Fund Commentary Q4 2024

Saturna Capital

Sextant Mutual Funds

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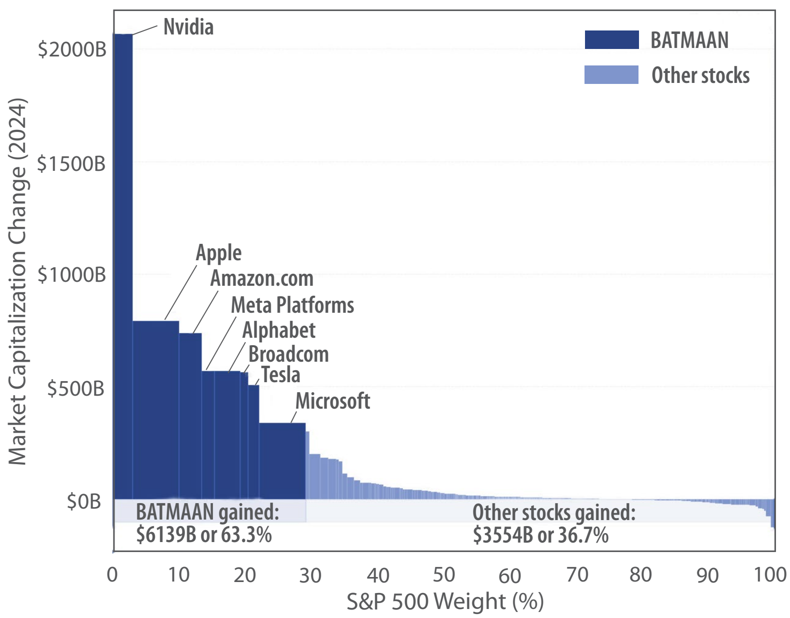
Another year of strong positive US equity market returns has entered the books with the S&P 500 Index gaining 25.02% and the Nasdaq Composite Index rising 29.60% for the full year ended December 31, 2024. Overseas markets were less ebullient as the STOXX Europe 600 Index gained 9.48% in euros and Japan's Topix Index rose 20.45% in Japanese yen. A strengthening US dollar meant that for dollar-based investors the overseas returns were a more modest at 2.75% and 8.0% respectively. Finally, emerging markets returned 6.50%.

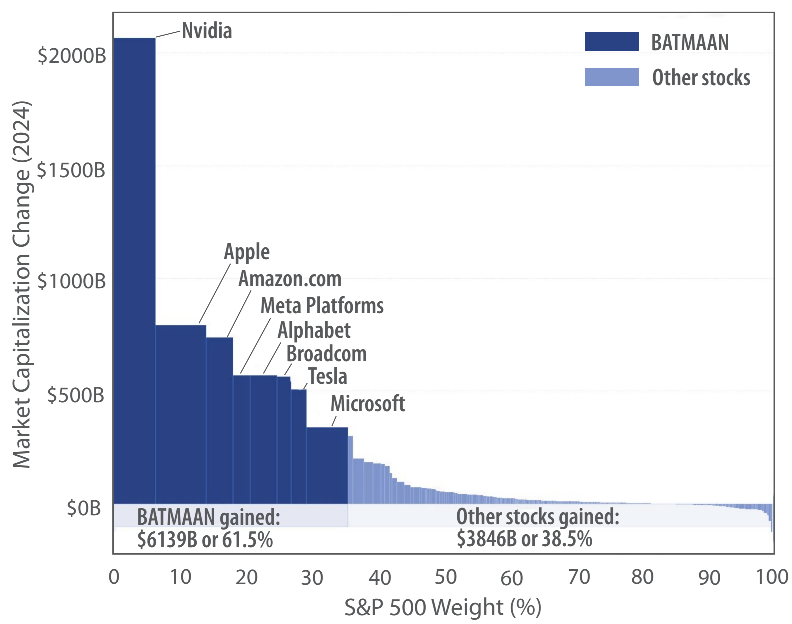
In the realms of economic performance, stock market returns, and currency strength, American exceptionalism has been on display, driven by the country's considerable lead in technological innovation and the commercialization of breakthroughs. Nobody disputes Taiwan Semiconductor's dominant position in semiconductor manufacturing or Netherlands-based ASML's leadership in semiconductor lithography, but no other country has leveraged those tools more successfully than the United States in chip design, product innovation, and pioneering new uses cases, such as artificial intelligence (AI). This leadership has resulted in the US market's unique concentration of mega-capitalization companies, which have been instrumental in propelling US index performance in recent years.

Of the ten largest market capitalization companies in the world, eight are American, with only Saudi Aramco (No. 6) and Taiwan Semiconductor (No. 10) making the cut. Moving further down the list China's Tencent appears at No. 16, and Denmark's Novo Nordisk at No. 25. Said another way, 21 of the 25 largest companies in the world by market capitalization are American. Of course, the top 25 encompasses far more than technology, with Berkshire Hathaway, Eli Lilly, Walmart, Visa, Mastercard, Costco, Proctor & Gamble, and others also included.

Market Capitalization Gains and S&P 500 Beginning Weights for 2024



Market Capitalization Gains and S&P 500 Ending Weights for 2024

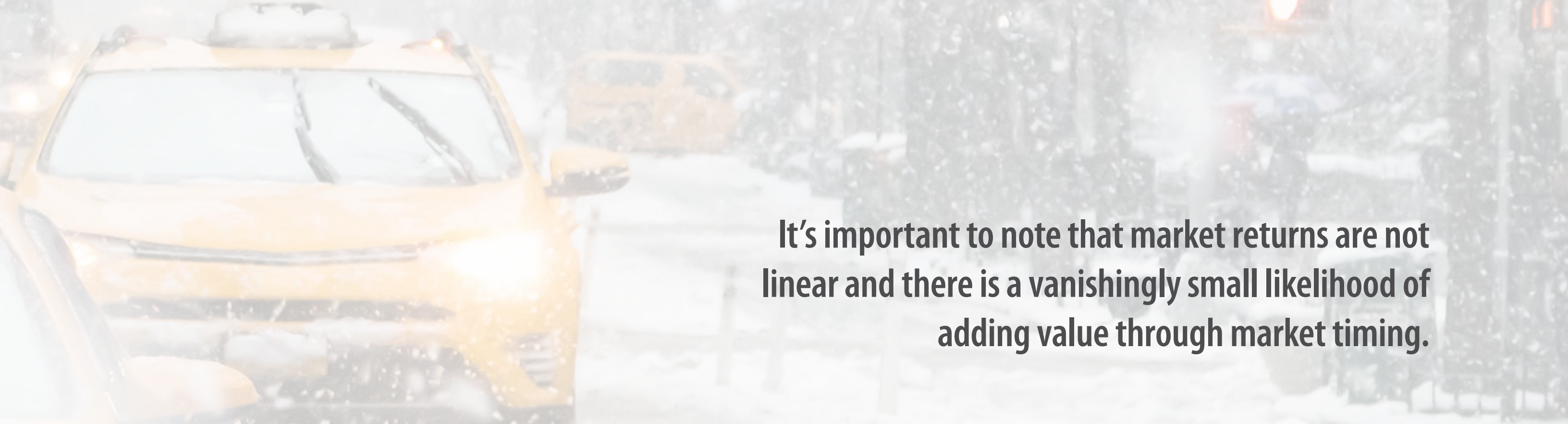


That said, while others may be playing in the same sandbox, market returns unequivocally demonstrate who are the cool kids, as we see in the charts. In the first chart the width of the bars represents the stock's weight in the S&P 500 Index at the start of the year. In the second chart, we show the weight at year end. Concentration of returns has been the dominant topic for the past 18 months, ever since Nvidia's May 2023 earnings announcement. Rather than further rehashing mega-cap market concentration issues that have been thoroughly dissected, we turn our thoughts to the future.

Outlook

Over the past 97 years (starting in 1928), the S&P 500 Index has achieved an annualized nominal return of 6.12%. The figure does not include dividends and the ability to re-invest dividends, which gives us the total return. On that basis, the compound annual growth rate of returns comes to just over 10%[1] and at that rate an investment doubles in value every eight years, providing a positive real return after inflation. Keep in mind, the past 97 years include includes the Great Depression, World War II, the stagflation of the 1970s, and the global financial crisis of 2007–2009 to name a few of the more disruptive events. Over the past ten years, the Index has achieved a total return of 13.12% and a whopping 14.61% annualized over the past five. At that pace, it takes just over five years for an investment to double in value.

Clearly the stock market has been good to retiring baby boomers. Will Gen X, millennials,



It's important to note that market returns are not linear and there is a vanishingly small likelihood of adding value through market timing.

and Gen Y fare as well? We believe the long-term answer to be yes and consider the 97-year 6.16% index return a bear case expectation given the social, political, and economic gyrations that accompanied it. Perhaps we're overly sanguine about the next 100 years but the 20th century was a tough one. That market performance has been driven by the innovation and resilience of the US economy and, as previously discussed, we expect that to continue. Today's high starting point may moderate returns on a five-year basis but consider how high the starting point was in 1928, the year prior to the stock market crash of 1929. Stock market returns are not, in the short run, correlated with economic performance but, as the history of US stock market returns demonstrates, there is a solid long-term relationship.

For 2025, there are various positive and negative crosscurrents. Returns over the past two years have pushed valuations to worryingly high levels. An initial positive market reaction to Donald Trump's victory in the presidential election has given way to directionless trading and the S&P 500 Index finished the year less than 2% higher than the day prior to the election. Some of the president-elect's policy prescriptions have raised eyebrows, such as tariffs, the elimination of taxes on tips, overtime, and Social Security, and a Bitcoin "strategic reserve." Others, including corporate income tax rate cuts and a reduced regulatory burden have been applauded.

It's likely that the failure of the market to rally in the wake of Trump's victory has less than to do with possible future policies than with the Federal Reserve's admission that they may have moved ahead of the curve in terms of rate reductions and would put future cuts on hold as they assess economic strength and inflationary resilience. Confusingly, these sentiments were communicated in tandem with a 25-basis point (bps) cut.

Separating the signal from the noise challenges investors in the best of times but becomes more difficult with an incoming administration featuring a strikingly different agenda from the outgoing team. That said, we believe there is one predictable event that will set the tone for the first months of the administration — keeping the government funded.

The risks came to the fore sooner than we anticipated with social media messages from Elon Musk and the president-elect torpedoing a bipartisan agreement to keep the government funded through March. Subsequent demands by the president-elect to eliminate the debt ceiling were rebuffed. While a third attempt to keep the government open succeeded, it's only until March. The fact that 38 Republicans voted against the incoming president's desire for an elimination of the debt ceiling demonstrates that the next round of negotiations are likely to provide fireworks and involve brinksmanship. How far the debt vigilantes are willing to go remains to be seen.

Meanwhile, the fuse has already been lit by outgoing Treasury Secretary Janet Yellen who stated to Congress that absent an agreement to raise or suspend the debt ceiling, the Treasury will have to start implementing "extraordinary measures" as soon as January 14. The debt ceiling was suspended during negotiations in 2023, but that expired with the new year.

However, we make no predictions about how any of these events will play out, nor their effects on the stock market. It's important to note that market returns are not linear and there is a vanishingly small likelihood of adding value through market timing.

Sextant Growth Fund

In the fourth quarter of 2024, the Sextant Growth Fund Investor shares returned 3.31%, ahead of the 2.41% return of the S&P 500 Index. For the same period, the Sextant Growth Fund Institutional shares returned 3.36%. For the full year ended December 31, 2024, the Sextant Growth Fund Investor shares returned 24.45% against the 25.02% return for the S&P 500 Index. For the same period, Sextant Growth Fund Institutional shares returned 24.74%.

Technology, which accounts for the largest portfolio exposure, provided over half of Fund returns during the quarter, although that was still lower than Technology's dominance in the Index. Consumer Discretionary made the next largest contribution courtesy of Amazon, Lowe's, and O'Reilly Automotive. Given the market's strong performance during the year, none of the sectors in which we invested suffered a negative return.

Positions in the Fund account for six of the Magnificent Seven stocks, with Tesla the only exclusion. Of the six we own (Amazon, Apple, Alphabet, Meta, Microsoft, and Nvidia) only Meta (Facebook) failed to count among the top contributors due to its relatively small position size. Among the others, Nvidia once again came out on top following a year of stock and operational performance that's almost incomprehensible following its stunning results in 2023.

Semiconductor and software hybrid Broadcom was the second-best performer, benefitting from a December results announcement that pushed the stock up over 38% in two days. Amazon continues to perform strongly, having more than tripled since the end of the down year in 2022. Among the less well-known holdings, communications company Motorola Solutions and healthcare equipment specialist Boston Scientific had solid years. We remain invested in all of the top performers as we believe their operational and stock market return outlooks remain favorable.

Adobe should be a beneficiary of AI adoption but hasn't transitioned to monetizing AI as quickly as investors would like. Combined with a previously high valuation, the stock performed poorly last year. With the valuation having declined to an attractive level and the AI transition gaining momentum, we believe 2025 will be much better for the stock. Lululemon was sold down aggressively when North American sales slowed. We believed it could recover, so we stuck with the position. From its August low, the shares had recovered nearly 64% by year end. Despite strong operational performance, Advanced Micro Devices (AMD) suffered in the shadow of Nvidia. Longer term, we believe that most companies would prefer to not be reliant on a single supplier and that there will be plenty of room in the AI ecosphere for AMD to thrive.

While Zoetis, Ferguson, Monster and Abbott Labs had sub-par years, we like the long-term outlook for all of them and they remain in the portfolio. We have exited Nike due to our

As of December 31, 2024

10 Largest Contributors YTD	Return	Contribution
Nvidia	171.25%	4.44
Amazon	44.39%	2.86
Broadcom	110.43%	2.67
Apple	30.70%	2.53
Alphabet, Class A	36.01%	2.48
Oracle	59.99%	1.80
Costco Wholesale	39.62%	1.53
Microsoft	12.92%	1.51
Motorola	49.12%	1.49
Boston Scientific	54.51%	1.14

10 Largest Detractors YTD	Return	Contribution
Adobe	-25.46%	-1.04
Lululemon Athletica	-25.21%	-0.71
Advanced Micro Devices	-18.06%	-0.33
Zoetis	-16.63%	-0.30
Monster	-8.77%	-0.30
Nike, Class B	-15.93%	-0.30
Ferguson	-8.62%	-0.26
Elevance Health	-13.84%	-0.18
Honeywell	-7.25%	-0.10
Abbott Laboratories	-3.90%	-0.09

Top 10 Holdings	Portfolio Weight
Microsoft	10.09%
Apple	8.96%
Alphabet, Class A	7.90%
Amazon	7.80%
Nvidia	6.19%
Costco Wholesale	4.24%
Broadcom	3.90%
Oracle	3.84%
Motorola Solutions	3.66%
Mastercard, Class A	3.48%

Continued on page 11

Sextant International Fund

In the fourth quarter of 2024, both the Investor and Z shares of the Sextant International Fund returned -7.70% compared to -8.06% for the MSCI EAFE Index. Information Technology (IT) and Consumer Staples led sector contribution gains, while Health Care, Consumer Discretionary, and Industrials were the largest detractors. The top individual contributors during the quarter were Broadcom and Taiwan Semiconductor (both IT). Detractors came from Novo Nordisk (Health Care), MercadoLibre (Consumer Discretionary), and ASML (IT).

During recent months, investors have finally shifted their focus away from fears of perhaps the most heavily anticipated recession that simply never materialized. Instead, markets are now grappling with concerns about inflation rearing its ugly head again, fueled at least partially by the new administration's fiscal policies against a backdrop of economic resilience. This culminated at the Federal Reserve's December policy meeting where Chair Jerome Powell signaled to markets that future rate cuts would likely be tempered, with the dot plot for 2025 shifting markedly from 100bps of expected cuts to just 50bps.

These concerns were not unfounded — the November core consumer price index (which excludes food and energy) rose 3.3% from a year ago, the producer price index jumped 3% for the same period (marking the fastest pace since February 2023), and gasoline prices began accelerating for the first time in eight months.

Headline labor statistics have not been helpful either, with nonfarm payrolls beating expectations at 227,000 in November and average hourly earnings rising 4% annually and 0.4% month-over-month. However, leading indicators suggest cracks are beginning to form in the labor market. We should fist note that the November headline gain appears artificially strong, inflated by workers returning after weather disruptions and strikes. Meanwhile, continuing unemployment claims rose to 1.91 million for the week ended December 14, reaching the highest level in over three years.

Another important metric is the Federal Reserve Bank of Minneapolis' adjusted job openings ratio, which has completely reversed from its March 2022 peak when there were 2.0 job openings per unemployed person, or job seeker. Their analysis from July 2024 shows that after adjustments, each job now faces 1.5 job seekers, indicating significantly worse odds for unemployed workers.

As of December 31, 2024

10 Largest Contributors YTD	Return	Contribution
Taiwan Semiconductor ADS	92.56%	2.94
Broadcom	39.04%	1.84
SAP	61.26%	1.77
Wolters Kluwer	18.54%	1.12
Eaton	39.52%	0.87
MercadoLibre	8.20%	0.74
Johnson Controls	22.14%	0.49
Schneider Electric	26.07%	0.44
Nintendo	15.28%	0.26
Hermes	14.69%	0.26

10 Largest Detractors YTD	Return	Contribution
Dassault Systemes	-29.34%	-1.61
STMicroelectronics	-42.76%	-1.16
Lululemon Athletica	-40.76%	-0.99
Novo Nordisk ADS	-15.93%	-0.78
NICE Systems ADR	-14.87%	-0.62
Open Text	-32.00%	-0.60
Rio Tinto	-15.44%	-0.54
Infineon Technologies	-23.76%	-0.49
Dentium	-37.59%	-0.38
Ferguson Enterprises	-8.62%	-0.38

Top 10 Holdings	Portfolio Weight
Broadcom	7.01%
MercadoLibre	6.80%
Taiwan Semiconductor ADS	6.65%
Wolters Kluwer	6.45%
Novo Nordisk ADS	6.20%
ASML Holding	5.25%
SAP ADS	5.15%
Dassault Systemes ADR	4.58%
NICE Systems ADR	4.44%
Ferguson Enterprises	3.65%

Outlook

What explains this dramatic shift in forward-looking labor dynamics at a time when corporate profitability remains at historic highs? The most visible explanation is that productivity has made a huge recovery following the dismal post-COVID, supply-shock-affected economy in 2022. The convergence of replenished global supply chains, normalized labor supply, and technological innovation driven by AI has created the perfect storm for a fundamental transformation of the labor market.

Continued on page 13

Sextant Global High Income Fund

As of December 31, 2024

The Sextant Global High Income Fund returned -5.50% in the fourth quarter of 2024. The Fund's equity benchmark, the S&P Global 1200 Index, returned -0.56%, while its fixed income benchmark, the Bloomberg Barclays Global High Yield Corporate Index, returned -1.09%. The Fund's Morningstar Global Allocation category returned -3.14% during the fourth quarter.

For the calendar year ended December 31, 2024, the Sextant Global High Income Fund returned 3.14%. The S&P Global 1200 Index returned 18.97%, the Bloomberg Barclays Global High Yield Corporate Index returned 7.23%, and the Morningstar Global Allocation category returned 7.57%.

Factors Influencing Performance

Donald Trump's victory in the US presidential election led to a deterioration in investor sentiment for foreign equity markets with the expectation of a more confrontational approach to trade and political relationships as well as the possibility of higher tariffs on US imports. Meanwhile, China's economy has been weakening at the same time a glut of Chinese manufacturing output has undercut European manufacturers.

These factors negatively impacted the Fund's absolute and relative performance during the fourth quarter. The Fund's investments in raw materials producers weighed on returns with the prospect of slowing global economic growth. BHP Group, Southern Copper, and South 32 were the Fund's worst performers.

The Fund's holdings of US equities were among its best performers for the quarter with Virtu Financial and Cisco Systems seeing the strongest positive returns.

Looking Ahead

As the incoming administration takes over, we look forward to getting better visibility into how the myriad and sometimes competing pledges of Trump and his congressional allies get prioritized into a governing agenda. President-elect Trump's negotiating style of making bold demands and pronouncements while his deputies negotiate terms behind the scenes should expand the range of possible outcomes for geopolitical and economic relationships around the world. We are looking for opportunities and avoiding excessive uncertainty.

10 Largest Contributors YTD	Return	Contribution
Virtu Financial, Class A	82.98%	1.32
Argent *(4.125 07/09/46)*	107.08%	0.93
LNC *(Float 04/20/67)*	33.77%	0.58
Cisco Systems	20.99%	0.55
Southern Copper	10.68%	0.53
Nintendo	15.28%	0.40
Verizon Communications	13.17%	0.32
Skandinaviska Enskilda Banken, Class A	7.40%	0.27
T *(2 05/31/24)*	2.19%	0.23
F *(6.375 02/01/29)*	7.41%	0.18

10 Largest Detractors YTD	Return	Contribution
BHP Group ADR	-24.69%	-0.96
Woodside Energy Group ADR	-20.44%	-0.37
Norsk Hydro ASA	-15.15%	-0.37
Volkswagen	-19.45%	-0.33
Orange ADR	-7.70%	-0.17
CSX *(4.65 03/01/68)*	-6.61%	-0.16
South32 ADR	-5.37%	-0.13
GlaxoSmithKline ADR	-5.10%	-0.12
CMCSA *(4.65 07/15/42)*	-2.49%	-0.06
Bimboa *(4.875 06/27/44)*	-1.32%	-0.03

Top 10 Holdings		Portfolio Weight
Southern Copper	*Equity*	5.07%
Skandinaviska Enskilda Banken, Class A	*Equity*	3.74%
Cisco Systems	*Equity*	3.22%
Nintendo	*Equity*	3.17%
BHP Biliton ADR	*Equity*	2.92%
Virtu Financial	*Equity*	2.91%
ANZ Group Holdings ADR	*Equity*	2.87%
YUM! Brands *(3.625% 03/15/2031)*	*Bond*	2.84%
Netflix *(4.375% 11/15/2026)*	*Bond*	2.71%
Novartis ADS	*Equity*	2.65%

Sextant Core Fund

The Sextant Core Fund returned -2.23% in the fourth quarter of 2024. A 60/40 blend of the Fund's S&P Global 1200 Index and Bloomberg US Aggregate Index benchmarks returned -1.56% for the quarter. Year-to-date, the fund returned 9.81% compared to 11.62% for this blended benchmark. During the quarter, the Fund's asset allocation largely remained stable. The Fund continues to find value in short-term treasuries where it holds a 21.30% position in cash and US Government debt with under a year to maturity.

Equities

The Sextant Core Fund's mandate allocates a 60% weight in equity securities, with two-thirds being US-domiciled companies and one-third foreign-domiciled. The Fund generally holds equity positions in larger companies with strong balance sheets. The average market capitalization of positions held by the Fund was $408.6 billion with an average 21% total debt to market capitalization at year-end. The Fund's 60.71% equity allocation was comprised of 60 positions across 16 countries. At the end of 2023, the largest sector in the equity portion of the portfolio was Technology, followed by Industrials and Health Care. For the full year ended December 31, 2024, the largest sector of the equity portfolio was also Technology, followed by Industrials and Health Care.

For the fourth quarter of 2024, positive contributors from the Technology, Communication Services, and Financials were offset by positions in Health Care, Utilities, Materials, and Consumer Staples. Industrials were more idiosyncratic, with positions among the top contributors and detractors. For the full year ended December 31, 2024, Technology represented six of the top 10 contributors, while detractors included companies from the Technology, Consumer Discretionary, Materials, Industrials, and Consumer Staples sectors.

Fixed Income

The Sextant Core Fund targets an allocation of 40% cash and investment-grade fixed-income securities. During 2024, the Federal Reserve cut interest rate by 100bps from 5.375% at the mid-point to 4.375%. Despite cuts, longer-term treasuries increased, with the 10-year rising 63bps in 2024.

Looking Forward

The US equity market ended a buoyant 2024 with a drab December, as uncertainty grew over whether it could turn a third strong year of returns in 2025. In 2023, we noted that cuts may be in store for 2024 and as important as the number of cuts is the reason for those cuts. We continue to maintain this view, acknowledging that slow and steady cuts driven by cooling inflation should be supportive, whereas rapid cuts due to deteriorating real economic growth would be troubling. Similarly, should resurgent inflation cause the Fed to pause cuts, the market could become rocky. We maintain that such uncertainty bolsters the value of a 60/40 portfolio, where bonds can provide a ballast and equities a sail.

As of December 31, 2024

10 Largest Contributors YTD	Return	Contribution
Broadcom	112.06%	1.17
SAP ADR	61.26%	0.80
Eaton	39.52%	0.80
Oracle	59.99%	0.79
Virtu Financial, Class A	82.98%	0.74
Motorola Solutions	49.12%	0.64
Agnico Eagle Mines	46.02%	0.62
Taiwan Semiconductor	70.79%	0.60
Alphabet, Class A	36.01%	0.52
Nvidia	86.22%	0.52

10 Largest Detractors YTD	Return	Contribution
Enphase Energy	-48.02%	-0.57
Lululemon Athletica	-40.76%	-0.49
Mineral Resources	-52.41%	-0.46
Nibe Industrier	-43.63%	-0.33
Infineon Technologies	-21.69%	-0.17
Darling Ingredients	-32.40%	-0.16
Floor & Decor Holdings	-16.96%	-0.14
Nestle	-27.09%	-0.12
BHP Group	-14.43%	-0.09
Sony Group	-20.14%	-0.08

Top 10 Holdings	Portfolio Weight	
Eaton *(CINS G29183103)*	*Equity*	2.54%
Microsoft	*Equity*	2.17%
Apple	*Equity*	2.15%
Broadcom	*Equity*	2.13%
Oracle	*Equity*	1.97%
Comcast *(5.650% 06/15/2035)*	*Bond*	1.95%
Pacificorp *(6.00% 01/15/2039)*	*Bond*	1.95%
Alphabet, Class A	*Equity*	1.92%
Agnico-Eagle Mines	*Equity*	1.84%
Motorola Solutions	*Equity*	1.81%

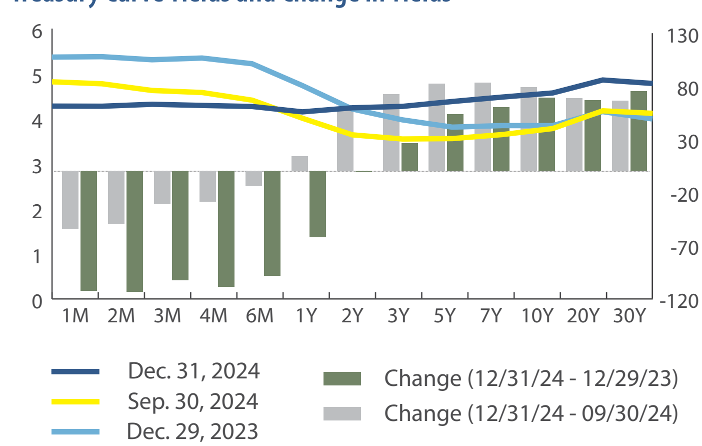
The Sextant Short-Term Bond Fund returned 0.13% for the fourth quarter of 2024, outperforming its benchmark, the US Bloomberg Aggregate Index, which returned -3.06%. The Fund also outperformed the Bloomberg US Aggregate 1–3 Year Bond Index, which returned -0.02% over the quarter. The primary reason for the performance differential was the shorter duration of the Fund relative to both indices.

The Sextant Bond Income Fund returned -3.82% for the fourth quarter of 2024, compared to -3.06% for the Fund's benchmark, the Bloomberg US Aggregate Index. The primary reason for the underperformance was the Fund's longer duration relative to the benchmark.

After holding interest rates steady at 5.25% to 5.50% for 14 months, the Federal Reserve pivoted to rate cuts in September 2024, commencing the easing with a 50bps cut. In the fourth quarter of 2024, the Fed continued course by cutting their policy rate 25bps at both the November and December meetings. Although inflation remains higher than the Fed's target of 2% and US gross domestic product growth continues to impress, the Fed opted for further rate cuts, aiming to protect the labor market while reducing pressure on rate-sensitive industries such as commercial real estate and regional banking. These dynamics led to a significant steepening of the yield curve, where longer-end yields rose, contrasting the falling yields on the short-end of the curve.

Simultaneously, former President Donald Trump was reelected in November. Most market participants interpret President-elect Trump's policy as inflationary, citing tariffs, deportations, tax policy, and his preference of a low interest rate operating environment. These factors drove a recalibration of forward expectations, pointing to high domestic output, higher inflation, and fewer interest rate cuts. Together, a likely result is elevated fiscal deficits that will amplify the domestic debt burden. Combined with an already-sturdy economy, the bond market adjusted its course, reflected by a substantial 100bps increase in 10-year Treasury note yields since the September Federal Open Market Committee (FOMC) meeting. In tune, longer-duration securities underperformed, and shorter-duration securities rallied throughout the quarter.

Treasury Curve Yields and Change in Yields



Sextant Bond Income Fund

The primary reason for the underperformance of the Sextant Bond Income Fund was the longer duration relative to the Index. The Fund had a duration of 7.81 years at quarter end compared to the 6.08-year duration of the Bloomberg US Aggregate Index. As the yield curve steepened throughout the quarter, the Fund's overweight position in 10-plus-year maturity securities and underweight position in 1–3-year maturity securities were the primary detractors from an allocation perspective. At the same time, prudent security selection contributed positively to performance relative to the benchmark. Together, the fund underperformed the Bloomberg US Aggregate Index by 76bps in the fourth quarter of 2024.

Over the quarter, corporate spreads widened on the ultra-short end of the yield curve and generally compressed across the remainder of the curve. Due to the considerable volatility in benchmark yields, duration effects had a more pronounced impact on performance than spread effects. The three largest detractors were long-term treasury bonds maturing in 2041, 2048, and 2052. The Fund's longer maturity corporate, agency, and municipal securities performed better than treasuries, as spread compression counteracted a portion of the yield-based repricing. That said, due to the Fund's long-term maturity mandate, most of the fund's securities exhibited negative returns over the quarter. The Fund's highest performing asset was a floating-rate security issued by State Street Corporation, followed by fixed-rate short-term bonds from financial firms UBS and AMG.

Sextant Short-Term Bond Fund

The Sextant Short-Term Bond Fund ended the quarter with a duration of 1.85, well below the 6.08-year duration of the Bloomberg US Aggregate Index and in-line with the duration of the Bloomberg Aggregate 1–3 Year Index. The Fund outperformed its benchmark, the Bloomberg US Aggregate Index, by 3.19%, as short-duration fixed-income assets rallied

Continued on page 11

Continued from page 10

throughout the fourth quarter. The Fund also outperformed its secondary benchmark, the Bloomberg US Aggregate 1–3 Year Index, by 0.15%. The Fund's overweight position in assets maturing in less than one year was the strongest contribution to the outperformance.

The Fund's positions in VF Corporation, Constellation Energy Corp, and AutoZone exhibited the strongest returns in the fourth quarter of 2024, all of which mature in 2025. Conversely, the Fund's three weakest performers were all securities maturing in 2029 or 2030, as they were disproportionately impacted by the substantial increase in 5-year US Treasury yields following the September FOMC meeting. Although the longer-term holdings generally had weaker returns, the Fund held less than 4% of the portfolio in 5–7-year bonds at fourth quarter end.

The Short-Term Bond Fund had a positive security selection effect, particularly in the corporate debt category. The Fund's lack of securitized debt offset some of its outperformance, as securitized debt was the second highest performing broad sector in the benchmark over the quarter. As bond market volatility remains elevated, the Fund's duration is positioned in-line with its secondary benchmark, enhancing adaptability to future market conditions.

Sextant Short-Term Bond Fund	
Top 10 Holdings	**Portfolio Weight**
United States Treasury Bond *(6.125% 08/15/2029)*	8.20%
United States Treasury Note *(2.625% 12/31/2025)*	5.94%
US Treasury N/B *(2.250% 08/15/2027)*	5.74%
US Treasury N/B *(2.375% 05/15/2027)*	5.01%
US Treasury N/B *(1.50% 02/15/2025)*	4.81%
Florida Power & Light *(2.85% 04/01/2025)*	3.36%
United States Treasury Note *(2.875% 04/30/2025)*	3.20%
Federal Farm Credit Bank *(4.80% 11/13/2029)*	3.20%
Bank of America *(3.50% 04/19/2026)*	3.17%
Visa *(3.15% 12/14/2025)*	2.78%

Sextant Bond Income Fund	
Top 10 Holdings	**Portfolio Weight**
United States Treasury Bond *(4.25% 05/15/2039)*	6.84%
United States Treasury Bond *(3.375% 11/15/2048)*	4.10%
United States Treasury Bond *(5.375% 02/15/2031)*	3.93%
Apple *(4.50% 02/23/2036)*	3.20%
Microsoft *(4.20% 11/03/2035)*	3.13%
Intel *(4.00% 12/15/2032)*	3.03%
Home Depot *(5.875% 12/16/2036)*	2.96%
Massachusetts Housing Finance Agency *(5.989% 12/01/20244)*	2.81%
Maryland Community Development Administration *(5.991% 09/01/2044)*	2.81%
Minnesota Housing Finance Agency *(5.925% 07/01/2049)*	2.79%

Sextant Growth Fund

Continued from page 6

view that the previous CEO was not up to the task of running the company. Health insurer Elevance was sold as the environment for health insurers has become, in our estimation, more difficult, while American's anger over the service they receive from their insurers has become an area of political focus. We sold Honeywell as its execution faltered.

Adobe's disappointing December results announcement sent the shares down nearly 14% on the day and the stock has continued to sink, pushing it out of the top ten holdings. On the other hand, Broadcom's stellar December results announcement pushed it's stock up aggressively, leapfrogging several other positions to become the seventh largest holding.

Performance Summary

As of December 31, 2024

Average Annual Total Returns *(before taxes, net of fees)*	1 Year	3 Year	5 Year	10 Year	15 Year	Expense Ratio[A] Gross	Net
Sextant Growth Fund Investor Shares (SSGFX)	24.45%	6.06%	13.87%	12.07%	12.41%	1.00%[C]	
Sextant Growth Fund Z Shares (SGZFX)[B]	24.74%	6.31%	14.15%	n/a	n/a	0.76%[C]	
S&P 500 Index	25.02%	8.93%	14.51%	13.09%	13.87%	n/a	
NASDAQ Composite Index	29.60%	8.16%	17.52%	16.25%	16.60%	n/a	
Morningstar "Large Growth" Category	28.96%	6.74%	15.42%	14.02%	14.17%	n/a	
Sextant International Fund Investor Shares (SSIFX)	1.27%	-0.74%	5.75%	7.36%	5.81%	1.00%[C]	
Sextant International Fund Z Shares (SIFZX)[B]	1.44%	-0.50%	5.97%	n/a	n/a	0.77%[C]	
MSCI EAFE Index	4.35%	2.16%	5.23%	5.70%	5.74%	n/a	
Morningstar "Foreign Large Growth" Category	5.18%	-3.13%	4.11%	5.80%	6.05%	n/a	
Sextant Core Fund (SCORX)	9.81%	2.63%	5.99%	5.76%	6.07%	0.81%[C]	
Dow Jones Moderate US Portfolio Index	8.55%	1.32%	5.01%	5.80%	6.83%	n/a	
S&P Global 1200 Index	18.97%	6.87%	11.38%	10.43%	10.45%	n/a	
Bloomberg US Aggregate Bond Index	1.25%	-2.41%	-0.33%	1.35%	2.37%	n/a	
60% / 40% S&P Global 1200 Index / Bloomberg US Aggregate Index	11.62%	3.23%	6.84%	6.95%	7.41%	n/a	
Morningstar "Moderate Allocation" Category	11.39%	2.91%	6.75%	6.54%	7.59%	n/a	
Sextant Global High Income Fund (SGHIX)[D]	3.14%	1.53%	2.40%	4.05%	n/a	0.91[C]	0.75%[E]
S&P Global 1200 Index	18.97%	6.87%	11.38%	10.43%	10.45%	n/a	
Bloomberg Global High Yield Corporate Index	7.23%	2.06%	3.23%	4.37%	5.75%	n/a	
Morningstar "Global Allocation" Category	7.57%	1.48%	4.43%	4.55%	5.80%	n/a	
Sextant Short-Term Bond Fund (STBFX)	3.90%	1.26%	1.21%	1.41%	1.43%	0.88%[C]	0.60%[E]
Bloomberg US Aggregate Bond Index	1.25%	-2.41%	-0.33%	1.35%	2.37%	n/a	
Bloomberg US Aggregate 1-3 Year Bond Index	4.39%	1.69%	1.53%	1.61%	1.55%	n/a	
Morningstar "Short-Term Bond" Category	5.07%	1.81%	1.91%	1.98%	2.13%	n/a	
Sextant Bond Income Fund (SBIFX)	-0.05%	-4.33%	-1.43%	0.88%	2.29%	0.89%[C]	0.65%[E]
Bloomberg US Aggregate Index	1.25%	-2.41%	-0.33%	1.35%	2.37%	n/a	
FTSE US Broad Investment-Grade Bond Index	1.27%	-2.47%	-0.33%	1.36%	2.36%	n/a	
Morningstar "Long-Term Bond" Category	-1.18%	-6.51%	-1.85%	1.68%	4.32%	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 the Funds' most recent prospectus or summary prospectus, dated March 29, 2024, and incorporate results from the fiscal year ended November 30, 2023. Higher expense ratios may indicate higher returns relative to a fund's benchmark.

[B] Z Shares of Sextant Growth and Sextant International Funds began operations June 2, 2017.

[C] Effective March 31, 2023, the management fee paid to Saturna Capital Corporation, the Fund's adviser, for providing services to the Fund is 0.50% of average daily net assets of the Fund. Prior to this date, the management fee consisted of a base fee at an annual rate of 0.50% of the Fund's average net assets and a positive or negative performance adjustment of up to an annual rate of 0.20% (applied to the average assets at the end of each month), resulting in a total minimum fee of 0.30% and a total maximum fee of 0.70%.

[D] Sextant Global High Income Fund began operations March 30, 2012.

[E] The adviser has committed through March 31, 2025, to waive fees and/or reimburse expenses to the extent necessary to ensure that the Fund's net operating expenses, excluding brokerage commissions, interest, taxes, and extraordinary expenses, do not exceed the net operating expense ratio of 0.75% for Sextant Global High Income Fund, 0.60% for Sextant Short-Term Bond Fund, and 0.65% for Sextant Bond Income Fund. This expense limitation agreement may be changed or terminated only with approval of the Board of Trustees.

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 S&P 500 Equal Weight Index (EWI) is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance. The NASDAQ Composite Index measures the performance of more than 5,000 US and non-US companies traded "over the counter" through NASDAQ. The MSCI EAFE Index is an international index focused on Europe, Australasia, and the Far East. The MSCI ACWI Index, produced by Morgan Stanley Capital International, measures equity market performance throughout the world. The S&P Global 1200 Index is a global stock market index covering nearly 70% of the world's equity *markets. The Bloomberg 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 Bloomberg US Aggregate 1-3 Year Bond Index tracks bonds with 1-3 year maturities within the flagship Bloomberg US Aggregate Bond Index. The Bloomberg US Aggregate Bond Index is a broad-based, flagship benchmark that measures the investment-grade, US dollar-denominated, fixed-rate taxable bond market. The FTSE US Broad Investment-Grade Bond Index is a broad-based index of medium and long-term investment-grade bond prices. The S&P Global 1200 Index is a global stock market index covering nearly 70% of the world's equity markets. The Bloomberg US Aggregate Bond Index is a broad-based, flagship benchmark that measures the investment-grade, US dollar-denominated, fixed-rate taxable bond market. 60% / 40% S&P Global 1200 Index / Bloomberg US Aggregate Index blends the S&P Global 1200 Index with the Bloomberg US Aggregate Index by weighting their total returns at 60% and 40%, respectively. The blend is rebalanced monthly and results reflect the reinvestment of dividends gross of foreign withholding taxes. When available, Saturna uses total return components of indices mentioned. 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.

Sextant International Fund

Continued from page 7

Everyone asks which companies and business models are going to be disrupted by the AI revolution. What many investors are missing is that enterprises, especially the bigger ones, are going to be just fine. It's the people, the labor force, that faces meaningful displacement over the next 12–24 months. The current puzzling labor dynamics represent just the beginning of how this plays out.

Consider this perspective: any relatively well-paying position involving repetitive tasks is already requiring fewer workers. While these jobs will continue to exist, large enterprises simply won't need to maintain the same headcount to achieve equivalent objectives. Nearly every department faces this reality — from human resources, accounting, and legal to software development, sales, and marketing. This trend will allow corporate profitability to continue to march higher, taking an inverse trajectory to selling, general, and administrative expenses as a percentage of sales.

Positioning

From a geographic perspective, global growth will likely continue to bifurcate in 2025, with relative strength emerging from economies such as the US and India, while the eurozone struggles to maintain pace. The fund is prioritizing three categories of companies that are poised to emerge as AI frontrunners:

1. Enablers, or enterprises offering products and services that boost efficiency and productivity for other businesses
2. Adopters, or organizations effectively implementing productivity-enhancing technologies within their operations
3. Double-dippers, or enterprises that not only offer productivity-enhancing technologies but also deploy these same technologies internally

These companies are benefiting from the convergence of two generational inflection points: the AI revolution perfectly coinciding with the hockey stick mass-adoption phase of digital transformation, as businesses cross the chasm from experimentation to mainstream implementation. This simultaneous acceleration will rapidly reshape competitive landscapes across sectors, favoring those at the forefront of adoption and innovation.

However, this will also disrupt certain legacy businesses, services, and jobs, likely triggering negative shocks in affected industry verticals. Investors must remain active in avoiding these pitfalls while adequately participating in companies that will define the future economy.

Performance Summary

As of December 31, 2024

Morningstar Ratings™ [A]	Overall	1 Year	3 Year	5 Year	10 Year
Sextant Growth Fund – "Large Growth" Category					
Investor Shares (SSGFX)	★★★	n/a	★★★	★★★	★★
% Rank in Category	n/a	74	67	73	82
Z Shares (SGZFX)	★★★	n/a	★★★	★★★	☆☆
% Rank in Category	n/a	73	64	70	80
Number of Funds in Category	1,020	1,088	1,020	952	748
Sextant International Fund – "Foreign Large Growth" Category					
Investor Shares (SSIFX)	★★★★	n/a	★★★★	★★★★	★★★★
% Rank in Category	n/a	73	24	26	19
Z Shares (SIFZX)	★★★★	n/a	★★★★	★★★★	☆☆☆☆
% Rank in Category	n/a	72	23	24	17
Number of Funds in Category	365	384	365	334	210
Sextant Core Fund – "Moderate Allocation" Category					
(SCORX)	★★★	n/a	★★★	★★★	★★★
% Rank in Category	n/a	66	52	66	75
Number of Funds in Category	687	727	687	641	489
Sextant Global High Income Fund – "Global Allocation" Category					
(SGHIX)	★★★	n/a	★★★	★★	★★★
% Rank in Category	n/a	87	52	89	67
Number of Funds in Category	335	351	335	319	244
Sextant Short-Term Bond Fund – "Short-Term Bond" Category					
(STBFX)	★★	n/a	★★	★★	★★
% Rank in Category	n/a	89	77	87	88
Number of Funds in Category	522	553	522	482	364
Sextant Bond Income Fund – "Long-Term Bond" Category					
(SBIFX)	★★★★	n/a	★★★★	★★★★	★★★
% Rank in Category	n/a	21	15	26	85
Number of Funds in Category	37	46	37	35	28

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[A] Morningstar Ratings™ ("Star Ratings") are As of December 31, 2024. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance (not including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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

Unshaded stars indicate extended performance. Extended performance is an estimate based on the performance of a fund's oldest share class, adjusted for fees.

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

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

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Endnotes to Commentary:

1. *Levy, A. S&P 500 Annual Returns. The Motley Fool. July 29, 2024. https://www.fool.com/investing/stock-market/indexes/sp-500/annual-returns/*

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Asset-weighted average debt to market capitalization: *This ratio represents the average debt to market capitalization of the portfolio. It is calculated by taking the debt to market capitalization for each company (its debt divided by its market capitalization), weighting these values (multiplying each by the company's percent share of total portfolio assets), and then totaling the weighted values.*

Effective duration *is a measure of a fund's sensitivity to changes in interest rates and the markets. A fund's modified duration is a dollar-weighted average length of time until principal and interest payments must be paid. Longer maturities typically indicate greater sensitivity to interest rate changes than shorter maturities. Effective duration differs from modified duration in that it accounts for the optionality embedded in call options and other security specific covenants that can change expected cash flows as the result of the movement of interest rates. Longer durations tend to indicate greater sensitivity to interest rate changes than shorter durations.*

The STOXX® Europe 600 is a broad measure of the European equity market with a fixed number of 600 components across 17 countries and 11 industries within Europe's developed economies.

The Tokyo Price Index, commonly referred to as TOPIX, is a Japanese capitalization-weighted stock market index calculated and published by the Tokyo Stock Exchange (TSE).

A Few Words About Risk

*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.*