

Saturna Sustainable Equity Fund Commentary



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In the second quarter of 2025, the Saturna Sustainable Equity Fund returned 12.94%, outperforming the 11.46% of the Bloomberg World Large & Mid Cap Index. The Morningstar Global Large-Stock Blend category returned 10.26% for the period. Over the past year, the fund returned 8.89%, trailing the 16.57% of the index and 13.88% for the category.

Last quarter, artificial intelligence (AI) infrastructure and software companies were the greatest detractors to portfolio performance with Nvidia – our largest position – down 19%, Broadcom down 28%, Taiwan Semiconductor – our second largest position – down 16%, and ServiceNow down 25%. This quarter Nvidia, Broadcom, and Taiwan Semiconductor were our top three contributors to performance, as AI-related companies returned to favor with strong earnings and a risk-on market.

Nintendo and Microsoft round out our top five contributors as the Switch 2 console is off to a historic start and Microsoft's cloud business, Azure, continues growth in excess of 30%. ServiceNow, last quarter's second greatest detractor, was our sixth best contributor on the quarter, amid reports of accelerating AI software adoption and monetization. Nintendo is our greatest contributor year to date, up 64%.

Apple was the largest performance detractor as the stock declined 8% following an 11% fall last quarter. Apple's challenges include regulatory pressure to open their App Store, botched internal AI deployment, and a massive reliance on manufacturing in China as the country's relationship with the US deteriorates. Fiserv – added last quarter – was our second largest detractor as the stock rerated with news of slowing Clover sales, their point-of-sale system suite.

| 10 Largest Contributors | Return | Contribution |
|--------------------------|--------|--------------|
| Nvidia | 45.78% | 2.33 |
| Taiwan Semiconductor ADR | 36.92% | 1.51 |
| Broadcom | 65.02% | 1.31 |
| Nintendo ADR | 39.90% | 1.08 |
| Microsoft | 32.75% | 0.84 |
| ServiceNow | 29.13% | 0.74 |
| AVIVA ADR | 24.92% | 0.74 |
| Ferguson Enterprises | 36.42% | 0.69 |
| Schneider Electric ADR | 18.32% | 0.68 |
| ASML Holding ADR | 21.32% | 0.47 |

| 10 Largest Detractors | Return | Contribution |
|-----------------------|---------|--------------|
| Applehs | -7.52% | -0.26 |
| Fiserv | -21.93% | -0.22 |
| Eli Lilly | -5.43% | -0.20 |
| Novartis ADR | -5.82% | -0.14 |
| Chubb | -3.74% | -0.12 |
| Accenture Class A | -3.72% | -0.09 |
| Dassault Systemes ADR | -4.35% | -0.07 |
| Roche Holdings ADR | -2.75% | -0.05 |
| Novo-Nordisk ADR | -0.60% | -0.05 |
| Murata Manufacturing | -3.28% | -0.04 |

| Top 10 Holdings | Portfolio Weight |
|--------------------------|------------------|
| Nvidia | 6.62% |
| Taiwan Semiconductor ADS | 5.05% |
| Schneider Electric ADR | 3.82% |
| Wolters Kluwer | 3.51% |
| Aviva PLC ADR | 3.29% |
| Nintendo ADR | 3.29% |
| Microsoft | 3.00% |
| Novo Nordisk ADS | 2.95% |
| Eli Lilly | 2.94% |
| Assa Abloy ADR | 2.90% |

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Eli Lilly and Novartis were our third and fourth greatest detractors as potential regulatory changes weigh on the pharmaceutical industry. Chubb, a top ten contributor last quarter, rounds out our top five detractors as underwriting profitability is leveling off. Novo Nordisk is our greatest detractor year to date, down 18%.

During the quarter, we exited positions in Roche, Novartis, and Sandoz, three pharmaceutical companies, as the potential for regulatory changes to weigh on profitability increases the range of potential outcomes. We liquidated our CGI position, a consulting firm, to reduce exposure to the industry and federal government contracts. Proceeds were used to raise cash — 2.6% of the portfolio at quarter-end — start a position in AutoZone, and add to our Alphabet position. AutoZone is the largest US auto parts retailer, a defensive industry that's well positioned to navigate ongoing macroeconomic uncertainty.

| Average Annual Total Returns | Since Inception ¹ | 1 Year | 3 Year | 5 Year | 10 Year | Expense Ratio ² | |
|---|------------------------------|--------|--------|--------|---------|----------------------------|------------------|
| | | | | | | Gross | Net ³ |
| Saturna Sustainable Equity Fund (SEEFX) | 8.09% | 8.89% | 13.21% | 8.61% | 8.57% | 0.91% | 0.75% |
| Bloomberg World Large & Mid Cap Index | 10.20% | 16.57% | 17.52% | 13.89% | 10.42% | n/a | |
| S&P Global 1200 Index | 10.97% | 16.41% | 18.53% | 14.95% | 11.20% | n/a | |

(as of June 30, 2025, 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.saturnasustainable.com or calling toll-free 1-800-728-8762. The Saturna Sustainable Equity 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 Sustainable Equity Fund, please obtain and carefully read a free prospectus or summary prospectus from your financial adviser, at www.saturnasustainable.com, or by calling toll-free 1-800-728-8762.

¹ Saturna Sustainable Equity Fund began operations March 27, 2015.

² Expense ratio shown is as stated in the Fund's most recent Prospectus, dated March 29, 2024.

³ The Fund's investment adviser has committed through March 31, 2026, to waive fees and/or reimburse expenses to the extent necessary to ensure that the Fund's net operating expenses, excluding taxes, commissions, and extraordinary expenses, do not exceed the net operating expense ratio of 0.75%. This expense limitation agreement may be changed or terminated only with approval of the Board of Trustees.

Bloomberg World Large and 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 S&P Global 1200 Index is a global stock market index covering nearly 70% of the world's equity markets.

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

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

All data as of June 30, 2025, unless otherwise noted.

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The Saturna Sustainable Equity Fund limits the securities it purchases to those consistent with sustainable principles. This limits opportunities and may affect performance. 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. Foreign investing involves risks not normally associated with investing solely in US securities. These include fluctuations in currency exchange rates, less public information about securities, less governmental market supervision, and the lack of uniform financial, social, and political standards. Foreign investing heightens the risk of confiscatory taxation, seizure or nationalization of assets, establishment of currency controls, or adverse political or social developments that affect investments. The risks of foreign investing are generally magnified in the smaller and more volatile securities markets of the developing world.

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 Sustainable Funds.



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