



Amana Mutual Funds Trust

Income Fund

Investor (AMANX)
Institutional (AMINX)

Growth Fund

Investor (AMAGX)
Institutional (AMIGX)

Developing World Fund

Investor (AMDWX)
Institutional (AMIDX)

Participation Fund

Investor (AMAPX)
Institutional (AMIPX)

Statement of Additional Information

September 25, 2020

1300 N. State Street
Bellingham, Washington 98225

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888-732-6262

This Statement of Additional Information is not a Prospectus or Summary Prospectus. It provides additional information concerning the Trust, the Income Fund, the Growth Fund, the Developing World Fund, and the Participation Fund that is not included in the Prospectus or Summary Prospectuses. It should be read in conjunction with the Prospectus or Summary Prospectuses.

The audited financial statements and Report of Independent Registered Public Accounting Firm in the Funds' Annual Report to Shareowners, for the fiscal year ended May 31, 2020, and the Funds' Semi-Annual Report dated November 30, 2019, are incorporated by reference and made part of this Statement of Additional Information.

You may obtain a Prospectus or Summary Prospectus dated September 25, 2020, and shareowner Annual and Semi-Annual reports without charge by writing to the address shown above, calling toll-free to the number shown above, and at www.amanafunds.com.

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TRUST HISTORY

Amana Mutual Funds Trust (the “Trust”) was organized as a Delaware Statutory Trust on March 11, 2013, and is the successor to Amana Mutual Funds Trust, an Indiana Business Trust organized on July 26, 1984, pursuant to a reorganization on July 19, 2013. Each Fund is a series of the Trust and the successor to the corresponding series of the prior Trust. The Income Fund commenced operations on June 23, 1986. The Growth Fund began operations on February 3, 1994. The Developing World Fund began operations on September 28, 2009. Institutional Shares of the Income, Growth, and Developing World Fund were first offered on September 25, 2013. The Participation Fund, including its Investor and Institutional Shares, began operations September 28, 2015.

FUND DESCRIPTIONS, INVESTMENTS, AND RISKS

Classification

Amana Mutual Funds Trust is designed to meet the needs of various investors, and the particular needs of Muslims, by investing in accordance with Islamic principles. The Trust is open to any investor.

Each Fund is technically known as an “open-end diversified management investment company.” The Trust is a “series trust” that presently offers four separate funds for investors: Income Fund, Growth Fund, Developing World Fund, and Participation Fund.

Investment Strategies and Risks

The Prospectus describes the principal investment strategies and risks of those strategies.

The Funds pursue these investment strategies by purchasing equity and sukuk securities. While the Funds may purchase preferred stocks and engage in covered option writing, they currently do not do so.

In accordance with Islamic principles, the Funds shall not purchase conventional bonds, debentures, or other interest-paying obligations of indebtedness.

The Funds may use income-producing investments to the extent the Board of Trustees and Saturna’s Islamic consultants agree that those investments are consistent with Islamic principles. Short-term investments are securities that mature or have a remaining maturity of 12 months or less from the date of purchase. Most ordinary mutual funds use a variety of interest-paying investments for short-term needs. Because the Funds may not receive interest from their investments, the Funds cannot use them. A limited amount of Islamic investments that do not pay interest are available. The Funds may invest in them when such opportunities are suitable for the Funds.

Saturna Capital Corporation, the Funds’ investment adviser (the “adviser”) selects investments that to its knowledge do not violate the requirements of the Islamic faith at the time of investment. To ensure that investments meet the requirements of the Islamic faith, the adviser engages Amanie Advisors Sdn Bhd, a leading consultant specializing in Islamic finance.

The Funds may participate in the ReFlow, LLC (“ReFlow”) liquidity program, which is designed to provide a liquidity source for mutual funds experiencing net redemptions

of their shares. In order to pay cash to shareowners who redeem their shares on a given day, a Fund typically must hold cash in its portfolio or liquidate portfolio securities, which imposes certain costs on a Fund. ReFlow provides participating mutual funds with another source of cash by standing ready to purchase shares from a Fund equal to the amount of the Fund's net redemptions on a given day. In return for this service, the Fund will pay a fee to ReFlow at a rate determined by a daily "Dutch auction" with other participating mutual funds seeking liquidity that day. The costs to a Fund for participating in ReFlow are expected to be influenced by and comparable to the cost of other sources of liquidity, such as the costs of selling portfolio securities to meet redemptions.

ReFlow's purchases of Fund shares through the liquidity program are made on an investment-blind basis without regard to the Fund's objective, policies, or anticipated performance. In accordance with federal securities laws, ReFlow is prohibited from acquiring more than 3% of the outstanding voting securities of a Fund. While ReFlow holds Fund shares, it will have the same rights and privileges with respect to those shares as any other shareowner. ReFlow will periodically redeem its entire share position in the Fund (when the Fund experiences net sales, at the end of a maximum holding period determined by ReFlow (currently 14 days) or at other times at ReFlow's discretion) and request that such redemption be met in kind in accordance with the Fund's in-kind redemption policies described under "In-Kind Redemptions" in the Prospectus. Investments in a Fund by ReFlow in connection with the ReFlow liquidity program are not subject to the Funds' Frequent Trading Policy.

Fund Policies

The objectives of the **Income Fund** are current income and preservation of capital, consistent with Islamic principles; current income is its primary objective. The objective of the **Growth Fund** is long-term capital growth, consistent with Islamic principles. The objective of the **Developing World Fund** is long-term capital growth, consistent with Islamic principles. The objectives of the **Participation Fund** are capital preservation and current income, consistent with Islamic principles; capital preservation is its primary objective. In addition to the following fundamental policies, the trustees have instructed that investments not be made in preferred stocks and that the Funds should favor no-debt and low-debt companies. In accordance with Islamic principles, the Funds shall not make any investments that pay interest. These investment objectives, and the policies that follow, are fundamental policies and cannot be changed

without approval by vote of a majority of the outstanding shares of the Fund. Other restrictions in the form of operating policies are subject to change by the Trust's Board without shareowner approval.

Senior Securities. Each Fund shall not issue senior securities.

Borrowing. Each Fund shall not borrow money, except for emergency purposes, including facilitation of heavy redemption requests, and then only in amounts not exceeding 10% of the then net liquidating value of the Fund's assets. The Trust is authorized to mortgage or pledge assets of a Fund to the extent necessary to secure such temporary borrowings.

Underwriting. Each Fund shall not act as an underwriter of another issuer's securities, except to the extent that the Fund may be deemed to be an underwriter within the meaning of the Securities Act of 1933 (the 1933 Act), in connection with the purchase and sale of portfolio securities.

Industry Concentration. Each Fund, other than the Participation Fund, shall not concentrate its investments in any particular industry, and no investment shall be made if such investment at the time made would cause more than twenty-five percent of the total assets of the Fund, taken at market value or fair value as determined by the Trustees, to be invested in securities of issuers in any one industry. This restriction does not apply to the Participation Fund.

Real Estate and Commodities. Each Fund shall not engage in the purchase or sale of real estate, commodities, or commodity contracts except as may be acquired by the Fund in connection with a merger, consolidation, reorganization, or in satisfaction of a debt.

Loans. Each Fund shall not make loans, except that a Fund may, subject to applicable restrictions imposed by law, make loans of portfolio securities to brokers or dealers in corporate or governmental securities, banks, or other recognized institutional borrowers of securities against no less than 100% cash or equivalent collateral if immediately thereafter the aggregate market value of securities loaned shall not exceed 33% of the market value of its total assets.

Diversification. With respect to 75% of its total assets, each Fund, other than the Participation Fund, shall not: (1) purchase more than 10% of the outstanding voting securities of any one issuer; or (2) purchase securities of any issuer if, as a result, more than 5% of the Fund's total assets would be invested in that issuer's securities. This limitation does not apply to obligations of the US government or its

agencies or instrumentalities. This restriction does not apply to the Participation Fund.

Options. Each Fund shall not purchase or sell options, except that a Fund may sell covered call options and purchase call options for the purpose of terminating call options previously sold.

Short Sales. Each Fund shall not make short sales of securities or maintain a short position, unless at all times when a short position is open, the Fund owns an equal amount of such securities or owns securities which, without the payment of any further consideration, are convertible into or exchangeable for securities of the same issue as, and equal in amount to, the securities sold short.

Temporary Defensive Position

The Funds may use short-term income-producing investments to the extent the Board of Trustees and Saturna's Islamic consultants agree that those investments are consistent with Islamic principles. Short-term investments that meet Islamic and mutual fund requirements are currently limited in the United States. Accordingly, assets are primarily held in cash at the custodian when the adviser implements a defensive position.

Cayman Islands Subsidiary

The Participation Fund will invest in a wholly-owned subsidiary organized under the laws of the Cayman Islands (the "Subsidiary"), the registered offices of which is located at Solomon Harris, 53 Market Street, Unit 3211, Camana Bay, PO Box 1990, Grand Cayman KY1-1104, Cayman Islands. The Fund will be the sole shareholder of the Subsidiary, and does not expect shares of the Subsidiary to be offered or sold to other investors. The Fund's investment in the Subsidiary may not exceed 25% of the value of its total assets (ignoring any subsequent market appreciation in the Subsidiary's value), which limitation is imposed by the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and is measured at the end of each quarter of its taxable year.

To the extent applicable, the Subsidiary otherwise is subject to the same fundamental and non-fundamental investment restrictions as the Participation Fund and, in particular, to the same requirements relating to liquidity, and the timing and method of valuation of portfolio investments and Fund shares. (Accordingly, references in this SAI to the Participation Fund may also include the Subsidiary.) By investing in the Subsidiary, the Fund may be considered to be investing indirectly in the same investments as the

subsidiary and is indirectly exposed to the risks associated with those investments.

The Subsidiary is not registered with the SEC as an investment company under the 1940 Act and is not subject to the investor protections of the 1940 Act. As an investor in the Subsidiary, the Fund will not have the same protections offered to shareholders of registered investment companies. However, because the Subsidiary is wholly-owned and controlled by the Fund and the Fund is managed by Saturna Capital Corporation, it is unlikely that the Subsidiary will take action in any manner contrary to the interest of the Fund or its shareholders. Because the Subsidiary has the same investment objective and, to the extent applicable, will comply with the same investment policies as the Fund, Saturna Capital Corporation manages the Subsidiary's portfolio in a manner similar to that of the Fund.

The Subsidiary has a board of directors that oversees its activities. The Subsidiary has entered into a separate investment advisory agreement with Saturna Capital Corporation and the Participation Fund pays Saturna a fee for its services. The Subsidiary also has entered into agreements with the Fund's service providers for the provision of administrative, accounting, transfer agency, and custody services.

The Fund and the Subsidiary may not be able to operate as described in the Prospectus and this SAI in the event of changes to the laws of the United States or the Cayman Islands. If the laws of the Cayman Islands required the Subsidiary to pay taxes to a governmental authority, the Fund would be likely to suffer decreased returns.

Portfolio Turnover

The Trust places no formal restrictions on portfolio turnover and will buy or sell investments according to the adviser's appraisal of the factors affecting the market and the economy. Excessive portfolio turnover may be considered gambling by Islamic investors. The portfolio turnover rates for the most recent three fiscal years ended May 31, were:

Portfolio Turnover	2020	2019	2018
Income Fund	0%	1%	1%
Growth Fund	0%	0%	0%
Developing World Fund	9%	9%	20%
Participation Fund	34%	22%	7%

The Trustees have adopted a policy that seeks to minimize potential current income taxes paid by shareowners, which

includes: (1) infrequent trading, (2) offsetting capital gains with losses, and (3) selling highest-cost tax-lots first.

Disclosure of Portfolio Holdings

The Amana Mutual Funds Trust has adopted a portfolio holdings disclosure policy governing the disclosure of the Funds' portfolio holdings. In accordance with this policy, the Funds may provide portfolio holdings information to third parties no earlier than the time a report is filed with the SEC that is required to contain such information or one day after the information is posted on the Funds' publicly accessible website, www.amanafunds.com. A list of portfolio holdings is generally made available on the Funds' website within ten business days after each month-end. Additionally, the Funds publish on the website a list of their top ten holdings as of the end of each calendar quarter, within ten business days after the end of the quarter for which the information is current.

The Funds may disclose portfolio holdings information that has not been included in a filing with the SEC or posted on the Funds' website (i.e., non-public portfolio holdings information) only if there is a legitimate business purpose for doing so and if the recipient is required, either by explicit agreement or by virtue of the recipient's duties to the Funds as an agent or service provider, to maintain the confidentiality of the information and to not use the information in an improper manner (e.g., personal trading). The Funds may disclose on an ongoing basis such non-public portfolio holdings information in the normal course of their investment and administrative operations to various service providers, including the adviser, independent registered public accounting firm, custodian, financial printer, and to the legal counsel for the Funds' trustees. The adviser may disclose daily non-public portfolio holdings information on a next-day basis to service providers to enable the adviser to perform statistical analysis using those service providers' systems and software programs. The adviser may also provide certain non-public portfolio holdings information to broker-dealers from time to time in connection with the purchase or sale of securities. In providing this information, reasonable precautions are taken in an effort to avoid potential misuse of the disclosed information, including limitations on the scope of the portfolio holdings information disclosed, when appropriate.

Non-public portfolio holdings information may be provided to other persons if approved by the adviser's president or designee upon a determination that there is a legitimate business purpose for doing so, the disclosure is consistent with the interests of the Funds, and the recipient is

obligated to maintain the confidentiality of the information and not misuse it.

Neither the adviser, the Funds, nor any affiliated or non-affiliated party shall receive any compensation or other consideration in connection with the disclosure of portfolio holdings.

In view of these Fund policies, it is unlikely that a conflict of interest between the interests of the Funds, the adviser, or any affiliated person of the Funds may arise. However, should the adviser's president become aware that a potential conflict of interest may exist in connection with authorized portfolio disclosures, she will promptly consult with the chairman of the Trust's Board of Trustees with regard to action to be taken. For further information about conflicts of interest, see the *Portfolio Managers* section beginning on page 19.

Proxy Voting Policies

The proxy voting guidelines summarize Saturna Capital Corporation's positions and give a general indication of how portfolio securities held in advisory accounts, such as the Funds, will be voted.

The guidelines are not exhaustive and do not include all potential voting issues. Because proxy issues and the circumstances of individual companies are varied, there may be instances when the adviser may not vote in strict adherence to these guidelines. We will evaluate the merits and intentions of all proposals, and will typically vote in favor of those proposals we determine to be constructive to the company, to the environment in which it operates, and to the best interest of its shareholders. We will typically oppose proposals we deem to be immaterial, nuisance proposals, or proposals that would entail significant costs in compliance with little associated benefit.

Regardless of the circumstances, the adviser will always attempt to vote in accordance with the Funds' specific investment objectives and policies, which in the case of the Amana Mutual Funds, includes careful examination of environmental, social, and governance issues.

Saturna Capital Corporation's investment professionals, as part of their ongoing review and analysis of all portfolio holdings, are responsible for monitoring significant corporate developments, including proxy proposals submitted to shareholders. The research analyst assigned to the sector in which an issue falls is responsible for voting the associated proxies.

These guidelines are reviewed and approved annually by the Trustees. The research analyst will refer all issues where there could be a conflict of interest (e.g., a familial or business relationship with a company or management) or uncertainty regarding the merits of any management or shareholder proposal to Saturna's Proxy Committee for discussion and adjudication. The Proxy Committee consists of the Chief Investment Officer, President, and Chief Legal Officer of Saturna Capital Corporation, as well as other relevant investment professionals who may participate from time to time.

Disclosure of the proxy voting record is a responsibility of the Trust's secretary. The Funds' voting record is filed on Form N-PX for each 12-month period ending June 30 and is available (1) without charge, upon request, by calling Saturna Capital Corporation toll-free at 1-800-728-8762; (2) on the Saturna website; and (3) on the SEC's website at www.sec.gov.

CORPORATE GOVERNANCE

We will generally vote **FOR**:

- Proposals requesting disclosure of the company's political contributions and policies governing political contributions.
- Proposals requesting disclosure of the company's lobbying expenditures and policies governing lobbying expenditures.
- Proposals requesting disclosure of the company's participation in drafting and/or supporting legislation (including the names of partnering organizations, if applicable).
- Management's recommendation for ratification of the auditor, except in the case where non-audit fees represent more than 30% of the total fees paid in the previous year.

Corporate Transactions

We will generally vote **AGAINST**:

- Authorization to transact other, unidentified, substantive business at the meeting.

We will vote **CASE BY CASE** on:

- Mergers and acquisitions, leveraged buyouts, spin-offs, re-incorporations, tax inversions, liquidations, and asset sales with regard to the impact on existing shareholders' and community stakeholders' interests.
- Proposals to amend a company's charter or by-laws.

Director Elections

We will generally vote **FOR**:

- Proposals that require a majority of independent Directors.
- Proposals to separate the Chief Executive Officer and Chairman of the Board positions.
- Proposals seeking to increase the independence and diversity of board nominating, audit, and compensation committees.
- Establishment of reasonable retirement age for Directors.
- Proposals that require Directors to own a minimum number of shares in the company.

We will generally vote **AGAINST**:

- Directors who have attended less than 75% of Board meetings.
- Management proposals that give management the ability to alter the size of the board without shareholder approval.
- Efforts to classify the board or eliminate cumulative voting.
- The election of Directors who serve on the compensation committee who also serve as CEO of any public company.
- Proposals to elect directors on a staggered schedule.

We will vote **CASE BY CASE** on:

- Individual Directors, committee members, or on the entire board.
- Directors who are incumbent members of the nominating committee if the board, in our judgment, lacks diversity.

Takeover Defenses

We will generally vote **FOR**:

- The elimination of dual class stock with unequal voting rights.
- Proposals to put poison pills to a shareholder vote.

We will generally vote **AGAINST**:

- Proposals to introduce dual-class shareholding structures or non-voting share classes.
- Proposals to adopt anti-takeover defenses.

Capital Structure

We will generally vote **FOR**:

- Proposals to effect stock splits.
- Proposals authorizing share repurchase programs.

We will vote **CASE BY CASE** on:

- Proposals to increase common stock.

Compensation

We will generally vote **FOR**:

- Proposals to allow shareholders to vote on executive compensation.
- Compensation programs that relate executive compensation to a company's long-term performance.
- Stock option plans unless they could result in significant dilution or have other provisions clearly not in the interest of existing shareholders.

We will vote **CASE BY CASE** on:

- Executive and director compensation. We generally favor capital-related Key Performance Indicators (return on capital expenditure (ROCE); return on invested capital (ROIC); economic value added (EVA)) rather than accounting-related indicators (sales; earnings per share (EPS); and earnings before interest, taxes, depreciation, and amortization (EBITDA)).

ENVIRONMENT

We expect companies to be mindful of their environmental record and impact. We will vote in favor of proposals requesting that companies adopt the Ceres principles, and in favor of requests for corporate social responsibility or sustainability reports detailing a company's environmental practices.

We will also generally vote in favor of any proposal that requests disclosure and/or improvement relating to the company's approach to:

- Addressing climate change.
- Reducing waste.
- Reducing greenhouse gas emissions.
- Reducing other toxic emissions.
- Taking responsibility for toxic cleanup.
- Mitigating water-related risks.
- Mitigating negative impact on biodiversity in the communities in which the company operates.

- The use of harmful pesticides, antibiotics, genetically engineered organisms, and other chemicals in food production.
- Health and environmental hazards the company's operations present to the communities in which it operates.
- Sustainable business operations.

SOCIAL RESPONSIBILITY

We will generally vote for any proposals that request disclosure and/or improvement relating to the company's approach to:

- The representation of women and minorities in the workplace.
- Equal employment opportunities and/or nondiscrimination policies.
- Workplace codes of conduct, particularly practices related to employee health and safety.
- Product-related safety issues, including product quality and recalls.
- Animal welfare.



MANAGEMENT OF THE TRUST

Board of Trustees

A Board of five Trustees oversees the Trust: M. Yaqub Mirza, Iqbal Unus, Miles Davis, Ronald Fielding, and Nicholas Kaiser. The Trustees establish policies as well as review and approve contracts and their continuance. The Trustees also elect the officers, authorize the payment of any dividend or capital gain distribution, and serve on committees of the Trust. Trustees serve for the lifetime of the Trust or until reaching the mandatory retirement age, death, resignation, removal, or non re-election by the shareowners. The Trustees annually appoint officers for one-year terms.

Management Information

Starting with the Independent Trustees, the Trustees and officers are listed in the following tables.

Name (age) and address	Position(s) held with Trust and length of time served	Principal occupation(s) during past 5 years	Number of portfolios in Saturna fund complex overseen by Trustee	Other directorships held by Trustee
INDEPENDENT TRUSTEES				
 M. Yaqub Mirza, PhD¹ 1300 N. State Street Bellingham, WA 98225 Age: 73	Independent Chairman (since 2014); Vice Chairman, Independent Trustee (2009 to 2014); Independent Trustee (1987 to 2003); Chairman (2000 to 2003); Audit and Compliance Committee; Governance, Compensation and Nominations Committee	CEO, Sterling Management Group, Inc. (management services)	Four	None
 Iqbal J. Unus, PhD 1300 N. State Street Bellingham, WA 98225 Age: 76	Independent Trustee (since 1989); Governance, Compensation, and Nominations Committee (Chairman)	Retired. Formerly, Adviser, The Fairfax Institute at the International Institute of Islamic Thought	Four	None
 Miles K. Davis, PhD 1300 N. State Street Bellingham, WA 98225 Age: 61	Independent Trustee (since 2008); Audit and Compliance Committee	President, Linfield University Former Dean and George Edward Durell Chair of Management, Harry F. Byrd, Jr. School of Business, Shenandoah University; Former Associate Professor of Management/ Director of the Institute for Entrepreneurship, Shenandoah University	Four	None
 Ronald H. Fielding, MA, MBA, CFA 1300 N. State Street Bellingham, WA 98225 Age: 71	Independent Trustee (since 2012); Audit and Compliance Committee (Chairman, Financial Expert)	Director, ICI Mutual Insurance Company	Thirteen	Saturna Investment Trust
INTERESTED TRUSTEE				
 Nicholas F. Kaiser, MBA^{2,4} 1300 N. State Street Bellingham, WA 98225 Age: 74	President, Trustee (since 1989); Governance, Compensation and Nominations Committee	Chairman and Director, Saturna Capital Corporation (the Trust's investment adviser); Chairman and Director, Saturna Trust Company; (former) President, Saturna Trust Company	Four	None

Name (age) and address	Position(s) held with Trust and length of time served	Principal occupation(s) during past 5 years
OFFICERS WHO ARE NOT TRUSTEES		
	Jane K. Carten, MBA^{3,4} 1300 N. State Street Bellingham, WA 98225 Age: 45	Vice President (since 2012) President, Chief Executive Officer, and Director, Saturna Capital Corporation; President and Director, Saturna Brokerage Services; Vice President and Director, Saturna Trust Company
	Christopher R. Fankhauser³ 1300 N. State Street Bellingham, WA 98225 Age: 48	Treasurer (since 2002) Chief Operations Officer and Director, Saturna Capital Corporation; Vice President and Chief Operations Officer, Saturna Brokerage Services; Vice President, Director, and Chief Operations Officer, Saturna Trust Company
	Michael E. Lewis³ 1300 N. State Street Bellingham, WA 98225 Age: 59	Chief Compliance Officer (since 2012) Chief Compliance Officer, Saturna Capital Corporation, Saturna Trust Company, and affiliated funds
	Jacob A. Stewart³ 1300 N. State Street Bellingham, WA 98225 Age: 39	Anti-Money Laundering Officer (since 2015) Anti-Money Laundering Officer, Saturna Capital Corporation, Saturna Brokerage Services; Chief Compliance Officer, Saturna Brokerage Services; Bank Secrecy Act Officer, Saturna Trust Company
	Nicole Trudeau³ 1300 N. State Street Bellingham, WA 98225 Age: 41	Secretary (since 2018) Chief Legal Officer, Saturna Capital Corporation; Counsel, Simpson Thacher & Bartlett LLP; Partner, Stradley Ronon Stevens & Young LLP; Partner, K&L Gates LLP

As of December 31, 2019, no Independent Trustee (or any of his immediate family members) owned beneficially or of record securities of the adviser or the Trust's principal underwriter, or any person (other than a registered investment company) directly or indirectly, controlling, controlled by, or under common control with the adviser or principal underwriter.

¹ Dr. Mirza is the President and CEO of Sterling Advisory Services, Inc., the investment adviser to two private investment funds that are sub-advised by Saturna Capital Corporation, and which pay an investment sub-advisory fee to Saturna Capital Corporation.

² Mr. Kaiser is an "interested person" of the Trust as an employee of the adviser.

³ Mrs. Carten, Mr. Fankhauser, Mr. Lewis, Mr. Stewart, and Ms. Trudeau are "interested persons" of the Trust as employees of the adviser. Mr. Fankhauser, Mr. Lewis, Mr. Stewart, and Ms. Trudeau hold the same positions with Saturna Investment Trust, which has nine fund portfolios and is also managed by Saturna Capital Corporation.

⁴ Mrs. Carten is Mr. Kaiser's daughter.

Management Ownership Information (as of December 31, 2019)

Trustee/Officer	Dollar range of equity securities in Funds of Saturna fund complex	Aggregate dollar range of equity securities in all Registered Investment Companies overseen by Trustee/Officer in Saturna fund complex
M. Yaqub Mirza	Amana Income Investor Shares: over \$100,000 Amana Income Institutional Shares: over \$100,000 Amana Growth Institutional Shares: over \$100,000 Amana Developing World Investor Shares: \$10,001-\$50,000	Over \$100,000
Iqbal J. Unus	Amana Income Investor Shares: \$10,001-\$50,000 Amana Income Institutional Shares: over \$100,000 Amana Growth Investor Shares: over \$100,000 Amana Growth Institutional Shares: over \$100,000 Amana Participation Investor Shares: \$10,001-\$50,000	Over \$100,000
Miles K. Davis	Amana Income Institutional Shares: \$1-\$10,000 Amana Growth Institutional Shares: \$1-\$10,000 Amana Developing World Investor Shares: \$1-\$10,000	\$10,001-\$50,000
Ronald H. Fielding	Amana Income Institutional Shares: over \$100,000 Amana Growth Institutional Shares: over \$100,000 Sextant International Z Shares: over \$100,000 Sextant Global High Income: \$10,001-\$50,000	Over \$100,000
Nicholas F. Kaiser	Amana Income Institutional Shares: over \$100,000 Amana Growth Institutional Shares: over \$100,000 Amana Developing World Institutional Shares: over \$100,000 Amana Participation Institutional Shares: over \$100,000 Sextant Growth Z Shares: over \$100,000 Sextant International Z Shares: over \$100,000 Sextant Core: over \$100,000 Sextant Global High Income: over \$100,000 Sextant Short-Term Bond: over \$100,000 Sextant Bond Income: over \$100,000 Saturna Sustainable Bond: over \$100,000 Saturna Sustainable Equity: over \$100,000 Idaho Tax-Exempt: over \$100,000	Over \$100,000

Leadership Structure and Board of Trustees

As part of its annual governance assessment, the Board reviews the collective and individual experience, qualifications, attributes, and skills of the Trustees. Attributes common to all Trustees are strong educational backgrounds, lifetimes of experience in business and finance, and the ability to effectively request, evaluate, and discuss information about Amana with the adviser and other service providers to the Trust. The chairman of the Board and all other Trustees (except Mr. Kaiser) are independent of the adviser or other service providers, and fulfill the legal definition of Disinterested Trustee. They reside in diverse communities across the continent, and all have lived outside the United States.

The Board has concluded that its current leadership structure, in which the chairman of the Board is an Independent Trustee and not affiliated with the adviser, is appropriate and in the best interest of shareowners. In light of the services provided to the Trust daily by the adviser and the responsibilities of the adviser to the Trust, the Board believes it appropriate and in the best interest of shareowners to have a separate President who is an active adviser employee. In making the determination that each Trustee is qualified to serve, the Board considers a variety of criteria, including actual service, commitment, and participation of each Trustee during his tenure with the Trust. In addition to the information set forth in the Trustees table above and other relevant qualifications, the following are additional important qualifications of each Trustee:

M. Yaqub Mirza, PhD, returned to the position of the Trust's independent chairman in 2014. He suggested the concept of a US Islamic equity mutual fund in 1984. He is a founding member of the Board of Trustees and served from 1987 through 2003 as an independent Trustee, and as chairman of the Board from 2000 until 2003. He is the CEO of Sterling Management Group, Inc. (Herndon, VA), a consulting, venture capital, business management, and real estate investment firm. Dr. Mirza has served on the boards of public and private corporations, and has been actively involved with agro-industrial and technology businesses in several countries. He serves as a leader of numerous charities, and lectures on both entrepreneurialism and philanthropy. Dr. Mirza's degrees include a master's degree in science from the University of Karachi and a doctorate in physics from the University of Texas at Dallas. The Board feels Dr. Mirza's long service to the Trust, community organizations, considerable board experience, financial business background, and leadership make him an excellent board member.

Iqbal J. Unus, PhD, has served on the Board of Trustees since 1989. Formerly Adviser of the Fairfax Institute (providing educational courses in the Washington, DC area), Dr. Unus has had a long management career in Islamic education and service institutions. He is the former Dean of Students/Registrar at the School of Islamic and Social Sciences (Leesburg, VA). Dr. Unus holds two master's degrees in physics and nuclear engineering and a doctorate in nuclear physics from Emory University. The Board feels Dr. Unus' long service to the Trust and educational institutions, and his communication and other leadership skills, make him an excellent board member.

Miles K. Davis, PhD, is President of Linfield University (McMinnville, OR). Dr. Davis is active in the microfinance movement, and lectures regularly in the US, Africa, and Europe. An authority on entrepreneurship, his work focuses on the areas of integrity, values, and principles within the business world. He is a former Dean and George Edward Durell Chair of Management, Harry F. Byrd, Jr. School of Business at Shenandoah University (Winchester, VA). Dr. Davis earned a bachelor's degree in communications from Duquesne University, a master's degree in human resource development from Bowie State University, and a doctorate in organizational behavior and management from The George Washington University. The Board feels Dr. Davis' proven academic leadership skills, financial background, and experience make him an excellent board member.

Ronald H. Fielding, MA, MBA, CFA, has worked in the mutual fund industry as a portfolio manager, owner, and senior officer of mutual fund advisers for over 35 years. He has served on the board of Investment Company Institute Mutual Insurance for over 20 years. He has taught courses in finance and economics, and serves on philanthropic and educational institution boards. Mr. Fielding has a bachelor's degree in liberal arts from St. John's College, plus master's degrees in economics and business from the University of Rochester. The Board feels Mr. Fielding's demonstrated mutual fund industry experience and background, and his volunteer service and leadership on many boards, including ICI Mutual Insurance and St. John's College, make him an excellent board member.

Nicholas F. Kaiser, MBA, is president of the Trust and served as portfolio manager of the Amana Income and Amana Growth Funds until April 2020. He is chairman of Saturna Capital Corporation, Amana's investment adviser and administrator. He is also chairman of Saturna Capital Corporation's trust company. For over 40 years, Mr. Kaiser and his firms have provided investment management, administration, accounting, servicing, marketing, and other services to

mutual funds. Mr. Kaiser earned a bachelor's degree in economics from Yale College, and a master's degree in business administration from the University of Chicago. The Board feels Mr. Kaiser's experience leading mutual funds and investment advisory firms, both domestic and foreign, plus leadership experience on various other boards, make him an excellent board member.

Board Role in Risk Oversight

The Board's role in management of the Trust is oversight. Day-to-day management of the Trust, selection of Fund investments, administration services, and management of operational and portfolio risk are responsibilities of the adviser. Distribution services are the responsibility of Saturna Brokerage Services, Inc., a subsidiary of the adviser. The Board provides general supervision and risk oversight with respect to the operation of the Trust and the Funds, including through the following activities: receipt of reports from the adviser, distributor, and third parties; meetings of the whole board as well as its committees; independent experiences including shareowner contacts; and communications with board advisors such as auditors, legal counsel, compliance officers, and regulators. The chairman's duties include developing the agenda for each Board meeting in consultation with management, presiding at each Board meeting, discussing Trust matters with management between Board meetings, and facilitating communication and coordination between the Trustees and management.

Committees

The Board has established two standing committees: the Audit and Compliance Committee and the Governance, Compensation, and Nominations Committee. The respective duties and current memberships of the standing committees are:

Audit and Compliance Committee. The Audit and Compliance Committee selects the independent registered public accounting firm, reviews all audit reports, and monitors compliance programs. Ronald H. Fielding, Miles K. Davis, and M. Yaqub Mirza are the members of the Audit and Compliance Committee. During the fiscal year ended May 31, 2020, the Audit and Compliance Committee met once.

Governance, Compensation, and Nominations Committee. The Governance, Compensation, and Nominations Committee oversees the Board's annual review of operations and structure, and recommends trustee compensation. Shareowners wishing to recommend nominees may do so by sending written information to Dr. Unus at his address as given above. M. Yaqub Mirza, Iqbal J. Unus, and Nicholas F. Kaiser (an Interested Trustee) are the members of the Governance, Compensation, and Nominations Committee. With respect to the selection of nominees for Disinterested Trustees, Mr. Kaiser acts solely in an advisory capacity and does not vote. During the fiscal year ended May 31, 2020, the Governance, Compensation, and Nominations Committee met once.

Compensation

Saturna Capital Corporation, not the Trust, pays the salaries of officers of the Trust; except the Trust's Chief Compliance Officer's salary, for which the Trust may partially reimburse the adviser. The Trust pays the Independent Trustees \$2,000 per quarter in arrears, \$1,000 per board meeting attended (in person or by phone), and reimbursement of travel expenses. The Trustees are also paid \$250 for committee meetings attended. The Trust pays the Board chairman and each committee chairman an additional \$500 per quarter in arrears. For the fiscal year ended May 31, 2019, the Trust incurred \$54,000 of compensation expenses. No pension or retirement benefits were incurred.

Code of Ethics

The Trust, its investment adviser Saturna Capital Corporation, and its principal underwriter Saturna Brokerage Services, have adopted a common Code of Ethics under Rule 17j-1 of the Investment Company Act and Rule 204A-1 of the Investment Advisers Act. The Code permits personnel subject to the Code (as defined in the Code) to invest in securities, including common stocks and mutual funds. To prevent conflicts of interest, the Code includes restrictions on investing in securities that may be purchased by the Funds. A copy of the Code is available without charge by contacting the Trust or the adviser, and is available on the Trust's website.

Trustee Compensation for Fiscal Year ended May 31, 2020

Name of Person; Position	Aggregate Compensation from Trust	Pension or Retirement Benefits Accrued as Part of Trust Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation From Trust and Fund Complex Paid to Trustees
M. Yaqub Mirza; Trustee, Independent Chairman	\$11,667	\$0	\$0	\$11,667
Iqbal J. Unus; Trustee	\$11,667	\$0	\$0	\$11,667
Miles K. Davis; Trustee	\$10,000	\$0	\$0	\$10,000
Ronald H. Fielding; Trustee ¹	\$11,667	\$0	\$0	\$19,667
Nicholas F. Kaiser; Trustee	\$0	\$0	\$0	\$0
Michael Lewis; Chief Compliance Officer ²	\$100,000	\$0	\$0	n/a

¹ Ronald H. Fielding serves as Trustee to the Saturna Investment Trust, to which Saturna Capital Corporation is adviser.

² Michael E. Lewis also serves as Chief Compliance Officer to the Saturna Investment Trust, to which Saturna Capital Corporation is adviser, and to Saturna Trust Company. The Trustees have approved a portion of Mr. Lewis' compensation be allocated to the Trust.

CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES

As of September 1, 2020, the principal holders of record (those with 5% or more of the outstanding shares) of securities of the **Income Fund** were:

Name and Address	Shares	Percentage of Investor Shares
NFSC Omnibus Account for the Exclusive Benefit of Our Customers 200 Liberty Street, New York, NY 10281	5,547,317	39.85%
Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street, San Francisco, CA 94104	1,666,886	11.97%
Voya Retirement, Insurance and Annuity Company One Orange Way, Windsor, CT, 06095	1,365,815	9.81%
Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street, San Francisco, CA 94104	1,274,308	9.15%
TD Ameritrade, Inc. for the Exclusive Benefit of Our Clients P.O. Box 2226, Omaha, NE 68103	764,791	5.49%

Name and Address	Shares	Percentage of Institutional Shares
NFSC Omnibus Account for the Exclusive Benefit of Our Customers 200 Liberty Street, New York, NY 10281	1,482,431	13.63%
Vanguard Fiduciary Trust Company 400 Devon Park Drive K22 Wayne, PA 19087	957,242	8.80%
UBS WM USA Omnibus Account 1000 Harbor Blvd. 5th Floor, Weehawken, NJ 07086	681,635	6.27%

As of September 1, 2020, the principal holders of record (those with 5% or more of the outstanding shares) of securities of the **Growth Fund** were:

Name and Address	Shares	Percentage of Investor Shares
NFSC Omnibus Account for the Exclusive Benefit of Our Customers 200 Liberty Street, New York, NY 10281	11,262,914	40.39%
Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street, San Francisco, CA 94104	4,086,775	14.65%
Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street, San Francisco, CA 94104	4,086,775	8.57%
TD Ameritrade, Inc. for the Exclusive Benefit of Our Clients P.O. Box 2226, Omaha, NE 68103	4,086,776	7.50%

Name and Address	Shares	Percentage of Institutional Shares
NFSC Omnibus Account for the Exclusive Benefit of Our Customers 200 Liberty Street, New York, NY 10281	2,875,902	14.93%
UBS WM USA Omnibus Account 1000 Harbor Blvd. 5th Floor, Weehawken, NJ 07086	1,464,105	7.60%
Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street, San Francisco, CA 94104	1,030,416	5.35%

As of September 1, 2020, the principal holders of record (those with 5% or more of the outstanding shares) of securities of the **Developing World Fund** were:

Name and Address	Shares	Percentage of Investor Shares
NFSC Omnibus Account for the Exclusive Benefit of Our Customers 200 Liberty Street, New York, NY 10281	414,809	31.66%
TD Ameritrade Inc. For The Exclusive Benefit of Our Customers P.O. Box 2226, Omaha, NE 68103-2226	164,040	12.52%
Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street, San Francisco, CA 94104	111,709	8.53%
Pershing LLC 1 Pershing Plaza, Jersey City, NJ 07399	84,062	6.42%

Name and Address	Shares	Percentage of Institutional Shares
Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street, San Francisco, CA 94104	237,910	11.39%
Pershing LLC 1 Pershing Plaza, Jersey City, NJ 07399	169,147	8.10%
Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street, San Francisco, CA 94104	152,981	7.32%
NFSC Omnibus Account for the Exclusive Benefit of Our Customers 200 Liberty Street, New York, NY 10281	151,077	7.23%
Jane K. Carten ¹ 1300 North State Street, Bellingham, WA 98225	121,581	6.08%
Saturna Capital Corporation ¹ 1300 North State Street, Bellingham, WA 98225	119,243	5.11%

¹ Shares owned beneficially; together with Jane Carten's ownership as reflected above, Saturna Capital's total beneficial ownership is 11.19%.

As of September 1, 2020, the principal holders of record (those with 5% or more of the outstanding shares) of securities of the **Participation Fund** were:

Name and Address	Shares	Percentage of Investor Shares
NFSC Omnibus Account for the Exclusive Benefit of Our Customers 200 Liberty Street, New York, NY 10281	850,922	44.70%
Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street, San Francisco, CA 94104	185,163	9.73%
TD Ameritrade, Inc. for the Exclusive Benefit of Our Clients P.O. Box 2226, Omaha, NE 68103	170,970	8.98%
Pershing LLC 1 Pershing Plaza, Jersey City, NJ 07399	113,053	5.94%

Name and Address	Shares	Percentage of Institutional Shares
Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street, San Francisco, CA 94104	1,346,148	12.77%
Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street, San Francisco, CA 94104	1,281,516	12.15%
NFSC Omnibus Account for the Exclusive Benefit of Our Customers 200 Liberty Street, New York, NY 10281	897,718	8.51%

As of September 1, 2020, the trustees, officers, and their affiliates (including Saturna Capital Corporation) as a group, owned the following percentages of outstanding shares:

Trustees', officers', and affiliates' ownership	
Income Fund Investor Shares (AMANX)	0.02%
Income Fund Institutional Shares (AMINX)	2.86%
Growth Fund Investor Shares (AMAGX)	0.01%
Growth Fund Institutional Shares (AMIGX)	1.22%
Developing World Fund Investor Shares (AMDWX)	1.73%
Developing World Fund Institutional Shares (AMIDX)	12.85%
Participation Fund Investor Shares (AMAPX)	0.12%
Participation Fund Institutional Shares (AMIPX)	5.62%

As of September 1, 2020, Mr. Nicholas F. Kaiser directly and indirectly through his ownership interest in Saturna Capital owned 4.79%, and 2.29% of these Funds, respectively. As of September 1, 2020, Mrs. Jane K. Carten directly and indirectly through her ownership interest in Saturna Capital owned 6.08% and 2.91% of these funds, respectively.

The Control Persons and Principal Holders of Securities tables show the only persons known to the Trust to be the owners of record or beneficial owners of more than 5% or more of any Fund.

INVESTMENT ADVISORY AND OTHER SERVICES

Investment Adviser and Administrator

Saturna Capital Corporation, 1300 N. State Street, Bellingham, Washington 98225 is the Investment Adviser and Administrator (the “adviser”) for the Trust. Saturna Capital Corporation is also the Trust’s transfer agent. Mrs. Jane K. Carten, president of Saturna Capital, through her ownership of 52% of its voting stock, is a control person of the adviser. Mr. Nicholas F. Kaiser, chairman of Saturna Capital, through his ownership of 41% of its voting stock, is a control person of the adviser. Mr. Kaiser is also a trustee and president of Amana Mutual Funds Trust. A discussion regarding the Trustees’ approval of the continuance of the investment advisory and administration agreements is available in the Trust’s semi-annual report published every January.

Advisory Fee

Under their Advisory and Administration Agreements, effective June 1, 2019, the Amana Growth Fund, Amana Income Fund, and Amana Developing World Fund each pay the adviser an advisory and administration fee of 0.80% on the first \$1 billion of a Fund’s average daily net assets, 0.70% on the next \$1 billion, and 0.60% on assets over \$2 billion. Under the Advisory and Administration Agreement for the Participation Fund, the Fund pays the adviser an advisory and administration fee of 0.50% annually of the average daily net assets. The adviser, at its own expense and without additional cost to the Funds, furnishes office space, office facilities and equipment, personnel (including executive officers), and clerical and bookkeeping services required to conduct the Funds’ business.

The **Advisory and Administration Fees** table at left shows

Advisory and Administration Fees	2020	2019	2018
Income Fund	\$10,128,959	\$10,997,138	\$11,597,627
Growth Fund	\$15,651,450	\$14,999,230	\$13,564,420
Developing World Fund	\$265,217	\$245,744	\$282,925
Participation Fund	\$506,370	\$335,549	\$250,321
Transfer Agent Fees	2020	2019	2018
Income Fund Investor Shares (AMANX)	\$0	\$12,430	\$14,991
Income Fund Institutional Shares (AMINX)	\$0	\$16,355	\$15,452
Growth Fund Investor Shares (AMAGX)	\$0	\$15,917	\$19,616
Growth Fund Institutional Shares (AMIGX)	\$0	\$21,136	\$18,730
Developing World Fund Investor Shares (AMDWX)	\$0	\$1,583	\$2,755
Developing World Fund Institutional Shares (AMIDX)	\$0	\$3,457	\$3,106
Participation Fund Investor Shares (AMAPX)	n/a	n/a	n/a
Participation Fund Institutional Shares (AMIPX)	n/a	n/a	n/a
Retirement Plan Custodian Fees	2020	2019	2018
Income Fund Investor Shares (AMANX)	\$118	\$44	\$119
Income Fund Institutional Shares (AMINX)	\$80,743	\$46,175	\$47,292
Growth Fund Investor Shares (AMAGX)	\$178	\$58	\$226
Growth Fund Institutional Shares (AMIGX)	\$112,188	\$60,846	\$60,654
Developing World Fund Investor Shares (AMDWX)	\$22	\$1	\$32
Developing World Fund Institutional Shares (AMIDX)	\$20,354	\$9,340	\$12,205
Participation Fund Investor Shares (AMAPX)	\$118	\$50	\$31
Participation Fund Institutional Shares (AMIPX)	\$9,327	\$3,595	\$3,129
12b-1 Fees	2020	2019	2018
Income Fund Investor Shares (AMANX)	\$1,972,765	\$2,156,144	\$2,377,788
Growth Fund Investor Shares (AMAGX)	\$3,270,042	\$3,048,273	\$2,830,976
Developing World Fund Investor Shares (AMDWX)	\$36,939	\$37,360	\$37,701
Participation Fund Investor Shares (AMAPX)	\$50,692	\$48,096	\$35,917

amounts Saturna Capital Corporation was paid as the Funds’ investment adviser and administrator for the three most recent fiscal years ended May 31.

The advisory agreements also provide that in the event the total expenses of a Fund (excluding taxes, commissions and extraordinary items) for any fiscal year exceed 2% of average daily net assets, the Fund shall be reimbursed for such excess. No reimbursements have been required.

The Investment Advisory and Administrative Services Agreement is renewable from year to year with respect to each Fund, so long as its continuance is approved at least annually (1) by the vote of a majority of the Disinterested Trustees, cast in person at a meeting called for the purpose of voting on such

approval, and (2) by the vote of a majority of the Trustees or by a majority vote of the outstanding shares of the Fund (as defined by the 1940 Act).

Under its respective investment advisory agreement, each Fund pays its own taxes, brokerage commissions, trustees' fees, legal and auditing fees, insurance premiums, custodian fees, transfer agent fees, registrar and dividend disbursing agent fees, expenses incurred in complying with state and federal laws regulating the issue and sale of its shares, and mailing and printing costs for prospectuses, reports, and notices to shareowners.

As approved by the Board of Trustees on September 14, 2020, beginning December 1, 2020, the Amana Growth Fund, Amana Income Fund, and Amana Developing World Fund will each pay an advisory and administration fee of 0.80% on the first \$1 billion of a Fund's average daily net assets, 0.65% on the next \$1 billion, and 0.50% on assets over \$2 billion. There will be no change to the Amana Participation Fund's advisory and administration fee of 0.50% of the Fund's average daily net assets.

Principal Underwriter

The adviser's wholly-owned subsidiary, Saturna Brokerage Services, Inc., 1300 N. State Street, Bellingham, WA 98225, is a general securities brokerage firm and acts as distributor for the Trust.

Mr. Kaiser, an Interested Trustee, is chairman and director of Saturna Capital Corporation and Saturna Trust Company. Mrs. Jane Carten, an officer of the Trust, is president, chief executive officer, a director, and controlling shareowner of Saturna Capital Corporation; she is also president and a director of Saturna Brokerage Services, Inc. and a vice president and director of Saturna Trust Company. Mr. Fankhauser, an officer of the Trust, is chief operations officer and a director of Saturna Capital Corporation; he is also chief operations officer and a vice president of Saturna Brokerage Services, Inc. and a vice president, chief operations officer, and director of Saturna Trust company. All employees of the distributor are also employees of the adviser.

Shareowner Servicing

Under a separate service agreement, Saturna Capital Corporation also provides shareowner services as the transfer agent and dividend-paying agent for the Funds. As transfer agent, Saturna furnishes to each shareowner a confirmation after each transaction, a historical statement at the end of each year showing all transactions during the year, and Form 1099 and Form 1042 tax forms. Saturna also, on behalf of the Funds, responds to shareowners' questions

and correspondence. Furthermore, the transfer agent regularly furnishes the Funds with current shareowner lists and information necessary to keep the shares in balance with the Funds' records. The transfer agent protects the privacy of shareowner information, but provides shareowner information to regulators and other parties with legal rights to such information, and to a mailing service, under a confidentiality agreement, to facilitate the distribution of shareowner reports. The transfer agent performs the mailing of all financial statements, notices, and prospectuses to shareowners. The transfer agent makes year-end *zakah* computations for shareowners requesting this service. Effective June 1, 2019, Saturna Capital has waived its transfer agent fee for each Fund. Prior to June 1, 2019, the transfer agent was paid a monthly fee of \$0.25 per active account for each Fund other than the Participation Fund.

The **Transfer Agent Fees** table on page 16 shows the amounts Saturna Capital Corporation was paid as the Funds' shareowner servicing and transfer agent for the three most recent fiscal years ended May 31.

Saturna Trust Company, a wholly-owned subsidiary of Saturna Capital Corporation, is the Funds' retirement plan custodian and, as such, is paid compensation for maintaining records of contributions, disbursements, and assets as required for IRAs and other IRS-qualified retirement accounts. An annual fee of \$10 per account for retirement plan services is paid by the Funds to Saturna Trust Company.

Retirement plans using Saturna Trust Company as the custodian, including IRAs, invest in Amana Institutional Shares (i.e., without 12b-1 plan expenses).

The **Retirement Plan Custodian Fees** table on page 16 shows the amounts Saturna Trust Company was paid as the Funds' retirement plan custodian for the three most recent fiscal years ended May 31.

Subsidiary Service Providers

The Subsidiary has entered into an agreement with the Trust's service providers for the provision of administrative, accounting transfer agency and custody services. The Subsidiary will bear the expenses associated with these services, which are not expected to be material in relation to the value of the Participation Fund's assets. It is also anticipated that the Fund's own expenses will be reduced to some extent as a result of the payment of such expenses at the Subsidiary level. Therefore, it is expected that the Fund's investment in the Subsidiary will not result in the Fund's paying duplicative fees for similar services provided to the Fund and the Subsidiary.

Rule 12b-1 Plan

Effective July 19, 2013, the Trust entered into a distribution agreement with Saturna Brokerage Services, Inc. (the "distributor"), a broker-dealer registered under the Securities Exchange Act of 1934, pursuant to which the distributor acts as principal underwriter of Fund shares for sale to the public. Additionally, the Trust has adopted a Rule 12b-1 plan which provides for each Fund to reimburse the distributor monthly at a rate of up to 0.25% annually of that Fund's average daily net assets applicable to Income Fund, Growth Fund, Developing World Fund, and Participation Fund Investor Shares to finance the distribution of those shares and to furnish services to owners of Investor Shares. The plan reimburses the distributor only for expenses incurred and does not compensate the distributor regardless of expenses. The Trust does not participate in any joint distribution activities with another investment company.

The Trustees, in seeking shareowner approval for the distribution plan, expected that it would help the adviser and distributor have the flexibility to direct their distribution activities in a manner consistent with prevailing market conditions by using, subject to regular Trustee approval, a portion of Trust assets to make payments to the distributor or third parties for marketing, distribution, and other services. They expected that to the extent the adviser and distributor have greater flexibility and resources under the plan, additional sales of Income Fund, Growth Fund, Developing World Fund, and Participation Fund Investor Shares may result, and that this has the potential to benefit the Funds by reducing the possibility that a Fund would experience net redemptions, which might require the liquidation of portfolio securities in amounts and at times that could be disadvantageous for investment purposes. There can be no assurance that these events will occur.

The **12b-1 Fees** table on page 16 shows the amounts Saturna Brokerage Services was paid as the Funds' underwriter under the distribution plan for the three most recent fiscal years ended May 31.

Institutional Shares do not pay the 12b-1 fee.

No Trustee who is not an interested person of the Trust has a direct or indirect financial interest in the operation of the plan or related agreements. While Saturna Brokerage Services is paid fees under the plan, there is no benefit to Saturna Capital Corporation or its employees, including Mr. Kaiser, as the amounts spent by Saturna Capital Corporation (described below) substantially exceed the 12b-1 fees received.

Under the distribution plan, the distributor has entered into dealer selling agreements with a large number of brokerage

firms. These selling agreements do not compensate dealers for actual sales (the Amana Funds pay no sales commissions), only for assets they hold and service for their customers.

During the fiscal year ended May 31, 2020, the Funds reimbursed the distributor the following amounts allocated to the following principal activities:

Advertising:	\$-
Printing and mailing of prospectuses to other than current shareowners:	\$-
Compensation to underwriters:	\$-
Compensation to broker-dealers:	\$5,330,438

The adviser spent an additional \$3,324,241 of its own resources to compensate broker-dealers. The adviser may pay such additional compensation, out of its own resources and not as an expense of the Funds, to brokers or other financial intermediaries, or their affiliates, in connection with the sale, distribution, retention, and/or servicing of Fund shares. To the extent that these resources are derived from advisory fees paid by Income Fund, Growth Fund, Developing World Fund, and Participation Fund Investor Shares, these payments could be considered "revenue sharing." In some cases, these payments may create an incentive for the intermediary or its employees to recommend or sell shares of the Funds to you. If you have purchased shares of a Fund through an intermediary, please contact your intermediary to learn more about any payments it receives from the adviser and/or its affiliates, as well as fees and/or commissions the intermediary charges. You should also consult disclosures made by your intermediary at the time of purchase. Any such payments will not change the net asset value or the price of a Fund's shares.

Custodian

The Funds' custodian is UMB Bank, NA, 928 Grand Blvd, 5th Floor, Kansas City, Missouri 64155.

The custodian holds all securities and cash, settles all Fund portfolio securities transactions, receives (on behalf of the Funds) the money from sale of Fund shares, and on order of the Funds, pays the authorized expenses of the Funds. When investors redeem Fund shares, the proceeds are paid to the shareowner from a Fund's account at the custodian bank.

Independent Registered Public Accounting Firm

Tait, Weller and Baker LLP, 50 South 16th Street, Suite 2900, Philadelphia, PA 19102, is the independent registered public accounting firm for the Trust and the Funds. The accountants conduct an annual audit of the Funds as of May

31 each year. With pre-approval of the Trustees, they may provide related services such as preparing Fund tax returns.

PORTFOLIO MANAGERS

All Saturna Capital Corporation employees, including Elizabeth W. Alm, Patrick T. Drum, Bryce R. Fegley, Scott F. Klimo, Christopher E. Paul, Monem A. Salam, Levi Stewart Zurbrugg, and other portfolio managers are paid an annual salary, as set by the board of Saturna Capital. The board also pays bonuses that are partly dependent on the profits of Saturna Capital and may also reflect the results of specific managed accounts or specific businesses of Saturna Capital. As owners of shares and/or stock options of Saturna Capital Corporation, Ms. Alm and Messrs. Drum, Fegley, Klimo, Paul, Salam, and Stewart Zurbrugg may benefit from any increase in its value per share that might result from its operations or profits. They may also receive dividends on shares of Saturna Capital. All Saturna Capital employees are eligible for a retirement plan, health care, and other benefits, and a stock option plan. Stock options are annually awarded on the basis of years of service, and not individual performance. Mutual fund portfolio managers are paid a monthly bonus (which may be shared with other employees) when a Fund achieves

an overall rating of 4 or 5 stars from Morningstar. The bonus is 1% of the adviser's net monthly fee (which is based on both assets and performance) for a 4-star rating and 2% of the monthly fee for a 5-star rating.

Saturna's portfolio managers may manage multiple accounts, including mutual funds and separate accounts for individuals, investment partnerships, pension funds, and charities. Portfolio managers make investment decisions for each account based on the investment objectives, policies, practices, and other relevant investment considerations that the managers believe are applicable to that account. The management of multiple accounts may give rise to potential conflicts of interest when the accounts have similar or different objectives, benchmarks, time horizons, and fees because the portfolio manager must allocate his time and investment ideas across multiple accounts. Consequently, a manager may purchase (or sell) a security for one account and not for another. The adviser has adopted policies designed to fairly allocate securities purchased or sold on an aggregated basis. Transactions executed for one account may adversely affect the value of securities held by other accounts. Securities selected for some accounts may outperform the securities selected for others. Through an

Portfolio Managers (as of May 31, 2020)				
Portfolio Manager:	Trust portfolios served as primary manager (assets):	Other investment company portfolios served as primary manager (assets):	Other pooled investment vehicles served as primary manager (assets):	Other accounts (assets):
Elizabeth W. Alm	None	Sextant Bond Income Fund (\$13,497,064) ¹ Idaho Tax-Exempt Fund (\$14,130,041)	None	None
Patrick T. Drum	Amana Participation Fund (\$116,569,725)	Saturna Sustainable Bond Fund (\$27,180,843)	None	None
Bryce R. Fegley	None	Sextant Global High Income Fund (\$8,285,992) ¹ Sextant Core Fund (\$17,101,202) ¹	None	None
Scott F. Klimo	Amana Growth Fund (\$2,162,693,581)	Sextant Growth Fund (\$47,330,642) ¹	None	None
Christopher E. Paul	None	Sextant International Fund (\$74,010,160) ¹ Sextant Core Fund (\$17,101,202) ¹	Five (\$68,172,933) ¹	None
Monem A. Salam	Amana Income Fund (\$1,268,779,668) Amana Dev. World Fund (\$32,198,941)	None	None	Forty (\$44,820,933)
Levi Stewart Zurbrugg	None	Sextant Short-Term Bond Fund (\$11,481,692) ¹	None	None

¹Assets managed with a performance fee

Portfolio Manager Fund Ownership (as of May 31, 2020)

Dollar range of equity securities in Amana Mutual Funds Trust owned beneficially by Portfolio Managers

Elizabeth W. Alm	Amana Growth Fund Institutional Shares: \$10,001-\$50,000 Amana Participation Fund Institutional Shares: \$1-\$10,000
Patrick T. Drum	Amana Participation Fund Investor Shares: \$1-\$10,000 Amana Participation Fund Institutional Shares: \$1-\$10,000
Bryce R. Fegley	Amana Income Fund Institutional Shares: \$50,001-\$100,000 Amana Growth Fund Institutional Shares: over \$100,000 Amana Developing World Fund Institutional Shares: \$1-\$10,000
Scott F. Klimo	Amana Income Fund Institutional Shares: \$100,001-\$500,000 Amana Growth Fund Institutional Shares: \$100,001-\$500,000 Amana Developing World Fund Institutional Shares: \$10,001-\$50,000
Christopher E. Paul	None
Monem A. Salam	Amana Income Fund Institutional Shares: \$100,001-\$500,000 Amana Growth Fund Institutional Shares: \$100,001-\$500,000 Amana Developing World Fund Institutional Shares: \$50,001-\$100,000
Levi Stewart Zurbrugg	Amana Income Fund Institutional Shares: \$1-\$10,000 Amana Growth Fund Institutional Shares: \$1-\$10,000 Amana Developing World Fund Institutional Shares: \$1-\$10,000 Amana Participation Fund Institutional Shares: \$1-\$10,000

arrangement with Saturna Brokerage Services, accounts presently trade securities at zero commission, eliminating a potential conflict.

Amana's net monthly advisory fee is solely dependent on Fund assets. The net monthly fee from the Sextant Funds is partly based on Sextant Fund performance results. The Sextant International Fund (which Mr. Paul manages), Sextant Growth Fund (which Mr. Klimo manages), Sextant Global High Income Fund (which Mr. Fegley manages) and the Sextant Bond Income (which Ms. Alm manages), Sextant Core Fund (which Messrs. Fegley and Paul manage), and Sextant Short-Term Bond Fund (which Mr. Stewart Zurbrugg manages), pay a base fee of 0.50% of average daily net assets, adjusted up or down by up to 0.20% depending upon a Fund's performance over the previous 12 months compared to the average fund in its Morningstar category.

Since all fund assets vary over time with performance and investors favor mutual funds with superior investment records, the portfolio manager's bonus is a function of both performance and assets.

Three of the private pooled investment portfolios managed by Mr. Paul pay Saturna Capital Corporation as adviser a performance fee of 10% of the year's increase in net asset value achieved from the previous highest year-end net asset value. There is no base fee and no performance fee in years when the net asset value is below the highest previous value. As portfolio manager, Mr. Paul normally receives a significant portion of any fee earned as a bonus.

A portfolio manager's compensation plan may give rise to potential conflicts of interest. To reduce this risk, a mutual fund portfolio manager's account performance bonus depends upon the Fund's overall Morningstar™ rating, which derives from investment results over the last three, five, and ten years. A manager's compensation tends to increase with assets under management, which in turn may increase the value of Saturna Capital Corporation.

BROKERAGE ALLOCATION

The placing of purchase and sale orders as well as the negotiation of commissions is performed by the adviser and is reviewed by the Board of Trustees. Although it is permitted to do so, the adviser does not allocate brokerage to any broker in return for research or services.

The primary consideration in effecting securities transactions for the Trust is to obtain the best price and execution which in the judgment of the adviser is attainable at the time and which would bring the best net overall economic result to a Fund. 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. The adviser may negotiate commissions at a rate in excess of the amount another broker would have charged if it determines in good faith that the overall net economic result is favorable to the Fund and is not required to execute trades in “over-the-counter” securities with primary market-makers if similar terms are available elsewhere. The adviser evaluates whether brokerage commissions are reasonable based upon available information about the general level of commissions paid by similar mutual funds for comparable services.

When consistent with best execution, brokerage may be directed to Saturna Brokerage Services, Inc., a wholly-owned subsidiary of the adviser, which engages in a discount brokerage business. Saturna Brokerage Services currently executes portfolio transactions for the Trust for free (no commissions). Transactions effected through other brokers are subject to commissions payable to that broker.

The **Commissions Paid To Saturna Brokerage Services** table on page 21 contains the commissions each Fund paid Saturna Brokerage for each of the last three fiscal years.

The **Commissions Paid To Other Broker-Dealers** table on page 21 contains the commissions each Fund paid to unaffiliated broker-dealers for each of the last three fiscal years.

The Trustees review brokerage activity in detail at each regular meeting. Meetings are held on a quarterly schedule.

CAPITAL STOCK

The Amana Mutual Funds Trust is organized as a “series” investment company. Each Fund of the Trust is divided into classes, which are further divided into shares of beneficial interest. Those Funds and classes are named: Income Fund Investor, Income Fund Institutional, Growth Fund Investor, Growth Fund Institutional, Developing World Fund Investor, Developing World Fund Institutional, Participation Fund Investor, and Participation Fund Institutional. There are no restrictions on shareowners’ rights to freely retain or dispose of shares of any class. There are no material obligations or potential liabilities associated with owning a Fund’s shares except the investment risks described in the Funds’ prospectus and summary prospectuses, and in this statement of additional information in the section *Fund Descriptions, Investments, and Risks* on page 2. The shareowners of each separate Fund may look only to that Fund for dividends, income, capital gains or losses, redemption, liquidation, or termination. Each class of shares of a Fund will have (i) exclusive voting rights on any matter submitted to shareowners that relates solely to its arrangement and (ii) separate voting rights on any matter submitted to shareowners in which the interests of one

Commissions Paid To Saturna Brokerage Services

	2020	2019	2018	% of 2020 aggregate brokerage commissions paid Saturna Brokerage	% of 2020 aggregate dollar amount of transactions involving the payment of commissions through Saturna Brokerage
Income Fund	\$0	\$0	\$0	0%	0%
Growth Fund	\$0	\$0	\$0	0%	0%
Developing World Fund	\$18	\$0	\$0	0%	0%
Participation Fund	\$0	\$0	\$0	0%	0%

Commissions Paid To Other Broker-Dealers

	2020	2019	2018
Income Fund	\$-	\$-	\$-
Growth Fund	\$130	\$-	\$-
Developing World Fund	\$9,314	\$2,556	\$2,569
Participation Fund	\$-	\$-	\$-

class differ from the interest of any other class (however, the Participation Fund may impose a redemption fee). The voting rights of each class of shares can only be modified by a majority vote of that class. Shareowners may elect to convert eligible Investor Shares into corresponding Institutional Shares of the same series, provided that following the conversion the investor meets applicable eligibility requirements for the Institutional Shares. Any such conversion will occur at the next available respective net asset values of the share classes. There are no sinking fund provisions. The creditors and shareowners of each class of shares are limited to the assets of that class of shares for recovery of charges, expenses, and liabilities.

PURCHASE, REDEMPTION, AND PRICING OF SHARES

See *Purchase and Sale of Fund Shares* in each Fund's Summary Prospectus and *Fund Share Pricing* in the Trust's Prospectus for an explanation about the ways to purchase or redeem shares. Both purchases and redemptions are made at net asset value per share.

Each Fund reserves the right, under certain conditions, to honor any request for redemption by making payment in whole or in part in securities valued as described in "Fund Share Pricing" in the prospectus. If payment is made in securities, a shareholder or Institution generally will incur brokerage expenses or other transaction costs in converting those securities into cash and will be subject to fluctuation in the market prices of those securities until they are sold. The Funds would do so when the Manager or the Fund Trustees determine that it is in the best interests of a Fund's shareholders as a whole.

It is important to note that there are differences between the two share classes. Investor Shares are subject to an annual distribution fee to compensate financial intermediaries for providing investors with ongoing account services. Institutional Shares are not subject to an annual distribution fee and, consequently, holders of Institutional Shares may not receive the same types or levels of services from financial intermediaries. In choosing between Investor Shares versus Institutional Shares, investors should weigh the benefits of the services to be provided by financial intermediaries against the annual distribution fee imposed upon some shares.

Offering Price

Each Fund computes its price per share of each share class on each business day by dividing the value of all securities and other assets, less liabilities, attributable to each share class, by the number of shares outstanding of that class. The daily price is determined for each class of each Fund as of the close of trading on the New York Stock Exchange (generally 4 p.m. Eastern time) on each day the Exchange is open for trading. The Exchange is generally closed on New Year's Day, Martin Luther King Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas. See the balance sheet in the Annual Report or Semi-Annual Report for a specimen sheet showing how the Funds calculate net asset value, which is the price used for both purchase and redemption of shares.

Pricing of Foreign Equity Securities

Foreign securities traded outside the US are valued on the basis of their most recent closing market prices at 4 p.m. Eastern time.

Foreign markets may close before the time at which the Funds' prices are determined. Because of this, events occurring after the close of a foreign market and before the determination of the Funds' NAVs may have a material effect on the Funds' foreign security prices. To account for this, the Funds may use independent pricing services for valuation of securities.

In developing valuations for foreign securities, the independent pricing services review a variety of factors, including developments in foreign markets, the performance of US securities markets, and the performance of instruments trading in US markets that represent foreign securities and baskets of foreign securities. The Funds may also fair value securities in other situations, for example, when a particular foreign market is closed but the Fund is open.

The Funds routinely compare closing market prices, the next day's opening prices in the same markets, and adjusted prices and other factors they believe are relevant for such testing. Other mutual funds may adjust the prices of their securities by different amounts.

Intermediary Processing

Investors should be aware that intermediaries might have policies different from the Funds' policies regarding trading and redemptions, and these may be in addition to or in place of the Funds' policies. For more information about these restrictions and policies, please contact your broker, retirement plan administrator, or other intermediary.

Abandoned Property

It is the responsibility of the investor to ensure that Saturna Capital Corporation maintains a correct address for the investor's account(s). An incorrect address may cause an investor's account statements and other mailings to be returned. If Saturna Capital Corporation is unable to locate the investor, then it will determine whether the investor's account has been legally abandoned. Saturna Capital Corporation is legally obligated to escheat (or transfer) abandoned property to the appropriate state's unclaimed property administrator in accordance with statutory requirements. The investor's last known address of record determines which state has jurisdiction.

TAXATION OF THE TRUST

Each Fund is a separate economic entity and as such, the tax status and tax consequences to shareowners of each Fund may differ, depending upon the investment objectives, operations, income, gain or loss, and distributions from each Fund.

Each Fund intends to qualify as a regulated investment company for U.S. federal income tax purposes. In order to so qualify, a Fund must satisfy certain requirements with respect to the types of income that it earns each year (the "Income Requirement") and satisfy other requirements with respect to diversifying its investment holdings, measured at the end of each quarter of its taxable year (the "Diversification Requirement").

Each Fund intends to distribute to shareowners substantially all of its net investment income and net realized capital gains, if any, and to comply, as each has since inception, with the provisions of the Internal Revenue Code applicable to regulated investment companies (Subchapter M), which relieve mutual funds of federal income tax on the amounts so distributed.

If a Fund failed to qualify for treatment as a regulated investment company for any taxable year, (a) it would be taxed as an ordinary corporation on the full amount of its taxable income for that year without being able to deduct the distributions it makes to its shareowners and (b) the shareowners would treat all those distributions, including distributions of net capital gain, as dividends to the extent of that Fund's earnings and profits, taxable as ordinary income (except that, for individual shareowners, the part thereof that is "qualified dividend income" would be subject to federal income tax at the rate for net capital gains – a maximum rate of 20%) and eligible for the dividends-received deduction

available to corporations under certain circumstances. In addition, the Fund could be required to recognize unrealized gains, pay substantial taxes and interest, and make substantial distributions before requalifying for regulated investment company treatment.

The Trust's custodian may use foreign sub-custodians to hold securities of a Fund outside the US, which can subject the Fund to foreign withholding or other taxes. Working with its custodian, the Fund can normally reclaim such foreign taxes.

As of May 31, 2020, the components of distributable earnings on a tax basis were as follows:

Income Fund	
Undistributed ordinary income	\$193,587
Accumulated capital gains	\$32,961,690
Tax accumulated earnings	\$33,155,277
Unrealized appreciation	\$793,872,807
Total accumulated earnings	\$827,028,084
Growth Fund	
Undistributed ordinary income	\$3,443,948
Accumulated capital gains	\$130,747,992
Tax accumulated earnings	\$134,191,940
Unrealized appreciation	\$1,529,974,805
Total accumulated earnings	\$1,664,166,745
Developing World Fund	
Accumulated capital and other losses	\$(7,920,210)
Unrealized appreciation	\$5,082,782
Total accumulated losses	\$(2,837,428)
Participation Fund	
Accumulated capital and other losses	\$(299,556)
Undistributed ordinary income	\$5,486
Tax accumulated earnings	\$(294,070)
Unrealized appreciation	\$1,104,871
Total accumulated earnings	\$810,801

The Funds' transfer agent must withhold and remit to the US Treasury 24% of dividends, capital gains distributions, and redemption proceeds (regardless of the extent to which gains or losses may be realized) otherwise payable to any individual or certain other non-corporate shareowner who fails to properly furnish the transfer agent with a correct Social Security or other taxpayer identification number. Withholding at that rate also is required from a Fund's dividends and capital gains distributions otherwise payable to such a shareowner who is subject to backup withholding for any other reason. Backup withholding is not an additional tax, and any amounts so withheld may be credited against a shareowner's federal income tax liability or refunded.

If the IRS determines that a Fund should be fined or penalized for inaccurate or missing or otherwise inadequate reporting of a Tax Identification Number, the amount of the IRS fee or penalty will be directly assessed to the shareowner account involved.

Dividends a Fund pays to a foreign shareowner, other than (1) dividends paid to a foreign shareowner whose ownership of shares is effectively connected with a US trade or business the shareowner carries on and (2) capital gains distributions paid to a non-resident alien individual who is physically present in the United States for no more than 182 days during the taxable year, generally will be subject to a federal withholding tax of 30% (or lower treaty rate). Two categories of dividends, however, "interest-related dividends" and "short-term capital gain dividends," if properly designated by a Fund, will be exempt from that tax.

INVESTMENT IN THE SUBSIDIARY

The Participation Fund will invest up to 25% of its total assets (by value) in the Subsidiary which is expected to provide the Fund with exposure to sukuk, murahaba and wakala within the limitations of the Income Requirement and the Diversification Requirement. The Subsidiary will be classified as a corporation for federal tax purposes and, as a foreign corporation, generally will not be subject to federal income taxation unless it is engaged in a US trade or business. A foreign corporation that is not a dealer in stocks, securities, or commodities may engage in the following activities without being deemed to be so engaged: (1) trading in stocks or securities (including contracts or options to buy or sell securities) for its own account; and (2) trading in commodities that are "of a kind customarily dealt in on an organized commodity exchange ... if the transaction is of a kind customarily consummated at such place" for its own account. It is expected that the Subsidiary will conduct its securities trading activities to comply with the foregoing.

In general, a foreign corporation that does not conduct a US trade or business is nonetheless subject to federal income tax at a flat rate of 30% (or lower treaty rate) on the gross amount of certain US-source income, including dividends and certain interest income, which is not effectively

connected with a US trade or business. There is no tax treaty in force between the United States and the Cayman Islands that would reduce the 30% rate. The 30% tax does not apply to US-source capital gains (whether long-term or short-term), interest paid to a foreign corporation on its deposits with US banks, or "portfolio interest" (which includes interest, including OID, on certain obligations in registered form and, under certain circumstances, interest on bearer obligations).

The Subsidiary will be a "controlled foreign corporation" ("CFC") if, on any day of its taxable year, more than 50% of the voting power or value of its stock is directly, indirectly, or constructively owned by "United States shareholders." A United States shareholder is defined as a "United States person" (as defined in Internal Revenue Code section 957(c)) who directly, indirectly, or constructively owns 10% or more of the total combined voting power or 10% or more of the total value of all classes of a foreign corporation's voting stock. Because the Fund is a United States shareholder of the Subsidiary – it is a United States person that owns and will continue to own at least 10% of the voting power or 10% or more of the total value of the Subsidiary's stock – that owns all of the Subsidiary's stock, the Subsidiary thus is a CFC. As a United States shareholder, the Fund annually is required to include in its gross income all of the Subsidiary's "subpart F income" – which includes interest, OID, dividends, net gains from the disposition of stocks or securities, receipts with respect to securities loans, net payments received with respect to equity swaps and similar derivatives, and net gains from transactions (including futures and forwards) in commodities and is expected to constitute all of the Subsidiary's income – regardless of whether the Subsidiary distributes that income to the Fund. The Fund's recognition of the Subsidiary's subpart F income increases its tax basis in its stock in the Subsidiary. Distributions by the Subsidiary to the Fund, if any, will be tax-free, to the extent of its previously undistributed subpart F income, and will correspondingly reduce the Fund's tax basis in the Subsidiary's stock. Subpart F income is generally treated as ordinary income, regardless of the character of the Subsidiary's underlying income.

UNDERWRITERS

Effective July 19, 2013, the Trust entered into a distribution agreement with Saturna Brokerage Services, Inc. (the “distributor”), a broker-dealer registered under the Securities Exchange Act of 1934, pursuant to which distributor acts as principal underwriter of the Funds’ shares for sale to the public. The distributor is a member of the the Financial Industry Regulatory Authority and a wholly-owned subsidiary of Saturna Capital Corporation. All employees of the distributor are also employees of the adviser. Additionally, the Trust has adopted a Rule 12b-1 Plan, under which the distributor is reimbursed by the Trust on a monthly basis at a rate of up to 0.25% annually of the Funds’ average daily net assets applicable to Investor Shares to finance the distribution of Income Fund, Growth Fund, Developing World Fund, and Participation Fund Investor Shares and to furnish services to owners of Investor Shares. See *Rule 12b-1 Plan* on page 18 for more information.

In accordance with its contract with the Trust, the distributor devotes appropriate efforts to effect the sales of shares of each of the Funds, but is not obligated to sell any certain number of shares. The offering of shares is continuous.

FINANCIAL STATEMENTS

The most recent audited annual report accompanies this Statement of Additional Information.

There is incorporated by reference into this Registration Statement the following financial information in the Annual Report to shareowners for the fiscal year ended May 31, 2020:

- Report of Tait, Weller & Baker LLP, Independent Registered Public Accounting Firm
- Statements of Assets and Liabilities as of May 31, 2020
- Financial Highlights — Years ended May 31, 2020, 2019, 2018, 2017, and 2016
- Statements of Operations — Year ended May 31, 2020
- Statements of Changes in Net Assets — Years ended May 31, 2020, and 2019
- Investments — As of May 31, 2020
- Notes to Financial Statements