Fund Commentary Q2 2021

Saturna Capital

Amana Mutual Funds Trust

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

Last quarter we posited that accelerated vaccine distribution would spur reopenings, increased economic activity, higher inflation, and strong corporate earnings. Despite the rising rate environment at the time – the year-to-date peak yield for the US 10-year Treasury was 1.74% on March 31 – we noted that market weakness during a time of economic ebullience would be unusual. Our crystal ball need not have been polished to a high sheen to proffer these prognostications, and they have indeed come to pass. By quarter-end, 66% of American adults had received one vaccine dose and 57% had been fully vaccinated.[1] While much of the world continues to struggle with the more contagious Delta variant, higher vaccination rates in the US appear to have blunted the threat, at least in those regions with greater vaccination acceptance. This has allowed a return to almost normal economic activity, and the Conference Board now forecasts 2021 GDP growth of 6.6% followed by 3.8% in 2022.[2] Meanwhile, surging demand, combined with still-challenged supply chains, drove inflation sharply higher. The Bureau of Labor Statistics reported 5% annualized inflation at the end of May.[3] First quarter corporate earnings demonstrated strength, notwithstanding the occasional weak report from pandemic darlings such as Clorox, which rode an early demand wave until consumers were equipped with several years' supply of wipes and had little need for more. As expected, US stock markets shrugged off inflation worries; the S&P 500 Index returned 8.55% over the second quarter, pushing the year-to-date return to 15.25%. The bond market was equally sanguine as the 10-year Treasury yield slipped from 1.74% at the end of the first quarter to 1.47% on June 30.

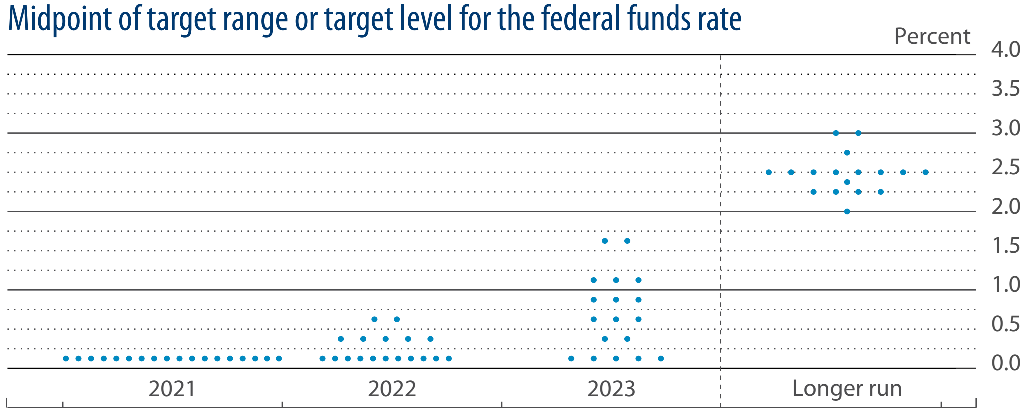
While much of the world continues to struggle with the Delta variant, higher vaccination rates in the US appear to have blunted the threat.

Environment and Outlook

While we had a good idea of how some things would play out over the quarter, there were also uncertainties, primarily political. During the first quarter, the US administration proposed infrastructure bills and changes to the tax code. It now appears that a slimmed-down bipartisan infrastructure bill may pass in some form. As for taxes, little has moved forward on the domestic front, but the administration has won international backing with 130 countries, including every member of the Group of 20, for a global minimum tax of 15%. The OECD (Organisation for Economic Co-operation and Development) estimates that governments lose $100 billion to $240 billion every year to tax avoidance, so the revenue will not make a huge difference to national budgets, but it could affect individual corporate earnings for multinationals that have employed Irish domicile, royalty schemes, and other dodges. Of course, congressional approval is dubious.

Inflation, interest rates, and Federal Reserve policy will likely dominate discussions for the rest of 2021. Fed Chairman Jerome Powell remains committed to his view that the current bout of inflation will be transitory but acknowledges that a longer period of high inflation is a possibility.[4] Indeed, the Federal Reserve has become quite divided on the outlook. While the majority of governors still anticipate no interest rate hikes until 2023, expectations for that year are all over the map, as shown in the *"FOMC participants' assessments of appropriate monetary policy"* dot plot. A vocal minority has emerged, arguing for quicker action to head off the risk of inflation expectations becoming embedded. Before any change to the federal funds rate, of course, the quantitative easing program that currently has the Fed purchasing $120 billion of Treasury securities and government-backed mortgage debt every month will need to be wound down, ideally without creating a "taper tantrum."

FOMC participants' assessments of appropriate monetary policy:
Midpoint of target range or target level for the federal funds rate



Source: FederalReserve.gov

Each shaded circle indicates the value (rounded to the nearest ⅛ percentage point) of an individual participant's judgment of the midpoint of the appropriate target range for the federal funds rate or the appropriate target level for the federal funds rate at the end of the specified calendar year or over the longer run. One participant did not submit longer-run projections for the federal funds rate.

We view the wide range of opinions within the Fed as an affirmation of our long-term investment approach. If the governors of the Federal Reserve can't agree on the future path for inflation and interest rates, how could we possibly create value for our investors by attempting trade around such expectations? Rather, we continue to focus on the best companies built for the long haul that we anticipate will provide outperformance over the cycle.

Amana Income Fund

As of June 30, 2021

In the second quarter of 2021, Amana Income Fund Investor Shares returned 5.13% and the Institutional Shares returned 5.21%. The benchmark S&P 500 Index returned 8.55% during the quarter. Year-to-date returns for the Investor and Institutional Shares were 10.50% and 10.62%, respectively, trailing the 15.25% return of the S&P 500.

The second quarter of 2021 included the passage of another stimulus bill (albeit with a razor-thin margin) putting more money in the hands of consumers. A small group of Republican and Democratic senators also began negotiations on a bipartisan infrastructure bill, even though a larger bill could be advanced through budget reconciliation. Whichever bill ultimately passes (if any), the prospect of increasing monetary and fiscal stimulus helped the market grind higher. At the same time, news began to emerge that the Delta variant of COVID-19 was becoming more prevalent in Asia and slowly making its way into Europe. The US appears to not have been impacted as severely from this strain, possibly because the sequencing required to determine the virus source is not conducted as robustly in the US as it is in other parts of the world.

The Fund's strongest performer during the quarter was Pharmaceuticals company Eli Lilly. Industrial company holdings also performed well, including Carlisle, PPG Industries, and Genuine Parts. Industrial sector companies have rallied with optimism about the pace of economic growth, with which they are more strongly correlated than other sectors.

The Fund's worst performer during the quarter was Intel. Intel is at the intersection of several big issues in Technology, including the rapid shift of chip demand from PCs to mobile devices and servers, neither of which it has as strong a market position, as well as the political and strategic implications of a much smaller manufacturing footprint for mobile and server chips within the US. The US could benefit from higher domestic semiconductor manufacturing capacity, but whether Intel can develop competitive technology and scale it rapidly enough to meet this need remains to be seen.

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10 Largest Contributors	Return	Contribution
Eli Lilly	23.39%	1.60
Microsoft	15.16%	0.94
PPG Industries	13.32%	0.54
Carlisle	16.59%	0.47
Rockwell Automation	8.18%	0.42
Genuine Parts	10.10%	0.30
Pfizer	9.16%	0.25
W.W. Grainger	9.63%	0.21
Bristol-Myers Squibb	5.85%	0.16
PepsiCo	5.51%	0.13

10 Largest Detractors	Return	Contribution
Intel	-11.75%	-0.44
Canadian National Railway	-8.60%	-0.25
Abbott Laboratories	-2.90%	-0.08
Kimberly-Clark	-2.94%	-0.06
McCormick & Co	-0.56%	-0.02
Parker Hannifin	-2.32%	-0.02
Nintendo	-4.82%	-0.01
Procter & Gamble	0.27%	0.00
Johnson & Johnson	0.86%	0.01
RPM International	3.80%	0.01

Top 10 Holdings	Portfolio Weight
Eli Lilly	8.29%
Microsoft	6.99%
Taiwan Semiconductor	6.39%
Rockwell Automation	5.54%
Illinois Tool Works	4.33%
PPG Industries	4.15%
Honeywell International	3.68%
McCormick & Co	3.42%
Intel	3.26%
Genuine Parts	3.12%

30-Day Yield	
Investor Shares (AMANX):	0.89%
Institutional Shares (AMINX):	1.12%

Asset-weighted average debt to market cap: 13.7%

Amana Growth Fund

As of June 30, 2021

For the second quarter of 2021, the Amana Growth Fund Investor Shares returned 9.91%, ahead of the 8.55% return of the S&P 500 Index, as well as the NASDAQ Composite return of 9.68%. Year-to-date the Investor Shares have gained 13.88%, lagging the 15.25% return of the Index but ahead of NASDAQ's 12.92% rise. After a desultory first quarter, enthusiasm returned to the Tech sector, although our contributors remained diverse across sectors.

The leading four positions among our 10 Largest Contributors illustrate the second quarter resurrection of Tech. Apart from ASML, none of them performed well in the first quarter. In fact, through the end of May, Adobe was down for the year while Apple was the top detractor in the first quarter. Solid results and raised guidance during its early May quarterly results drove Intuit higher. Investors began bidding Adobe higher in early June, and Adobe also reported excellent revenue growth and cash generation. Apple's revival may be little more than the realization that it had lagged the market for several months. The semiconductor shortage has focused investors' minds on the fact that ASML dominates the global market for lithography machines, and any path to increasing supply runs through the Netherlands. Health Care, like Technology, enjoyed better fortunes after a lackluster first quarter. Laboratory workflow firm Agilent continued to benefit from pandemic fallout, while Novo Nordisk reported several positive trial results surrounding diabetes and weight loss pharmaceuticals. Eli Lilly was a second derivative beneficiary of the FDA's mystifying decision to approve Biogen's Alzheimer's drug despite a lack of demonstrated efficacy. Lilly has a similar drug that completed Phase 3 trials and plans to apply for approval soon. Estee Lauder reported good results but was just a market performer. Gartner and Johnson Controls, both of which can be considered reopening plays, have been the two best performing stocks in the Fund year-to-date.

With the stock market appreciating nearly 10% over three months, it's not unexpected to see the detractors list populated by companies that enjoyed positive returns. Still, not everything appreciated. Sales for Clorox slipped 1% year-on-year in the fiscal third quarter, compared to a 15% rise in the previous year, while adjusted EPS declined 16%. Church & Dwight was not as pandemic-focused as Clorox but is still digesting the strong share price run in 2020. Norfolk Southern was an excellent performer through the first quarter and into May as the

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10 Largest Contributors	Return	Contribution
Intuit	28.14%	1.63
Adobe	23.20%	1.46
Apple	12.31%	1.00
ASML Holding	12.22%	0.78
Agilent Technologies	16.43%	0.62
Novo Nordisk ADS	24.25%	0.55
Eli Lilly	23.39%	0.50
Estee Lauder, Class A	9.55%	0.42
Gartner	32.68%	0.36
Johnson Controls	15.50%	0.32

10 Largest Detractors	Return	Contribution
Clorox	-6.19%	-0.08
Church & Dwight	-2.16%	-0.07
Amgen	-1.35%	-0.04
Norfolk Southern	-0.82%	-0.01
Mastercard	-3.82%	-0.01
Bristol-Myers Squibb	2.08%	0.01
Union Pacific	0.26%	0.01
Johnson & Johnson	0.86%	0.02
EMCOR Group	9.95%	0.03
PepsiCo	5.51%	0.04

Top 10 Holdings	Portfolio Weight
Apple	8.69%
Adobe	7.37%
Intuit	6.94%
ASML Holding	6.70%
Taiwan Semiconductor	4.62%
Estee Lauder	4.59%
Agilent Technologies	4.19%
Trimble	3.86%
Qualcomm	3.60%
Church & Dwight	3.22%

Asset-weighted average debt to market cap: 8.6%

Amana Developing World Fund

As of June 30, 2021

Performance for the Amana Developing World Fund slowly marched higher during the second quarter, with Investor Shares returning 3.92% and Institutional Shares returning 4.06%. Year-to-date, Investor Shares returned 6.83% and Institutional Shares returned 6.95%. While vaccine rollouts in the developed world have largely been effective, certain areas of the developing world have been struggling, as seen in the rising number of cases and deaths in these regions. The most glaring example was India. Not only were hospital beds in short supply, but oxygen quickly ran out of stock, leading to a tragic increase in the death toll.

There was concern in 2020 about the bifurcation of the world and the inequalities that come from that divide when it came to securing vaccines, and we are seeing those concerns play out in real time. If left unchecked, it could be detrimental to the growth we have seen as the global economy rebounds. Two key things to watch will be supply chains, which spread across Asia for everything from cars to washing machines, and any new COVID-19 variants emerging from or taking hold of the developing world.

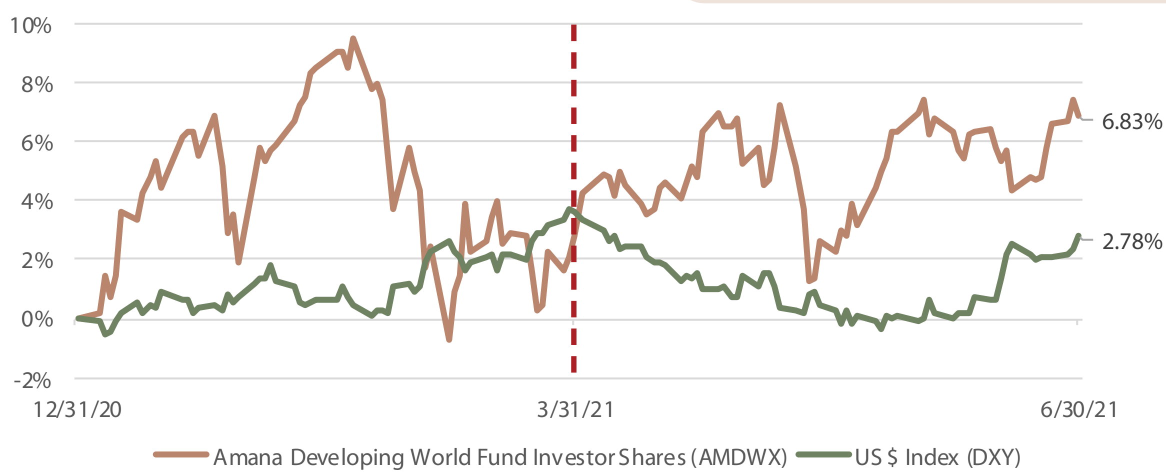
The inverse relationship between the strength of the US dollar (USD) and the Developing World Fund performance, continued in the second quarter. This time around, falling US Treasury yields led to a weakening dollar which provided support to developing world companies. As indicated in the graph "*AMDWX vs. USD*," the fortunes of the Fund and the DXY, an index tracking a basket of foreign currencies relative to the USD, changed course when the first quarter rolled into the second. While other factors are clearly present in the Developing World Fund's performance, this general trend remains intact.

10 Largest Contributors	Return	Contribution
Silergy	68.14%	3.68
Fleury	13.82%	0.27
LG Household & Health Care	12.79%	0.26
Kansas City Southern Industries	7.57%	0.23
Wilcon Depot	12.58%	0.20
Delta Electronics	7.58%	0.18
ASM Pacific Technology	8.46%	0.17
Qualcomm	8.35%	0.17
Clicks Group	6.25%	0.14
Unilever ADS	5.67%	0.13

10 Largest Detractors	Return	Contribution
Ford Otomotiv Sanayi	-16.18%	-0.34
Tencent Holdings ADR	-5.38%	-0.23
TPI Composites	-14.19%	-0.22
Baidu ADS	-6.27%	-0.21
Indofood CBP Sukses Makmur	-11.23%	-0.17
Naspers ADS, N Shares	-12.03%	-0.14
Hartalega Holdings	-22.42%	-0.13
Sunny Friend Environmental Technology	-5.61%	-0.11
Sercomm	-5.06%	-0.11
BIMB Holdings	-8.37%	-0.10

Top 10 Holdings	Portfolio Weight
Silergy	7.86%
Tencent Holdings ADR	3.79%
Taiwan Semiconductor ADS	3.53%
Techtronic Industries	3.41%
Kansas City Southern Industries	2.58%
Baidu ADS	2.57%
Samsung Electronics	2.38%
Delta Electronics	2.28%
Rio Tinto ADS	2.23%
ASM Pacific Technology	2.22%

AMDWX vs. USD



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Performance data quoted herein represents past performance and does not guarantee future results.

Amana Participation Fund

The effects of the COVID-19 pandemic were worldwide but had outcomes that varied greatly between countries. While some countries are seeing daily life slowly return to pre-pandemic normalcy, others have been less successful at preventing the spread of infections, resulting in surges of new cases and the need for additional lockdowns. Many countries in Southeast Asia, including Malaysia and Singapore, have had to extend their lockdowns, whereas in parts of the GCC[5] such as the United Arab Emirates (UAE) and Saudi Arabia, there are fewer restrictions.

Countries that are closer to returning to normal tend to benefit from the reopening trade; their local financial markets are experiencing strong upticks in performance when compared to regions that are regressing into lockdowns. For the first six months of 2021, the Abu Dhabi Securities Exchange and the Saudi Arabian Stock Exchange have demonstrated enviable returns of 41.03% and 28.21%, respectively. In contrast, Singapore's Straits Times Index and Malaysia's FTSE Bursa Malaysia KLCI posted returns of 11.84% and -3.76%, respectively.

The uptick in activity that we see in equity performance can also be found in debt and *sukuk* markets. US dollar-denominated *sukuk* issuance has been robust, even establishing new records when compared to prior years. For the first half of 2021, there have been 41 new *sukuk* issued, up from the 23 issued during the same time last year. Year-to-date, $29.5 billion in new *sukuk* has entered the market, reflecting a 75.5% year-over-year increase when compared to the prior six month period. Details of annual *sukuk* issuance trends compared to the first half of 2021 are provided in the graph "*Total Sukuk vs. GCC Sukuk Issuance.*"[6]

As of June 30, 2021

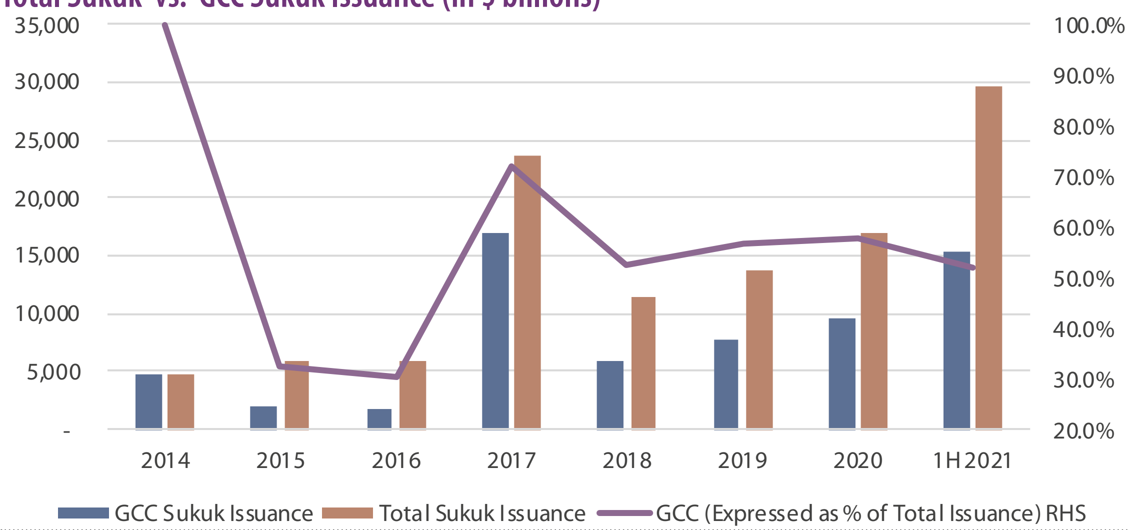
Top 10 Holdings	Portfolio Weight
TNB Global Ventures Cap	4.48%
DIFC Sukuk	4.40%
ICD Sukuk	4.39%
Tabreed Sukuk	4.19%
Almarai Sukuk	3.92%
DIB Sukuk	3.80%
Perusahaan Penerbit SBSN	3.79%
MAF Sukuk	3.73%
QIB Sukuk	3.55%
KSA Sukuk	3.55%

30-Day Yield	
Investor Shares (AMAPX):	0.72%
Institutional Shares (AMIPX):	0.96%

Credit Profile	
AAA	2.48%
AA	3.49%
A	19.67%
BBB	42.96%
BB	3.35%
Not rated	19.50%
Cash and equivalents	8.56%

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.

Total Sukuk vs. GCC Sukuk Issuance (in $ billions)



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Performance Summary

As of June 30, 2021

Average Annual Total Returns *(Before Taxes)*	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**15 Year**	**Expense Ratio**[A]
Income Fund Investor Shares (AMANX)	10.50%	29.62%	15.87%	13.04%	11.09%	9.83%	1.04%[B]
Income Fund Institutional Shares (AMINX)	10.62%	29.90%	16.12%	13.29%	n/a	n/a	0.81%[B]
S&P 500 Index	15.25%	40.79%	18.64%	17.64%	14.83%	10.72%	n/a
Growth Fund Investor Shares (AMAGX)	13.88%	42.90%	25.76%	22.42%	15.48%	12.56%	0.99%[B]
Growth Fund Institutional Shares (AMIGX)	13.99%	43.25%	26.05%	22.70%	n/a	n/a	0.76%[B]
S&P 500 Index	15.25%	40.79%	18.64%	17.64%	14.83%	10.72%	n/a
Developing World Fund Investor Shares (AMDWX)	6.83%	33.95%	12.48%	7.72%	2.67%	n/a	1.34%
Developing World Fund Institutional Shares (AMIDX)	6.95%	34.34%	12.69%	7.94%	n/a	n/a	1.21%
MSCI Emerging Markets Index	7.45%	40.90%	11.25%	13.02%	4.28%	6.61%	n/a
Participation Fund Investor Shares (AMAPX)	0.39%	3.94%	4.43%	2.82%	n/a	n/a	0.88%
Participation Fund Institutional Shares (AMIPX)	0.51%	4.18%	4.67%	3.06%	n/a	n/a	0.63%
FTSE Sukuk Index	0.61%	5.88%	7.21%	4.81%	n/a	n/a	n/a

[A] *Expense ratios shown are as stated in the Funds' most recent Prospectus dated September 25, 2020.*
[B] *Restated to reflect a reduction in the Advisory and Administrative Services fee, which became effective on December 1, 2020.*

Performance data quoted represents past performance, is before any taxes payable by shareowners, and is no guarantee of future results. *Current performance may be higher or lower than that stated herein. Performance current to the most recent month-end is available by calling toll-free 1-800-728-8762 or visiting www.amanafunds.com. Average annual total returns are historical and include change in share value as well as reinvestment of dividends and capital gains, if any. The 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. Shares of a Fund may only be offered for sale through the Fund's prospectus or summary prospectus.*

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 MSCI Emerging Markets Index, produced by Morgan Stanley Capital International, measures equity market performance in over 20 emerging market countries. The FTSE Sukuk Index measures the performance of global Islamic fixed-income securities, also known as sukuk. The US Dollar Index (DXY) indicates the general international value of the US dollar by averaging exchange rates between the US dollar and major world currencies. The NASDAQ Composite Index measures the performance of more than 5,000 US and non-US companies traded "over the counter" through NASDAQ. The Abu Dhabi Securities Market General Index is a free-float, market capitalization weighted index of stocks listed on the Abu Dhabi Securities Exchange. The Tadawal All Share Index measures the performance of the Saudi Arabian stock market and is disseminated by the Saudi Exchange. The Straits Times Index is a globally recognized barometer measuring the performance of the 30 largest companies listed on the Singapore Exchange. The FTSE Bursa Malaysia KLCI Index measures the performance of the 30 largest companies by market capitalization on the Bursa Malaysia stock exchange. When available, Saturna uses total return components of indices mentioned. Investors cannot invest directly in the indices.

Institutional Shares of the Amana Funds began operations September 25, 2013.

The Amana Participation Fund began operations September 28, 2015.

***Income**, **Growth**, **Developing World**, and **Participation** Funds: The value of the shares of each of the Funds rises and falls as the value of the securities in which the Funds invest goes up and down. The Amana Mutual Funds limit the securities they purchase to those consistent with Islamic principles. This limits opportunities and may affect performance. Each of the Funds may invest in securities that are not traded in the United States. Investments in the securities of foreign issuers may involve risks in addition to those normally associated with investments in the securities of US issuers. These risks include currency and market fluctuations, and political or social instability. The risks of foreign investing are generally magnified in the smaller and more volatile securities markets of the developing world.*

***Growth Fund**: The smaller and less seasoned companies that may be in the Growth Fund have a greater risk of price volatility.*

***Participation Fund**: While the Participation Fund does not invest in conventional bonds, risks similar to those of conventional nondiversified fixed-income funds apply. These include: diversification and concentration risk, liquidity risk, interest rate risk, credit risk, and high-yield risk. The Participation Fund also includes risks specific to investments in Islamic fixed-income instruments. The structural complexity of sukuk, along with the weak infrastructure of the sukuk market, increases risk. Compared to rights of conventional bondholders, holders of sukuk may have limited ability to pursue legal recourse to enforce the terms of the sukuk or to restructure the sukuk in order to seek recovery of principal. Sukuk are also subject to the risk that some Islamic scholars may deem certain sukuk as not meeting Islamic investment principles subsequent to the sukuk being issued.*

Performance Summary

As of June 30, 2021

Morningstar™ Ratings[A]	1 Year	3 Year	5 Year	10 Year	15 Year	Overall
Amana Income Fund – "Large Blend" Category						
Investor Shares (AMANX)	n/a	★★★	★★	★★	n/a	★★
% Rank in Category	93	69	91	90	56	n/a
Institutional Shares (AMINX)	n/a	★★★	★★	★★	n/a	★★
% Rank in Category	93	66	89	89	53	n/a
Number of Funds in Category	1,386	1,257	1,099	820	601	1,257
Amana Growth Fund – "Large Growth" Category						
Investor Shares (AMAGX)	n/a	★★★★	★★★	★★★	n/a	★★★
% Rank in Category	33	17	42	60	40	n/a
Institutional Shares (AMIGX)	n/a	★★★★	★★★★	★★★	n/a	★★★★
% Rank in Category	30	15	41	56	36	n/a
Number of Funds in Category	1,239	1,138	1,024	761	557	1,138
Amana Developing World Fund – "Diversified Emerging Markets" Category						
Investor Shares (AMDWX)	n/a	★★★★	★★	★★★	n/a	★★★
% Rank in Category	85	31	91	84	n/a	n/a
Institutional Shares (AMIDX)	n/a	★★★★	★★	★★★	n/a	★★★
% Rank in Category	84	29	89	81	n/a	n/a
Number of Funds in Category	789	701	602	306	152	701
Amana Participation Fund – "Emerging Markets Bond" Category						
Investor Shares (AMAPX)	n/a	★★★	★★	n/a	n/a	★★
% Rank in Category	94	83	96	n/a	n/a	n/a
Institutional Shares (AMIPX)	n/a	★★★	★★	n/a	n/a	★★
% Rank in Category	94	81	93	n/a	n/a	n/a
Number of Funds in Category	273	245	196	68	35	245

[A] Morningstar Ratings™ ("Star Ratings") are as of June 30, 2021. 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.

% 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.

Unshaded stars indicate extended performance. Extended performance is an estimate based on the performance of a Fund's oldest share class, adjusted for fees.

The Amana Mutual Funds offer two share classes – Investor Shares and Institutional Shares, each of which has different expense structures.

Amana Income Fund

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In the aftermath of COVID-19 disruptions, the global economy is experiencing supply chain and manufacturing bottlenecks that have led to price spikes and shortages of parts, equipment, and finished goods. These supply-side issues are compounded by strong consumer demand as the economic reopening gains steam and by the large quantities of stimulus that have been directed to support household spending. The resulting uptick in recent inflation reports is generally expected to be temporary as supply chains get sorted out and manufacturing picks up, but there is also the possibility that demand from a tight labor market, supported by continued fiscal and monetary stimulus, may lead to a self-reinforcing expectation for increasing prices.

The world's advanced economies have all suffered from more than a decade of weak demand and disinflation, and some "catch-up" inflation to support demand could be useful. But inflationary environments have winners and losers that may differ from those of past years, and it will be important to consider the opportunities and risks of higher inflation when assessing investments and their fit in the overall Fund portfolio.

Amana Growth Fund

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reflation trade took hold, but the overall market then experienced a rotation away from Industrials in the back half of the quarter. While travel in the US has rebounded strongly, we believe Mastercard has been weighed down by continuing international travel restrictions and reduced business travel.

We remain committed to the investment thesis for all those stocks, although we will re-evaluate Xilinx depending on the outcome of AMD's bid for the company. We view TJX and Mastercard as beneficiaries when conditions return to normal. Between stimulus checks, not dining out, and money saved during the pandemic, it is reasonable to anticipate a shopping boom once restrictions are lifted and consumers have a reason to wear something new. Similarly, Mastercard has been especially damaged by the sharp decline in travel. Again, we believe pent-up demand will drive a positive reversal, especially as the CDC has given a green light for travel to those who have received their vaccinations. We reduced our holdings in Clorox, PepsiCo, and SAP, as we expect each to be challenged from a growth perspective over the coming years.

Amana Developing World Fund

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The second quarter of 2021 was a story of acquisitions. Three out of the 10 Largest Contributors to Fund performance were stocks that have recently announced or completed a merger or acquisition: Kansas City Southern, Kerry Logistics, and International Flavors & Fragrances. Although great for short-term performance, it also meant that we were no longer able to invest in these great companies with great managements. Thus, we had to look at new opportunities. In the case of IFF, which we exited in the quarter, we found Kimberly-Clark de Mexico had a similar profile.

Silergy was back on top as the largest contributor for the quarter, followed by Brazilian Health Care company Fleury. Qualcomm and Unilever, which both performed poorly in the previous quarter, ended up rebounding in the second quarter, which is one reason our focus in the Fund remains on the long term. Ups and downs in quarterly performance can be distracting.

Looking forward, we will keep an eye on COVID-19 case counts in the developing world which, as mentioned above, do not look good. While the pandemic will likely continue to present near-term headwinds, long-term yields on developed market bonds highlight the slowing growth expected in these markets. Unlike developed markets, demographics in the developing world are more favorable for growth. We continue to see long-term potential for the developing world to drive growth.

It wasn't all positive for Technology in the quarter. Three of the 10 Largest Detractors came from the sector, including the top detractor, Qualcomm. Consumer Staples also struggled, with four out of the 10 Largest Detractors coming from the sector. The rollout of coronavirus vaccines and reopening of economies has made investors less interested in stocks that benefited from increased at-home consumption.

For the time being, US Treasury yields seem to have leveled off. We expect this will reduce tailwinds for the US dollar's continued strengthening. Still, there is no shortage of risks lying in wait to disrupt this newfound equilibrium. While renewed strength in the US dollar could create near-term headwinds, we remain optimistic in the longer-term that demographics in the developing world should provide structural growth opportunities. With populations and incomes growing, we believe the developing world will continue to capture an increasing share of global GDP.

Amana Participation Fund

Continued from page 8

Other sectors of the GCC economy are also experiencing a rise in activity. The real estate market broke an eight-year record with 90 property sales for the month of April, each worth 10 million dirhams or more ($2.7 million). There were only 54 similarly priced properties sold for all of 2020.[7]

Investor and consumer sentiment appears to be driving the growth in investment activities and can be partly attributed to the high vaccination rates in the GCC region. On May 23, 2021, the UAE was reported to have edged past Israel as the country with the world's highest rate of doses per 100 people.[8] The region's aggressive vaccination programs and response to pandemic safety has helped to attract visitors and buoy confidence.

The recovery in oil prices has further supported the region's outlook. On June 25, 2021, West Texas Intermediate hit a trailing 12-month high of $74.03 per barrel, up from its low of $35.74 on October 30, 2020 — a 106.9% gain.

For the second quarter of 2021, the Amana Participation Fund Institutional Shares and Amana Participation Fund Investor Shares Fund returned 1.06% and 1.00%, respectively. The Institutional Shares trailed the benchmark FTSE Sukuk Index by 92 basis points, while the Investor Shares trailed by 98 basis points. For the one-year period, the Institutional Shares and the Investor Shares provided annualized returns of 4.18% and 3.94%, respectively. The Fund's performance can be attributed to the GCC region's favorable investment climate and also to our investment process, which emphasizes the ownership of high-quality issues led by issuers with management teams that exercise prudence and demonstrate sound, long-term financial practices.

For June 30, 2021, the Institutional Shares provided a 30-day yield of 0.96% and the Investor Shares provided 0.72%. The Amana Participation Fund reported a modified duration of 3.61 years. The Fund is diversified among 36 separate issues to meet its investment objective of capital preservation and current income while being entirely invested in US dollar-denominated securities.

The top two performing issues for the first half of 2021 were Investment Corporation of Dubai, the emirate of Dubai's sovereign wealth fund, and Dubai International Financial Center, Dubai's independent, free-trade zone catering to the financial community. The two lowest performing issues for the quarter were Saudi Telecom and Indonesia's sovereign *sukuk*.

For the rest of the year, we anticipate that this supportive investment climate for *sukuk* investors will continue, given low interest rates and accommodative fiscal and monetary policies.

Footnotes to commentary:

[1] *See How Vaccinations Are Going in Your County and State. New York Times, June 30, 2021. https://www.nytimes.com/interactive/2020/us/covid-19-vaccine-doses.html*

[2] *The Conference Board Economic Forecast for the US Economy. The Conference Board, June 9, 2021. https://www.conference-board.org/research/us-forecast*

[3] *Consumer Price Index—May 2021. News Release: Bureau of Labor Statistics, US Department of Labor. June 10, 2021. https://www.bls.gov/news.release/pdf/cpi.pdf*

[4] *Smialek, Jeanna and Jim Tankersley. Fed Unity Cracks as Inflation Rises and Officials Debate Future. New York Times, June 30, 2021. https://www.nytimes.com/2021/06/30/business/economy/inflation-federal-reserve.html*

[5] *Gulf Cooperation Council (GCC) is the political and economic union established on May 25, 1981, by six member states to included Bahrain, Kuwait, Oman, Saudi Arabia, Qatar and the United Arab Emirates (UAE).*

[6] *Source: Bloomberg*

[7] *Dubai luxury home market soars as world's rich flee pandemic. The Indian express, May 6, 2021. https://indianexpress.com/article/business/world-market/dubai-luxury-home-market-soars-as-worlds-rich-flee-pandemic-7304184/*

[8] *Salim, Sahim. UAE has world's highest Covid vaccination rate. Khaleej Times. May 23, 2021. https://www.khaleejtimes.com/coronavirus-pandemic/uae-has-worlds-highest-covid-vaccination-rate*

About The Authors

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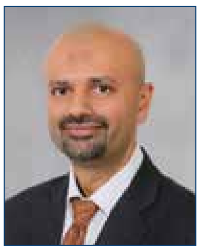
Scott Klimo, Vice President, Chief Investment Officer, and Portfolio Manager, joined Saturna Capital in May 2012. He received his BA in Asian Studies from Hamilton College in Clinton, NY and also attended the Chinese University of Hong Kong and the Mandarin Training Center in Taipei, Taiwan. Mr. Klimo 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.



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Monem Salam is Executive Vice President and a Director of Saturna Capital. He received his degrees from the University of Texas: BA (Austin) and MBA (Dallas). He worked as the Chief Investment Officer for ITG & Associates (Dallas) until 1999, then as a representative with Morgan Stanley (suburban Dallas) until joining Saturna Capital in June 2003. He served as the Director of Islamic Investing and a Deputy Portfolio Manager to the Amana Mutual Funds Trust until moving to Kuala Lumpur in 2012 to oversee Saturna Sdn Bhd. In 2018, he returned to the United States. He is Portfolio Manager of the Amana Income and Developing World Funds, as well as investment management accounts, and a Deputy Portfolio Manager of Amana Growth Fund. Mr. Salam is an adjunct professor at IE Business School and speaks at Islamic finance/investment conferences worldwide. He co-authored A Muslim's Guide to Investing and Personal Finance. Mr. Salam has authored chapters on Islamic Investing in both Contemporary Islamic Finance and Islamic Capital Markets, and he contributes articles to leading Islamic financial magazines. As a mark of recognition of his achievements in the Islamic economy, Mr. Salam was ranked among 500 of the Islamic world's most prominent and influential leaders by ISLAMICA 500 in 2015 and 2019.

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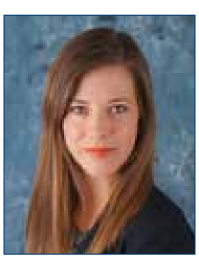
Patrick T. Drum, Research Analyst and Portfolio Manager, joined Saturna Capital in October 2014. He is a former select member of the United Nations Principles for Responsible Investment (UNPRI) Fixed Income Outreach Subcommittee and a former adjunct professor of finance at Pinchot University, formerly 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.



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Elizabeth Alm CFA, Senior 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.

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***Asset-weighted average debt to market capitalization**: This ratio represents the average debt to market capitalization of the portfolio. It is calculated by taking the debt to market capitalization for each company (its debt divided by its market capitalization), then weighting these values (multiplying each by the company's percent share of total portfolio assets), then totaling the weighted values.*

***Effective maturity**, **modified duration,** and **effective duration** are measures of a fund's sensitivity to changes in interest rates and the markets. A fund's effective maturity is a dollar-weighted average length of time until principal payments must be paid. Longer maturities typically indicate greater sensitivity to interest rate changes than shorter maturities. Modified duration differs from effective maturity in that it accounts for interest payments in addition to the length of time until principal payments must be paid. Longer durations tend to indicate greater sensitivity to interest rate changes than shorter durations. Call options and other security specific covenants may be used when calculating effective maturity and modified duration.*

*A Fund's **30-Day Yield**, sometimes referred to as standardized yield, current yield, or SEC yield, is based on methods of computation prescribed in SEC Form N-1A. 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.*

We note that unlike many funds, the Amana Funds' expenses are not subsidized by its adviser, Saturna Capital, therefore the 30-Day Yields presented are actual, according to the SEC's calculation methodology.