

2009 Best Execution Disclosure Statement
For Advisory Clients of
Saturna Capital Corporation
June 17, 2009

At Saturna Capital, our clients' interests always come first. With no hidden costs or fees that can affect performance, Saturna is dedicated to providing real "value for your money."

As part of this service, Saturna takes seriously our commitment to seeking best execution for trades in our advisory accounts. Best execution is the full range and quality of a broker's services in placing brokerage, encompassing not only the overall cost of a client's trade, but also qualitative factors such as the broker's areas of expertise, the price at which the trade was executed relative to other trades in the security, and the broker's integrity and responsiveness.

Trading Techniques

Our primary consideration in effecting securities transactions is to obtain the best price and execution which in the judgment of Saturna is attainable at the time and which would bring the best net overall economic result to a client. This means that least expensive execution may not always be that which is most closely aligned with our clients' interests and investment objectives. Factors taken into account in the selection of brokers include the price of the security, commissions paid on the transaction, the efficiency and cooperation with which the transaction is effected, the expediency of making settlement and the financial strength and stability of the broker. Saturna continually evaluates whether brokerage commissions are reasonable based upon available information about the general level of commissions paid by similar clients for comparable services.

Trading Venues

Saturna's advisory clients are encouraged to use the broker of their choice to execute trades. However, unless otherwise specified, trading in advisory accounts (when consistent with best execution) is directed to Saturna Brokerage Services ("SBS"), a discount brokerage and wholly owned subsidiary of Saturna Capital Corporation. Brokerage is a hidden cost that often weighs on the performance of advisory accounts. However, Saturna's Advisory Clients pay no commissions when securities are traded through SBS. As an introducing broker, SBS routes all of its order flow to its clearing firm, National Financial Services LLC (NFS). NFS as clearing broker directs execution of all of SBS' trades, and performs its own internal review of Best Execution.

NFS is one of the largest clearing corporations in the world. NFS directs a large volume of orders to brokers on all major exchanges, and publishes a number of reports, including quarterly order routing reports as required by regulation. SBS uses these to evaluate best execution as part of SBS' internal review process. NFS reports of SBS' executions are available to you on Fidelity's website www.nationalfinancial.com.

To carry out this ongoing evaluation of best execution practices, Saturna Capital's Pricing and Best Execution Committee investigates and evaluates the costs and services available from other clearing or execution firms in an effort to secure lower trading costs and more efficient and accurate clearing services. As part of our obligation to providing our clients with exemplary service, our Committee regularly reviews NFS' reports, and produces an annual best execution report that reviews execution quality and execution speed of Saturna Brokerage Services and its clearing firm.

Conflicts of Interest

Saturna's standard investment advisory agreement notifies advisory clients of the theoretical potential for conflicts of interest inherent in Saturna's routing orders to SBS. However, by charging no commissions on client transactions, and bearing the clearing and trading costs itself, Saturna Capital removes this possibility.

Although permitted to do so, Saturna Capital does not allocate brokerage to any broker in return for research or services. Nor does Saturna use client brokerage commissions to pay for such research, a practice known by the euphemism "soft dollars." Saturna does not direct any trade to any broker in return for sales of fund shares or investment management accounts, which may present a conflict of interest under the circumstances in which such trading takes place.

Another potential conflict of interest would occur if Saturna were to direct brokerage ("order flow") to a broker in return for benefits to the adviser. Saturna does not engage in this or any similar practice.

SEC rules permit mutual funds to pay certain fees (called 12b-1 fees) to brokers or other firms selling fund shares or providing services to the fund or shareowners. 12b-1 fee plans must be ratified by shareowners and are used to grow funds and service shareowners.

Most intermediaries require additional compensation beyond that which is derived from the 12b-1 fee. Saturna Capital is permitted to pay any additional compensation out of its own resources, at its own expense. But not it is not paid or reimbursed by the funds. These payments to brokers are Saturna Capital's largest operating expense.

One criticism that is raised as a possible conflict is that when funds grow the adviser benefits. However, a larger fund can spread fixed costs over a larger asset base, reducing the fund's expense ratio and benefiting shareowners.

The same point may be raised about any additional payments made by the adviser out of its own resources. Such a conflict does not exist in that case, because the adviser pays those expenses itself. The funds do not pay any of that cost, nor do they reimburse the adviser.

Receipt of, or the prospect of receiving, this additional compensation may influence an intermediary's recommendation of a fund. Investors should contact the intermediary to obtain more information on how such compensation may have influenced the intermediary's recommendations.

Another potential conflict is Front Running. A broker or adviser engages in this practice when he knowingly purchases or sells a security immediately prior to the execution of a large client trade. Front Running can provide a benefit by influencing the price of the security in question in favor of the broker or adviser. The Saturna Code of Ethics explicitly forbids this.

Under the Saturna Code, transactions for clients have priority over employee transactions and personal transactions cannot operate adversely to clients' interests. Pre-clearance of employee trading may be required to give clients adequate opportunity to act on recommendations before employees may act.

In addition, when the Code of Ethics permits employees to trade simultaneously with clients, the employee and client trades may be "bunched", or traded simultaneously, to ensure that some accounts do not unduly benefit at the expense of others.

Other conflicts may arise relating to the initial public offerings of securities (“new issues”). Some advisers and brokers or their employees are permitted to purchase new issues. Over time, this practice has been shown to present the potential for numerous conflicts of interest. Saturna eliminates this potential conflict by forbidding employee purchase of new issues.

Saturna has adopted a strict Code of Ethics covering a wide range of issues. Employees are required to report their securities holdings and activities to permit monitoring of potential conflicts of interest. To facilitate monitoring, employees are required to execute their personal trading through SBS. All transactions are periodically examined. Certain securities transactions must be pre-cleared by the Chief Compliance Officer. Violations of the Code of Ethics may result in censure, fines and/or dismissal of any employee.

Saturna’s Investment Counsel brochure containing additional information regarding best execution and the Saturna Code of Ethics may be obtained at www.saturna.com, or by calling 800/SATURNA.