IMPACT REPORT 2022

SATURNA
SUSTAINABLE FUNDS

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Saturna Sustainable Funds reached their seventh anniversary in March of 2022. Since the Funds' inception in 2015, we have observed tremendous growth in the number and assets of sustainable and ESG investment options. Total assets aligned with a sustainable investment mandate in the US was $6.5 trillion in 2014, and one out of every six dollars was sustainably invested.[1] By the end of 2020, the total assets aligned with a sustainable investment mandate grew to $17.1 trillion – a 160% increase – with one in every three dollars invested sustainably in the US.[2]

Sustainably aligned investments are growing on a global scale as well. At the end of 2021, the United Nations' Principles for Responsible Investing (PRI) reported more than 3,800 signatories with over $120 trillion in assets under management (AUM). The primary mission of the PRI is to advocate for the development of a more sustainable global financial system through the incorporation of environmental, social, and governance (ESG) issues into investment analysis and the decision-making process.[3] The Task Force on Climate-related Financial Disclosures (TCFD), an organization based in the UK, is focused on developing a set of voluntary climate-related risk disclosures. As of October 6, 2021, TCFD had over 2,600 supporters globally, and $194 trillion in AUM.[4]

These eye-catching commitments expressed by AUM and the number of signatories reflect the investment industry's broad support. The traditional investment process is insufficient on a stand-alone basis, while ESG integration employs an expanded investment analysis framework and a wider set of due diligence tools. While the adoption of ESG and broad sustainability considerations are yet to be mainstream among US retail investors, they have garnered legitimacy and commitment among the institutional community.

Saturna Capital is rooted in values-based investing. Since its genesis over 30 years ago, we have deepened our commitment to ESG considerations with the goal of creating long-term value for our clients. We view the integration of ESG factors as critical components in providing a holistic assessment of an issuer's creditworthiness and future value to investors. We see ESG considerations as a multidimensional framework; they help us determine what factors may inhibit an issuer's ability to meet its obligations to bondholders and to assess how management is approaching material risks while addressing broad stakeholder relationships. The integration of material ESG factors not only helps us to identify veiled risks but also to opportunistically identify issuers better positioned, relative to their peers, in serving our clients.

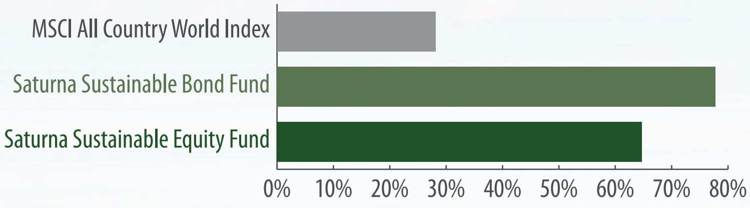
Carbon intensity relative to the MSCI All Country World Index

14%
Saturna Sustainable Equity Fund

33%
Saturna Sustainable Bond Fund

As of March 31, 2022

Holdings with 33% or more female board representation



As of March 31, 2022

The number of holdings as of March 31, 2022 for the Saturna Sustainable Bond Fund is 58, for the Saturna Sustainable Equity Fund is 51, and for the MSCI All Country World Index is 2,321.

SUSTAINABLE DEVELOPMENT GOALS

The Global Goals for Sustainable Development (SDGs), officially known as "Transforming Our World: the 2030 Agenda for Sustainable Development" are 17 goals and 169 targets that were created to end poverty, promote prosperity and well-being for all, and protect the planet. The SDGs set a course and framework to achieve these objectives. When evaluating our investments, we believe that this framework will be the new standard by which sustainability will be reported and measured. Contribution to these goals not only allows investors to identify areas of risk, but also potential new opportunities.

Saturna is thoughtful about how we construct our portfolios and how we incorporate the SDGs. The inclusion of the SDGs represents an evolutionary extension of Saturna's proprietary ESG scoring model within our actively managed investments. We believe a truly value-added strategy requires active management with robust qualitative and quantitative analysis. As many investment companies rush to capture the growing market demand for sustainable strategies, we remind investors to exercise prudence in understanding the framework of how asset managers incorporate ESG considerations – substance matters more than just form and marketing.

This question of substance versus form extends beyond an asset manager's incorporation of ESG considerations and lends itself to the evaluation of individual companies and investments within a strategy. We are excited about the SDGs, in one respect, due to the specific nature of the goals and targets within those goals. Specific disclosures related to a company's contribution to a goal do not lend themselves as easily to "greenwashing." They can help investors identify opportunities that are substantive and companies that incorporate ESG as part of a holistic strategy.

Sustainable Development Goals

Our team created a data set unique to Saturna Capital regarding how our investments align with the SDGs. We created this resource by examining every single corporate social responsibility report or impact report for the holdings in the Saturna Sustainable Funds. We looked at which issuers reported on specific SDGs and how they reported on each goal. We split company reporting into three categories, from most comprehensive to least comprehensive.

The categories include:

Companies that assign data with quantitative targets for a specific goal

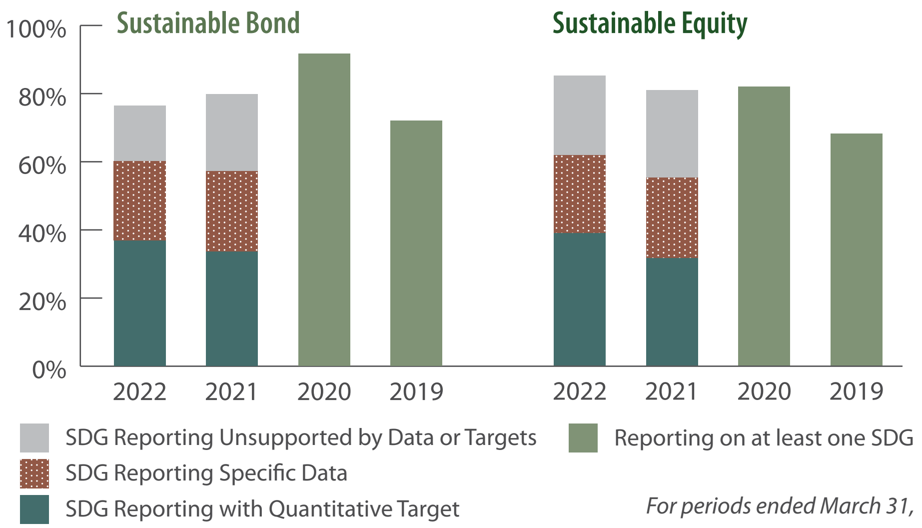
- Examples of quantitative targets can include reducing carbon emissions by a specific amount over a defined period, or workforce goals related to board or management ethnic and/or gender diversity. These targets must be directly linked with an SDG.
- Example: Home Depot pledged to have 100% renewable electricity for all its facilities worldwide by 2030, with the target linked to SDG 12 (Responsible Consumption and Production), and SDG 7 (Affordable and Clean Energy)

Companies that provide supporting data regarding a specific goal

- We look for supporting data that backs up the claim of SDG alignment. This can include gender pay parity information for SDG 5 (Gender Equality) or carbon emissions trends.

Companies that mention they are aligned with a goal but don't provide data or targets to support the claim

Percent of holdings reporting on SDGs

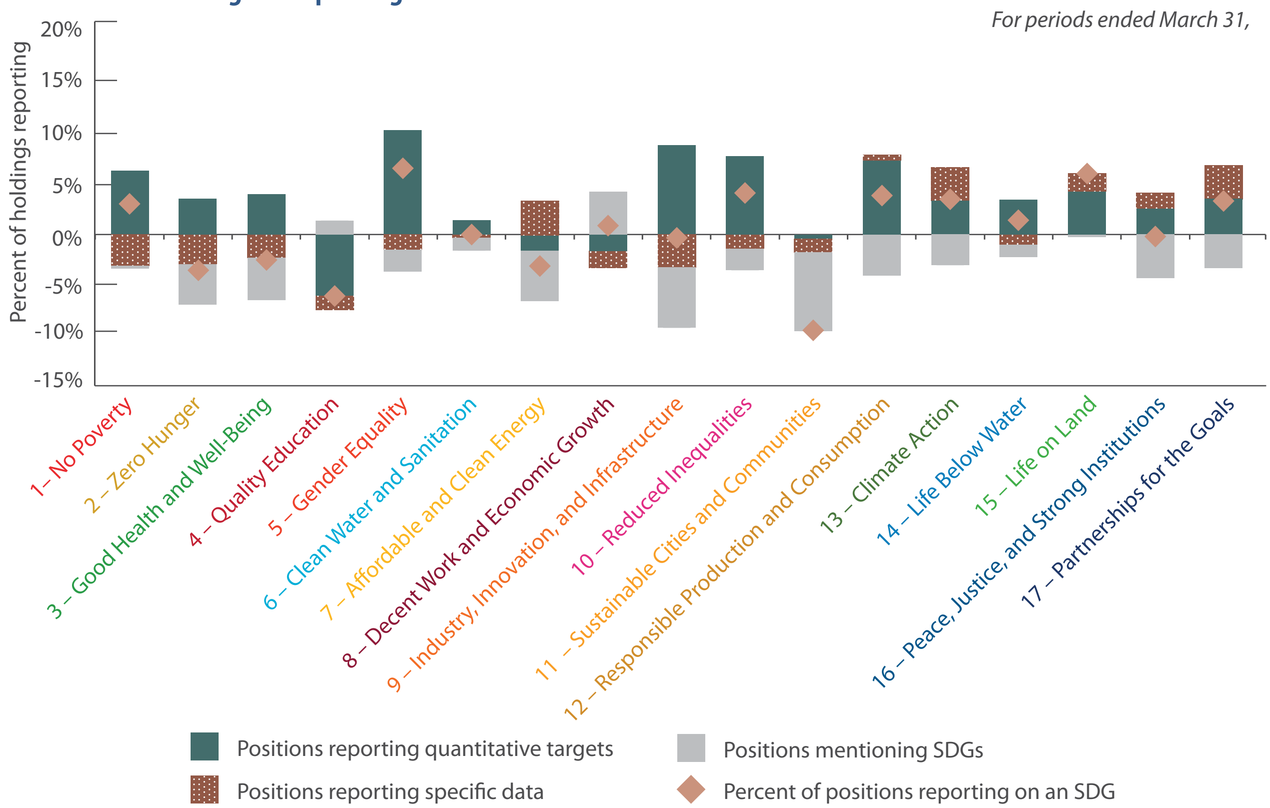


For periods ended March 31,

Generally, more holdings reported a quantitative target versus last year. In the Sustainable Equity Fund, overall reporting improved. The Sustainable Bond Fund, however, saw a slight decrease in reporting. This was mainly due to the increase in municipal variable rate demand notes (VRDNs) and sovereign holdings, both of which are less likely to report on SDGs.

We view the change in reporting trends as positive. While the number of companies that simply mentioned their goals unsupported by data or targets declined, the number of companies that showed their alignment to goals supported with quantitative targets increased. We don't expect every company or holding to contribute to every goal. However, we positively view companies that show a deep commitment to just a few specific goals, rather than a shallow commitment to many goals.

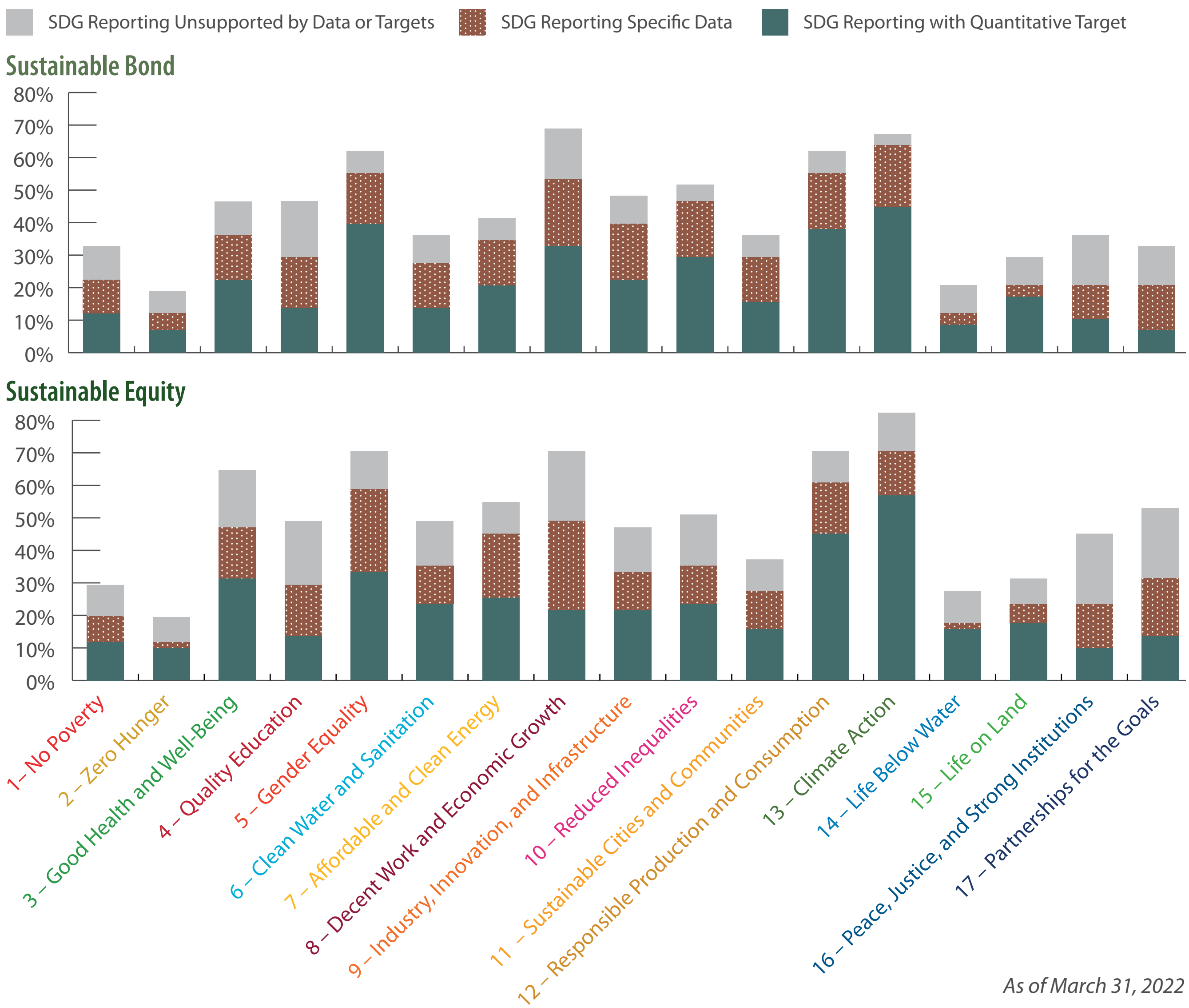
Sustainable Equity and Sustainable Bond Funds: Percent of holdings reporting on SDGs by sector, 2021 to 2022 change in reporting



This chart represents the aggregated holdings of Sustainable Bond Fund and Sustainable Equity Fund. The funds have different investment objectives and may invest in different issuers from time to time. Because the percentage of holdings reporting on SDGs are derived from aggregate fund holdings, each Fund's actual percentage of holdings reporting on SDGs may differ from the data shown.

The most reported SDG was Climate Action (SDG 13). Out of our holdings, 74% reported on this goal in some way. It's also the SDG with the most substantiative reporting; 90% of reporters backed up their alignment with either quantitative targets or data directly connected with the goal. Gender Equality (SDG 5) and Responsible Production and Consumption (SDG 12) were also popular SDGs; both were reported by 66% of our Sustainable Fund holdings. For both goals, 88% of those reporters backed up their claims with substantive reporting in the form of quantitative targets or supporting data. Similar to the year before, reporting on Peace, Justice, and Strong Institutions (SDG 16) was poor; 45% of companies that reported on this goal only mentioned the SDG and did not back up the assertion with data or quantitative targets. Specific targets within this goal focus on building effective and accountable institutions, including increasing transparency to ensure responsive, inclusive, participatory, and representative decision-making at all levels, as well as reducing corruption.

Percent of non-cash positions reporting by SDG

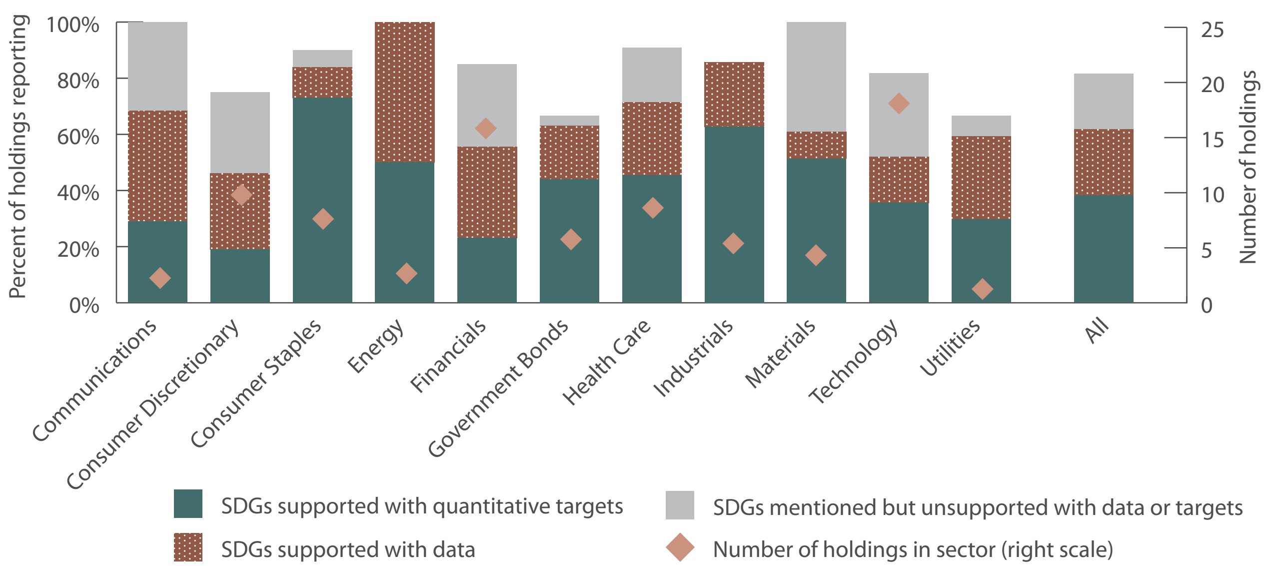


As of March 31, 2022

In both Funds, the SDGs that were least reported were Life Below Water (SDG 14), Life on Land (SDG 15), and Zero Hunger (SDG 2). Only 19% of our holdings reported on Zero Hunger, 24% reported on Life Below Water, and 30% reported on Life on Land. The differences are due to the relevance of the goal to the issuer or corporation, the availability of data, and the focus of the company. Information on biodiversity issues pertaining to Life on Land or Life Below Water is difficult to obtain and poorly reported. Companies tend to focus on economic growth and climate SDGs but largely ignore biodiversity. In 2020, Netherlands-based KPMG International surveyed 5,200 companies worldwide. The results of the survey showed that only 23% of companies at risk from the loss of biodiversity disclosed that risk in their corporate reporting.[5] An estimated US$44 trillion of economic value generation — more than half the world's total gross domestic product (GDP) — is at least moderately or highly dependent on ecosystem services. While industries such as agriculture are directly impacted by biodiversity, industries like tourism and consumer goods are indirectly impacted by biodiversity in the form of global supply chains. Biodiversity is a key area where we would like to see better and more substantive reporting.[6]

When viewed by sector, other patterns emerge. "Sustainable Equity and Sustainable Bond Funds: Percent of holdings reporting on SDGs by sector" details how equal-weighted holdings across both Sustainable Funds reported on the SDGs. Each sector bar shows the total reporting for that sector, with the type of reporting further broken down within each sector. The Energy sector had the best reporting among our holdings. Communications had good overall reporting, but a relatively small number of those holdings assigned quantitative targets to SDGs. In our view, Consumer Discretionary had the worst reporting, with the lowest percentage of companies backing up their SDGs with quantitative targets or specific data.

Sustainable Equity and Sustainable Bond Funds: Percent of holdings reporting on SDGs by sector

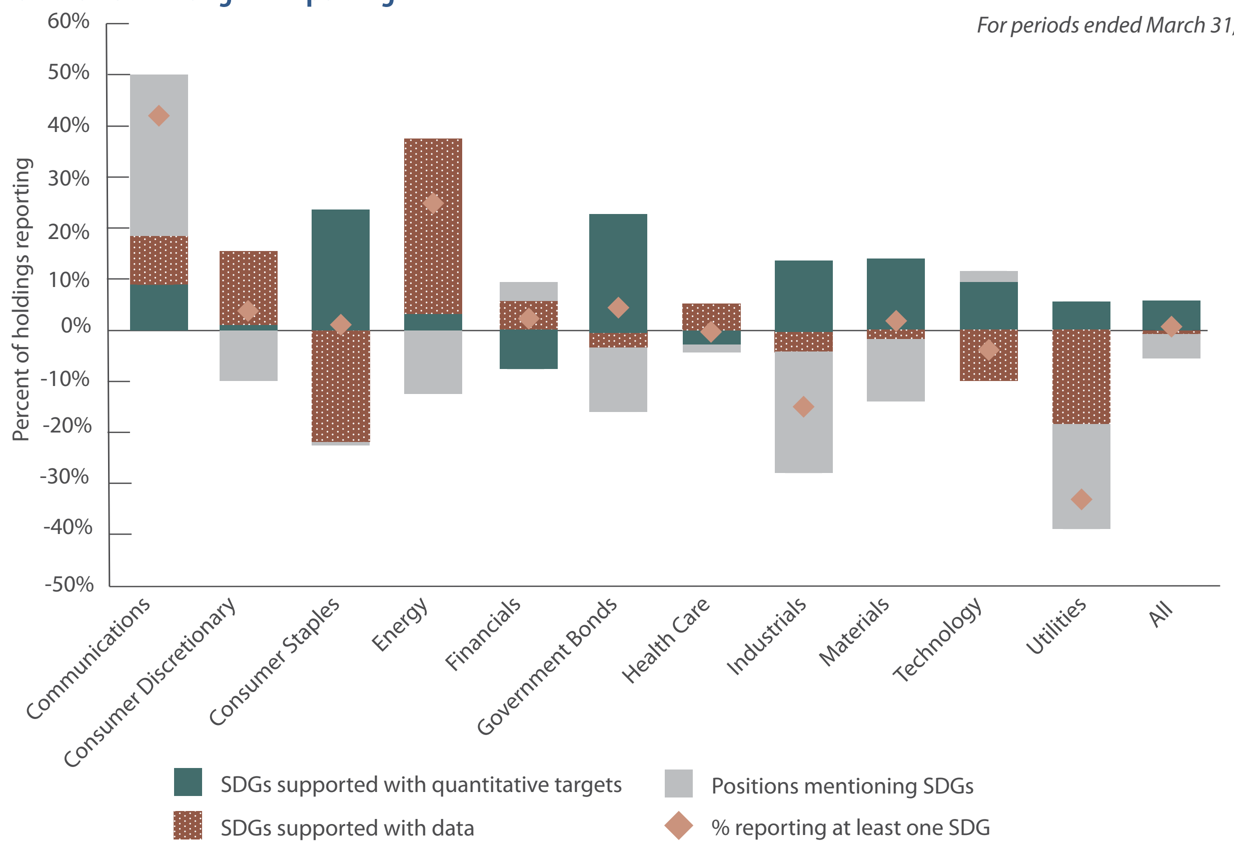


As of March 31, 2022

This chart represents the aggregated holdings of Sustainable Bond Fund and Sustainable Equity Fund. The funds have different investment objectives and may invest in different issuers from time to time. Because the percentage of holdings reporting on SDGs are derived from aggregate fund holdings, each Fund's actual percentage of holdings reporting on SDGs may differ from the data shown.

The "Sustainable Equity and Sustainable Bond Funds: Percent of holdings reporting on SDGs by sector, 2021 to 2022 change in reporting" chart shows the reporting trends by sector between first quarter-end 2021 and first quarter-end 2022. Each bar represents the change in reporting by type. A positive teal bar means that more holdings reported quantitative targets for at least one goal in 2022 versus 2021, while a negative teal bar shows the opposite. These trends mirror what we see in overall SDG reporting; more positive substantiative reporting of quantitative targets and data, and fewer unsupported SDG mentions in company reporting. The trends of overall reporting are highly positive in Communications and Energy, but less so in Utilities. We had only three holdings in the Utilities sector between the two Sustainable Funds, so the percentage change would seem large even if only one holding reported in 2021 and not 2022.

Sustainable Equity and Sustainable Bond Funds: Percent of holdings reporting on SDGs by sector, 2021 to 2022 change in reporting



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INVESTMENT STEWARDSHIP + PROXY VOTING

Saturna believes that proxy voting is an important duty of a fund's management team and that research analysts and portfolio managers should be exceedingly familiar with the implications of proposed corporate actions among the companies they cover, as well as the potential gaps in ESG-related policies. Indeed, we believe this expertise is one way active management can distinguish itself from other methods of investing. The experience, careful analysis, and depth of knowledge our analysts bring to the investment selection and monitoring process is a key component of responsible investment stewardship — and is a process that leaves no room for one-size-fits-all proxy voting.

Instead, Saturna has always viewed investing like a business partnership; we build portfolios with a view toward long-term investment and a bias against frequent turnover. These principles require us to seek issuers who we believe have superior practices in the areas of corporate governance and employee welfare, and who demonstrably value the long-term sustainability of their business and the environments in which the business operates. Our principles also require that we maintain a close eye on management's decision-making and the company's unique ESG risks. While we tend to support and trust the management of the companies in which we choose to invest, we also know that each company has unique opportunities to do better and grow.

For these reasons, Saturna's longstanding approach to active management has always included voting proxies of fund portfolio securities in-house according to our own proxy voting guidelines, while holding thoughtful dialogue among research analysts and portfolio managers when it comes to ESG-related shareholder proposals. The proxies of each fund are voted by the research analyst covering the sector in which an issue falls, and the analyst is encouraged to bring any proxy proposal to the Investment Committee for discussion.

Vote tracking and analysis is another important part of our process, and Saturna's proxy voting duties include an annual review of our funds' voting records — in effect, an audit of how we've voted on different measures. This can sometimes look like supporting a specific type of management or shareholder proposal at one company, but voting against it at another; we know that our analysts understand the nuances unique to each company, and our proxy voting review provides a chance for our extended team to see those nuances in action.

Saturna's proxy voting guidelines outline our views on a variety of ESG issues and are available at www.saturna.com/about/proxy-voting

ESG Debates

While a fund whose vote record is 100% in favor of all ESG-themed shareowner proposals is not necessarily "more sustainable" than a fund with mixed votes, consistent votes against ESG proposals suggests that a fund is not considering ESG factors in their investment process. There are some issues on which Saturna's analysts uniformly agree, such as having an independent board chair and for requests for greater transparency around the environmental impacts of a business. But because we believe in looking at issues company by company, and within the unique environment of each business, our analysts' votes reflect nuance. In cases where our analysts' votes differ on a specific topic, we encourage discussion among the investment committee. To that end, in late 2020, Saturna's investment team organized a series of more formal ESG debates on a range of topics presented as shareowner proposals during the 2020 proxy voting year. Covering 15 different ESG-themed proposals filed with 31 different issuers, Saturna's investment analysts were paired up at random and assigned a topic, with priority placed on those topics where analysts had mixed votes. Each team was asked to prepare both an affirmative case (in favor of the shareowner resolution) and a negative case (against the shareowner resolution). The "for" and "against" sides were then chosen at random immediately before the debate began.

The exercise of having our analysts prepare arguments both for and against a topic was a critical component to the ESG debating process. Exploring these arguments demonstrates the value Saturna's team puts on thoughtful examination of an issue from all angles. The dissection of issues reveals their nuances, which should be the goal of any proxy voting process. It is this deeper thinking and closer looking, we believe, that is the value active management brings to investors.

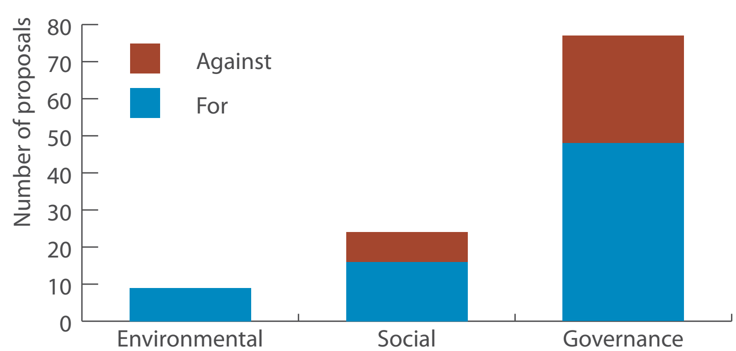
Support the SDGs Through Saturna's Firm Wide Proxy Voting Record

Of the 171 shareholder proposals Saturna analysts voted firm wide during the 2022 proxy voting cycle,[7] just over half (87) directly addressed at least one Sustainable Development Goal. Many of the issues most frequently presented as shareholder proposals are governance-themed, such as those requesting a policy for an independent board chair, lowering the threshold to call special meetings, and requests to act by written consent. While these topics don't appear to support any specific SDG, there are numerous other governance-related issues that clearly support SDGs 8, 10, 11, 12, and particularly SDG 16 – Peace, Justice, and Strong Institutions.

Environmental-themed shareholder proposals presented in the 2022 proxy voting cycle most frequently supported SDG 13, while social-themed proposals mapped most closely to the SDGs 3, 5, 8, 10, 12, and 16. During the 2022 proxy voting cycle, we saw 17 separate proposals (25% of all social-themed proposals voted on by our analysts) that related specifically to requests for transparency and reporting about gender and racial pay disparity, including one proposal — filed at Amazon — requesting a diversity and equity audit. Fourteen other social-themed shareholder proposals related specifically to requests for transparency around issuers' efforts to address racial justice. We mapped these proposals to SDG 10 – Reduced Inequalities.

Saturna believes in evaluating the merits of shareholder proposals within the unique context of each issuer's culture. While we seek to understand and reflect nuance in our proxy votes, we also firmly believe in the value of considering how each step of our investment process can provide support to the UN SDGs.

Saturna Sustainable Equity: shareholder proposal votes



Saturna believes that prudent asset management constitutes our greatest duty to investors. We view investing as a business partnership, and we seek to invest only in high-caliber performers who demonstrate integrity and a view toward the long term. We manage portfolios with tax-efficiency in mind and endeavor to keep portfolio turnover low. Because of our long-term approach to investing, we specifically seek issuers with superior practices in the areas of corporate governance and employee welfare, and who demonstrably value the long-term sustainability of their businesses and the environments in which they operate.

Our analysts' familiarity with the companies and sectors we evaluate distinguishes active management from other methods of investment. We believe that the experience, careful analysis, and depth of knowledge our analysts bring to the investment selection process all play a critical role in responsible investment stewardship.

As an asset manager, Saturna Capital has consistently sought to go above and beyond the highest standards for ethics and transparency — our deep commitment to putting shareowners' interests ahead of our own insists upon it. For more than 30 years we have provided our customers quality products that allow them to reflect their values, while still adhering to our own, every step of the way. We know there are no promises or guarantees in this industry, but we believe our strong values and commitment to transparency set us apart.

Bonds As Tools For Impact

A portion of our sustainable fixed-income holdings are invested in qualified proceeds use bonds. The issuer of a qualified proceeds use bond earmarks the proceeds of the bond toward a designated objective, such as a climate-related or environmental project. In some cases, a qualified proceeds use bond could be classified as a "green bond." The first green bond was issued by the European Investment Bank (EIB) in 2007.[8]

Since that first green bond, the market has rapidly evolved to incorporate other types of qualified proceeds use bonds. There are social bonds, where the proceeds are earmarked for projects that will bring social benefits, and sustainable bonds, which are meant to simultaneously address both environmental and social objectives. The Climate Bonds Initiative, an international organization promoting the development and best practices for the qualified proceeds use market, reported at year-end 2021 that cumulative issuance of qualified proceeds use bonds exceeded $2.8 trillion, with over $1.1 trillion issued in 2021 alone.[9,10]

Qualified proceeds use bonds are a voluntary market, meaning the issuer identifies their own bond's green status. This has caused some controversy regarding greenwashing, or "channeling proceeds from green bonds towards projects or activities having negligible or negative environmental benefits."[11] In 2014, GDF Suez (now renamed Engie) issued the largest corporate bond issuance at the time at €2.5 billion. One of the projects the so-called green bond financed was the Jirau Dam in Brazil, whose construction led to the flooding of 362 square kilometers of rainforest, adversely impacting indigenous communities and the natural habitat.[12] Other examples include Chinese bonds that permitted the funding and development of what the government called "clean coal" projects. In 2013, a group of more than two dozen leading climate and energy scientists issued an eight-page statement expressing concern over China's self-identified green bond criteria, saying that such bonds were not consistent with keeping global mean temperatures from increasing less than 2°C.[13] In 2020, the Chinese government announced that it would end the green bond financing for clean coal projects.[14] These are some of the many examples of greenwashing that are prevalent in the market. It should be noted that for these reasons and others, neither Saturna Sustainable Bond Fund nor Saturna Sustainable Equity Fund has allocations to companies in China.

One of the projects the so-called green bond financed was the Jirau Dam in Brazil, whose construction led to the flooding of 362 square kilometers of rainforest, adversely impacting indigenous communities and the natural habitat.

There are also sustainability linked bonds, in which the issuer compensates bondholders if it fails to meet preset climate-related or environmental targets. Since the first issuance of green bonds in 2007, the community of issuers has expanded beyond multilateral banks to include sovereign issuers, municipalities, corporations, auto loans for electric vehicles, and even green credit cards where part of the proceeds is allocated toward climate-related endeavors. The qualified proceeds use market has evolved to the point that there are independent organizations that review issues and rate them on their "greenness" level. The CICERO Center for International Climate Research, an organization based in Norway, employs an assessment framework to identify and rank the efficacy of an issuer's bond. Under their Shades of Green methodology, bonds that "correspond to the long-term vision of a low carbon and climate resilient future" are dark green, while bonds that "represent steps towards the long-term vision but are not quite there yet" are medium green. CICERO also recognizes light green, yellow, and red bonds.[15]

A Critical Approach to Green and Sustainable Debt

Saturna recognizes the lack of standardization in the qualified proceeds use bond space, and critically analyzes investments that are potentially green or sustainable. Audits and independent party opinions verifying use of proceeds and reporting are viewed favorably. Issuer-reported green or sustainable bonds without these opinions are met with additional scrutiny. We look at the following aspects of a bond for our analysis:

- **Use of proceeds:** We evaluate the use of proceeds stipulated in the bond documents. We consider the process for allocating funds alongside the permissible projects. Potential project impact is considered alongside contribution to the SDGs.

- **Allocation and tracking of bond proceeds:** Generally, we favor issuers that effectively allocate funds and have dedicated resources to monitor spending. We consider the framework for deploying proceeds and the process for evaluating acceptable projects. Placing bond proceeds in a separate account is also viewed favorably.

- **Ongoing impact reporting and disclosure:** Reporting on proceeds allocation and funded projects alongside ongoing impact data.

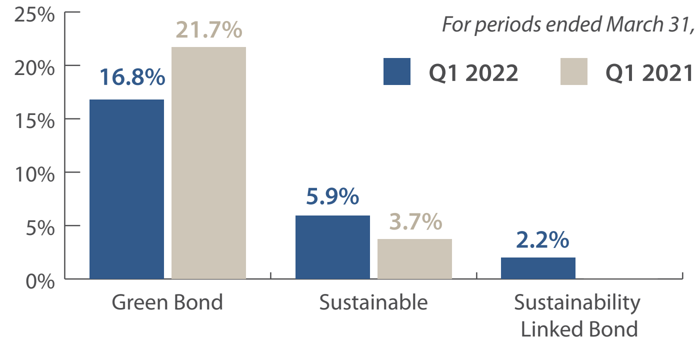
- **Issuer quality and commitment:** The green or social bonds of issuers who don't perform well overall in the integrated ESG analysis are not considered "sustainable" investments. The escalating popularity of qualified bond issues has incentivized some issuers to take advantage of heightened investor demand by labeling the self-identified issue as "green" without implementing a strategic or managerial commitment. Our process seeks to delve beyond the headline announcements, ascertaining both intent and anticipated outcome to address potential greenwashing.

Qualified Proceeds Use Bonds

As of March 31, 2022, 24.9% of the holdings in the Sustainable Bond Fund were deemed qualified proceeds use bonds. One year earlier, 25.0% of the Fund's holdings were deemed qualified proceeds use bonds. There was a green bond in the Fund that matured on March 30, 2022, one day before the end of the quarter. If that bond been included in the first quarter's report, the Fund would have had a 25.7% exposure to qualified proceeds use bonds.

Examples:

Sustainable Bond Fund: qualified proceeds use bonds



The Women's Livelihood Bond (WLB) Series from Impact Investment Exchange (IIX) include a pari-passu "(equal footing)" guarantee by the United States Agency for International Development (USAID) on 50% of WLB's principal.[16] USAID is backed by the full faith and credit of the US government, with a mission to "advance the economic, political, social, and environmental well-being of the world's most vulnerable people."[17] We are proud of the Sustainable Bond Fund's ability to make a positive contribution to the world's first gender-lens impact security in Southeast Asia while obtaining competitive returns for our investors with its unique credit enhancements. There are currently five WLB bond tranches, labeled WLB1 through WLB5. We are delighted by our partnership with IIX's efforts, which have generated a social return on investment (SROI) of $4.00 on its WLB3 bond tranche. SROI is a financial measure used to express how much social impact is made by one invested dollar. This means every dollar invested in the WLB3 bond has generated an SROI of $4.00.[18]

The Sustainable Bond Fund holds a sustainability linked bond issued by Odfjell, a specialized Norwegian-based liquid and bulk shipping company. In January of 2021, Odfjell issued a sustainability linked bond that provided an additional payment to bondholders of 1.5% of the note's par value if they did not meet their Sustainable Performance Target (SPT) to reduce its controlled fleet emissions by 50% between 2008 and 2030.[19] Odfjell's SPT exceeds the target of the International Maritime Organization (IMO); in 2011, IMO adopted a mandate requiring all shipping companies to reduce their carbon emissions by 40% for the same period.[20]

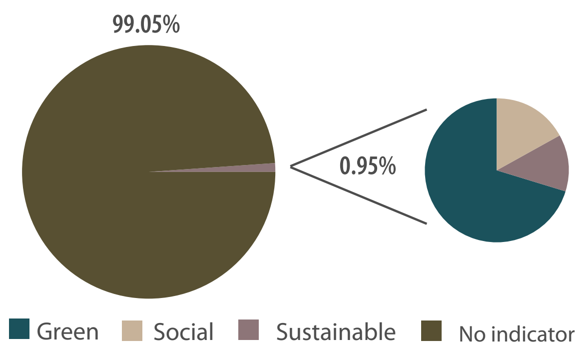
Going Forward

Currently, only about 1% of total debt outstanding is specifically labeled qualified proceeds use.

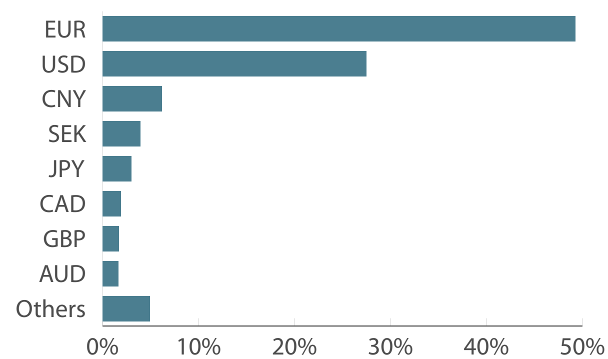
The pie chart, "Overall Global Bond Market" details the qualified proceeds use and currency breakdowns of the bond market in 2021. Even within the small category of the sustainable bond market, US dollar-denominated bonds accounted for only 27.5% of total debt outstanding, as shown in "Currency Breakdown of ESG Bond Market – 2021." If an investor is seeking sustainable bonds, a global strategy would have access to a much larger pool of debt securities. Issuance in this space has grown rapidly; both 2019 and 2020 saw growth of more than 60%. Europe and the US account for most issuance, but we expect green, social, and sustainable bonds to track the overall global bond market, with emerging market economies issuing more debt with specific use of proceeds.

A sustainability-minded investor must look outside of the labeled sustainable bond market for investment opportunities, not only due to the relatively small size of the market but also for the lack of consistency in standards for what constitutes qualified proceeds use bonds. Even issuers of green bonds can have serious governance or social detractors that could ultimately impact their underlying creditworthiness and subsequent returns.

Overall Global Bond Market



Currency Breakdown of ESG Bond Market – 2021



CASE STUDIES

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all, at all ages

The COVID-19 pandemic enormously impacted billions of lives. The pandemic exposed weaknesses in how governments and employers address health and safety. For example, overall maternal mortality rose 33.3% in the US during the pandemic, likely due to the direct impacts of COVID, but also to conditions exacerbated by COVID or other health care disruptions. This was especially true for Black and Hispanic mothers.[21]

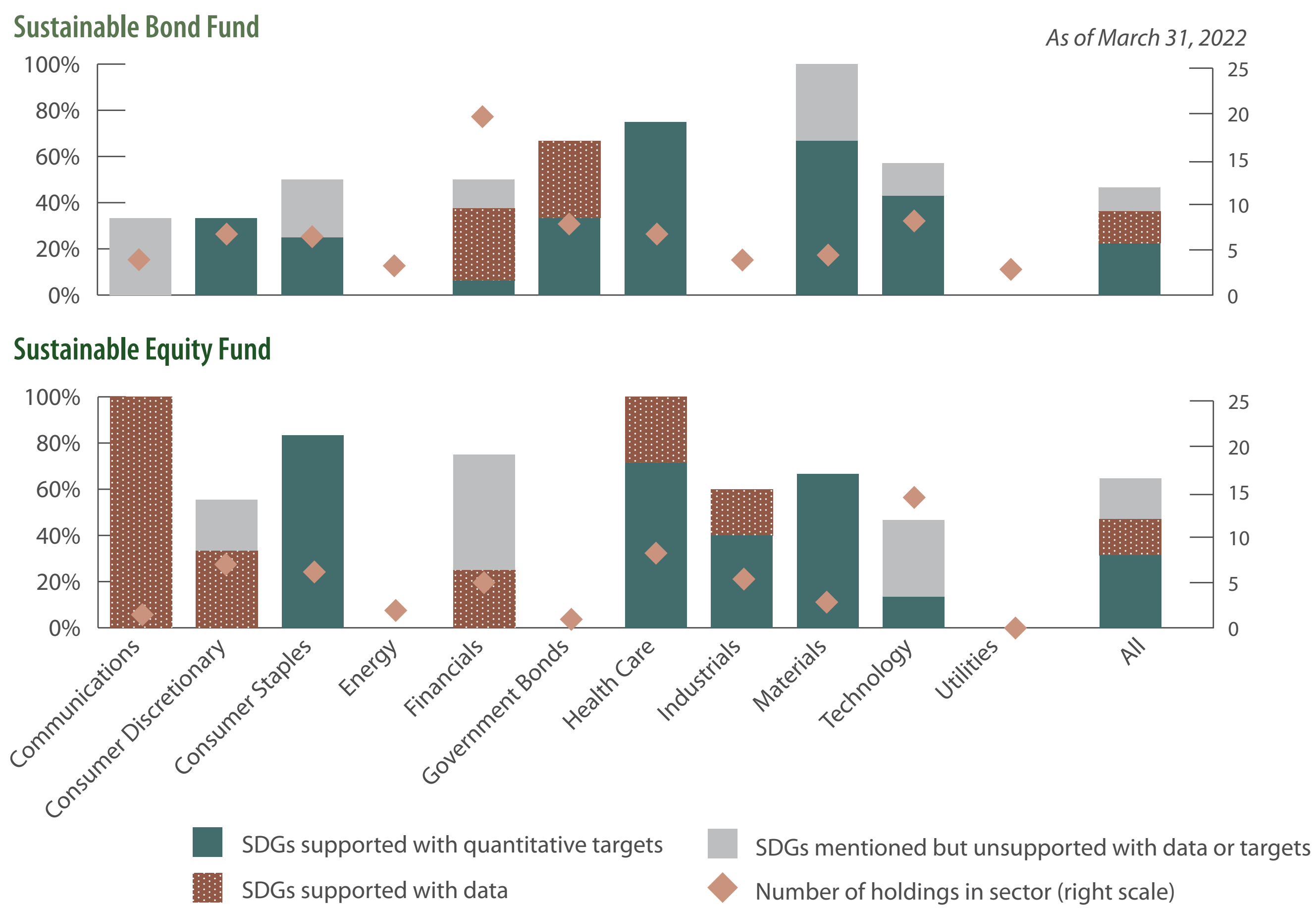
School closures at the peak of the pandemic affected more than one billion learners worldwide, leading to reduced access to the resources needed for sexual and reproductive health. Education enables children to develop their own identities and autonomy and can provide resources for topics they may be otherwise unable to access with ease at home.[22] At this critical point, we believe it is more important than ever to focus on SDG 3 and on companies or issuers that contribute to universal access to sexual and reproductive health.

One way we evaluate a company's contribution to this goal is by looking at the strength of its health and safety policies, programs, and reporting. To meet this SDG, a company needs to have targets to reduce health and safety incidents, robust monitoring and measurement protocols in place, and managerial responsibility for health and safety issues. Companies must also report on their performance. The Saturna Sustainable Funds both performed better on this goal than the benchmark MSCI All Country World Index.

Percent of holdings / constituents reporting (by number of holdings)

For periods ended March 31,		2021 to 2022 Change	2022	2021	2020
Strong health and safety management system	**Sustainable Bond Fund**	20.0%	60.0%	40.0%	75.0%
	Sustainable Equity Fund	0.5%	42.9%	42.3%	45.5%
	MSCI ACWI	4.6%	35.5%	30.9%	27.1%

SDG 3: Percent of holdings / constituents reporting (by number of holdings)



Target 3.7

By 2030, ensure universal access to sexual and reproductive health care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programs.

Case Study: Unicharm[23]

Addressing menstrual health and hygiene can be an important contributor to the SDGs. This target seeks to address the needs of people who menstruate, including having safe and easy access to the information, supplies, and infrastructure to manage their periods with dignity and comfort. It also includes systematic factors that link menstruation with health, gender equality, and empowerment. Taboos and secrecy can hinder the ability to manage menstruation with ease in some cultures, which can lead to anxiety, exclusion, a lack of confidence, and a reliance upon unhygienic protection.[24]

Ultimately, achieving good health and well-being for all is impossible if education, support, and access to reproductive health care doesn't address menstrual health. Menstrual health is often left out of the discussion even though it is inextricably linked to overall sexual and reproductive health and well-being.[25]

In 2019, Unicharm launched an ad campaign called #NoBagForMe. The goal of the project was to promote change around social mores regarding menstruation, with the aim of creating environments where people could speak openly about menstruation without feeling hesitant or embarrassed. The ad challenged the standard Japanese practice of covering feminine hygiene products with a bag. By encouraging people to stop hiding their purchases, Unicharm aimed to change the perception that menstruation is something to hide. Unicharm also hosted a corporate training program, "Education on Menstruation for Everyone," at several companies.

In late 2020, the #NoBagForMe ad campaign won the first advertising award from the Unstereotype Alliance, an action platform convened by UN Women, the United Nations entity for gender equality. The goal of the Alliance is to eradicate gender-based stereotypes in media and advertising content.[26] According to Kae Ishikawa, Director of the Japan Liaison Office of UN Women, "Right now, companies have a particularly crucial opportunity through their advertising and communications to inspire our communities to challenge negative gender stereotypes and promote positive gender roles, to everyone's benefit."[27]

Additionally, Unicharm donated 50,000 sanitary pads for those in need in India for Menstrual Hygiene Day in collaboration with FairGaze and India Is Us.[28]

5 GENDER EQUALITY

Achieve gender equality and empower all women and girls

On average, a woman who works full-time earns 83 cents for every dollar paid to a man who works full-time. This adds up to about $470,000 in lost wages over a 40-year career, or 12 years of extra work to match a man's earnings.[29] Although the pay gap has recently gotten smaller — the average woman's earnings rose seven cents since 2015 — progress slowed during the pandemic, and saw no improvement over the past year.[30] However, this overall number doesn't paint the full picture of the severe impact the coronavirus pandemic has had on low-wage workers and women of color. Women are generally overrepresented in low-wage and part-time occupations, which were hit hardest by the pandemic. These occupations include waitressing, childcare, and retail. When the pay gap is evaluated to include part-time and low-wage workers, the average woman earns only 73 cents for every dollar paid to a non-Hispanic white man. For many women of color, the gap is even worse; Black, Native American, and Hispanic women earn 58 cents, 50 cents, and 49 cents for every dollar a white man earns, respectively.[31]

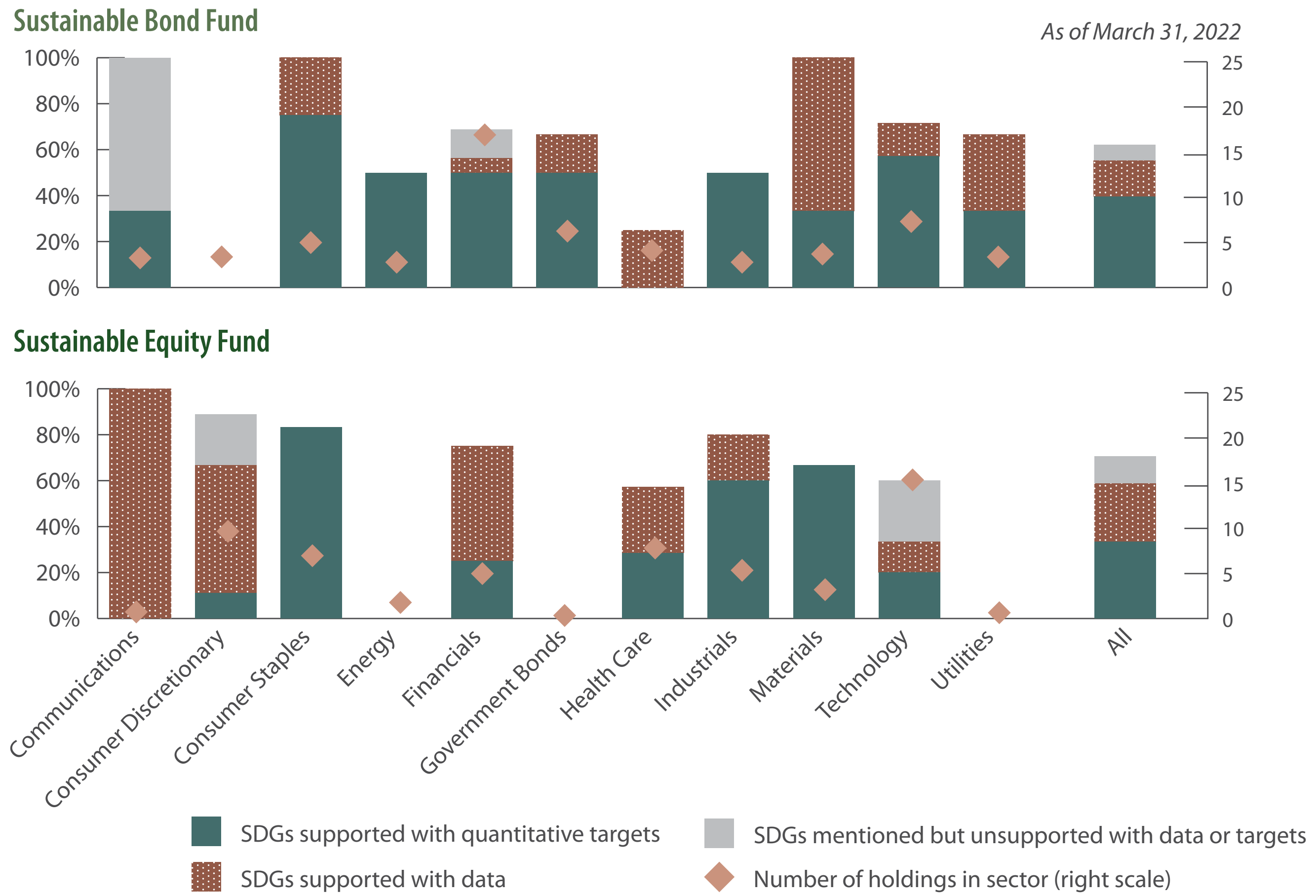
A study conducted by the Harvard Business Review showed that Danish companies practicing wage transparency saw wage gaps shrink 7% over a five-year period, while corporations not required to disclose wages saw no change.[32] Out of the 954 largest US companies, only 23% reported conducting a gender pay gap analysis. In fact, only 35% of the companies in that group showed an unadjusted pay ratio (comparing all salaries, not just salaries for the same role).[33] Corporations can use transparency and adequate reporting as an effective method to promote SDG 5. Gender diversity is important for investors to focus on as well. Companies in the top quartile for gender diversity are 25% more likely to outperform their peers in the bottom quartile. Additionally, companies in that bottom quartile are 19% more likely to underperform in terms of profitability.[34] We believe that looking at a company's pay equity transparency is a valuable tool we can use to assess that company's culture and depth of commitment to promoting gender diversity.

Saturna's gender equality key performance indicators (KPIs) demonstrate our focus on equality in a corporate setting while using data that is widely available. Corporate policies can have a huge impact on gender equality, not only in equal gender representation on the board, but also in closing the pay gap. The KPIs focus on the board, as research shows that a more gender-diverse board and management team correlates with better profitability, and the data presented is driven by that research.[35]

Percent of holdings / constituents reporting (by number of holdings)

For periods ended March 31,		2021 to 2022 Change	2022	2021	2020	2019
Holdings with 3 or more female board members	Sustainable Bond Fund	-1.7%	89.2%	90.9%	77.8%	66.7%
	Sustainable Equity Fund	5.9%	88.2%	82.4%	63.8%	70.4%
	MSCI ACWI	3.1%	45.4%	42.3%	36.7%	47.7%
Holdings with 33% or more female board representation	Sustainable Bond Fund	21.5%	77.8%	56.3%	63.0%	46.7%
	Sustainable Equity Fund	19.9%	64.7%	44.8%	44.8%	42.6%
	MSCI ACWI	6.8%	28.1%	21.3%	20.1%	25.4%

SDG 5: Percent of holdings / constituents reporting (by number of holdings)



Target 5.5

Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.

Case Study: Mastercard

Mastercard connected executive pay to sustainability in 2021 — specifically to the closure of the pay gap between men and women. The company started with linking executive annual incentives to environmental, social, and governance (ESG) performance through an ESG modifier, which can increase or decrease payouts by up to +/- 10 percentage points based on performance against quantitative goals for carbon emissions, financial inclusion, and gender pay. In 2022 the ESG modifier was expanded to all employees. If the metrics meet the targets, there are no adjustments. However, if they fall below or above the targets, the ESG modifier receives an adjustment.

The carbon emission metrics are weighted as 20% of the ESG modifier. They include measuring performance against the 2025 Science-based Targets initiative (SBTi) goals to reduce Scope 1 and 2 carbon emissions, supplier engagement responsiveness to reporting to the CDP (formerly known as the Carbon Disclosure Project), and disclosing greenhouse gas emissions information. Financial inclusion is weighted 40%. Mastercard has set a goal of bringing one billion people, 50 million small businesses, and 25 million women-run businesses into the digital economy. This part of the ESG modifier looks at entrants into the digital economy relative to the company's target. The final 40% of the ESG modifier measures closing the gender pay gap. The metric uses their base 2020 metric of a pay gap of 92.4%. The pay gap would have to close over 1.0% in one year to warrant an upward adjustment. Last year, the pay gap was reduced 0.6%, so while there was some progress, no adjustment was made.[36]

Linking compensation to closing the gender pay gap could be an effective tool to directly contribute to SDG 5, especially given the important role that corporations play in closing the gender and racial pay gap.

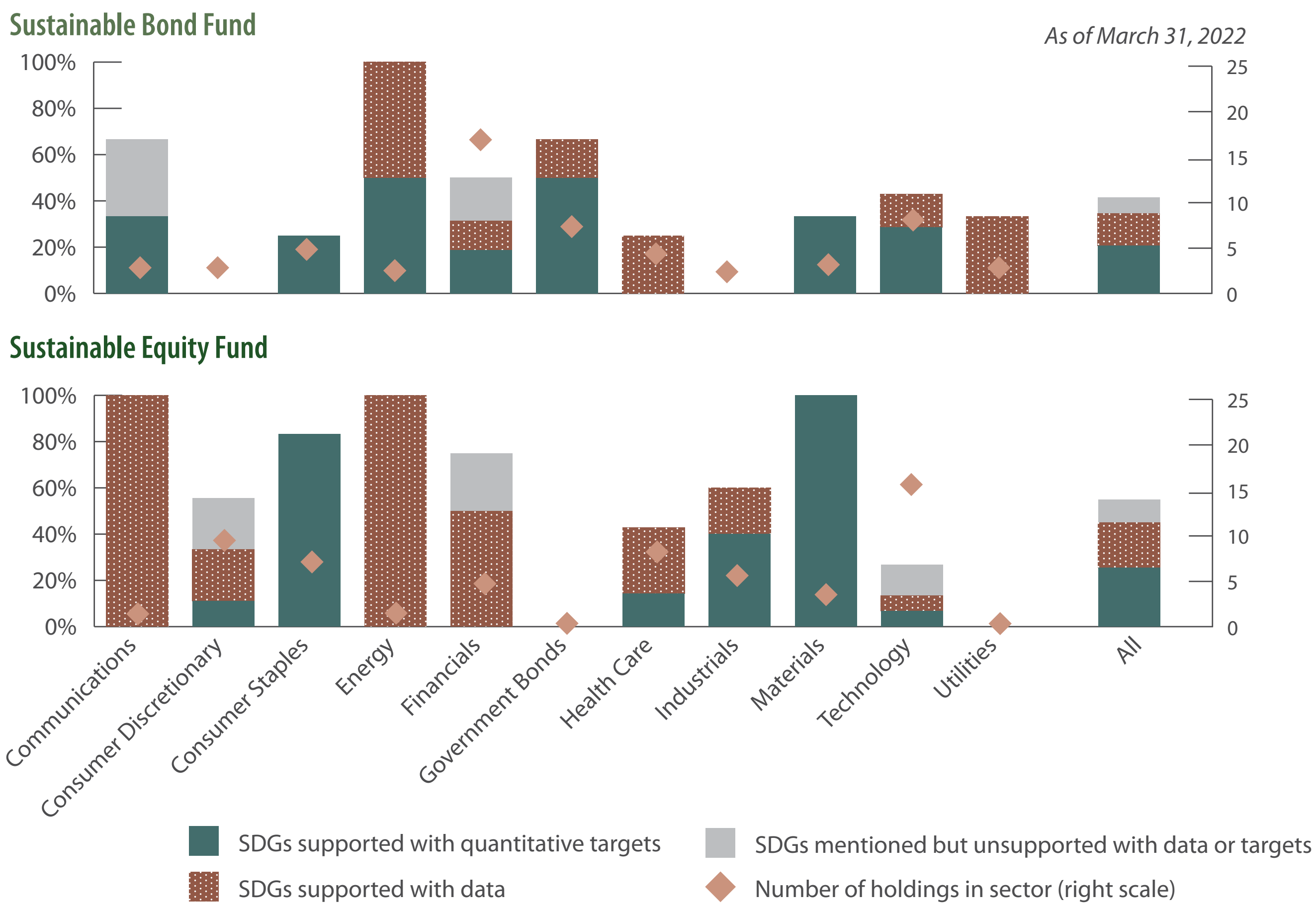
Ensure access to affordable, reliable, sustainable, and modern energy for all

Improvements in energy efficiency and renewable energy use on a corporate level don't just lower operational costs, they can also bolster the demand and production of renewable energy. One of the targets within this SDG is to double the global rate of improvement in energy efficiency by 2030. During portfolio selection, we consider a company's use of renewable energy and their renewable energy programs. The key performance indicators (KPIs) we choose are geared toward measuring our holdings' overall progress toward using renewable energy sources. Currently, the portfolios perform very well relative to the MSCI All Country World Index for both renewable energy programs and use of renewable energy sources.

Percent of holdings / constituents reporting (by number of holdings)

For periods ended March 31,		2021 to 2022 Change	2022	2021	2020	2019
Implemented renewal energy program has quantitative targets with clear deadline	**Sustainable Bond Fund**	21.3%	88.0%	66.7%	70.0%	41.2%
	Sustainable Equity Fund	19.9%	78.0%	58.1%	40.0%	32.1%
	MSCI ACWI	8.6%	28.0%	19.4%	14.9%	17.1%
More than 10% of company's primary energy use comes from renewable energy sources	**Sustainable Bond Fund**	14.7%	94.7%	80.0%	80.0%	36.0%
	Sustainable Equity Fund	27.6%	81.5%	53.8%	53.3%	45.8%
	MSCI ACWI	4.1%	58.2%	54.1%	16.0%	22.3%

SDG 7: Percent of holdings / constituents reporting (by number of holdings)



Target 7.a

By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency, and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.

Case Study: Prologis

Prologis is a logistics real estate company that develops and owns industrial real estate around the globe. As of writing, they are the largest industrial real estate trust in the world.[37] They rent out around one billion square feet of logistics real estate and have 4,675 buildings in 19 countries.[38] The company is in a good place to have a material impact on renewable energy usage, and SDG 7 is a high priority, given their huge footprint.

Prologis announced its commitment to achieve net-zero emissions across its value chain by 2040. The company has been carbon-neutral for its Scope 1 and Scope 2 emissions since 2019. Its 2040 goal encompasses Scope 1, 2, and 3 emissions, and includes several interim targets to support its progress. These include:

- 1 gigawatt of solar generation capacity (supported by storage) by 2025
- Carbon-neutral construction by 2025
- Net-zero emissions for operations by 2030[39]

Prologis is already a leader in the generation of solar energy; at year-end 2021 the company reached 285 megawatts of generating capacity worldwide. Prologis is the third-ranked corporation in the US for installed onsite solar capacity.[40] We view the company's plans to add significantly more solar generation capacity as an overall positive, both for Prologis and for the contribution to SDG 7.

8 DECENT WORK AND ECONOMIC GROWTH

Promote inclusive and sustainable economic growth, employment, and decent work for all

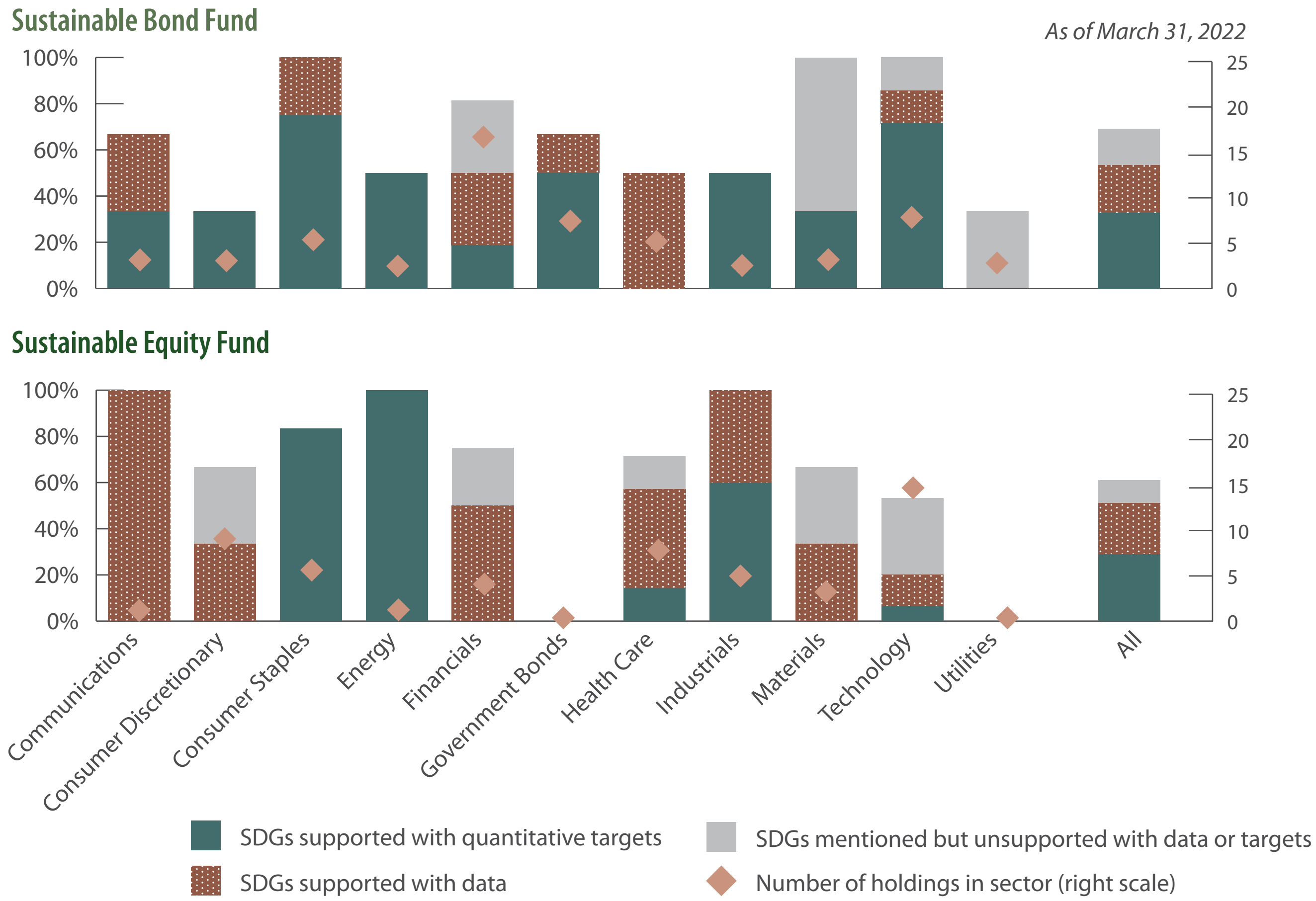
Corporate supply chains have a global reach and massive impact. They are bigger and more complex than ever before, spanning thousands of industries, including very high-risk ones such as mining, which is known to have major issues with slave labor and child labor. Additionally, the COVID-19 crisis and the ongoing conflict in Ukraine have exposed vulnerabilities in global supply chains. We believe that supply chain sustainability and resilience are inherently intertwined. Beyond the efficiency and resilience of a supply chain, environmental, social, and governance (ESG) controversies can have a material impact on investors. According to an analysis from Bank of America in 2019, large US companies lost over $500 billion in value over the preceding five years due to ESG controversies like child labor in supply chains. According to Savita Subramanian, head of US equity and quantitative strategy at Bank of America, "It can take a year for a stock to reach a trough following an ESG controversy… Negative headlines stick in investors' minds."[41] It is essential to invest in companies with excellent governance and supply chain transparency.

We report on key performance indicators (KPIs) that are geared toward reflecting good corporate actors for working conditions both inside their company and in their supply chains. The first KPI, "Company has initiatives to reduce the social risks in the supply chain" includes explicitly stated efforts to combat issues such as poor working conditions, the use of child labor or forced labor, and lack of a living, fair, or minimum wage. The second KPI, "Company initiatives to train new and existing employees on career development available to employees at all levels," shows whether a company has implemented any initiatives to train employees on career development, education, or skills. These initiatives should apply to all employee levels, not just to those employees at management level.

Percent of holdings / constituents reporting (by number of holdings)

For periods ended March 31,		2021 to 2022 Change	2022	2021	2020
Company has initiatives to reduce the social risks in its supply chain	**Sustainable Bond Fund**	-5.4%	94.6%	100.0%	88.9%
	Sustainable Equity Fund	5.7%	96.1%	90.4%	91.4%
	MSCI ACWI	5.0%	83.1%	78.1%	73.4%
Company initiatives to train new and existing employees on career development available to employees at all levels	**Sustainable Bond Fund**	-0.9%	94.6%	95.5%	92.6%
	Sustainable Equity Fund	1.8%	94.1%	92.3%	94.7%
	MSCI ACWI	5.6%	93.9%	88.3%	84.6%

SDG 8: Percent of holdings / constituents reporting (by number of holdings)



Target 8.8

Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Case Study: Coty, Inc.

Coty is a manufacturer and distributor of beauty products including fragrances, cosmetics, hygiene, sun care, and skin treatment products. The company has nearly 40 owned or licensed brands including Covergirl, Max Factor, Escada, and Calvin Klein. Coty was founded in 1904 and operates in 130 countries and territories.

The cosmetics industry has a notoriously difficult supply chain. The wide array of ingredients, such as mica (which is used to add sparkle to products such as eyeshadow) come from sources that can be fraught with unethical labor practices. The mica industry has known issues with child labor and forced labor. It is essential to have ethical supply chains that aim to protect people working to source high-risk raw materials.[42] Palm oil is another example of a high-risk ingredient. It's used in 70% of all cosmetics on the market and has also been found to have serious labor and environmental issues.[43] In order to achieve SDG 8, it is important to have large market participants such as Coty lead the way in innovations that improve supply chains. This could have a material contribution to SDG 8.

Coty's targets for achieving SDG 8 include purchasing 100% mass balance-certified palm oil for their production sites by 2022 and their third-party manufacturers by 2025 and ensuring 100% of Indian mica is responsibly sourced by 2030.[44]

Coty is a member of Responsible Mica Initiative (RMI), a global coalition comprised of multiple organizations that are committed to establishing a fair, responsible, and sustainable mica supply chain in the states of Jharkhand and Bihar in India. RMI has set goals of eliminating unacceptable working conditions and eradicating child labor by 2030.

Coty is also working on enhancing traceability mapping to the mine level. In 2021, the company joined a partnership between RMI and the supply chain traceability platform, Tilkal. This is the first multi-stakeholder blockchain-based solution to improve traceability across mica supply chains.[45] The partners will launch a pilot project for an online platform providing full traceability of mica to the mine and processor level. Through the project, blockchain technology will be used to help make timely and accurate data collection possible across the entire mica supply chain, helping RMI to improve data transparency, maintain security, and better understand the supply chain. Coty is one of eight companies taking part in the project.[46]

While we recognize these targets — and these strides made toward the targets — are a work in progress, we believe it's very important that large market participants make constant steps forward in improving working conditions, especially in high-risk industries such as mining and mica.

Reduce inequality within and among countries

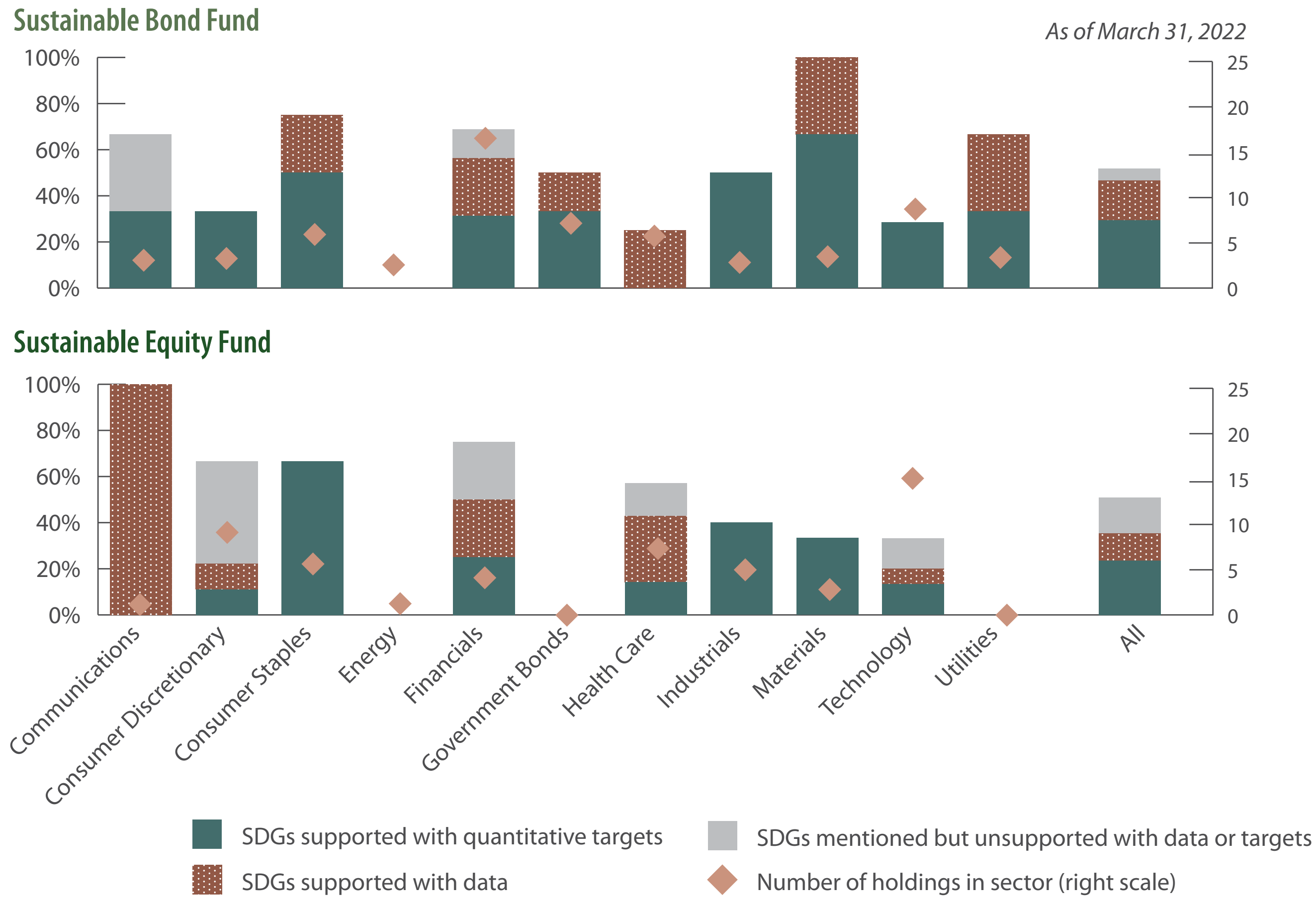
Diversity and inclusion are integral components of SDG 10. As investors, incorporating diversity into investment analysis is crucial. Companies that are more diverse are better positioned than those that are not. A 2020 study by McKinsey & Company showed that companies in the top quartile for ethnic and cultural diversity outperformed the bottom quartile by 36% in terms of profitability, up from a 33% outperformance in 2017.[47] The gap between those that embrace diversity and those that do not is growing, along with the performance penalty of not focusing on diversity. Companies in the bottom quartile regarding executive team diversity were 19% more likely than other companies to underperform on profitability, up from 15% in 2017. We recognize that progress with better racial, ethnic, and gender diversity is too slow. We focus on companies that make concerted efforts to reduce inequalities and have robust programs to increase diversity.

A robust economic recovery cannot be separated from the ability to secure the health and safety of communities and workplaces across the country. Saturna Capital favors companies who have robust policies in place to prevent discrimination, who have transparency with data including gender wage gaps and workforce demographics, and who have goals to reduce inequality. These are clear steps toward closing the benefit and wage gaps that Black and female workers have suffered and will ultimately help achieve SDG 10. The key performance indicators (KPIs) we present are focused on corporate policies concerning discrimination and diversity. To meet these KPIs, a company must list the types of discrimination they are committed to eliminate, and they must also reference the International Labour Organization (ILO) conventions to ensure equal opportunity.

Percent of holdings / constituents reporting (by number of holdings)

For periods ended March 31,		2021 to 2022 Change	2022	2021	2020	2019
Company has a strong anti-discrimination policy	**Sustainable Bond Fund**	4.0%	44.7%	40.7%	45.6%	46.4%
	Sustainable Equity Fund	6.9%	64.0%	57.1%	54.5%	45.3%
	MSCI ACWI	6.2%	26.1%	19.9%	17.4%	21.2%
Company has a strong diversity program	**Sustainable Bond Fund**	-8.0%	51.3%	59.3%	54.5%	57.1%
	Sustainable Equity Fund	2.5%	40.0%	37.5%	35.1%	34.0%
	MSCI ACWI	1.2%	19.3%	18.1%	17.3%	22.2%

SDG 10: Percent of holdings / constituents reporting (by number of holdings)



Target 10.4

Adopt policies, especially fiscal, wage, and social protection policies, and progressively achieve greater equality.

Case Study: Accenture

Accenture was recently named the number one company for diversity and inclusion by DiversityInc in its 2022 Top 50 Companies for Diversity list. In 2016, Accenture became the first professional services company to publish comprehensive data about the US workforce, including a breakdown of workforce composition by gender, race and ethnicity, persons with disabilities, and veterans. They also have quantitative goals to increase African American, Black, Hispanic American, and Latinx representation in their workforce.[48]

Accenture also stands out for its diverse leadership. CEO Julia Sweet leads a diverse executive team in which 31.9% are women and 41.6% are minorities. Last year, Accenture announced new goals to create a workforce that is more representative of the communities in which it works by increasing ethnic and racial diversity hiring in South Africa, the UK, and the US by 2025. Accenture also launched the Black Founders Development Program to help Black entrepreneurs advance their technology businesses in the US.[49]

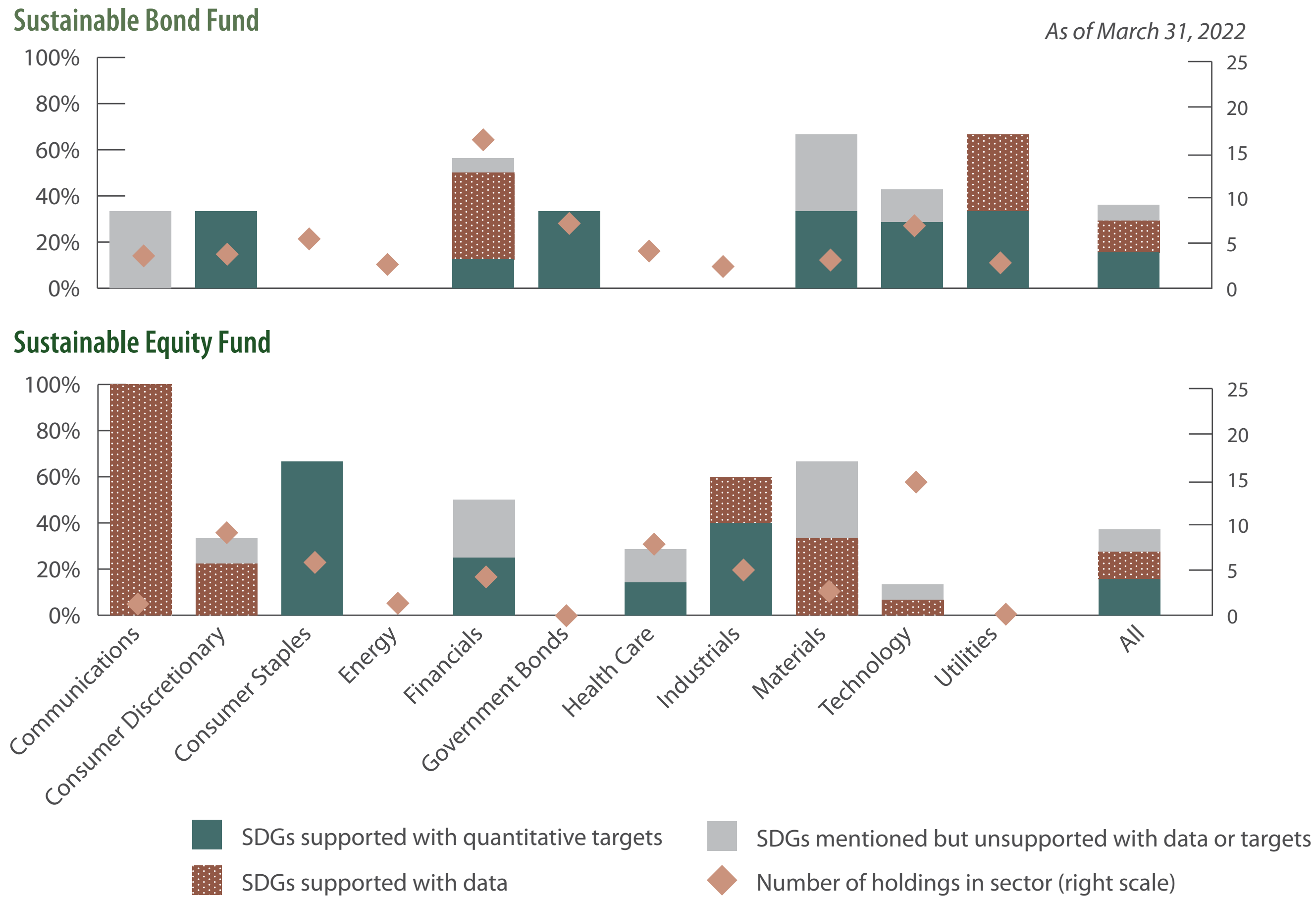
Additionally, the company developed an accommodation support tool that enables employees to easily ask for assistive technology, flexible work arrangements, sign language interpreters, and screen readers. It's the first of its kind in the industry, designed to make the request process easy and private. The tool is currently available in 37 countries.

Make cities and human settlements inclusive, safe, resilient, and sustainable

Municipalities have a tremendous role to play in achieving SDG 11. Individual cities, counties, and states make critical decisions about infrastructure spending and design. The municipal market provides funding and access for so many aspects of building cities, from affordable housing to waste and water management to education. Within the United States alone there are over one million municipal securities outstanding, from 50,000 unique state and local governments and other issuing authorities.[50] Schools, roads, universities, and hospitals are all part of this unique market. Currently, about 22,000 individual securities are labeled green, social, or sustainable in the municipal market — around 2.22%. Most municipal debt securities that would contribute to SDG 11 remain unlabeled.

The Sustainable Bond Fund primarily invests in the municipal market through variable rate demand notes (VRDNs). Municipal VRDNs always trade at 100 and they have built-in daily or weekly put features. This helps stabilize the Fund's net asset value (NAV), provides excellent liquidity, and is more in-line with the Fund's sustainable objective versus a pure cash position. We aim to choose positions in the municipal market that have elements of sustainability including affordable housing, water and wastewater improvements, and urban transportation enhancements. We have included a few targets under SDG 11 and have noted the municipal holdings that contribute to those targets.

SDG 11: Percent of holdings / constituents reporting (by number of holdings)



Target 11.1

By 2030, ensure access for all to adequate, safe, and affordable housing and basic services, and upgrade slums.

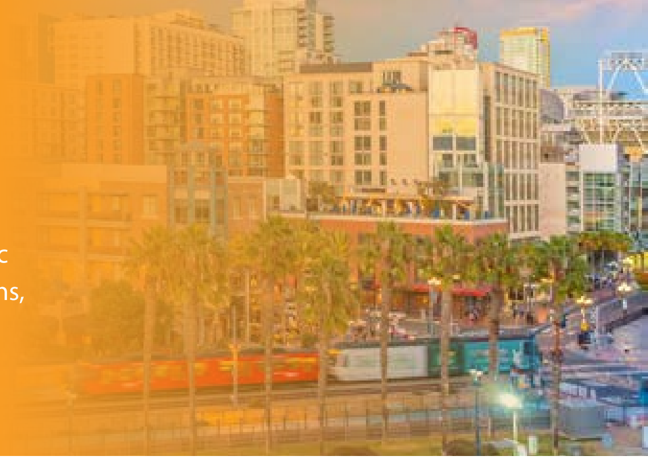
Case Study: Tarrant County Housing Finance Corporation

Money from a bond issuance by Tarrant County Housing Finance Corporation was used to acquire land and construct a multifamily apartment building in Arlington, Texas. The project is named Gateway Arlington Apartments and contains 204 units. At least 75% of the units are required to go to residents who qualify as "low income" (80% of the local area median income). Within that 75%, there is a provision that requires at least 20% of the occupied units go to residents who meet the "very low income" criteria (50% of the local area median income).[51] While there are still market-rate units in the building, affordable housing is a key element in achieving SDG 11.

Case Study: San Diego County Regional Transportation Commission

The San Diego Regional Transportation VRDNs are supported by sales tax revenues. Money raised in this bond issue went toward various projects authorized under the San Diego County Regional Transportation Commission Act. The Commission takes on an extremely wide array of projects to improve transportation in San Diego.[52] Some of these projects include expanding public transportation, like the Inland Rail Trail, through an unincorporated part of the County of San Diego. When complete, the Inland Rail Trail will span 21 miles and link Oceanside, Vista, San Marcos, Escondido, and unincorporated communities, so people can travel via bicycle or on foot.[53]

Projects also include the North Coast Corridor (NCC) Program. The NCC Program aims to offer a balanced transportation system to provide travelers choices for the future while enhancing the quality of life for residents. The NCC Program is comprised of three primary focus areas — the Interstate 5 (I-5) Express Lanes Project, coastal rail and transit enhancements, and environmental protection and coastal access improvements. Elements include building longer highway bridges over six lagoons to improve tidal flows and overall lagoon health. They also aim to double track 99% of a 60-mile segment of the San Diego coastal rail line and to upgrade rail stations and platforms.[54]



Target 11.2

By 2030, provide access to safe, affordable, accessible, and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities, and older persons.

Case Study: Utah State Water Finance Agency - US917572TV13

The Agency was organized for the purpose of financing or refinancing various water, sewer, wastewater, and hydroelectric projects, and to provide reliable, cost-effective water supplies and water, sewer, wastewater, hydroelectric, and other utility services. Bond proceeds generally go to many projects associated with water and wastewater infrastructure in Utah.[55]

Case Study: Monterey Peninsula Water Management District - US612588AA18[56]

Proceeds of this bond issuance were used to provide treated wastewater to irrigate golf courses and open space areas in Pebble Beach, replacing potable water used for irrigation. While we acknowledge golf courses may not directly contribute to SDG 11, the process of using treated wastewater for irrigation instead of potable water does reduce the environmental impact of cities and allows for more efficient use of water resources.

Take urgent action to combat climate change and its impacts

Building a low-carbon economy is one of the most important challenges we face. Saturna Capital factors repercussions of climate change and carbon risks into our portfolios. In the last two years, the US suffered more than 40 weather disasters that inflicted at least $1 billion in economic damage each.[57] Additionally, a survey by CDP (formerly the Carbon Disclosure Project) of the 215 biggest companies worldwide reported almost $1 trillion was at risk from climate impacts, with much of that risk likely to hit within the next five years.[58] Tracking trends in carbon intensity, greenhouse gas reduction programs, and how a company compares with its peers are all part of our analysis. As the world begins to recover from the coronavirus pandemic, forward-thinking companies will be better positioned to thrive in the new economy.

Climate and carbon risks are a major focus for both the Sustainable Bond Fund and the Sustainable Equity Fund. Sector, physical, and transition risks, as well as overall governance, are considered. The accompanying data is meant to provide a snapshot of our risk relative to the MSCI All Country World Index.

Percent of holdings / constituents reporting (by number of holdings)

For periods ended March 31,		2021 to 2022 Change	2022	2021	2020	2019
Discloses Scope 1 and either Scope 2 or Scope 3	**Sustainable Bond Fund**	0.9%	84.2%	83.3%	100.0%	88.2%
	Sustainable Equity Fund	-6.3%	71.9%	78.1%	90.3%	89.7%
	MSCI ACWI	-1.2%	43.5%	44.8%	64.2%	73.0%
Company has strong greenhouse gas reduction program	**Sustainable Bond Fund**	-16.0%	84.0%	100.0%	81.8%	76.5%
	Sustainable Equity Fund	-18.8%	75.0%	93.8%	74.2%	79.3%
	MSCI ACWI	-4.7%	45.0%	49.7%	48.6%	57.5%
Carbon intensity is below industry mean	**Sustainable Bond Fund**	-17.1%	57.9%	75.0%	72.7%	56.0%
	Sustainable Equity Fund	-6.3%	53.1%	59.4%	48.4%	45.8%
	MSCI ACWI	0.2%	31.1%	30.9%	25.6%	30.2%

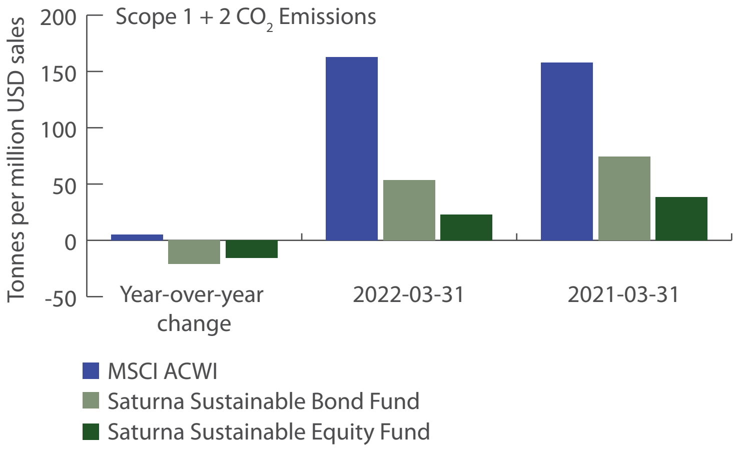
As the industry averages for carbon intensity get more competitive, we expect that these statistics may show some volatility. The percentage of holdings in the Sustainable Bond Fund with a carbon intensity below industry mean declined, partly because of a few new holdings such as eBay and Vodafone, which don't yet have a competitive carbon intensity relative to their peers. We do anticipate this improving with time; eBay set a target of cutting carbon emissions by 90% by 2030 and saw a 26% reduction in Scope 1 and 2 greenhouse gas emissions in 2021,[59] and Vodafone set a net-zero target for 2040 and reduced its Scope 1 and 2 emissions by 23% in 2021.[60]

Percent of holdings / constituents reporting (by number of holdings)

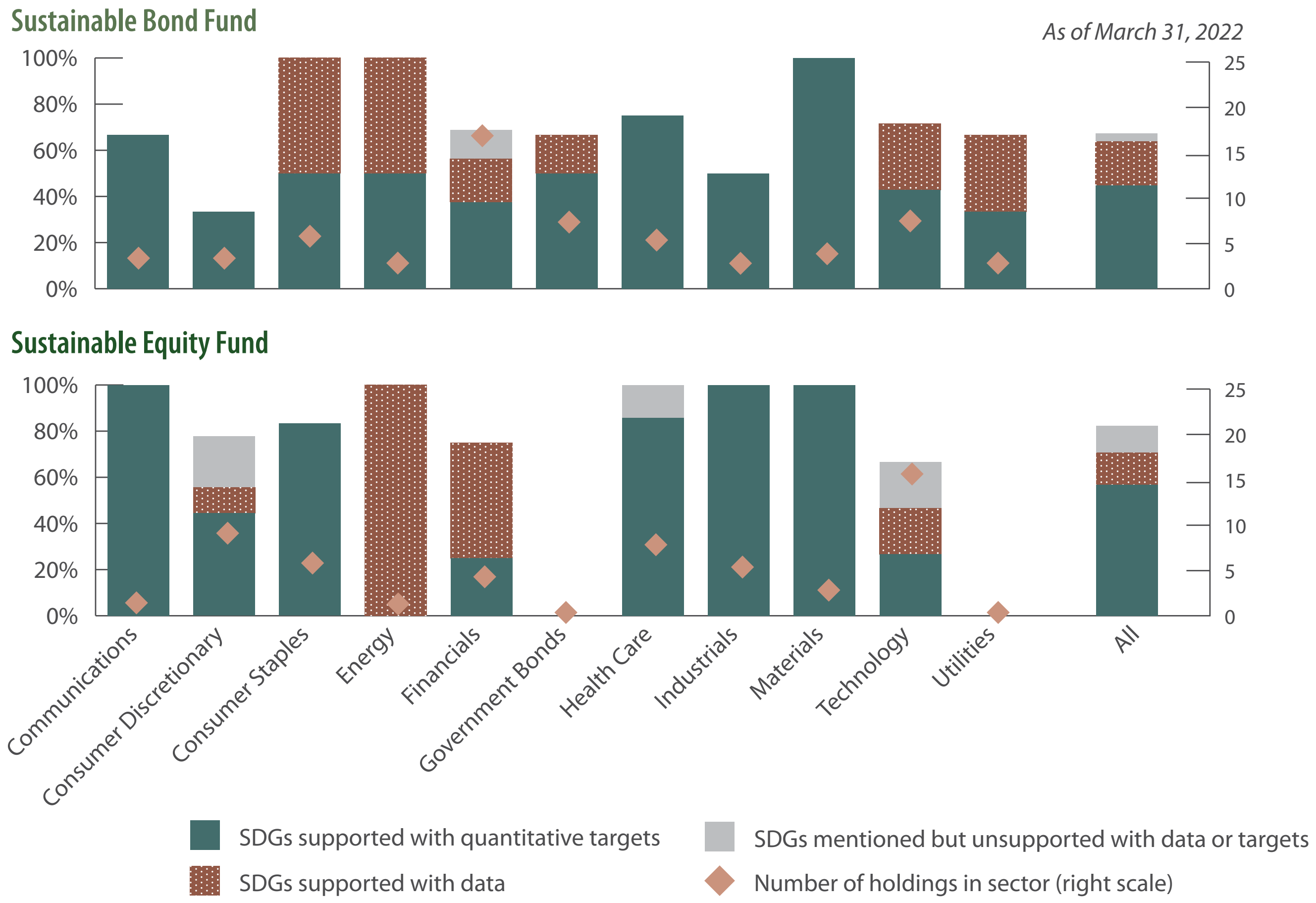
For periods ended March 31,		2021 to 2022 Change	2022	2021	2020	2019
Carbon intensity declined more than 10% in past 3 years	**Sustainable Bond Fund**	17.1%	42.1%	25.0%	72.7%	48.0%
	Sustainable Equity Fund	3.1%	68.8%	65.6%	48.4%	39.6%
	MSCI ACWI	1.4%	42.8%	41.5%	27.5%	31.7%

The carbon reduction program performance decline in the Sustainable Bond Fund is the result of three holdings that have only adequate reduction programs, including Starbucks and Coty. While Coty has greenhouse gas emissions reporting, audits, and initiatives in place to reduce emissions, it doesn't have a net-zero target or a reduction target. Starbucks still needs to improve its initiatives to reduce emissions and show how those initiatives help the company meet its target.

Weighted average carbon intensity



SDG 13: Percent of holdings / constituents reporting (by number of holdings)



Target 13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

Case Study: Natura & Co

Natura & Co is a Brazilian-based company that operates its own cosmetic and beauty brand, Natura Cosmeticos, while wholly owning three other brands sourced through acquisitions: Avon (acquired in 2020), The Body Shop (2017) and Aesop (2016). The company is the fourth-largest pure play beauty group in the world with 2.1% of global market share. Natura operates in more than 100 countries and has more than 35,000 employees and associates with 8.1 million consultants serving more than 200 million consumers.

In 2021, Natura issued a $1 billion sustainability linked bond. Sustainability linked bonds differ from green bonds; rather than commit to a specific use of proceeds, the borrower commits to sustainability goals in the form of one or more key performance indicators (KPIs). If the goals are not met by a certain time, the borrower pays a penalty, usually in the form of a higher coupon to investors. This amount of the penalty typically rises over time.

Natura is committed to meet two material environmental performance indicators by year-end 2026:

1. Reduction of its relative greenhouse gas emissions intensity by 13% across Scopes 1, 2, and 3
2. Reaching 25% of post-consumer recycled plastic in packaging

These goals support the company's "Commitment to Life" and its Sustainability Vision for 2030. The goals also support Natura's efforts to address the global climate crisis.[61] If the company fails to meet these targets by year-end 2026, the interest rate payable on the notes will be increased by 65 basis points (bps).[62] We believe that sustainability linked bonds connected to carbon reduction goals are an excellent way for issuers to show their commitment and be incentivized to achieve important environmental and social goals. As bondholders, it also compensates for additional risks to the company, should their carbon intensity stay elevated.

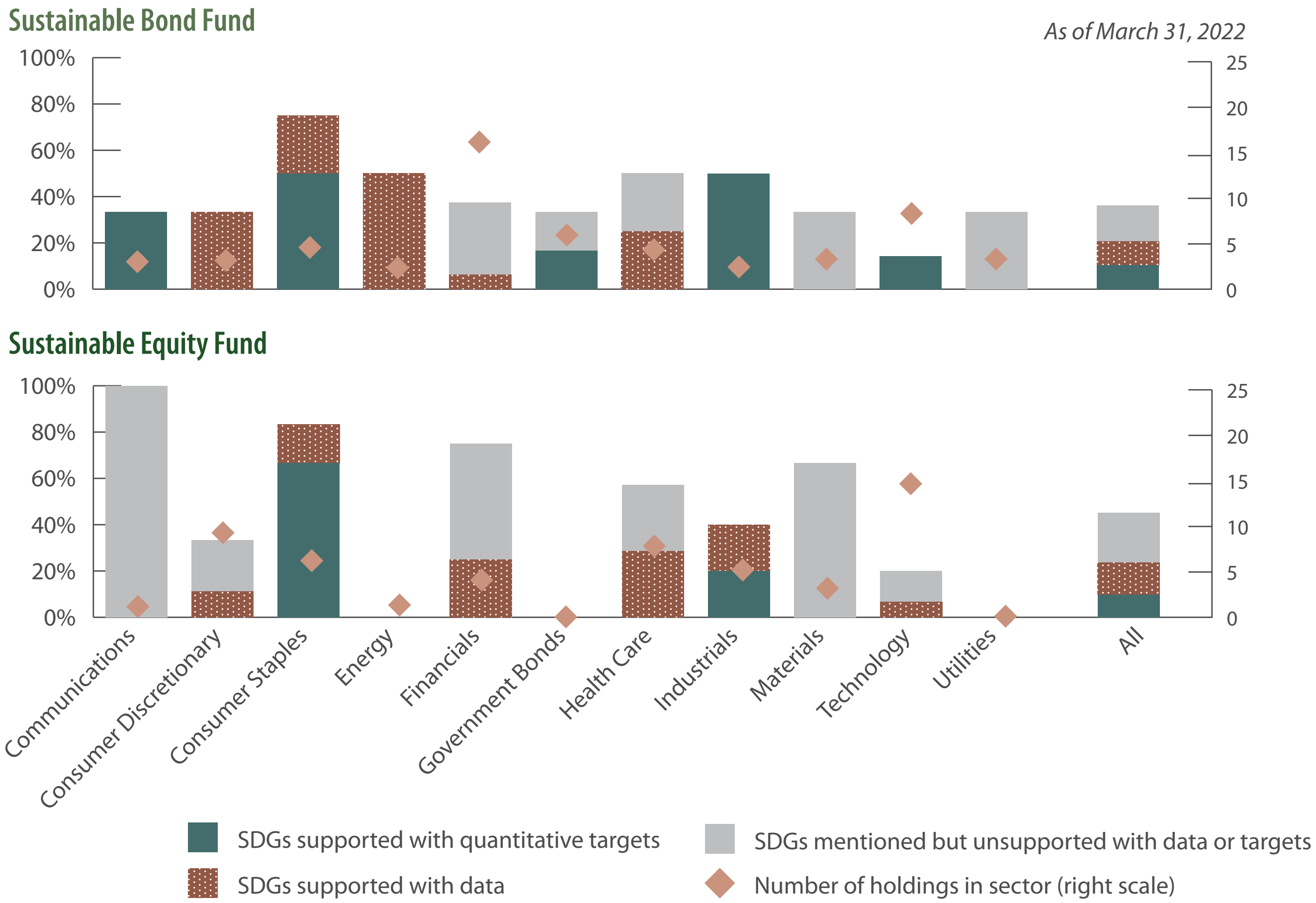
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels

Targets within SDG 16 include developing effective, accountable, and transparent institutions at all levels, and to substantially reduce corruption and bribery in all their forms. Good governance and effective policies are some of the most powerful tools that corporations can use to combat corruption and provide transparency. The Saturna Sustainable Funds seek to invest in companies with quality boards, and often that includes those with strong anti-bribery and anti-corruption policies. Good governance is the foundation upon which good corporate decisions are made and where the full integration of environmental, social, and governance (ESG) factors starts.

Percent of holdings / constituents reporting (by number of holdings)

For periods ended March 31,		2021 to 2022 Change	2022	2021	2020	2019
Holdings with more than 75% board independence	**Sustainable Bond Fund**	8.0%	86.1%	78.1%	75.0%	68.8%
	Sustainable Equity Fund	-0.6%	66.7%	67.2%	60.3%	55.3%
	MSCI ACWI	-0.4%	37.3%	37.7%	39.3%	44.4%
Has adequate anti-bribery and anti-corruption policies	**Sustainable Bond Fund**	-1.5%	84.2%	85.7%	87.0%	92.9%
	Sustainable Equity Fund	3.7%	83.7%	80.0%	74.5%	84.9%
	MSCI ACWI	3.3%	48.9%	45.6%	41.1%	64.2%

SDG 16: Percent of holdings / constituents reporting (by number of holdings)



Target 16.6

Develop effective, accountable, and transparent institutions at all levels.

Case Study: Siemens

Only about 40% of our holdings reported in some way on SDG 16, and only 10% of our holdings reported a quantitative target associated with SDG 16. Additionally, more than half of the holdings that reported SDG 16 as a focus did not provide targets or data to back up their assertion. We view this goal as very important to the core of corporate governance and would like to see better reporting. Siemens was one of the better examples of our holdings that reported on SDG 16.

Siemens employs roughly 303,000 people around the world. The company has customers in both the private and public sectors and serves a vast array of industries. The environment where Siemens conducts its business and carries out its compliance activities is complex; its operations take place in different national legal systems and in a variety of political, social, and cultural settings, which are constantly changing.

The company has a comprehensive compliance system to ensure business practices adhere to internal guidelines and follow laws. Measures include compliance risk management, preparation of topic-specific guidelines and procedures, incorporating compliance requirements into their business processes, and providing comprehensive training. Siemens offers all employees and external third parties protected channels through which they can report violations.[63]

Additionally, Siemens Integrity Initiative earmarked more than $100 million to support organizations and projects combating "corruption and fraud through Collective Action, education, and training."[64]

INVESTMENT PROCESS

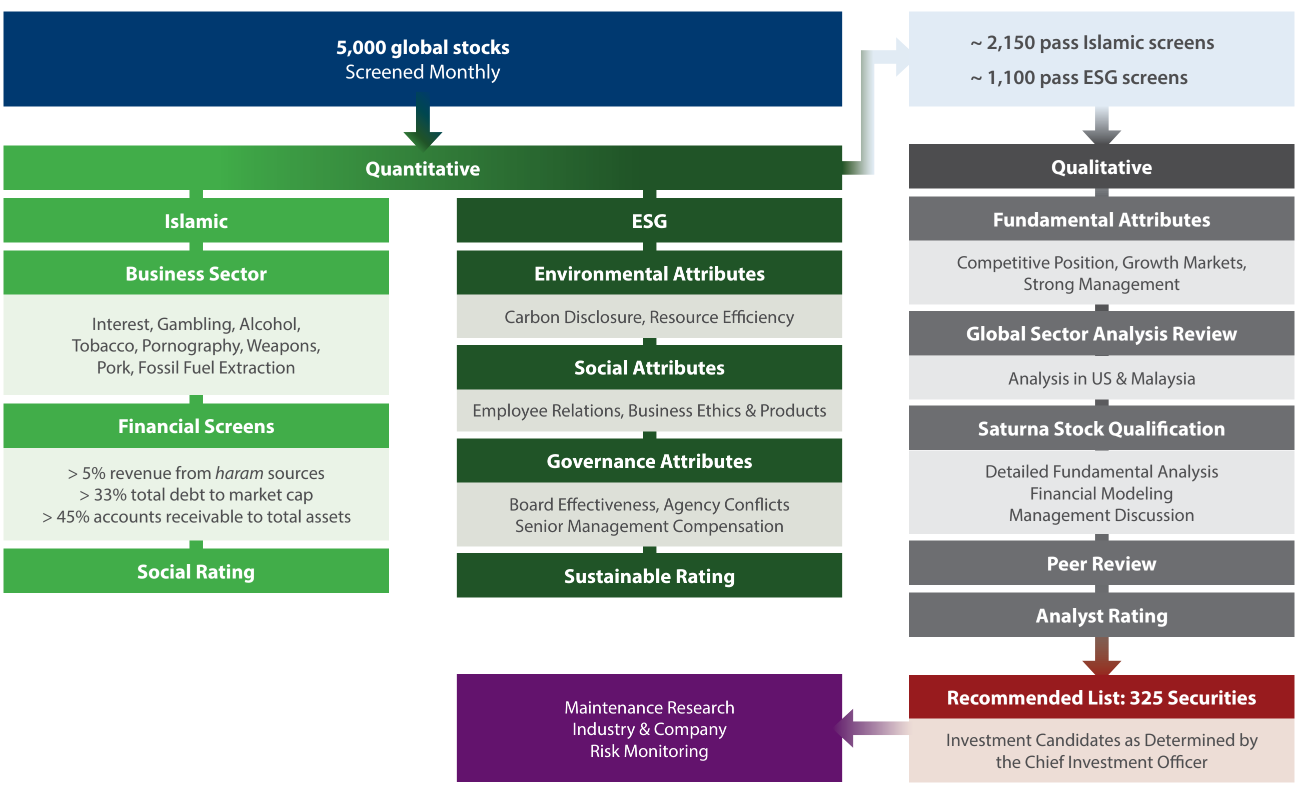
SATURNA SUSTAINABLE INVESTMENT PROCESS

Saturna seeks investments that exhibit long-term sustainability characteristics. We believe issuers with superior environmental, social, and governance (ESG) records tend to have lower volatility and a greater chance for success in the long term. We also believe that companies that proactively manage business risks related to ESG issues are more resilient and make valuable contributions to society and the global economy. We prefer issuers that demonstrate financial sustainability as measured through management strength and strong balance sheets.

Investment Process – Equity

As part of the integrated ESG investment process specialized for equities, Saturna seeks to invest in issuers that demonstrate sustainable characteristics. Sustainable issuers are generally larger, more established, consistently profitable, and financially strong, with low risks to ESG. Issuers generally have sustainable profits, strong balance sheets, management strength, high quality operations, risk consciousness, low debt, and established business.

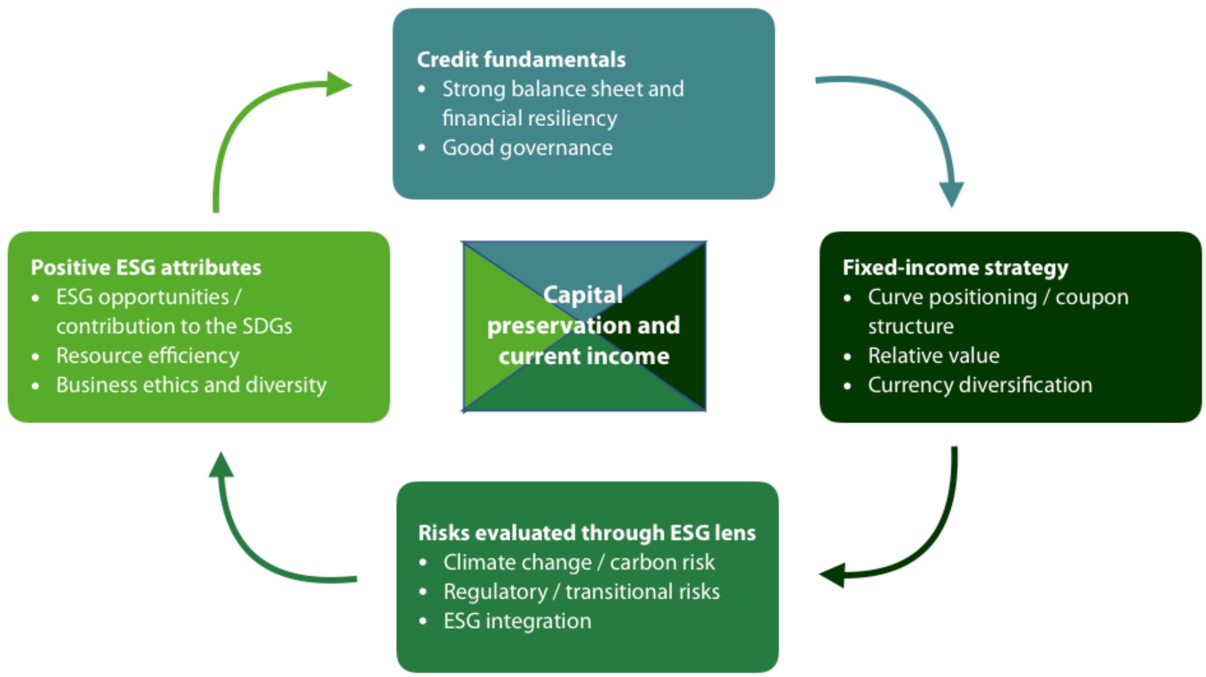
Saturna sustainable equity investment research process



Investment Process – Fixed Income

We believe the integration of ESG considerations is critical to risk reduction and value creation for investors. Additionally, we view ESG considerations as crucial to assessing an issuer's creditworthiness. Our investment process enables us to focus on risk reduction in areas such as climate change, biodiversity, and governance, while also taking advantage of opportunities in growing markets. A strong internal process for ESG integration is necessary given the data challenges, changing markets, and lack of uniform standards governing what can be defined as "green," "sustainable," "social," or "sustainability linked" bonds.

Saturna sustainable fixed-income investment research process



Risks of Investing

Investing in securities involves a variety of risks including market risk (fluctuation and volatility of the value of securities), currency fluctuation risk, liquidity risk, and investment strategy risk. We think that sustainable investing may mitigate security-specific risk, but the screens used in connection with sustainable investing reduce the investable universe, which limits opportunities and may increase the risk of loss during market declines.

However, Saturna believes that traditional barometers by which investment risk is measured have expanded by necessity to include risks related to ESG practices. The threat of climate risk is intricately linked to more familiar forms of risk including regulatory and reputational risk.

As environmental issues (like wildfires) and social and governance issues (like data security and customer privacy) continue to grab headlines and weigh on the minds of consumers, financial markets will see upheaval. Consumers will become savvier, choosing to vote with their dollars by moving toward less impactful products and activities. Saturna Capital's analysts are committed to identifying trends, top performers, and solutions providers among industries so that we can be sure our investments are well positioned for the long-term new normal.

FUND STRATEGY OVERVIEWS

Investment Landscape: Reading Tea Leaves from the Past

This year we shifted our attention from the international landscape toward home, with a focus on the US fixed-income market, due in part to the Federal Reserve's actions to quell a different kind of virulent pandemic — inflation.

The Fed is not alone; central banks around the world are engaging in aggressive policy measures to tighten financial conditions to suppress inflation. We have not experienced many of these inflationary pressures in decades. At the end of March 2022, annual inflation in the United States soared to 8.5%, marking the sharpest spike since December of 1981 — a 40-year high.[65] Also in March, the European Union reported a euro area annual inflation rate of 7.4%, an astounding increase from 5.9% the previous month.[66] On April 13, 2022, annual inflation in the United Kingdom surged to 7.0%, a 30-year high.[67,68]

The knock-on effects of these inflationary pressures have caused a significant rise in bond yields. For the six-month period ended March 31, 2022, the two-year US Treasury note rose a staggering 743% from 0.27% to 2.34%. The five-year and 10-year Treasurys also rose 155% and 57%, respectively. The five-year note went from 0.97% to 2.46%, and the 10-year note went from 1.49% to 2.34%. These abrupt moves are atypical and reflect investors' efforts to adjust to aggressive policy changes of the central banks.

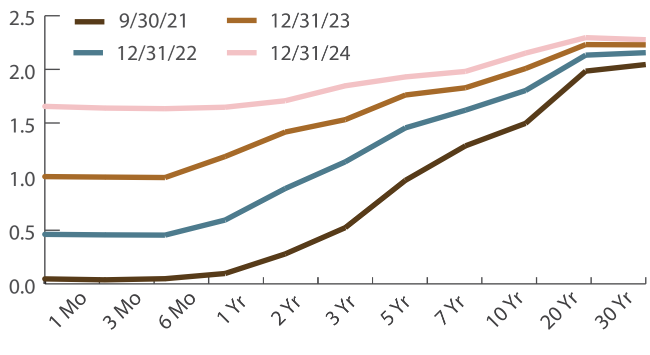
We have observed a meteoric rise in broad commodities prices coinciding with these rising interest rate movements. Such conditions are not uncommon when the value of money becomes undermined by periods of excessively accommodative monetary and fiscal policies — all of which were rationalized following the onset of the pandemic to provide support for the global economies. Further upward commodity pricing pressures can be attributed to the fallout from the tragic Ukrainian-Russian conflict. Both countries are essential exporters of agricultural and hydrocarbon products. Over the two-year period ended March 31, 2022, the Dutch Natural Gas Futures Contract price rose 1,743%, while oil, expressed as Western Texas Intermediate (WTI) rose 390%! Unfortunately, such large price increases for energy inputs introduce negative price impulses in other industries such as agriculture, causing additional inflationary trends to develop. The FAO Food Price Index, a benchmark that tracks the international prices of a basket of food commodities, rose 64.5% over the same two-year period, exceeding its previous all-time high in February 2011.[69]

Since anticipated tightening of financial conditions will likely introduce challenges for investors, paying attention to global central banks is important. We began noticing a material shift in the bond market during the fourth quarter of 2021 — including changes in the forward US Treasury yield curves — that motivated us to take defensive measures. We reduced risk by lowering the Sustainable Bond Fund's exposures to high-yield, long-duration, and non-US dollar-denominated securities.[70]

The four graphs below provide insight into market participants' views on future economic activity, inflation expectations, and overall financial conditions. They're akin to reading tea leaves for additional insight that can give the reader valuable information about where the future may be headed.

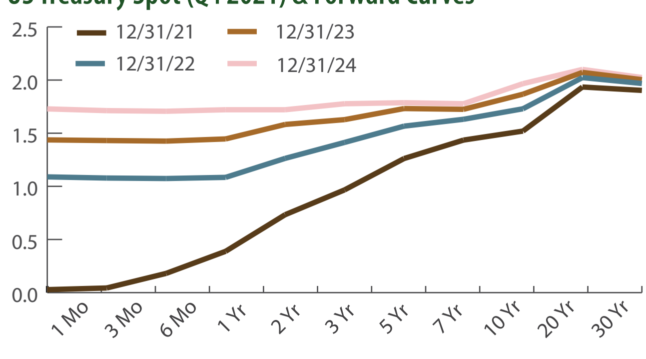
The first graph, "US Treasury Spot (Q3 2021) & Forward Curves", shows the "spot" rate on September 30, 2021 (the closing interest rates on that day) against forward interest rate projections for the years ended 2022, 2023, and 2024. The yield curve complex shows interest rates rising over the various maturities, with each year moving further and higher than the last. This is often referred as a "positive" yield curve, which is conducive for favorable economic growth; long-term interest rates tend to capture the anticipated economic and inflationary outlook of the economy over longer time periods. Typically, short-term interest rates tend to reflect changes in monetary policy by a central bank, such as those introduced by the Fed. By the end of the third quarter in 2021, market participants' outlook on the economy looked favorable and constructive. However, by the end of the fourth quarter, that outlook, as well as that of the Fed, significantly changed; Fed Chairman Jerome Powell made an abrupt announcement to stop describing inflation as "transitory" on November 30, 2021.[71] Afterwards, numerous statements were made by other Fed members that "aggressive" policy changes were at hand. Essentially, the Fed was communicating a reversal of course in providing accommodative monetary policies.

US Treasury Spot (Q3 2021) & Forward Curves



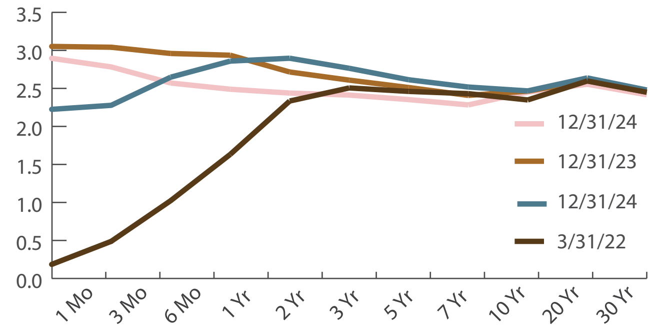
This brings us to the second graph, "US Treasury Spot (Q4 2021) & Forward Curves", this time using the spot rate from December 31, 2021. What makes this graph worrisome for bond managers is the subsequent "flattening" of forward curves for 2022, 2023, and 2024; these forward yield curves showed inversions around the seven-year mark. This indicated a negative outlook in economic activity while signaling the likelihood of a potential Fed policy error. The graph also relayed a growing probability of recession.

US Treasury Spot (Q4 2021) & Forward Curves



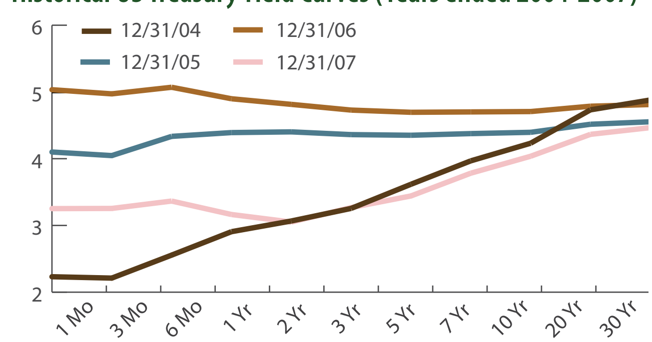
The third graph, "US Treasury Spot (Q1 2022) & Forward Curves" for the period ended March 31, 2022, showed the potential adverse tones and growing risks, essentially confirming the suspicions introduced in the second graph.

US Treasury Spot (Q1 2022) & Forward Curves



We then looked back to when a yield curve environment showed a similar pattern, and it was not comforting. "Historical US Treasury Yield Curves (Years ended 2004-2007)" shows the actual (not projected) yield curves for the year-ends of 2004, 2005, 2006, and 2007. The pattern shared a strong resemblance with our second and third graphs, adding further evidence to what our internal ongoing research already indicated; it was time to take defensive measures.

Historical US Treasury Yield Curves (Years ended 2004-2007)



Investment Landscape: A Road Map

We believe that the sequence of yield curve behaviors reflects investors' views from when the Fed raised interest rates and reduced the size of their balance sheet. We view the most recent tightening cycle, the period starting with the fourth quarter of 2015 through the first quarter of 2020, as our best "road map" of the sequence of events likely to come into play in 2022. This road map also shows the subsequent risks that investors will need to navigate over this upcoming tightening monetary policy cycle.

On December 16, 2015, the Fed raised its benchmark rate for the first time since the Global Financial Crisis (GFC) of 2007-2008. This was the beginning of a sequence of nine additional interest rate hikes, with the last hike on December 19, 2018, to 2.50%.

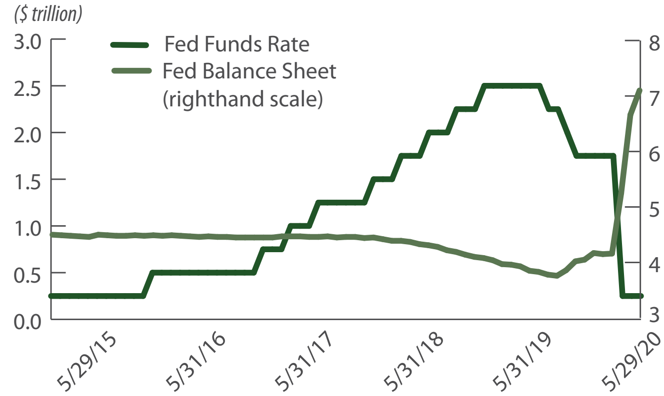
In December of 2017, the Fed's balance sheet was $4.448 trillion. By July of 2019, the Fed had reduced its balance sheet by 15%, to $3.779 trillion, reflecting an aggregate decline of $670 billion. Then, on July 16, 2019, Chairman Powell abruptly reduced the Fed's benchmark interest rates by 25 basis points (bps) to 2.25%. The rising interest rates combined with balance sheet reduction caused a dramatic tightening of financial conditions. As a result, financial assets such as equities and bonds experienced material volatility. We note that by April of 2020, the Fed had dramatically increased the size of its balance sheet as a policy response to the onset of the COVID-19 pandemic.

In the first graph, "Fed Funds Rate and Fed Balance Sheet," we see the Fed's benchmark interest rates increase as the balance sheet declined.

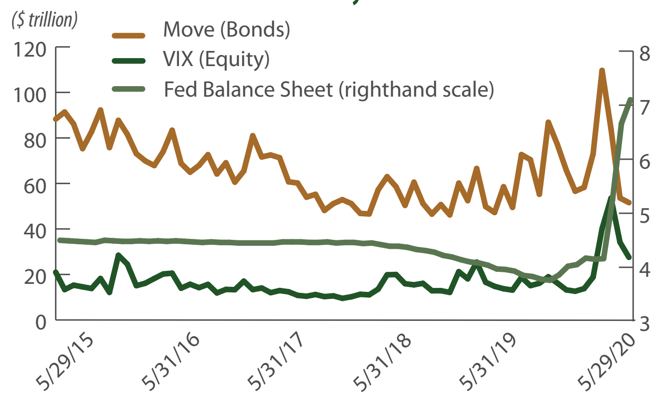
In the second graph, "Fed Balance Sheet and Volatility Benchmark," we observe how the declining trajectory of the Fed's balance sheet caused an increase in generalized volatility for both equities and bonds. The Chicago Board Option Exchange's Volatility Index, or VIX, measures equity volatility and the Merrill Lynch Option Volatility Estimate, or MOVE, measures bond volatility.

The third graph, "Fed Balance Sheet and US Treasury Bonds," illustrates the interest rate movements of two-year, five-year, and 10-year US Treasury notes. The increases in interest rates combined with balance sheet reduction introduced a tightening of financial market conditions that led to market volatility for investment assets.

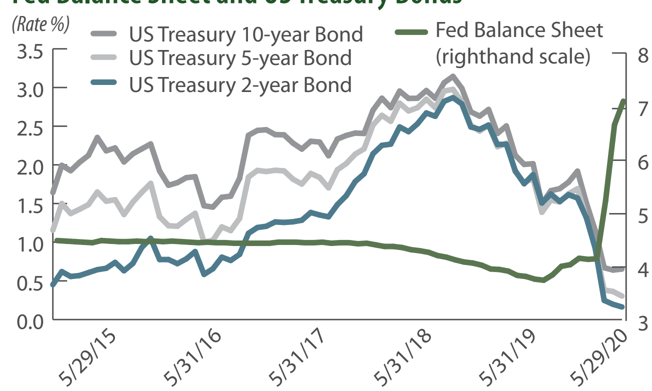
Fed Funds Rate and Fed Balance Sheet



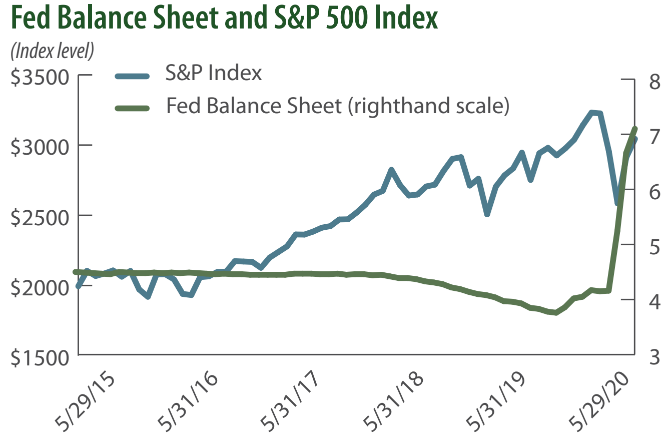
Fed Balance Sheet and Volatility Benchmarks



Fed Balance Sheet and US Treasury Bonds



Fed Balance Sheet and S&P 500 Index



In the fourth graph, "Fed Balance Sheet and S&P 500 Index," we see the trajectory of the S&P 500 during the same period.

The notable difference between the previous tightening cycle and the current one is that the Fed is seeking to engineer the same program of interest rate increases and balance sheet reduction over a much shorter period. During the previous tightening cycle, balance sheet reduction didn't begin until two years after the first interest rate increase. This time, the trajectory of the tightening of financial conditions is on an accelerated schedule, all in the first two quarters of 2022.

Unlike the gradual increase in interest rates and moderate balance sheet reduction in the past, we anticipate material policy tightening by the Fed. Investors anticipate that by year-end of 2022, the Fed's benchmark interest rate will rise to 2.48%, reflecting a 652% increase from the 0.33% effective rate at first quarter-end.[72] Additionally, the Fed plans to reduce its balance sheet by a maximum of $95 billion a month.[73] As of the first quarter-end of 2022, the balance sheet was $8.937 trillion, bringing the projected reduction to 12.8%. Current guidance anticipates as much as a $2.85 trillion reduction in the Fed's balance sheet by 2024.[74] This would mean an estimated reduction of its balance sheet by 31.9%.

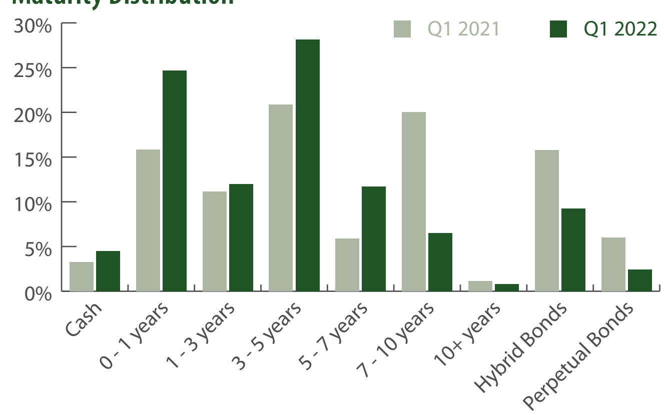
There are more factors that make this period different from the 2015-2019 tightening period. First, central banks around the world are moving in unison with the Fed's actions to tighten financial conditions. This didn't happen during the last tightening episode. Second, the global economy is facing significant inflationary and upward commodity price pressures, motivating central banks to employ policies to quash inflation. This wasn't the case during the prior period. Third, the effects of the pandemic have continued to disrupt the global supply chain, which further adds to tightening of business conditions. In our opinion, it is hard under these conditions to anticipate a soft landing. We believe that investors' outlook on the forward interest rate yield curves is sufficient reason to take a defensive posture. We heeded this message by systematically reducing high-yield, non-US dollar-denominated, and long-duration positions in the Sustainable Bond Fund during the fourth quarter of 2021.

We've allocated the Sustainable Bond Fund's portfolio, detailed later in this report, to potentially benefit from the anticipated market risks. Market disruptions typically introduce opportunities for those who are prepared. We believe we are prepared, as we exercise measured prudence in working to attain the Fund's investment objectives of capital preservation and current income.

Duration and Yield Curve Management

The Sustainable Bond Fund's weighting of shorter-duration bonds dramatically increased between the first quarter-end of 2021 and the first quarter-end of 2022. As of March 31, 2021, the Fund's allocation to maturities with a duration of less than five years was 51.1% of the Fund's assets, including cash. By March 31, 2022, it had risen to 69.2%, a gain of 18.1%. For the same period, the Fund's allocation to maturities with a duration of less than three years started at 30.2%, then rose to 41.1%, an increase of 10.9%. The Fund reported an effective duration of 2.64 years at first quarter-end of 2022. At first quarter-end 2021, the Fund's effective duration was slightly higher at 2.67 years. The Fund's benchmark, FTSE US Broad Investment-Grade Bond Index, had an effective duration of 6.57 years at first quarter-end of 2022.

Maturity Distribution



The rationale for the reduction in duration reflected our anticipating the increase in interest rates by the Fed's abrupt policy changes, as detailed earlier in this report.

Strategically, we expect to maintain the defensive profile, at least in the early stages of the Fed's balance sheet reduction scheme. During this time, we believe interest rates could potentially experience an interest rate "ceiling," particularly on the long end; the tightening of financial conditions may inhibit economic growth as well as introduce market volatility. We remain vigilant and patient for these developments. We want to stress that we will proceed with caution, as we expect the spreads of non-Treasury securities to widen during the anticipated turmoil. Throughout the first quarter of 2022 we have been actively honing our buy list, relative valuation models, and credit research to align the portfolio among issuers that we believe are well positioned to serve the investment objectives of capital preservation and current income.

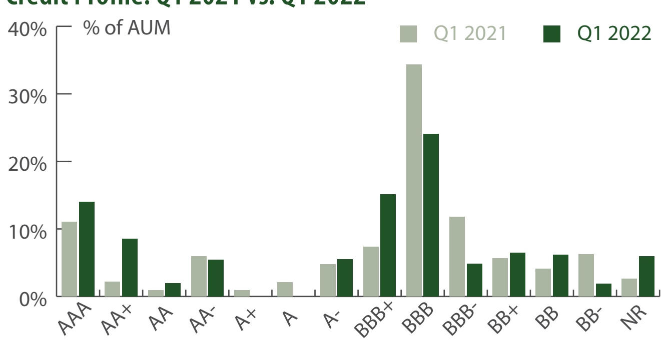
Credit ratings

Coinciding with the shortening of the Sustainable Bond Fund's duration, we increased the overall credit quality. We anticipated that the tightening of financial conditions warranted this prudence. The Fund's allocation to issuers with a credit rating of "AA-" and higher increased by 9.8% to 29.9% of assets, excluding cash, as of March 31, 2022. The Fund's exposure to issuers with a credit rating of "A-" and higher increased by 7.6% to a total of 35.4%. The increase in higher-rated issuers was largely funded by a reduction in issuers with a "BBB" and "BBB-" credit rating. The Fund's exposure to the "BBB+/-" credit rating complex was 44.0% at first quarter-end 2022, declining -9.5% since first quarter-end of 2021.

The Sustainable Bond Fund's allocation to high-yield issuers with a credit rating of "BB+/-" declined over the year by -1.4%, from 16.0% to 14.6% as of March 31, 2022. However, the Fund's allocation to non-rated issuers increased by 3.3%. There are three issuers that retain a non-rated profile in the Fund. Two of these holdings include separate tranches of the Women's Livelihood Bond (WLB), issued by Impact Investment Exchange (IIX). Interestingly, these qualified "sustainable bond" proceeds use issues have strong structural credit enhancements that make them financially sound, despite the lack of a rating. However, the issuer has opted to not obtain a score from the major credit rating agencies.

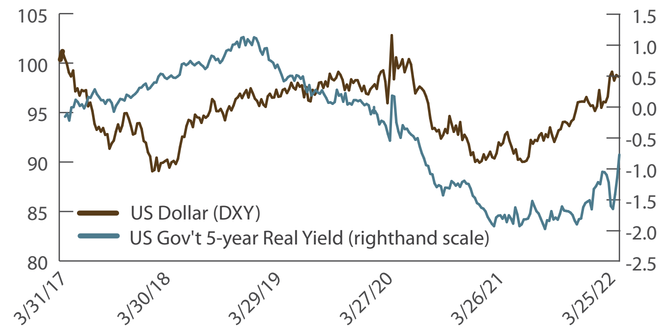
The Sustainable Bond Fund's credit profile as of March 31, 2022, compared to March 31, 2021, is shown in the accompanying bar chart.

Credit Profile: Q1 2021 vs. Q1 2022



Currency Positioning

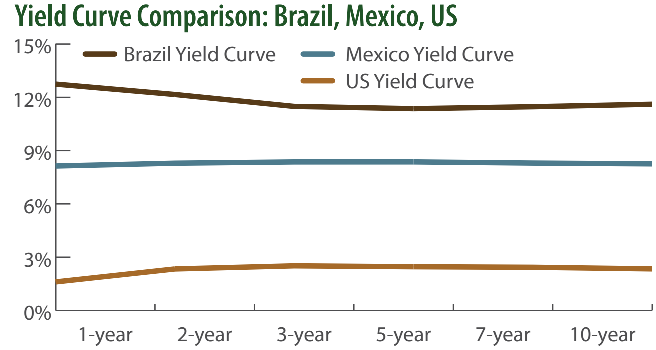
US Dollar and US Government 5-Year Real Yields



This dynamic and fluid investment environment presents an interesting opportunity for non-US dollar-denominated allocations. At the end of the third quarter of 2021, the Fed's view on inflation shifted from a transitory projection to something longer-lasting. Since then, we have observed strong performance from the US dollar. This can be expected, as the dollar tends to offer a safe haven during risk-off environments and during periods of fiscal tightening. This fiscal tightening is represented in "US Dollar & US Government 5-Year Real Yields". The real yield has been rising since mid-year 2021, along with the US dollar.

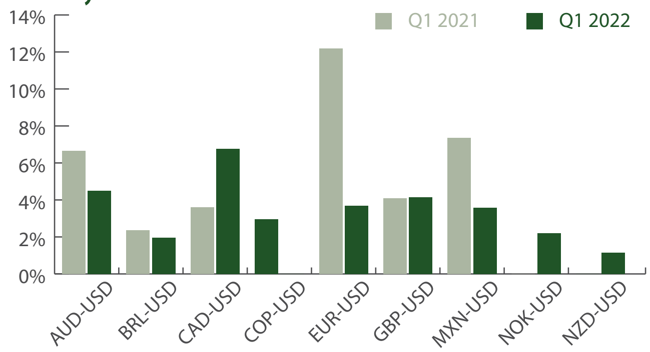
A strong US dollar tends to exacerbate tightening of global financial conditions. It presents challenges for countries that issue US dollar-denominated debt obligations, while simultaneously experiencing a decline in their local currency relative to the US dollar. These conditions make it more expensive for these countries to make their debt payments. However, some commodity-export countries are benefiting from the broad-based commodity price inflation. Other countries proactively addressed inflation pressures by raising their country benchmark interest rates back in early 2021. This has helped their respective currencies to demonstrate favorable performance relative to the US dollar.

Yield Curve Comparison: Brazil, Mexico, US



For the six months ended March 31, 2022, the Brazilian real and the Mexican peso have demonstrated considerable strength relative to the US dollar by appreciating 14.79% and 3.88%, respectively.[75] Shorter-duration bonds did well; the one-year Brazilian real bonds and Mexican peso bonds yielded 12.75% and 8.13%, respectively. This offers investors a remarkable yield enhancement relative to US Treasurys. By owning a one-year Brazilian real local government bond, investors could obtain a yield pick-up of 11.14% relative to a US government bond. Likewise, the one-year Mexican peso local government bond could offer investors a yield enhancement of 6.53%. This doesn't take into consideration the added returns provided by the Brazilian and Mexican local currency movements. The yield curve differences are shown in "Yield Curve Comparison: Brazil, Mexico, US."

Currency Allocation



Given the current environment of tightening fiscal conditions, we have retained a US dollar-biased allocation compared to this time last year. As of March 31, 2022, the Sustainable Bond Fund's allocation to the US dollar was 72.0%, an 11.2% increase from the 60.8% allocation as of March 31, 2021. We substantially reduced the Fund's allocation to the eurodollar, with minor downward adjustments in allocations to the Australian dollar and the Mexican peso. Some of the reductions can be attributed to securities maturing during the first quarter of 2022 and our group taking a cautionary approach to adding non-US dollar allocations during the fiscal tightening period.

We still believe that the US dollar will offer strength, which will further tighten financial conditions at least through the first half of 2022. However, there are several countervailing trends that may weaken the US dollar in the second half of the year. This includes the US's large debt-to-GDP profile, which was 123.4% as of December 31, 2021, its highest since 1946.[76] At the end of World War II, the debt-to-GDP ratio was 119%.[77] The fiscal budget deficit and the current account deficit both further weakened the US's fiscal standing, coming in at -11.0%[78] and -3.56%,[79] respectively.

Our view is that the tightening of financial conditions, in conjunction with the weakened fiscal standing of the US and higher interest expenses from the cost of borrowing, are likely to weaken the US dollar.

Strategic outlook

While the conditions for 2022 look challenging, we retain a constructive outlook on the investment climate while prioritizing flexibility for unexpected shocks and disruptions that may be on the horizon. We have positioned the Sustainable Bond Fund defensively to navigate these challenges by reducing duration, improving the credit quality of issuers held, and reducing non-US dollar-denominated allocations. We believe the Fund is well positioned to attain opportunities that we see evolving over the upcoming year as we focus on being stewards for our investors.

Our progress can be tracked with our quarterly commentaries.

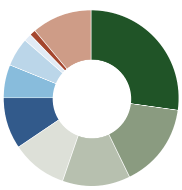
Investment Strategy

Under normal conditions, the Sustainable Equity Fund invests at least 80% of its net assets in equities of issuers located throughout the world that the Fund's adviser believes demonstrate sustainable characteristics.

The Saturna Sustainable Equity Fund diversifies its investments across industries, companies, and countries, and generally follows a large and mid-cap value investment style. The Fund prefers seasoned companies that are expected to grow revenue and earnings, favoring equities of companies trading for less than the adviser's assessment of their intrinsic value, which typically means companies with low price/earnings multiples, strong balance sheets, and higher dividend yields. The Fund principally invests in securities of companies with market capitalizations of greater than $5 billion. The Fund may invest up to 30% of net assets in companies with headquarters in countries with developing economies and/or markets.

Sector Allocation

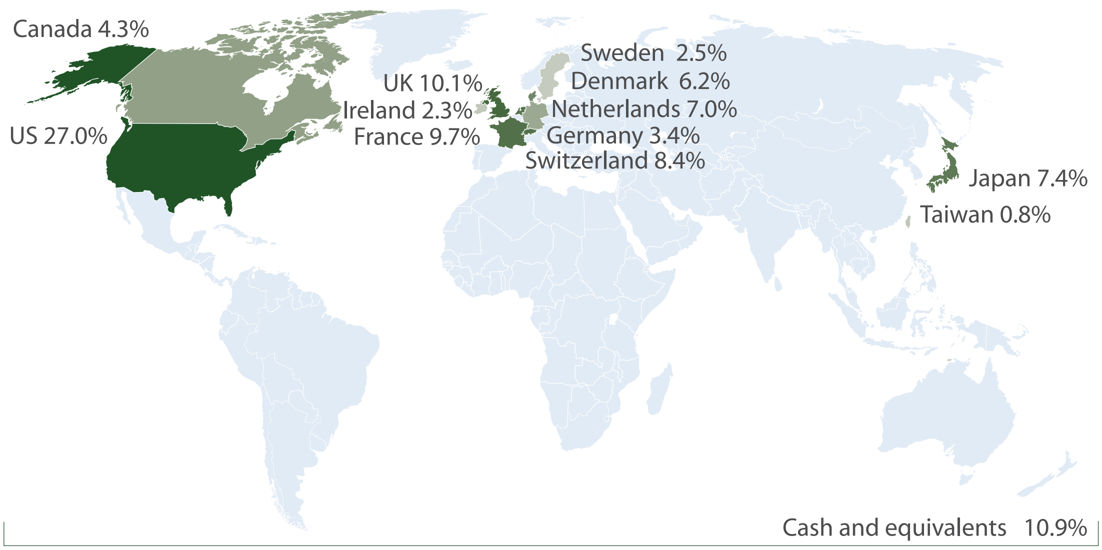
Technology	27.40%
Health Care	15.39%
Consumer Discretionary	12.77%
Industrials	10.21%
Consumer Staples	9.34%
Materials	6.04%
Financials	5.42%
Communications	1.27%
Energy	1.21%
Cash and equivalents	10.95%



Top 10 Holdings

	% of Net Assets
Nintendo ADR	3.16%
Novo Nordisk ADS	2.95%
Apple	2.84%
Reckitt Benckiser Group ADR	2.64%
GlaxoSmithKline ADS	2.60%
Johnson Matthey	2.57%
Tractor Supply	2.52%
Wolters Kluwer	2.51%
CGI Group Inc Class A	2.48%
Assa Abloy ADR	2.45%
Total	**26.72%**

Country Allocation



Data as of June 30, 2022. Country and sector weightings are shown as a percentage of total net assets.

Footnotes

[1] US SIF 2014 Report on US Sustainable, Responsible and Impact Investing Trends, 10th edition. US SIF: The Forum for Sustainable and Responsible Investment, 2014. https://www.hcapllc.com/news-1/2015/6/22/us-sif-2014-report-on-us-sustainable-responsible-and-impact-investing-trends

[2] US SIF 2020 Report on US Sustainable and Impact Investing Trends, 13th edition. US SIF: The Forum for Sustainable and Responsible Investment. November 16, 2020. https://www.ussif.org/files/Trends%20Report%202020%20Executive%20Summary.pdf

[3] "About the PRI." Principles for Responsible Investment. https://www.unpri.org/about-us/about-the-pri

[4] Task Force of Climate-related Financial Disclosures; 2021 Status Report. October 2021. https://assets.bbhub.io/company/sites/60/2021/07/2021-TCFD-Status_Report.pdf

[5] Wright, Kathryn. "Over three quarters of world's largest companies do not report risks from biodiversity loss: KPMG survey." KPMG International, December 1, 2020. https://home.kpmg/xx/en/home/media/press-releases/2020/12/largest-firms-fail-to-report-biodiversity-loss-risks-kpmg-survey-of-sustainability-reporting.html

[6] Beyond 'Business as Usual': Biodiversity Targets and Finance. UN Environment Programme, June 30, 2020. https://www.unepfi.org/wordpress/wp-content/uploads/2020/06/Beyond-Business-As-Usual-Full-Report.pdf

[7] The 2022 proxy voting cycle ran from July 1, 2021 to June 30, 2022.

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Index Definitions

The Chicago Board Option Exchange Volatility Index (VIX) is a real-time index that represents the market's expectations for the relative strength of near-term price changes of the S&P 500 Index (SPX).

The FAO Food Price Index (FFPI) is a measure of the monthly change in international prices of a basket of food commodities. It consists of the average of five commodity group price indices weighted by the average export shares of each of the groups over 2014-2016.

The FTSE US Broad Investment-Grade Bond Index is a broad-based index of medium and long-term investment-grade bond prices that reflects no deductions for fees, expenses, or taxes. Investors cannot invest directly in the Index. The FTSE US BIG Index was formerly known as the Citi US BIG Index. The London Stock Exchange Group acquired Citigroup Index LLC in August 2017.

The Merrill Lynch Option Volatility Estimate (MOVE) Index is a measure of US interest rate volatility that tracks the movement in US Treasury yield volatility implied by current prices of one-month over-the-counter options on 2-year, 5-year, 10-year and 30-year Treasurys.

The MSCI All Country World Index is produced by Morgan Stanley Capital International (MSCI). It is a broad measure of equity market performance throughout the world.

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.

West Texas Intermediate (WTI) is a grade or mix of crude oil; the term is also used to refer to the spot price, the futures price, or assessed price for that oil. WTI is the underlying commodity for the NYMEX's oil futures contract.

Investors cannot invest directly in the indices.

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Ownership of Securities Mentioned

As of June 30, 2022, the Funds held the following percentages of securities in their portfolios (% of net assets):

	Saturna Sustainable Bond	Saturna Sustainable Equity
Accenture, Class A	-	2.31%
Coty	0.75%	-
Home Depot	-	2.14%
Mastercard, Class A	-	1.41%
Monterey Penn. CA Wtr Mgmt Dist	0.66%	-
Natura Cosmeticos SA	0.68%	-
Odfjell SE	1.90%	-
Prologis	0.52%	-
San Diego Cnty CA Regl Transprtn Co	1.84%	-
Siemens ADR	-	1.41%
Starbucks	0.78%	-
Tarrant Cnty Tx Hsg Fin Corp	1.15%	-
Unicharm ADS	-	1.39%
Utah Water Finance Agency Revenue	4.60%	-
Vodafone Group Plc	1.60%	-
Women's Livelihood Bond Asset II B	1.89%	-

About the Authors

Elizabeth Alm CFA®
Senior Investment Analyst and Deputy Portfolio Manager

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.

Patrick Drum MBA, CFA®, CFP®
Senior Investment Analyst and Portfolio Manager

Patrick T. Drum, Senior Investment Analyst and Portfolio Manager, joined Saturna Capital in October 2014.

He is a former adjunct professor of finance for the Sustainable MBA Program at the Bainbridge Graduate Institute (BGI) currently known as Presidio Graduate School. Mr. Drum 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 and a Certified Financial Planner®.

Prior to joining Saturna Capital, Mr. Drum led environmental, social, and governance (ESG) research and was director of fixed-income portfolio management since 2007 with a private account group at UBS Institutional Consulting Services specializing in investment management for global conservation and national wildlife park endowments as well as sustainable-social screened client portfolios. He is a former Chair of the United Nation's Principles for Investment (UNPRI) Fixed Income Outreach Subcommittee and a current member of the UNPRI's Bondholder Engagement Working Group (BEWG), an advisory committee working to elevate important ESG considerations and best practices among issuers and investors.

Mr. Drum's past experience also includes business valuation at Moss Adams and portfolio management at Washington Mutual Bank. Mr. Drum is a member of the Board of Trustees to the Museum of Glass in Tacoma and a member of Rotary.

Jane Carten MBA
President and 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 degrees 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.

The Saturna Sustainable Funds limit the securities they purchase to those consistent with sustainable principles. This limits opportunities and may affect performance.

Investing involves risk, including possible loss of principal. Generally, an investment that offers a higher potential return will have a higher risk of loss. Stock prices fluctuate, sometimes quickly and significantly, for a broad range of reasons that may affect individual companies, industries, or sectors. When interest rates rise, bond prices fall. When interest rates fall, bond prices go up. A bond fund's price will typically follow the same pattern. Investments in high-yield securities can be speculative in nature. High-yield bonds may have low or no ratings, and may be considered "junk bonds." Investing in foreign securities involves risks not typically associated directly with investing in US securities. 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.

The Saturna Sustainable Bond Fund limits the securities it purchases to those consistent with sustainable principles. This limits opportunities and may affect performance. Fund share prices, yields, and total returns will change with market fluctuations as well as the fortunes of the countries, industries, and companies in which it invests. The risks inherent in the Sustainable Bond Fund depend primarily on the terms and quality of the obligations in its portfolio, as well as on bond market conditions. When interest rates rise, bond prices fall. When interest rates fall, bond prices go up. Bonds with longer maturities usually are more sensitive to interest rate changes than bonds with shorter maturities. The Fund entails credit risk, which is the possibility that a bond will not be able to pay interest or principal when due. If the credit quality of a bond is perceived to decline, investors will demand a higher yield, which means a lower price on that bond to compensate for the higher level of risk. Issuers of high-yield securities are generally not as strong financially as those issuing higher quality securities. High-yield bonds may have low or no ratings, and may be considered "junk bonds." Foreign investing involves risks not normally associated with investing solely in US securities. These include fluctuations in currency exchange rates, less public information about securities, less governmental market supervision, and the lack of uniform financial, social, and political standards. Foreign investing heightens the risk of confiscatory taxation, seizure or nationalization of assets, establishment of currency controls, or adverse political or social developments that affect investments. The risks of foreign investing are generally magnified in the smaller and more volatile securities markets of the developing world. Liquidity risk exists when particular investments are difficult to sell. Investments by the Funds in foreign securities and those that are thinly traded, such as lower quality issuers, tend to involve greater liquidity risk. The market for certain investments may become illiquid under adverse market or economic conditions.

The Saturna Sustainable Equity Fund limits the securities it purchases to those consistent with sustainable principles. This limits opportunities and may affect performance. Fund share prices, yields, and total returns will change with market fluctuations as well as the fortunes of the countries, industries, and companies in which it invests. Foreign investing involves risks not normally associated with investing solely in US securities. These include fluctuations in currency exchange rates, less public information about securities, less governmental market supervision, and the lack of uniform financial, social, and political standards. Foreign investing heightens the risk of confiscatory taxation, seizure or nationalization of assets, establishment of currency controls, or adverse political or social developments that affect investments. The risks of foreign investing are generally magnified in the smaller and more volatile securities markets of the developing world.

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

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

About Saturna

Saturna Capital, manager of the Amana, Saturna Sustainable, Sextant, and Idaho Tax-Exempt Funds, uses years of investment experience to aid investors in navigating today's volatile markets. Founded in 1989 by professionals with extensive experience, Saturna has helped individuals and institutions build wealth, earn income, and preserve capital.

We are long-term, values-based, and socially responsible investors. We view consideration of environmental, social, and governance (ESG) factors as essential in forming portfolios of high-quality companies that are better positioned to reduce risk and identify opportunities. We believe that companies proactively managing business risks related to ESG issues make better contributions to the global economy and are more resilient.

At Saturna, we believe in making your investment dollars work hard for you and that your interests always come first. Saturna strives to not only offer the best investment opportunities from mutual funds to IRAs, but to match those sound investments with superior customer service.

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.

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