



IDAHO TAX-EXEMPT FUND



Annual Report

November 30, 2020

Performance Summary (as of December 31, 2020)

Average Annual Returns (before any taxes paid by shareowners)

	1 Year	3 Year	5 Year	10 Year	15 Year	Expense Ratio
Idaho Tax-Exempt Fund	3.68%	3.53%	2.76%	3.23%	3.37%	0.69% ¹
S&P Idaho Municipal Bond Index	4.72%	4.29%	3.77%	4.97%	4.68%	n/a
"Muni Single State Intermediate" Category Average ²	3.92%	3.43%	2.72%	3.44%	3.43%	0.94%

Performance data quoted in this report represents past performance, is before any taxes payable by shareowners, and is no guarantee of future results. Current performance may be higher or lower than that stated herein. Performance current to the most recent month-end is available by calling toll-free 1-800-728-8762 or visiting www.idahotaxexemptfund.com. Average annual total returns are historical and include change in share value as well as reinvestment of dividends and capital gains, if any. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

Please consider an investment's objectives, risks, charges, and expenses carefully before investing. To obtain this and other important information about the Idaho Tax-Exempt Fund in a prospectus or summary prospectus, ask your financial adviser, visit www.idahotaxexemptfund.com, or call toll-free 1-800-728-8762. Please read the prospectus or summary prospectus carefully before investing.

A note about risk: See Notes to Financial Statements for a discussion of investment risks. For a more detailed discussion of the risks associated with the Fund, please see the Fund's prospectus or summary prospectus.

¹ By regulation, the expense ratio shown in this table is as stated in the Fund's most recent prospectus, which is dated March 27, 2020, and incorporates results for the fiscal year ended November 30, 2019. The ratio presented in this table differs from expense ratios shown elsewhere in this report as they represent different fiscal periods.

² **Source: Morningstar December 31, 2020.** Morningstar, Inc. is an independent fund performance monitor. Category returns are determined monthly from total returns by Morningstar, by category as determined by Morningstar. Category average expense ratios are determined by Morningstar from prospectus level data reported by funds in the category.

On the cover: Boise, Idaho, USA downtown cityscape at twilight.



Fellow Shareowners:

January 25, 2021

2020 was a year defined by change, challenge, and uncertainty. However, Idaho Tax-Exempt Fund has continued to perform well due to conservative financial management and a growing economy. Idaho maintained strong reserves, good employment, and a balanced budget while many other states faced financial hardship.

According to the Tax Foundation, the state of Idaho's revenue growth was number one in the nation, rising 8.2% from fiscal year 2019 to fiscal year 2020 even while revenue in neighboring Wyoming fell 6.7%.¹ This growth allowed Idaho to end the year with a \$600 million budget surplus, avoiding the massive shortfalls seen elsewhere. The governor's proposed budget for the next fiscal year continues to be very conservative, while restoring funding to K-12 and higher education. Surplus funds may be used to provide tax relief for families and small businesses.² Adding to the state's fiscal flexibility, the rainy-day fund (a pool of money that states set aside for emergency use or savings) is the highest it has been since its creation in 1984.³ Idaho's willingness to maintain a balanced budget and take swift action to maintain that balance will drive good performance into the future.

The state of Idaho's GDP reached \$85.79 billion by the end of the third quarter, ranking number four in the nation for growth in the first three quarters of 2020. The GDP rose a staggering 43.3% in the third quarter alone, recovering almost completely to pre-pandemic levels. The economic base of the state has diversified over the past decade by adding jobs in construction, technology, tourism, and health care. Employment continued good performance relative to the nation as a whole. In November, Idaho's unemployment rate of 4.8% was significantly lower than the national rate at 6.7%.⁴

None of the municipal debt that went into distress or default this year was in the state of Idaho, despite the amount of such debt increasing 109% from 2019 - 2020 to \$6.6 billion. However, we are vigilant for the potential impacts on credit due to the coronavirus or a slow vaccine rollout. Uncertainty also remains as to the scope and details of any further stimulus or aid from the federal government for state and local governments. We could expect to see some additional revenue volatility as income and sales taxes are economically sensitive. The Fund continues to hold positions in strong issuers with solid liquidity able to withstand such volatility.

The challenges faced due to the COVID-19 crisis highlight the merits of conservative fiscal management. The Fund continues to offer discriminating investors the opportunity to invest in high quality tax-exempt securities in an exceptionally creditworthy state. Looking forward to the next fiscal year, we believe Idaho will have additional flexibility to weather the ongoing pandemic with strong reserves and a strong economy.

Respectfully,



Jane Carten MBA,
President



Elizabeth Alm CFA®,
Portfolio Manager

¹ Walczak, Jared. *New Census Data Shows States Beat Revenue Expectations in FY 2020*. Tax Foundation, September 18, 2020. <https://taxfoundation.org/state-tax-revenues-beat-expectations-fy-2020/>

² Masters, John. *Gov. Little unveils state budget, calls for more spending on education, transportation and health care*. KTVB7, January 11, 2021. <https://www.ktvb.com/article/news/local/capitol-watch/idaho-governor-brad-little-budget-recommendations/277-f650924d-5b76-430a-8d44-46dcd10ef20c>

³ McPeck, Kristin. *Idaho's rainy day funds at \$600 million: "It's the most we've had since its creation."* Idaho News. November 23, 2020. <https://idahonews.com/news/local/idahos-rainy-day-funds-at-600-million-its-the-most-weve-had-since-its-creation>

⁴ U.S. Bureau of Labor Statistics. January 14, 2021. <https://www.bls.gov/eag/eag.us.htm>

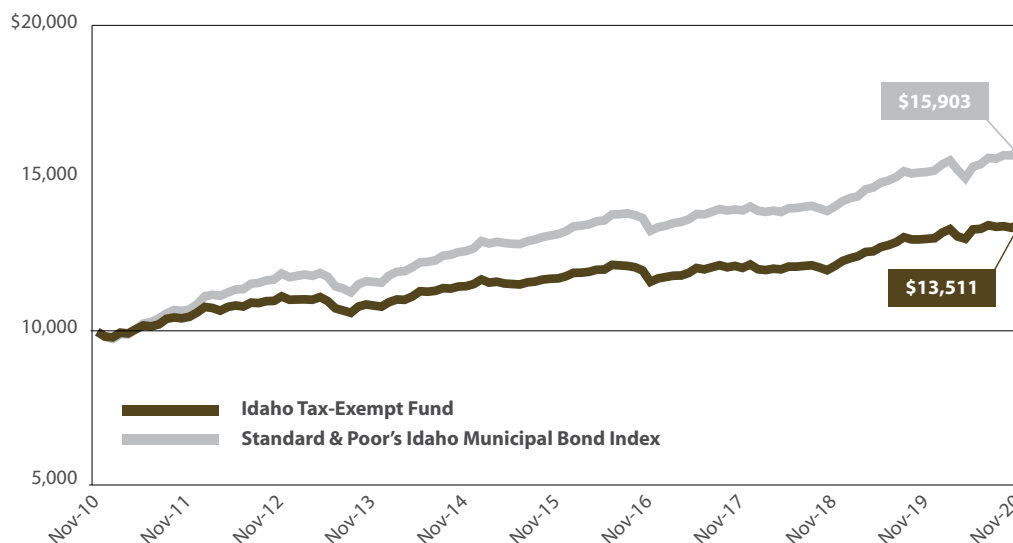
Performance Summary

(unaudited)

Average Annual Returns (as of November 30, 2020)

	1 Year	5 Year	10 Year	Expense Ratio ¹
Idaho Tax-Exempt Fund	3.67%	2.85%	3.05%	0.69%
S&P Idaho Municipal Bond Index	4.52%	3.81%	4.74%	n/a

Growth of \$10,000



Comparison of any mutual fund to a market index must be made bearing in mind that the Index is unmanaged and expense-free. Conversely, the fund will (1) be actively managed; (2) have an objective other than mirroring the index, such as limiting risk; (3) bear transaction and other costs; (4) stand ready to buy and sell its securities to shareowners on a daily basis; and (5) provide a wide range of services. The graph compares \$10,000 invested in the Fund on November 30, 2010, to an identical amount invested in the Standard & Poor's Idaho Municipal Bond Index, a broad-based index of Idaho municipal bond prices. The graph shows that an investment in the Fund would have risen to \$13,511 versus \$15,903 in the S&P Idaho Municipal Bond Index.

Past performance does not guarantee future results. The "Growth of \$10,000" graph and "Average Annual Returns" performance table assume the reinvestment of dividends and capital gains. They do not reflect the deduction of taxes that a shareowner might pay on fund distributions or the redemption of fund shares.

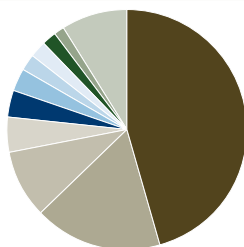
¹ By regulation, the expense ratio for the Fund shown in this table is as stated in the Fund's most recent prospectus, which is dated March 27, 2020, and incorporates results for the fiscal year ended November 30, 2019. The ratio presented in this table differs from expense ratios shown elsewhere in this report as they represent different fiscal periods.

Fund Objective

Idaho Tax-Exempt Fund seeks to provide income free from federal income, federal alternative minimum, and Idaho state income taxes. Preservation of capital is a secondary objective.

Portfolio Diversification

	% of Total Net Assets
General Obligation	45.6%
State Education	17.3%
Real Estate	9.3%
Financial Services	4.6%
Water Supply	3.5%
Government Bonds	3.1%
Pollution Control	2.2%
Medical - Hospitals	2.2%
Health Care Facilities	2.1%
Transportation	1.4%
Other assets (net of liabilities)	8.7%



Top 10 Holdings

	% of Total Net Assets
Teton Co, ID SCD #401 Driggs (4.00% due 09/15/2035)	4.0%
University of Idaho Revenue (5.00% due 04/01/2032)	3.2%
Canyon Co ID SCD #134 Middleton (4.00% due 09/15/2028)	3.1%
Idaho Bond Bank (4.00% due 09/15/2032)	3.0%
Idaho State Building Authority (5.00% due 09/01/2032)	2.9%
Nez Perce CO ISD #1 Lewiston (5.00% due 09/15/2029)	2.8%
Idaho Fish Wildlife Foundation Rev (5.00% due 12/01/2033)	2.7%
Ada & Canyon Cos ID JSD #2 Meridian (5.00% due 08/15/2032)	2.6%
Twin Falls Co ID SCD #411 (4.25% due 09/15/2030)	2.3%
Cariboo Franklin Bannock JSD #148 (3.25% due 09/15/2035)	2.2%

Discussion of Fund Performance

(unaudited)

For the 12 months ended November 30, 2020, Idaho Tax-Exempt Fund returned 3.67%, which was 0.85% below the S&P Idaho Municipal Index which returned 4.52%. For the five years ended November 30, 2020, the Fund provided an annualized total return of 2.85%, compared to the 3.81% annualized return for the index. The Fund's net operating expense ratio was 0.67%. For the year, the Fund's net assets rose 11% to \$14.99 million. The Fund's net asset value per share rose from \$5.55 to \$5.65.

Factors Affecting Past Performance

2020 was a year of extraordinary change and challenge. Volatility hit the markets in the first part of the year with the spread of COVID-19 including a massive shift in the Treasury curve, and both a severe widening then tightening of corporate and municipal spreads. At the end of March, spreads of corporate bonds hit their widest levels since the 2008 financial crisis and the uncertainty driven by COVID-19 required intervention by the Federal Reserve. Since that time, spreads have tightened significantly as the result of several factors. The Fed has provided a great deal of support to the market in the form of cutting interest rates to 0%-0.25%, providing liquidity to money market funds, and importantly, purchasing bonds in the secondary market.

The fiscal year ended with the Bloomberg Valuation Muni AAA Yield Curve shifting significantly downward from last year. The Bond Buyer US Weekly Yields on 20 General Obligation Bond—used as a gauge for municipal bond yields—hit its 50-year low on November 26, 2020. As the result of very low borrowing costs, total municipal issuance increased by 14% from 2019 to 2020. Higher-grade securities performed better, with the Barclays AAA Muni Index returning 5.5% versus the BBB Index which returned 3.3%, a stark reversal from last year where BBB bonds were the best performers. The Fund held 32.9% in “AAA” rated bonds at fiscal year-end, which were the top-performing rating category, providing around a 6% return to the portfolio, versus “A” rated bonds which returned closer to 4%.

Despite the low yields, risk remained present in the market. Bonds backed by convention center revenue, hotel revenue, senior living, and airport debt saw yields rise. Credit downgrades and defaults

rose significantly. Through the year the Fund engaged in defensive positioning, including ending the year with 8.7% in cash. This cash holding contributed to the performance differential relative to the benchmark but will also allow the Fund to exploit forthcoming opportunities.

Looking Forward

Municipal credit quality will be a major focus in coming months as record-low yields continue to belie the underlying credit risks in the market. There is no shortage of possible events that could upset the current stability. In the immediate future we face uncertainties in vaccine rollout timing, further government stimulus, and the economic implications of state and local budget deficits. In the longer-term, we also have to consider the potential for inflation. With the Fed's announcement that it will target an average inflation rate of 2% and in so doing allow for inflation to run “moderately above 2% for some time,” we will continue to consider the implications of this policy shift. We will view municipal credit with increased scrutiny due to the heightened risk of downgrades and unprecedented economic challenges that lie before us. As the crisis unfolded, we focused on credit research and surveillance, paying special attention to financial liquidity and flexibility. Our goal has always been to choose good investments and invest through cycles. Our robust security selection process which emphasizes governance, resiliency, and revenue diversity is constantly evolving with the unfolding events. We are continuously searching for new opportunities that will contribute to the Fund's mandate of current tax-exempt income and capital preservation.

For those seeking a conservative investment vehicle, the Idaho Tax-Exempt Fund offers a portfolio of high-grade issues intended to provide income exempt from federal income, federal alternative minimum, and Idaho state income taxes. The Fund may purchase carefully vetted, nonrated Idaho bonds.

Idaho Tax-Exempt Fund chooses not to invest in US territories such as Puerto Rico, Guam, and the US Virgin Islands to boost income at the expense of creditworthiness. The Fund does not employ derivatives or other financial engineering tools to modify risk and return.

Bond Buyer US Weekly Yields 20 General Obligation Bond



Schedule of Investments

As of November 30, 2020

Tax-Exempt Municipal Bonds – 91.3%		Coupon / Maturity	Face Amount	Market Value	Percentage of Net Assets
Financial Services					
Idaho Bond Bank	4.00% due 09/15/2032		\$405,000	\$443,305	3.0%
Idaho Housing & Finance Rev	3.00% due 07/01/2036		235,000	238,553	1.6%
				681,858	4.6%
General Obligation					
Ada & Canyon Cos ID JSD #2 Meridian	5.00% due 08/15/2032		325,000	390,809	2.6%
Ada & Canyon Cos ID JSD #3 Kuna	4.00% due 09/15/2027		100,000	122,749	0.8%
Boise City ID Independent SD	3.00% due 08/01/2038		100,000	104,559	0.7%
Bonneville & Bingham Cos JSD #93	5.00% due 09/15/2029		250,000	269,895	1.8%
Bonneville & Bingham Cos JSD #93	5.00% due 09/15/2031		200,000	215,692	1.4%
Bonneville Co ID SCD #91	4.00% due 09/15/2026		15,000	15,990	0.1%
Bonneville Co ID SCD #91	4.00% due 09/15/2026		35,000	37,272	0.3%
Bonneville Co ID SCD #91	3.75% due 09/15/2032		285,000	302,924	2.0%
Boundary County ID SCD #101	4.00% due 08/15/2021		240,000	241,862	1.6%
Canyon Co ID SCD #134 Middleton	4.00% due 09/15/2028		400,000	460,916	3.1%
Canyon Co ID SCD #135 Notus	3.25% due 09/15/2031		290,000	319,989	2.1%
Canyon Co ID SCD #135 Notus	3.25% due 09/15/2032		170,000	186,466	1.2%
Canyon Co ID SCD #139 Vallivue	5.00% due 09/15/2024		260,000	281,713	1.9%
Caribou Franklin Bannock JSD #148	3.25% due 09/15/2035		300,000	336,558	2.2%
Cassia Oneida Twin Falls JSD #151	3.375% due 09/15/2034		160,000	170,984	1.1%
College of Western ID Annual Approp	4.00% due 10/01/2027		125,000	151,985	1.0%
Kootenai Co ID SCD # 271 UNREF	4.00% due 09/15/2025		125,000	133,243	0.9%
Kootenai Co ID SCD #271 PREREF	4.00% due 09/15/2025		40,000	42,604	0.3%
Kootenai Co ID SCD #273	4.00% due 08/15/2031		265,000	300,722	2.0%
Kootenai-Shoshone ID Area Libraries	4.25% due 08/01/2021		220,000	221,474	1.5%
Latah Co ID SCD #281 Moscow Ser B	4.00% due 08/15/2027		100,000	108,828	0.8%
Latah Co ID SCD #281 Moscow Ser B	4.00% due 08/15/2028		200,000	216,878	1.4%
Madison Co. Id. SDC #321	5.00% due 09/15/2035		250,000	313,703	2.1%
Owyhee & Canyon Co. # 363 Marsing	4.00% due 09/15/2035		150,000	174,701	1.2%
Teton Co, ID SCD #401 Driggs	4.00% due 09/15/2035		500,000	593,795	4.0%
Twin Falls Co ID SCD #411 Series A	4.00% due 09/15/2027		170,000	193,662	1.3%
Twin Falls Co ID SCD #411 Series A	4.25% due 09/15/2030		300,000	344,577	2.3%
Twin Falls Co ID SCD #411 Series A	4.25% due 09/15/2031		100,000	114,859	0.8%
Twin Falls Co ID SCD #411 Series B	4.75% due 09/15/2039		200,000	233,480	1.6%
Valley & Adams Cos ID JSD #421	3.00% due 08/01/2026		220,000	229,563	1.5%
				6,832,452	45.6%
Government Bonds					
Idaho St Bldg Auth Health & Welfare	5.00% due 09/01/2043		25,000	31,301	0.2%
Idaho St Health Facs Auth	4.00% due 09/01/2045		265,000	309,785	2.1%
Idaho St Hsg & Fin Assn	5.00% due 07/15/2037		100,000	127,059	0.8%
				468,145	3.1%
Health Care Facilities					
Idaho Health Faci Auth Hos Rev	5.00% due 12/01/2047		260,000	313,292	2.1%
				313,292	2.1%
Medical/Hospitals					
Idaho Health Rev Trinity Health Grp	3.25% due 12/01/2028		300,000	323,211	2.2%
				323,211	2.2%

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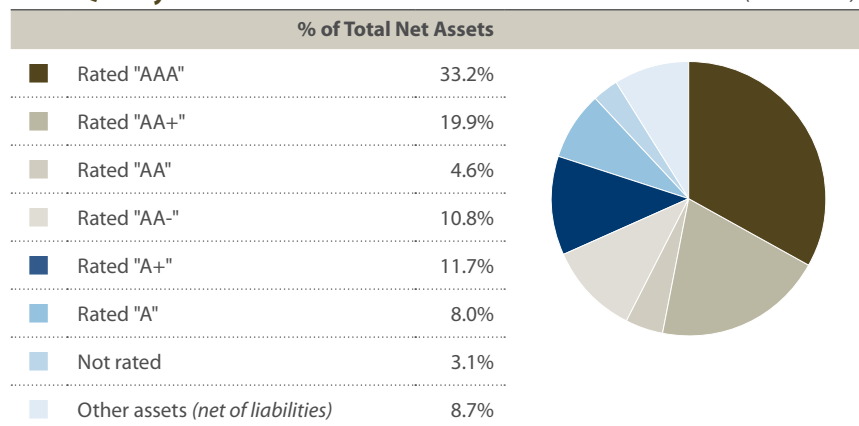
Schedule of Investments

As of November 30, 2020

Tax-Exempt Municipal Bonds – 91.3%		Coupon / Maturity	Face Amount	Market Value	Percentage of Net Assets
Pollution Control					
Idaho Bond Bank Authority	4.30% due 09/01/2022		\$20,000	\$20,065	0.1%
Idaho Bond Bank Authority	4.00% due 09/15/2032		130,000	154,688	1.0%
Idaho Bond Bank Authority	4.00% due 09/15/2033		135,000	160,010	1.1%
				334,763	2.2%
Real Estate					
Idaho Fish & Wildlife Foundation Rev	5.00% due 12/01/2033		320,000	407,325	2.7%
Idaho Fish & Wildlife Foundation Rev	4.00% due 12/01/2036		200,000	242,870	1.6%
Idaho State Building Authority	5.00% due 09/01/2031		200,000	216,772	1.5%
Idaho State Building Authority	5.00% due 09/01/2032		400,000	433,544	2.9%
Post Falls ID LID SPA	5.00% due 05/01/2021		90,000	90,354	0.6%
				1,390,865	9.3%
State Education					
Boise State University ID Revenue	5.00% due 04/01/2028		125,000	146,566	0.9%
Boise State University ID Revenue	5.00% due 04/01/2032		160,000	190,360	1.3%
Idaho State University Revenue	4.00% due 04/01/2027		170,000	195,704	1.3%
Idaho State University Revenue	4.00% due 04/01/2030		245,000	277,830	1.9%
Idaho State University Revenue	3.00% due 04/01/2031		250,000	266,113	1.8%
Idaho State University Revenue	3.00% due 04/01/2032		160,000	169,688	1.1%
Jefferson & Madison Cos. ID SCD#251	5.00% due 09/15/2028		100,000	132,402	0.8%
Nez Perce CO ISD #1 Lewiston	5.00% due 09/15/2029		330,000	416,417	2.8%
North Idaho College Dormitory Rev	4.00% due 11/01/2030		285,000	323,099	2.2%
University of Idaho Revenue	5.00% due 04/01/2032		455,000	478,287	3.2%
				2,596,466	17.3%
Transportation					
Boise ID Airport Park Fac Rev	3.00% due 09/01/2028		210,000	212,518	1.4%
				212,518	1.4%
Water Supply					
Payette Lakes Rec Wtr & Swr Rev	4.00% due 08/01/2032		195,000	225,432	1.5%
Payette Lakes Rec Wtr & Swr Rev	4.00% due 08/01/2034		255,000	293,209	2.0%
				518,641	3.5%
Total investments	(Cost \$12,804,602)			\$13,672,211	91.3%
Other assets (net of liabilities)				1,307,610	8.7%
Total net assets				\$14,979,821	100.0%

Bond Quality Diversification

(unaudited)



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

Statement of Assets and Liabilities

As of November 30, 2020

Assets	
Investments in securities, at value (Cost \$12,804,602)	\$13,672,211
Cash	1,200,538
Interest receivable	129,496
Other assets	801
Prepaid expenses	498
Total assets	15,003,544
Liabilities	
Accrued advisory fees	6,141
Accrued audit expenses	5,967
Distributions payable	3,630
Payable for Fund shares redeemed	3,081
Accrued trustee expenses	1,965
Accrued Chief Compliance Officer expenses	1,192
Accrued printing & postage fees	950
Accrued other operating expenses	692
Accrued retirement plan custody fee	105
Total liabilities	23,723
Net assets	\$14,979,821
Analysis of net assets	
Paid-in capital (unlimited shares authorized, without par value)	\$14,196,310
Total distributable earnings	783,511
Net assets applicable to Fund shares outstanding	\$14,979,821
Fund shares outstanding	2,651,129
Net asset value, offering and redemption price per share	\$5.65

Statement of Operations

Year ended November 30, 2020

Investment income	
Interest income	\$361,753
Total investment income	361,753
Expenses	
Investment advisory fees	71,556
Audit fees	10,443
Trustee fees	4,581
Chief Compliance Officer expenses	3,931
Legal fees	3,870
Printing and postage expenses	2,604
Filing and registration fees	2,108
Transfer agent fees	1,846
Other expenses	1,716
Custodian fees	585
Retirement plan custodial fees	115
Total gross expenses	103,355
Less transfer agent fees waived	(1,846)
Less custodian fee credits	(585)
Net expenses	100,924
Net investment income	\$260,829
Net realized gain from investments	\$3,912
Net increase in unrealized appreciation on investments	253,795
Net gain on investments	\$257,707
Net increase in net assets resulting from operations	
	\$518,536

Statement of Changes of Net Assets

Year ended November 30, 2020

Year ended November 30, 2019

Increase (decrease) in net assets from operations		
From operations		
Net investment income	\$260,829	\$279,310
Net realized gain on investment	3,912	15,726
Net increase in unrealized appreciation	253,795	641,062
Net increase in net assets	518,536	936,098
Distributions to shareholders	(260,790)	(278,541)
Capital share transactions		
Proceeds from sales of shares	1,747,848	1,163,543
Value of shares issued in reinvestment of dividends	219,377	224,410
Cost of shares redeemed	(731,875)	(2,113,103)
Total capital share transactions	1,235,350	(725,150)
Total increase (decrease) in net assets	1,493,096	(67,593)
Net assets		
Beginning of year	13,486,725	13,554,318
End of year	\$14,979,821	\$13,486,725
Shares of the Fund sold and redeemed		
Number of shares sold	311,367	212,460
Number of shares issued in reinvestment of dividends	39,076	40,958
Number of shares redeemed	(130,816)	(386,786)
Net increase (decrease) in number of shares outstanding	219,627	(133,368)

Financial Highlights

For the year ended November 30,

Selected data per share of outstanding capital stock throughout each year:

	2020	2019	2018	2017	2016
Net asset value at beginning of year	\$5.55	\$5.28	\$5.37	\$5.29	\$5.48
Income from investment operations					
Net investment income	0.10	0.11	0.12	0.13	0.14
Net gains (losses) on securities (both realized and unrealized)	0.10	0.27	(0.09)	0.08	(0.19)
Total from investment operations	0.20	0.38	0.03	0.21	(0.05)
Less distributions					
Dividends (from net investment income)	(0.10)	(0.11)	(0.12)	(0.13)	(0.14)
Distributions (from capital gains)	-	-	-	-	0.00 ^A
Total distributions	(0.10)	(0.11)	(0.12)	(0.13)	(0.14)
Net asset value at end of year	\$5.65	\$5.55	\$5.28	\$5.37	\$5.29
Total return^B	3.67%	7.30%	0.51%	3.90%	(0.95)%
Ratios / supplemental data					
Net assets (\$000), end of year	\$14,980	\$13,487	\$13,554	\$17,474	\$17,997
Ratio of expenses to average net assets					
Before transfer agent fee waiver and custodian fee credits	0.72%	0.69%	0.68%	0.67%	0.67%
After transfer agent fee waiver	0.71%	0.67%	0.67%	0.66%	0.66%
After transfer agent fee waiver and custodian fee credits	0.71%	0.67%	0.67%	0.65%	0.65%
Ratio of net investment income after fee waiver and custodian credits to average net assets	1.82%	2.07%	2.20%	2.33%	2.54%
Portfolio turnover rate	5%	4%	13%	20%	15%

^A Amount is less than \$0.01

Notes To Financial Statements

Note 1 — Organization

Saturna Investment Trust (the “Trust”) was established under Washington State Law as a business trust on February 20, 1987. The Trust is registered as an open-end, diversified management company under the Investment Company Act of 1940, as amended. In addition to Idaho Tax-Exempt Fund (the “Fund”), eight portfolios have been created to date: Sextant Short-Term Bond Fund, Sextant Bond Income Fund, Sextant Core Fund, Sextant Global High Income Fund, Sextant Growth Fund, Sextant International Fund, Saturna Sustainable Equity Fund, and Saturna Sustainable Bond Fund (each, a “Fund”, and collectively, the “Funds”). The other eight portfolios are distributed through separate prospectuses and the results of those Funds are contained in separate reports.

The Idaho Tax-Exempt Fund was first authorized to sell shares of beneficial interest on September 4, 1987.

The Fund is an investment company and accordingly follows the investment accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 “Financial Services – Investment Companies.”

Investment risks:

The value of Fund shares rises and falls as the value of the bonds in which the Fund invests goes up and down. The risks inherent in the Fund depend primarily on the terms and quality of the obligations in the Fund's portfolio, as well as on market conditions. When interest rates rise, bond prices fall. When interest rates fall, bond prices go up. Bonds with longer maturities, such as those held by the Fund, usually are more sensitive to interest rate changes than bonds with shorter maturities. Only consider investing in the Fund if you are willing to accept the risk that you may lose money.

The Fund entails credit risk, which is the possibility that a bond will not be able to pay interest or principal when due. If the credit quality of a bond is perceived to decline, investors will demand a higher yield, which means a lower price on that bond to compensate for the higher level of risk. If a security held by the Fund defaults on payment of interest or principal, the Fund's income, ability to preserve capital, and liquidity would all be adversely affected.

Fund investments are susceptible to factors adversely affecting Idaho, such as political, economic, and financial trends unique to this relatively small state. Investing only in Idaho bonds means that the Fund's investments are more concentrated than other mutual funds, and relatively few bond price changes may lead to underperformance compared to investments selected in greater number and/or from a wider universe.

The Fund is vulnerable to income tax rate changes, either at the Idaho or federal level, since part of municipal securities' value is derived from the recipient's ability to exclude interest payments from taxation.

Note 2 — Significant Accounting Policies

The following is a summary of the significant accounting policies, in conformity with accounting principles generally accepted in the United States of America, which are consistently followed by the Fund in the preparation of its financial statements.

Security valuation:

Debt securities are valued using bid-side valuations provided by an independent service. The service determines valuations using factors such as yields or prices of bonds of comparable quality, type of issue, coupon maturity, ratings, trading activity, and general market conditions. In the absence of a valuation from an independent service for a security, a fair value for such security is determined in good faith by or under the direction of the Board of Trustees.

Security transactions are recorded on trade date. Realized gains and losses on sales of securities are recorded on the identified cost basis.

Share valuation:

The net asset value (“NAV”) per share of the Fund is calculated by dividing the sum of the value of the securities held by the Fund, plus cash and other assets, minus all liabilities (including estimated accrued expenses) by the total number of shares outstanding for the Fund, rounded to the nearest cent. The Fund's shares are not priced or traded on days the New York Stock Exchange is closed. The NAV is the offering and redemption price per share.

The Trustees have adopted certain policies and procedures with respect to frequent trading of Fund shares. The Fund is intended for long-term investment and does not permit rapid trading of its shares. The Fund cannot always identify all intermediaries, or detect or prevent trading that violates the Frequent Trading Policy through intermediaries or omnibus accounts.

Fair value measurements:

Accounting Standards Codification (ASC) 820 establishes a three-tier framework for measuring fair value based on a hierarchy of inputs. The hierarchy distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's investments and are summarized below.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Trust has the ability to access.

Level 2 – Observable inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Trust's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

Notes To Financial Statements *(continued)*

The following table is a summary of the inputs used as of November 30, 2020, in valuing the Fund's investments carried at value.

Fair Value Inputs	Level 1 Quoted Price	Level 2 Significant Observable Input	Level 3 Significant Unobservable Input	Total
Municipal Bonds ¹	\$-	\$13,672,211	\$-	\$13,672,211
Total Assets	\$-	\$13,672,211	\$-	\$13,672,211

¹See Schedule of Investments for industry breakout.

During the period ended November 30, 2020, the Fund had no transfers among Levels 1, 2, or 3.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities.

Income taxes:

The Fund intends to comply with the requirements of the Internal Revenue Code necessary to qualify as a regulated investment company and to make the requisite distributions of income and capital gains to its shareowners sufficient to relieve it from all or substantially all federal income taxes. As the Fund intends to meet requirements for tax-exempt income dividends, and the requirements of the Idaho Department of Revenue for income dividends exempt from Idaho state income tax, no income tax provisions are required.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years (2017 – 2019), or expected to be taken in the Fund's 2020 tax return. The Fund identifies its major tax jurisdiction as US federal and foreign jurisdictions where the Fund makes significant investments; however, the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

Reclassification of capital accounts:

Accounting principles generally accepted in the United States of America require that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting.

As of November 30, 2020, there were no reclassifications to the capital accounts.

Distributions to shareowners:

The Fund's dividends to shareowners from net investment income are paid daily and distributed on the last business day of each month.

Distributions of capital gains, if any, are made at least annually and as required to comply with federal excise tax requirements. Distributions to shareowners are determined in accordance with income tax regulations and are recorded on the ex-dividend date. Dividends are paid in shares of the Fund, at the net asset value on the payable date. Shareowners may elect to take distributions in cash if they total \$10 or more.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

LIBOR Transition Risk:

The United Kingdom's Financial Conduct Authority announced a phase out of the London Interbank Offered Rate ("LIBOR") by the end of 2021, and it is expected that LIBOR will cease to be published after that time.

The Fund may be exposed to financial instruments tied to LIBOR to determine payment obligations, financing terms, hedging activities, or investment value. The transition process away from LIBOR might lead to increase volatility and illiquidity in markets for, and reduce the effectiveness of new hedges placed against, instruments whose term currently include LIBOR. The ultimate effect of the LIBOR transition process on the Fund is uncertain.

Other:

Interest income is recognized on an accrual basis. Premiums on securities purchased are amortized and discounts are accreted using the yield to maturity method over the lives of the respective securities or where applicable, to the first call date of the securities.

Recent Accounting Pronouncement:

In August 2018, FASB issued Accounting Standards Update No. 2018-13, "Fair Value Measurement (Topic 820: Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13"). ASU 2018-13 eliminates the requirement to disclose the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, the timing of transfers between levels of the fair value hierarchy and the valuation processes for Level

Notes To Financial Statements (continued)

3 fair value measurements. ASU 2018-13 will require the need to disclose the range and weighted average used to develop significant unobservable inputs for Level 3 fair value measurements and the changes in unrealized gains and losses for recurring Level 3 fair value measurements. ASU 2018-13 will also require that information is provided about the measurement uncertainty of Level 3 fair value measurements as of the reporting date. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, and allows for early adoption of either the entire standard or only the provisions that eliminate or modify the requirements. Management has elected to adopt early the provisions that eliminate the disclosure requirements. Management is still currently evaluating the impact of applying the rest of the guidance.

Note 3 — Transactions with Affiliated Persons

Under a contract approved by shareowners on September 28, 1995 and reviewed and approved annually by the Trust's Board of Trustees, including those Trustees who are not parties to the contract or "interested persons" (as defined in the Investment Company Act of 1940) of such parties or the Trust (the "Independent Trustees"), Saturna Capital Corporation ("Saturna Capital") provides investment advisory services and certain other administrative and distribution services to conduct the Fund's business. For such services, the Fund pays an annual fee equal to 0.50% of its average daily net assets. For the fiscal year ended November 30, 2020, the Fund incurred advisory fee expenses of \$71,556.

Expenses incurred by the Trust on behalf of the Fund (e.g., legal fees) are allocated to the Fund and the other Funds of the Trust on the basis of relative daily average net assets.

Saturna Capital also acts as transfer agent for the Fund, for which it did not receive any compensation during the fiscal year ended November 30, 2020. Saturna Capital has voluntarily elected to waive the transfer agent fee through November 30, 2020, to reduce the Fund's operating expenses. Such fees, had they been charged, would have totaled \$1,846.

Saturna Brokerage Services, Inc. ("SBS"), a discount brokerage and subsidiary of Saturna Capital, is registered as a broker-dealer and acts as distributor for the Fund.

Saturna Trust Company ("STC"), a subsidiary of Saturna Capital, acts as a retirement plan custodian for Fund shareowners. For the fiscal year ended November 30, 2020, the Fund incurred retirement plan custodial fees of \$115.

Mrs. Jane Carten serves as a trustee and president of the Trust. She is also a director and the president of Saturna Capital and Saturna Trust Company. She is not compensated by the Trust. For the fiscal year ended November 30, 2020, the Trust paid trustee compensation expenses of \$35,500 which is included in the \$66,477 of total expenses incurred for the independent Trustees. The Fund's allocation of these expenses was \$4,581.

The officers of the Trust are paid by Saturna Capital, not the Trust, except the Chief Compliance Officer, who is partially compensated by the Trust. For the fiscal year ended November 30, 2020, the Fund's allocation of these expenses was \$3,931.

On November 30, 2020, the trustees, officers, and their immediate families as a group directly or indirectly owned 16.79% of the outstanding shares of the Fund.

Note 4 — Distributions to Shareowners

The tax characteristics of distributions paid during the fiscal years ended November 30, 2020, and November 30, 2019, were as follows:

	November 30, 2020	November 30, 2019
Tax-exempt income	\$260,597	\$277,251
Taxable income	\$193	\$1,290

Note 5 — Federal Income Taxes

The cost basis of investments for federal income tax purposes at November 30, 2020 was as follows:

Cost of investments	\$12,804,602
Gross unrealized appreciation	\$868,000
Gross unrealized depreciation	\$(391)
Net unrealized appreciation	\$867,609

As of November 30, 2020, the components of distributable earnings on a tax basis were as follows:

Undistributed tax exempt income	\$3,859
Accumulated capital loss	\$(87,957)
Unrealized appreciation	\$867,609
Total accumulated earnings	\$783,511

As of November 30, 2020, the Fund had capital loss carryforwards as follows, subject to regulation.

	Carryforward	Expiration
Short-term loss carryforward	\$55,441	Unlimited
Long-term loss carryforward	\$32,516	Unlimited
	\$87,957	

Note 6 — Investments

During the fiscal year ended November 30, 2020, the Fund purchased \$1,195,681 of securities and sold/matured \$684,000 of securities.

Note 7 — Custodian

Under the agreement in place with UMB Bank, custody fees are reduced by credits for cash balances. Such reduction for the fiscal year ended November 30, 2020, amounted to \$585.

Note 8 — COVID 19 Pandemic

The COVID-19 Pandemic has adversely impacted global commercial activity and contributed to significant volatility in global equity and debt markets. The pandemic has resulted in quarantines, stay at home orders, travel prohibitions and closures, disrupting supply chains and economic activity. The duration of the pandemic's effects remain uncertain and difficult to assess. The effects of the pandemic may adversely impact the fund's performance and its ability to achieve its investment objective.

Note 9 — Subsequent Events

In preparing these financial statements, the Funds have evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

There were no other events or transactions during the period that materially impacted the amounts or disclosures in the Funds' financial statements.

Report of Independent Registered Public Accounting Firm

**To the Board of Trustees of
Saturna Investment Trust
and the Shareholders of Idaho Tax-Exempt Fund,**

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Idaho Tax-Exempt Fund, (the "Fund"), a series of Saturna Investment Trust, including the schedule of investments, as of November 30, 2020, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of November 30, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

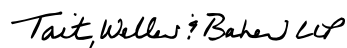
Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the US federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the auditor of one or more of the funds in the Trust since 1997.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of November 30, 2020 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

Philadelphia, Pennsylvania
January 29, 2021



Tait, Weller & Baker LLP

Expenses

All mutual funds have operating expenses. As an Idaho Tax-Exempt Fund shareowner, you incur ongoing costs, including management fees and other fund expenses such as shareowner reports (like this one). Operating expenses, which are deducted from a fund's gross earnings, directly reduce the investment return of a fund. Mutual funds (unlike other financial investments) only report their results after deduction of operating expenses.

With the Idaho Tax-Exempt Fund, unlike many mutual funds, you do not incur sales charges (loads) on purchases, reinvested dividends, or other distributions. You do not incur redemption fees or exchange fees. You may incur fees related to extra services requested by you for your account, such as bank wires. The examples below are intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

Example

The following example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (June 1, 2020, to November 30, 2020).

Actual Expenses

The first line provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you have invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading

entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period. The Fund may charge for extra services (such as domestic bank wires, international bank wires, or overnight courier delivery of redemption checks) rendered on request, which you may need to estimate to determine your total expenses.

Hypothetical Example for Comparison Purposes

The second line provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio (based on the last six months) and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareowner reports of other mutual funds. You may wish to add other fees that are not included in the expenses shown in the table, such as charges for extra services like bank wires.

Please note that the expenses shown are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees (note that the Idaho Tax-Exempt Fund does not charge any such transactional costs). Therefore, the "Hypothetical" line is useful in comparing ongoing costs only, and may not help you determine the relative total costs of owning different funds.



	Beginning Account Value [June 1, 2020]	Ending Account Value [November 30, 2020]	Expenses Paid During Period ¹	Annualized Expense Ratio
Actual	\$1,000.00	\$1,012.80	\$3.07	0.61%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.01	\$3.09	0.61%

¹ Expenses are equal to Idaho Tax-Exempt Bond Fund's annualized expense ratio of 0.69% (based on the most recent semi-annual period of June 1, 2020 through November 30, 2020) multiplied by the average account value over the period multiplied by 183/365 (to reflect the one-half year period).

Trustees and Officers

(unaudited)

Name, Address, and Age	Position(s) Held with Trust and Number of Saturna Fund Portfolios Overseen	Principal occupation(s) during past 5 years, including Directorships	Other Directorships held by Trustee
Independent Trustees			
 Marina E. Adshade (53) 1300 N. State Street Bellingham WA 98225	Independent Trustee (since 2017); Nine	Professor of Economics, University of British Columbia, Vancouver and Simon Fraser University; Author	None
 Ronald H. Fielding , MA, MBA, CFA (71) 1300 N. State Street Bellingham WA 98225	Independent Trustee (since 2009); Thirteen	Director, ICI Mutual Insurance Company	Amana Mutual Funds Trust
 Gary A. Goldfogel , MD (62) 1300 N. State Street Bellingham WA 98225	Chairman (since 2017); Independent Trustee (since 1995); Nine	Medical Examiner (pathologist) Owner, Avocet Environmental Testing (laboratory)	None
 Jim V. McKinney (59) 1300 N. State Street Bellingham WA 98225	Independent Trustee (since 2017); Nine	Executive Director, Common Threads Northwest; President/CEO, Apple Mountain LLC, consulting and development; US Army Foreign Area Officer - Political/Military Advisor to US Army Central; Senior Defense Official, Defense Attaché, US Embassy Slovenia	None
 Sarah E.D. Rothenbuhler (52) 1300 N. State Street Bellingham WA 98225	Independent Trustee (since 2017); Nine	CEO, Birch Equipment (industrial rentals and sales)	None
Interested Trustee			
 Jane K. Carten , MBA (45) 1300 N. State Street Bellingham WA 98225	President, Trustee (since 2017); Nine	President and Director, Saturna Capital Corporation Vice President and Director, Saturna Trust Company President, Saturna Brokerage Services	None

Name (Age) and Address	Position(s) held with Trust and Number of Saturna Fund Portfolios Overseen	Principal occupation(s) during past 5 years, including Directorships	Other Directorships held by Trustee
Officers Who Are Not Trustees			
 Bryce R. Fegley (45) 1300 N. State Street Bellingham, WA 98225	Vice President (since 2020); N/A	Portfolio Manager and Senior Investment Analyst, Saturna Capital	N/A
 Christopher R. Fankhauser (48) 1300 N. State Street Bellingham, WA 98225	Treasurer ¹ (since 2002); N/A	Chief Operations Officer, Saturna Capital Corporation Vice President and Chief Operations Officer, Saturna Brokerage Services Director, Vice President, and Chief Operations Officer, Saturna Trust Company	N/A
 Michael E. Lewis (59) 1300 N. State Street Bellingham, WA 98225	Chief Compliance Officer ¹ (since 2012); N/A	Chief Compliance Officer, Saturna Capital, Saturna Trust Company, and Affiliated Funds	N/A
 Jacob A. Stewart (40) 1300 N. State Street Bellingham, WA 98225	Anti-Money Laundering Officer ¹ (since 2015); N/A	Anti-Money Laundering Officer, Saturna Capital Corporation, Saturna Brokerage Services Chief Compliance Officer, Saturna Brokerage Services Bank Secrecy Act Officer, Saturna Trust Company	N/A
 Nicole Trudeau (41) 1300 N. State Street Bellingham WA 98225	Secretary ¹ (since 2018) N/A	Chief Legal Officer, Saturna Capital Corporation Former: Counsel, Simpson Thacher & Bartlett LLP; Partner, Stradley Ronon Stevens & Young, LLP; Partner, K&L Gates LLP	N/A

Term of Office: each Trustee serves for the lifetime of the Trust or until they die, resign, are removed, or not re-elected by the shareowners. Each officer serves a one-year term subject to annual reappointment by the Trustees.

The Trust's Statement of Additional Information, available without charge upon request by calling Saturna Capital at 1-800-728-8762 and on the Funds' website, www.idahotaxexemptfund.com, includes additional information about the Trustees.

On November 30, 2020 the Trustees, officers, and their related accounts as a group owned 16.79% of the outstanding shares of the Fund.

During the year ended November 30, 2020, the Independent Trustees were each paid by the Trust: (1) \$2,000 annual retainer plus \$1,000 per board meeting attended (in person or by phone), plus reimbursement of travel expenses; (2) \$250 for committee meetings; and (3) \$250 per quarter for serving as chairman of the board or any committee.

Mrs. Carten is an Interested Trustee by reason of her positions with the Trust's adviser (Saturna Capital Corporation) and underwriter (Saturna Brokerage Services), and is the primary manager of the Saturna Sustainable Equity Fund portfolio. She is paid by Saturna Capital a salary, plus a bonus for each month the Saturna Sustainable Equity Fund portfolio earns a 4 or 5 star rating from Morningstar (see www.saturna.com). The officers are paid by Saturna Capital and not the Trust. As of November 30, 2020, all Saturna Capital employees listed above as officers owned shares in one or more of the Saturna Investment Trust funds, with Mrs. Carten owning (directly or indirectly) over \$1.34 million.

¹ Holds the same position with Amana Mutual Funds Trust

Renewal of Investment Advisory Contract

(unaudited)

During their meeting of September 15, 2020, the Trustees of Saturna Investment Trust, including the Independent Trustees, discussed the continuance of the Investment Advisory and Administrative Services Agreement ("Agreement") between the Trust, on behalf of the Fund, and Saturna Capital. In considering the renewal of the Agreement, the Trustees discussed the nature, extent, and quality of the services provided by Saturna Capital to the Trust and the Fund. The Trustees considered Saturna Capital's specific responsibilities in all aspects of day-to-day management of the Fund as well as the qualifications, experience and responsibilities of the Fund's portfolio manager and other key personnel at Saturna Capital. The Trustees discussed Saturna Capital's experience, ability, and commitment to quality service through performing internally such functions as shareowner servicing, administration, accounting, marketing, and distribution — all in addition to investment management.

The Trustees took into consideration Saturna Capital's continued avoidance of significant operational and compliance problems, plus its investments in infrastructure, information management systems, personnel, training, and investor education materials, all designed to provide high quality investor services and meet investor needs. They recognized Saturna Capital's efforts to recruit and retain qualified and experienced staff and improve the capital base on which Saturna Capital operates, which the Trustees believe is important to the long-term success of the Fund. They considered Saturna Capital's focus on investors and its efforts to avoid potential conflicts of interest.

The Trustees considered the investment performance of the Fund over time, including the Fund's average annual total returns relative to its benchmark for the one-, three-, five-, ten-, and fifteen- year periods, all as of July 31, 2020. The Trustees also considered comparative performance information from Morningstar and Lipper, which provide independent analysis of mutual fund data and, among other things, rank mutual fund performance within categories comprised of similarly managed funds. The Trustees considered and discussed the Fund's performance relative to its Morningstar category for the one-, three-, five-, ten-, and fifteen-year periods ended July 31, 2020. The Trustees also considered the Fund's Morningstar performance ranking (three stars), and the Fund's performance ranking relative to the Fund's category selected by Lipper, Inc. for the one-, three-, five- and ten-year periods ended as of July 31, 2020.

With respect to long-term (10- and 15-year) performance, the Trustees found that the average annual total return of the Fund for the 10- and 15-year periods ended on July 31, 2020, was below the Morningstar category average for the same periods. The Trustees also considered the short- and medium-term performance of the Fund, noting that the Fund's average annual total return for the one-, three-, and five-year periods ended on July 31, 2020 outperformed its Morningstar category average.

The Trustees noted the risk-averse investment style of the Fund and other factors which can affect the Fund's performance relative to its broader Morningstar category. The Trustees also noted certain differences between the Fund and the peer funds within its Morningstar category, including differences in investment strategies and asset size. The Trustees found that Saturna Capital continued to manage the Fund in a manner that is designed to be risk-averse and attractive to long- term investors. The Trustees discussed and considered the efforts of Saturna Capital to make additional resources available to assist in managing the Fund. The Trustees also considered Saturna Capital's focus on improving investment performance without incurring materially higher levels of risk.

The Trustees also considered the performance and expenses of the Fund as compared to a smaller group of funds with a roughly similar asset range and similar investment objectives and strategies. The Trustees considered these comparative performance and expense data, along with the comparative data published by Morningstar and the Fund's performance relative to its benchmark, to evaluate the Fund's performance over near-term and long-term time periods.

The Trustees also reviewed the fees and expenses of the Fund, including comparative data on fees and expenses published by Morningstar, and considered the components of the Fund's operating expenses. The Trustees noted the steps that Saturna Capital has undertaken to maintain competitive levels of Fund operating expenses. They noted the significant sponsorship of the Fund by Saturna Capital evidenced, in part, by certain fees and expenses paid by Saturna Capital out of its own resources. The Trustees recognized Saturna Capital's efforts help make the Fund more widely available and less expensive than would otherwise be the case without Saturna Capital's efforts.

The Trustees recognized that the Fund remains relatively small and there have not been opportunities to consider economies of scale. The Trustees noted Saturna Capital's commitment to continue operating the Fund and the costs undertaken by Saturna Capital.

The Trustees reviewed Saturna Capital's financial information and discussed the issue of Saturna Capital's profitability as related to management and administration of the Trust. They discussed the reasonableness of Saturna Capital's profitability as part of their evaluation of whether the advisory fees bear a reasonable relationship to the mix of services provided by Saturna Capital, including the nature, extent, and quality of such services.

The Trustees considered and compared the fees charged by Saturna Capital to other types of accounts, including non-mutual fund advisory clients. The Trustees noted the differences between the full range of services Saturna Capital provides to the Fund, including investment advisory services, transfer agency services, administrative and other services, as compared to the investment advisory services provided to the other advisory accounts.

Renewal of Investment Advisory Contract *(continued)*

(unaudited)

The Trustees considered potential benefits to Saturna Capital's other business lines from acting as investment adviser to the Fund, but also recognized that Saturna Capital's other business lines benefit the Fund. The Trustees considered whether there are other potential benefits to Saturna Capital in continuing to manage the Fund and the Trustees found that there were no material benefits other than Saturna Capital's receipt of advisory fees.

The Trustees concluded based on their business judgement that the fees paid by the Fund to Saturna Capital were, from an arm's-length bargaining perspective, reasonable and in the best interest of the Fund and its shareowners in light of the services provided, comparative performance, expense and advisory fee information, costs of services provided, profits to be realized, and benefits derived or to be derived by Saturna Capital from its relationship with the Fund. Following this discussion, the Trustees, including the Independent Trustees, unanimously agreed to renew the Agreement of Idaho Tax-Exempt Fund with Saturna Capital.

Availability of Quarterly Portfolio Information

- (1) The Idaho Tax-Exempt Fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. Previously, this information was filed on Form N-Q.
- (2) The Fund's Form N-PORT reports are available on the SEC's website at www.sec.gov.
- (3) The Fund makes a complete schedule of portfolio holdings after the end of each month available at www.idahotaxexemptfund.com.

Availability of Proxy Voting Information

- (1) A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available (a) without charge, upon request, by calling Saturna Capital at 1-800-728-8762; (b) on the Fund's website at www.idahotaxexemptfund.com; and (c) on the SEC's website at www.sec.gov.
- (2) Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (a) without charge, upon request, by calling Saturna Capital at 1-800-728-8762; (b) on the Fund's website at www.idahotaxexemptfund.com; and (c) on the SEC's website at www.sec.gov.

Householding Policy

To reduce expenses, we may mail only one copy of the Fund's prospectus, each annual and semi-annual report, and proxy statement when necessary, to those addresses shared by two or more accounts. If you wish to receive individual and/or more copies of these documents, please call us at 1-800-728-8762 or write to us at Saturna Capital/Idaho Tax-Exempt Fund, P.O. Box N, Bellingham, WA 98227. We will begin sending you individual copies 30 days after receiving your request.

If you are currently receiving multiple copies and wish to receive only one copy, please call us at 1-800-728-8762 or write to us at Saturna Capital/Idaho Tax-Exempt Fund, P.O. Box N, Bellingham, WA 98227. We will begin sending you a single copy with subsequent report mailings.

Statement Regarding Liquidity Risk Management Program

The Securities and Exchange Commission adopted Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule") to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that funds will be unable to meet their redemption obligations and mitigating dilution of the interests of fund shareholders.

Pursuant to the Liquidity Rule, the Trust, on behalf of the Funds, has adopted a liquidity risk management program (the "Program") to govern the Trust's approach to managing liquidity risk. The Program is overseen by Saturna Capital's Liquidity Risk Committee, and the Program's principal objectives include assessing, managing and periodically reviewing each Fund's liquidity risk, based on factors specific to the circumstances of the Fund.

At a meeting of the Board held on December 17, 2019, the Trustees received a report addressing the operation of the Program and assessing its adequacy and effectiveness of implementation. It was reported to the Board that the assessment found that the Program was adequately designed and effective in achieving its objectives. Further, that review of the Program's implementation evidenced substantial compliance with relevant policies and procedures.

Privacy Statement

At Saturna Capital and the Idaho Tax-Exempt Fund, we understand the importance of maintaining the privacy of your financial information. We want to assure you that we protect the confidentiality of any personal information that you share with us. In addition, we do not sell information about our current or former customers.

In the course of our relationship, we gather certain nonpublic information about you, including your name, address, investment choices, and account information. We do not disclose your information to unaffiliated third parties unless it is necessary to process a transaction; service your account; deliver your account statements, shareowner reports and other information; or as required by law. When we disclose information to unaffiliated third parties, we require a contract to restrict the companies' use of customer information and from sharing or using it for any purposes other than performing the services for which they were required.

We may share information within the Saturna Capital family of companies in the course of informing you about products or services that may address your investing needs.

We maintain our own technology resources to minimize the need for any third party services, and restrict access to information within Saturna. We maintain physical, electronic, and procedural safeguards to guard your personal information. If you have any questions or concerns about the security or privacy of your information please call us at 1-800-728-8762.



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This report is issued for the information of the shareowners of the Idaho Tax-Exempt Fund. It is not authorized for distribution to prospective investors unless it is accompanied or preceded by an effective prospectus relating to the securities of the Fund, a series of Saturna Investment Trust.

Saturna Brokerage Services, Distributor