



Health Savings Accounts



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1-800-SATURNA

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Quickstart to health savings.

The Saturna Advantage

Open your Health Savings Account with Saturna and take advantage of:

■ No Fees

If you invest in any of Saturna's no-load mutual funds, we will not charge you a custodial fee on your HSA account. There is never a fee on contributions or distributions, nor are there any monthly account charges.

■ Wide Range of Investment Choices

We offer a selection of Saturna no-load mutual funds with a variety of investment objectives. By investing in more than one fund, you can tailor your HSA to reflect your own risk and return objectives. In addition, in a self-directed Saturna Brokerage Services Brokerage HSA, you can purchase stocks, fixed income securities including bonds, CDs and U.S. Treasuries, plus a wide range of unaffiliated mutual funds.

■ Personalized Service

At Saturna Capital, we help make health savings easy. Our staff is dedicated to helping you with your questions. Your trained representative will help you customize your savings strategy. You can even invest automatically from your bank account to your Saturna mutual fund HSA. Any way you choose to invest, you'll get one consolidated statement to track your HSA portfolio.

■ Online Account Access

Saturna Capital HSAs allow you to keep track of your HSA online. You can also invest in our mutual funds and trade stocks on-line.

■ What is an HSA?

- An HSA is an account that you use to pay for health care expenses.
- HSAs contain investments that are owned and controlled by you, the account owner.
- Unspent contributions stay in your HSA for your future health care expenses and/or retirement.
- An HSA is portable as the account remains with you regardless of employment.

■ What are the advantages of an HSA?

- The power to choose the health care professionals, services, and products that are best for you.
- The power to save money by purchasing a lower-cost, high-deductible insurance plan. Your HSA pays for your qualified and routine health care expenses; the insurance would cover extraordinary health care expenses.
- The power of financial security and retirement planning with HSA contributions that are tax deductible and earnings that are tax-deferred.

■ To Open a Saturna HSA

- 1 Determine if you qualify for a federal tax-deferred HSA. Saturna Capital does not "qualify" HSA account holders. Consult a qualified insurance professional in regard to insurance questions about specific policies that are "qualified high-deductible health plans" (see page 4 for more detailed eligibility requirements). Contact your local tax professional for information regarding state HSA legislation.
- 2 Complete the enrollment form (pg. 12) and IRS form 5305-B (pg. 13-14)
- 3 Enclose a check payable Saturna Capital Trustee.

Initial deposit to open your HSA (minimum \$100). Mail the application form with your check and a copy of your government issued photo ID to:

Saturna Capital
P.O. Box N
Bellingham, WA 98227

About HSAs...

■ Summary

Health Savings Accounts were created to help individuals save for qualified medical and retirement expenses on a tax-free basis.

■ Eligibility

Individuals under the age of 65 are eligible to contribute to an HSA if they have a qualified high-deductible health plan (HDHP).

- ▲ For self-only policies, a qualified health plan must have a minimum deductible of \$1,150 with maximum out-of-pocket expenses capped at \$5,800.
- ▲ For family policies, a qualified health plan must have a minimum deductible of \$2,300 with maximum out-of-pocket expenses capped at \$11,600.

■ Contributions

The maximum allowable contribution is \$3,000 for self-only policies and \$5,950 for family policies (indexed annually) for 2008.

- ▲ Individuals age 55 – 64 may make additional “catch up” contributions of up to \$1,000 annually in 2009. A married couple can make two catch up contributions as long as both spouses are at least 55 (two HSAs may be needed). Catch-up contributions will help individuals accumulate assets for retirement health expenses.
- ▲ Contributions may be made by anyone (employers, family members, etc.). It is the responsibility of the account holder to monitor contributions.

Contributions are tax-deductible (for the account beneficiary) even if the account beneficiary does not itemize other deductions. Employer contributions are made on a pre-tax basis and are not taxable to the employee. Employers may offer HSAs through a cafeteria plan.

Individuals can make a one-time transfer from their IRA to an HSA, subject to the contribution limits applicable for the year of the transfer.

Investment earnings accumulate tax-free. The permitted deduction is indexed annually.

■ Distributions

HSA distributions are tax-free if they are used to pay for qualified medical expenses (as defined under Section 213(d) of the Internal Revenue Code) such as:

- ▲ Amounts paid for the diagnosis, cure, mitigation, treatment or prevention of disease
- ▲ Prescription drugs
- ▲ Qualified long-term care services and long-term care insurance
- ▲ Continuation coverage required by Federal law (i.e., COBRA)
- ▲ Health insurance for the unemployed
- ▲ Medicare expenses (but not Medigap)
- ▲ Retiree health expenses for individuals age 65 and older (Note: retiree health plans would not have to meet the \$1,150/\$2,300 minimum deductible requirements.)

Distributions made for any other purpose are subject to income tax and a 10% penalty. The 10% penalty is waived in the case of death or disability. The 10% penalty is also waived for distributions made by individuals age 65 and older. Distributions are reported to you and the IRS on Form 1099-SA.

■ Treatment Upon Death

Upon death, HSA ownership may transfer to the spouse on a tax-free basis.

HSA Investment Options

■ Saturna “NO FEE” HSA

Invest in any of Saturna Capital’s seven no-load mutual funds and never pay any annual, monthly, or transaction fees on your HSA. Saturna offers 4 equity and 3 bond mutual funds. Please obtain and read the free prospectus before you invest. All mutual funds have management fees and other expenses. Price and performance information is available at www.saturna.com.

You may view your Saturna HSA and make purchases online.

■ Automatic transfers

Using ACH (Automated Clearing House, also known as EFT) Saturna HSA owners can automatically withdraw cash from a bank account and deposit it in their health savings account, and/or withdraw cash from their Saturna account and deposit it in a designated bank account. Transactions can be scheduled to be automatic on any business day desired – employing a weekly, monthly or quarterly schedule. ACH can be used for both Saturna HSAs and Saturna Brokerage HSAs.

■ Saturna Brokerage HSA

You may elect to invest your HSA via Saturna Brokerage, allowing you to invest in a broad array of investment options, including: non-Saturna mutual funds, stocks, options and money funds. The permitted investments are the same as those in Saturna IRAs. Trades using self-directed brokerage HSAs are subject to the commission schedule on page 8.

Your brokerage account comes standard with Electronic Funds Transfer (EFT) options, allowing you the ability to move money easily, without charge, between your personal bank account and your brokerage account. The brokerage account automatically invests excess cash in your choice of three core money market funds, and withdraws it to cover debits. Your cash automatically continues to earn money market interest every day!

Step by Step setting up HSAs

The following steps need to be completed by all participants:

- 1. If you have not already done so, apply for and become approved for a qualified high-deductible health plan from your insurance carrier.**
- 2. Have each participant fill out and sign IRS Form 5305-B.**

This document establishes an HSA and records the participant’s investment directions and choice of beneficiary. Return a signed copy to Saturna Capital.
- 3. Have each participant fill out and sign a Saturna HSA Enrollment Form.**

This document creates the actual HSA. It allows for the participant to choose how they would like their HSA to be invested, and to indicate beneficiaries. The participant should retain a copy of the Saturna HSA Brochure, as it includes valuable information regarding our plans. This enrollment form needs to be signed and returned to Saturna Capital Corporation.
- 4. Send the HSA Enrollment Form, Form 5305-B, copy of your government issued photo ID and minimum initial investment of \$100 to Saturna Capital.**

HSA Guideline Summary

■ To establish an HSA, you must first obtain a qualified high-deductible health plan (HDHP). Check with your insurance provider to be sure your plan qualifies. Typical plans will have minimum deductions and maximum out of pocket expenses:

Plan	Individual (Self-only)	Families
Minimum deductible	\$1,150	\$2,300
Maximum out of pocket	\$5,800	\$11,600
Maximum contribution	\$3,000	\$5,950
Catch-up contributions for participants 55 or older	\$1,000	\$1,000

Note: Contribution limits, policy minimums and maximums are as of January 2009.

■ There are two main goals in obtaining this type of insurance: to reduce the amount you spend on traditional health insurance and to invest that savings into the HSA so that it may grow on a tax-free basis. You use the funds accumulated in the HSA to pay for qualified medical expenses, such as prescription drugs or eyeglasses, up to your deductible.

■ The money in the HSA is yours, NOT your employers (even if they make contributions of your behalf). This makes the HSA portable between jobs.

■ You can reimburse yourself for health care expenses at anytime. Be sure, however, to maintain receipts and other records in the event you are audited.

■ There are many investments options available to Health Savings Account holders, including (but not limited to):

Stocks Mutual Funds
Bonds Money Market Funds

Note: Investments other than Saturna mutual funds will require a brokerage account.

■ Along with paying for your own health care out of pocket comes greater responsibility and interest in how those funds are spent. Only you can decide how the funds are best spent to keep you healthy.

■ Expenses for medical care primarily must be to prevent or alleviate a physical or mental defect or illness. Common allowable expenses include (but are not limited to):

- Acupuncture
- Emergency transportation
- Birth control pills
- Chiropractic services
- Prescription and OTC medicines
- Optometry treatments
- Eyeglasses and contact lens supplies
- LASIK surgery
- Hearing aids
- Orthodontia and dental treatment
- Psychiatric care
- Vaccines
- Pediatric services
- Smoking cessation programs
- Nursing homes & care
- Orthopedic services (including shoes)
- Psychology services
- Weight loss programs (for medically diagnosed obesity)
- Osteopathy
- Dermatology treatment

For a complete list of allowable expenses, please visit www.irs.gov.

Brokerage Services

For complete information on Saturna Brokerage Services, please obtain a brokerage brochure by calling us toll free at (800) SATURNA or visiting www.saturna.com.

We offer brokerage HSA services online at saturna.com/sbs to customers who feel comfortable doing business without the assistance of a broker and want 24 hour access to information and investing.

Commissions on Internet-entered stock trades are reduced to 2.5¢ per share plus the price of one share (for a complete commission schedule, see page 8).

Once you are registered for access, you can:

- View current positions, account balances, and transaction histories.
- Buy or sell stocks and non-Saturna mutual funds.
- Change or cancel orders.
- Place option and margin orders (with prior approval, restricted in retirement accounts).
- Place orders after market close for next day trading.
- Obtain real-time or delayed quotes.



Symbol	Last	Change	% Change
SPY	115.17	+0.15	+0.13%
QQQ	100.00	+0.00	+0.00%
IBB	120.00	+0.00	+0.00%
ARKK	100.00	+0.00	+0.00%
ARKG	100.00	+0.00	+0.00%
ARKF	100.00	+0.00	+0.00%
ARKH	100.00	+0.00	+0.00%
ARKL	100.00	+0.00	+0.00%
ARKM	100.00	+0.00	+0.00%
ARKN	100.00	+0.00	+0.00%
ARKO	100.00	+0.00	+0.00%
ARKP	100.00	+0.00	+0.00%
ARKQ	100.00	+0.00	+0.00%
ARKR	100.00	+0.00	+0.00%
ARKS	100.00	+0.00	+0.00%
ARKT	100.00	+0.00	+0.00%
ARKU	100.00	+0.00	+0.00%
ARKV	100.00	+0.00	+0.00%
ARKW	100.00	+0.00	+0.00%
ARKX	100.00	+0.00	+0.00%
ARKY	100.00	+0.00	+0.00%
ARKZ	100.00	+0.00	+0.00%

Investment Advice

Your Saturna HSA Brokerage account is not an advisory account. Saturna Brokerage Services does not provide investment advice. Our interests as a broker may not always be the same as yours. Please ask us questions to make sure you understand your rights and our obligations to you, including the extent of our obligations to disclose conflicts of interest and to act in your best interest. We are paid both by you and, sometimes, by people who compensate us based on your investment choices. The commissions we charge customers may vary by type of service and customer. Therefore, our brokerage profits, and indirectly our salespersons' compensation, may vary by product and over time.

Saturna Capital Corporation, parent of Saturna Brokerage, provides investment advice to customers only under specific contracts. Various arrangements are available, including separately managed accounts (\$1 million minimum) and no-load mutual funds. Responsibilities to clients of investment advisers are generally higher than those of brokers, including the obligation to put client interests before ours. Saturna investment advisory clients pay fees based on assets, and in some cases performance - but they do not pay brokerage commissions. Please ask your Saturna representative for more information on the difference between brokerage accounts and advisory accounts. Saturna Capital's free Investment Counsel brochure provides further details.

Online Trades

Reliability and predictability of Internet trading may be reduced by many factors beyond our immediate control. If you do experience problems with your Internet connection, you may always telephone Saturna Brokerage directly where live brokers are ready to service your needs from 6 AM to 5 PM Pacific Time on market trading days. We also offer technical support that might be able to assist with connection problems. The time your order is received may not reflect the time you place an order, as you must allow time for each order to pass certain validation checks before we can take responsibility for the order and route it for execution. In fast-trading stocks subject to rapid swings in supply and demand, an order you give at "market" may get executed at a price substantially above or below its recent quote. If you decide to place an order in a fast market, entering a limit order (instead of a market order) allows you to establish a buy price at the maximum you are willing to pay, or a sell price at the minimum you are willing to receive. While the ease of Internet trading might encourage more frequent trading, we discourage "day-trading" and caution that excessive trading rarely proves as successful as long-term investing.

For useful tips on Internet trading, visit the SEC's investor education website (www.sec.gov/investor.shtml) and the Investing Online Resource Center (www.investingonline.org).

Understanding Your Brokerage HSA

Before you begin your investment activities, take a moment to understand how your brokerage account works. This section contains the basic information you will need.

Additional forms are necessary for option and margin accounts, and extra information may be required before certain types of trading can be authorized. Please call Saturna and ask a representative for details.

A separate account. Brokerage assets are held in an account with Saturna Brokerage Services, through our clearing agent, National Financial Services LLC (New York & Boston). Saturna Capital mutual fund asset records are maintained directly by the fund (Bellingham). These accounts are linked through a common registration (name & address information).

The money market link. Your Saturna Brokerage account is linked to your designated money market settlement account. This connection allows a convenient way to hold cash until you are ready to reinvest.

Option accounts. Option trading offers experienced investors additional possibilities to earn extra income in their accounts. Please ask for our free booklet, "Characteristics and Risks of Standardized Options," which outlines the purposes and risks of option transactions. Options trading is not suitable for all investors as the special risks inherent to options trading may expose investors to potentially rapid and substantial losses. Only limited types of option trading (specifically covered calls) are permitted in HSAs.

Margin accounts. Margin accounts may be provided to investors who wish to borrow against the value of their securities, sell short or hedge. Interest charged on margin debit balances is broker call rate plus a surcharge.

Investment pricing. Market orders are executed promptly at the best available market price. Limit orders allow you to set conditions for the execution of your orders. Mutual fund orders are priced at the next available net asset value.

Trade settlement. Stock settlements occur on the third business day after the trade date. Settlement for other types of security trades varies.

Availability of cash proceeds. Cash proceeds from stock sales are available on the third business day after the trade date. This availability varies for sales involving other security types. Also, brokers and mutual funds may delay the availability of sale proceeds for a variety of reasons (for example, the security being sold isn't held in the seller's account or the security isn't in good order). The chart on the next page lists various security types, their settlement schedule, and the date sales proceeds are usually swept to your money market fund settlement account.

Discount Commission Schedule

Place your orders either online with Saturna.com at any time, or by telephone any business day between 6 a.m. and 5 p.m., Pacific Time. Please keep in mind that any order placed during hours when the market is closed will be effective at the next market opening. Funds are required in your account before you place an order.

Security Type	Investment Channel	Commission
Stocks	Online	2½¢ per Share, plus the Price of a Single Share Maximum: 25¢ per share; Minimum: \$27.50 per trade. Stocks under \$1 per share: Max of \$27.50 plus 2% of trade value
	Broker-Assisted	3½¢ per Share, plus the Price of a Single Share Maximum: 25¢ per share; Minimum: \$39 per trade. Stocks under \$1 per share: Max of \$39 plus 2% of trade value
Options*	Online & Broker-Assisted	\$37 plus \$2 per contract
Bonds	Broker-Assisted Only	\$39; plus lesser of \$2 per \$1,000 of face value or 1% of trade value. (U.S. Treasury Securities are a flat \$49.) Bonds are traded on an agency basis, with no markup or mark down included in the price.
Mutual Funds	Broker-Assisted Only	\$59 for unaffiliated NO-LOAD funds, reduced to \$25 for subsequent NO-LOAD fund purchases of less than \$1,000. All funds not available. For a fund with sales charges or loads, commissions will be charged as described in that fund's prospectus.

* Please request and carefully read the free booklet, "Characteristics and Risks of Standardized Options," from any Saturna Representative or our Senior Registered Options Principal: Christopher Lang, Manager of Brokerage Operations, 1300 North State Street, Bellingham, WA 98226, 800-SATURNA ext. 101.

Settlement policies. Your Saturna Brokerage transactions involve the movement, or “sweep,” of assets between your brokerage account and linked money market fund settlement account. It is critical that you have assets in the right account at the right time to prevent rejected orders and account restrictions. Please review the following policies before you trade.

Sweep of funds for purchases. The amount required for settlement, plus any commission or purchase fee, is redeemed from your core money market fund on the settlement date. Your money earns interest up to the last business day before settlement.

Payment for purchases. You must have sufficient assets* available in your designated money market fund to cover a trade. If you place an order online and your account’s available funds are not sufficient for settlement, the order could be rejected. If for some reason sufficient funds are not available in your account on the trade settlement date (for example, you redeem assets after placing your trade or fail to fulfill payment arrangements), you may incur interest charges, and we may place restrictions on your account.

*For market orders, you should consider price volatility when determining whether you will have sufficient assets to pay for your purchase.

If you plan to pay for a purchase using assets in a Saturna Capital mutual fund, you must initiate the exchange into your settlement account by 4 PM, Eastern time, on the business day before settlement. Saturna Brokerage is not authorized to initiate an exchange on your behalf.

Make checks payable to “National Financial” and mail to Saturna Brokerage Services, P.O. Box N, Bellingham WA 98227. We may reject investments for any reason, such as anti-money laundering regulations which limit acceptance of third-party checks and money orders. Although you are responsible for managing contributions to your accounts, investments that would exceed the contribution limit may be rejected.

Availability of sale proceeds. Net sale proceeds are transferred to your core money market fund, begin earning income, and are available for exchange or redemption on the first business day following the settlement date. In many cases, you can use sale proceeds for a new security purchase before they become available in your core money market fund. Check with a Saturna Brokerage representative to make sure your proceeds are available for a specific purchase.

Trade Settlement and Cash Proceeds

Security Type	Settlement	Availability of Proceeds
Domestic Stocks and corporate and Municipal bonds	Third business day	Third business day
Listed Options	First business day	First business day
Treasuries on the secondary market	First business day	Second business day
Certificates of deposit on the secondary market	Third business day	Third business day
Non-Saturna Mutual Funds	First business day	First business day after settlement
Saturna Capital Mutual Funds	First business day	First business day

Frequently Asked Questions

Q: What types of insurance and other coverage can I have and still be eligible to take advantage of an HSA plan?

A: Permitted insurance includes worker's compensation, property insurance, insurance for a specific disease, such as cancer coverage, and insurance that pays a fixed amount per day of hospitalization. Coverage for dental, vision, long-term care, accidents, and disability are also permitted.

Q: Can I use the money in my HSA to pay medical insurance premiums?

A: Generally, you cannot use your HSA account to pay premiums for health insurance coverage. Exceptions include COBRA premiums, long-term care premiums or premium payments that allow you to retain health coverage while you are receiving unemployment compensation.

Q: What is a qualified expense?

A: Qualified medical expenses are services that are typically covered by a healthcare plan, such as office visits, emergency room services, and hospitalization. Qualified medical expenses also include prescription drugs and many over-the-counter drugs, vision expenses including eyeglasses and contact lenses, medical plan deductibles and co-pays, as well as non cosmetic dental expenses (see page 6 for a more extensive list). The covered items are defined by §223 and §213(d) of the IRS Code (Title 26) and are listed in IRS publication 969.

Q: What if I use my HSA to pay for something other than a qualified medical expense?

A: You will need to include that amount in your gross income when you file your taxes. It will be treated as regular income and if you are less than age 65, it will be subject to a 10% excise tax.

Q: How do the income tax provisions of my HSA compare to IRAs and 401(k)s?

A: Like traditional IRAs and 401(k)s, you receive a tax deduction for money contributed to your HSA. Also like IRAs and 401(k)s, your HSA investments grow tax-free until they are taken out. Better than a traditional IRA or 401(k), distributions taken from an HSA in retirement years to pay health expenses - often a large expense - are tax free!

Q: Can I change investment funds, or will I need to keep my money in the same fund until it is withdrawn?

A: To change your investment fund election at any time, call any Saturna representative. Changes requested before 1 p.m. (PST) are generally made on the same business day. There is no guarantee that a change will be made at a specific time.

Q: Can I transfer money from my IRA?

A: Yes. Changes to the HSA statute effective January 1, 2007 allow for a once in a lifetime transfer of assets from your IRA to your HSA. This transfer is subject to applicable contribution limits and can be done only once, even if the transfer is not for the entire contribution amount.

About Saturna Capital

“Value for your money”

Founded in 1989 by professionals with extensive experience in the investment business, our firm is primarily owned by employees and their families. Firm management is guided by six key principles:

- ▲ Solid investment results
- ▲ Quality personal service
- ▲ Uncompromising loyalty to clients
- ▲ Advanced technology
- ▲ Financial strength
- ▲ Low fees and expenses

We have helped individuals and institutions build wealth, earn income and preserve capital.

Our deep-rooted belief in value investing shines through in the quality of our investments. We don't follow trends, we analyze opportunities. In choosing investments, our professionals cover over 180 industries and analyze over 5,000 equities.

Years of experience have given our firm financial strength and stability. Most important to our success, however, is achieving success for our clients. We believe that our clients' interest always come first. Perhaps this is why so many of our client relationships last so long.

Our Business

Investment Counsel

We provides investment management to individuals, families, partnerships, institutions, and mutual funds. Supported by its our proprietary systems, we tailor investment programs to fit our clients' specific needs.

Mutual Funds

We sponsor seven no-load mutual funds: four stock funds, two corporate bond funds, and one state municipal bond fund. Mutual funds permit investors to pool their assets and achieve the efficiencies of large investors with the benefit of professional investment management.

Saturna Brokerage Services

Our discount brokerage subsidiary provides a wide range of services and substantial savings to investment counsel clients and self-directed retail investors.

Investment Style

Our portfolio managers follow a long-term, value-oriented investment approach. Our investment horizon of one to four years translates into low portfolio turnover.

We favor stocks with lower price-earnings ratios and sound operations. From around the world, we seek quality companies with large free cash flows, sustainable growth rates and low share price volatility. Our speciality is ethical investing.

For income-oriented investors, we use quality corporate and municipal bonds, preferring shorter to medium term maturities.

Efficiency

We reflect our extensive use of technology for investment analysis and administration in low operating expenses and fees. We license our investment software system to unaffiliated mutual fund sponsors.



Health Savings Account (HSA) Enrollment Form



All fields must be completed. Incomplete applications will be returned. Return this form along with IRS Form 5305-B (see next page), a legible copy of your identification (driver's license, passport or government issued identity document), and check made payable to **Saturna Capital, P.O. Box N, Bellingham, WA 98227**

Account Owner:

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First Name M.I. Last Name

Date of Birth: --
MM DD YYYY

Social Security Number: --

Street Address:

City State Zip

Email:

--

Daytime Telephone:

() -

Evening Telephone:

() -

Primary Beneficiary:

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First Name M.I. Last Name

Date of Birth: --
MM DD YYYY

Social Security Number: --

Street Address:

City State Zip

Investment Selection (\$100 Minimum per Fund):

<input type="checkbox"/> Amana Income	\$	<input type="text"/>
<input type="checkbox"/> Amana Growth	\$	<input type="text"/>
<input type="checkbox"/> Sextant Growth	\$	<input type="text"/>
<input type="checkbox"/> Sextant International	\$	<input type="text"/>
<input type="checkbox"/> Sextant Core	\$	<input type="text"/>
<input type="checkbox"/> Sextant Short-Term Bond	\$	<input type="text"/>
<input type="checkbox"/> Sextant Bond Income	\$	<input type="text"/>

Note: Saturna Brokerage HSA accounts, require a separate, additional application. Please see the Saturna Brokerage brochure for more details.

Please send separate checks payable to each Fund selected.

I hereby request that Saturna Capital establish a Health Savings Account (HSA) in my name. I acknowledge that this account will be established according to the Health Savings Account 5305-B Agreement. I certify that Saturna Capital is authorized to act in accordance with any future documents bearing my signature. I understand that I may revoke this agreement at any time by submitting a written request to Saturna Capital and account assets will be returned according to HSA Federal Standards.

I also understand that Federal law requires all financial institutions to obtain and verify personal information that will identify those individuals who open a new account. I hereby acknowledge that the information contained in this document will be used to verify that I am not associated with the funding of terrorist groups or other money laundering activities.

I acknowledge that I have received, at my request, and reviewed the fund prospectus for the fund(s) selected and have determined such fund(s) to be appropriate investment vehicle(s) for this account. I understand from reading the prospectus for the Saturna Funds for which Saturna Capital is the adviser, and that Saturna Capital is trustee for my account. I also understand that Saturna Capital will be paid fees for the services to the Funds and that those fees are described in the prospectus.

I understand that investments in any such fund are not obligations of, or endorsed or guaranteed by Saturna Capital Corporation, and are not insured. I acknowledge that I, and not Saturna, have full power to direct investments of the account. I understand that I may change this direction at any time and that it shall continue in effect until revoked or modified by me.

Please open a Health Savings Account (HSA) in my name. I certify that I am eligible to contribute to an HSA according to federal regulations and Internal Revenue Code §223.

Signature: _____ **Date:** _____

Type of Insurance Coverage:

Individual Family (Participant + Spouse and/or Child)

Insurance Provider:

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Name of Employer (if Employer Sponsored HSA):

--

Employer Tax ID Number:

-

Note: If you elect to have scheduled pre-tax payroll deductions, they must be established through your employer. Any future changes must also be effected through your employer. Please contact your employer for details.

Initial Contribution for tax year .

Relationship:

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The rights of the beneficiary named above shall be subject to all terms and conditions of the Health Savings Account Form 5305-B (the "Plan Document") and shall be effective only if received by Saturna Capital prior to the death of the account holder. This designation applies to all of the HSA funds that remain undistributed from this account at the account holder's death. If the account holder wishes to name additional primary beneficiaries or contingent beneficiaries, he or she may obtain a form by contacting Saturna Capital. If no primary beneficiary survives the account holder, payment of funds shall be made to surviving contingent beneficiaries or if none, in accordance with the terms of the Plan Document. This designation may be changed at any time by filing a written change with Saturna Capital.

Begin automatic investing (voided check attached):
\$25 minimum per Fund after initial contribution

<input type="checkbox"/> Amana Growth	\$	<input type="text"/>
<input type="checkbox"/> Amana Income	\$	<input type="text"/>
<input type="checkbox"/> Sextant Growth	\$	<input type="text"/>
<input type="checkbox"/> Sextant International	\$	<input type="text"/>
<input type="checkbox"/> Sextant Core	\$	<input type="text"/>
<input type="checkbox"/> Sextant Short-Term Bond	\$	<input type="text"/>
<input type="checkbox"/> Sextant Bond Income	\$	<input type="text"/>

every (Specify period & date: i.e. "month on 15th")

Don't forget IRS Form 5305-B!
(Pages 13-14)
Your HSA cannot be opened without it.

Health Savings Trust Account
(Under section 223(a) of the Internal Revenue Code)

**Do not file
with the Internal
Revenue Service**

Name of account owner (grantor)	Date of birth of account owner	Identifying number (see instructions)
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Address of account owner (Street address, city, state, zip code)

Name of trustee Saturna Capital Corporation	Address or principal place of business of trustee 1300 N. State Street, Bellingham, WA 98225
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The account owner named above is establishing this health savings account (HSA) exclusively for the purpose of paying or reimbursing qualified medical expenses of the account owner, his or her spouse, and dependents. The account owner represents that, unless this account is used solely to make rollover contributions, he or she is eligible to contribute to this HSA; specifically, that he or she: (1) is covered under a high deductible health plan (HDHP); (2) is not also covered by any other health plan that is not an HDHP (with certain exceptions for plans providing preventive care and limited types of permitted insurance and permitted coverage); (3) is not enrolled in Medicare; and (4) cannot be claimed as a dependent on another person's tax return.

\$ dollars in cash is assigned to this trust account.

The account owner and the trustee make the following agreement:

Article I

1. The trustee will accept additional cash contributions for the tax year made by the account owner or on behalf of the account owner (by an employer, family member or any other person). No contributions will be accepted by the trustee for any account owner that exceeds the maximum amount for family coverage plus the catch-up contribution.
2. Contributions for any tax year may be made at any time before the deadline for filing the account owner's federal income tax return for that year (without extensions).
3. Rollover contributions from an HSA or an Archer Medical Savings Account (Archer MSA) (unless prohibited under this agreement) need not be in cash and are not subject to the maximum annual contribution limit set forth in Article II.

Article II

1. For calendar year 2004, the maximum annual contribution limit for an account owner with single coverage is the lesser of the amount of the deductible under the HDHP but not more than \$2,600. For calendar year 2004, the maximum annual contribution limit for an account owner with family coverage is the lesser of the amount of the deductible under the HDHP but not more than \$5,150. These limits are subject to cost-of-living adjustments after 2004. Eligibility and contribution limits are determined on a month-to-month basis.
2. Contributions to Archer MSAs or other HSAs count toward the maximum annual contribution limit to this HSA.
3. For calendar year 2004, an additional \$500 catch-up contribution may be made for an account owner who is at least age 55 or older and not enrolled in Medicare. The catch-up contribution increases to \$600 in 2005, \$700 in 2006, \$800 in 2007, \$900 in 2008, and \$1,000 in 2009 and later years.
4. Contributions in excess of the maximum annual contribution limit are subject to an excise tax. However, the catch-up contributions are not subject to an excise tax.

Article III

It is the responsibility of the account owner to determine whether contributions to this HSA have exceeded the maximum annual contribution limit described in Article II. If contributions to this HSA exceed the maximum annual contribution limit, the account owner shall notify the trustee that there exist excess contributions to the HSA. It is the responsibility of the account owner to request the withdrawal of the excess contribution and any net income attributable to such excess contribution.

Article IV

The account owner's interest in the balance in this trust account is nonforfeitable.

Article V

1. No part of the trust funds in this account may be invested in life insurance contracts or in collectibles as defined in section 408(m).
2. The assets of this account may not be commingled with other property except in a common trust fund or common investment fund.
3. Neither the account owner nor the trustee will engage in any prohibited transaction with respect to this account (such as borrowing or pledging the account or engaging in any other prohibited transaction as defined in section 4975).

Article VI

1. Distributions of funds from this HSA may be made upon the direction of the account owner.
2. Distributions from this HSA that are used exclusively to pay or reimburse qualified medical expenses of the account owner, his or her spouse, or dependents are tax-free. However, distributions that are not used for qualified medical expenses are included in the account owner's gross income and are subject to an additional 10 percent tax on that amount. The additional 10 percent tax does not apply if the distribution is made after the account owner's death, disability, or reaching age 65.
3. The trustee is not required to determine whether the distribution is for the payment or reimbursement of qualified medical expenses. Only the account owner is responsible for substantiating that the distribution is for qualified medical expenses and must maintain records sufficient to show, if required, that the distribution is tax-free.

Article VII

If the account owner dies before the entire interest in the account is distributed, the entire account will be disposed of as follows:

- 1. If the beneficiary is the account owner's spouse, the HSA will become the spouse's HSA as of the date of death.
2. If the beneficiary is not the account owner's spouse, the HSA will cease to be an HSA as of the date of death.

Article VIII

- 1. The account owner agrees to provide the trustee with information necessary for the trustee to prepare any report or return required by the IRS.
2. The trustee agrees to prepare and submit any report or return as prescribed by the IRS.

Article IX

Notwithstanding any other article that may be added or incorporated in this agreement, the provisions of Articles I through VIII and this sentence are controlling.

Article X

This agreement will be amended from time to time to comply with the provisions of the Code or IRS published guidance. Other amendments may be made with the consent of the persons whose signatures appear below.

Article XI

Article XI may be used for any additional provisions. If no other provisions will be added, draw a line through this space. If provisions are added, they must comply with the requirements of Article IX.

Account owner's signature Date

Trustee's signature Date

Witness' signature (Use only if signature of account owner or trustee is required to be witnessed.)

General Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

Form 5305-B is a model trust account agreement that has been approved by the IRS. An HSA is established after the form is fully executed by both the account owner and the trustee.

Do not file Form 5305-B with the IRS. Instead, keep it with your records. For more information on HSAs, see Notice 2004-2, 2004-2 I.R.B. 269, Notice 2004-50, 2004-33 I.R.B. 196, Publication 969, and other IRS published guidance.

Definitions

Identifying Number. The account owner's social security number will serve as the identification number of this HSA. For married persons, each spouse who is eligible to open an HSA and wants to contribute to an HSA must establish his or her own account.

filed to report unrelated business taxable income. An EIN is also required for a common fund created for HSAs.

High Deductible Health Plan (HDHP). For calendar year 2004, an HDHP for self-only coverage has a minimum annual deductible of \$1,000 and an annual out-of-pocket maximum (deductibles, co-payments and other amounts, but not premiums) of \$5,000. For calendar year 2004, an HDHP for family coverage has a minimum annual deductible of \$2,000 and an annual out-of-pocket maximum of \$10,000.

Self-only coverage and family coverage under an HDHP. Family coverage means coverage that is not self-only coverage.

Qualified medical expenses. Qualified medical expenses are amounts paid for medical care as defined in section 213(d) for the account owner, his or her spouse, or dependents (as defined in section 152) but only to the extent that such amounts are not compensated for by insurance or otherwise. With certain exceptions, health insurance premiums are not qualified medical expenses. See Notice 2004-25, 2004-15 I.R.B. 727 for transition relief for distributions for qualified medical expenses incurred in calendar year 2004.

Trustee. A trustee of an HSA must be a bank, an insurance company, a person previously approved by the IRS to be a trustee of an individual retirement account (IRA) or Archer MSA, or any other person approved by the IRS.

Specific Instructions

Article XI. Article XI and any that follow it may incorporate additional provisions that are agreed to by the account owner and trustee. The additional provisions may include, for example, definitions, restrictions on rollover contributions from HSAs or Archer MSAs (requiring a rollover not later than 60 days after receipt of a distribution and limited to one rollover during a one-year period), investment powers, voting rights, exculpatory provisions, amendment and termination, removal of trustee, trustee's fees, state law requirements, treatment of excess contributions, distribution procedures (including frequency or minimum dollar amount), use of debit, credit, or stored-value cards, return of mistaken distributions, and descriptions of prohibited transactions. Attach additional pages if necessary.



Health Savings Account (HSA) Transfer Form

If you wish to transfer an existing HSA to Saturna Capital, please complete this form. Attach a copy of your most recent statement from your existing HSA custodian. To transfer an HSA held by a brokerage firm to Saturna Brokerage Services, please also complete the Transfer of Assets form (in the brokerage brochure) as well as the Saturna Brokerage Account Application.

Mail completed form(s) and other documents to: Saturna Capital, P.O. Box N, Bellingham, WA 98227-0596

Description of account to be transferred:

Account Name:

Address:

Primary Social Security or Tax ID Number:

Account Number:

Name of Custodian Firm currently holding your account:

Custodian Firm's Address:

Custodian Firm's Phone Number:

One-time transfer from IRA to HSA.

To Current Custodian:

I authorize you to (choose only one option):

Liquidate (sell) ALL Assets

Liquidate (sell) PART \$

Transfer ALL shares in kind*

Transfer PART # or % of shares in kind*

of (fund name or symbol)

to the HSA I have established with Saturna Capital Corporation (EIN 91-1454817), a qualified Non-Bank Trustee under IRS Regulation 1.401-12(n). Please identify to Saturna Capital the amount of contributions made for the current year (if any).

Note: Liquidation for rollover/transfer is a non-taxable event.

Proceeds should be mailed to Saturna Capital as Trustee.

*(Brokerage account required for non-Saturna mutual funds)

Signature:

Account Owner

Date

MEDALLION SIGNATURE GUARANTEE

Investment Instructions:

Open a new Saturna Capital HSA for me. I have completed the Saturna HSA Application and enclosed a copy of a recent statement of the account to be transferred.

Deposit proceeds from this transfer to my existing Saturna Capital HSA.

Saturna Account Number (if available):

Allocation:

Sextant Growth \$ or %

Sextant International \$ or %

Sextant Core \$ or %

Sextant Short-Term Bond \$ or %

Sextant Bond Income \$ or %

Amana Growth \$ or %

Amana Income \$ or %

Saturna Brokerage* \$ or %

*Requires brokerage account.

Custodian Acceptance:

Saturna Capital Corporation is willing to accept the assets described herein and credit them to the selected Saturna Capital HSA for which we are Trustee/Custodian. Please liquidate and transfer from fiduciary to fiduciary as authorized above.

Mail check to: Retirement Plans, Saturna Capital, Box N, Bellingham WA 98227-0596.

Saturna Use Only

Accepted by

Date



1300 North State Street
Bellingham, WA 98225
www.saturna.com
Phone: (360) 594-9900
Fax: (360) 734-0755
(800) SATURNA
(800) 728-8762

For automated services, including fund prices:
(888) 732-6262

Please consider an investment's objectives, risks, expenses and charges carefully before investing. To obtain prospectuses that contain this and other information about Saturna's no-load mutual funds, please call (800) SATURNA or visit www.saturna.com. Please read the prospectuses carefully before investing. Distributed by Saturna Brokerage Services, Inc., a wholly-owned subsidiary of Saturna Capital.