



**Fund Commentary**

**Q2 2024**



**Amana Mutual Funds Trust**

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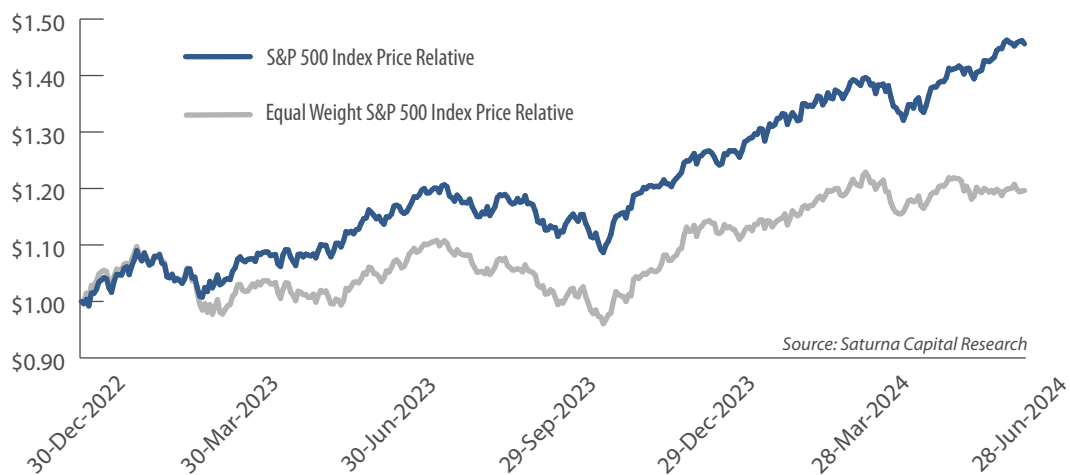
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***Please consider an investment’s objectives, risks, charges, and expenses carefully before investing. To obtain this and other important information about the Amana Funds in a current prospectus or summary prospectus, please visit [www.amanafunds.com](http://www.amanafunds.com) or call toll-free 1-800-728-8762. Please read the prospectus or summary prospectus carefully before investing. Distributed by Saturna Brokerage Services, a wholly-owned subsidiary of Saturna Capital Corporation, investment adviser to the Amana Funds.***

**It's said that history doesn't repeat itself, it rhymes.** Comparing the first half of 2024 with that of 2023 demonstrates impressive poetry. Over the first six months of 2023, the S&P 500 Index returned 16.89%. For the six-months ended June 30, 2024, the S&P 500 Index returned 15.29%. As was the case in 2023, index returns have been concentrated primarily among Technology stocks, especially those with opportunities in generative artificial intelligence (AI). In the first quarter of 2023 Nvidia led the way, appreciating by a stunning 189.54% and continued its dominant run in 2024 soaring 149.50%. Meanwhile, the other mega-cap stocks that drove 2023 returns have largely repeated their performances with Microsoft, Amazon, Alphabet, and Meta (Facebook) appreciating from just under 20% for Microsoft to over 40% for Meta. After a weak first quarter of 2024, Apple has managed to stage a recovery, returning 9.68% in the six-months ended June 30, 2024, while Tesla has been the outlier shedding 20.36%.

Additionally, the mega-cap Technology stock dominance has again far outpaced the remainder of the market, as shown by the equal-weighted S&P 500 Index returning a mere 4.96% in the first half of 2024 against 6.93% in 2023. The chart below illustrates the ever-growing gap between the two indices. Indeed, since the market bottom in mid-April, the market cap weighted index has again been off to the races while the equal-weighted version treads water.

#### S&P 500 Index Price Relative vs. Equal Weight S&P 500 Index Price Relative





In the final quarter of 2023, signs emerged that the breadth of performance may improve but those hopes were dashed on the rocks of persistent inflation and higher-for-longer interest rates. Expectations for as many as six rate cuts at the start of the year have moderated to the point that we may not see the first reduction until 2025. As a result, many company stocks have fared poorly. Of the 11 sectors in the S&P 500 Index, six declined over the first half of 2024. In order of descending performance, they were Health Care, Consumer Discretionary, Real Estate, Financials, Energy, Industrials, and Materials. Meanwhile, Technology, Communications Services (Alphabet and Meta), Utilities, Consumer Staples, and Consumer Discretionary registered gains, although the latter two barely squeaked into positive territory. Utilities may seem surprising, but the AI gold rush has completely upended previous projections for the growth in electricity demand due to the surge in power consumption for data centers and AI training.


## Outlook

With generative AI driving stock prices, index returns, and capital expenditures, it makes sense to take a step back and try to come to a view about what's really happening. What are the opportunities for monetization, and do they justify the vast sums being invested? As long-term investors, we need to balance near-term business and price momentum with long-term prospects.

We are not AI experts, but we have had opportunities to test its utility in a professional setting and, despite its relative immaturity, have found significant productivity enhancements in a variety of applications. Several departments within Saturna Capital adopted AI tools, including marketing, human resources, and investments, with each picking up productivity gains. These gains fall into the 'faster-better-cheaper'<sup>1</sup> category rather than the 'killer app' category<sup>2</sup> – it is still very much early days in the development of AI technology.

Many likely consider AI as having started when OpenAI launched ChatGPT in November 2022. But several years of work went into the release, with OpenAI having been founded in 2015. Rather than the years devoted, we focus on the incredible progress made over that time.





A report recently published by former OpenAI researcher Leopold Aschenbrenner noted that in 2019 the information provided by ChatGPT-2 was roughly comparable to what one might expect from a preschooler. By 2020, it had improved to an elementary schooler. GPT-4 brought us to the level of a bright high school student in 2023. Today, the investment devoted to building ever-larger AI training models, while AI researchers work on improving their algorithms and “unhobbling” models means that within a short time GPT-X could be the equivalent of a university-level research engineer and by 2028 as good as an AI engineer.<sup>3</sup>

If these projections are accurate, the question of monetization answers itself. As of January 2024, Microsoft has over 400 million paid Office 365 subscriber seats, according to Satya Nadella on the Fiscal Year 2024 Second Quarter Earnings Conference Call.<sup>4</sup> How many of those seats would be willing to pay a nominal monthly subscription to have a university-level research assistant sitting at their beck and call? Let’s say half. If that were the case and each of those seats were willing to shoulder a monthly charge of \$85, Microsoft would double its 2023 revenue. For comparison’s sake, \$85 is roughly three times the average hourly rate for a doctoral-level university assistant, while the subscriber would have that assistant at her beck and call 24/7.

We cannot state with certainty AI evolution but there’s a long history of underestimating the spread of transformative technologies. Over the past 50 years desktop computers, cellular phones, and streaming services all suffered their share of naysayers concerned about complexity, cost, or utility yet all ultimately grew to scale, providing enormous benefits to society.

We believe AI will follow this path, as do the big tech companies that are committing tens, if not hundreds, of billions of capital investment dollars in the near future. Thinking back to the dot-com bubble, how much of this capital expenditure will be productive and how much will be misguided? Excess capacity is bad for those companies (and their investors) that created it and good for companies (and their investors) that benefit from low-cost capacity.<sup>5</sup> Our investments are determined to evolve with the industry as we seek long-term beneficiaries of the development and adoption of AI.

## Amana Income Fund

In the second quarter of 2024, Amana Income Fund Investor Shares returned 2.16% and the Institutional Shares returned 2.23%. The S&P 500 Index returned 4.49% over the same period.

The Fund's largest holding, Eli Lilly had a total return of 16.57% during the second quarter of 2024. Eli Lilly is a significant part of the portfolio, and although we actively sell shares to reduce exposure and risk, the stock continues marching higher on positive news. With a market capitalization of over \$840 billion, this pharmaceutical looks poised to become the first non-Technology company to surpass the trillion dollar market-cap hurdle.

Meanwhile, markets continue to be driven by frenzied optimism about artificial intelligence (AI), with semiconductor companies Taiwan Semiconductor, Broadcom, and Texas Instruments providing the first, second, and fourth highest returns among Fund holdings.

Health Care companies Bristol Myers (pharmaceuticals) and Kenvue (personal care products) had the weakest returns for the quarter. Brick and mortar Industrials holdings such as Illinois Tool Works, W.W. Grainger, and Ferguson also detracted from performance with negative returns.

There is growing concern that investors are chasing stocks of runaway AI superstars like Nvidia by selling less glamorous holdings such as the aforementioned industrials companies. There are plausible scenarios where runaway improvements in AI models may justify such rapid gains in market value, but there is always the risk that the hype outruns such companies' earnings potential.

While Amana Income Fund holds a number of companies that stand to benefit from continued improvements in AI (with each of them paying a healthy dividend), we also believe in the values of diversification and *growth at a reasonable price*. We expect this diversification to provide ballast to the Amana Income Fund if lofty AI expectations do not continue to materialize.

As of June 30, 2024

10 Largest Contributors	Return	Contribution
Eli Lilly	16.57%	2.29
Taiwan Semiconductor, ADS	28.16%	1.70
Microsoft	6.42%	0.56
Broadcom	21.53%	0.37
Texas Instruments	12.46%	0.30
Amgen	10.68%	0.24
Colgate-Palmolive	8.38%	0.19
Kimberly-Clark	7.81%	0.16
Novartis, ADR	10.06%	0.16
Unilever, ADR	10.49%	0.13

10 Largest Detractors	Return	Contribution
W.W. Grainger	-11.12%	-0.50
Illinois Tool Works	-11.17%	-0.49
Bristol-Myers Squibb	-22.52%	-0.44
PPG Industries	-12.70%	-0.38
Genuine Parts	-10.11%	-0.31
Canadian National Railway	-9.87%	-0.27
Rockwell Automation	-5.08%	-0.25
Ferguson	-11.00%	-0.19
Abbott Laboratories	-8.12%	-0.18
Linde	-5.19%	-0.18

Top 10 Holdings	Portfolio Weight
Eli Lilly	15.14%
Microsoft	9.34%
Taiwan Semiconductor ADS	7.49%
Rockwell Automation	4.32%
W.W. Grainger	3.77%
Illinois Tool Works	3.72%
Linde	2.98%
Genuine Parts	2.76%
Texas Instruments	2.54%
Broadcom Ltd	2.52%

30-Day Yield	
Investor Shares (AMANX):	0.77%
Institutional Shares (AMINX):	0.97%

**Asset-weighted average debt to market cap:** 12.1%

Amana Growth Fund

In the second quarter of 2024, the Amana Growth Fund Investor Shares returned 4.73%, ahead of the S&P 500 Index return of 4.49%. For the first half of 2024, the Investor Shares of the Fund returned 15.84% versus 15.29% for the Index. Fund returns in the second quarter were driven by our Technology, Health Care, and Communications investments. While Technology was the top contributor to returns, sector selection was weak largely due to our positions in Apple and Nvidia being less than the benchmark weight. Weak performance from Advanced Micro Devices and Keysight Technologies also contributed. Stock selection in the Health Care and Communications sectors was positively led by Eli Lilly and Novo Nordisk in the former, and Alphabet in the latter.

While first quarter 2024 leading contributors Eli Lilly and Novo Nordisk continued to perform well, Apple's second quarter rebound, combined with its position size, made it the largest contributor to second quarter Fund returns. Taiwan Semiconductor sprung to life in the second quarter as investors came to realize that nothing made by Nvidia is made by Nvidia and that Taiwan Semiconductor manufactures the chips. Nvidia enjoyed the greatest appreciation during the second quarter as it continued to outpace elevated earnings expectations. Broadcom, a chip design and software hybrid had a strong quarter, buoyed by its artificial intelligence (AI) chip agreement with Alphabet. We were pleased to see AstraZeneca make a strong move in the quarter as we have long believed its earnings potential was underappreciated by the market.

Advanced Micro Devices performance has been puzzling given the earnings growth expectations over the next few years. It may be that we wait for when AI starts to transition from primarily training to primarily inference, as Advanced Micro Devices chips are expected to be more in demand. Autozone has presented another conundrum as the age of the American auto fleet implies solid earnings growth opportunities. In the case of Lululemon and Estée Lauder, we decided to exit the

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As of June 30, 2024

10 Largest Contributors	Return	Contribution
Apple	22.99%	1.58
Nvidia	36.74%	0.95
Taiwan Semiconductor, ADS	28.16%	0.90
Eli Lilly	16.57%	0.87
Alphabet, Class A	20.82%	0.82
Broadcom	21.53%	0.61
Novo Nordisk, ADS	11.17%	0.56
Microsoft	6.42%	0.34
AstraZeneca, ADR	15.11%	0.33
ASML Holding NY	5.60%	0.31

10 Largest Detractors	Return	Contribution
Advanced Micro Devices	-10.13%	-0.45
Lululemon Athletica	-23.54%	-0.40
Lincoln Electric Holdings	-25.87%	-0.35
Keysight Technologies	-12.55%	-0.33
Trimble	-13.11%	-0.29
Agilent Technologies	-10.77%	-0.27
Lowe's	-13.05%	-0.26
Autozone	-5.95%	-0.15
Estee Lauder, Class A	-14.37%	-0.13
Union Pacific	-7.48%	-0.12

Top 10 Holdings	Portfolio Weight
Apple	7.50%
Eli Lilly	5.70%
ASML Holding NY	5.68%
Microsoft	5.32%
Novo Nordisk ADS	5.16%
Alphabet, Class A	4.42%
Nvidia	4.35%
Taiwan Semiconductor ADS	3.80%
Advanced Micro Devices	3.51%
Intuit	3.39%

Asset-weighted average debt to market cap: 7.9%

## Amana Developing World Fund

For the second quarter of 2024, the Amana Developing World Fund Investor Shares returned 4.11%, trailing 5.00% for the MSCI Emerging Markets Index. For the six-months ended June 30, 2024, the Investor Shares returned 9.43% versus 7.49% for the MSCI Emerging Markets Index. Across both periods, the Amana Developing World Fund outperformed its Morningstar peer group, which returned 3.99% for the quarter ended, and 6.87% for the six-months ended June 30, 2024.

Performance across the first half of 2024 was broad with the Technology, Consumer Discretionary, Consumer Staples, Materials, and Health Care sectors all represented among the top contributors. Technology was a dominant driver of performance and once again, Nvidia was the Fund's largest contributor. Along with Nvidia, Taiwan Semiconductor, the foremost manufacturer of leading-edge semiconductors and a key supplier to Nvidia, has been a consistent performer. Not to be outdone by much talked about tech names, BIM Birlesik Magazalar, a Turkish discount grocer, has also delivered strong returns throughout the first six-months of 2024.

Detractors were similarly dispersed across both sectors and geographies. During the second quarter and year-to-date periods of 2024, the Technology, Materials, Health Care, Consumer Discretionary, Consumer Staples, Real Estate, and Telecommunications sectors were all present among the Fund's largest detractors. In the second quarter for 2024, Samsung SDI, a South Korean battery manufacturer, was the largest detractor. The company is a major supplier of batteries for electric vehicles (EVs), and shares slid amid market concerns of slowing adoption. While EV sales have slowed amid high interest rates in recent months, we note numerous new models coming to market throughout 2024 and 2025 that will be critical to gauge consumer demand. Despite the challenging near-term outlook, we expect long-term tailwinds for a transition to EVs, including hybrid plugin EVs, and see Samsung SDI as a player with leading technology and a healthy customer base.

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As of June 30, 2024

10 Largest Contributors	Return	Contribution
Nvidia	36.74%	1.96
BIM Birlesik Magazalar A.S.	49.13%	1.15
Taiwan Semiconductor, ADS	28.16%	0.86
Qualcomm	18.14%	0.66
Ultratech Cement	19.64%	0.53
Clicks Group	21.07%	0.49
Delta Electronics	14.11%	0.34
Dabur India	14.79%	0.34
Unilever, ADR	10.49%	0.29
Hartalega Holdings Bhd	19.46%	0.26

10 Largest Detractors	Return	Contribution
Samsung SDI	-26.51%	-0.57
Jabil	-18.73%	-0.54
Kimberly-Clark	-24.76%	-0.52
Sercomm Corporation	-14.14%	-0.34
Quimica Y Minera, ADR	-16.73%	-0.31
Advantech	-9.70%	-0.27
SM Prime Holdings	-15.94%	-0.24
Indofood Cbp Sukses Makmur T	-14.03%	-0.23
Telkom Indonesia Persero, ADR	-11.09%	-0.21
Bangkok Dusit Med Service	-7.10%	-0.14

Top 10 Holdings	Portfolio Weight
Nvidia	8.56%
Qualcomm	3.58%
Taiwan Semiconductor, ADS	3.47%
ASML Holding NY	3.41%
BIM Birlesik Magazalar A.S.	3.06%
Southern Copper	3.03%
UltraTech Cement	2.98%
Colgate-Palmolive	2.77%
Ford Otomotiv Sanayi	2.76%
Samsung	2.70%

**Asset-weighted average debt to market cap:** 10.9%



Amana Participation Fund

As of June 30, 2024

Markets have a tendency of embracing narratives. Usually, these stories influence investor sentiment and short-term technicals, such as momentum and price action. Among the top stories that have surfaced throughout the first half of 2024 are those about artificial intelligence (AI), the robust stock performance of semiconductor manufacturer Nvidia, and market volatility related to political elections.

Investors should pay attention to political elections in 2024 as 64 countries, including the European Union, representing nearly half of the world's population will be holding elections.<sup>11</sup> These elections have already shocked investors and affected markets in the first half of 2024.

In early June 2024, France President Emmanuel Macron of the Renaissance party unexpectedly declared a snap election. Following demonstrations and an election that shook financial markets, the far-right National Rally party, led by Jean-Marie Le Pen, garnered significant voter support. The markets saw considerable volatility due to the unexpected snap election, even though the success of the National Rally party was widely predicted. This volatility was partially brought on by investor reservations over the sustainability of France's debt because of divergent fiscal policies, such as the possibility of undoing Macron's pension reforms, which could cost the government 9 billion Euros.<sup>12</sup>

By mid-June 2024, France's stock market was down 6.23%, with the premium for French credit default swaps (CDS), an insurance contract for the unlikely event an issuer goes bankrupt, rising 69.32%. Markets in Germany moved in sympathy as the stock market fell 2.99% and CDS contracts rose 42.89%. More significantly, the yields

Top 10 Holdings	Portfolio Weight
KFH Tier 1 Sukuk	4.96%
Riyad Sukuk Limited	4.56%
ICD Sukuk	4.10%
DP World Salaam	4.09%
DAE Sukuk	3.91%
EMAAR Sukuk	3.34%
Perusahaan Penerbit SBSN	3.22%
Air Lease Corp Sukuk	3.16%
TNB Global Ventures	3.09%
KSA Sukuk	3.05%

30-Day Yield	
Investor Shares (AMAPX):	2.49%
Institutional Shares (AMIPX):	2.73%

on 2-year and 10-year German bonds dropped in yield by 10.48% and 9.89%, respectively.

Figure 1 indicates that in contrast to occurrences involving geopolitical conflicts, markets seem to be more volatile after political developments that could have an impact on a government's financial standing. It implies that investors are more troubled about the sustainability of government debt than by war, at least initially. For instance, England's former Conservative Prime Minister Liz Truss unveiled a mini-budget on Friday, September 23, 2022, which included 45 billion British pounds in unfunded tax cuts,<sup>13</sup> raising the UK government's estimated costs to roughly 161 billion British pounds over the next five years.<sup>14</sup> The abrupt reaction in the markets necessitated intervention by the Bank of England,

Figure 1

Country	Event	Event Date	Stock Market	2-Yr. Yield	10-Yr. Yield	FX vs. USD	CDS
France	French Elections	Sunday, June 9, 2024	-6.23%	-3.46%	0.87%	-0.91%	69.32%
Germany	French Elections	Sunday, June 9, 2024	-2.99%	-10.48%	-9.89%	-0.91%	42.89%
Mexico	Presidential Election	Sunday, June 2, 2024	1.53%	2.19%	1.52%	-8.09%	16.02%
India	Presidential Election	Tuesday, June 4, 2024	3.26%	-0.17%	0.33%	-0.13%	1.23%
South Africa	General Election	Sunday, June 2, 2024	-0.95%	-3.65%	-2.73%	1.03%	-6.29%
Isreal	Hamas led surprise attack on Israel	Saturday , October 7, 2023	-7.55%	-9.34%	-3.16%	-3.93%	182.17%
Saudi Arabia	Hamas led surprise attack on Israel	Saturday , October 7, 2023	-1.33%	1.04%	1.05%	0.00%	21.11%
UK	Liz Truss unveiled 'Mini-Budget'	Friday, September 23, 2022	-1.78%	6.79%	6.92%	-8.90%	31.62%

Source: Bloomberg

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positions. Results from a variety of apparel and athleisure companies indicate a weakening consumer appetite for Lululemon, while Estée Lauder has become too focused in China. China weakness has also been behind the slumping share price for Agilent. Lincoln Electric suffered the largest decline and we have reduced the position as we see a period of modest earnings growth as the company absorbs acquisitions and laps strong growth in the immediate post-pandemic period. High rates and modest housing volumes have held back Lowe's shares as consumers are neither fixing up their homes for sale nor sprucing up their newly acquired properties given low housing turnover.

Among the top ten holdings, Nvidia's dramatic appreciation pushed it into the group, taking the place of Adobe.

Despite generally strong economic growth in many emerging markets, equity returns have been divergent. A clear example of this, in the 12 months through March 2024 India's economy grew at 8.2%<sup>6</sup> and the MSCI India Index returned 37.35%. During this period, China's economy grew at 5.4%<sup>7</sup> but the MSCI China Index declined 16.98%. This type of divergence between economic gains and equity growth has been a consistent theme in emerging markets investing, where economic gains don't necessarily accrue to shareholders. Among others, this is a key reason why we consider governance at both the company and geographic level.

Such disparity across emerging markets and the fact that China constitutes 27.16% of the MSCI Emerging Markets Index<sup>8</sup>, provides a compelling argument for active investing in emerging markets. Regions from Southeast Asia to Latin America are benefiting from supply chain diversification, Taiwan and South Korea are manufacturing leading edge semiconductors, and India and Indonesia are adding masses to the middle class. Add to the mix, an MSCI Emerging Markets Index that trades at a 12.02x forward P/E<sup>9</sup> versus 20.86x for the MSCI USA Index<sup>10</sup> and we continue to see attractive value in developing world markets.

which pledged to buy up to 65 billion British pounds worth of government bonds in order to stop the market's collapse.<sup>15</sup> Figure 1 shows that seven working days following the fiasco of this event, the value of the pound declined by 8.90% versus the US dollar, the CDS increased by 31.62%, and the 2-year and 10-year bonds issued by the UK increased by 6.79% and 6.92%, respectively.

Israeli markets were severely affected by Hamas's surprise strike, as seen by the country's CDS rising 182.17%, the stock market plummeting 7.55%, and the yields on government 2-year and 10-year bonds dropping by 9.34% and 3.16%, respectively. Other Middle Eastern countries like Saudi Arabia did not see any appreciable instability. Saudi Arabia stayed relatively stable despite the country's CDS increasing by 21.11%. Many investors are often stunned by this, as they assume that volatility will be comparable across all the countries in the region. This implies that investors are more concerned with the national debt's sustainability than with war.

As we progress into the second half of 2024, elections that have the potential to change the trajectory of a government's fiscal standing warrant greater attention.

### Amana Participation Fund – Second Quarter Results

For the six-months ended June 30, 2024, the Investor Shares of the Amana Participation Fund returned 1.12% and the Institutional Shares returned 1.35%. When compared to the FTSE IdealRatings Sukuk Index which returned 0.50%, the Amana Participation Fund Investor Shares and Institutional

Shares outperformed the benchmark by 62-bps and 85-bps, respectively. Over the trailing 12-month period, the Investor Shares returned 2.87% and the Institutional Shares returned 3.23%. When compared to the FTSE IdealRatings Sukuk Index which returned 3.98%, the Investor Shares and Institutional Shares underperformed the benchmark by 111-bps and 75-bps, respectively. The Amana Participation Fund's outperformance over the first half of the year can be attributed, in part, to differences in the composition of the benchmark relative to the Fund. Details of these differences can be found in previous quarterly reports and in the white paper titled "*Behind the Scenes: A Closer Look at the Amana Participation Fund Investment Process, 2nd Edition.*"<sup>16</sup> We highly recommend this white paper to readers for more information about the Amana Participation Fund.

At quarter-end June 30, 2024, the Investor Shares of the Amana Participation Fund reported a 30-day yield of 2.48% and the Institutional Shares reported a 2.73%. The Fund reported an option adjusted duration of 3.79 years and is diversified among 44 securities. The Participation Fund restricts its investments so that at least 50% are denominated in US dollars, with no more than 10% in any other single currency.

The two best performers in the Amana Participation Fund for the first half of 2024 were Kuwait Financial House, an Islamic bank, and Sharjah Islamic Bank. For the same period, the two lowest performers were Indonesian sovereign *sukuk* and Malaysian sovereign *sukuk*.

## Performance Summary

As of June 30, 2024

Average Annual Total Returns (Before Taxes, Net of Fees)	YTD	1 Year	3 Year	5 Year	10 Year	15 Year	Expense Ratio <sup>A</sup>
<b>Income Fund</b> Investor Shares (AMANX)	12.40%	15.29%	8.90%	12.53%	9.90%	11.69%	1.02%
<b>Income Fund</b> Institutional Shares (AMINX)	12.53%	15.57%	9.16%	12.77%	10.15%	n/a	0.78%
S&P 500 Index	15.29%	24.56%	10.02%	15.03%	12.85%	14.81%	n/a
Morningstar "Large Blend" Category	12.64%	21.37%	7.97%	13.28%	11.23%	13.50%	n/a
<b>Growth Fund</b> Investor Shares (AMAGX)	15.84%	25.92%	10.65%	17.56%	15.28%	15.13%	0.91%
<b>Growth Fund</b> Institutional Shares (AMIGX)	15.97%	26.25%	10.92%	17.84%	15.55%	n/a	0.67%
S&P 500 Index	15.29%	24.56%	10.02%	15.03%	12.85%	14.81%	n/a
Morningstar "Large Growth" Category	17.60%	29.15%	6.15%	15.08%	13.40%	15.00%	n/a
<b>Developing World Fund</b> Investor Shares (AMDWX)	9.43%	14.76%	0.86%	7.36%	2.64%	n/a	1.22%
<b>Developing World Fund</b> Institutional Shares (AMIDX)	9.65%	14.97%	1.05%	7.56%	2.86%	n/a	1.01%
MSCI Emerging Markets Index	7.49%	12.55%	-5.07%	3.09%	2.79%	4.89%	n/a
Morningstar "Diversified Emerging Markets" Category	6.87%	12.30%	-4.30%	3.76%	2.74%	5.04%	n/a
<b>Participation Fund</b> Investor Shares (AMAPX)	1.12%	2.87%	-0.49%	1.24%	n/a	n/a	0.80%
<b>Participation Fund</b> Institutional Shares (AMIPX)	1.35%	3.23%	-0.24%	1.51%	n/a	n/a	0.56%
FTSE IdealRatings Sukuk Index	0.50%	3.98%	-0.70%	2.11%	2.95%	3.95%	n/a
Morningstar "Emerging Markets Bond" Category	2.61%	9.45%	-1.96%	0.58%	2.03%	4.80%	n/a

<sup>A</sup> Expense ratios shown are as stated in the Funds' most recent Prospectus dated September 28, 2023.

**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.amanafunds.com](http://www.amanafunds.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.

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 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 MSCI Emerging Markets Index, produced by Morgan Stanley Capital International, measures equity market performance in over 20 emerging market countries. The FTSE IdealRatings Sukuk Index measures the performance of global Islamic fixed-income securities, also known as sukuk. When available, Saturna uses total return components of indices mentioned. Investors cannot invest directly in the indices.

Institutional Shares of the Amana Funds began operations September 25, 2013. The Amana Participation Fund began operations September 28, 2015.

### **Income, Growth, Developing World, and Participation Funds:**

The value of the shares of each of the Funds rises and falls as the value of the securities in which the Funds invest goes up and down. The Amana Mutual Funds limit the securities they purchase to those consistent with Islamic principles. This limits opportunities and may affect performance. Each of the Funds may invest in securities that are not traded in the United States. Investments in the securities of foreign issuers may involve risks in addition to those normally associated with investments in the securities of US issuers. 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.

**Growth Fund:** The smaller and less seasoned companies that may be in the Growth Fund have a greater risk of price volatility.

**Participation Fund:** While the Participation Fund does not invest in conventional bonds, risks similar to those of conventional nondiversified fixed-income funds apply. These include: diversification and concentration risk, liquidity risk, interest rate risk, credit risk, and high-yield risk. The Participation Fund also includes risks specific to investments in Islamic fixed-income instruments. The structural complexity of sukuk, along with the weak infrastructure of the sukuk market, increases risk. Compared to rights of conventional bondholders, holders of sukuk may have limited ability to pursue legal recourse to enforce the terms of the sukuk or to restructure the sukuk in order to seek recovery of principal. Sukuk are also subject to the risk that some Islamic scholars may deem certain sukuk as not meeting Islamic investment principles subsequent to the sukuk being issued.

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

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## Performance Summary

As of June 30, 2024

Morningstar™ Ratings <sup>A</sup>	1 Year	3 Year	5 Year	10 Year	15 Year	Overall
<b>Amana Income Fund – “Large Blend” Category</b>						
Investor Shares (AMANX)	n/a	★★★★	★★★★	★★	n/a	★★★★
% Rank in Category	83	42	70	82	92	n/a
Institutional Shares (AMINX)	n/a	★★★★	★★★★	★★	n/a	★★★★
% Rank in Category	82	36	67	79	90	n/a
Number of Funds in Category	1,415	1,302	1,192	888	689	1,302
<b>Amana Growth Fund – “Large Growth” Category</b>						
Investor Shares (AMAGX)	n/a	★★★★★	★★★★	★★★★★	n/a	★★★★★
% Rank in Category	70	14	22	19	49	n/a
Institutional Shares (AMIGX)	n/a	★★★★★	★★★★	★★★★★	n/a	★★★★★
% Rank in Category	69	12	19	16	43	n/a
Number of Funds in Category	1,162	1,092	1,019	794	600	1,092
<b>Amana Developing World Fund – “Diversified Emerging Markets” Category</b>						
Investor Shares (AMDWX)	n/a	★★★★	★★★★★	★★★★	n/a	★★★★
% Rank in Category	32	16	12	52	n/a	n/a
Institutional Shares (AMIDX)	n/a	★★★★	★★★★★	★★★★	n/a	★★★★
% Rank in Category	30	15	11	48	n/a	n/a
Number of Funds in Category	804	718	646	423	n/a	718
<b>Amana Participation Fund – “Emerging Markets Bond” Category</b>						
Investor Shares (AMAPX)	n/a	★★★★★	★★★★	n/a	n/a	★★★★
% Rank in Category	100	21	33	n/a	n/a	n/a
Institutional Shares (AMIPX)	n/a	★★★★★	★★★★	n/a	n/a	★★★★
% Rank in Category	100	16	28	n/a	n/a	n/a
Number of Funds in Category	237	226	207	n/a	n/a	226

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<sup>A</sup> Morningstar Ratings™ (“Star Ratings”) are as of June 30, 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.

The Amana Mutual Funds offer two share classes – Investor Shares and Institutional 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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**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), then weighting these values (multiplying each by the company's percent share of total portfolio assets), then totaling the weighted values.

## Footnotes to commentary:

<sup>1</sup> McCurdy, Howard E. "Faster, Better, Cheaper: Low-Cost Innovation in the U.S. Space Program." Johns Hopkins University Press, October 29, 2003.

<sup>2</sup> Downes, Larry, et al. "Unleashing the Killer App: Digital Strategies for Market Dominance." Revised Edition. Harvard Business Review Press. March 1, 2000.

<sup>3</sup> Aschenbrenner, Leopold. "Situational Awareness: The Decade Ahead." June 2024. <https://situational-awareness.ai/>

<sup>4</sup> "Microsoft Corporation (NASDAQ:MSFT) Q2 2024 Earnings Call Transcript." Yahoo Finance. February 1, 2024. <https://finance.yahoo.com/news/microsoft-corporation-nasdaq-msft-q2-160938899.html>

<sup>5</sup> Cahn, David. "AI's \$200B Question." Sequoia, September 20, 2023. <https://www.sequoiacap.com/article/follow-the-gpus-perspective/>

<sup>6</sup> "India Fiscal Year GDP Growth." Trading Economics, July 5, 2024. <https://tradingeconomics.com/india/full-year-gdp-growth>

<sup>7</sup> "China GDP Annual Growth Rate." Trading Economics, July 5, 2024. <https://tradingeconomics.com/china/gdp-growth-annual>

<sup>8</sup> MSCI Emerging Markets Index (USD) Factsheet, June 28, 2024. <https://www.msci.com/documents/10199/c0db0a48-01f2-4ba9-ad01-226fd5678111>

<sup>9</sup> Ibid.

<sup>10</sup> MSCI USA Index (USD) Factsheet, June 28, 2024. <https://www.msci.com/documents/10199/67a768a1-71d0-4bd0-8d7e-f7b53e8d0d9f>

**Effective maturity, modified duration, and effective 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.

**Option adjusted duration (OAD)** is the weighted average duration of a fixed income portfolio taking into consideration callable securities.

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.

We note that unlike many funds, the Amana Funds' expenses are not subsidized by its adviser, Saturna Capital, therefore the 30-Day Yields presented are actual, according to the SEC's calculation methodology.

<sup>11</sup> Ewe, Koh. "The Ultimate Election Year: All the Elections Around the World." Time Magazine. December 28, 2023. <https://time.com/6550920/world-elections-2024/>

<sup>12</sup> Hummel, Tassilo. "Investors concerned by French elections, Paris stock market head says." Reuters. June 25, 2024. <https://www.reuters.com/world/europe/french-snap-elections-spark-investor-worries-paris-stock-market-head-says-2024-06-25/>

<sup>13</sup> Partington, Richard. "The mini-budget that broke Britain – and Liz Truss." The Guardian. October 20, 2022. <https://www.theguardian.com/business/2022/oct/20/the-mini-budget-that-broke-britain-and-liz-truss>

<sup>14</sup> Aldrick, Philip. "Liz Truss's Historic Gamble With the UK Economy Is Already Unraveling." Bloomberg. September 23, 2022. <https://www.bloomberg.com/news/articles/2022-09-23/liz-truss-s-historic-gamble-with-the-uk-economy-is-already-unraveling>

<sup>15</sup> Partington, Richard. "The mini-budget that broke Britain – and Liz Truss." The Guardian. October 20, 2022. <https://www.theguardian.com/business/2022/oct/20/the-mini-budget-that-broke-britain-and-liz-truss>

<sup>16</sup> Drum, Patrick. "Behind the Scenes: A Closer Look at the Amana Participation Fund Investment Process, 2nd Edition." Saturna Capital. June 2024. [https://www.saturna.com/sites/saturna.com/files/files/WP-2024\\_06-AMAPX-Investment-Process-2ndED-web.pdf](https://www.saturna.com/sites/saturna.com/files/files/WP-2024_06-AMAPX-Investment-Process-2ndED-web.pdf)

