

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



Elizabeth Alm CFA®
Senior Investment Analyst and **Saturna Sustainable Bond Fund** Deputy Portfolio Manager

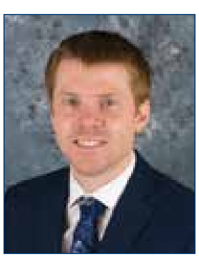
Elizabeth Alm CFA, Investment Analyst, joined Saturna Capital in April of 2018. Originally from Connecticut, she graduated from New York University with degrees in Economics and Anthropology including field work completed in Luxor, Egypt. Prior to joining Saturna, Ms. Alm spent 11 years at Wells Fargo 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.



Stephanie Ashton
Manager of Corporate Social Responsibility

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

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



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 to commentary:

[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*

[4] *Champseix, Jean-Louis. Together We Shape the Future, 2019 Sustainability Report, STMicroelectronics, May, 2019. https://www.st.com/content/ccc/resource/corporate/financial/quarterly_report/group0/ed/d9/47/32/a4/d6/42/01/ST_Sustainability_Report_2019/files/ST_Sustainability_Report_2019.pdf/jcr:content/translations/en.ST_Sustainability_Report_2019.pdf*

[5] *Murata, Tsuneo. Murata and Google team to develop world's smallest AI module with Coral intelligence, Murata, January 6, 2020. https://www.murata.com/en-us/products/info/other/other/2020/0106*

[6] *Tabuchi, Hiroko. Worse Than Anyone Expected: Air Travel Emissions Vastly Outpace Predictions, The New York Times, September 19, 2019. https://www.nytimes.com/2019/09/19/climate/air-travel-emissions.html*

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The Saturna Sustainable Funds limit the securities they purchase to those consistent with sustainable principles. This limits opportunities and may affect performance.

Investing involves risk, including possible loss of principal. *Generally, an investment that offers a higher potential return will have a higher risk of loss. Stock prices fluctuate, sometimes quickly and significantly, for a broad range of reasons that may affect individual companies, industries, or sectors. When interest rates rise, bond prices fall. When interest rates fall, bond prices go up. A bond fund's price will typically follow the same pattern. 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." Investing in foreign securities involves risks not typically associated directly with investing in US securities. These risks include currency and market fluctuations, and political or social instability. The risks of foreign investing are generally magnified in the smaller and more volatile securities markets of the developing world.*

*A Fund's **30-Day Yield**, sometimes referred to as "standardized yield" or "SEC yield," is expressed as an annual percentage rate using a method of calculation adopted by the Securities and Exchange Commission (SEC). The 30-Day Yield provides an estimate of a Fund's investment income rate, but may not equal the actual income distribution rate. Without the voluntary expense cap, the 30-Day Yield for Saturna Sustainable Bond Fund would have been 1.94%. Unsubsidized yield does not adjust for any fee waivers and/or expense reimbursements in effect.*

***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.*