2022 IMPACT REPORT

Amana Mutual Funds Trust

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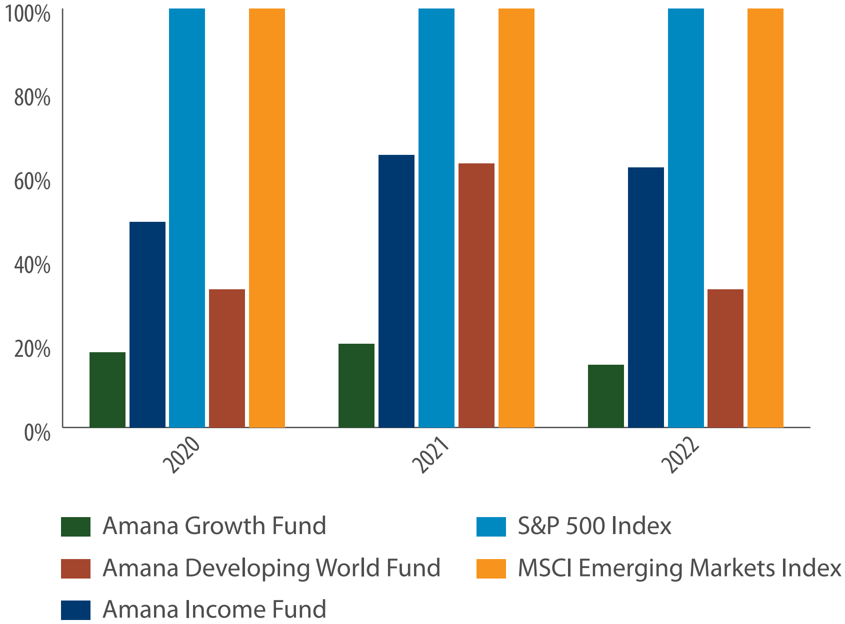
In 2022, environmental, social, and governance (ESG) investing as a term became politicized, and the practice more scrutinized. We believe ESG investing provides fundamental benefits in improving our understanding of investments, while the swell in anti-ESG media demonstrates the importance that asset managers provide transparency to their investors. For this reason, we began producing an annual impact report in 2019 to highlight the Amana Funds' ESG approach and performance.

The Funds' ESG results can be seen through two of the most widely reported ESG metrics: carbon intensity and board diversity. Regarding carbon intensity, which is measured in metric tons of CO_2 per million dollars in sales, average emissions for holdings in the Amana Funds were materially lower than the average emissions of their respective benchmarks. On board gender diversity, the Funds' holdings had a higher average number of women in directorships than their respective benchmarks. We believe these results help substantiate the Funds' approach to integrating ESG, and we appreciate that sustaining this accomplishment demands continuous improvements to our process and analysis.

As part of our efforts to continually improve Fund operations and communication with our investors, we have included time series of Fund results this year. The time series of this report covers 2019-2022 for policy measures and 2020-2022 for other metrics. The charts titled "Emissions Intensity vs. Benchmark" and "Average Number of Women on the Board," show that for each of the past three years, the Amana Funds had lower average emissions intensities and higher average numbers of women on the board than their respective benchmarks. Despite this success, we acknowledge that the benchmarks have consistently improved while the Funds have seen some volatility. This volatility can largely be attributed to the Funds' concentration in fewer companies than the benchmarks.

Saturna Capital recognizes ESG issues are fundamental factors in security analysis. The investment process for the Amana Growth, Income, and Developing World Funds integrates ESG considerations with Islamic principles and financial analysis to analyze a security's suitability for each Fund. We believe that ESG and Islamic principles are intrinsically aligned, with a focus on long-term value creation for both society and shareowners. Through better understanding company interactions with the environment and society, we develop deeper context and added clarity when analyzing financial performance. This report provides insight on our past ESG performance and how we continue to evolve our approach for a changing world.

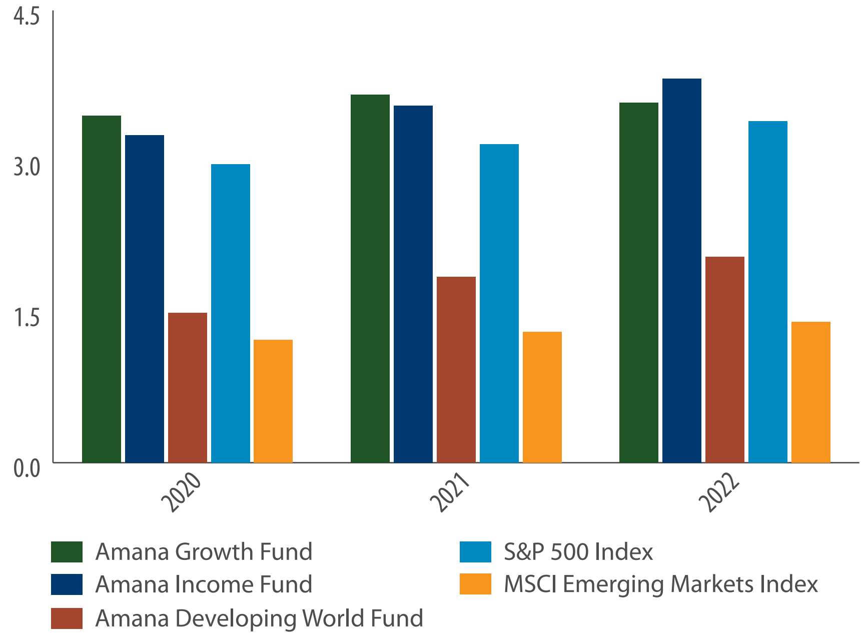
Emissions Intensity vs. Benchmark



Carbon intensity is measured in metric tons of carbon dioxide emitted per $1 million in sales.

Source: Bloomberg, Saturna Capital Research

Average Number of Women on the Board



Source: Bloomberg, Saturna Capital Research

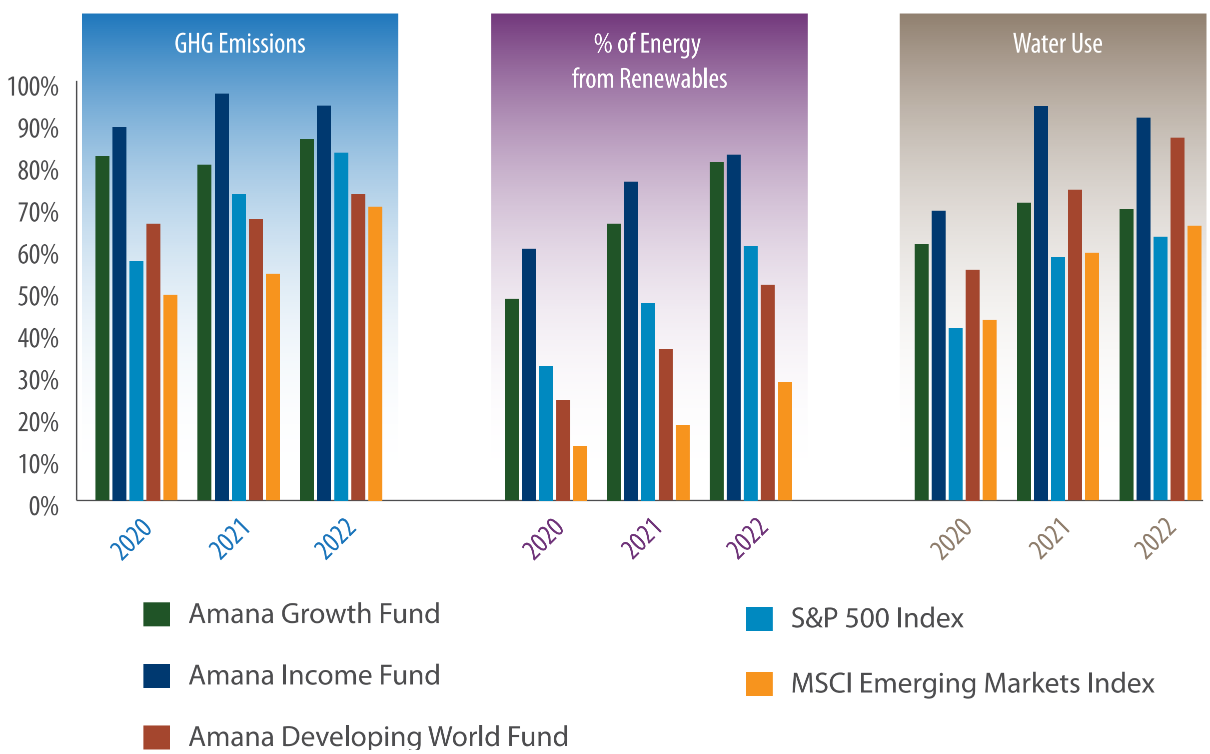
CASE STUDIES

Environmental

There are myriad material issues to consider within the environmental pillar. For this report, we have chosen to focus on greenhouse gas (GHG) emissions, renewable energy use, and water consumption. These issues span most industries and tend to have the highest disclosure rates among the many environmental topics worth considering. One tangential example of the challenges we see with disclosure is about companies whose products enable reductions in GHG emissions. While performance here can often be determined through fundamental analysis, comprehensive standardized disclosure is lacking. In the future we expect to see disclosure on wider environmental topics improve, such as we've seen with GHG emissions, renewables, and water use.

Disclosure is valuable, but we are ultimately concerned with results. Similar to financial measures, it is important to dig into the numbers to better understand the drivers and implications of reporting. "Average Renewable Energy Percentage" and "Average GHG Emissions Intensity" show that the Growth and Income Funds have historically had significantly lower GHG emissions intensity than the S&P 500. Note that the Funds' screens and investment processes did not include high emissions sectors such as Energy or Utilities. It's necessary to compare these figures with an S&P 500 peer base that excludes the sectors not held in the Funds. This results in the Income Fund having higher emissions than the S&P 500.

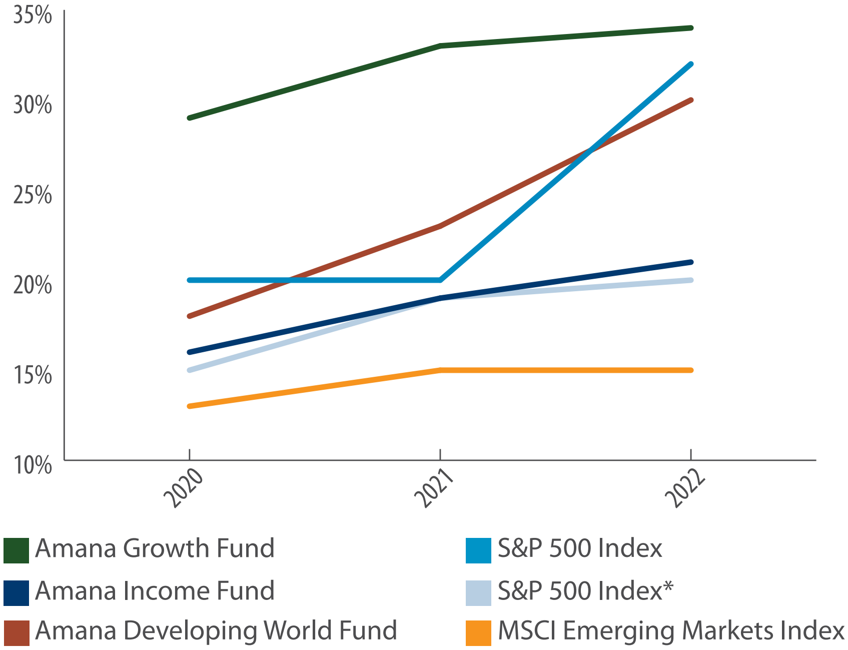
Percent of Companies Providing Disclosure on Environmental Performance:



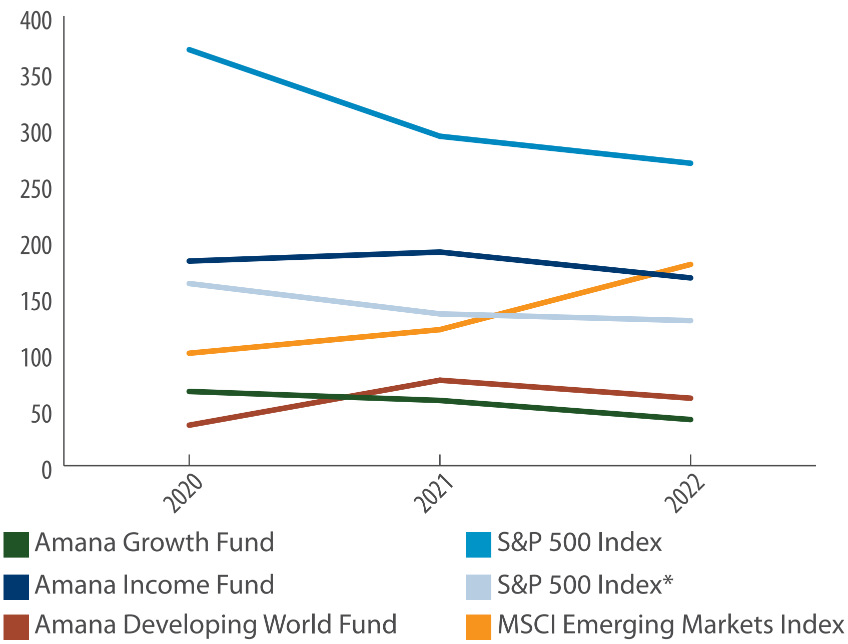
Source: Bloomberg, Refinitiv, Saturna Capital Research

Environmental

Average Renewable Energy Percentage



Average GHG Emissions Intensity



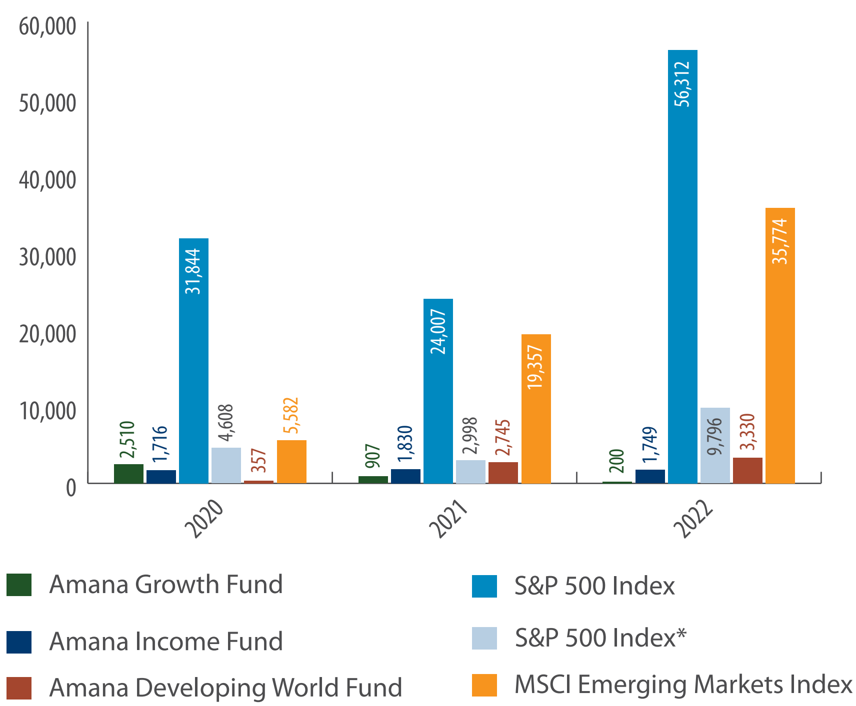
**Excludes the Energy, Utilities, Real Estate, and Financial Services sectors*
Source: Bloomberg, Saturna Capital Research

Two companies, Air Products & Chemicals and Linde, accounted for a major portion of the Income Fund's high average emissions intensity. Air Products raised the portfolio's average emissions intensity by 70 metric tons while Linde contributed 38 metric tons. Together, Air Products and Linde raised the portfolio's average GHG emissions intensity from 59 to 167 metric tons per million dollars in sales.

This begs the question, why do we continue to hold these two companies? In 2021, Air Products & Chemicals helped customers avoid 82 million metric tons of GHG emissions, a 14% increase in avoided emissions from 2020.[1] For every metric ton of emissions Air Products produced, it helped customers save 3.3 metric tons. This is an improvement from 3.0 metric tons in 2020. Like Air Products, Linde's industrial gases helped customers avoid 88 million metric tons of GHG emissions in 2021. For every metric ton of GHG emissions Linde produced, it helped customers save 2.2 metric tons, down from 2.3 in 2020.[2]

Water management is a dynamic topic with many aspects to consider, including water quality, mitigating exposure to water-stressed regions, water recycling, and consumption. Within this broad topic, we find that water consumption within a company's own operations is the most standardized and widely reported measure. "Water Use Intensity (cubic meters/$million in sales)" shows that each of the Amana Funds had substantially lower water use intensity than their respective benchmarks. As with greenhouse gas emissions, the Energy and Utility sectors are immensely water intensive. We have included figures for the S&P 500 benchmark both including and excluding those sectors. The Funds' consistently strong environmental metrics are a testament to our approach: we consider corporate policies and targets, and we judge firms on their ability to deliver against such goals. As with financial analysis, we're more interested in results than guidance.

Water Use Intensity (cubic meters / $ million in sales):



**Excludes the Energy, Utilities, Real Estate, and Financial Services sectors*

Source: Refinitiv, Saturna Capital Research

Energy Consumption and Greenhouse Gas Emissions

In 2021, at the 26th Conference of the Parties to the United Nations Climate Change Convention (COP26), there was hope that limiting global warming to 1.5° C was still possible — although tenuous. As the President of the COP26 summit stated, the 1.5° C target was "alive but its pulse is weak." However, that dream was laid to rest, because after Russia invaded Ukraine, natural gas prices skyrocketed, which drove many countries to use high-emission coal. Heading into COP27, UN-backed scientists now expect the world will pass the 1.5° C mark in the 2030s. Although the 1.5° C target may now be a relic, every fraction of a degree still matters and further substantiates the need for greater corporate action. The Amana Funds have continued to hold companies with stronger GHG reduction programs and renewable energy targets than their respective benchmarks.

Case Study: Rockwell

Rockwell (ROK) has focused on improving industrial process efficiency since its founding in 1903. With more than 20% of GHG emissions coming from manufacturing plants,[3] many of Rockwell's products are focused on addressing climate change. In 2021, the company generated $1.8 billion in sales from "energy-efficiency related products", amounting to 25.7% of total sales. Within its own operations, Rockwell has set a goal of becoming carbon-neutral on Scope 1 and Scope 2 emissions by 2030. Regarding supplier and customer emissions, Rockwell is currently classifying and assessing the impacts of its Scope 3 emissions. For its wider ESG efforts, Rockwell has been named to the Dow Jones Sustainability Index 11 times and the FTSE4Good Index 20 times.

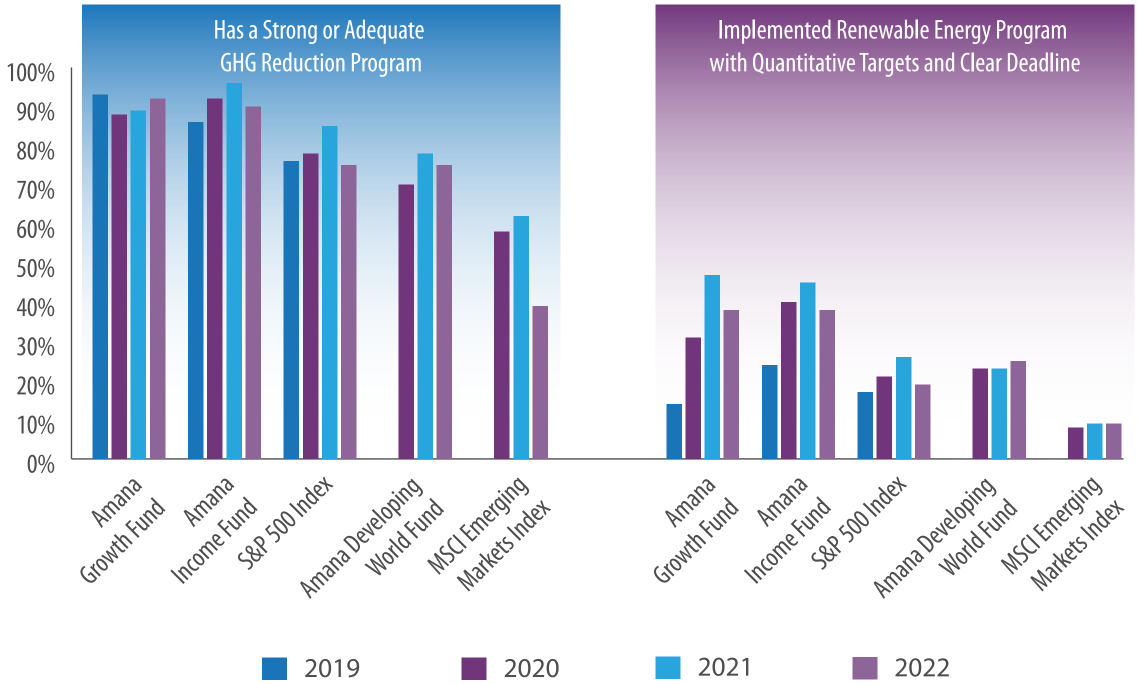
"Rockwell Automation Emissions Trends" shows Rockwell is delivering against its emissions targets when it comes to reducing emissions. Starting in 2015, the company established a clear trend in lowering emissions intensity and total emissions. As of writing, the company has reduced emissions intensity by 28% and total emissions by 20%.[4]

Update on 2021 Case Study: Johnson Controls

Johnson Controls (JCI) has continued to be a leader in addressing climate change both within its operations and concerning its customers. Highlighting the financial benefits of cutting energy use, Johnson Controls estimates that since 2000, its "performance contracting projects" have helped customers save $7.2 billion and cut emissions by 35.2 million tons of CO_2. Within its operations, Johnson Controls produced 749,000 tons of CO_2 in 2021, a 15% drop from 2020. Across its emissions and energy initiatives, Johnson Controls made strong progress since 2017.[5]

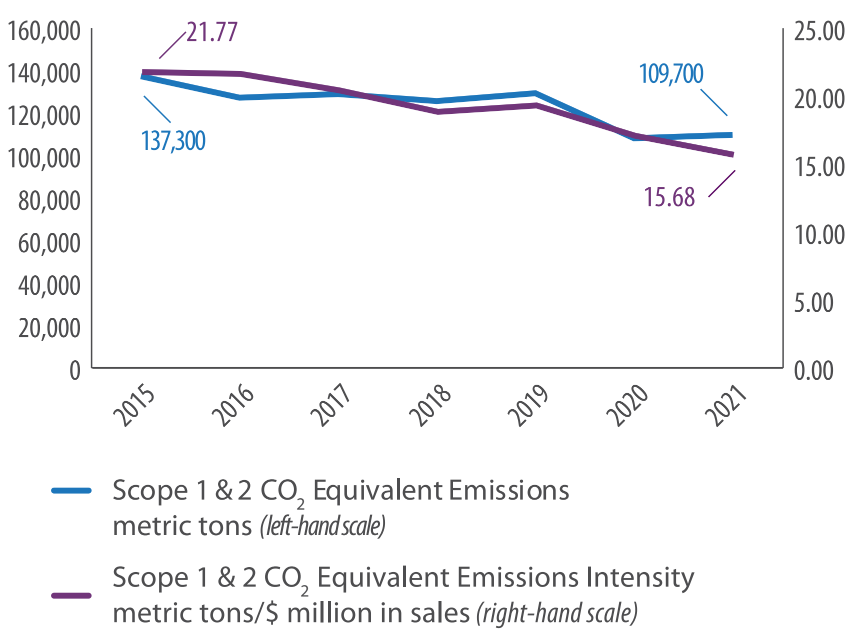
Target	2021 performance vs. 2017 baseline
Reduce greenhouse gas emissions intensity and energy intensity by 25% by 2025	41% reduction in GHG intensity and 15% reduction in energy intensity
Reduce absolute Scope 1 & 2 emissions by 55% by 2030	38% reduction
Reduce absolute Scope 3 emissions by 16% by 2030	9.7% reduction

Percent of Holdings/Constituents Reporting:



Source: Sustainalytics, Saturna Capital Research

Rockwell Automation Emissions Trends:



Source: Refinitiv, Saturna Capital Research

Water Management

2022 has provided many examples of the risks that underlie the need for robust water management. While climate risks are global in origin, water risks manifest at regional and local levels. The fact that Pakistan experienced floods while India faced drought speaks to the divergent and local nature of water risks. The floods in Pakistan are estimated to have caused 1,700 deaths and $40 billion in damages. Combined with a strong dollar and low foreign exchange reserves, the damages have led to concerns over whether Pakistan can pay its debts.[6] At the same time, India, the world's second largest wheat producer, temporarily banned grain exports in response to the drought amid surging grain prices due to the war in Ukraine. This ban led to widespread worries of global food insecurity.[7] The events of 2022 prove that risk can become reality.

Looking at the Amana Funds' results, we're confident that the holdings of the Income and Developing World Funds support stronger water management programs than their benchmarks. We do note that the Growth Fund is 16% below the S&P 500 and is starting to show a negative trend. While the Funds' larger exposures to Tech and software may make water a less important topic for some holdings, this finding highlights an area for improvement.

Percent of Holdings/Constituents Reporting a Strong or Adequate Water Program:

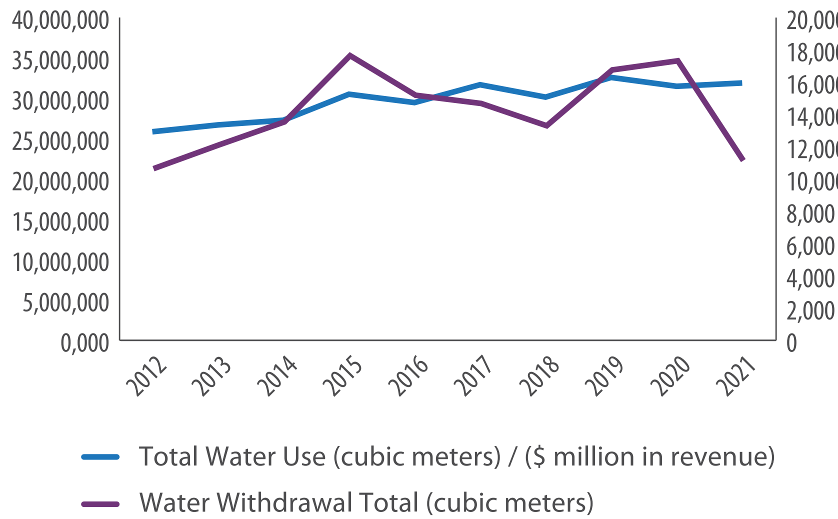
Source: Sustainalytics, Saturna Capital Research

Case Study: Sociedad Química y Minera

One of the great conundrums of moving to a low-carbon economy is the need to address global climate change while minimizing the local ESG impacts associated with the transition. This challenge is clearly seen in lithium production. Lithium is a key ingredient for electric vehicle batteries, but it's water-intensive to produce and the bulk of global resources come from water-stressed geographies. Chilean lithium producer **Sociedad Química y Minera** (**SQM**) is acutely aware of the need to balance local water scarcity with global climate change. With 100% of the company's water extraction located in areas of "high or extremely high-water stress," and increased community and regulatory scrutiny, managing water resources is critical to maintaining operations.

To manage water risk, SQM set targets reducing continental water consumption 40% by 2030 and 65% by 2040, from 2020 levels. While we appreciate the company's focus on total water consumption in its targets and its positive trend in water intensity, "SQM Water Use" shows SQM hasn't made substantial cuts to its total water consumption.[8] This is an area we'll continue to monitor with the expectation for greater progress in the coming years. Along with water consumption initiatives, the company has also outlined plans to invest up to $1.5 billion in desalination infrastructure to cut its brine extraction 50% by 2030.[9] Additionally, SQM is actively engaging with indigenous communities in efforts to improve local drinking water quality.

SQM Water Use:



Source: Refinitiv, Saturna Capital Research

Update on 2021 Case Study: McCormick & Company

McCormick & Company, covered in the 2021 Amana Funds Impact Report, has continued to implement its holistic water initiatives. In its effort to treat tainted drinking water in Tamil Nadu, India, McCormick funded reverse osmosis purification facilities, increasing its capacity to serve 30,000 individuals, up from 20,000 last year. The company also introduced a new goal of reducing water use 25% by 2030, from 2020 levels. This builds on the company's prior goal of reducing water use 20% by 2025, from 2015 levels. While we are pleased the company is strengthening its goals, we're concerned that in 2021, McCormick's water use stood 1% above the levels it reported in 2015.[10]

Social

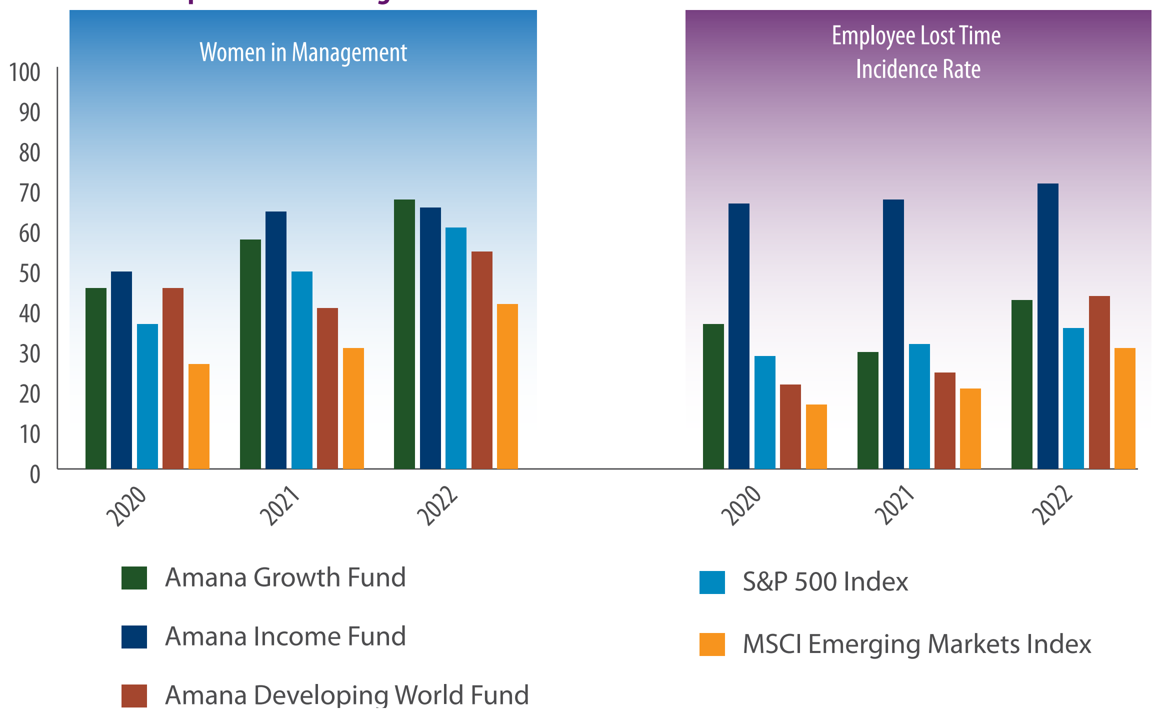
In 2022, social topics continued to see lower disclosure rates than environmental ones. A main reason for this is the more industry-specific nature, and thus lower standardization, across social issues. Still, several social themes cut across industries. Two that stand out are employee diversity and health and safety. Here, like environmental topics, we see a positive trend developing with substantial increases in disclosure levels over the past four years.

In the past, we focused on women in management when discussing employee diversity. Understanding that diversity is a much more dynamic topic, in 2021 we expanded our discussion to include racial and ethnic diversity metrics. In the US, companies with more than 100 employees are required to file an EEO-1 report with the federal government. This report details racial composition by level of employment. Thanks in part to investor pressure and the fact that most major US companies already have this data, we've seen a marked increase in disclosure of racial and ethnic diversity figures.

	Employee Diversity		Diversity in Management	
	2022	2021	2022	2021
Amana Growth Fund	36%	20%	25%	9%
Amana Income Fund	15%	9%	9%	3%
S&P 500 Index	47%	32%	27%	15%
Amana Developing World Fund	22%	14%	8%	2%
MSCI Emerging Markets Index	22%	16%	4%	3%

Source: Bloomberg, Saturna Capital Research

Percent of Companies Providing Disclosure on Social Performance:



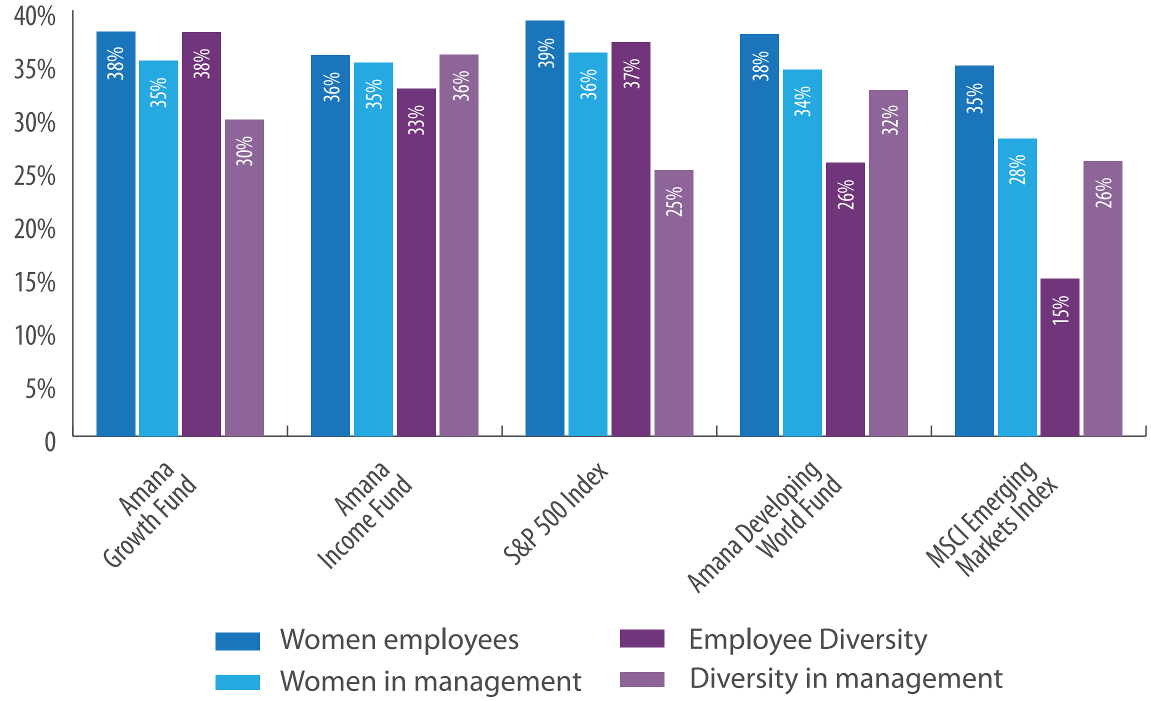
Source: Bloomberg, Saturna Capital Research

Social

In 2022, the holdings in the Income and Growth Funds improved their diversity metrics across the board. Unfortunately, we continue to see the Growth and Income Funds have slightly less gender diversity in management than the S&P 500. While this concerns us, we note that the disparity between employee gender diversity and that of management is less than the S&P 500. For the Developing World Fund, gender diversity improved but ethnic diversity backslid. Still, the Fund was well ahead of its benchmark.

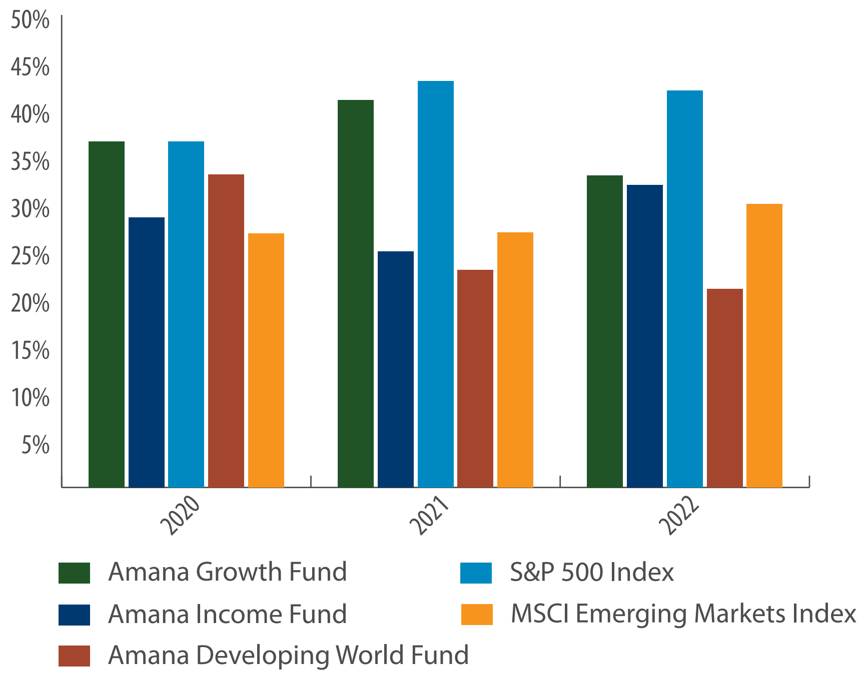
When it comes to employee health and safety, each Fund fared better than its respective benchmark. We note that the Developing World Fund and its MSCI Emerging Markets Index have historically had low rates for disclosure on instances of work-related injury or illness. In previous years we've questioned whether this was due to bias in the figures, as disclosure rates for both the Fund and the benchmark were below 25%. However, in 2022, disclosure rates for the Developing World Fund and the benchmark were 43% and 30%, respectively. The Growth Fund had a lower disclosure rate than the Developing World Fund, and the benchmark was only 5% below the S&P 500. The lower disclosure in the Growth Fund may be warranted by the Fund's 45% weight in Technology, where safety is less material. Still, developed markets may have something to learn from emerging markets on employee health and safety.

Employee Diversity by Employment Level



Source: Bloomberg, Saturna Capital Research

Lost Time Incidence Rate



Source: Bloomberg, Saturna Capital Research

Diversity & Inclusion

In 2022, white women represented 29% of the entry-level workforce and women of color represented 19%. At 48% representation, women are near parity with men for entry-level roles. The same cannot be said for higher rungs on the corporate ladder, with white women representing only 21% of the C-suite, and a dreadfully low 5% for women of color.[11] Not only is closing gender and race pay gaps the right thing to do, it's also good for the economy. A study by McKinsey & Company estimates that improving gender pay parity to best-in-class standards, still short of eliminating the pay gap, would add $2.1 trillion to US gross domestic product (GDP) in 2025, a 10% increase. Similarly, eliminating the $220 billion wage gap for Black US workers would increase Black workforce participation by 1 million individuals.[12] This is a particularly attractive proposition, given the historically tight labor market.

Case Study: Novo Nordisk

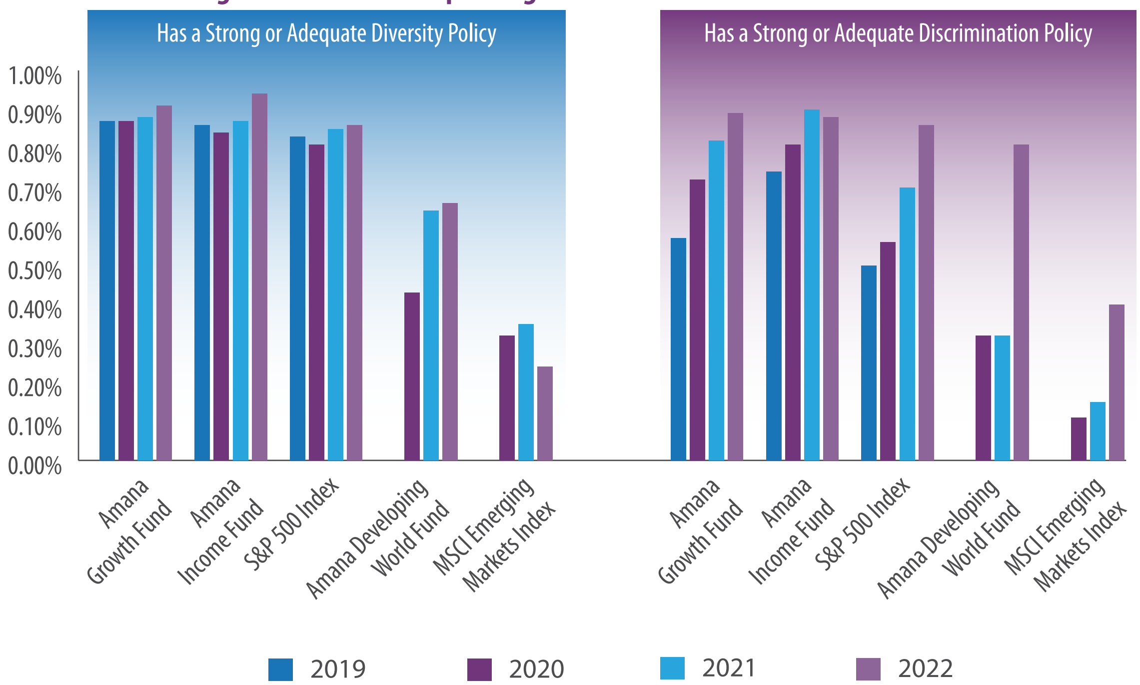
Founded in 1923, **Novo Nordisk** is a Danish health care company that markets products in 168 countries and conducts clinical trials in more than 50 countries. To ensure its products continue to address the varied health needs of the diverse populations it serves, support its continued leadership in innovation, and improve its risk management, Novo has developed a robust diversity, equity, and inclusion (DEI) program. In the second quarter of 2021, Novo outlined a series of "aspirational targets," including:

- "Create an inclusive culture where all employees have a sense of belonging and equitable opportunities to realize their potential."
- "Achieve a balanced gender representation across all managerial levels."
    - Balanced is defined as the range between 45-55%.
- "Achieve a minimum of 45% women and a minimum of 45% men in senior leadership positions by end of 2025."

In the second quarter of 2022, Novo provided an update on its progress toward these targets. The update highlighted that:

- The share of women in leadership positions had grown from 42% to 44%.
- The share of women in senior leadership positions increased from 35% to 38%.
- The company's "Inclusion Index" improved 4%, with 82% of the 39,127 employees rating inclusion statements as favorable, compared to 78% in 2021.[13]

Percent of Holdings/Constituents Reporting:



Source: Sustainalytics, Saturna Capital Research

Diversity & Inclusion

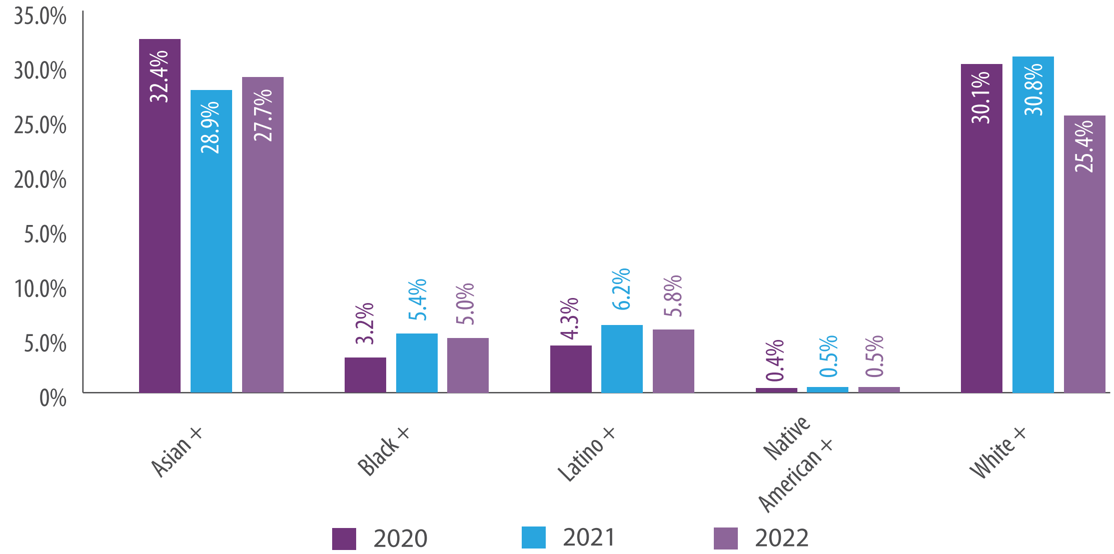
Update on 2021 Case Study : Alphabet

Alphabet has shown positive progress in building a diverse, equitable, and inclusive workforce. The company's Google division continues to publish a thorough annual report on diversity. This year it highlighted five concrete actions it took to further its DEI efforts, including:

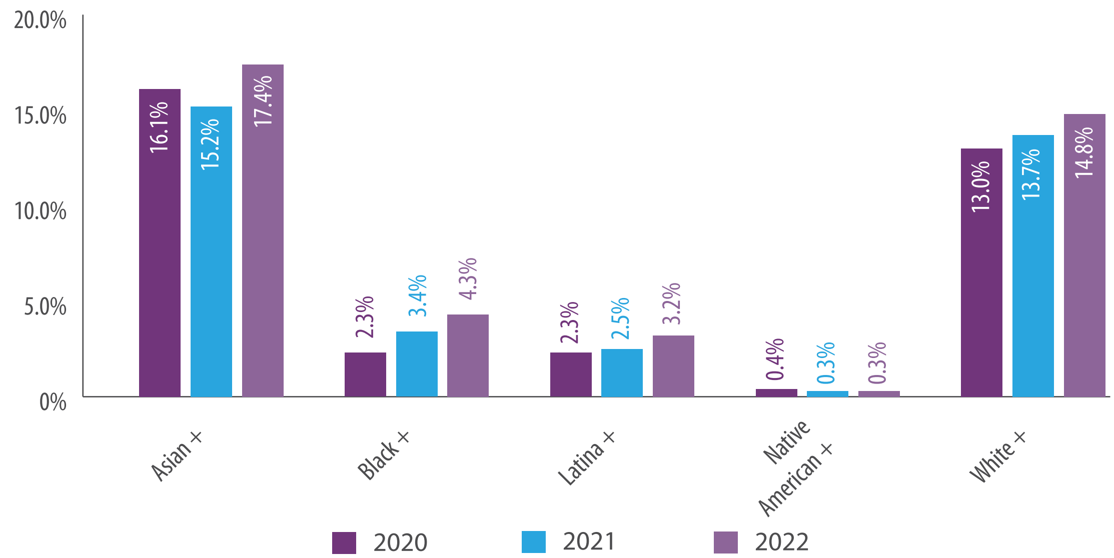
1. Achieving its best year for hiring women globally, as well as "Black+ and Latinx+ employees in the US."
2. Expanding how employees are set up to succeed at Google, seeing promising early signs in inclusion and retention.
3. Responsibly investing in communities to build a Google that better reflects the diversity in society.
4. Implementing new policies and practices to make hybrid work more "inclusive and accessible."
5. Taking concrete steps to foster a culture of belonging, enabling the company to "better design and build products with everyone in mind."

For each of these action items the company provided key performance indicators (KPIs) that support its claims. Google's intersectional hiring figures substantiate its efforts to build a more diverse and representative workforce.[14]

Intersectional Hiring in the United States - Men:



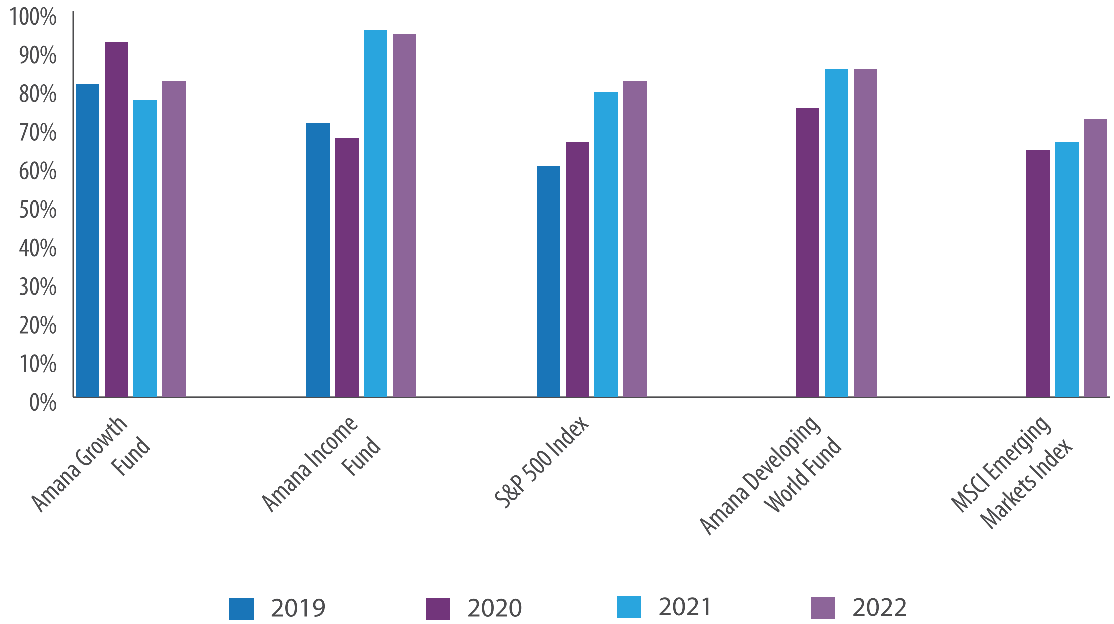
Intersectional Hiring in the United States - Women:



Health & Safety Management Systems

In September 2022, the US unemployment rate stood at 3.5%, matching the lowest level seen since May 1969.[15] Employee health and safety is a basic consideration for employees and employers in any market. According to the Federal Reserve Bank of St. Louis, the combination of a tight workforce and concerns over workplace safety are key factors supporting the 58% jump in workplace unionization referendums between October 1, 2021, and June 30, 2022.[16] At a time when workers are hard to come by and health care costs are surging, companies must minimize workplace injuries, both to attract new employees and keep costs under control.

Percent of Holdings/Constituents Reporting a Strong or Adequate Health & Safety Management System:

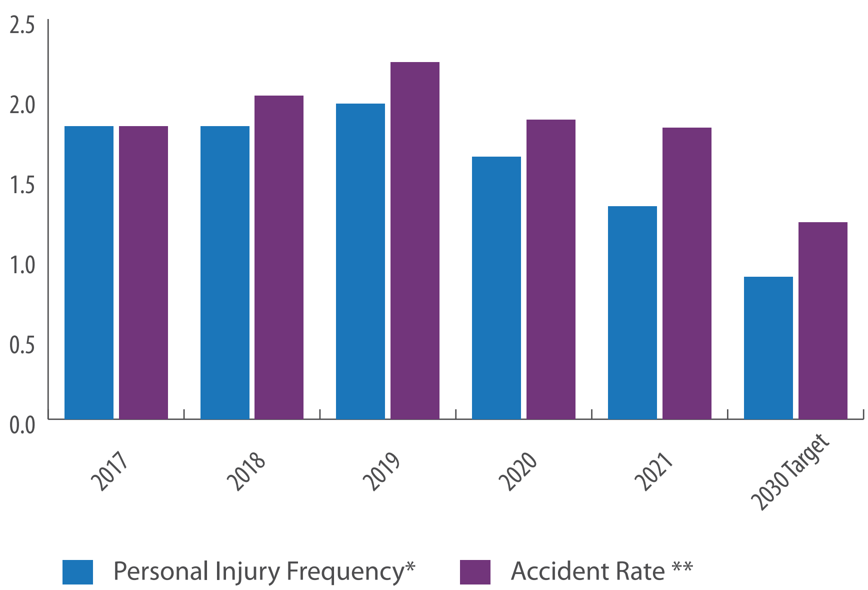


Source: Sustainalytics, Saturna Capital Research

Case Study: Canadian National Railway

Canadian National Railway (**CN**) operates an 18,600-mile rail network that moves approximately 300 million tons of cargo throughout North America per year. Operating such a large and complex network represents countless safety risks to both Canadian National's employees and the communities through which its railways run. Canadian National publishes an annual safety report highlighting its performance against intermediate and long-term goals, as the company understands the importance of upholding best-in-class safety systems. Regarding intermediate goals, Canadian National set a target to reduce its personal injury frequency rate by 55% and its accident rate by 45% by 2030, from a 2019 baseline. The company's long-term goal is to eliminate serious injuries and fatalities from the workplace while continually reducing train accidents.[17]

Canadian National Railway Safety Progress:



Source: Company Reports, Saturna Capital Research

** Injuries per 200,000 person hours*

*** Accidents per million train miles includes only derailments or collisions in excess of US$10,700/C$14,500*

Health & Safety Management Systems

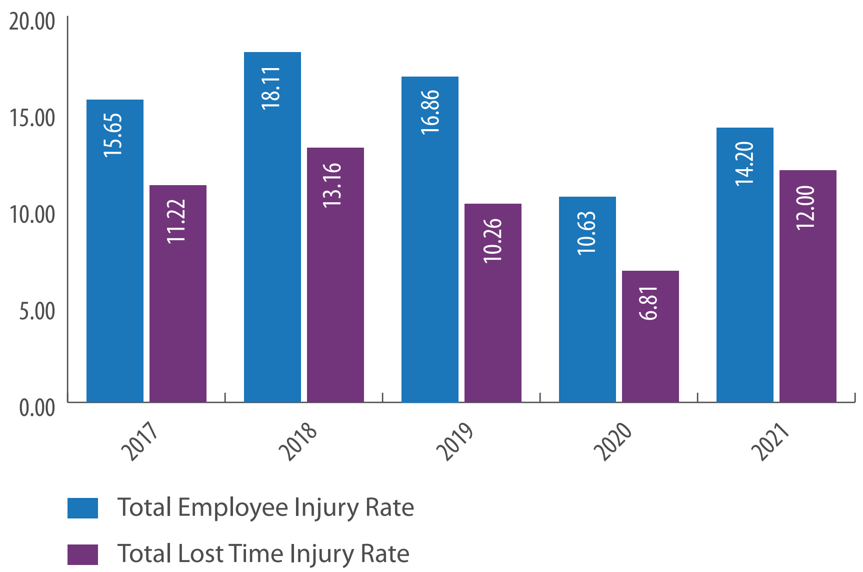
Update on 2021 Case Study: Fleury SA

In 2021, health care workers were deeply impacted by the continuation of the COVID-19 pandemic. In 2020, **Fleury SA**, one of Brazil's largest medical organizations, delivered record low total injury rates[A] and lost time injury[B] rates. However, 2021 saw a substantial increase in both total injury rates and lost time injury rates. Sadly, the company also had two employee work-related deaths in 2021. While we understand it's not a smooth path to addressing workplace safety, we're concerned with Fleury's 2021 performance and will continue monitoring the company's safety efforts.

[A] *Total number of injuries and fatalities including no-lost-time injuries relative to one million hours worked*

[B] *Total number of injuries that caused the employees and contractors to lose at least one working day relative to one million hours worked*

Fleury SA Injury Rates:



Source: Bloomberg, Refinitiv, Saturna Capital Research

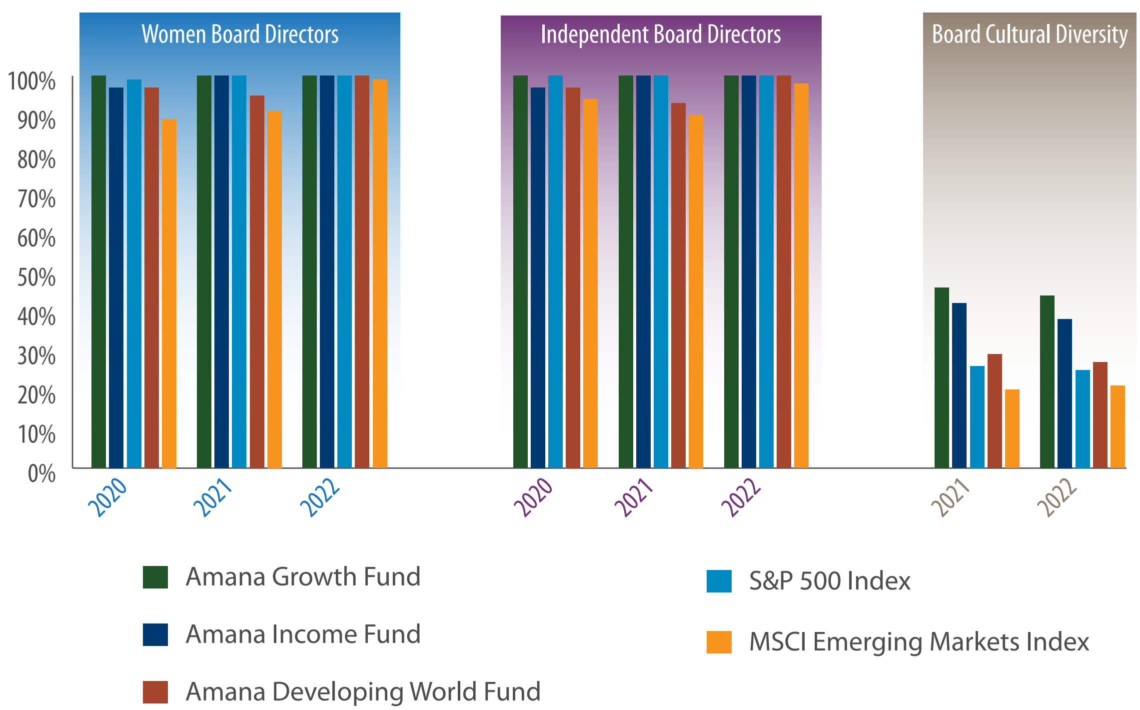
Governance

Investors have long appreciated that strong governance is a basic requisite for allocating one's capital in another's business. Central to the focus on governance is the principal-agent problem, which occurs when the majority owners of a company are not responsible for managing the business. As a result, management's wants may not align with those of their investors. To address this conundrum, it's important for boards to have strong independent directors, charged with overseeing a company's managers.

In addition to this basic need for addressing potentially maligned incentives, failures across organizations – be they corporations, governments, or nonprofits – have shown the importance of diversity of thought. The Bay of Pigs is an oft-cited example of what happens when teams lack independence and diversity of thought, leading them to fall victim to groupthink. Although a well-studied episode, the Bay of Pigs failure is not unique to government, and the risk of groupthink is constantly present in boardroom decisions.

Due to investors' recognition of the importance of board independence and diversity, board gender diversity and independence have the highest disclosure rates across ESG pillars. In 2021, recognizing that diversity goes beyond gender, we introduced analysis of board cultural diversity. Clearly, better disclosure on cultural diversity is needed.

Percent of Companies Providing Disclosure on Governance Performance:



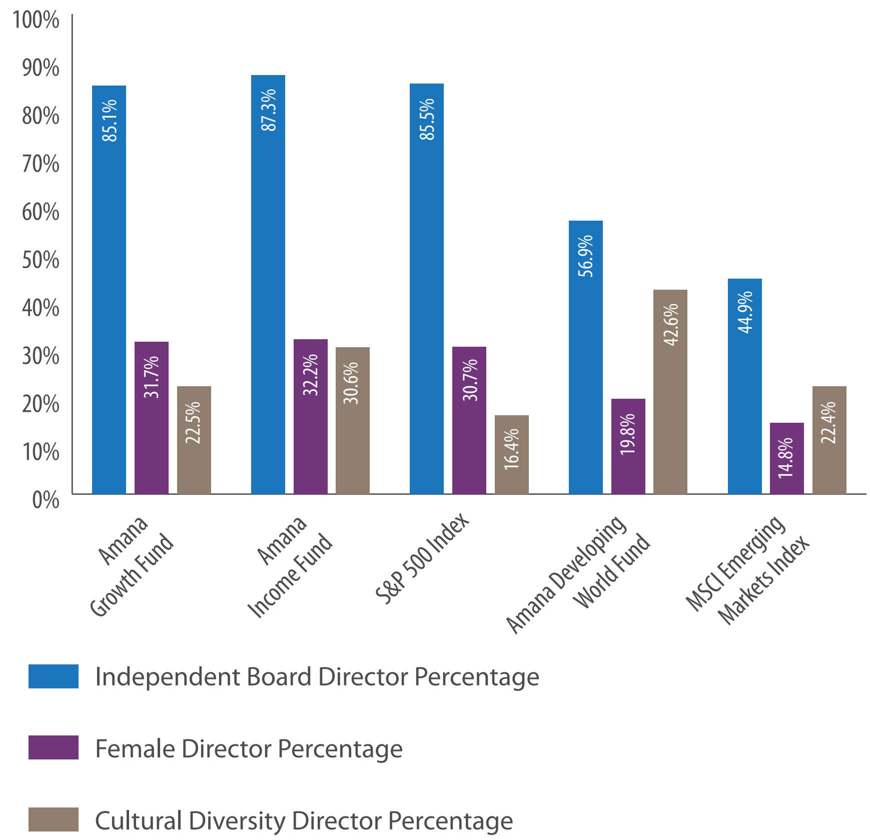
Source: Bloomberg, Refinitiv, Saturna Capital Research

Governance

While governance-related metrics are generally well-disclosed, we see results are divergent. Regarding board independence, developed markets have high rates of independent board members. In the developing world, we note much lower board independence rates. One reason for this is that developing countries tend to have more family-run, founder-held, or state-owned businesses, making them less receptive to investor calls for greater independence.[18] Across markets, we see a lack of gender and cultural diversity, but a positive trend is developing.

While board independence and diversity are readily quantified, many aspects of governance are more qualitative in nature, including how companies seek to align shareowner and management interests with those of their employees, customers, and wider society. For this reason, we also analyze how management establishes policies and corporate cultures that compel employees to act ethically. In our analysis, we consider management's efforts to curb corruption and bribery, enhance business integrity, and provide avenues for whistleblowers. To this end, companies with strong governance systems will align the interests of employees with those of the firm, and management's incentives with those of the shareowners.

Board Diversity:



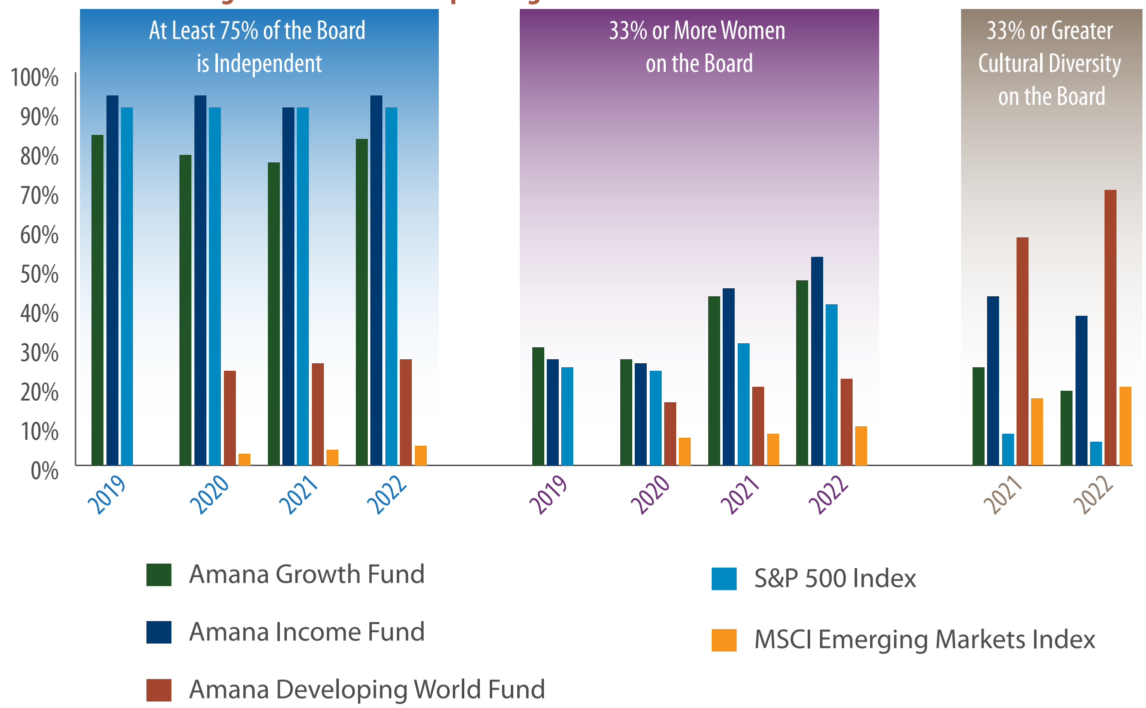
Source: Bloomberg, Refinitiv, Saturna Capital Research

Board Independence & Diversity

We consider board independence and diversity together, as both are needed to mitigate the risk of groupthink. Creating a board where members are free of management's influence and can offer unique perspectives is akin to taking the blinders off and turning the lights on. While the value of board independence has been understood historically, diversity has only recently come to the fore. Despite recent progress on diversity, there is much room for improvement. In 2022, 32% of new directors were women, down from 43% in 2021. Although the slowdown is concerning, women now represent 32% of all S&P 500 directors, the most ever. S&P 500 boards have also improved racial and ethnic diversity with 46% of new directors being Black/African American, Hispanic/Latinx, Asian, American Indian/Native Alaskan, and/or multiracial. Still, only 22% of all S&P 500 board members are racially or ethnically diverse, up slightly from 21% in 2021.[19]

Each of the Amana Funds leads its respective benchmark on gender and cultural diversity measures. While the Growth Fund trails the S&P 500 on board independence, we note that all but one of its holdings, Novo Nordisk, have at least 50% independent director representation.

Percent of Holdings/Constituents Reporting:



Board Independence & Diversity

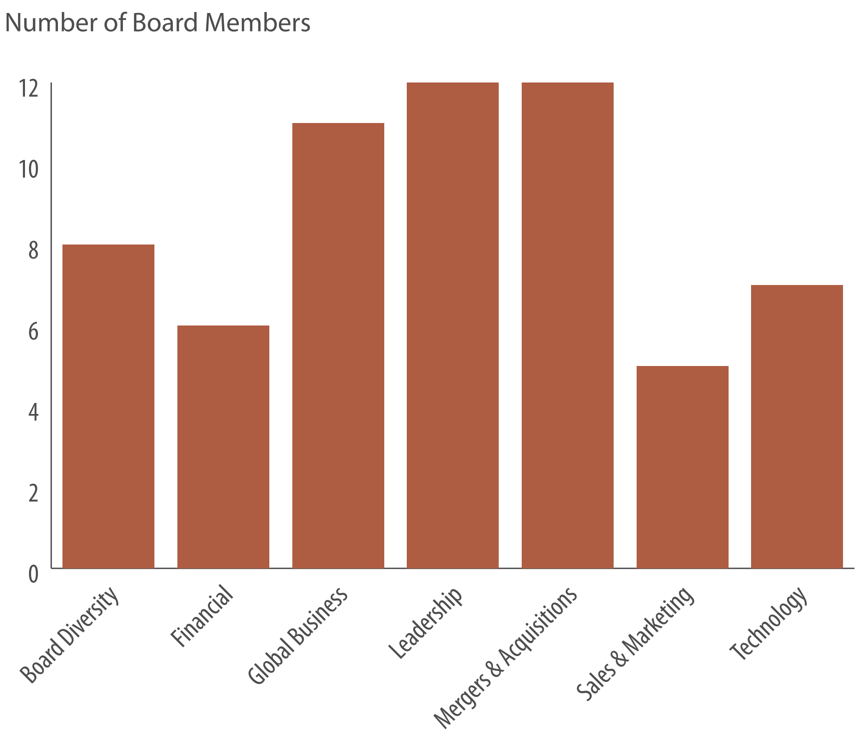
Case Study: ASML

Founded in 1984, **ASML** produces the equipment that enables the manufacturing of semiconductors. From 2016 to 2021, ASML grew sales at a 23.7% compound annual rate to become a $22 billion juggernaut. Semiconductor equipment, along with being some of the most sophisticated technology manufactured today, has become more politically sensitive as tensions rise between the US and China. Successfully navigating such disparate and complex challenges necessitates an independent and diverse board. ASML's board is 100% independent, with three women and five men. Board members provide a wide range of valuable experience based on their diverse backgrounds. Prior experiences include corporate leadership, financial expertise, and semiconductor technology development. With directors covering the core components of the business, and given the increasing politicization of semiconductor manufacturing, ASML could be well suited by adding geopolitical expertise to its board.

Update on 2021 Case Study: Microsoft

Microsoft continues its governance leadership in 2022 with eight of 12 board members representing a diverse perspective. Women represent 42% of Microsoft's board, while 33% of members are ethnically diverse. The board members have a wide range of perspectives, with several members holding expertise in each of the relevant topics. Having three or more members represent each subject enables the group to have meaningful influence on decisions.[20]

Microsoft Director Qualifications, Expertise, and Attributes:



Ethical Business Practices

Business transactions are founded in trust. To build and maintain trust, businesses must develop and implement robust codes of conduct. Two critical components that help to uphold ethical practices are the development of programs that fight bribery and corruption while providing strong protection for whistleblowers. With a 2022 Transparency International study finding a negative trend in countries enforcing anti-bribery regulations, companies have a greater responsibility to uphold ethical practices.[21]

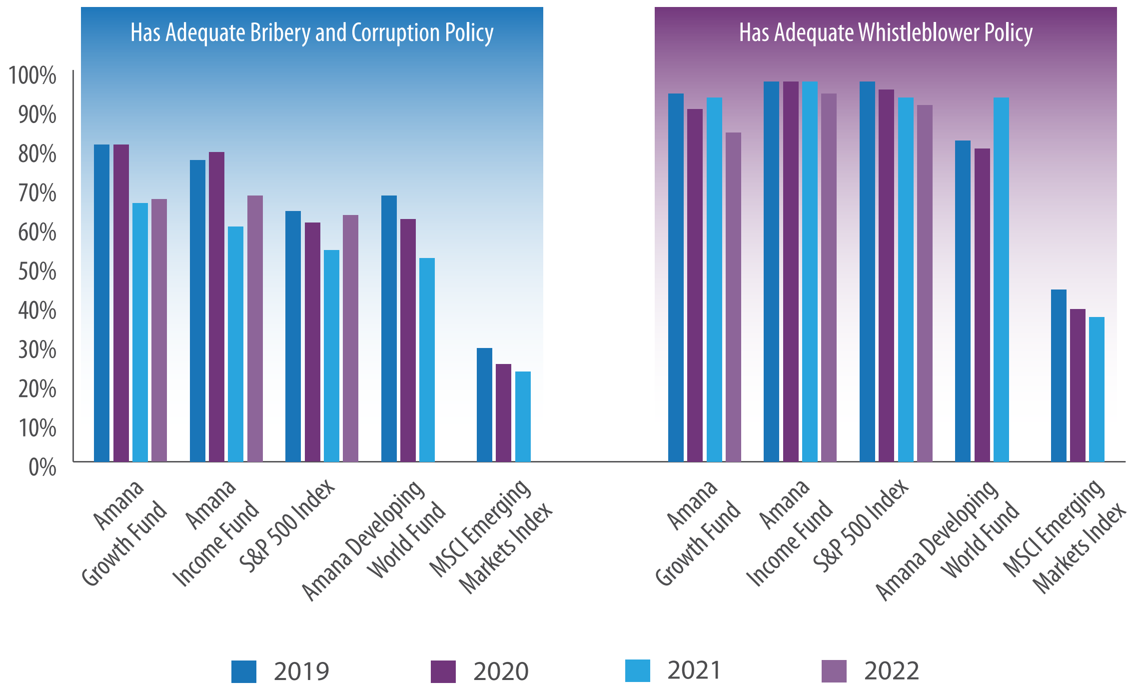
Protecting whistleblowers provides a frontline defense for companies and was one of Transparency International's principal recommendations for addressing fraud and corruption.[22] Across the Amana Funds we see a positive trend with holdings generally adopting stronger bribery and whistleblower policies. We do note that the Developing World Fund has failed to reach 2019 levels for holdings with adequate or better whistleblower policies. Still, the Fund improved from 2021 and is well ahead of its benchmark.

Case Study: Saudi Telecom

We scrutinized business ethics at **Saudi Telecom** (**STC**), a majority state-owned enterprise in a generally oligopolistic industry. The company also recognizes this, calling out "doing business with integrity" as one of its seven ESG focus areas. In 2020, Saudi Telecom launched its "integrity takes us forward" program. All new employees were required to take Saudi Telecom's Basic Online Integrity Training course. The company expected employees, regardless of tenure, to take the training. In 2021, 94% of their employees completed the course during the year. Saudi Telecom also introduced an "advanced course" which 60% of employees completed in 2021.

To empower whistleblowers, Saudi Telecom maintains open channels for employees to raise concerns and enforces a strict policy prohibiting retaliation against reports made in good faith. During 2021, Saudi Telecom investigated violations of its Code of Ethics resulting in 62 actions, none of which related to bribery or corruption.[23]

Percent of Holdings/Constituents Reporting:



Source: Sustainalytics, Saturna Capital Research

Ethical Business Practices

Update on 2021 Case Study: Barrick Gold

Barrick Gold continues to uphold its five-part Business Integrity and Ethics program. Training forms the foundation of the program; the company has an annual goal that 90% of assigned employees complete the code of conduct training. Barrick ties performance on this goal to executive compensation and for the second consecutive year, in 2021, 100% of its employees completed the training. Another important aspect of the company's program is its whistleblower hotline. As Barrick's disclosure shows, reports jumped 27% in 2021 but remained well below pre-COVID levels.

Hotline Reports Received	2021	2020	2019	2018
Conflict of Interest	13	21	38	29
Disclosure / Controls / Confidentiality / Bribery	19	4	19	54
Human Rights	0	0	4	3
Theft / Fraud / Misuse of assets	8	6	8	26
Workplace Concerns (e.g., labor, safety)	152	120	152	139
Total	**192**	**151**	**221**	**251**

EQUITY INVESTMENT PROCESS

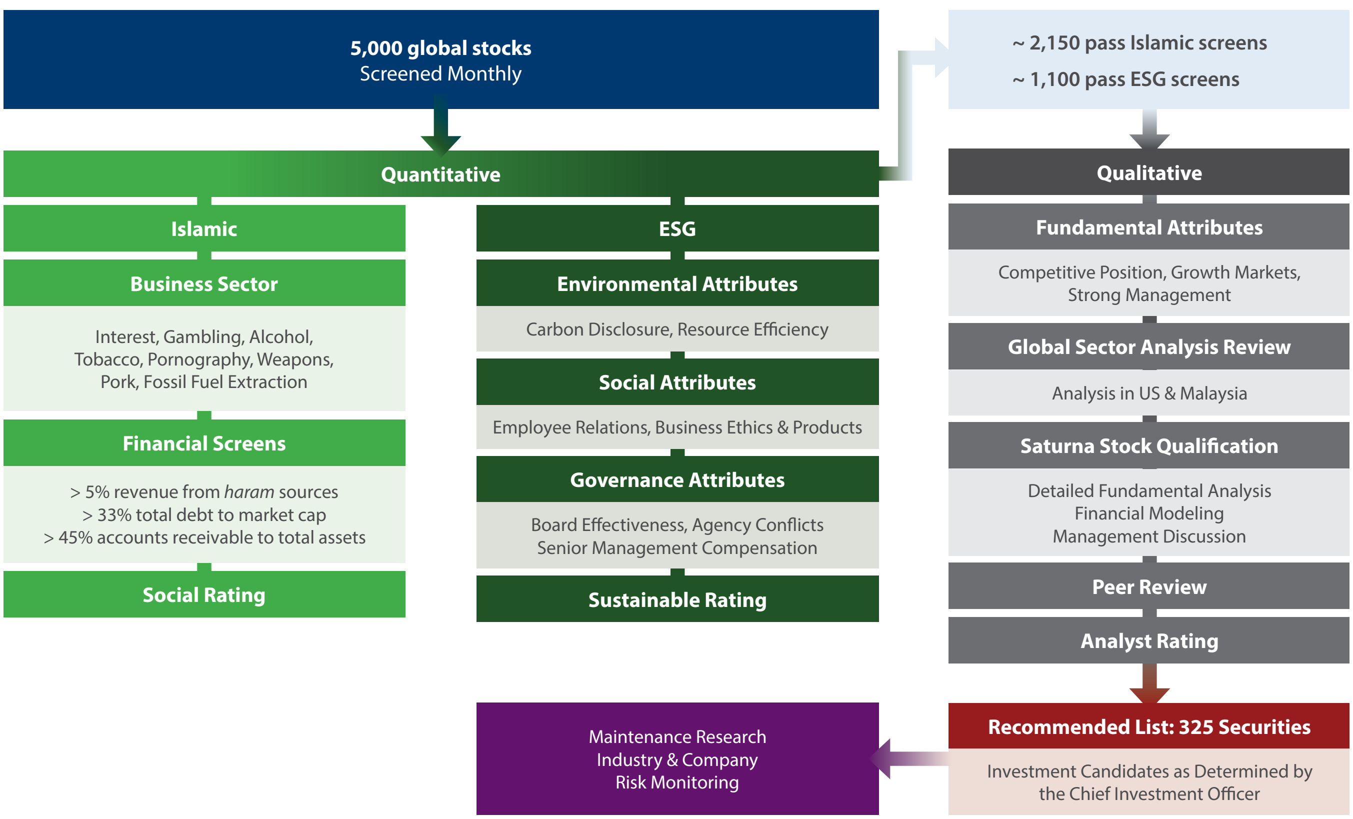
AMANA FUNDS

Saturna Capital's first and largest client, the Amana Mutual Funds Trust, follows Islamic principles as well as ESG investing principles among the equity funds. Islamic principles require investors to share in profit and loss, to exclude investments in prohibited activities, and to avoid speculation in favor of long-term investment. Business sector and ESG screens eliminate companies primarily involved in certain activities including:

- Greater than 5% of their revenue coming from *haram*, or unacceptable, sources.
- Greater than 33% total debt as compared to their market capitalization (trailing 12-month average).
- Greater than 45% accounts receivable as compared to their total assets (trailing 12-month average).

The guidelines developed for the Amana Funds help ensure that investments meet the requirements of the Islamic faith and were established by Saturna in collaboration with the Fiqh Council of North America (FCNA), a nonprofit organization serving the Muslim community. To ensure that investments continue to meet the requirements of the Islamic faith, Saturna engages Amanie Advisors Sdn Bhd, a leading consultant specializing in Islamic finance.

The Fund's adviser also uses negative screening to exclude security issuers primarily engaged in higher ESG risk businesses such as alcohol, tobacco, pornography, weapons, gambling, and fossil fuel extraction.



About Saturna

Saturna Capital, manager of the Amana, Saturna Sustainable, Sextant, and Idaho Tax-Exempt Funds, draws upon decades of investment experience to aid investors in navigating today's challenging markets. Founded in 1989 by professionals with extensive experience, Saturna has helped individuals and institutions build wealth, earn income, and preserve capital.

We are long-term, values-based, socially responsible investors. We view consideration of environmental, social, and governance (ESG) factors as essential in forming portfolios of high-quality companies that are better positioned to reduce risk and identify opportunities. We believe that companies proactively managing business risks related to ESG issues make better contributions to the global economy and are more resilient.

At Saturna, we believe in making your investment dollars work hard for you and that your interests always come first. Saturna strives to not only offer the best investment opportunities from mutual funds to IRAs, but to match those sound investments with superior customer service.

Adviser Spotlight

Saturna Capital, investment adviser to the Amana Mutual Funds, believes that traditional barometers by which investment risk is measured have expanded by necessity to include risks related to environmental, social, and governance practices. The threat of climate risk is intricately linked to more familiar forms of risk including regulatory and reputational risk. As environmental issues (like wildfires) and social and governance issues (like data security and customer privacy) continue to grab headlines and weigh on the minds of consumers, financial markets will see upheaval and consumers will become savvier, choosing to vote with their dollars by moving toward less impactful products and activities. Saturna Capital's analysts are committed to identifying trends, top performers, and solutions providers among industries, so that we can be sure our investments are well positioned for the long-term, new normal.

FUND STRATEGY OVERVIEWS

Amana Income Fund: Strategy Overview

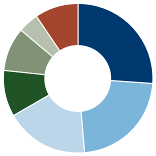
The Income Fund invests primarily in dividend-paying common stocks, including foreign stocks. Investment decisions are made in accordance with Islamic principles. Generally, Islamic principles require that investors share in profit and loss, that they receive no usury or interest, and that they do not invest in a business that is prohibited by Islamic principles. Some of the businesses not permitted are alcohol, pornography, insurance, gambling, pork processing, and interest-based banks or finance associations.

Top 10 Holdings

Top 10 Holdings	% of Net Assets
Eli Lilly	10.80%
Microsoft	6.22%
Rockwell Automation	5.01%
Genuine Parts	4.30%
Illinois Tool Works	4.29%
Taiwan Semiconductor ADS	3.98%
Pfizer	3.66%
Honeywell International	3.61%
PPG Industries	3.09%
Bristol-Myers Squibb	3.03%
Total	**47.99%**

Sector Allocation

Sector Allocation	
Health Care	26.31%
Industrials	22.54%
Technology	18.05%
Consumer Staples	9.85%
Materials	9.60%
Consumer Discretionary	4.30%
Cash and equivalents	9.36%



Data as of December 31, 2022. Sector weightings are shown as a percentage of total net assets.

Investment Strategies

The Income Fund does not make any investments that pay interest. Islamic principles discourage speculation, and the Fund tends to hold investments for several years.

The Income Fund diversifies its investments across industries and companies, and principally follows a large-cap value investment style. Common stock purchases are restricted to dividend-paying companies. The Fund seeks companies demonstrating both Islamic and sustainable characteristics. The Fund's adviser (Saturna Capital Corporation) considers issuers with sustainable characteristics to be those issuers that are more established, consistently profitable, financially strong, and with robust policies in the areas of the environment, social responsibility, and corporate governance ("ESG"). The Fund's adviser employs a sustainable rating system based on its own, as well as third-party, data to identify issuers believed to present low risks in ESG. The Fund's adviser also uses negative screening to exclude security issuers primarily engaged in higher ESG risk businesses such as alcohol, tobacco, pornography, weapons, gambling, and fossil fuel extraction.

It is the policy of the Income Fund, under normal circumstances, to invest at least 80% of its total net assets in income-producing securities, primarily dividend-paying common stocks.

Principal Risks of Investing

Investing in equities involves a variety of risks including market risk (fluctuation and volatility of the value of securities), investment strategy risk, equity securities risk, and foreign investing risk. We think that sustainable investing may mitigate security specific risk, but the screens used in connection with sustainable and Islamic investing reduce the investable universe, which limits opportunities and may affect performance.

Amana Growth Fund: Strategy Overview

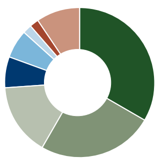
The Growth Fund invests only in common stocks, including foreign stocks. Investment decisions are made in accordance with Islamic principles. Generally, Islamic principles require that investors share in profit and loss, that they receive no usury or interest, and that they do not invest in a business that is prohibited by Islamic principles. Some of the businesses not permitted are alcohol, pornography, insurance, gambling, pork processing, and interest-based banks or finance associations.

Top 10 Holdings

	% of Net Assets
Apple	7.90%
ASML Holding NY	5.12%
Novo Nordisk ADS	4.13%
Agilent Technologies	4.10%
Eli Lilly	3.90%
Estee Lauder, Class A	3.46%
Intuit	3.38%
Adobe	3.28%
Church & Dwight	2.89%
Amgen	2.84%
Total	**41.00%**

Sector Allocation

Technology	33.52%
Health Care	24.98%
Industrials	15.40%
Consumer Discretionary	6.67%
Consumer Staples	6.35%
Materials	1.88%
Communications	1.77%
Cash and equivalents	9.43%



Data as of December 31, 2022. Sector weightings are shown as a percentage of total net assets.

Investment Strategies

The Growth Fund does not make any investments that pay interest. Islamic principles discourage speculation, and the Fund tends to hold investments for several years.

The Growth Fund diversifies its investments across industries and companies, and principally follows a large-cap value investment style. The Fund favors companies expected to grow earnings and stock prices faster than the economy. The Fund may also invest in smaller and less seasoned companies. The Fund seeks companies demonstrating both Islamic and sustainable characteristics. The Fund's adviser (Saturna Capital Corporation) considers issuers with sustainable characteristics to be those issuers that are more established, consistently profitable, financially strong, and with robust policies in the areas of the environment, social responsibility, and corporate governance ("ESG"). The Fund's adviser employs a sustainable rating system based on its own, as well as third-party, data to identify issuers believed to present low risks in ESG. The Fund's adviser also uses negative screening to exclude security issuers primarily engaged in higher ESG risk businesses such as alcohol, tobacco, pornography, weapons, gambling, and fossil fuel extraction.

It is the policy of the Growth Fund, under normal circumstances, to invest at least 80% of total net assets in common stocks. The Fund's adviser (Saturna Capital Corporation) selects investments primarily on past earnings, revenue growth rates, and the expectation of increases in earnings and share price.

Principal Risks of Investing

Investing in equities involves a variety of risks including market risk (fluctuation and volatility of the value of securities), small-cap risk, investment strategy risk, equity securities risk, foreign investing risk, and Technology sector risk. We think that sustainable investing may mitigate security specific risk, but the screens used in connection with sustainable and Islamic investing reduce the investable universe, which limits opportunities and may affect performance.

Amana Developing World Fund: Strategy Overview

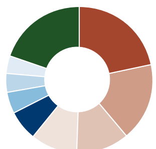
Under normal circumstances, the Developing World Fund invests at least 80% of total net assets in common stocks of companies with significant exposure (50% or more of production assets, or revenues) to countries with developing economies and/or markets. Investment decisions are made in accordance with Islamic principles. Generally, Islamic principles require that investors share in profit and loss, that they receive no usury or interest, and that they do not invest in a business that is prohibited by Islamic principles. Some of the businesses not permitted are alcohol, pornography, insurance, gambling, pork processing, and interest-based banks or finance associations.

Top 10 Holdings

Top 10 Holdings	% of Net Assets
Ford Otomotiv Sanayi	3.44%
Rio Tinto ADS	3.12%
Bangkok Dusit Medical Services NVDR	2.95%
Unilever ADS	2.77%
Unicharm	2.74%
Samsung SDI	2.65%
Southern Copper	2.64%
Kimberly-Clark de Mexico, Class A	2.64%
Infosys ADS	2.54%
Barrick Gold	2.47%
Total	**27.96%**

Sector Allocation

Technology	21.81%
Consumer Staples	17.32%
Materials	11.55%
Health Care	10.23%
Consumer Discretionary	6.70%
Communications	4.66%
Industrials	4.32%
Financials	3.75%
Cash and equivalents	19.67%



Data as of December 31, 2022. Sector weightings are shown as a percentage of total net assets.

Investment Strategies

The Developing World Fund does not make any investments that pay interest. Islamic principles discourage speculation, and the Funds tend to hold investments for several years.

The Developing World Fund diversifies its investments across the industries, companies, and countries of the developing world, and principally follows a large-cap value investment style. The Fund seeks companies demonstrating both Islamic and sustainable characteristics. The Fund's adviser considers issuers with sustainable characteristics to be those issuers that are more established, consistently profitable, financially strong, and with robust policies in the areas of the environment, social responsibility, and corporate governance ("ESG"). The Fund's adviser employs a sustainable rating system based on its own, as well as third-party, data to identify issuers believed to present low risks in ESG. The Fund's adviser also uses negative screening to exclude security issuers primarily engaged in higher ESG risk businesses such as alcohol, tobacco, pornography, weapons, gambling, and fossil fuel extraction.

In determining whether a country is part of the developing world, the Fund's adviser (Saturna Capital Corporation) will consider such factors as the country's per capita gross domestic product (GDP), the percentage of the country's economy that is industrialized, market capitalization as a percentage of GDP, the overall regulatory environment, and limits on foreign ownership and restrictions on repatriation of initial capital or income.

By allowing investments in companies headquartered in more advanced economies yet having the majority of production assets or revenues in the developing world, the Developing World Fund seeks to reduce its foreign investing risk.

Principal Risks of Investing

Investing in equities involves a variety of risks including market risk (fluctuation and volatility of the value of securities), investment strategy risk, equity securities risk, foreign investing risk, and developing world risk. We think that sustainable investing may mitigate security specific risk, but the screens used in connection with sustainable and Islamic investing reduce the investable universe, which limits opportunities and may affect performance.

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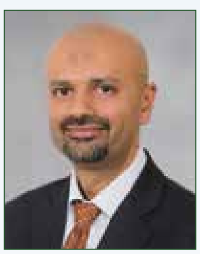
About the Authors

Levi Stewart Zurbrugg MBA, CFA®, CPA®
Senior Investment Analyst and Portfolio Manager

Levi Stewart Zurbrugg MBA, CFA®, CPA®, Senior Investment Analyst and Portfolio Manager, joined Saturna in June 2019. He graduated from Western Washington University with a BA in Business Administration and has an MBA from the University of Washington's Foster School of Business. Prior to Saturna, Mr. Zurbrugg worked at the Sustainability Accounting Standards Board as a Sector Analyst for the Consumer Staples sector. He is a Certified Public Accountant and Chartered Financial Analyst (CFA®) charterholder. Outside of work, Mr. Zurbrugg enjoys exploring the outdoors via foot, skis, and bikes with his wife and son.

Scott Klimo CFA®
Chief Investment Officer and Portfolio Manager

Scott Klimo, Chief Investment Officer and Portfolio Manager, joined Saturna Capital in May 2012. He received his BA in Asian Studies from Hamilton College in Clinton, NY and also attended the Chinese University of Hong Kong and the Mandarin Training Center in Taipei, Taiwan. Mr. Klimo has over 30 years' experience in the financial industry, with the first several years of his career spent living and working in a variety of Asian countries and the past 20 years working as a senior analyst, research director, and portfolio manager covering global equities. Mr. Klimo is a Chartered Financial Analyst (CFA®) charterholder and an avid cyclist. He is a supporter of various environmental organizations and served for several years on the Board of Directors of the Marin County Bicycle Coalition.



Monem Salam MBA
Executive Vice President and Portfolio Manager

Monem Salam, Executive Vice President and Portfolio Manager, joined Saturna Capital in 2003. He served as the Director of Islamic Investing and a Deputy Portfolio Manager to the Amana Mutual Funds Trust until moving to Kuala Lumpur in 2012 to oversee Saturna Sdn. Bhd. In 2018, he returned to the United States and is currently the Portfolio Manager of the Amana Income and Amana Developing World Funds, and Deputy Portfolio Manager of the Amana Growth Fund.

Mr. Salam earned degrees from the University of Texas: BA (Austin) and MBA (Dallas). Previous to Saturna, he worked as the Chief Investment Officer for ITG & Associates (Dallas) and as a representative with Morgan Stanley (suburban Dallas).

Mr. Salam is an adjunct professor at IE Business School, speaks at Islamic finance investment conferences worldwide, and co-authored A Muslim's Guide to Investing and Personal Finance. Mr. Salam has authored chapters on Islamic investing in both *Contemporary Islamic Finance* and *Islamic Capital Markets,* and he contributes articles to leading Islamic financial magazines. As a mark of recognition of his achievements in Islamic economy, Mr. Salam has been ranked among 500 of the Islamic world's most prominent and influential leaders by ISLAMICA 500 in both 2015 and 2019.

Ownership of Securities Mentioned

As of December 31, 2022, the Funds held the following percentages of securities in their portfolios (% of net assets):

	Amana Income	Amana Growth	Amana Developing World
Alphabet	-	1.77%	-
ASML	-	5.12%	-
Barrick Gold	-	-	2.47%
Canadian National Railway	2.96%	-	
Fleury SA	-	-	2.12%
Johnson Controls	1.79%	2.42%	-
McCormick & Company	3.01%	-	-
Microsoft	6.22%	1.50%	-
Novo Nordisk	-	4.13%	-
Rockwell Automation	5.01%	-	-
Saudi Telecom	-	-	2.41%
Sociedad Química y Minera	-	-	2.26%

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 or call toll-free 1-800-728-8762. Please read the prospectus or summary prospectus carefully before investing.

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Important Disclosures

In this report, we focused on reporting ESG metrics for Amana Income, Amana Growth, and Amana Developing World Funds.

Amana Participation Fund does not have an ESG mandate.

This material is for general information only and is not a research report or commentary on any investment products offered by Saturna Capital. This material should not be construed as an offer to sell, or the solicitation of an offer to buy, any security in any jurisdiction where such an offer or solicitation would be illegal. To the extent that it includes references to securities, those references do not constitute a recommendation to buy, sell, or hold such security, and the information may not be current. Accounts managed by Saturna Capital may or may not hold the securities discussed in this material.

We do not provide tax, accounting, or legal advice to our clients, and all investors are advised to consult with their tax, accounting, or legal advisers regarding any potential investment. Investors should not assume that investments in the securities and/or sectors described were or will be profitable. This document is prepared based on information Saturna Capital deems reliable; however, Saturna Capital does not warrant the accuracy or completeness of the information. Investors should consult with a financial adviser prior to making an investment decision. The views and information discussed in this commentary are at a specific point in time, are subject to change, and may not reflect the views of the firm as a whole.

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. When available, Saturna uses total return components of indices mentioned. Investors cannot invest directly in the indices.

A Few Words About Risk

Income, Growth, and Developing World 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 and ESG 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.

Saturna Capital

Amana Mutual Funds Trust

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