

AMANA MUTUAL FUNDS PRESENT

YEAR-END PLANNING

Tax Strategies To Maximize Your Account

WITH



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Amana Mutual Funds Trust
FOLLOWING PRINCIPLES OF ISLAMIC FINANCE



Please consider an investment's objectives, risks, charges and expenses carefully before investing. To obtain this and other important information, which you should carefully consider before investing, about the Amana Mutual Funds in a free prospectus or summary prospectus, please visit www.amanafunds.com or call 1-800-728-8762.

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Topics

- **Tax-Advantaged Accounts**
 - IRAs, Employer Plans, HSAs, ESAs
- **Estate Planning**
 - Wills/Trusts/Beneficiaries
 - Charitable Giving

TRADITIONAL IRA

- **Tax-deductible** contribution limits:
 - \$6,000
 - \$1,000 catch-up
- Tax-free growth; **pay income tax** on distributions; 10% penalty before age 59½
- Simple administration; generally few expenses
- Self-directed: you choose investments – *halal*

ROTH IRA

- **Non-deductible** contribution limits:
 - \$6,000
 - \$1,000 catch-up
- Tax-free growth; **pay no income tax** on distributions; 10% penalty before age 59½
- Simple administration; generally few expenses
- Self-directed: *halal*

EMPLOYER PLANS

401(k) & 403(b) Plans

- Established by employer
- Employer sets some limits
- May make matching contributions
- Generally pays plan expenses
- Plan sponsor sets investment choices:
few halal options
- Tax-deductible contribution limits:
 - \$19,500 for 2021
 - \$20,500 for 2022
- Tax-free growth; pay income tax on withdrawals
- May have a Roth option

HEALTH SAVINGS ACCOUNTS

A triple-tax-advantaged way to save for health care costs.

- Contribute pre-tax dollars to your HSA
- Interest and investment earnings grow tax-free
- Withdraw HSA funds tax-free to pay for qualified medical expenses

Unspent contributions, even those made by an employer, are yours to keep for future health care expenses and/or retirement.

How it works:

- **QHDHP** - Qualified High Deductible Health Plan
- Individuals under age 65 can contribute

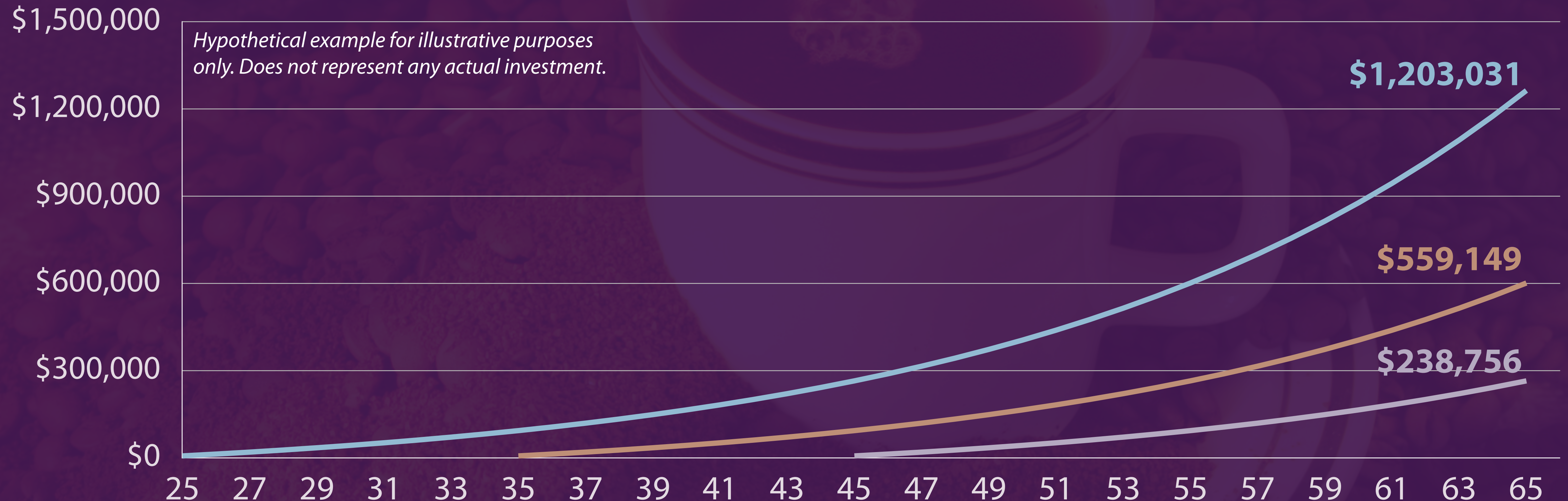
2021 / 2022

- \$3,600 / \$3,650 for individuals
- \$7,200 / \$7,300 for family plans
- \$1,000 catch-up contributions (age 55+)

EDUCATION SAVINGS ACCOUNTS (ESA)

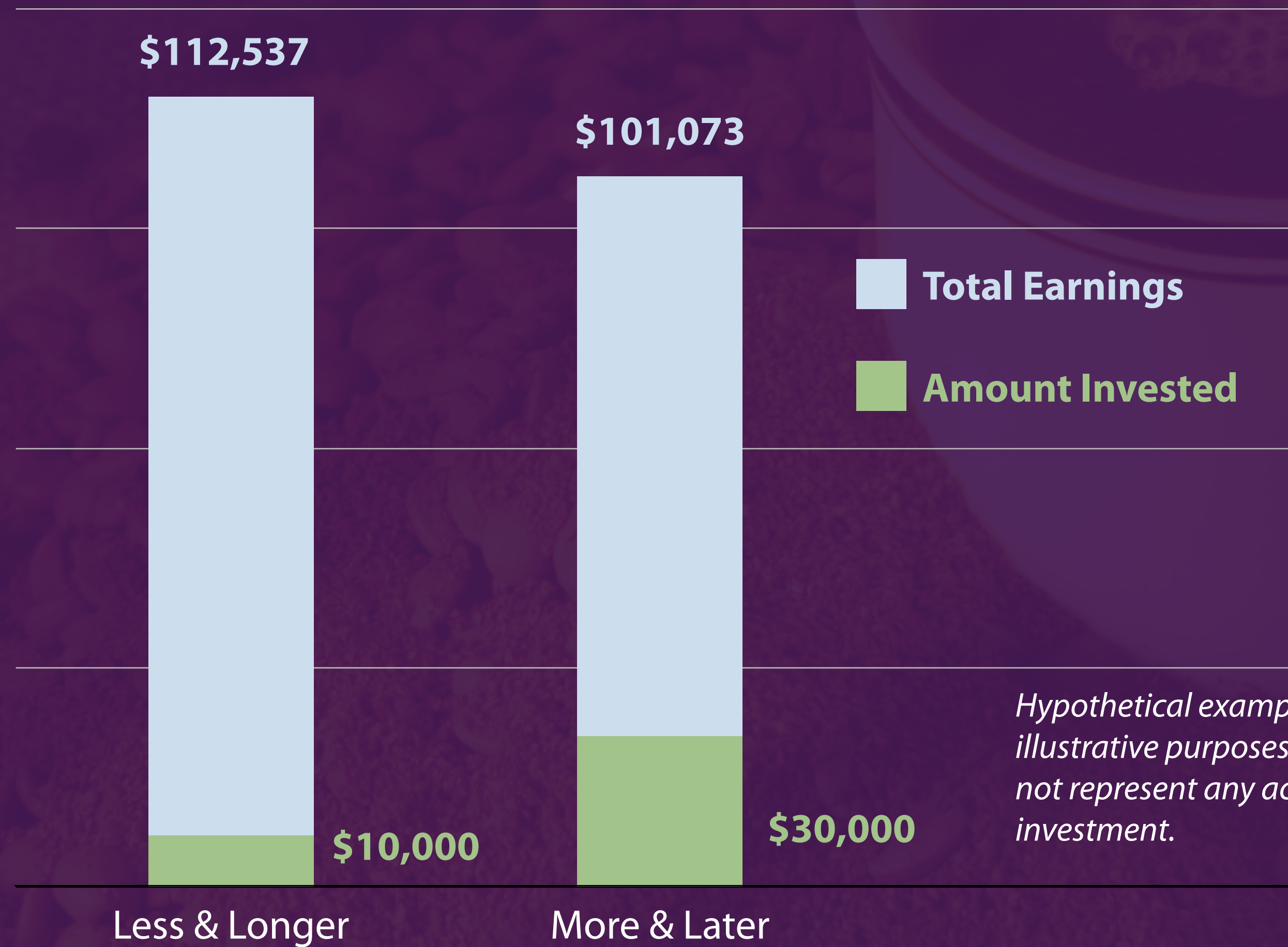
- Can be used for higher and primary education
- Contribution limit: \$2,000 per year per child
- Must distribute by age 30
- Contribution deductibility phases out beginning \$190,000 through \$220,000 for joint filers in 2021

SAVING FOR THE LONG TERM



The power of compounding: if you started investing \$5,500 a year, assuming 7% return, you would end up with the amounts above.

SAVING FOR THE LONG TERM



The awesome
power of
compounding.

*Hypothetical example for
illustrative purposes only. Does
not represent any actual
investment.*

AMANA FUNDS & SATURNA CAPITAL

- **Community based**
 - No sales charges
- **Many account types & services**
 - IRA (Roth and Traditional)
 - 401(k) and other employer plans
 - Health Savings Accounts
 - Education Savings Accounts
 - UGMA
 - Brokerage
 - Financial Planning
 - Investment Advisory
 - Trusts

Wills

- Making a will is a duty incumbent upon a Muslim.

Quran 2:180-182;4:12

- “It is not right for a Muslim who has property to bequeath, that he should pass two nights without having a written will with him.”

Hadith

Estate Planning Techniques

- Donor-Advised Funds
 - Charitable giving vehicle set up under the tax umbrella of a public charity, which acts as sponsor to many funds
 - Donate money now; decide which charity later
 - Investments are flexible
- IRA beneficiaries
- Required minimum distribution and charitable giving from IRA

Trusts (*Awqaf*)

- Most popular is Living Trust (revocable or irrevocable) but many forms exist
 - Charitable (remainder/lead/annuity)
 - Minor trusts
- Great for asset protection, capital gains tax, deferral, foundations, special interests, controlling assets from the grave
- Avoids probate but *NOT* estate and inheritance taxes
- Three parties: grantor, trustee, and beneficiary
- Average set-up cost: \$1500 (basic)

Wills

- Wills *DO NOT* avoid probate or taxes
- Choose a will when
 - Assets are small
 - No chance of contestation by heirs
- Wills should always be used for
 - Guardianship of children
 - Durable Power of Attorney: mental incapacitation, etc.
- Islamic wills available through www.isna.net
- Must be **signed AND notarized**
- Some states may accept handwritten wills

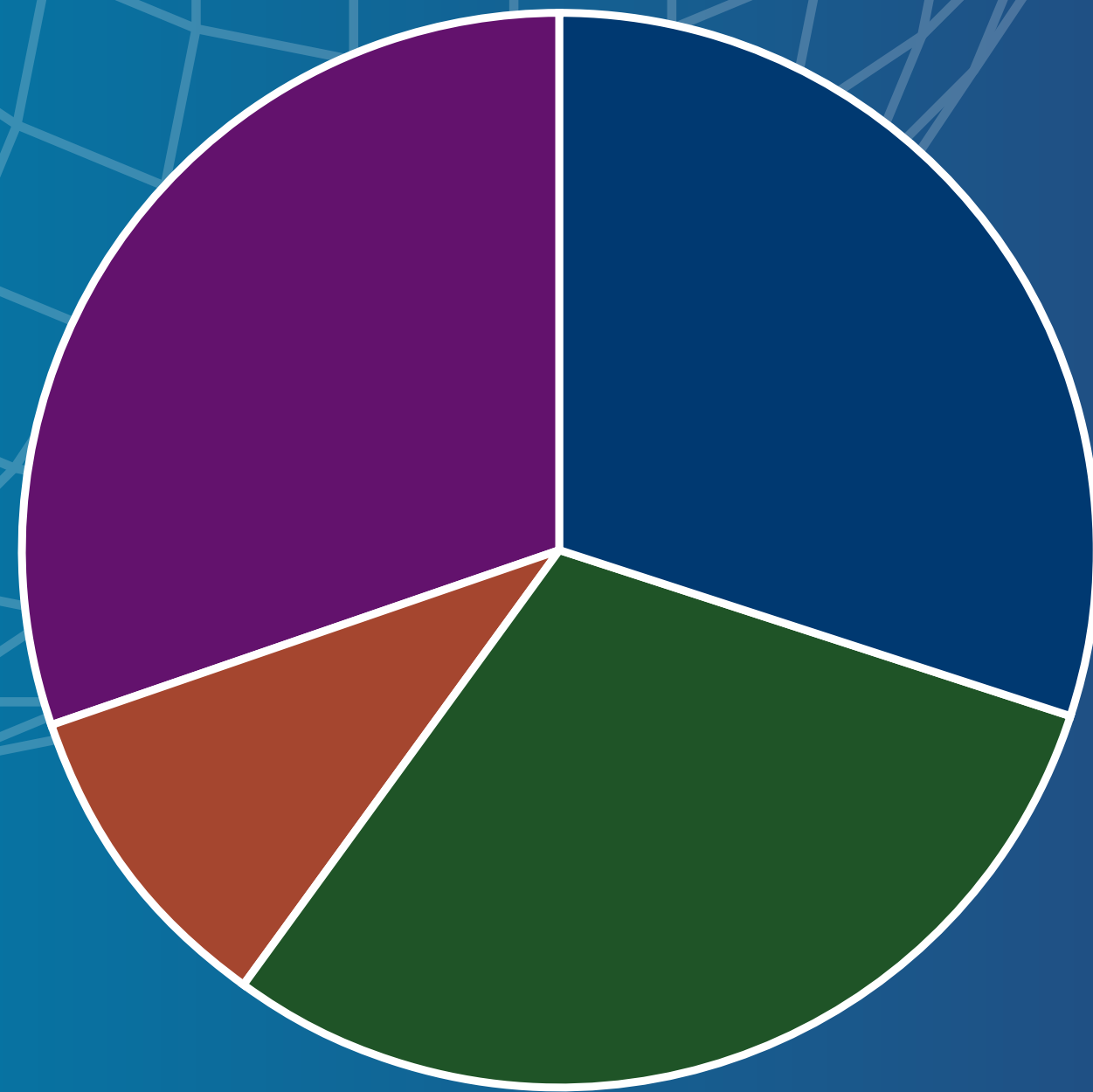
Other Estate Planning Techniques

- Gifts (to children, grandchildren, or anyone)
- For minors (UGMA/UTMA)
 - Limit of \$15,000/year per individual
 - More than that subject to gift taxes
 - At age of majority, assets belong to child/beneficiary
 - Reduced tax rate

Recap

- Tax-advantaged Accounts
- Trusts
- Charitable donations made in a tax efficient manner
- Once a year funding versus automatic monthly investing

AMANA FUND SELECTOR



Not sure which Amana Funds to pick? Or maybe you want to rebalance your current allocation?

The Amana Fund Selector can help!

Visit **www.amanafunds.com** today!

Using the Amana Fund Selector is free and does not require making any investment.

Note: The Amana Fund Selector is educational in nature and is not intended to be financial advice. To implement any allocation returned by the Selector, contact a Saturna representative.

A Few Words About Rollovers

While there are no account or transfer fees for IRA accounts invested in Saturna's affiliated mutual funds, ongoing investments in mutual funds are subject to expenses. See a fund's prospectus for further details. Trades in a brokerage account are subject to a commission schedule. Wire transfers out of the account and expedited shipping of proceed checks may incur fees when these services are used.

IRA distributions before age 59½ may be subject to a 10% penalty. IRA distributions may be taxable.

Rollovers are not right for everyone and other options may be available. Some retirement plans allow you to hold your assets in the account until you need them. You should check with your previous plan administrator about any fees they may charge. It is important to carefully consider your available options, including any fees you might incur, before choosing an IRA rollover.



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FOLLOWING PRINCIPLES OF ISLAMIC FINANCE

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