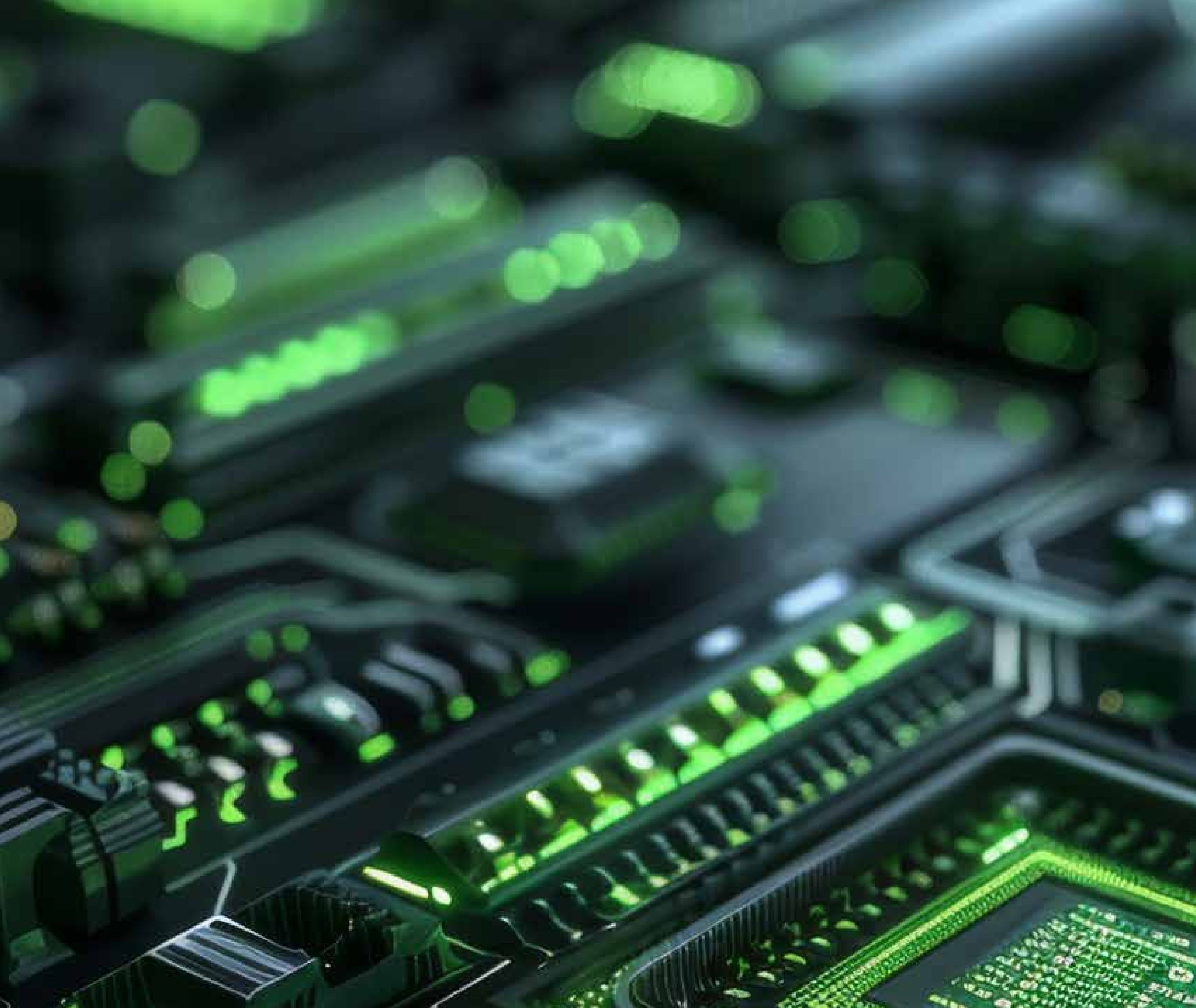


Fund Commentary Q2 2024

SATURNA CAPITAL

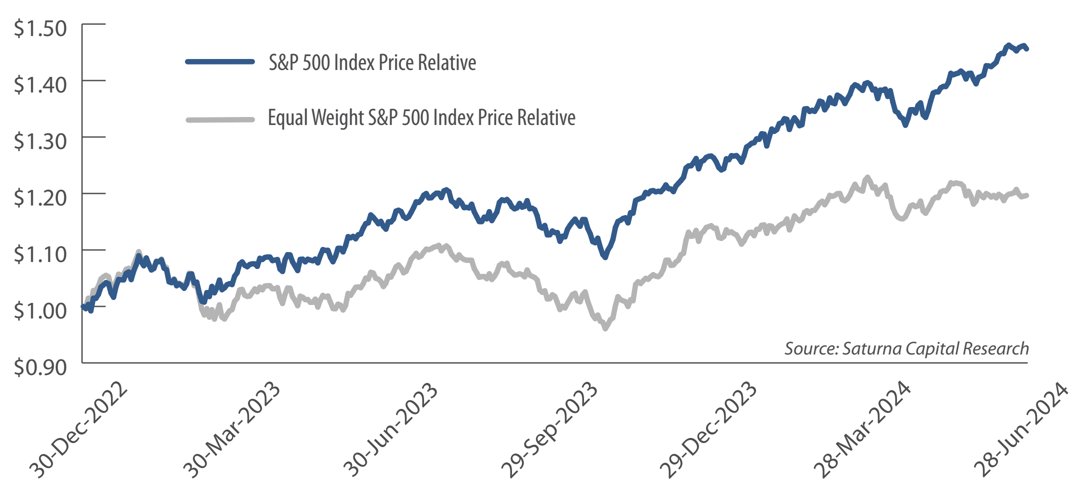
SATURNA SUSTAINABLE FUNDS

Please consider an investment's objectives, risks, charges, and expenses carefully before investing. To obtain this and other important information about the Saturna Sustainable Funds in a current prospectus or summary prospectus, please visit www.saturnasustainable.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 Saturna Sustainable 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'[1] category rather than the 'killer app' category'[2] – 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.[3]

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.[4] 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.[5] Our investments are determined to evolve with the industry as we seek long-term beneficiaries of the development and adoption of AI.

Saturna Sustainable Equity Fund

In the second quarter of 2024, the Saturna Sustainable Equity Fund returned 2.34%, compared to 3.13% for the S&P Global 1200 Index. The Morningstar Global Large-Stock Blend category average returned 1.17% for the same period. The fund returned 17.45% for the trailing 12-months ending June 30, 2024. This is compared to 14.90% for the Morningstar Global Large-Stock Blend category average, which speaks to the wisdom of the fund's long-term strategy.

Unsurprisingly, Nvidia was the top contributor to the Saturna Sustainable Equity Fund for the second quarter of 2024. As demand for artificial intelligence (AI) grows, so will demand for semiconductors and chips — and Nvidia's graphics processing units are in high demand. Taiwan Semiconductor follows behind Nvidia as another top contributor as investors learned that Taiwan Semiconductor manufacturers the chips behind Nvidia. Consistent demand for weight loss drug therapy kept Novo Nordisk at the top of the contributor list, as their GLP-1 medications continued to produce big wins for the drug manufacturer with no sign of slowing down.

The biggest detractor from the Saturna Sustainable Equity Fund for the second quarter was Lululemon Athletica. With uncertainty surrounding the stability of the macroeconomic environment, consumers have deprioritized discretionary spending post-pandemic. Many are opting for more service- and experience-related spending. Lowe's also made it to near the top of our detractors list. Their recent earnings call outlined uncertainty regarding interest rate cuts and inflation. These issues, as well as low housing turnover, ultimately lead to a reduction in DIY home improvement spending. Finally, as corporations rethink their long-term IT commitments, Accenture found itself on the detractors list for the quarter.

While we didn't witness the anticipated rate cuts just yet, we see economic stability and growth across various sectors. We have increased our US position close to the 40% maximum allowed by our prospectus as a defensive position against geopolitical instability. Regardless of country, we continue to purchase solid companies aligned with our values and investment fundamentals.

As of June 30, 2024

10 Largest Contributors	Return	Contribution
Nvidia	36.74%	0.99
Taiwan Semiconductor, ADR	28.16%	0.84
Novo-Nordisk ADR	11.17%	0.61
Apple	22.99%	0.50
Eli Lilly	16.57%	0.48
Schneider Electric ADR	7.91%	0.26
Wolters Kluwer	6.89%	0.22
Adobe	10.10%	0.21
NXP Semiconductors	9.00%	0.19
TJX Companies	8.97%	0.18

10 Largest Detractors	Return	Contribution
Lululemon Athletica	-23.54%	-0.35
Lowe's	-13.05%	-0.33
Accenture, Class A	-12.12%	-0.29
CGI	-9.58%	-0.27
Ferguson	-11.00%	-0.25
Dassault Systemes ADR	-14.16%	-0.24
Home Depot	-9.65%	-0.24
Starbucks	-13.17%	-0.17
STMicroelectronics Nv-Ny	-8.95%	-0.15
GlaxoSmithKline ADR	-9.44%	-0.15

Top 10 Holdings	Portfolio Weight
Novo Nordisk ADS	5.83%
Nvidia	4.94%
Treasury Bill due 08/08/2024	3.98%
Taiwan Semiconductor ADS	3.70%
Wolters Kluwer	3.31%
Schneider Electric ADR	3.29%
Eli Lilly	3.26%
Nintendo ADR	3.01%
US Treasury Bill due 7/18/2024	2.99%
Tractor Supply	2.70%

Saturna Sustainable Bond Fund

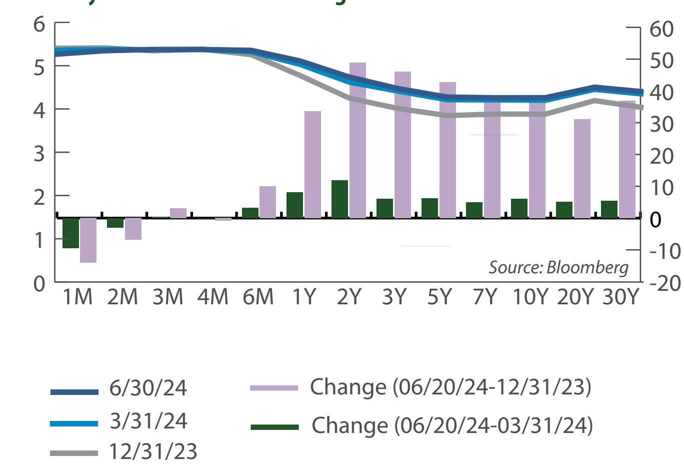
For the quarter ended June 30, 2024, Saturna Sustainable Bond Fund returned -1.19%, relative to -1.01% for the FTSE World Big Index. The trailing 12-month performance for the Fund was 1.92%, relative to 1.17% for the Index for the same period. Performance over the second quarter of 2024 was largely driven by currency movements in the Brazilian Real and the Mexican Peso.

Investors should pay attention to political elections in 2024, as 64 countries—including the European Union—representing approximately 49% of the world's population will be holding elections. These elections have already introduced volatility into the global markets, and we expect more volatility to follow in the months to come. The bond market over the past quarter has been driven largely by how economic data may inform the timing of potential rate cuts by the Fed. Despite volatility during the quarter the Treasury Curve ended up relatively close to where it began. For example the 10-year started the quarter at 4.31%, and ended at 4.39%. However, yields rose to a high of 4.7% mid-April when volatility peaked.

As of June 30, 2024

Top 10 Holdings	Portfolio Weight
AXA *(5.125% 01/17/2047)*	4.85%
US Treasury Bill due 7/18/2024	4.36%
Canadian Imperial Bank *(4.375% 10/28/2080)*	4.34%
INTL BK RECON & DEVELOP *(4.25% 01/22/2026)*	4.33%
United Utilities *(6.875% 08/15/2028)*	4.27%
Inter-American Devel BK *(7.50% 12/05/2024)*	3.91%
INTL BK RECON & DEVELOP *(5.00% 10/07/2026)*	3.79%
Asian Development Bank *(6.00% 02/05/2026)*	3.64%
New York City NY HSG Dev Corp *(3.88% 05/01/2062)*	3.64%
First Abu Dhabi Bank PJSC *(5.125% 10/13/2027)*	3.64%

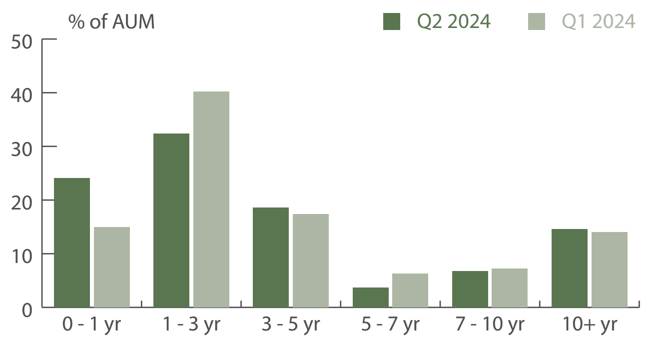
Treasury Curve Yields and Change in Yields



Maturity

Saturna Sustainable Bond Fund had a 14% exposure to bonds with maturities over 10 year, similar to the first quarter of 2024. The fund reallocated over the past few months to bonds inside of one year, and currently has a 24% position to short bonds, up from 15% the first quarter. Overall effective duration was decreased significantly falling from 3.01 years down to 2.65 years. The Sustainable Bond Fund has a significantly shorter duration versus the FTSE WorldBIG Index, which generally has around a 6.6 year duration. This differential was the primary reason for the Fund's outperformance year to date last quarter as longer bonds generally underperformed shorter positions. The best performing securities in the fund were the floating rate bonds. The Commonwealth Bank of Australia floating rate bond maturing in 2025 saw the best performance at 3.85% total return for the second quarter.

Portfolio Maturity Breakdown



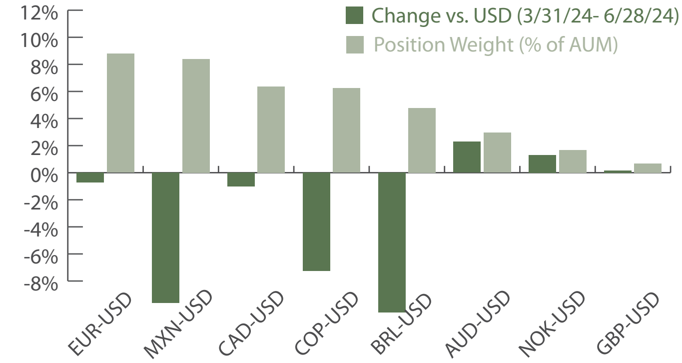
Currency

At quarter-end, the portfolio had a total exposure of 39.88% to bonds denominated in foreign currency, flat from last quarter. The Brazilian real, the Colombian peso, and the Mexican peso saw significant depreciations relative to the US dollar last quarter. These currency movements were the primary drivers of the lower performing bonds in the Fund. The 2026 position in the Asian Development Bank, denominated in the Brazilian Real (BRL) returned -9.5% last quarter, driven by the currency movements. Similarly, the Brazilian real-denominated European Bank of Reconstruction and Development green bond of 2025 returned -8.2%, also driven by the Brazilian real's 13% depreciation relative to the US dollar.

Continued on page 8

Continued from page 7

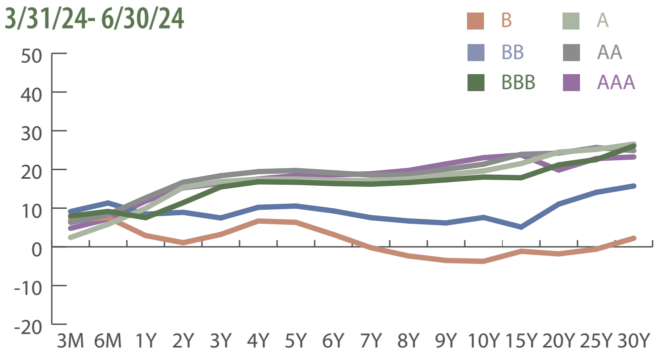
Currency Performance and Exposure



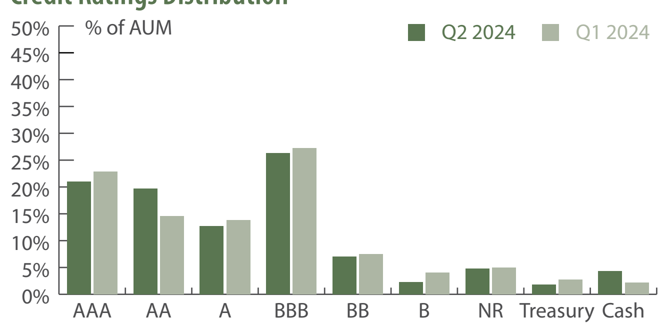
Credit Ratings

Corporate credit yields rose across the curve, with very large yield shifts especially for investment-grade corporate bonds. "B" rated corporate bonds outside of eight years saw yields fall in the long end displaying more stability than higher rated securities.

Change in Corporate Yield Curve 3/31/24- 6/30/24



Credit Ratings Distribution



Green and Sustainable Bonds

At quarter-end the portfolio had 33.11% in green bonds, 12.94% in sustainable and social bonds and 2.93% in sustainability linked bonds. Green bonds are primarily used to support specific climate-related or environmental projects. Social bonds raise funds to address or mitigate a specific social issue and/or seek to achieve positive social outcomes. Sustainable bonds generally can have a wider scope that simultaneously address environmental and social ambitions. Sustainability linked holdings are issues where the failure to meet a target (such as a reduction in carbon intensity over a specific timetable) results in increased payments to the bondholder, either through a higher payment upon the maturity of the security or through raising the bond's coupon payment.

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Performance Summary

As of June 30, 2024

Average Annual Total Returns *(Before Taxes, Net of Fees)*	**YTD**	**1 Year**	**3 Year**	**5 Year**	**Since Inception**[B]	**Expense Ratio**[A] *Gross*	*Net*
Sustainable Equity Fund (SEEFX)	9.48%	17.45%	2.53%	9.09%	8.01%	0.97%	0.75%
S&P Global 1200 Index	12.49%	20.61%	7.42%	12.20%	10.38%	n/a	
S&P 500 Index	15.29%	24.56%	10.02%	15.03%	13.15%	n/a	
Sustainable Bond Fund (SEBFX)	-1.08%	1.92%	-1.69%	0.56%	1.15%	0.83%	0.65%
FTSE WorldBIG Index	-2.85%	1.17%	-5.65%	-2.13%	0.11%	n/a	
MSCI All Country World Index	11.58%	19.92%	5.94%	11.27%	9.65%	n/a	

[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. 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, 2025.*

[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 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. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. When available, Saturna uses total return components of indices mentioned. Investors cannot invest directly in the indices.

Footnotes to commentary

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

[2] *Downes, Larry, et al. "Unleashing the Killer App: Digital Strategies for Market Dominance." Revised Edition. Harvard Business Review Press. March 1, 2000.*

[3] *Aschenbrenner, Leopold. "Situational Awareness: The Decade Ahead." June 2024. https://situational-awareness.ai/*

[4] *"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*

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

Performance Summary

As of June 30, 2024

Morningstar Ratings™ [C]	Overall	1 Year	3 Year	5 Year	Sustainability Rating™ [D]
Sustainable Equity Fund (SEEFX)	★★★	n/a	★★	★★★	5 globes
% Rank in Global Large-Stock Blend Category	n/a	45	74	55	*Percent Rank in Category: 3*
Number of Funds in Category	329	349	329	299	*Among 8,247 Global Equity Large Cap Funds*
Sustainable Bond Fund (SEBFX)	★★★★	n/a	★★★★	★★★★	5 globes
% Rank in Global Bond Category	n/a	52	25	17	*Percent Rank in Category: 7*
Number of Funds in Category	163	164	163	142	*Among 2,454 Global Fixed Income Funds*

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

[C] 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.

[D] Morningstar Sustainability Ratings are as of May 31, 2024. 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 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% and the Saturna Sustainable Bond Fund was rated on 92% of Assets Under Management.

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.

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The information in this publication was obtained from sources Saturna believes to be reliable and accurate at the time of publication.

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

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.

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 3.936% and the 30-Day Yield for Saturna Sustainable Equity Fund would have been 0.524%. Unsubsidized yield does not adjust for any fee waivers and/or expense reimbursements in effect.*

Effective duration *is a measure of a fund's sensitivity to changes in interest rates and the markets. 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.*

Variable rate securities risk: *Variable rate debt securities (which include floating rate debt securities) pay interest based on an interest rate benchmark. When the benchmark rate changes, the interest payments on those securities may be reset at a higher or lower rate and, as a result, such securities generally are less price-sensitive to interest rate changes than fixed-rate debt securities. However, the market value of variable rate debt securities may decline or not appreciate as quickly as expected when prevailing interest rates rise, particularly if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, variable rate securities will not generally increase in market value if interest rates decline. However, when interest rates fall, there may be a reduction in the payments of interest received by the Fund from its variable rate securities.*