

Saturna Core Fund Commentary



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The Saturna Core Fund returned 0.76% in the first quarter of 2026. The broad equity market benchmark Bloomberg Developed Markets Large & Mid Cap Index returned -3.68%; the Fund's broad fixed income benchmark Bloomberg US Aggregate Index returned -0.05%; and the Bloomberg Global Equity / Fixed Income 60/40 Index returned -2.63%. During the quarter the Saturna Core Fund absorbed the assets from the Saturna Global High Income Fund as part of a reorganization. The addition of these assets resulted in a lower ending equity allocation of about 54%, below its long-term target of 60 to 70%. The fixed income allocation was 25%, with cash at 21%. We expect to reduce the excess cash position and reallocate to equity and fixed income allocations during the second quarter of 2026.

Equities

The largest contributor to performance during the quarter was Agnico Eagle Mines, a precious metals miner. The investment in Agnico Eagle was motivated by the diversification benefit of precious metals mining, which can be less correlated with broad economic growth. Corteva, a provider of agricultural products, was another top performer.

Microsoft and SAP were the biggest performance detractors for the first quarter of 2026. Both companies provide services that investors worry could be commoditized by inexpensive artificial intelligence (AI) solutions, a theme that negatively impacted a number

10 Largest Contributors	Return ¹	Contribution
Agnico Eagle Mines	19.94%	0.56
Corteva	25.16%	0.36
EMCOR Group	20.75%	0.31
Taiwan Semiconductor	11.52%	0.30
NextEra Energy	16.46%	0.26
Virtu Financial Class A	29.32%	0.25
BHP Group	22.94%	0.24
Eaton	12.64%	0.24
Ross Stores	20.52%	0.22
Phillips 66	44.39%	0.21

10 Largest Detractors	Return ¹	Contribution
Microsoft	-23.28%	-0.76
SAP	-30.72%	-0.42
Boston Scientific	-34.00%	-0.32
Novo-Nordisk	-25.16%	-0.27
Alphabet Class A	-8.06%	-0.23
Meta Platforms Class A	-18.67%	-0.23
CRH Public Limited	-15.46%	-0.20
Danone	-11.25%	-0.18
Fuji Electric	-12.03%	-0.17
Oracle	-24.33%	-0.16

Top 10 Holdings	Portfolio Weight
Agnico-Eagle Mines	2.43%
United States Treasury Bond	2.21%
Alphabet Class A	2.05%
United States Treasury Bond	2.04%
Taiwan Semiconductor ADS	1.95%
Microsoft	1.67%
GlaxoSmithKline ADS	1.60%
Maryland St Cmnty Dev Admin Dept	1.54%
Nvidia	1.48%
BHP Biliton ADR	1.36%

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of companies in the so-called Software as a Service (SaaS) industry during the quarter.

Fixed Income

Yields on US treasuries rose during the period, with much of the rise coming in March after the beginning of US and Israeli strikes in Iran. The cessation of shipping in the critical Strait of Hormuz threatens to choke the supply of oil, gas, and many other critical commodities, and push inflation higher as prices adjust to the lower supply and distorted logistics. Dampening the impact of rising rates and inflation expectations is the fact that interest rates were at a higher starting point before this supply crisis, and these higher coupons and reinvestment yields can help to cushion the impact of rising rates over time.

Looking Forward

The Iran conflict and impact on exports out of the Middle East, together with the continuing impact of AI spending and advances in the economy are likely to remain the two dominant forces facing investors in the coming quarters.

We believe exports from the region probably won't bounce back to normal right away, because damaged infrastructure and shut in energy production will take time to fix and restart..

AI investment and associated optimism has become a principle driver of US economic growth in recent quarters. The pace and scale of investment is unprecedented, and at some point, revenues from those investments will need to rise to a corresponding degree to justify the spending. Meanwhile, there still appears to be plenty of low hanging fruit in applying and scaling AI tools across routine business operations, so the current momentum and enthusiasm are likely to persist as implementation hurdles are gradually worked through.

Average Annual Total Returns	Since Inception ²	1 Year	3 Year	5 Year	10 Year	Expense Ratio ³
Saturna Core Fund (SCORX)	5.63%	15.89%	10.52%	6.37%	7.65%	0.75%
Bloomberg Developed Markets Large & Mid Cap Index	7.99%	19.08%	17.20%	10.60%	12.26%	n/a
Bloomberg Global Equity/Fixed Income 60/40 Index	5.92%	13.01%	11.25%	5.77%	7.66%	n/a
Bloomberg US Aggregate Index	3.11%	4.35%	3.63%	0.31%	1.70%	n/a

(as of March 31, 2026, Net of Fees)

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.saturna.com/funds or calling toll-free 1-800-728-8762. The Saturna Core Fund cannot guarantee that its investment objective will be met. Securities of the Fund are offered and sold only through the prospectus or summary prospectus. Please consider an investment's objectives, risks, charges, and expenses carefully before investing. For this and other important information about the Saturna Core Fund, please obtain and carefully read a free prospectus or summary prospectus from your financial adviser, at www.saturna.com/funds, or by calling toll-free 1-800-728-8762.

¹ Returns are as of quarter-ended March 31, 2026.

² Saturna Core Fund began operations March 30, 2007.

³ Expense ratio shown is as stated in the Fund's most recent Prospectus, dated March 30, 2026.

All data as of March 31, 2026, unless otherwise noted.

Bloomberg Developed Markets Large & Mid Cap Total Return Index is a float market-cap-weighted equity benchmark that covers the top 85% of market cap of the measured market.

The Bloomberg Global EQ:FI 60:40 Index is designed to measure cross-asset market performance globally. The index rebalances monthly to 60% equities and 40% fixed income. The equities and fixed income are represented by Bloomberg Developed Markets Large & Mid Cap Total Return Index and the Bloomberg Global Aggregate Index respectively.

The Bloomberg US Aggregate Bond Index is a broad-based, flagship benchmark that measures the investment-grade, US dollar-denominated, fixed-rate taxable bond market.

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

Fund holdings are subject to change at any time.

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A Few Words About Risk

Fund share prices, yields, and total returns will change with market fluctuations as well as the fortunes of the countries, industries, and companies in which it invests. Investment in the Saturna Core Fund entails the risks of both equity and debt securities, although it seeks to mitigate these risks through a widely diversified portfolio that includes foreign and domestic stocks and bonds. The Fund invests in the securities of foreign issuers, which are subject to political, regulatory, market, and economic uncertainties. The Fund invests in bonds which entail interest rate risk, generally falling in price when rates increase. Bonds also entail credit risk, which is the possibility that a bond will not pay interest or principal when due.

Please consider an investment's objectives, risks, charges, and expenses carefully before investing. To obtain this and other important information about the Saturna Funds in a current prospectus or summary prospectus, please visit www.saturna.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 Funds.



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