

Beginning on January 29, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Idaho Tax-Exempt Fund's annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website (www.saturna.com/reports), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically anytime by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by calling 800-SATURNA (800-728-8762) or by sending an e-mail request to Idaho Tax-Exempt Fund at info@saturna.com.

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Fund, you can call 800-SATURNA (800-728-8762) or send an e-mail request to Idaho Tax-Exempt Fund at info@saturna.com to let the Fund know you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account if you invest through your financial intermediary or all funds held with the fund complex if you invest directly with the Fund.

IDAHO TAX-EXEMPT FUND



Semi-Annual Report

May 31, 2020

Performance Summary (as of June 30, 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	4.14%	3.54%	2.97%	3.07%	3.28%	0.68% ¹
S&P Idaho Municipal Bond Index	3.56%	3.80%	3.76%	4.56%	4.56%	n/a
"Muni Single State Intermediate" Category Average ²	3.53%	3.07%	2.80%	3.14%	3.32%	0.95%

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 advisor, 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 June 30, 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: Early morning light at Mores Mountain, Idaho.



Fellow Shareowners:

July 28, 2020

The end of the second quarter of 2020 marks an extremely different social, investment, and economic climate from that at the end of 2019. The measures taken to insulate and mitigate the spread of the virus have had a significant impact on state and local budgets. Rolling lockdowns and other virus mitigation measures meant to restrict social interaction will have an ongoing impact on economic growth. The return to normalcy will likely take time.

Idaho is in a stronger position relative to that of many other states, due to its history of conservative fiscal management and a conservative approach to budgeting. Governor Brad Little, as quoted in *The News Examiner*, indicated that while other states have withdrawn from their rainy day funds, the state of Idaho has strengthened the reserve to around \$580MM. Idaho's fiscal year runs July 1 through June 30, and the state ended the most recent fiscal year with a \$100MM budget surplus. The rainy day fund will be able to minimize impact on state agencies and services. By not having to dip into the rainy day fund in the first year, the money is able to be allocated where it's most needed over the next few years to remedy the expected fallout from the pandemic.

Even with a balanced budget in 2020, Idaho still has to grapple with unexpected revenue challenges going forward. The budget will be impacted for the next three to four years; thus far, the state has asked agencies to cut 5%. This includes a 5% cut to the state's public school budget. This impact to the budget is relatively minimal compared to other states such as New York, California, Hawaii, and Colorado, which are facing massive revenue declines of up to 20%. According to a survey conducted in May, Idaho experienced a drop in sales tax of less than 3%, while harder-hit state governments are having to face sales tax declines of over 30%.

Though initially spared from the brunt of the virus, Idaho has seen a significant uptick in cases. We have been vigilant as to the potential impacts on credit and do expect some additional revenue volatility in the State and local governments. The Fund continues to hold positions in strong issuers with solid liquidity that are able to withstand revenue volatility. Idaho received \$1.25 billion from the federal government to help pay for coronavirus-related costs and has created a Coronavirus Financial Advisory Committee to allocate those funds. Money has been given to cities, counties, small businesses, and state agencies, with additional funds approved to increase COVID-19 testing and equip schools with the supplies needed to reopen safely.

The challenges presented by the coronavirus pandemic have highlighted the merits of conservative fiscal management. Idaho continues to offer discriminating investors the opportunity to invest in high quality tax-exempt securities in an exceptionally creditworthy state.

Respectfully,



Jane Carten,
President



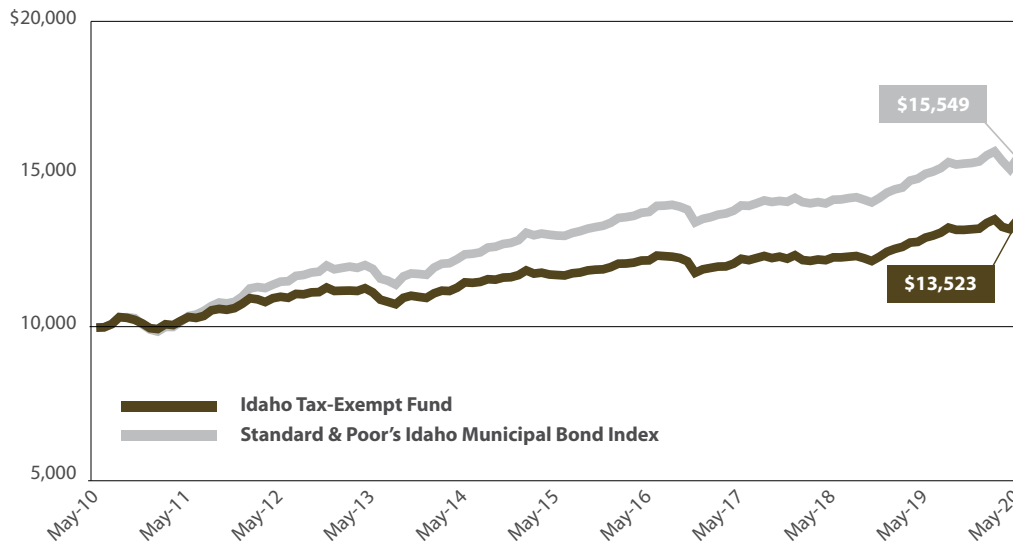
Elizabeth Alm CFA®,
Portfolio Manager

Performance Summary

Average Annual Returns (as of May 31, 2020)

	1 Year	5 Year	10 Year	Expense Ratio ¹
Idaho Tax-Exempt Fund	4.51%	2.91%	3.06%	0.68%
S&P Idaho Municipal Bond Index	3.50%	3.63%	4.51%	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 May 31, 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 \$13,523 versus \$15,549 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	48.5%
State Education	18.3%
Real Estate	10.7%
Financial Services	5.0%
Water Supply	3.7%
Pollution Control	2.5%
Medical/Hospitals	2.3%
Health Care Facilities	2.1%
Transportation	1.5%
Other assets (net of liabilities)	5.4%

Top 10 Holdings

	% of Total Net Assets
Teton Co, ID SCD #401 Driggs (4.00% due 09/15/2035)	4.2%
University of Idaho Revenue (5.00% due 04/01/2032)	3.4%
Canyon Co ID SCD #134 Middleton (4.00% due 09/15/2028)	3.3%
Idaho Bond Bank (4.00% due 09/15/2032)	3.1%
Idaho State Building Authority (5.00% due 09/01/2032)	3.1%
Nez Perce CO ISD #1 Lewiston (5.00% due 09/15/2029)	3.0%
Idaho Fish Wildlife Foundation Rev (5.00% due 12/01/2033)	2.9%
Ada & Canyon Cos ID JSD #2 Meridian (5.00% due 08/15/2032)	2.8%
Boise City Urban Renewal Lease Rev (5.00% due 12/15/2032)	2.4%
Twin Falls Co ID SCD #411 (4.25% due 09/15/2030)	2.4%

Schedule of Investments

As of May 31, 2020

Tax-Exempt Municipal Bonds – 94.6%	Coupon / Maturity	Face Amount	Market Value	Percentage of Assets
Financial Services				
Idaho Bond Bank	4.00% due 09/15/2032	\$405,000	\$444,982	3.1%
Idaho Housing & Finance Rev	3.00% due 07/01/2036	260,000	265,782	1.9%
			710,764	5.0%
General Obligation				
Ada & Canyon Cos ID JSD #2 Meridian	5.00% due 08/15/2032	325,000	395,200	2.8%
Ada & Canyon Cos ID JSD #3 Kuna	4.00% due 09/15/2027	100,000	122,717	0.9%
Boise City ID Independent SD	3.00% due 08/01/2038	100,000	104,046	0.7%
Bonneville & Bingham Cos JSD #93	5.00% due 09/15/2031	200,000	219,898	1.6%
Bonneville & Bingham Cos JSD #93	5.00% due 09/15/2029	250,000	275,233	1.9%
Bonneville Co ID SCD #91	4.00% due 09/15/2026	15,000	16,267	0.1%
Bonneville Co ID SCD #91	4.00% due 09/15/2026	35,000	37,695	0.2%
Bonneville Co ID SCD #91	3.75% due 09/15/2032	285,000	307,928	2.2%
Boundary County ID SCD #101	4.00% due 08/15/2021	240,000	241,862	1.7%
Canyon Co ID SCD #134 Middleton	4.00% due 09/15/2028	400,000	463,476	3.3%
Canyon Co ID SCD #135 Notus	3.25% due 09/15/2031	290,000	319,293	2.3%
Canyon Co ID SCD #135 Notus	3.25% due 09/15/2032	170,000	186,259	1.3%
Canyon Co ID SCD #139 Vallivue	5.00% due 09/15/2024	260,000	287,563	2.0%
Cariboo Franklin Bannock JSD #148	3.25% due 09/15/2035	300,000	333,615	2.4%
Cassia Oneida Twin Falls JSD #151	3.375% due 09/15/2034	160,000	170,818	1.2%
College of Western ID Annual Approp	4.00% due 10/01/2027	125,000	151,854	1.1%
Kootenai Co ID SCD # 271 UNREF	4.00% due 09/15/2025	125,000	134,846	1.0%
Kootenai Co ID SCD #271 PREREF	4.00% due 09/15/2025	40,000	43,330	0.3%
Kootenai Co ID SCD #273	4.00% due 08/15/2031	265,000	301,891	2.1%
Kootenai-Shoshone ID Area Libraries	4.25% due 08/01/2021	220,000	221,474	1.6%
Latah Co ID SCD #281 Moscow Ser B	4.00% due 08/15/2027	100,000	109,728	0.8%
Latah Co ID SCD #281 Moscow Ser B	4.00% due 08/15/2028	200,000	218,524	1.5%
Madison Co. Id. SDC #321	5.00% due 09/15/2035	250,000	313,240	2.2%
Owyhee & Canyon Co. # 363 Marsing	4.00% due 09/15/2035	150,000	173,618	1.2%
Teton Co, ID SCD #401 Driggs	4.00% due 09/15/2035	500,000	589,770	4.2%
Twin Falls Co ID SCD #411	4.00% due 09/15/2027	170,000	192,600	1.4%
Twin Falls Co ID SCD #411	4.25% due 09/15/2030	300,000	339,123	2.4%
Twin Falls Co ID SCD #411	4.75% due 09/15/2039	200,000	237,496	1.7%
Twin Falls Co ID SCD #411 Series A	4.25% due 09/15/2031	100,000	112,578	0.8%
Valley & Adams Cos ID JSD #421	3.00% due 08/01/2026	220,000	231,176	1.6%
			6,853,118	48.5%
Health Care Facilities				
Idaho Health Faci Auth Hos Rev	5.00% due 12/01/2047	260,000	300,261	2.1%
			300,261	2.1%
Medical/Hospitals				
Idaho Health Rev Trinity Health Grp	3.25% due 12/01/2028	300,000	322,293	2.3%
			322,293	2.3%
Pollution Control				
Idaho Bond Bank	4.00% due 09/15/2033	135,000	159,359	1.1%
Idaho Bond Bank Authority	4.30% due 09/01/2022	20,000	20,061	0.2%
Idaho Bond Bank Authority	4.00% due 09/15/2032	130,000	154,237	1.1%
Idaho Bond Bank Authority	4.125% due 09/15/2023	20,000	20,059	0.1%
			353,716	2.5%

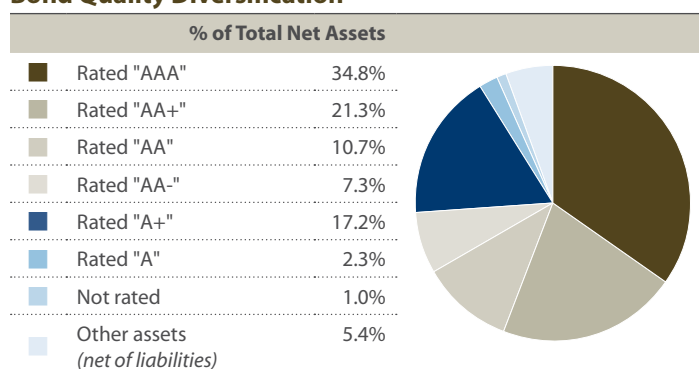
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Schedule of Investments

As of May 31, 2020

Tax-Exempt Municipal Bonds – 94.6%	Coupon / Maturity	Face Amount	Market Value	Percentage of Assets
Real Estate				
Boise City Urban Renewal Lease Rev	5.00% due 12/15/2032	\$300,000	\$345,699	2.4%
Idaho Fish Wildlife Foundation Rev	5.00% due 12/01/2033	320,000	407,114	2.9%
Idaho State Building Authority	5.00% due 09/01/2031	200,000	221,562	1.6%
Idaho State Building Authority	5.00% due 09/01/2032	400,000	443,124	3.1%
Post Falls ID LID SPA	5.00% due 05/01/2021	90,000	90,070	0.7%
			1,507,569	10.7%
State Education				
Boise State University ID Revenue	5.00% due 04/01/2028	125,000	147,701	1.0%
Boise State University ID Revenue	5.00% due 04/01/2032	160,000	186,624	1.3%
Idaho State University	4.00% due 04/01/2027	170,000	192,562	1.4%
Idaho State University	4.00% due 04/01/2030	245,000	274,358	1.9%
Idaho State University Revenue	3.00% due 04/01/2031	250,000	264,925	1.9%
Idaho State University Revenue	3.00% due 04/01/2032	160,000	168,626	1.2%
Jefferson & Madison Cos. ID SCD#251	5.00% due 09/15/2028	100,000	132,877	0.9%
Nez Perce CO ISD #1 Lewiston	5.00% due 09/15/2029	330,000	419,720	3.0%
North Idaho College Dormitory Rev	4.00% due 11/01/2030	285,000	324,367	2.3%
University of Idaho Revenue	5.00% due 04/01/2032	455,000	486,832	3.4%
			2,598,592	18.3%
Transportation				
Boise ID Airport Park Fac Rev	3.00% due 09/01/2028	210,000	213,419	1.5%
			213,419	1.5%
Water Supply				
Payette Lakes ID Recreational	4.00% due 08/01/2032	195,000	225,173	1.6%
Payette Lakes Rec Wtr & Swr Rev	4.00% due 08/01/2034	255,000	292,263	2.1%
			517,436	3.7%
Total investments	(Cost is \$12,552,256)		\$13,377,168	94.6%
Other assets (net of liabilities)			763,355	5.4%
Total net assets			\$14,140,523	100.0%

Bond Quality Diversification



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 May 31, 2020

Assets	
Investments in securities, at value (Cost \$12,552,256)	\$13,377,168
Cash	655,749
Interest receivable	126,873
Other assets	4,719
Total assets	<u>14,164,509</u>
Liabilities	
Accrued advisory fees	5,930
Accrued audit expenses	4,581
Distributions payable	3,730
Payable for Fund shares redeemed	3,419
Accrued legal expenses	2,428
Accrued other operating expenses	1,312
Accrued Chief Compliance Officer expenses	1,046
Accrued postage	926
Accrued printing fees	304
Accrued trustee expenses	239
Accrued retirement plan custody fee	71
Total liabilities	<u>23,986</u>
Net assets	\$14,140,523
Analysis of net assets	
Paid-in capital (unlimited shares authorized, without par value)	\$13,398,167
Total distributable earnings	742,356
Net assets applicable to Fund shares outstanding	\$14,140,523
Fund shares outstanding	2,509,776
Net asset value, offering and redemption price per share	\$5.63

Statement of Operations

Period ended May 31, 2020

Investment income	
Interest income	\$181,555
Total investment income	<u>181,555</u>
Expenses	
Investment advisory fees	34,822
Audit fees	9,057
Legal fees	3,619
Chief Compliance Officer expenses	1,931
Printing and postage expenses	1,726
Other expenses	1,684
Filing and registration fees	1,572
Trustee fees	1,552
Transfer agent fees	949
Custodian fees	285
Retirement plan custodial fees	80
Total gross expenses	<u>57,277</u>
Less transfer agent fees waived	(949)
Less custodian fee credits	(285)
Net expenses	<u>56,043</u>
Net investment income	\$125,512
Net gain on investments	
Net realized gain from investments	\$5,493
Net increase in unrealized appreciation on investments	211,098
Net gain on investments	\$216,591
Net increase in net assets resulting from operations	\$342,103

Statement of Changes of Net Assets

Period ended May 31, 2020

Year ended November 30, 2019

Increase (decrease) in net assets from operations		
From operations		
Net investment income	\$125,512	\$279,310
Net realized gain on investment	5,493	15,726
Net increase in unrealized appreciation	211,098	641,062
Net increase in net assets	342,103	936,098
Distributions to shareholders	(125,512)	(278,541)
Capital share transactions		
Proceeds from sales of shares	778,824	1,163,543
Value of shares issued in reinvestment of dividends	105,422	224,410
Cost of shares redeemed	(447,039)	(2,113,103)
Total capital share transactions	437,207	(725,150)
Total increase (decrease) in net assets	653,798	(67,593)
Net assets		
Beginning of period	13,486,725	13,554,318
End of period	\$14,140,523	\$13,486,725
Shares of the Fund sold and redeemed		
Number of shares sold	222,353	212,460
Number of shares issued in reinvestment of dividends	18,871	40,958
Number of shares redeemed	(162,950)	(386,786)
Net increase (decrease) in number of shares outstanding	78,274	(133,368)

Financial Highlights

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

	For period ended		For the year ended November 30,			
	May 31, 2020	2019	2018	2017	2016	2015
Net asset value at beginning of period	\$5.55	\$5.28	\$5.37	\$5.29	\$5.48	\$5.51
Income from investment operations						
Net investment income	0.05	0.11	0.12	0.13	0.14	0.15
Net gains (losses) on securities (both realized and unrealized)	0.08	0.27	(0.09)	0.08	(0.19)	(0.03)
Total from investment operations	0.13	0.38	0.03	0.21	(0.05)	0.12
Less distributions						
Dividends (from net investment income)	(0.05)	(0.11)	(0.12)	(0.13)	(0.14)	(0.15)
Distributions (from capital gains)	-	-	-	-	0.00 ^A	0.00 ^A
Total distributions	(0.05)	(0.11)	(0.12)	(0.13)	(0.14)	(0.15)
Net asset value at end of period	\$5.63	\$5.55	\$5.28	\$5.37	\$5.29	\$5.48
Total return^B	4.51%	7.30%	0.51%	3.90%	(0.95)%	2.21%
Ratios / supplemental data						
Net assets (\$000), end of period	\$14,141	\$13,487	\$13,554	\$17,474	\$17,997	\$17,420
Ratio of expenses to average net assets						
Before transfer agent fee waiver and custodian fee credits ^C	0.82%	0.69%	0.68%	0.67%	0.67%	0.67%
After transfer agent fee waiver ^C	0.81%	0.67%	0.67%	0.66%	0.66%	0.66%
After transfer agent fee waiver and custodian fee credits ^C	0.80%	0.67%	0.67%	0.65%	0.65%	0.66%
Ratio of net investment income after fee waiver and custodian credits to average net assets ^C	1.80%	2.07%	2.20%	2.33%	2.54%	2.66%
Portfolio turnover rate	2%	4%	13%	20%	15%	7%

^A Amount is less than \$0.01

^B Not annualized for periods less than one year.

^C Annualized for periods less than one year.

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 — Unaudited Information

The information in this interim report has not been subjected to independent audit.

Note 3 — 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 May 31, 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	\$-	\$13,377,168	\$-	\$13,377,168
Total Assets	\$-	\$13,377,168	\$-	\$13,377,168

¹ See Schedule of Investments for industry breakout.

During the period ended May 31, 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 (2016 – 2018), or expected to be taken in the Fund's 2019 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, 2019, 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.

Other:

Interest income is recognized on an accrual basis. Premiums on securities purchased are amortized and discounts are accreted over the lives of the respective securities.

Notes To Financial Statements (continued)

Note 4 — Transactions with Affiliated Persons

Under a contract approved by shareowners on September 28, 1995 and reviewed annually by the Board of Trustees, Saturna Capital Corporation 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 period ended May 31, 2020, the Fund incurred advisory fee expenses of \$34,822.

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 period ended May 31, 2020. Saturna Capital has voluntarily elected to waive the transfer agent fee through May 31, 2020, to reduce the Fund's operating expenses. Such fees, had they been charged, would have totaled \$949.

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 period ended May 31, 2020, the Fund incurred retirement plan custodial fees of \$80.

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 May 31, 2020, the Trust paid trustee compensation expenses of \$18,500 which is included in the \$25,403 of total expenses incurred for the independent Trustees. The Fund's allocation of these expenses was \$1,552.

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 period ended May 31, 2020, the Fund's allocation of these expenses was \$1,931.

On May 31, 2020, the trustees, officers, and their immediate families as a group directly or indirectly owned 17.57% of the outstanding shares of the Fund.

Note 5 — Distributions to Shareowners

The tax characteristics of distributions paid during the fiscal periods ended May 31, 2020, and November 30, 2019, were as follows:

	May 31, 2020	November 30, 2019
Tax-exempt income	\$125,512	\$277,251
Taxable income	\$-	\$1,290

Note 6 — Federal Income Taxes

The cost basis of investments for federal income tax purposes at May 31, 2020 was as follows:

Cost of investments	\$12,552,256
Gross unrealized appreciation	\$824,912
Gross unrealized depreciation	\$-
Net unrealized appreciation	\$824,912

As of November 30, 2019, the components of distributable earnings on a tax basis were as follows:

Undistributed tax exempt income	\$3,820
Tax-exempt accumulated earnings	\$3,820
Accumulated capital loss	\$(91,869)
Unrealized appreciation	\$613,814
Total accumulated earnings	\$525,765

As of November 30, 2019, the Fund had capital loss carryforwards as follows, subject to regulation.

	Carryforward	Expiration
Short-term loss carryforward	\$(55,441)	Unlimited
Long-term loss carryforward	\$(36,428)	Unlimited
	\$(91,869)	

Note 7 — Investments

During the period ended May 31, 2020, the Fund purchased \$491,351 of securities and sold/matured \$300,000 of securities.

Note 8 — Custodian

Under the agreement in place with UMB Bank, custody fees are reduced by credits for cash balances. Such reduction for the period ended May 31, 2020, amounted to \$285.

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.

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 (December 1, 2019, to May 31, 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 [December 1, 2019]	Ending Account Value [May 31, 2020]	Expenses Paid During Period ¹	Annualized Expense Ratio
Actual	\$1,000.00	\$1,023.60	\$4.07	0.80%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,020.98	\$4.07	0.80%

¹ Expenses are equal to Idaho Tax-Exempt Bond Fund's annualized expense ratio of 0.68% (based on the most recent semi-annual period of December 1, 2019 through May 31, 2020) multiplied by the average account value over the period multiplied by 183/366 (to reflect the one-half year period).

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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.

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, shareholder 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.



**1300 North State Street
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1-800-728-8762**

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