

AMANA MUTUAL FUNDS PRESENT

# TAX DAY PREP

## Simple Tips to Maximize Your Qualified Accounts

WITH



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Director of Islamic Investing  
Saturna Capital



**Amana Mutual Funds Trust**  
FOLLOWING PRINCIPLES OF ISLAMIC FINANCE







Ramadan  
Kareem

...



## IMPORTANT DISCLOSURES

*Performance data quoted herein represents past performance and 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 significantly higher or lower than data quoted herein. Performance current to the most recent month-end can be obtained by visiting [www.amanafunds.com](http://www.amanafunds.com) or by calling toll-free 1-800-728-8762.*

***Please consider an investment's objectives, risks, charges, and expenses carefully before investing. To obtain this and other important information, which you should carefully consider before investing, about the Amana Funds in a free prospectus or summary prospectus, please visit [www.amanafunds.com](http://www.amanafunds.com) or call 1-800-728-8762.***

*The Amana Funds are distributed by Saturna Brokerage Services, member FINRA/SIPC and a wholly-owned subsidiary of Saturna Capital, investment adviser to the Amana Funds.*



## INDEX DEFINITIONS

*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 MSCI Emerging Markets Index, produced by Morgan Stanley Capital International, measures equity market performance in over 20 emerging market countries. The FTSE Sukuk Index measures the performance of global Islamic fixed-income securities, also known as sukuk.*



# WHAT WE WILL DISCUSS

- Why Save and Invest?
- Investing According to Islamic Principles (*Sharia*)
- Investing for College
- Investing for Retirement
- Amana Mutual Funds





# Monem Salam MBA

Executive Vice President, Saturna Capital  
Portfolio Manager, Amana Income &  
Amana Developing World Funds





# Owaiz Dadabhoy

Director of Islamic Investing, Islamic  
Investment Group Manager  
Saturna Capital



# Tax Day 2022:





# WHY SAVE AND INVEST?

Buying a home

Hajj

Children's education

Retirement

Health savings





# HEALTH SAVINGS ACCOUNTS

- 2022 Contribution Limits:
  - Individual: \$3,650
  - Family: \$7,300
  - Catch-up: \$1,000
- Requires health care coverage through a qualified high-deductible health plan (QHDHP)
- Triple Tax Advantaged
  - Tax-deductible contributions
  - Tax-free growth
  - Tax-free withdrawals for qualified medical expenses





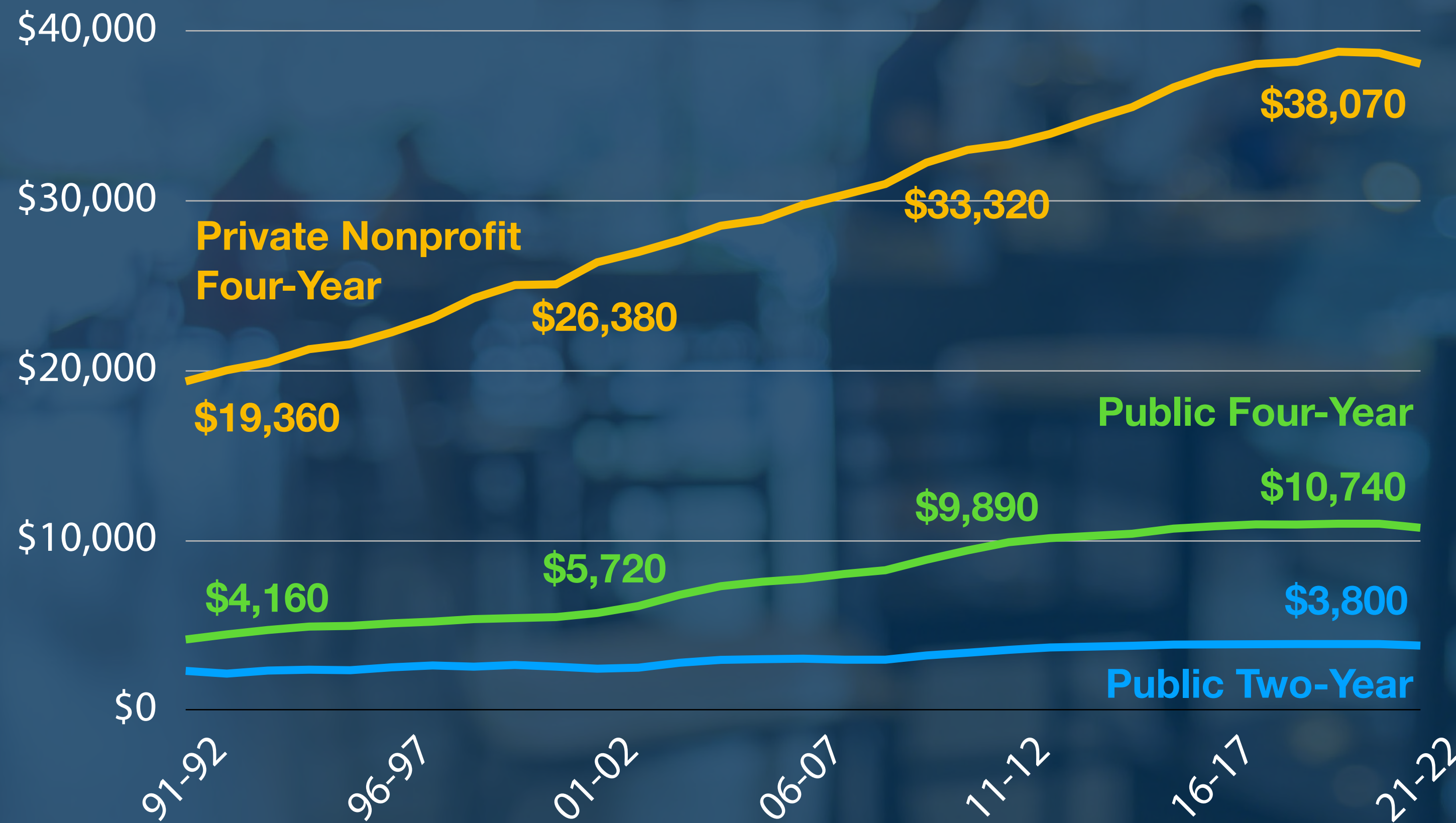
# INVESTING FOR COLLEGE

*Tuition, Account Types, and more . . .*



# COLLEGE PLANNING: COSTS

Average Published Tuition and Fees in 2021 Dollars by Sector, 1991-92 to 2021-22

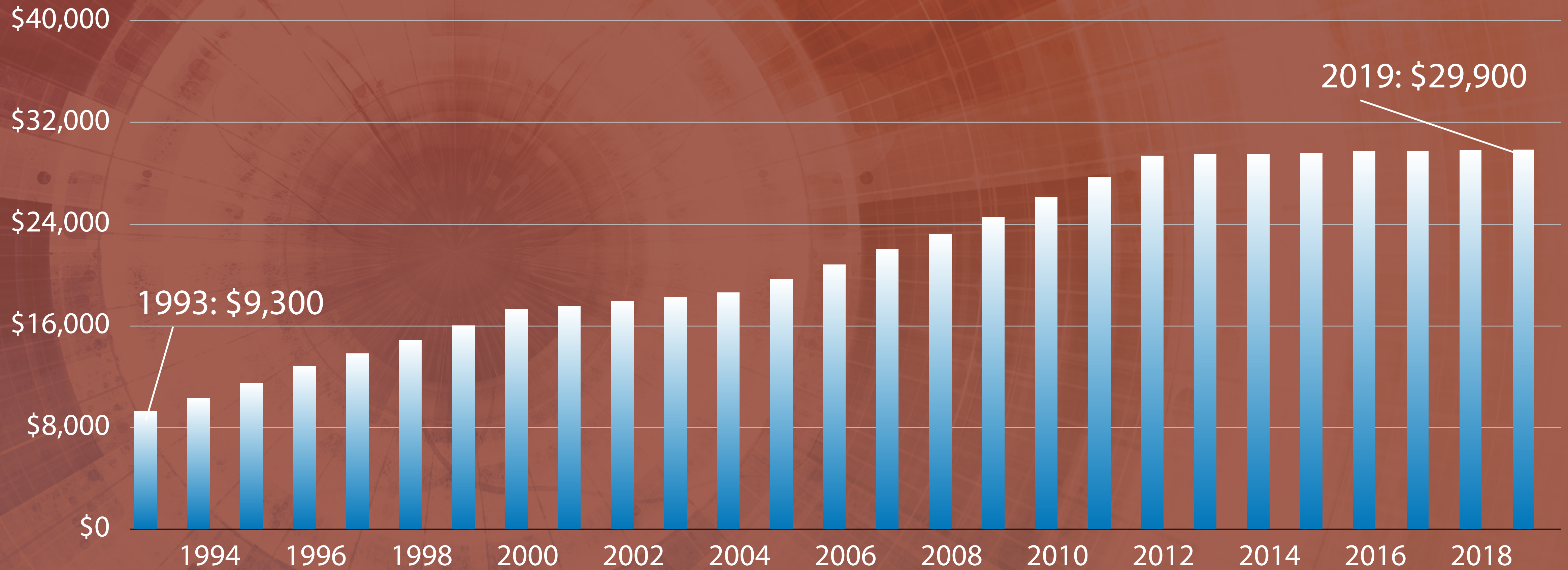


Since 1991, the average private school tuition has nearly doubled and the average public school tuition has nearly tripled.

SOURCE: The College Board, Trends in College Pricing 2021



# COLLEGE PLANNING: DEBT



*SOURCE: Mark Kantrowitz, a nationally recognized author and expert on financial aid.*



# COLLEGE PLANNING: VARIOUS ALTERNATIVES

## State -Sponsored 529 Plans

- Contribution limits vary, and are generally higher than ESAs, but gift taxes may apply on amounts above the gift tax exclusion (\$15,000 for 2021 and \$16,000 for 2022)
- Grows without annual taxes
- Distributions tax free (if used for higher education)
- Less favored after 2003 tax cuts
- Few have *halal* choices



# COLLEGE PLANNING: VARIOUS ALTERNATIVES

## Education Savings Accounts (ESAs)

- Can be used for higher and primary education
- Contribution limit: \$2,000 per year per child
- Must distribute by age 30
- Contribution deductibility phases out beginning \$190,000 through \$220,000 for joint filers in 2021 and 2022.



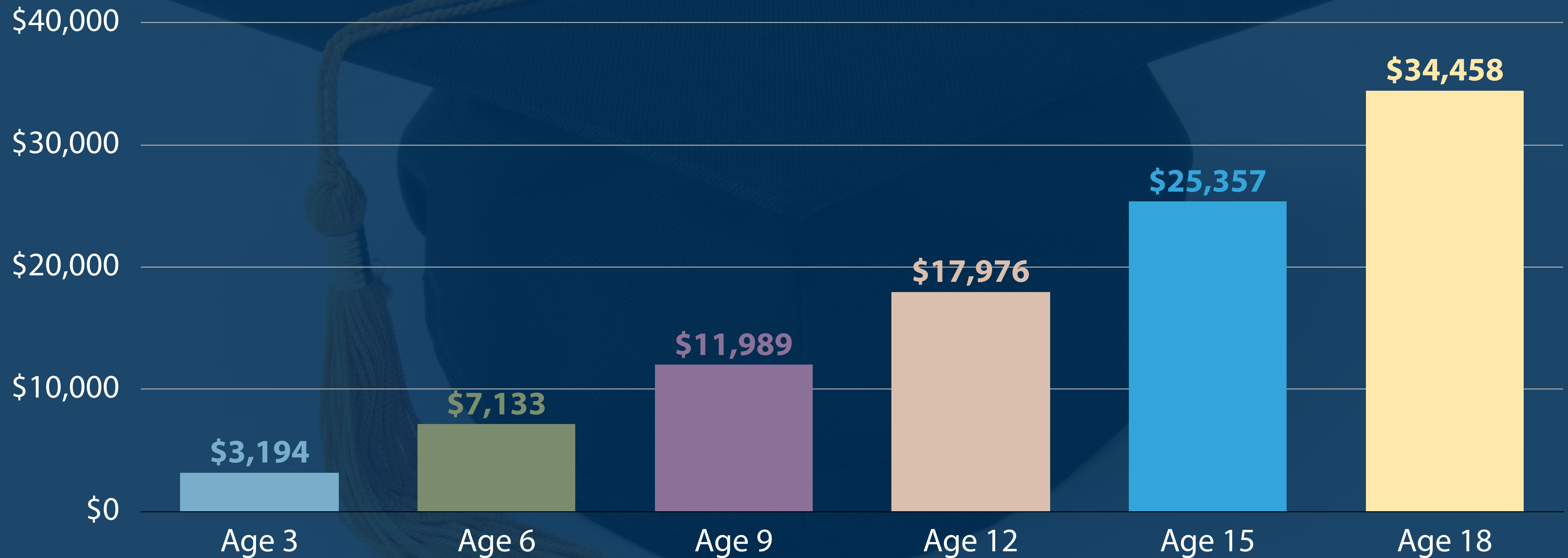
# COLLEGE PLANNING: VARIOUS ALTERNATIVES

## Uniform Gift to Minors (UGMA)

- \$15,000 per year per child for 2021, and \$16,000 per year per child for 2022
- \$30,000 per year (couple) in 2021, and \$32,000 per year (couple) in 2022
- Contributions become property of child
- UGMAs have flexibility and can be used for other purposes



# COLLEGE PLANNING: GET STARTED EARLY



For about the cost of a fancy coffee per day, you could build a significant amount for your child's education.



# COLLEGE PLANNING: USEFUL RESOURCES

- [www.isna.net](http://www.isna.net)
- [www.islamic scholarshipfund.org](http://www.islamic scholarshipfund.org)
- [www.finaid.org](http://www.finaid.org)
- [www.fastweb.com](http://www.fastweb.com)
- [www.collegeboard.org](http://www.collegeboard.org)
- [www.studentaid.gov](http://www.studentaid.gov)
- [www.acceducate.org](http://www.acceducate.org)
- [www.acontinuouscharity.org](http://www.acontinuouscharity.org)





*Community Based*

No Sales Charges

**Many Account Types**

IRA (Roth and Traditional)

401(k) and other employer plans

Health Savings Accounts

Education Savings Accounts

UGMA

Brokerage

Trusts





# RETIREMENT JOURNEY

*To and Through*



# PENSION PLANS

- Monthly income stream
- Lump sum distribution
- Retirees need to create their own retirement income



The background of the slide is a close-up, slightly blurred image of the American flag, showing the stars and stripes in a diagonal pattern. The colors are muted, with a dark blue field for the stars and red and white stripes.

# SOCIAL SECURITY

# \$1,616

Average check in 2022

*Source: SSA.gov, Monthly Statistical Snapshot, February 2022*



# SOCIAL SECURITY

- Check your benefits at [SSA.gov](https://www.ssa.gov)
- Personal Earnings and Benefit Statement
- Benefits taken before “full retirement age” may be greatly reduced

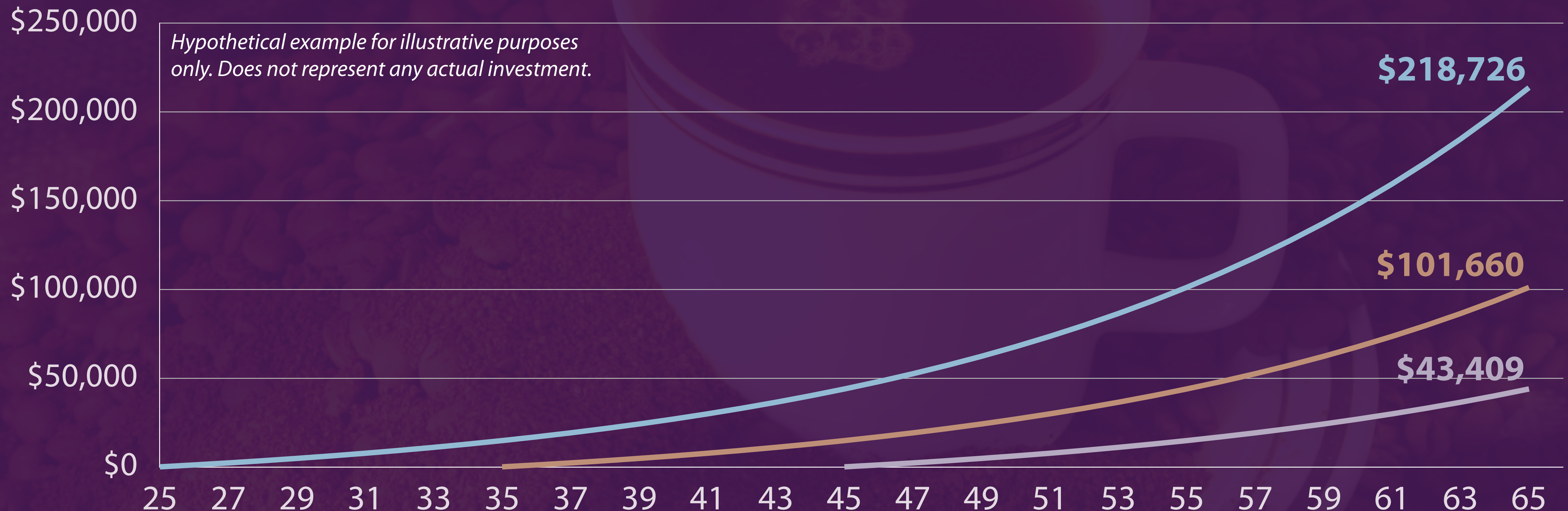


# PERSONAL SAVINGS AND INVESTMENTS

- 401(k) Plans
- IRAs and HSAs
- Annuities
- Stocks
- Bonds
- Mutual Funds
- Certificates of Deposit (CDs)
- Real Estate
- Life insurance cash values



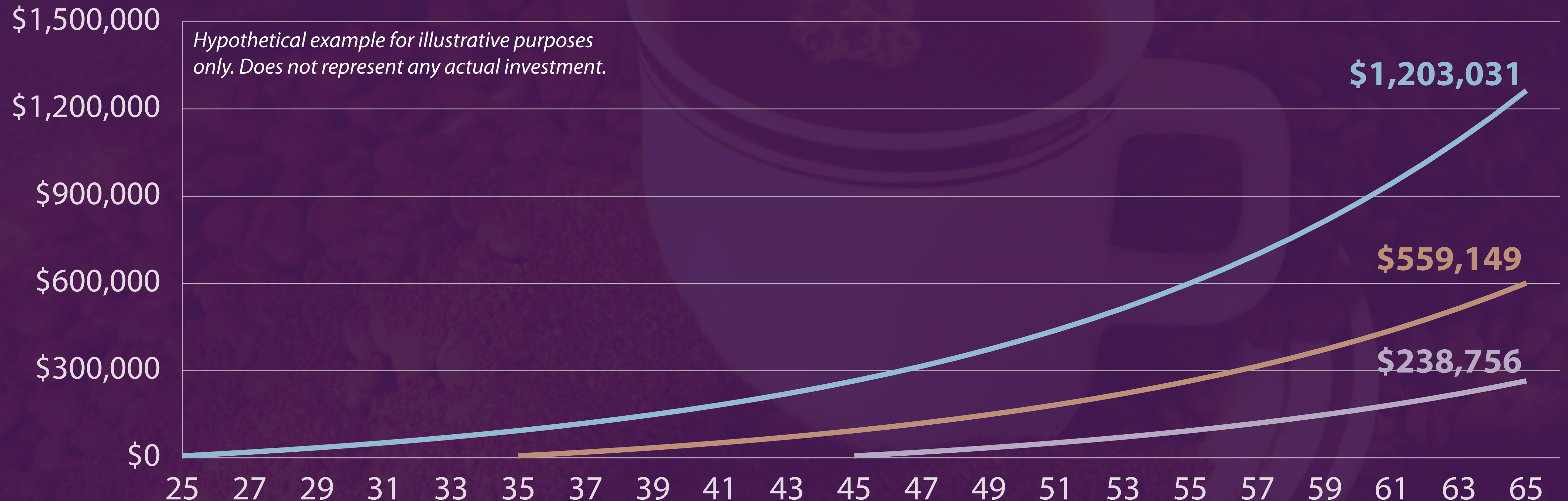
# SAVING FOR THE LONG TERM



**The power of compounding:** if you started investing \$1,000 a year, assuming 7% return, you would end up with the amounts above.



# SAVING FOR THE LONG TERM



**The power of compounding:** if you started investing \$5,500 a year, assuming 7% return, you would end up with the amounts above.



# TRADITIONAL IRA

- **Tax-deductible** contribution limits:
  - \$6,000
  - \$1,000 catch-up
- Tax-free growth; **pay income tax** on distributions; 10% penalty before age 59½
- Simple administration; generally few expenses
- Self-directed: you choose investments – *halal*



# ROTH IRA

- **Non-deductible** contribution limits:
  - \$6,000
  - \$1,000 catch-up
- Tax-free growth; **pay no income tax** on distributions; 10% penalty before age 59½
- Simple administration; generally few expenses
- Self-directed: *halal*



# EMPLOYER PLANS

## 401(k) & 403(b) Plans

- Established by employer
- Employer sets some limits
- May make matching contributions
- Generally pays plan expenses
- Plan sponsor sets investment choices; few *halal* options
- Tax-deductible contribution limits:
  - \$19,500 for 2021
  - \$20,500 for 2022
- Tax-free growth; pay income tax on withdrawals
- May have a Roth option



# SIMPLE IRA

- Businesses with fewer than 100 employees can start a SIMPLE plan. Employer contributions are deductible as a business expense.
- **Employer Contributions:**
  - Match employee's contributions dollar-for-dollar up to a maximum of 3% of compensation or \$13,500 in 2021, and \$14,000 in 2022, whichever is less.
  - or
  - Contribute 2% of each eligible employee's compensation (regardless of their contributions) up to \$290,000 in 2021, and \$305,000 in 2022.
- **Employee Contributions:** \$13,500 ( $\$16,500 > 50$ ) in 2021, and \$14,000 in 2022 ( $\$17,000 > 50$ ). Employees are not required to contribute.
- **Eligibility:**
  - No age restrictions.
  - Employees must earn a minimum amount specified by employer during any two preceding years and expect to earn at least \$5,000 in the current year.



# SEP IRA

- Generally set up by Small Business Owners
- **Employer Contributions:**
  - Up to 25% of the participant's compensation or \$58,000 in 2021, and \$61,000 in 2022, whichever is less. Deductible is a business expense and not required every year.
- Eligibility: >age 21, earn at least \$650 annually and have worked for the same employer in at least three of the past five years.



# AMANA MUTUAL FUNDS TRUST

Oldest and largest operating Islamically-acceptable mutual funds in the US

Long-term capital growth	Est.	2009	Amana Developing World
Capital appreciation	Est.	1994	Amana Growth
Equity income	Est.	1986	Amana Income
Capital preservation and income	Est.	2015	Amana Participation

*While diversification does not guarantee against a loss in a declining market, it can help minimize the risk of the decline of a single asset class.*



# A FEW WORDS ABOUT RISK

**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 go 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.



# INVEST WITH CAUTION

- Obtain and read the Funds' prospectus and other information carefully
- All mutual funds have operating expenses
  - “No-load” funds may pay distribution expenses (“12b-1 fees”) such as the Amana Funds Investor shares
  - “Load” funds charge sales fees that may take a chunk of your investment
- Examine a fund's objectives, risks, expenses, performance, portfolio, advisers, and services
- Seek advice: professional advisors, successful investors



# AVERAGE ANNUAL TOTAL RETURNS

*As of March 31, 2022*

	1 Year	3 Year	5 Year	10 Year	Expense Ratio <sup>1</sup>
<b>Amana Income</b> Investor Shares (AMANX)	9.12%	13.61%	12.17%	11.35%	1.04%
<b>Amana Income</b> Institutional Shares (AMINX)	9.39%	13.85%	12.42%	n/a	0.80%
<b>S&amp;P 500 TR</b>	15.65%	18.87%	15.98%	14.62%	n/a
<b>Amana Growth</b> Investor Shares (AMAGX)	13.56%	20.99%	20.24%	15.16%	0.95% <sup>2</sup>
<b>Amana Growth</b> Institutional Shares (AMIGX)	13.87%	21.29%	20.54%	n/a	0.70% <sup>2</sup>
<b>S&amp;P 500 TR</b>	15.65%	18.87%	15.98%	14.62%	n/a

<sup>1</sup> Expense Ratios are as stated in the Funds' most recent prospectus dated September 24, 2021.

<sup>2</sup> Restated to reflect a reduction in the Advisory and Administrative Services fee as approved by the Board of Trustees on December 1, 2020.

Amana Funds Institutional Shares began operations September 25, 2013.

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# AVERAGE ANNUAL TOTAL RETURNS

*As of March 31, 2022*

	1 Year	3 Year	5 Year	10 Year	Expense Ratio <sup>1</sup>
<b>Amana Developing World</b> Investor Shares (AMDWX)	-4.61%	9.39%	6.19%	2.02%	1.20%
<b>Amana Developing World</b> Institutional Shares (AMIDX)	-4.40%	9.59%	6.39%	n/a	0.97%
<b>MSCI Emerging Markets</b>	-11.37%	4.92%	5.97%	3.36%	n/a
<b>Amana Participation</b> Investor Shares (AMAPX)	-1.84%	2.33%	2.06%	n/a	0.82%
<b>Amana Participation</b> Institutional Shares (AMIPX)	-1.58%	2.57%	2.30%	n/a	0.58%
<b>FTSE Sukuk Index</b>	-1.84%	4.02%	3.67%	n/a	n/a

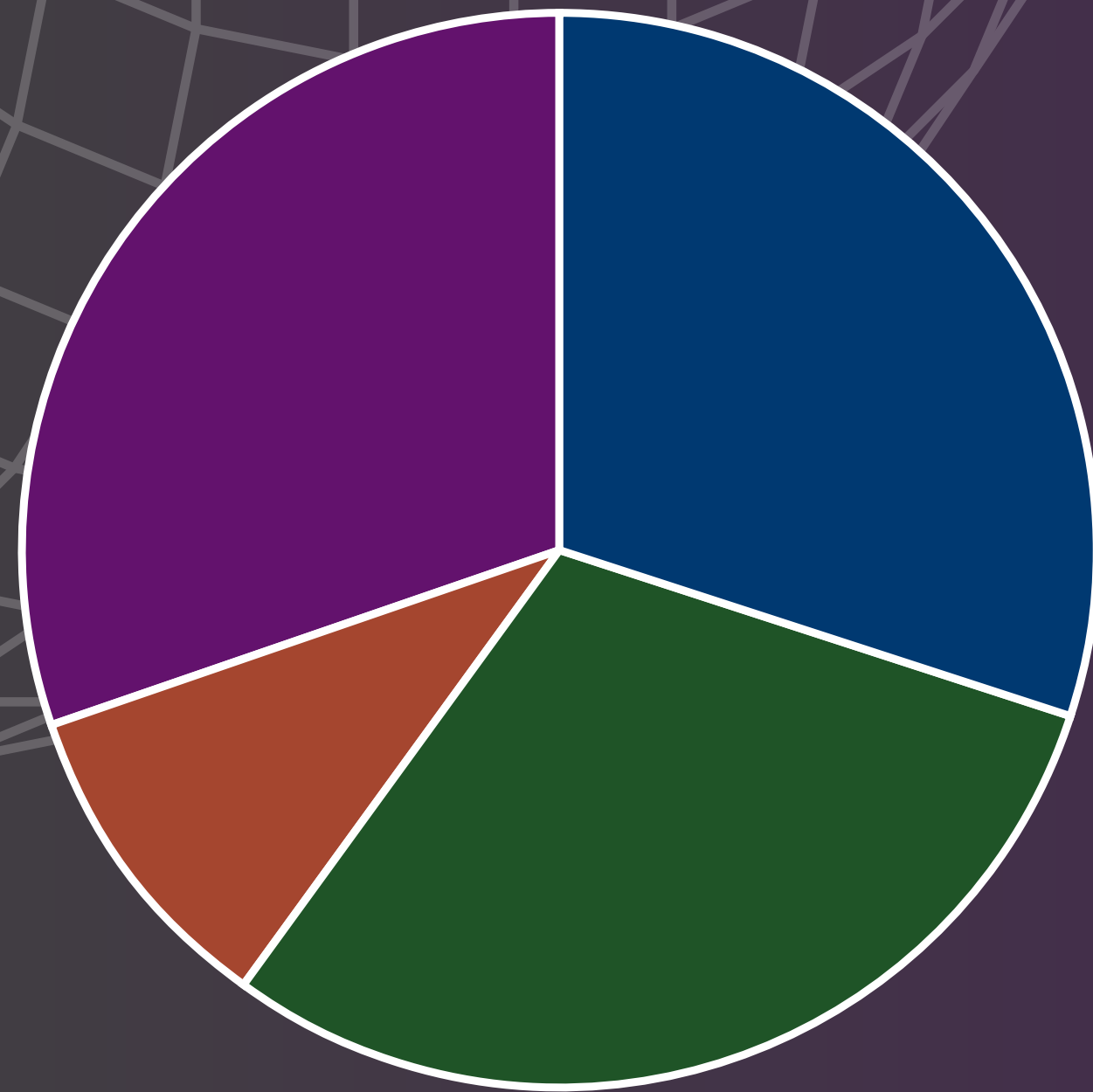
<sup>1</sup> Expense Ratios are as stated in the Funds' most recent prospectus dated September 24, 2021.

The Amana Developing World Fund Investor Shares began operations on September 28, 2009. The Amana Participation Fund began operations on September 28, 2015.

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# AMANA FUND SELECTOR



Not sure which Amana Funds to pick? Or maybe you want to rebalance your current allocation?

The Amana Fund Selector can help!

Visit **[www.amanafunds.com](http://www.amanafunds.com)** today!

Using the Amana Fund Selector is free and does not require making any investment.

*Note: The Amana Fund Selector is educational in nature and is not intended to be financial advice. To implement any allocation returned by the Selector, contact a Saturna representative.*





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## Halal Money Matters

Join our hosts, Monem Salam and Christopher Patton, plus an assortment of special guests as they discuss *halal* investing, retirement, financial planning, and much, much more.



Available now on Apple Podcasts  
and Google Play.





# Amana Mutual Funds Trust

[www.amanafunds.com](http://www.amanafunds.com) 1-800-728-8762

FOLLOWING PRINCIPLES OF ISLAMIC FINANCE

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