

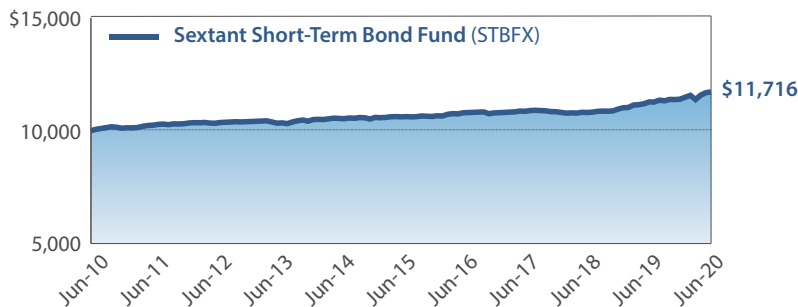
## SEXTANT SHORT-TERM BOND FUND



## INVESTMENT STYLE

The Sextant Short-Term Bond Fund actively seeks a diversified portfolio of short-term, income-producing corporate and government bonds. Under normal circumstances, the Fund's dollar-weighted average maturity does not exceed three years.

- Targeted to investors seeking **capital preservation and current income**
- Dollar-weighted **average maturity of less than three years**
- **Diversified** across industries and companies

GROWTH OF \$10,000<sup>1</sup>

## FUND FACTS

Total Net Assets	\$11.48 million
Ticker	STBFX
CUSIP	804096402
Inception	Sep. 28, 1995
Minimum Investment	\$1,000 <sup>2</sup>

## FUND STATS

30-Day Yield	0.36%
Unsubsidized 30-Day Yield	0.07%
Effective Duration	2.30 Years
Effective Maturity	2.56 Years

## BOND QUALITY DIVERSIFICATION

AAA	24.38%
AA	5.23%
A	36.63%
BBB	23.63%
BB	5.21%
Cash and equivalents	4.92%



AVERAGE ANNUAL TOTAL RETURNS (as of June 30, 2020)	Since Inception <sup>3</sup>	1 Year	3 Year	5 Year	10 Year	Expense Ratio <sup>4</sup>	
						Gross	Net
Sextant Short-Term Bond Fund (STBFX)	3.40% ▲	3.96% ▲	2.57% ▲	2.00% ▲	1.60% ▲	0.87%	0.60%
FTSE US BIG Govt/Corp 1-3 Year Bond Index	3.68% ▲	4.19% ▲	2.85% ▲	2.08% ▲	1.60% ▲	n/a	

<sup>1</sup> This chart illustrates the performance of a hypothetical \$10,000 invested at the beginning of the period and redeemed at the end of the period, and assumes reinvestment of all dividends and capital gains.

<sup>2</sup> The minimum investment requirement is waived for qualified retirement or benefit plans, including IRA, ESA, and HSA plans serviced as trustee by Saturna Trust Company.

<sup>3</sup> Sextant Short-Term Bond Fund began operations September 28, 1995.

<sup>4</sup> Expense ratio shown is as stated in the Fund's most recent Prospectus, dated March 27, 2020. Saturna Capital, the Fund's adviser, has voluntarily capped actual expenses at 0.60% through March 31, 2021.

**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.sextantfunds.com](http://www.sextantfunds.com) or calling toll-free 1-800-728-8762. The Sextant Short-Term Bond 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.

A Fund's 30-Day Yield, sometimes referred to as "standardized yield" or "SEC yield," is calculated by dividing the net investment income per share during the preceding 30 days by the net asset value per share on the last day of the period. The 30-Day Yield provides an estimate of a Fund's investment income rate but may not equal the actual income distribution rate. Unsubsidized yield does not adjust for any fee waivers and/or expense reimbursements in effect.

Credit ratings are the lesser of S&P Global Ratings or Moody's Investors Service. If neither S&P nor Moody's rate a particular security, that security is categorized as not rated (except for US Treasury securities and securities issued or backed by US agencies which inherit the credit rating for the US government). Ratings range from AAA (highest) to D (lowest). Bonds rated BBB or above are considered investment grade. Credit ratings BB and below are lower-rated securities (junk bonds). Ratings apply to the creditworthiness of the issuers of the underlying securities and not the fund or its shares. Ratings may be subject to change.

*Please consider an investment's objectives, risks, charges, and expenses carefully before investing. For this and other important information about the Sextant Short-Term Bond Fund, please obtain and carefully read a free prospectus or summary prospectus from your financial adviser, at [www.sextantfunds.com](http://www.sextantfunds.com), or by calling toll-free 1-800-728-8762.*

# SEXTANT SHORT-TERM BOND FUND



## TOP 10 HOLDINGS

	% of Net Assets
United States Treasury Note (2.875% 04/30/2025)	7.35%
United States Treasury Note (3.625% 02/15/2021)	7.12%
United States Treasury Note (2.50% 08/15/2023)	4.67%
McCormick & Co. (2.70% 08/15/2022)	4.54%
Honeywell International (4.25% 03/01/2021)	4.03%
Gilead Sciences (2.5% 09/01/2023)	3.69%
Qualcomm (2.60% 01/30/2023)	3.66%
Burlington Northern Santa Fe (3.05% 09/01/2022)	3.66%
Costco Wholesale Corp (2.75% 5/18/24)	3.62%
3M (2.00% 06/26/2022)	3.60%
<b>Total</b>	<b>45.94%</b>

## SECTOR ALLOCATION

Government Bonds	22.31%
Consumer Staples	17.66%
Health Care	10.75%
Industrials	9.98%
Technology	9.75%
Financials	8.83%
Materials	7.11%
Consumer Discretionary	6.39%
Utilities	2.30%
Cash and equivalents	4.92%

## PORTFOLIO MANAGERS



**Levi S. Zurbrugg** MBA, CPA\*  
Portfolio Manager  
2020 - present

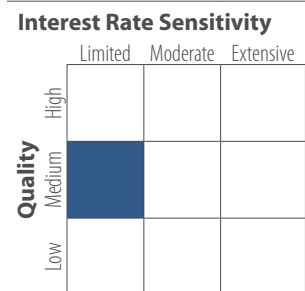
- 8+ years in the industry; with Saturna since 2019
- BA in Business Administration from Western Washington University
- MBA from University of Washington's Foster School of Business



**Elizabeth W. Alm** CFA\*  
Deputy Portfolio Manager  
2020 - present

- 11+ years in the industry; with Saturna since 2018
- BA in Economics and Anthropology from New York University

## MORNINGSTAR STYLE BOX™



All data as of June 30, 2020, unless otherwise noted.

The Morningstar Fixed Income Style Box™ reveals a fund's investment strategy. For fixed-income funds, the vertical axis shows the credit quality of the long bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's effective duration. Morningstar seeks credit rating information from fund companies on a periodic basis (e.g., quarterly). In compiling credit rating information Morningstar accepts credit ratings reported by fund companies that have been issued by all Nationally Recognized Statistical Rating Organizations (NRSROs). For a list of all NRSROs, please visit <https://www.sec.gov/ocr>. If two rating organizations/agencies have rated a security, fund companies are to report the lower rating; if three or more organizations/agencies have rated a security, fund companies are to report the median rating, and in cases where there are more than two organization/agency ratings and a median rating does not exist, fund companies are to use the lower of the two middle ratings. Please Note: Morningstar, Inc. is not itself an NRSRO nor does it issue a credit rating on the fund. NRSRO or rating agency ratings can change from time-to-time. For credit quality, Morningstar combines the credit rating information provided by the fund companies with an average default rate calculation to come up with a weighted-average credit quality. The weighted-average credit quality is currently a letter that roughly corresponds to the scale used by a leading NRSRO. Bond funds are assigned a style box placement of "low", "medium", or "high" based on their average credit quality. Funds with a low credit quality are those whose weighted-average credit quality is determined to be less than "BBB-"; medium are those less than "AA-", but greater or equal to "BBB-"; and high are those with a weighted-average credit quality of "AA-" or higher. When classifying a bond portfolio, Morningstar first maps the NRSRO credit ratings of the underlying holdings to their respective default rates (as determined by Morningstar's analysis of actual historical default rates). Morningstar then averages these default rates to determine the average default rate for the entire bond fund. Finally, Morningstar maps this average default rate to its corresponding credit rating along a convex curve. For interest-rate sensitivity, Morningstar obtains from fund companies the average effective duration. Generally, Morningstar classifies a fixed-income fund's interest-rate sensitivity based on the effective duration of the Morningstar Core Bond Index (MCBI), which is currently three years. The classification of Limited will be assigned to those funds whose average effective duration is between 25% to 75% of MCBI's average effective duration; funds whose average effective duration is between 75% to 125% of the MCBI will be classified as Moderate; and those that are at 125% or greater of the average effective duration of the MCBI will be classified as Extensive. For municipal bond funds, Morningstar also obtains from fund companies the average effective duration. In these cases static breakpoints are utilized. These breakpoints are as follows: (i) Limited: 4.5 years or less; (ii) Moderate: more than 4.5 years but less than 7 years; and (iii) Extensive: more than 7 years. In addition, for non-US taxable and non-US domiciled fixed income funds static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii) Moderate: greater than 3.5 and less than equal to 6 years; (iii) Extensive: greater than 6 years. Interest-rate sensitivity for non-U.S. domiciled funds (excluding funds in convertible categories) may be measured with modified duration when effective duration is not available.

**Risks:** 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. The risks inherent in the Sextant Short-Term Bond Fund depend primarily on the terms and quality of the obligations in its portfolio, as well as on bond market conditions. When interest rates rise, bond prices fall. When interest rates fall, bond prices go up. Bonds with longer maturities usually are more sensitive to interest rate changes than bonds with shorter maturities. The Fund entails credit risk, which is the possibility that a bond will not be able to pay interest or principal when due. If the credit quality of a bond is perceived to decline, investors will demand a higher yield, which means a lower price on that bond to compensate for the higher level of risk.

**Effective maturity** is the average amount of time until receipt of all interest and principal payments due. When call options and other security-specific covenants can add uncertainty about the timing of payments, observed market prices may be used to determine the implied timing when calculating effective maturity.

**Effective duration and modified duration** are measures of a fund's sensitivity to changes in interest rates and the markets. A fund's modified duration is a dollar-weighted average length of time until principal and interest payments must be paid. Longer maturities typically indicate greater sensitivity to interest rate changes than shorter maturities. Effective duration differs from modified duration in that it accounts for the optionality embedded in call options and other security specific covenants that can change expected cash flows as the result of the movement of interest rates. Longer durations tend to indicate greater sensitivity to interest rate changes than shorter durations.

The FTSE Gov./Corp. Investment Grade Index 1-3 Years is a broad-based index of shorter-term investment grade US government and corporate bond prices that reflects no deductions for fees, expenses, or taxes. The FTSE Gov./Corp. Investment Grade Index was formerly known as the Citi Gov./Corp. Investment Grade Index. The London Stock Exchange Group acquired Citigroup Index LLC in August 2017. Investors cannot invest directly in the indices.

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