Fund Commentary Q2 2020

Saturna Capital

SATURNA SUSTAINABLE FUNDS

March 27, 2020, marks five years since the launch of the Saturna Sustainable Funds. In that time, assets of the Funds have grown 539%, supporting investors with an innovative approach to sustainable investing and a collection of thought-provoking white papers, practice management tools, and impact reports.

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

Environment & Outlook

Despite the economic carnage afflicting the global economy since the outbreak of the coronavirus pandemic, by the end of the first quarter, the stock market had already plumbed its greatest depths, with March 23 marking a nadir on the S&P 500 Index of 2,237.40. Over the course of the second quarter, while not recovering all the lost ground from the February peak, the market roared back a stunning 37% from the March low, and registered the best quarterly performance for the S&P 500 Index since the fourth quarter of 1998.[1] In our first quarter commentary, referencing the extreme volatility, we opined that "…the best course of action is to remain invested…attempting to time such moves will likely diminish portfolio values." Prescient advice. Investors are sometimes thrown a curve by near-term stock market performance that's uncorrelated with economic conditions. In April, with businesses shuttering, unemployment soaring, retail sales collapsing, and travel nonexistent, the market staged a dramatic rebound. To an extent, the turnaround signaled that investors had come to terms with an unexpected and "novel" threat, as well as a willingness to look through the current disruption toward a normalized economy, spurred by hopes of a contained virus and businesses re-opening. More significantly, it reflected rapid fiscal and monetary action to support businesses and individuals through a $2 trillion stimulus bill (the CARES Act) enacted at the end of March, abetted by Federal Reserve action such as rate cuts, reserve ratio reductions, and a return to quantitative easing through (for all intents and purposes) unlimited purchases of Treasury bonds and government-backed mortgages. The bond buying was later extended to include even commercial paper. As has been the case since the Global Financial Crisis (GFC), the "Fed Put" remains in play. Milton Friedman's famous dictum that "Inflation is always and everywhere a monetary phenomenon" has a new corollary – stock market performance is often, if not always, a monetary phenomenon.

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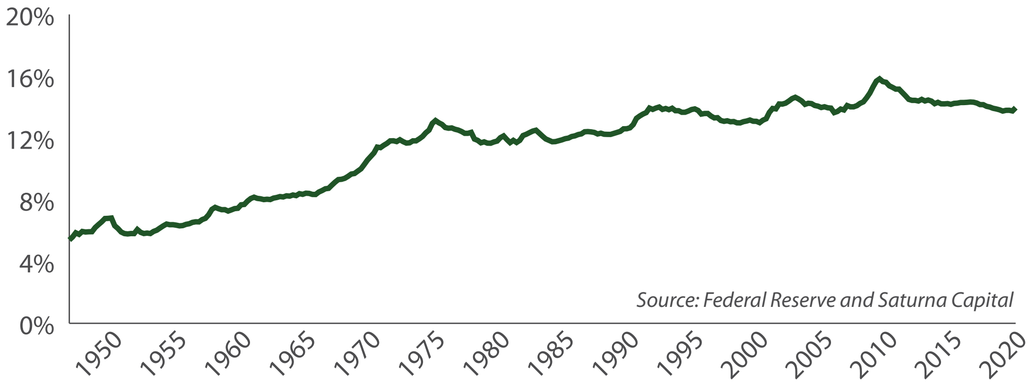
We now face the conundrum of how to approach the second half of the year. Unsurprisingly, our advice stays the same; a position we do not take casually. Poor policy decisions have accelerated the tragic progression of the coronavirus, and the moves among a number of states to reverse previous re-opening measures indicate the economy remains deeply in the woods. On June 30, Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases, stated "We are now having 40-plus thousand new cases a day. I would not be surprised if we go up to 100,000 a day if this does not turn around and so I am very concerned."[2]

Disease spread of such a degree implies extended shutdowns and unavoidable concomitant damage to corporate profitability and to state and local budgets. Unlike the federal government, states and municipalities do not have the luxury of engaging in Modern Monetary Theory. Of the 50 states, 49 have balanced budget requirements[3] and the unprecedented declines in tax revenues imply equally unprecedented budget cuts absent federal relief. According to the Federal Reserve, state and local expenditures accounted for 14% of US GDP as of January 2020.[4]

State & Local Government Expenditures as a Percentage of US GDP

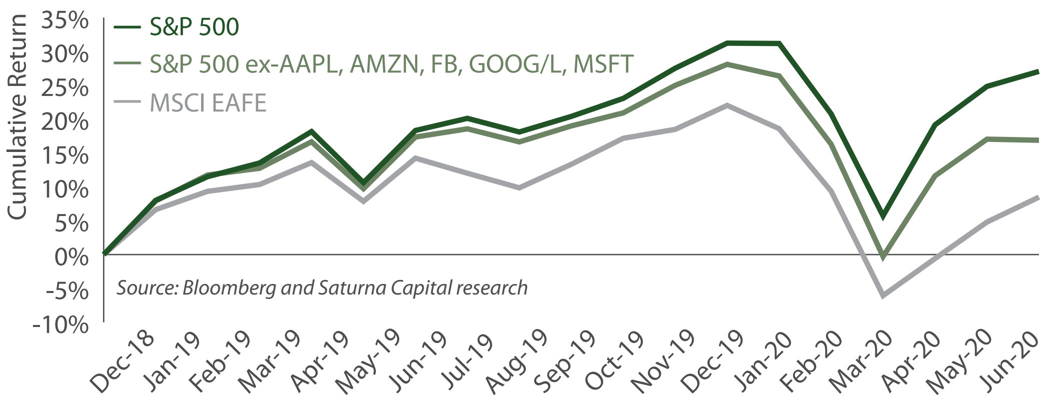


State budget distress carries significant ramifications for employment, education, healthcare, emergency services, and countless other activities. Counterintuitively, and related to our point above concerning monetary phenomena and stock market performance, dire finances at the state and local level could lead to further federal monetary and fiscal stimulus that ultimately supports equity prices, especially given the dearth of attractive investment alternatives in today's low-interest rate environment.

International Opportunities

Many other countries, particularly those in Europe and Asia, have handled the coronavirus pandemic more competently than the United States, and transmission is diminishing. Others, such as Brazil, have been similarly ham-handed with prevention. Whether the former implies more attractive investment opportunities remains uncertain. For some time, investors have noted the outperformance of US markets versus their international counterparts. Index comparisons, however, can be misleading. In the chart below we compare the performance of the S&P 500, the S&P 500 absent Facebook, Apple, Amazon, Alphabet, and Microsoft, and the MSCI EAFE Index.

Impact of US Tech Companies on Equity Index Returns



As shown above, while the S&P 500 has led the way, stripping out the stocks named above leaves us with an S&P index that, while still outperforming international developed markets, has a much-reduced advantage. For anyone who wishes to own a portfolio consisting only of five technology/social media stocks, that information would be useless. For everyone else, the example illustrates that investment opportunities outside of the US may be just as attractive as domestic candidates.

The Coronavirus, Social Responsibility, and Climate

The coronavirus pandemic has laid bare the reality that some, such as South Korea and Turkey, prepare; some react well like Germany, or poorly like the UK; and others including the US, Brazil, and Sweden, are willing to roll the dice. The same is true among corporations. The responses of those who have prepared demonstrate thoughtfulness and nuance, providing a useful guidepost of their overall governance. When a retailer successfully boosts curbside pick-up from 20% to 100% of its stores in three weeks and then permanently raises the hourly wages of their store employees in the wake of the virus, that retailer has demonstrated preparation and holistic management thinking. When a listed fast food company accesses payroll protection funds intended for small businesses, it is reacting and doing so poorly, despite the quick about-face. We have monitored the approaches of portfolio holdings to gain insight into their preparedness and (for lack of a better word) morality in dealing with the crisis. If a CEO makes a show of reducing his salary by 10% when it accounts for only a minor share of overall compensation but then cuts thousands of employees, he fails that morality test.

Concurrent with the ethical questions raised by the pandemic, Black Lives Matter protests in the wake of the murders of George Floyd, Breonna Taylor, and Ahmaud Arbery have cast a harsh glare on the racial iniquities rampant in the US and other countries. While the police present an easy and often justified target, they are symptomatic of a wider societal malaise infecting governmental, corporate, and educational institutions. Even the general populace shows these symptoms, as indicated by the multiple examples of plainly racist and often dangerous behavior captured on video in the past few weeks alone. Post-WWII Germany engaged in a national reckoning of its character regarding facism and genocide, but the US has never done so in regard to slavery or the Confederacy. It is well past time to reckon with our country's sins. While we will monitor portfolio holdings for performance on questions of diversity and inclusion, the equally pressing mandate must be to evaluate how we, as an organization and as individuals, have perpetuated these inequalities and how we can best contribute to a more just and inclusive society starting today.

Finally, over the past year we have sharpened our focus on understanding the carbon risks in our portfolios, a topic also of relevance to disadvantaged communities around the world. According to NASA and the National Oceanic and Atmospheric Administration, 2019 was the second warmest year since record keeping began in 1880, and the last five years have been the warmest of the past 140.[5] While the coronavirus demonstrated how quickly skies could clear as nitrous oxide concentrations dropped precipitously absent traffic (a strong validation for electric vehicles), CO_2 doesn't disperse so easily, remaining in the atmosphere anywhere from 300 to 1,000 years.[6] As a result, CO_2 concentrations and temperatures continue to rise, including the almost incomprehensible 100.4 degrees Fahrenheit registered on June 20 in Verkhoyansk, Russia, which sits north of the Arctic Circle. The record, marking the first triple-digit temperature ever recorded in the Arctic, was over 30 degrees higher than the average temperature for the day.[7] The Arctic is warming faster than any other part of the globe and the implications, including the release of CO_2 and methane from the permafrost, are staggering.

We raise the issue here because we are hopeful that the coronavirus has made manifest the urgency in dealing with global warming. Waiting to react is not a strategy. By the time the ramifications become too devastating to ignore, it will be too late. We believe it highly likely that the EU will not only stick to its carbon reduction goals but will work to accelerate the transition to a carbon-free economy. Even in the US, as signs point to a possible change in party control, carbon regulation cannot be ruled out. In climate circles these are known as the Inevitable Policy Responses (IPR) and companies that are not preparing for the transition risks of increased carbon regulation are doing themselves and their investors a disservice.

Saturna Sustainable Bond Fund

For the quarter ending June 30, 2020, the Saturna Sustainable Bond Fund returned 4.01%, compared to 3.27% for the FTSE World Big Index. Year-to-date, the Fund returned 2.03% versus 3.61% from the index.

The differential was mainly due to the index's large holding in long-dated treasuries which had a 22% total return in the first quarter. Year-to-date, the Fund outperformed the Morningstar World Bond category average by over 150 basis points, and currently ranks in the 31st percentile. The 30-day SEC yield for the Fund was 1.79%.

The main driver of positive performance in the first quarter were the positions in US Treasury bonds. The US Yield Curve experienced a massive shift downward during the first quarter as investors flew to quality. However, the second quarter saw treasury yields remain relatively stable. Returns were driven by the strong recovery of corporate yields and the recovery of foreign currency positions relative to the US Dollar. The Fund outperformed the index in the second quarter due to the higher exposure to corporate debt, but Treasurys drove the higher total index returns year-to-date.

On March 23, credit spreads of corporate bonds hit their widest levels since the 2008 financial crisis.[8] Since that time, spreads have tightened significantly as the result of several factors. The Fed has provided a great deal of support to the market in the form of cutting interest rates, providing liquidity to money market funds, and purchasing corporate bonds in the secondary market. This buying program includes corporate bond ETFs, and recently was adjusted to include individual corporate bonds with maturities of 5 years or less.[9] Market support has also come due to the fact that liquidations from leveraged investors who had to sell to meet margin calls have slowed, and we have not yet seen the feared tidal wave of defaults.

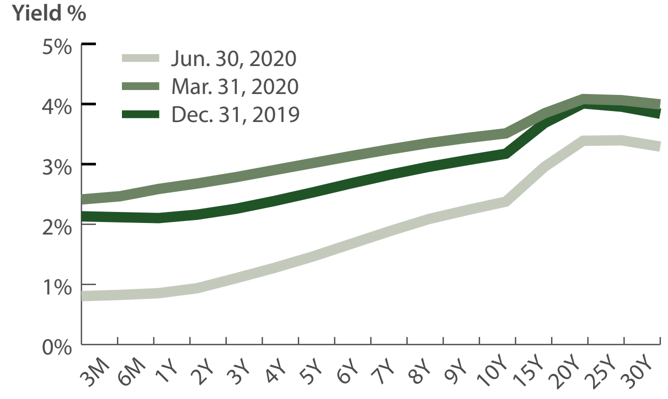
Yields on BBB corporate bonds rose during the first quarter but fell lower in the second quarter, even relative to the beginning of the year. Tightening corporate spreads and falling interest rates lead to strong performance of corporate debt. It is important to note that the significant shift downward in yields does not always reflect the credit story and is instead influenced by technical factors such as intervention by the Fed.[10] We do expect a possible reversal, especially given the trends in COVID-19 infections in the US.

As of June 30, 2020

Top 10 Holdings	Portfolio Weight
Microsoft	5.10%
United States Treasury Bond *(4.50% 05/15/2038)*	4.81%
KFW	4.78%
United States Treasury Bond *(3.375% 11/15/2048)*	4.74%
First Abu Dhabi Bank	4.60%
Koninklijke DSM NV	4.19%
Lincoln National	4.17%
MAF Sukuk	4.09%
Mexico Bonos Desarrollo	3.96%
Iron Mountain	3.62%

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.

BBB Corporate Yield Curve, Q2 2020



We believe that corporate credit will continue to erode, especially with the extended timeframe the US is facing to get the spread of the COVID-19 virus under control. Going into the second quarter, BBB-rated debt will still be viewed with increased scrutiny due to the heightened risk of downgrades. As the crisis has been unfolding, we have been focusing our credit research in this space, paying special attention to corporate liquidity and flexibility. Our goal has always been to choose good companies and invest through cycles. However, with

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Saturna Sustainable Equity Fund

As of June 30, 2020

10 Largest Contributors	Return	Contribution
Hartalega Holdings	90.50%	1.77
Adobe	36.79%	1.15
Apple	43.84%	1.12
Microsoft	29.40%	0.67
Lowe's	57.96%	0.60
Home Depot	34.97%	0.58
Schneider Electric ADR	34.60%	0.58
Amazon.com	41.50%	0.55
NXP Semiconductors	38.00%	0.54
Mastercard, Class A	22.59%	0.48

10 Largest Detractors	Return	Contribution
GlaxoSmithKline ADS	-0.29%	0.00
Banco Santander ADS	2.55%	0.00
Kimberly-Clark De Mexico, Class A	2.59%	0.00
Industria De Diseno Textil	1.95%	0.01
CRISPR Therapeutics	5.08%	0.03
Hasbro	5.74%	0.05
Toyota Motor ADS	4.74%	0.06
BIMB Holdings	5.92%	0.06
Telekomunik Indonesia ADS	13.66%	0.06
Toronto-Dominion Bank	6.62%	0.07

Top 10 Holdings	Portfolio Weight
Adobe	3.77%
Apple	3.16%
Hartalega Holdings	2.64%
Microsoft	2.53%
Dassault Systemes ADR	2.26%
L'Oreal ADR	2.18%
Schneider Electric ADR	2.14%
Novozymes ADR	2.13%
Sony ADS	2.09%
Legrand	2.04%

The Saturna Sustainable Equity Fund fully participated in a dramatic recovery during the second quarter, gaining 19.57% over the period, exceeding the S&P Global 1200 which returned 18.62% but modestly underperforming the Morningstar World Large Stock Category average, which returned 20.06%. At the close of the quarter, Hartalega Holdings, Lowe's, Apple, and Amazon generated outstanding returns for the Fund. Despite double-digit returns, Telekomunikasi Indonesia found itself among the top ten detractors, of which only one — GlaxoSmithKline — dipped into negative territory, exemplifying the all-around smashing market performance.

Hartalega Holdings has been on a tear since the start of the year which, as noted in the first quarter commentary, is not surprising given its position as the world's largest manufacturer of disposable nitrile gloves, a high-demand product during a global pandemic. Apple and Amazon are perennial high performers — as are most of the Top 10 Contributors — but Lowe's may come as a surprise, as consumer discretionary stocks had a long way to rebound after taking a pummeling in the first quarter. Lowe's has proven to be an especially formidable comeback kid: after declining by 48% between mid-February to mid-March, its stock price on June 30 was nearly 8% above the mid-February high.

Lowe's may also present a surprise in terms of ESG performance. The company's 2018 Corporate Responsibility report indicates that Lowe's met (and beat) their 2020 energy efficiency goal two years early and are making steady progress toward carbon emission and waste reduction goals. The company has committed to removing or phasing out certain toxic chemicals and neonicotinoid pesticides from their product portfolio. In the next decade the company intends for 100% of its wood products to be sustainably sourced, 100% of its strategic suppliers to have sustainability goals, and for Scope 1 and Scope 2 emissions to be reduced by 40% over 2016 levels. Lowe's is also a champion of diversity at the corporate level and in the board room: Black Enterprise named the company among the Top 50 Best For Diversity, and of Lowe's eleven director positions, four are held by women (36%). Five of the nine listed positions in their executive suite are held by women and/or minorities. Though its competitor, Home Depot (34.97%), was also among the Fund's Top 10 contributors this quarter and also has an admirable ESG performance, we can say that Lowe's demonstrates true leadership in this critical, strategic area.

Five of the Fund's Top 10 Holdings in the second quarter were consistent with those from the previous quarter. Walt Disney Company, a long time holding, was sold mid-quarter due to performance concerns. Previous positions held by Disney, Mastercard, Nintendo, IHH Healthcare, and Iberdrola SA were assumed by L'Oreal, Schneider Electric, Novozymes, Sony, and LeGrand.

Performance Summary

As of June 30, 2020

Average Annual Total Returns *(Before Taxes)*	**YTD**	**1 Year**	**3 Year**	**5 Year**	**Since Inception**[B]	**Expense Ratio**[A] *Gross*	*Net*
Sustainable Equity Fund (SEEFX)	2.00%	11.32%	11.26%	8.53%	7.61%	1.81%	0.75%
S&P Global 1200 Index	-5.95%	3.17%	7.17%	7.56%	7.27%	n/a	
S&P 500 Index	-3.08%	7.51%	10.72%	10.72%	10.29%	n/a	
Sustainable Bond Fund (SEBFX)	2.03%	3.47%	2.16%	2.57%	2.16%	0.83%	0.65%
FTSE WorldBIG Index	3.61%	4.83%	4.01%	3.69%	3.19%	n/a	
MSCI All Country World Index	-5.99%	2.64%	6.69%	7.03%	6.77%	n/a	

[A] *By regulation, expense ratios shown are as stated in a Fund's most recent prospectus or summary prospectus, dated March 27, 2020 and incorporate results from the fiscal year ended November 30, 2019. Saturna Capital, the Funds' investment adviser, has voluntarily capped actual expenses of the Sustainable Equity Fund at 0.75% and actual expenses of the Sustainable Bond Fund at 0.65% through March 31, 2021.*

[B] *Saturna Sustainable Equity Fund and Saturna Sustainable Bond Fund began operations on March 27, 2015.*

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 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 S&P Global 1200 Index is a global stock market index covering nearly 70% of the world's equity markets. The FTSE WorldBIG Bond Index is a multi-asset, multi-currency benchmark, which provides a broad-based measure of the global fixed income markets. The MSCI ACWI covers approximately 85% of the global investable universe, with large- and mid-cap representation across 23 developed market and 23 emerging market countries. When available, Saturna uses total return components of indices mentioned. Investors cannot invest directly in the indices.

Performance Summary

As of June 30, 2020

Morningstar Ratings™ [C]	Overall	1 Year	3 Year	5 Year	Sustainability Rating™ [D]
Sustainable Equity Fund (SEEFX)	★★★★	n/a	★★★★	★★★★	🌐🌐🌐🌐🌐
% Rank in World Large Stock Category	n/a	16	15	22	*Percent Rank in Category: 3*
Number of Funds in Category	761	866	761	626	*Among 762 World Large Stock Funds*
Sustainable Bond Fund (SEBFX)	★★★	n/a	★★★	★★★	
% Rank in World Bond Category	n/a	29	60	57	*Not rated*
Number of Funds in Category	187	210	187	171	

The Morningstar Sustainability Rating is not based on fund performance and is not equivalent to the Morningstar Rating ("Star Rating").

[C] Morningstar Ratings™ ("Star Ratings") are as of June 30, 2020. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance (not including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

[D] Morningstar Sustainability Ratings are as of May 31, 2020. The Morningstar Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio are managing their environmental, social, and governance ("ESG") risks and opportunities relative to the fund's Morningstar category peers. The Morningstar Sustainability Rating calculation is a two-step process. First, each fund with at least 67% of assets covered by a company-level ESG score from Sustainalytics receives a Morningstar Portfolio Sustainability Score™. The Morningstar Portfolio Sustainability Score is an asset-weighted average of normalized company-level ESG scores with deductions made for controversial incidents by the issuing companies, such as environmental accidents, fraud, or discriminatory behavior. The Morningstar Sustainability Rating is then assigned to all scored funds within Morningstar Categories in which at least ten (10) funds receive a Portfolio Sustainability Score and is determined by each fund's rank within the following distribution: High (highest 10%), Above Average (next 22.5%), Average (next 35%), Below Average (next 22.5%), and Low (lowest 10%). The Morningstar Sustainability Rating is depicted by globe icons where High equals 5 globes and Low equals 1 globe. A Sustainability Rating is assigned to any fund that has more than half of its underlying assets rated by Sustainalytics and is within a Morningstar Category with at least 10 scored funds; therefore, the rating it is not limited to funds with explicit sustainable or responsible investment mandates. Morningstar updates its Sustainability Ratings monthly. Portfolios receive a Morningstar Portfolio Sustainability Score and Sustainability Rating one month and six business days after their reported as-of date based on the most recent portfolio. As part of the evaluation process, Morningstar uses Sustainalytics' ESG scores from the same month as the portfolio as-of date.

The Fund's portfolios are actively managed and are subject to change, which may result in a different Morningstar Sustainability Score and Rating each month.

The Saturna Sustainable Equity Fund was rated on 100% of Assets Under Management and the Saturna Sustainable Bond Fund was not rated.

Percent Rank in Category is the fund's percentile rank for the specified time period relative to all funds that have the same Morningstar category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. Percentile ranks within categories are most useful in those categories that have a large number of funds.

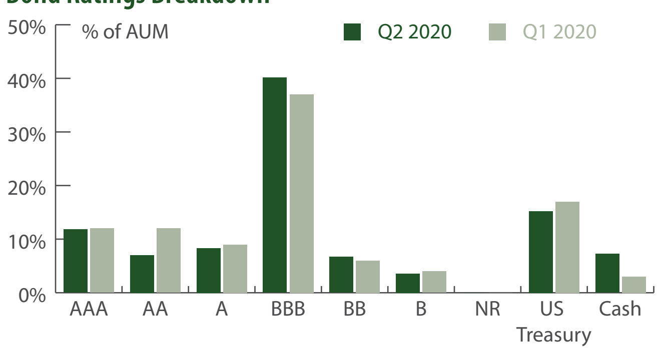
Saturna Sustainable Bond Fund

Continued from page 8

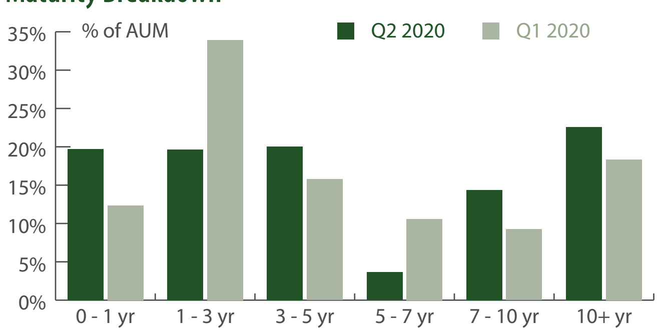
such extraordinary events, new factors must be evaluated with relation to corporate credit. We are evaluating both the risk to credit and also a potential increase in credit spread if a holding were downgraded below investment-grade. We have added to select securities with excellent relative value in the "BBB" space, but continue to be highly vigilant towards the evolving situation with COVID-19 and what that means for our holdings.

The two top performing securities were both "BBB" corporate bonds. AXA 2048 bonds showed a total return of 13.36% for the quarter, followed by Relx 2029 bonds which returned 10.90%. The third top performer was the Colombia sovereign bond, which returned 10.71% due primarily to the 7.3% recovery of the Colombian peso relative to the US dollar. The lowest return for the quarter was the 2036 Stora Enso bond which returned -4.92%. However, the position is still showing a total return of 4.10% year-to-date.

Bond Ratings Breakdown



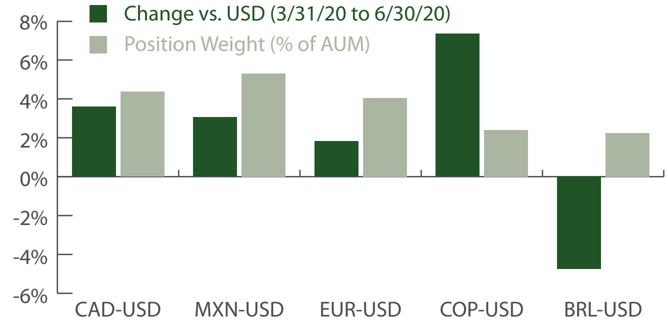
Maturity Breakdown



As of June 30, 2020, the Fund had an effective duration (price sensitivity to changes in interest rates) of 5.29 years. This is up from 3.30 years as of 12/31/2019 due to opportunities on the long end of the curve. Some of these purchases include adding selective floating rate securities due to dramatic adjustments in price from the beginning of the year and potential opportunity for upward movement.

Currently the portfolio has a total exposure to foreign currency of 18.35%, down from 24% in the first quarter. Most of the currencies that took a significant hit last quarter recovered at least partly over the past few months. The Colombian peso recovered 7.3% after depreciating 22.8% against the US dollar in the first quarter. Similarly, the Canadian dollar and Mexican peso appreciated 3.6% and 3.1% against the USD, respectively. Full currency exposure is detailed in the chart below.

Currency Exposures



Changes in the US Treasury curve over the course of the year provide a telling depiction of events. On January 2, investors were presented with an upward sloping yield curve with 30-year US Treasury bonds yielding 2.3%, 0.8% higher than the 1-month Treasury bill. This supported the then-narrative of a strong economy. By the end of February, investor concerns regarding the spread of coronavirus were apparent. On February 28, much of the yield curve had become inverted, with 30-year US Treasury bonds now only 0.2% higher than the 1-month Treasury bill. By June 30, the yield curve sloped upward and has continued to steepen, with the long-end rising slightly from the end of last quarter while yields on the short-end have fallen. Meanwhile, we have seen some signs of economic recovery as states move to re-open. There still remains much uncertainty due to the resurgence of the coronavirus in those areas that have moved too quickly.

Volatility made its mark in the first part of the year including a massive shift in the treasury curve, and a severe widening, then tightening, of corporate spreads. Heading into the second half of 2020 much uncertainty still remains, but amidst this uncertainty lay opportunities. The focus has been on choosing sectors and companies that can generate cash-flow even in a situation where the US mitigation of COVID-19 takes significantly longer than expected.

About The Authors

Jane Carten MBA
President and **Saturna Sustainable Equity Fund** Portfolio Manager

Jane Carten, President and Director, joined Saturna Capital in June 1997. Ms. Carten graduated from Western Washington University with an MBA and undergraduate degree in Computer Science and Business. As President, Ms. Carten oversees Saturna's daily operations and directs Saturna's internal and external information systems, managing the technology and marketing activities. She also directs Saturna's continuing education program and the philanthropic efforts of the firm. Ms. Carten is active in the Bellingham Bay Rotary and is a member of the Young Presidents' Organization; she is a former member of the Whatcom Museum Children's Advisory Board. She is a founder and former director of the nonprofit OpenAccess Internet Services and is a Bellingham Sister Cities member and contributor.

Scott Klimo CFA®
Vice President, Chief Investment Officer, and **Saturna Sustainable Equity Fund** Deputy Portfolio Manager

Scott Klimo CFA, 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. He is a supporter of various environmental organizations and served for several years on the Board of Directors of the Marin County Bicycle Coalition.

Patrick Drum MBA, CFA®, CFP®
Senior Investment Analyst and **Saturna Sustainable Bond Fund** Portfolio Manager

Patrick T. Drum, Research Analyst and Portfolio Manager, joined Saturna Capital in October 2014. He is a former select member of the United Nations Principles for Responsible Investment (UNPRI) Fixed Income Outreach Subcommittee and a former adjunct professor of finance at Pinchot University, formerly known as Bainbridge Graduate Institute (BGI). Mr. Drum has over 10 years of experience integrating ESG considerations into fixed income portfolio management. He holds a BA in economics from Western Washington University and an MBA from Seattle University Albers School of Business. He is a Chartered Financial Analyst Charterholder® (CFA) and a Certified Financial Planner®. Mr. Drum has more than 20 years of investment experience in serving institutions and private clients.

Elizabeth Alm CFA®
Senior Investment Analyst and **Saturna Sustainable Bond Fund** Deputy Portfolio Manager

Elizabeth Alm CFA, Investment Analyst, joined Saturna Capital in April of 2018. Originally from Connecticut, she graduated from New York University with degrees in Economics and Anthropology including field work completed in Luxor, Egypt. Prior to joining Saturna, Ms. Alm spent 11 years at Wells Fargo Asset Management as a senior research analyst focusing on high-yield municipal bonds. As part of her previous role, she also worked on the management of several municipal SMA strategies. Ms. Alm is a Chartered Financial Analyst (CFA) charterholder.

Stephanie Ashton
Manager of Corporate Social Responsibility

Stephanie Ashton joined Saturna Capital in 2012. As Manager of Corporate Social Responsibility she develops Saturna's internal sustainability initiatives, manages sustainability reporting, and contributes to overall sustainability strategy.

Ms. Ashton graduated from Western Washington University in 2006, majoring in English (Creative Writing emphasis) and minoring in French. Her professional background includes eight years in legal support as well as nonprofit experience. She is passionate about a number of sustainability issues—notably sustainable agriculture and local food—and currently serves on the Board of Directors for the Bellingham Food Bank.

Footnotes to commentary

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