

# Saturna International Fund Commentary



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In the first quarter of 2026, the Z Shares of the Saturna International Fund returned 3.31% compared to a loss of -1.02% for the Bloomberg Developed Markets Ex US Large & Mid Cap Index. For the same period, Investor Shares of the Fund returned 3.30%. Despite the beginning of the Iran-US conflict in late February, the Fund's holdings in artificial intelligence-related stocks buoyed performance while other non-secular sectors struggled with the war's potential impact.

Our largest holding Fujikura was the Fund's leading contributor in the quarter. The company is the global leader in ultra-high density optical fibers used in the most compute-intensive data centers and telecom networks. Its proprietary technology in advanced cabling enables significant reductions in space, heat, making it an attractive choice for artificial intelligence (AI) data centers. The company revised up guidance due to "skyrocketing" demand and dispelled fears of capacity shortage, sending the stock up 39% in the quarter. Fujikura remains a core Fund holding as advancement in AI technology continues to expand rapidly, driving new sources of demand.

The Fund also benefitted from its holdings in Komatsu, Rio Tinto, and Altius Minerals, all companies that benefit from rising material prices. Continued strength in the US economy as well as expectations of higher energy prices due to the conflict conspired to push up commodity prices. These relatively newer holdings were added at the end of last year to provide an idiosyncratic,

10 Largest Contributors	Return <sup>1</sup>	Contribution
Fujikura	39.25%	3.63
ASML Holding ADR	23.62%	1.87
Taiwan Semiconductor	11.52%	1.16
Komatsu	20.36%	0.68
Rio Tinto ADR	19.85%	0.49
Altius Minerals	17.96%	0.44
Prysmian	12.19%	0.33
Linde	16.66%	0.33
Ferguson Enterprises	5.60%	0.31
Eaton	12.64%	0.28

10 Largest Detractors	Return <sup>1</sup>	Contribution
SAP	-29.52%	-1.28
Fujitsu	-27.00%	-1.06
Broadcom	-10.39%	-0.86
Dassault Systemes ADR	-27.44%	-0.83
Wolters Kluwer	-28.24%	-0.83
Samsung Biologics	-16.78%	-0.43
Hermes International	-25.43%	-0.38
Hexagon Class B	-20.43%	-0.37
Fuji Electric	-12.03%	-0.35
Novo-Nordisk ADR	-25.16%	-0.35

Top 10 Holdings	Portfolio Weight
Taiwan Semiconductor ADS	7.53%
Fujikura	6.84%
Broadcom	6.65%
ASML Holding NY	5.68%
Komatsu	4.15%
Ferguson Enterprises	4.10%
Altius Minerals	3.44%
Fuji Electric	3.39%
SAP ADS	2.99%
NICE Systems ADR	2.98%

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but diversifying exposure. This exposure served shareowners well during this conflict period.

Conversely however, our largest detractor was also driven by AI. SAP, a Germany based provider of ERP software saw material declines as the market began questioning the impact of AI's accelerated potential. The company reduced guidance for its core cloud division as customers adopted a wait-and-see posture on major software purchases. However, backlog growth was still robust at 25% year-over-year (YoY), hardly an indication of weakness. SAP remains an indispensable part of operating many Fortune 500 companies, supplying the modules needed to run critical functions such as supply chain, manufacturing, and administration. While displacement of SAP with AI built software seems challenging by today's standards, we will continue to monitor advancements in AI capabilities.

Despite the significant volatility seen in markets with the introduction of this war, the fund's focus on durable, long-term themes and high quality companies again proved resilient. While the large drawdown seen in

markets during the quarter may loom large if focused on the short-term, Saturna's long-term orientation allows us to ride through the negative headlines and focus on what matters: outstanding companies that continue to grow through cycles. As the negative shocks of higher energy prices continue to roll through the global economy, we see this as an opportunity for our companies to displace weaker competition and emerge stronger on the other side.

Average Annual Total Returns	Since Inception <sup>2</sup>	1 Year	3 Year	5 Year	10 Year	Expense Ratio <sup>3</sup>
Saturna International Fund Investor Shares (SSIFX)	7.75%	30.95%	12.76%	8.13%	10.36%	0.98%
Saturna International Fund Z Shares (SIFZX)	9.90%	31.21%	13.02%	8.37%	n/a	0.75%
Bloomberg Developed Markets ex US Large & Mid Cap TR Index	8.38%	23.24%	14.87%	9.02%	9.23%	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](http://www.saturna.com) or calling toll-free 1-800-728-8762. The Saturna International 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 International Fund, please obtain and carefully read a free prospectus or summary prospectus from your financial adviser, at [www.saturna.com](http://www.saturna.com), or by calling toll-free 1-800-728-8762.

<sup>1</sup>Returns are as of quarter-ended March 31, 2026.

<sup>2</sup>Saturna International Fund began operations September 28, 1995. Z Shares of the Saturna International Fund began operations June 2, 2017.

<sup>3</sup>Expense ratios and portfolio turnover are as stated in the Fund's most recent Prospectus, dated March 30, 2026.

The Bloomberg Developed Markets ex US 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. Investors cannot invest directly in the indices.

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

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

Fund holdings are subject to change at any time.

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### A Few Words About Risk

The International Fund involves risks not typically associated with investing in US securities. These include fluctuations in currency exchange rates, less public information about securities, less governmental market supervision, and lack of uniform financial, social, and political standards.

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