Fund Commentary Q2 2022

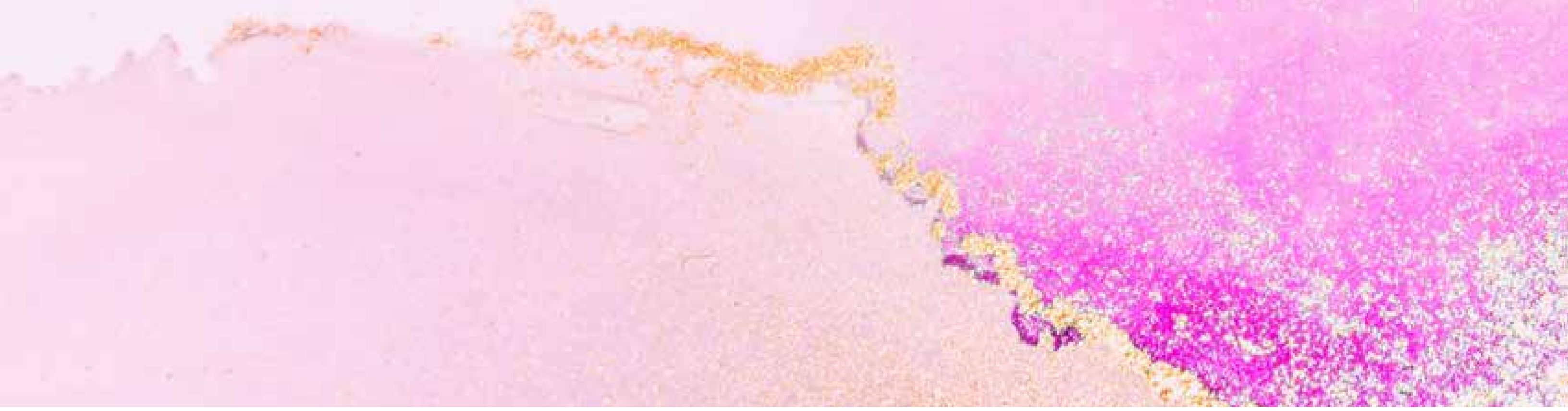
Saturna Capital

Saturna Sustainable Funds

Please consider an investment's objectives, risks, charges, and expenses carefully before investing. To obtain this and other important information about the Saturna Sustainable Funds in a current prospectus or summary prospectus, please visit www.saturnasustainable.com or call toll-free 1-800-728-8762. Please read the prospectus or summary prospectus carefully before investing. Distributed by Saturna Brokerage Services, a wholly-owned subsidiary of Saturna Capital Corporation, investment adviser to the Saturna Sustainable Funds.

As of June 30, 2022, the US stock market experienced its worst first half since 1970, declining just over 20% from its peak at the start of the year, as measured by the S&P 500 Index. With the Federal Reserve acknowledging that inflation remained higher and more persistent than expected, and amid fears of further acceleration, the Fed hiked the fed funds rate by 50 basis points (bps) on May 4 and then again by 75 bps on June 15, pushing the rate to 1.58% compared to less than a tenth of a percent at the start of the year.[1]

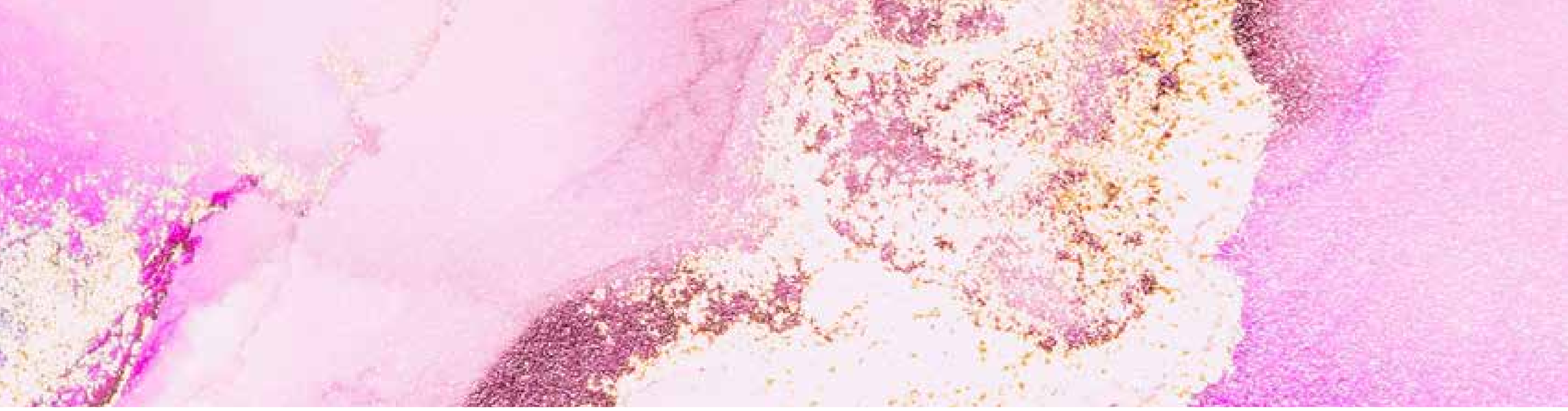
The last time the Fed increased rates by 75 bps was November 1994.[2] While the aggressive hikes of 1994 succeeded in engineering a "soft landing,"[3] the Fed was acting preemptively to head off price pressures at that time, rather than racing to catch up to an inflationary ship that had left port. Nor was the Fed simultaneously engaged in quantitative tightening, working to assess global supply chain bottlenecks, or studying the effects on commodity markets of a major Russian invasion of Ukraine. Given the confluence of events, escaping an economic downturn would be a feat worthy of Houdini. Indeed, Fed Chairman Jerome Powell has admitted as much: "Is there a risk we would go too far? Certainly there's a risk. The bigger mistake to make — let's put it that way — would be to fail to restore price stability."[4]



Anticipation of the rate spike helped push the stock market into bear market territory in June. Despite a few upticks, the market as of late has consistently trended down. We cannot say with certainty that the Fed's actions inevitably imply recession, but history points to chances being more likely than not, while recessions inevitably lead to earnings reductions.

As we emerge from the current period of disruption, what sort of environment can we expect on the other side? There are two competing theses. The first is that we return to a period like the decade following the Global Financial Crisis (GFC): anemic growth, low inflation, and low interest rates. Presumably, such an easy money environment would support renewed asset price inflation with housing and stocks once again off to the races, the latter focusing on growth opportunities, be they immediate or in the future. Elements contributing to this outlook include the deflationary effect of aging demographics, stagnant-to-falling developed world populations, and continued efficiency gains from technological developments such as automation. The second thesis is that a pullback in globalization (coupled with an end to the China-driven surge in working age population that has helped restrain prices for much of the century) will empower workers to demand higher wages, leading companies to increase prices, creating a cycle of embedded inflation and implying higher interest rates.

While it is far too early to settle upon the likely outcome, between now and then we face the highest interest rates in decades. Given our focus on strongly cash generative, low-debt companies, such an environment may prove relatively beneficial for our investments. They will not be burdened by high interest payments and may be able to exploit difficulties faced by other, more heavily indebted companies, or take advantage of opportunities to invest when others cannot.



Our firm's focus on issuers demonstrating superior financial health is buoyed by our strong ESG integration process. While the second quarter was notable for its dismal market performance, we also began to see a growing backlash against ESG and sustainable investing. While some of the backlash is likely warranted – the greater regulatory scrutiny of firms misrepresenting their ESG process to investors, for example – other parties seem too eager to vilify ESG investing to drum up political support. These straw man arguments don't hold up when a firm has a thoughtful and intentional ESG process. We know that amid the market volatility of 2020, ESG-focused retail investment funds outperformed non-ESG funds, and at a lower cost, according to research from the European Securities and Markets Authority (ESMA).[5] We also know that ESG investing can provide downside protection, especially during social and economic crises.[6]

THESE STRAW MAN ARGUMENTS DON'T HOLD UP WHEN A FIRM HAS A THOUGHTFUL AND INTENTIONAL ESG PROCESS.

At Saturna Capital, we view the consideration of ESG factors as essential to identifying opportunities and forming portfolios of high-quality companies better positioned to reduce risk. We believe that a thorough review of how a company addresses ESG issues indicates how that company will perform over time, and that integrating ESG factors into an investment process is not a political act but mere common sense.

Saturna Sustainable Equity Fund

As of June 30, 2022

10 Largest Contributors	Return	Contribution
Danone ADS	4.46%	0.07
Pfizer	2.08%	0.05
Unilever ADS	1.63%	0.02
Johnson & Johnson	0.79%	0.02
GlaxoSmithKline ADS	0.71%	0.01
Reckitt Benckiser Group ADR	0.24%	0.00
Novo Nordisk ADS	0.34%	0.00
CGI Group Inc, Class A	-0.28%	0.00
Church & Dwight	-0.97%	-0.02
Novartis ADS	-3.67%	-0.06

10 Largest Detractors	Return	Contribution
Schneider Electric ADR	-28.58%	-0.74
Apple	-21.59%	-0.68
Legrand	-21.78%	-0.59
PayPal	-39.61%	-0.59
Koninklijke Philips	-26.72%	-0.57
Assa Abloy ADR	-20.31%	-0.56
Adidas ADS	-22.77%	-0.52
Walt Disney Company	-31.18%	-0.50
Amazon	-33.99%	-0.47
Nintendo ADR	-14.45%	-0.46

Top 10 Holdings	Portfolio Weight
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%

The second quarter's grim economic environment did not leave the Sustainable Equity Fund untouched, but the Fund outperformed its benchmark. For the quarter ended June 30, 2022, the Fund returned -13.59% and the S&P Global 1200 Index returned -15.31%. The Fund also fared slightly better than the S&P 500 Index, which dropped -16.10%.

In light of the ebbing market, it comes as no surprise that the quarter's top performers were comprised almost entirely of holdings that specialize in pharmaceuticals and Consumer Staples. In times of economic turmoil, it's the slow and steady non-cyclical Consumer Staples companies that march on. Three such companies in the 10 Largest Contributors include Reckitt Benckiser, Unilever, and Johnson & Johnson.

Reckitt isn't itself a household name despite having operations in 60 countries, products sold in nearly every nation on earth, and a history that spans over 200 years. Many of its health, hygiene, and nutrition brands, however, are mainstays for the typical American consumer, with Lysol, Clearasil, Air Wick, and Woolite among them. Like Unilever, Reckitt was born from a British-Dutch merger when the UK's Reckitt & Coleman joined with the Netherlands' Benckiser in 1999. Unilever, whose brands include Lipton, Dove, Ben & Jerry's, Seventh Generation, and Q-Tip, may have slightly more name recognition than Reckitt, owing to its status as an early darling for ESG investors. In 2010, Unilever launched a 10-year Sustainable Living Plan that set ambitious goals around improving global health, enhancing the livelihoods of millions through business, and cutting the environmental impact of its products in half. Over the course of a decade, Unilever was able to make meaningful progress toward these goals while shaping the leading edge for corporate social responsibility reporting.

Johnson & Johnson is surely familiar to American consumers as one of the world's most valuable companies, bringing us Band-Aid, Tylenol, Acuvue contact lenses, and Listerine, among many other household essentials. The company is currently divided among three main units – medical devices, pharmaceuticals, and consumer goods – which in 2020 represented 28% of sales, 55% of sales, and 17% of sales, respectively. In late 2021, the company announced that it would either spin off or seek to publicly list its consumer arm in order to place greater focus on its pharmaceutical arm.[7]

Beyond their similar product offerings, all three companies rate exceptionally high regarding their environmental policies and impacts. Though Unilever was – and continues to be – a trailblazer in the sustainability reporting space, Reckitt and Johnson & Johnson score equally well (and in some areas higher than Unilever) on metrics relating to energy and climate change, environmental policy and reporting, and resource management. All three substantially outpace their industry peers on a variety of social issues, as well.

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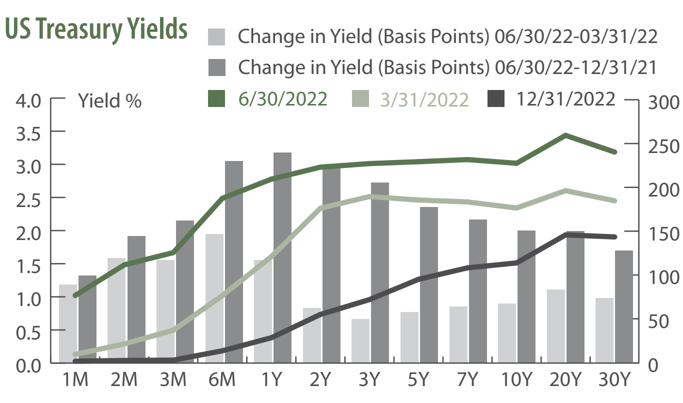
Saturna Sustainable Bond Fund

For the quarter ended June 30, 2022, the Sustainable Bond Fund returned -4.42%, while the FTSE WorldBIG Index returned -8.32%, trailing the Fund by 390 basis points (bps).

The first half of 2022 marked major changes in the bond market, with asset classes such as US Treasurys posting their worst returns since 1973.[8] Inflation, interest rate hikes from the Federal Reserve, and quantitative tightening all had strong effects on the bond market. The Fed hiked rates by 75 bps in June, the most aggressive hike since 1994, bringing the federal funds rate to 1.75%. Beyond rate hikes, we expect that the forthcoming quantitative tightening will continue to impact markets and liquidity. The Fed's balance sheet stands at 37% of gross domestic product (GDP), the highest it's been since 1990. For context, after the Great Financial Crisis (GFC), the Fed's balance sheet was 15% of GDP. Under the current plan to shrink the balance sheet by $520 billion this year, the percentage would be lowered from 37% of GDP to 20%.[9] The significant decrease in the Fed's presence in the market will likely continue to negatively impact liquidity in the bond market, resulting in increased volatility for bond prices and overall tighter financial conditions for corporations.[10]

The reversal of accommodative measures is tightening financial conditions and introducing headwinds not seen in years. It's likely that investment assets will continue to experience volatility as interest rates rise in response to persisting inflationary pressures. The Treasury yield curve at the end of the second quarter continued to show the pressures on the market, shifting upward since the first quarter, especially in the short end. The six-month yield rose 146 bps by the end of the second quarter.



As of June 30, 2022

Top 10 Holdings	Portfolio Weight
New York City NY Hsg Dev Corp	4.93%
Cash Mgmt Bill due 7/26/2022	4.92%
International BK Recon & Develop	4.82%
Utah Water Finance Agency Revenue	4.60%
Canadian Imperial Bank	3.92%
Sheridan Co Redev Agy Incr Revenue	3.61%
Koninklijke Philips NV	3.46%
International Finance Corp	2.99%
Telfon Celular del Paraguay	2.71%
MAF Sukuk	2.63%

Credit ratings are the lesser of S&P Global Ratings or Moody's Investors Service. If neither S&P nor Moody's rate a particular security, that security is categorized as not rated (except for US Treasury securities and securities issued or backed by US agencies which inherit the credit rating for the US government). Ratings range from AAA (highest) to D (lowest). Bonds rated BBB or above are considered investment grade. Credit ratings BB and below are lower-rated securities (junk bonds). Ratings apply to the creditworthiness of the issuers of the underlying securities and not the Fund or its shares. Ratings may be subject to change.

During the second quarter, the Sustainable Bond Fund maintained a defensive position. The Fund ended the quarter with 16.39% in cash after selling securities in the "BB" and "BBB" rating categories.

The Sustainable Bond Fund continued to invest in variable rate demand notes (VRDNs), which as of quarter-end represented 19.73% of the portfolio. 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. One example of this type of security is the Monterey Peninsula Water Management District bond. While not labeled a green bond, the proceeds from sales of the bond went to transferring golf course irrigation from potable water to recycled water.

The Sustainable Bond Fund maintained a shorter effective duration during the quarter, which was 3.22 years at quarter-end, significantly shorter than the Index, which tends to have an effective duration over seven years. The Fund's maturity profile was shortened over the second quarter, moving from the three- to five-year bucket to VRDNs. While variable rate securities have longer final maturities (generally over 10 years), the put features result in a lower duration overall. The shorter

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Saturna Sustainable Bond

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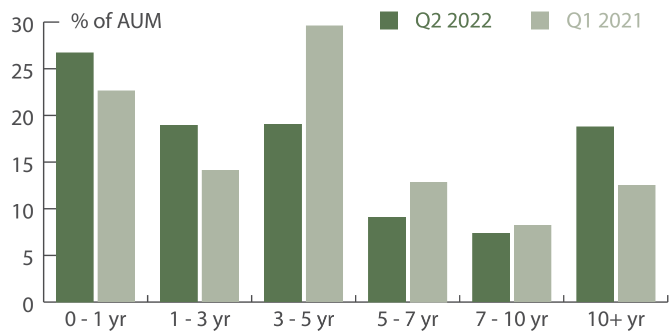
duration and smaller exposure to interest rate risk was a major contributor to the Fund's relative outperformance versus the Index.

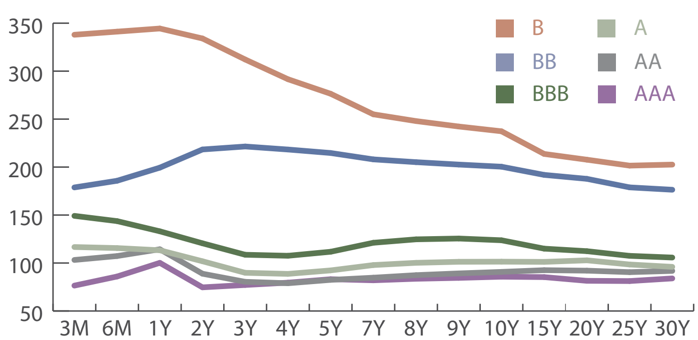
Two of the three top-performing securities for the quarter were municipal VRDNs: Utah Water variable rate bonds of 2035 and Tarrant County Housing Finance Corporation of 2036. Both bonds have a weekly put feature.

Portfolio Maturity Breakdown



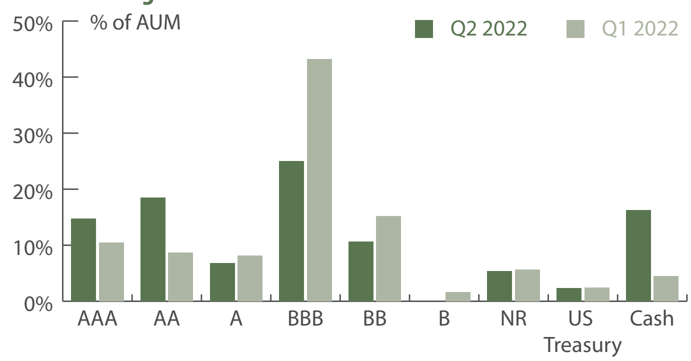
Corporate credit yields rose across the curve this quarter with increased volatility and risk in the market. Most notably, corporate credit yields rated "B" increased over 344 bps inside of two years. The longer end of the curve mirrored the Treasury shifts; while spreads increased, the longer end showed more stability than shorter maturities. The two worst-performing securities were shorter, lower-rated bonds. Natura Cosmeticos of 2025, rated "BB", returned -12.65% for the quarter. Odfjell, a non-rated floating rate debt of 2025, returned -13.76% for the quarter.

Change in Corporate Yield Curve 3/31/22 - 6/30/22



The Sustainable Bond Fund employed additional defensive positioning with the increasing high-yield credit spreads, reducing securities rated "BB" and "BBB" in favor of cash and very liquid "AA" securities.

Credit Ratings Distribution



As of quarter-end, the portfolio had 13.04% in green bonds, 9.16% in sustainable and social bonds, and 2.58% in sustainably linked bonds. Green bonds are primarily used to support specific climate-related or environmental projects, while sustainable bonds generally can have a wider purpose including social impact. Sustainably linked holdings are issues where the failure to meet a carbon target will result in increased payments to the bondholder. One such sustainably linked bond is the holding in Natura Cosmeticos. Founded in 1969, the Brazilian-based company operates its own cosmetic and beauty brand under the Natura name while wholly owning three other brands sourced through acquisitions to include Avon (acquired in 2020), The Body Shop (2017), and Aesop (2016). Natura is the fourth-largest pure play beauty group in the world. The issuer has established Sustainability Performance Targets. The Sustainability Performance Targets refer to the Greenhouse Gas Emissions Intensity Target and the Post-Consumer Recycled Packaging Usage Target. If the company fails to meet the sustainability key performance indicators (KPI), the interest rate on the bond rises 65 bps each year after 2027.

Currently, the portfolio has a total exposure to foreign currency of 18.84%, down from 27.85% last quarter. We adjusted the portfolio to a more conservative positioning because we believe the US dollar will continue to show strength relative to other currencies. The portfolio sold all positions in the euro and the Australian dollar during the quarter.

At quarter-end, the Sustainable Bond Fund maintained an underweight position to the euro relative to the Index. The Fund held 0% while the FTSE WorldBIG Index maintained an allocation of around 30%. This underweight was a contributor to the Fund's relative outperformance, given that the euro depreciated 5.3% relative to the US dollar.

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Performance Summary

As of June 30, 2022

Average Annual Total Returns *(Before Taxes)*	YTD	1 Year	3 Year	5 Year	Since Inception[B]	Expense Ratio[A] Gross	Expense Ratio[A] Net
Sustainable Equity Fund (SEEFX)	-23.26%	-19.11%	5.06%	7.48%	6.05%	0.85%	0.75%
S&P Global 1200 Index	-19.29%	-13.36%	7.52%	8.21%	7.96%	n/a	
S&P 500 Index	-19.96%	-10.62%	10.57%	11.30%	10.81%	n/a	
Sustainable Bond Fund (SEBFX)	-7.81%	-9.47%	-0.68%	0.19%	0.80%	0.86%	0.65%
FTSE WorldBIG Index	-14.34%	-16.04%	-3.54%	-0.74%	0.13%	n/a	
MSCI All Country World Index	-19.97%	-15.37%	6.69%	7.53%	7.32%	n/a	

[A] By regulation, expense ratios shown are as stated in a fund's most recent prospectus or summary prospectus, dated March 30, 2022 and incorporate results from the fiscal year ended November 30, 2021. Saturna Capital, the Funds' investment adviser, has voluntarily capped actual expenses of the Sustainable Equity Fund at 0.75% and actual expenses of the Sustainable Bond Fund at 0.65% through March 31, 2023.

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

Performance data quoted herein represents past performance, which is no guarantee of future results. *Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted herein. Performance current to the most recent month-end can be obtained by visiting www.saturnasustainable.com or calling toll-free 1-800-728-8762.*

The S&P 500 is an index comprised of 500 widely held common stocks considered to be representative of the US stock market in general. The S&P Global 1200 Index is a global stock market index covering nearly 70% of the world's equity markets. The FTSE WorldBIG Bond Index is a multi-asset, multi-currency benchmark, which provides a broad-based measure of the global fixed-income markets. The MSCI ACWI covers approximately 85% of the global investable universe, with large- and mid-cap representation across 23 developed market and 23 emerging market countries. The Bloomberg Barclays US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. When available, Saturna uses total return components of indices mentioned. Investors cannot invest directly in the indices.

Saturna Sustainable Bond

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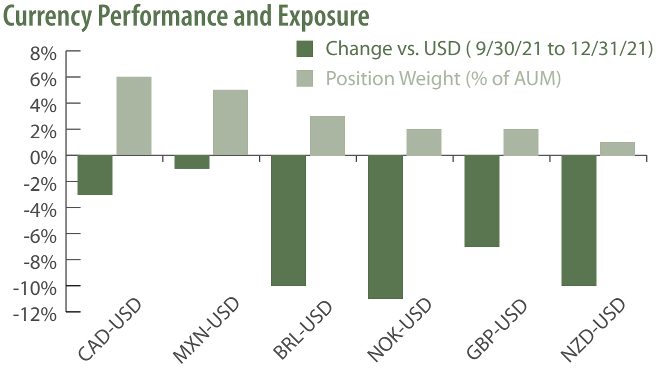
Currency Performance and Exposure



Saturna Sustainable Equity

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The top detractors from the Sustainable Equity Fund's quarterly performance included major Tech players such as Apple, Amazon, and PayPal. Reckitt Benckiser, pharmaceutical giant GlaxoSmithKline, specialty chemical and sustainable Technology company Johnson Matthey, and the Canadian IT consulting firm CGI entered the Top 10 Holdings for the second quarter, while Aviva, Legrand, Schneider Electric, and Accenture exited.

Performance Summary

As of June 30, 2022

Morningstar Ratings™ [C]	Overall	1 Year	3 Year	5 Year	Sustainability Rating™ [D]
Sustainable Equity Fund (SEEFX)	★★★★	n/a	★★★	★★★★	🌐🌐🌐🌐🌐
% Rank in Global Large-Stock Blend Category	n/a	86	61	26	*Percent Rank in Category: 4*
Number of Funds in Category	304	339	304	272	*Among 7,568 Global Equity Large Cap Funds*
Sustainable Bond Fund (SEBFX)	★★★★	n/a	★★★★★	★★★★	🌐🌐🌐🌐🌐
% Rank in Global Bond Category	n/a	16	11	19	*Percent Rank in Category: 11*
Number of Funds in Category	190	204	190	169	*Among 1,883 Global Fixed Income Funds*

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

[C] Morningstar Ratings™ ("Star Ratings") are as of June 30, 2022. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance (not including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

[D] Morningstar Sustainability Ratings are as of May 31, 2022. The Morningstar Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio are managing their environmental, social, and governance ("ESG") risks and opportunities relative to the fund's Morningstar category peers. The Morningstar Sustainability Rating calculation is a two-step process. First, each fund with at least 67% of assets covered by a company-level ESG score from Sustainalytics receives a Morningstar Portfolio Sustainability Score™. The Morningstar Portfolio Sustainability Score is an asset-weighted average of normalized company-level ESG scores with deductions made for controversial incidents by the issuing companies, such as environmental accidents, fraud, or discriminatory behavior. The Morningstar Sustainability Rating is then assigned to all scored funds within Morningstar Categories in which at least ten (10) funds receive a Portfolio Sustainability Score and is determined by each fund's rank within the following distribution: High (highest 10%), Above Average (next 22.5%), Average (next 35%), Below Average (next 22.5%), and Low (lowest 10%). The Morningstar Sustainability Rating is depicted by globe icons where High equals 5 globes and Low equals 1 globe. A Sustainability Rating is assigned to any fund that has more than half of its underlying assets rated by Sustainalytics and is within a Morningstar Category with at least 10 scored funds; therefore, the rating is not limited to funds with explicit sustainable or responsible investment mandates. Morningstar updates its Sustainability Ratings monthly. Portfolios receive a Morningstar Portfolio Sustainability Score and Sustainability Rating one month and six business days after their reported as-of date based on the most recent portfolio. As part of the evaluation process, Morningstar uses Sustainalytics' ESG scores from the same month as the portfolio as-of date.

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

The Saturna Sustainable Equity Fund was rated on 100% and the Saturna Sustainable Bond Fund was rated on 91% of Assets Under Management.

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

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Footnotes to commentary

[1] *"Federal Funds Effective Rate." FRED: Economic Data. https://fred.stlouisfed.org/series/DFF*

[2] *Klebnikov, Sergei. "Here's How Markets Reacted Last Time The Fed Hiked Rates By 75 Basis Points." Forbes, June 14, 2022. https://www.forbes.com/sites/sergeiklebnikov/2022/06/14/heres-how-markets-reacted-last-time-the-fed-hiked-rates-by-75-basis-points/?sh=66ab30d96b3b*

[3] *Ibid.*

[4] *Timiraos, Nick, and Fairless, Tom. "Powell Says Fed Must Accept Higher Recession Risk to Combat Inflation." The Wall Street Journal, June 29, 2022. https://www.wsj.com/articles/powell-says-pandemic-could-alter-inflation-dynamics-11656509259*

[5] *"ESG funds outperformed in 2020, finds European regulator." Advisor's Edge, April 5, 2022. https://www.advisor.ca/investments/market-insights/esg-funds-outperformed-in-2020-finds-european-regulator/*

[6] *"ESG and Financial Performance." NYU Stern: Center for Sustainable Business. https://www.stern.nyu.edu/experience-stern/about/departments-centers-initiatives/centers-of-research/center-sustainable-business/research/research-initiatives/esg-and-financial-performance*

[7] *Griffin, Riley. "Health-Care Giant J&J to Split Into Drug and Consumer Companies." Bloomberg, November 12, 2021. https://www.bloomberg.com/news/articles/2021-11-12/johnson-johnson-to-split-into-two-companies-shares-rise?srnd=premium&sref=ClpmV6x8*

[8] *MacKenzie, Michael. "Treasury Bondholders Look for Reprieve From Worst Loss on Record." Bloomberg, March 31, 2022. https://www.bloomberg.com/news/articles/2022-03-31/treasury-bondholders-look-for-reprieve-from-worst-loss-on-record?sref=ykxFN1EN*

[9] *Canuto, Otaviano. "Quantitative Tightening and Capital Flows to Emerging Markets?" TheStreet, June 24, 2022. https://www.thestreet.com/economonitor/financial-markets/qt-and-k-flows-to-em*

[10] *Duguid, Kate, Smith, Colby, and Stubbington, Tommy. "Fed begins quantitative tightening on unprecedented scale." Financial Times, June 14, 2022. https://www.ft.com/content/2496105a-d211-4abe-ab5d-46a91876428f*

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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.*

A fund's ***30-Day Yield****, sometimes referred to as "standardized yield" or "SEC yield," is expressed as an annual percentage rate using a method of calculation adopted by the Securities and Exchange Commission (SEC). The 30-Day Yield provides an estimate of a fund's investment income rate, but may not equal the actual income distribution rate. Without the voluntary expense cap, the 30-Day Yield for Saturna Sustainable Bond Fund would have been 1.70% and the 30-Day Yield for Saturna Sustainable Equity Fund would have been 0.63%. Unsubsidized yield does not adjust for any fee waivers and/or expense reimbursements in effect.*

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

Variable rate securities risk: *Variable rate debt securities (which include floating rate debt securities) pay interest based on an interest rate benchmark. When the benchmark rate changes, the interest payments on those securities may be reset at a higher or lower rate and, as a result, such securities generally are less price sensitive to interest rate changes than fixed rate debt securities. However, the market value of variable rate debt securities may decline, or not appreciate as quickly as expected, when prevailing interest rates rise, particularly if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, variable rate securities will not generally increase in market value if interest rates decline. However, when interest rates fall, there may be a reduction in the payments of interest received by the Fund from its variable rate securities.*