Fund Commentary

Q4 2021

Saturna Capital

Amana Mutual Funds Trust

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Whether it was inflation, supply chain disruptions, the removal of government stimulus, the prospect of central bank monetary policies — whatever spooked investors leading to the September sell-off evaporated at the start of October, and once again, markets rose. From the close on September 30 through a high on November 19, the S&P 500 returned a remarkable 9.27%. The spread of the Omicron variant stalled the momentum following Thanksgiving, but the market recovered, setting new highs before the Federal Reserve talked of 2022 rate hikes and reducing monthly bond purchases. Again, investors shrugged off doubt and pushed the S&P 500 to new highs in the final week of the year. Surprisingly, Technology stocks that were pummeled during the September sell-off on fears of higher inflation and interest rates were the stocks that rebounded the strongest in the fourth quarter.

Apart from the issues listed above, we can add the weather. Viewing global events illustrates how much inflationary pressure results from a changing climate rather than monetary and fiscal action. Last winter, freezing temperatures in Texas drove energy prices higher, reduced natural gas production, and led to closures of Gulf Coast chemical plants. Soft commodity prices rose this year, starting with drought in Brazil and Argentina that shriveled crops and hampered river shipments, which reduced exports. In North America, drought closed western hydropower plants, raising demand for natural gas and coal. Triple-digit temperatures in the Pacific Northwest drove air conditioning demand to record levels, further depleting natural gas stocks. According to the Department of Agriculture, more than 1.2 million acres planted with spring wheat weren't harvested and US production dropped 44%.[1] As forests burned at a historic rate, lumber prices rose. Drought in China, flooding in Germany, and freezes in Brazil affected production and distribution of several other soft and hard commodities.

Environment and Outlook

At year-end, market observers offer their expectations for the coming year. We have little insight into inflation and interest rates in 2022. The removal of fiscal and monetary stimulus implies tightening conditions. Regardless, we feel confident about growth, with one caveat. While Delta and Omicron variants have pushed COVID-19 infections in the US to record highs, the milder illness from Omicron, as well as its transmissibility, imply a short spike. Infections are soaring, but experience elsewhere indicates the surge could quickly fade. A first-quarter return to normal economic activity seems likely as workers forced to isolate come back, businesses reopen, and global supply chains get back on track.

As for the one caveat, we view China as the primary risk. The US government passed a law banning products sourced from Xinjiang Province (home of the Muslim Uighur minority) unless they are proven to have not been manufactured using forced labor.[2] The bill puts US companies in a difficult position, navigating the law while dealing with the Chinese government's response. It raises the risk of supply chain disruptions, given Xinjiang's importance as a source of commodities. The bigger risk is a disruption of Chinese economic activity due to Omicron. China has employed a zero-tolerance COVID strategy. Looking ahead, the spread of Omicron, travel during Chinese New Year, hosting the Winter Olympics, and weak protection from domestic vaccines all could mean that China may lock down wide swaths of its territory. That would affect global economic activity, inflation expectations, and the interest rate outlook in the short-term. Longer-term, we may see an acceleration in deglobalization, affecting investments, margins, and profitability.

Concerning the stock market, we avoid short-term predictions. But what of the next decade? A theme since the start of the pandemic has been the big getting bigger. Apple flirts with a $3 trillion market capitalization, trailed by Microsoft, as Alphabet and Amazon also appear among the top five largest companies. Where will they be in 2030?

10 Largest Global Companies by Market Capitalization *(as of 12/31/2021)*

Rank	Name	Market Cap	Price	Country
1	Apple	$2.95 T	$179.51	US
2	Microsoft	$2.56 T	$341.04	US
3	Alphabet (Google)	$1.94 T	$2,927	US
4	Saudi Aramco	$1.91 T	$9.54	Saudi Arabia
5	Amazon	$1.72 T	$3,400	US
6	Tesla	$1.09 T	$1089	US
7	Meta (Facebook)	$961.23 B	$345.55	US
8	Nvidia	$749.66 B	$300.83	US
9	Berkshire Hathaway	$673.09 B	$453,770	US
10	TSMC	$626.89 B	$120.88	Taiwan

Source: CompaniesMarketCap.com

Only two companies remain from 2010's top 10 list: Apple and Microsoft. Going back to 2000, only Microsoft remains. Few companies maintain their position at the top for more than a decade or two. One that did was Exxon, which appeared decennially from 1980 through 2010. In 2019 it was ranked 10th, but as of writing has dropped to 39th place. Saudi Aramco has become the dominant listed energy producer, but fossil fuel demand can only go one way over the next decades. We expect that Microsoft will maintain its position as the dominant global provider of personal and business software, while growing its cloud business and potentially being a key provider of augmented and mixed hardware and software. We see network economies, current dominance, and the opportunity to extend into new areas providing a path forward for Alphabet. Amazon has failed to repeat its US strength overseas, setting it up to fade. While Meta (Facebook) features a dominant network, it has demonstrated a talent for misadventure and strikes us as a service people use grudgingly. Google+ and other social networks failed to dislodge it, but we don't see a durable Metaverse advantage. By 2030 every other car company in the world will be producing e-vehicles (EVs) and it's hard to imagine Tesla maintaining its position. Nvidia carved out a strong business, but we do not view its position as unassailable given evolving markets and capable competitors. It's reasonable to assume a change of leadership at Berkshire Hathaway by 2030. On one hand, semiconductors are foundational to the global economy and Taiwan Semiconductor dominates, but Taiwan's geopolitical vulnerabilities raise risks. While Apple may not be a network in the traditional sense, it does have over one billion active users dedicated to its products. Apple's unrivalled ability to integrate complex technology with a user-friendly customer experience positions the company to extend into media content, augmented reality, the connected home, and perhaps EVs, all while growing its profitable subscription revenue.

For any company that fades, another will take its place. Will the new giants be companies currently lurking at lower market capitalizations, or will they be companies that do not yet exist? Reviewing the list of the top 100 companies by market capitalization, few seem likely to advance. We ascribe a higher probability of new companies rising to the top, given the opportunities generated by the transition toward a carbon-free economy. Perhaps someone is tinkering with viable carbon capture. Battery technology could eliminate lithium and cobalt requirements. And what of fusion, which always stands a few years away? Success there, and all bets are off. Our task will be to identify these companies and hold them for the next couple of decades.

Amana Income Fund

For the fourth quarter of 2021, the Amana Income Fund Investor Shares returned 13.76% and the Institutional Shares returned 13.85%. The S&P 500 returned 11.03% for the same period. For the full calendar year, the Investor and Institutional Shares returned 22.51% and 22.79%, respectively, while the S&P 500 returned 28.71% for the year.

On December 16, 2021, the Amana Income Fund paid qualified income distributions of $0.24 for Investor Shares and $0.39 for Institutional Shares. In addition, the Fund distributed $2.593 in long-term capital gains per share for both share classes, reflecting capital gains realized during the calendar year.

The light at the end of the tunnel leading out of the coronavirus pandemic was clouded by the emergence of the new, and extremely pathogenic, Omicron variant. Fortunately, the variant's high transmissibility appears to be somewhat mitigated by less severe outcomes, with relatively fewer lower-respiratory infections than what characterized earlier stages of the pandemic.

Concerns about high inflation levels being less transitory than originally expected led the Federal Reserve to move up its timeline for tightening monetary policy. Equity markets appeared to respond favorably to this guidance, which eased worries about overheating inflation causing economic distortions while eroding corporate earnings and equity returns.

Industrials and pharmaceutical companies were among the Amana Income Fund's strongest performers in the fourth quarter. Drug makers Pfizer, AbbVie, and Eli Lilly are all represented in the 10 Largest Contributors. Five of the Fund's 10 Largest Contributors include Industrials and Materials companies such as protective coating maker PPG Industries and building materials manufacturer Carlisle.

The video game maker Nintendo was the Fund's poorest performer during the fourth quarter and one of the worst for the year. Chip makers Intel and Texas Instruments also detracted from the Fund's performance.

US Technology companies have been the equity market's biggest winners in recent years. Because of the Amana Income Fund's objective of current income, many of these zero- or low-dividend companies do not suit the

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As of December 31, 2021

10 Largest Contributors YTD	Return	Contribution
Eli Lilly	71.18%	4.67
Microsoft	46.03%	3.01
Rockwell Automation	44.47%	2.32
Pfizer	71.42%	1.96
AbbVie	32.40%	1.81
Carlisle	53.22%	1.54
Genuine Parts	32.42%	0.98
Abbott Laboratories	30.54%	0.88
Illinois Tool Works	18.72%	0.86
PPG Industries	16.60%	0.74

10 Largest Detractors YTD	Return	Contribution
Air Products & Chemicals	13.76%	-0.38
Nintendo	-22.93%	-0.15
Honeywell International	-4.00%	-0.13
RPM International	0.62%	-0.11
Colgate-Palmolive	-0.31%	-0.06
Novartis ADS	-3.89%	-0.06
McCormick & Co	1.82%	-0.04
General Mills	-3.51%	-0.03
Unilever ADS	-2.04%	-0.03
Otis Worldwide	-5.51%	-0.01

Top 10 Holdings	Portfolio Weight
Eli Lilly	9.12%
Microsoft	7.93%
Rockwell Automation	6.17%
Taiwan Semiconductor ADS	5.85%
Illinois Tool Works	4.37%
Pfizer	4.00%
PPG Industries	3.85%
Carlisle	3.57%
Honeywell International	3.20%
McCormick & Co	3.19%

30-Day Yield	
Investor Shares (AMANX):	0.81%
Institutional Shares (AMINX):	1.05%

Asset-weighted average debt to market cap: 13.4%

Amana Growth Fund

The Amana Growth Fund sprinted to a strong finish in the fourth quarter, wrapping up an outstanding year by any measure. For the three months ended December 31, 2021, the Amana Growth Fund Investor Shares returned 14.41%, significantly outpacing the 6.91% Morningstar "Large Growth" category return, as well as the 11.03% return of the S&P 500. The excellent quarterly performance brought the full year return to 31.53% versus 20.45% for the Morningstar "Large Growth" category and 28.71% for the S&P 500. 2021 marked the third consecutive year of Fund returns exceeding 30% and the Fund finished in the fifth percentile in its Morningstar "Large Growth" category.

Given market strength, every sector provided positive returns during the quarter, led by Technology. Hardware and semiconductors were the primary contributors, although software performed better in terms of stock selection. Our Health Care investments in pharmaceuticals, particularly the diabetes duo of Eli Lilly and Novo Nordisk, performed well but medical specialties lagged. Industrials, Consumer Staples, and Consumer Discretionary were standouts in terms of stock selection and outperformance versus the benchmark. Johnson Controls and railways led in Industrials, Estée Lauder led in Consumer Staples, and Lowe's led in Consumer Discretionary.

Following on from strength in 2020, Technology again led the top contributors for 2021, followed by Health Care. Repeat top performers were Intuit, ASML, Apple, and Estée Lauder. As noted above, our major pharmaceutical investments did well. One should not expect outperformance to persist indefinitely, but we generally see bright futures for our Technology and Health Care investments. That said, we would not be surprised to see Consumer Discretionary and Industrial stocks, such as Lowe's and Johnson Controls, feature more prominently over the coming year on the back of economic expansion following the Omicron surge. Wages are rising, investment accounts are robust, and home equity has never been higher.[3] Given the likelihood of rising inflation and interest rates ahead, we anticipate adjustments to the portfolio to reduce exposure to highly valued stocks dependent on low interest rates to support terminal year valuations, while seeking investments in companies more correlated with a return to economic normalcy.

Throughout the year we have been reducing our investment in Clorox and don't see Omicron changing

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As of December 31, 2021

10 Largest Contributors YTD	Return	Contribution
Intuit	70.26%	4.24
ASML Holding	64.12%	3.67
Apple	34.65%	2.96
Estee Lauder, Class A	40.03%	1.73
Novo Nordisk ADS	63.39%	1.55
Lowe's	63.33%	1.44
Agilent Technologies	35.51%	1.40
Eli Lilly	66.08%	1.40
Johnson Controls International	77.47%	1.35
Keysight Technologies	56.34%	1.28

10 Largest Detractors YTD	Return	Contribution
Clorox	-11.52%	-0.19
Mastercard, Class A	-14.74%	-0.06
United Parcel Service, Class B	-6.61%	-0.03
Bristol-Myers Squibb	4.69%	0.02
Amgen	0.87%	0.05
PepsiCo	17.81%	0.06
Motorola Solutions	10.14%	0.06
Nike, Class B	18.70%	0.10
SAP ADS	9.25%	0.10
Newmont	7.42%	0.13

Top 10 Holdings	Portfolio Weight
Apple	9.32%
Intuit	7.53%
ASML Holding	6.38%
Adobe	5.90%
Estee Lauder, Class A	4.42%
Taiwan Semiconductor ADS	3.83%
Qualcomm	3.81%
Agilent Technologies	3.74%
Trimble	3.40%
Church & Dwight	3.20%

Asset-weighted average debt to market cap: 7.7%

Amana Developing World Fund

2021 proved to be a challenging year for emerging markets, as a strong dollar and a series of wide-reaching Chinese government interventions weighed on investor appetites for the asset class. Despite the tough environment, the Amana Developing World Fund was rewarded for staying the course — that is, seeking companies with strong governance principles, sustainable competitive advantages, and robust balance sheets. For the 2021 calendar year, Amana Developing World Fund Investor Shares returned 7.31% versus -2.54% for the MSCI Emerging Markets Index. Performance was particularly strong in the fourth quarter when the Investor Shares returned 4.56% versus the Index at -1.31%.

During the fourth quarter, six out of the 10 Largest Contributors to the Fund's performance were Technology stocks. While Technology stocks were the dominant force, driving returns in the fourth quarter, the Fund's full-year performance was broad-based, with five sectors represented among the 10 Largest Contributors. Standing out as it did in 2020, Silergy led the way in 2021, generating 112.27% in returns for the year. 2021 was a testament to the role that electronics — semiconductors in particular — play in the modern economy. As supply chains begin to smooth out, we expect these companies will continue to play an integral role in the digital revolution.

For both the fourth quarter and the full year, the Fund's largest detractors were not concentrated to any singular industry or area. The dispersion of these detractors across geographies shows how investing in emerging markets can be idiosyncratic. TPI Composites was the Fund's largest detractor in the fourth quarter and for the full year. A maker of wind turbine blades, TPI was particularly hard-hit by commodity inflation and challenged supply chains, leading the company to recapitalize in the fourth quarter. While the company continues to face near-term headwinds, this recapitalization should support the company's long-term position as a leading supplier to the world's largest wind turbine manufacturers.

In the 2020 fourth quarter commentary, we highlighted how ESG concerns had led the Fund to underweight its China exposure. In many ways these concerns were borne out in 2021. Concerns over treatment of Uighur-Muslims led to a US ban on products ranging from textiles to solar panels that were manufactured in

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As of December 31, 2021

10 Largest Contributors YTD	Return	Contribution
Silergy	112.27%	6.20
Techtronic Industries	41.09%	1.39
Wilcon Depot	71.22%	1.02
Kansas City Southern	41.95%	1.02
Kerry Logistics Network	68.77%	0.94
Nvidia	39.32%	0.83
Monolithic Power Systems	35.49%	0.78
Qualcomm	22.28%	0.69
Telekomunikasi Indonesia ADS	29.07%	0.65
IHH Healthcare	29.76%	0.61

10 Largest Detractors YTD	Return	Contribution
TPI Composites	-78.65%	-1.98
LG Household & Health Care	-38.18%	-1.02
Fleury	-35.43%	-0.87
Baidu ADS	-24.04%	-0.64
Tencent Holdings ADR	-19.50%	-0.46
Hartalega Holdings	-33.64%	-0.33
ASM Pacific Technology	-15.37%	-0.32
VF	-12.04%	-0.29
Kimberly-Clark de Mexico, Class A	-12.55%	-0.29
SM Prime Holdings	-16.85%	-0.28

Top 10 Holdings	Portfolio Weight
Silergy	10.03%
Techtronic Industries	3.74%
Taiwan Semiconductor ADS	3.38%
Qualcomm	3.18%
Nvidia	2.95%
Samsung Electronics	2.72%
Clicks Group	2.65%
Unicharm	2.62%
Telekomunikasi Indonesia ADS	2.60%
Monolithic Power Systems	2.57%

Asset-weighted average debt to market cap: 11.5%

Amana Participation Fund

2021 was a year of reclamation and began a process of repair toward normalization following the onset of the coronavirus over 18 months ago. The pandemic has exacted an enormous adverse impact on human health and the world's economies. As of year-end 2021, there have been nearly 284 million reported coronavirus cases worldwide and over 5.4 million related deaths.[4] The path back to normal has been uneven and disjointed as numerous variants have thwarted what many hoped would be a quick recovery. To date, over 9.2 billion vaccination doses have been administered globally, with 58.3% of the world's population having received at least one dose of the vaccine. However, only 8.5% of the people in low-income countries have received at least one dose.[5] Given the disproportionate distribution of vaccinations worldwide, it's likely that more new variants will continue to hamper the path to recovery and normalization over the year.

GCC Region Vaccination Rates (as of December 31, 2021)

Country	Vaccination Rate
Bahrain	67.38%
Kuwait	74.50%
Oman	56.22%
Qatar	n/a
Saudi Arabia	65.59%
United Arab Emirates	91.27%

Source: Nature Human Behavior[6]

The economies that appear to have rebounded more quickly have been largely dependent upon two factors – the successful rollout of vaccinations and government-sponsored fiscal support. The GCC region's aggressive vaccination measures, in conjunction with its member states providing fiscal support, has allowed it to experience a favorable recovery compared to other parts of the world. With more than 91% of its population vaccinated, the United Arab Emirates has the highest vaccination rate in the world, followed by Brunei at 90.75% and Portugal at 89.38%. In contrast, the United Kingdom and the United States have reported vaccination rates of 69.54% and 62.22%, respectively.[7]

While it is beyond the scope of this report to detail each government's fiscal measures in response to the pandemic, they can be characterized as robust. This helps explain, in part, the GCC member states' rapid economic rebound and improved fiscal affairs, which can also be attributed to higher oil prices; prices averaged $68.22 during 2021, a considerable jump from 2020's average price of $38.60. At year-end 2021, the closing price of West Texas Intermediate (WTI) was $75.21.

Forecasts by the International Monetary Fund (IMF) for 2022 indicate an improving outlook, with the UAE and Saudi Arabia projected to experience GDP growth of 3.0% and 4.8%, respectively.[8] The economic recovery is helping the GCC experience material improvement and repair of their governments' fiscal affairs, with deficits projected to decline. At year-end 2020, Oman's GDP was at a deficit of -18.7%. For 2022, the IMF forecasts their GDP growth into the black with a surplus of 1.1%!

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Top 10 Holdings	Portfolio Weight
ICD Sukuk	4.10%
KFH Tier 1 Sukuk	3.82%
Equate Sukuk Spc	3.81%
Almarai Sukuk	3.61%
Tabreed Sukuk	3.54%
DIFC Sukuk	3.51%
TNB Global Ventures Cap	3.37%
Saudi Telecom Sukuk	3.20%
KSA Sukuk	3.18%
Oman Sovereign Sukuk	3.08%

30-Day Yield	
Investor Shares (AMAPX):	0.82%
Institutional Shares (AMIPX):	1.06%

Credit Profile	
AAA	1.88%
AA	2.64%
A	15.38%
BBB	38.28%
BB	6.20%
B	5.80%
Not rated	21.21%
Cash and equivalents	8.61%

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.

Performance Summary

As of December 31, 2021

Average Annual Total Returns *(Before Taxes)*	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**15 Year**	**Expense Ratio**[A]
Income Fund Investor Shares (AMANX)	22.51%	20.48%	15.06%	12.77%	9.87%	1.04%
Income Fund Institutional Shares (AMINX)	22.79%	20.73%	15.32%	n/a	n/a	0.80%
S&P 500 Index	28.71%	26.04%	18.45%	16.53%	10.65%	n/a
Morningstar "Large Blend" Category	26.07%	23.83%	16.57%	14.96%	9.73%	n/a
Growth Fund Investor Shares (AMAGX)	31.53%	32.48%	25.17%	17.76%	12.81%	0.95%[B]
Growth Fund Institutional Shares (AMIGX)	31.82%	32.80%	25.47%	n/a	n/a	0.70%[B]
S&P 500 Index	28.71%	26.04%	18.45%	16.53%	10.65%	n/a
Morningstar "Large Growth" Category	20.45%	29.54%	22.39%	17.65%	11.99%	n/a
Developing World Fund Investor Shares (AMDWX)	7.31%	15.59%	9.62%	3.54%	n/a	1.20%
Developing World Fund Institutional Shares (AMIDX)	7.52%	15.78%	9.82%	n/a	n/a	0.97%
MSCI Emerging Markets Index	-2.54%	10.93%	9.86%	5.48%	4.45%	n/a
Morningstar "Diversified Emerging Markets" Category	0.38%	12.42%	10.00%	5.78%	4.26%	n/a
Participation Fund Investor Shares (AMAPX)	0.49%	4.11%	2.94%	n/a	n/a	0.82%
Participation Fund Institutional Shares (AMIPX)	0.64%	4.36%	3.16%	n/a	n/a	0.58%
FTSE Sukuk Index	1.09%	6.80%	4.96%	n/a	n/a	n/a
Morningstar "Emerging Markets Bond" Category	-2.80%	4.90%	3.96%	4.17%	5.10%	n/a

[A] *Expense ratios shown are as stated in the Funds' most recent Prospectus dated September 24, 2021.*
[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. 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 December 31, 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	86	87	81	91	55	n/a
Institutional Shares (AMINX)	n/a	★★	★★★	☆☆	n/a	★★★
% Rank in Category	84	85	77	90	51	n/a
Number of Funds in Category	1,382	1,244	1,109	822	610	1,244
Amana Growth Fund – "Large Growth" Category						
Investor Shares (AMAGX)	n/a	★★★★	★★★★	★★★	n/a	★★★★
% Rank in Category	5	24	21	51	33	n/a
Institutional Shares (AMIGX)	n/a	★★★★	★★★★	☆☆☆	n/a	★★★★
% Rank in Category	4	22	18	45	31	n/a
Number of Funds in Category	1,237	1,116	1,012	768	559	1,116
Amana Developing World Fund – "Diversified Emerging Markets" Category						
Investor Shares (AMDWX)	n/a	★★★★	★★★★	★★★	n/a	★★★★
% Rank in Category	20	21	48	91	n/a	n/a
Institutional Shares (AMIDX)	n/a	★★★★	★★★★	☆☆☆	n/a	★★★★
% Rank in Category	20	21	44	90	n/a	n/a
Number of Funds in Category	791	720	615	342	n/a	720
Amana Participation Fund – "Emerging Markets Bond" Category						
Investor Shares (AMAPX)	n/a	★★★	★★★	n/a	n/a	★★★
% Rank in Category	17	77	82	n/a	n/a	n/a
Institutional Shares (AMIPX)	n/a	★★★	★★★	n/a	n/a	★★★
% Rank in Category	14	71	74	n/a	n/a	n/a
Number of Funds in Category	276	262	219	n/a	n/a	262

[A] Morningstar Ratings™ ("Star Ratings") are as of December 31, 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.

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

Amana Income Fund

Continued from page 6

Fund's mandate. One that does — Microsoft, which returned 46.03% for 2021 — was the Fund's second biggest contributor to returns during the year. While Technology no doubt underpins much of the current economy and its future potential, Tech stocks have also benefited from low inflation, globalization, and valuations that are near historic highs. With globalization backsliding and inflation worries escalating, we believe companies in other industries with strong financial positions, competitive advantages, strong management, attractive dividend yields, and reasonable valuations can offer investors diversification in the context of equity markets increasingly concentrated in a handful of very large Technology firms.

Amana Growth Fund

Continued from page 7

our outlook. Despite the share price decline, it remains expensive with modest growth. We sold our positions in United Parcel, Bristol Myers, Mastercard, and Pepsi. The UPS sale was premature, and we may re-engage given an opportunity. We believe there are better opportunities than Bristol in pharmaceuticals. Although Mastercard does not charge or collect interest, its association with credit activities was problematic. We believe Pepsi to be a well-run firm, but its products are not in keeping with an ESG mandate. Additionally, it has entered a joint venture to produce and distribute alcoholic beverages, making it ineligible for the portfolio. We are slowing exiting the position in SAP. Motorola Solutions is a recent addition to the portfolio and has done well. After a weak first half of the year, Nike rebounded despite supply chain challenges. We are impressed by its omnichannel competence and the long-term outlook for athleisure.

Fund performance last year was helped by most of our large positions performing well. Even Adobe, the laggard of the group, returned nearly 13%, while Trimble, among those not appearing in the top contributors list, appreciated just shy of 30%.

Amana Developing World Fund

Continued from page 8

Xinjiang, and poor governance is at least partially to blame for the Evergrande-debt debacle. These issues and others led many investors to reduce their exposure to the Chinese market, causing it to trail its emerging market peer group, with the MSCI China Index losing -21.72% in 2021.

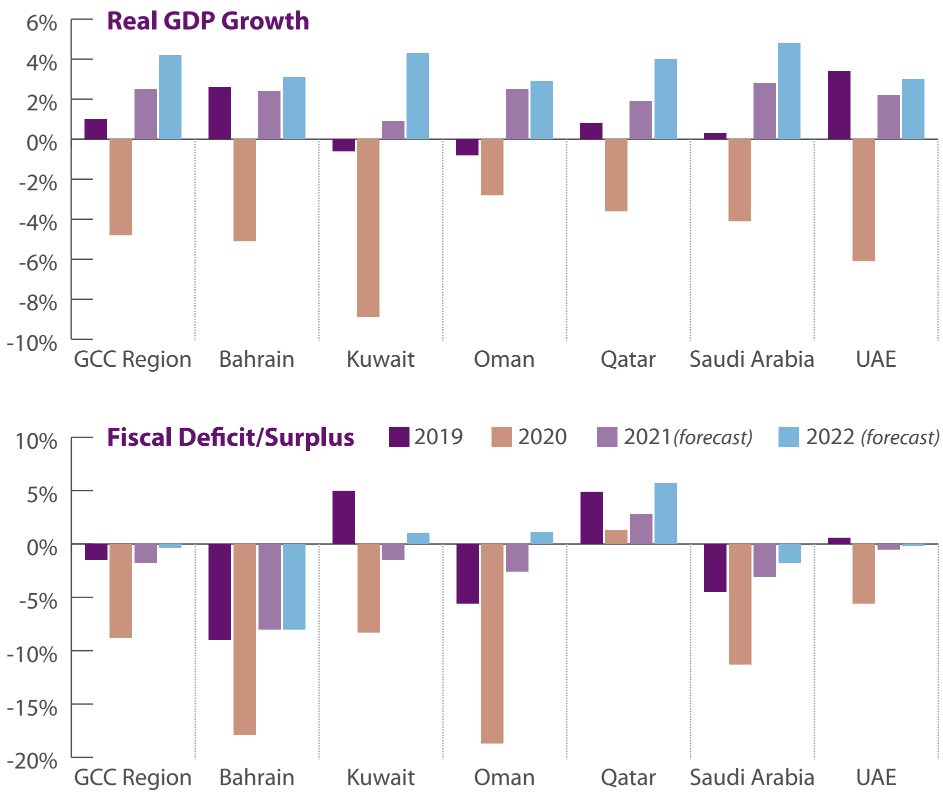
Our concerns over investing in China have come to bear and we remain reticent of investing in the nation. Instead, we continue to look fondly on countries such as Taiwan and South Korea, where companies are driving technological advancement globally. We also see opportunities for emerging markets to provide the resources and products that will lead the green revolution. Finally, we hold that change is afoot in India, where the world's largest democracy is building an economy that could lead to the world's largest middle class in just a couple of years. Regardless of geography, 2021 evidenced the heterogenous nature of emerging markets and the importance of having a deep understanding of the companies and countries we invest in. We expect 2022 will once again highlight the importance of this acute fundamental analysis.

Amana Participation Fund

Continued from page 9

Greater worldwide economic normalization in 2022 will likely bolster oil prices and the economies of the GCC members. We believe this will offer a supportive investment climate for *sukuk* investors over the new year. However, we remain vigilant for anticipated risks and challenges that investors may experience with higher interest rates and tighter momentary policies from the Federal Reserve.

GCC Region & Member Countries



Source: International Monetary Fund

As of year-end 2021, the Amana Participation Fund's Institutional Shares and Investor Shares returned 0.64% and 0.49%, respectively. When compared to the FTSE Sukuk Index which returned 1.09%, the Institutional Shares trailed the benchmark by 45 basis points while the Investor Shares trailed it by 60 bps. The Institutional and Investor Shares provided three-year annualized returns of 4.36% and 4.11%, respectively.[10] The Fund's performance can be attributed, in part, to the GCC region's favorable investment climate as well as to our investment process that emphasizes the ownership of high-quality issues, led by issuers with management teams that exercise prudence and demonstrate sound, long-term financial practices.

At year-end, the Institutional Shares of the Fund provided a 30-day yield of 1.06% and the Investor Shares provided a yield of 0.82%. The Amana Participation Fund reported a modified duration of 3.31 years. The Fund is diversified among 43 separate issues to meet its investment objective of capital preservation and current income while being entirely invested in US dollar-denominated securities.

The two best performing issues during the fourth quarter were Oman's sovereign *sukuk* and Kuwait Financial House's perpetual *sukuk* which returned 1.29% and 1.22%, respectively. The two worst performing issues over the quarter were Dubai retailer Majid Al Futtaim's green *sukuk*, and Dubai Aerospace Enterprises, a global aviation services and leasing company, generating returns of -1.65% and -1.25%, respectively.

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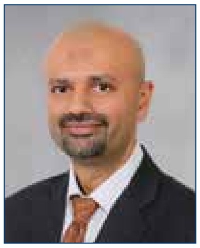

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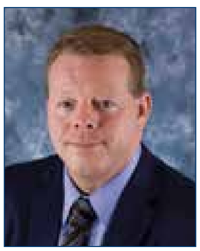

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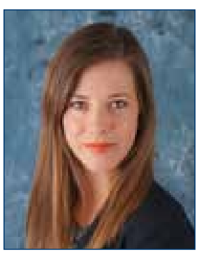

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***Asset-weighted average debt to market capitalization**: This ratio represents the average debt to market capitalization of the portfolio. It is calculated by taking the debt to market capitalization for each company (its debt divided by its market 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.

Footnotes to commentary:

[1] Small Grains: 2021 Summary. United States Department of Agriculture, National Agricultural Statistics Service, September 2021. Page 14. https://www.nass.usda.gov/Publications/Todays_Reports/reports/smgr0921.pdf

[2] Biden signs law banning goods made in China's Xinjiang region. Al Jazeera, December 23, 2021. https://www.aljazeera.com/news/2021/12/23/biden-signs-law-banning-goods-made-with-forced-labour-from-china

[3] Howley, Kathleen. Americans Cashing Out Home Equity After Record Gains in Value. Forbes, November 8, 2021. https://www.forbes.com/sites/kathleenhowley/2021/11/08/americans-cashing-out-home-equity-after-record-gains-in-value/?sh=21839e4d2005

[4] Bloomberg, COVID-19 Map. Function: CVID, as of December 31, 2021.

[5] Mathieu, E., Ritchie, H., Ortiz-Ospina, E. et al. A global database of COVID-19 vaccinations. Nature Human Behavior (2021). https://ourworldindata.org/covid-vaccinations

[6] Ibid.

[7] The GCC is an acronym for the Gulf Cooperation Council, a political and economic alliance of six countries in the Arabian Peninsula. Its members include Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE). The GCC was established in 1981 to promote security and stability for its members and has an estimated population of 54 million. https://worldpopulationreview.com/country-rankings/gcc-countries

[8] Ibid.

[9] Gulf Cooperation Council: Economic Prospects and Policy Challenges for the GCC Countries – 2021. The International Monetary Fund. Page 28. https://www.imf.org/en/Publications/Policy-Papers/Issues/2021/12/14/Economic-Prospects-and-Policy-Challenges-for-the-GCC-Countries-2021-510967