

Statement of Additional Information

March 30, 2021



Sextant Growth

Investor: **SSGFX**
Z: **SGZFX**

Sextant International

Investor: **SSIFX**
Z: **SIFZX**

Sextant Core

SCORX

Sextant Short-Term Bond **STBFX**

Sextant Bond Income **SBIFX**

Sextant Global High Income **SGHIX**



Sustainable Equity **SEEFX**

Sustainable Bond **SEBFX**



IDAHO TAX-EXEMPT FUND **NITEX**

SATURNA INVESTMENT TRUST

**1300 N. State Street
Bellingham, Washington 98225**

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800-728-8762**

The Sextant Growth Fund, Sextant International Fund, Sextant Core Fund, Sextant Short-Term Bond Fund, Sextant Bond Income Fund, Sextant Global High Income Fund, Saturna Sustainable Equity Fund, Saturna Sustainable Bond Fund, and Idaho Tax-Exempt Fund (each a "Fund" and, collectively, the "Funds") are series of Saturna Investment Trust (the "Trust").

This Statement of Additional Information ("SAI") is not a Prospectus. It merely furnishes information concerning the Funds that is not included in the Funds' Prospectuses. It should be read in conjunction with the Prospectuses.

The Trust's Annual Report to shareowners of the Funds dated November 30, 2020, accompanying notes, and Report of Independent Registered Public Accounting Firm appearing in the Annual Report are incorporated by reference and made a part of this SAI.

You may obtain Prospectuses or Summary Prospectuses dated March 30, 2021, and shareowner Annual and Semi-Annual Reports without charge by writing to the address shown above, calling toll-free to 800-728-8762, and at www.saturna.com.

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History of the Funds

Saturna Investment Trust (the “Trust”) is a business trust formed pursuant to RCW 23.90 of the laws of the State of Washington to operate as an open-end management company. When formed on February 20, 1987, the name was Northwest Investors Tax-Exempt Business Trust. The Trust’s name was changed to Northwest Investors Trust on October 12, 1990. In connection with the formation of the Sextant Funds, the Trust’s name was changed to Saturna Investment Trust on September 28, 1995.

The Trust has nine separate series (each, a “Fund”) organized into three fund families:

Sextant Mutual Funds

- **Sextant Growth Fund**
(commenced operation as an equity fund December 30, 1990, known as Northwest Growth Fund until September 28, 1995, when the investment objective of only Northwest stocks was changed),
- **Sextant International Fund**
(commenced operation September 28, 1995),
- **Sextant Core Fund**
(commenced operation March 30, 2007),
- **Sextant Short-Term Bond Fund**
(commenced operation September 28, 1995),
- **Sextant Bond Income Fund**
(commenced operation March 1, 1993, known as Washington Tax-Exempt Fund until September 28, 1995, when the investment objective of only Washington State municipal bonds was changed), and
- **Sextant Global High Income Fund**
(commenced operation March 30, 2012);

Sextant Growth and Sextant International Funds Z Shares commenced operations June 2, 2017.

Saturna Sustainable Funds

- **Saturna Sustainable Equity Fund**
(commenced operation March 27, 2015),
- **Saturna Sustainable Bond Fund**
(commenced operation March 27, 2015);

Idaho Tax-Exempt Fund

- **Idaho Tax-Exempt Fund**
(commenced operation September 4, 1987).

Fund Descriptions, Investments, and Risks

Classification

Saturna Investment Trust is an open-end management investment company. It is a series trust that presently offers six Sextant Funds, two Saturna Sustainable Funds, and the Idaho Tax-Exempt Fund to investors. Each Fund is diversified.

Investment Strategies

The Prospectuses and Summary Prospectuses describe the principal investment strategies of each Fund and principal risks of those strategies.

Sextant Mutual Funds

Sextant Growth Fund seeks long-term growth by investing primarily in common stocks of US companies. It may invest in securities convertible into common stocks and preferred stocks, and in other securities that are suited to the Fund's investment objectives. The Fund ordinarily does not invest in nonconvertible debt securities.

The Growth Fund principally invests in securities of companies with market capitalizations of greater than \$1 billion. Although the Fund invests principally in securities of US issuers, it may invest up to 5% of its total net assets (valued at the time of investment) in foreign equity securities traded in or outside the US.

Sextant International Fund invests at least 65% of its total net assets (taken at market value at time of investment) in companies with their headquarters and at least half of their assets and earnings outside the US.

The International Fund principally invests in securities of companies with market capitalizations of greater than \$1 billion. To reduce risk, the International Fund follows a value investment style and favors equities of larger, more seasoned companies.

The Fund diversifies its investments among several countries, ordinarily investing in securities of at least three countries outside the US. The Fund varies its investments geographically and by type of securities in which it invests based on the adviser's evaluation of economic, market, and political trends outside the United States. The adviser considers the relative political and economic stability of a company's countries of operation in evaluating the potential rewards and risks of an investment opportunity. The Fund may invest in securities traded in mature markets (generally, the countries belonging to the Organisation for Economic Co-operation and Development), in less developed markets (for example, Mexico), and in emerging markets (for example, Peru).

The Fund may invest in securities denominated in various currencies. Accordingly, a change in the value of such currency against the US dollar results in a corresponding change in the US dollar value of the Fund's assets denominated in that currency. Such changes also affect the Fund's income. Generally, when a given currency appreciates against the dollar (that is, the dollar weakens) the value of the Fund's securities denominated in that currency rises. When a given currency depreciates against the dollar (that is, the dollar strengthens), the value of the Fund's securities denominated in that currency would be expected to decline.

Sextant Core Fund seeks long-term capital appreciation and capital preservation. The Fund invests in a mix of common stocks and other equity securities (principally of companies with market capitalizations of greater than \$5 billion), plus bonds and other debt securities including short-term (money market) instruments. The stocks in the Core Fund are generally issues included in the Sextant Growth and International Funds. The Core Fund's bond issues are selected using the same investment parameters that apply to Bond Income and Short-Term Bond Funds. Under normal circumstances, the Core Fund invests approximately 40% of its net assets in equities of US companies, 20% in foreign equities, and 40% in investment grade fixed-income securities (those rated BBB or higher, including government and convertible bonds) including money market

instruments and cash (see Bond investments below). To reduce risk, the Core Fund follows a value investment style, favoring income-producing securities and those of larger, more seasoned companies.

The Core Fund diversifies its foreign investments among several countries, ordinarily investing in securities of at least three countries outside the US. The Fund varies its investments geographically and by type of securities in which it invests based on the adviser's evaluation of economic, market, and political trends outside the United States. The adviser considers the relative political and economic stability of a company's countries of operation in evaluating the potential rewards and risks of an investment opportunity. The Fund primarily invests in securities traded in mature markets (generally, the countries of the Organisation for Economic Co-operation and Development). It does not concentrate in any particular industry.

The Fund may invest in securities denominated in various currencies. Accordingly, a change in the value of such currency against the US dollar results in a corresponding change in the US dollar value of the Fund's assets denominated in that currency. Such changes also affect the Fund's income. Generally, when a given currency appreciates against the dollar (that is, the dollar weakens) the value of the Fund's securities denominated in that currency rises. When a given currency depreciates against the dollar (that is, the dollar strengthens), the value of the Fund's securities denominated in that currency would be expected to decline.

Sextant Short-Term Bond Fund invests at least 80% of its net assets in short-term bond securities, including corporate and government bonds. Under normal circumstances, the Fund's dollar-weighted average effective maturity (the sum of the market value of each bond times its number of years to anticipated maturity, divided by the portfolio's total market value) does not exceed three years. The Fund invests at least 65% of net assets in bonds rated within the three highest grades (AAA, AA, or A); and may not invest in a bond rated at the time of purchase below the fourth-highest grade (BBB).

Sextant Bond Income Fund invests at least 80% of its net assets in long-term bond securities, including corporate and government bonds. As an operating policy that may be changed by the Board of Trustees, under normal circumstances the Fund maintains a dollar-weighted average effective maturity in excess of 10 years. The Fund invests at least 65% of net assets in bonds rated within the three highest grades (AAA, AA, or A); and may not invest in a bond rated at the time of purchase below the fourth-highest grade (BBB).

Sextant Global High Income Fund invests at least 80% of its net assets in a globally diversified portfolio of attractively valued high-income securities, including:

- Foreign and domestic common and preferred stocks, including depositary receipts;
- Foreign and domestic corporate bonds, including convertible bonds;
- Foreign and domestic government bonds; and
- High-yield bonds ("junk bonds").

When selecting equities, the Fund principally invests in income-producing securities of companies with market capitalizations greater than \$5 billion.

The Global High Income Fund diversifies its foreign investments among several countries, ordinarily investing in securities of at least three countries outside the US. The Fund varies its investments geographically and by type of securities in which it invests based on the adviser's evaluation of economic, market, and political trends. The adviser considers the relative political and economic stability of a company's countries of operation in evaluating the potential rewards and risks of an investment opportunity. The Fund may invest in securities traded in any market, but at least two-thirds of the Fund must be invested in companies headquartered or bonds issued in the developed countries belonging to the Organisation for Economic Co-operation and Development. Seeking the advantage of global diversification, no more than half of the Fund may be invested in securities of companies headquartered or bonds issued in the US.

The Fund may invest in securities denominated in various currencies. Accordingly, a change in the value of such currency against the US dollar results in a corresponding change in the US dollar value of the Fund's assets denominated in that currency. Such changes also affect the Fund's income. Generally, when a given currency appreciates against the dollar (that is, the dollar weakens) the value of the Fund's securities denominated in that currency rises. When a given currency depreciates against the dollar (that is, the dollar strengthens), the value of the Fund's securities denominated in that currency would be expected to decline.

To increase safety, no more than half of the Global High Income Fund may be invested in common stocks. Investments in preferred stocks and bonds issued by corporations and governments thus make up the majority of the Fund's investments (see Bond investments, below). In seeking high income, the Fund favors bonds of lower quality, but may have up to half of its investments in bonds rated A3 or higher. Investors are cautioned that high-yield stocks and bonds carry extra risks (see High-yield securities below). The high-yield stocks and bonds in the Fund are not often included in the other Sextant Fund portfolios.

Sextant Funds Bond investments

(Sextant Short-Term Bond, Sextant Bond Income, Sextant Core, Sextant Global High Income)

The "effective maturity" of a debt instrument is the weighted average period over which the adviser expects the principal to be paid. It differs from the stated maturity in that it estimates the effect of expected principal prepayments and call provisions. With respect to mortgage-backed securities such as GNMA securities, the effective maturity is likely to be substantially less than the stated maturity of the mortgages in the underlying pools. With respect to obligations with call provisions, the effective maturity is typically the next call date on which the obligation reasonably may be expected to be called. Securities without prepayment or call provisions generally have an effective maturity equal to their stated maturity. During periods of rising interest rates, the effective maturity of mortgage backed securities and callable obligations may increase substantially because they become less likely to be prepaid, which may result in greater net asset value fluctuation.

Under normal circumstances, the Short-Term Bond and Bond Income Funds invest at least 80% of their assets (net assets plus any borrowings for investment purposes, taken at market value at the time of investment) in "bonds," meaning:

- Marketable straight-debt securities of domestic issuers, and of foreign issuers payable in US dollars, rated at the time of purchase within the four highest grades assigned by a nationally recognized statistical rating agency ("NRSRO", e.g., Standard & Poor's, Moody's Investors Service, Fitch Ratings) (AAA, AA, A, or BBB);
- Collateralized or securitized bonds, such as asset-backed securities, mortgage-backed securities, and commercial mortgage-backed securities;
- Government and municipal securities;
- Commercial paper rated Prime-1 by Moody's at time of purchase, or, if unrated, issued or guaranteed by a corporation with any outstanding debt rated AA or better by an NRSRO; and
- Bank obligations, including repurchase agreements, of banks having total assets in excess of \$1 billion.

These four Funds may also invest in other debt securities (including those convertible into, or carrying warrants to purchase, common stocks or other equity interests, and privately placed debt securities). However, the Funds (except Global High Income Fund) may not invest in a security rated at time of purchase below the fourth highest grade assigned by an NRSRO (BBB). Debt rated BBB is considered "medium grade," though still generally accepted as investment grade.

US government securities include: (i) bills, notes, bonds, and other debt securities, differing as to maturity and rates of interest, that are issued by and are direct obligations of the US Treasury; and (ii) other securities that are issued or guaranteed as to principal and interest by the US government or by its agencies or instrumentalities. US government securities are generally accepted as being among the safest debt securities with respect to the timely payment of principal and interest (but not any premium paid on their purchase), but generally bear a lower rate of interest than corporate debt securities. However, they are subject to market risk like other debt securities, and the securities' values fluctuate. The Funds may also invest in securities issued by foreign governments that meet the rating requirement of the Fund.

Among the government securities the Funds may purchase are those issued by Government National Mortgage Association ("Ginnie Mae"), Federal National Mortgage Association ("Fannie Mae"), and other agencies. Securities such as these represent an interest in a pool of mortgages insured in whole or in part by other agencies or the US Treasury, depending on the terms of the issue.

These "mortgage-backed" debt securities are entitled to interest and principal payments on mortgages in the pool as they are paid. During periods of declining interest rates, there is an increased likelihood that these mortgages will be prepaid, resulting in a loss of the benefit of holding the instrument to full term and a loss of any premium the Fund may have paid to buy the security.

The Funds may also invest in floating rate instruments that provide for periodic adjustments in coupon interest rates that are automatically reset based on changes in amount and direction of specified market interest rates. To the extent such instruments are subject to lifetime or periodic interest rate caps or floors, such instruments may experience greater price volatility than debt instruments without such features.

Medium grade (BBB) debt securities are obligations of issuers with less capacity to pay interest and repay principal than those rated more highly. Investment in these debt securities involves somewhat greater investment risk, including the possibility of issuer default or bankruptcy. An economic downturn could adversely affect the value of outstanding bonds and the ability of issuers to repay principal and interest. During a period of adverse economic changes, including a period of rising interest rates, issuers of such bonds may experience more difficulty in servicing their principal and interest payment obligations.

Some issuers of debt securities choose not to have their securities rated by a rating service. A Fund may invest in unrated securities that in the adviser's opinion are comparable to securities having a rating suitable for investment by the Fund. In selecting investments, the adviser makes its own judgments and does not rely on rating agencies.

The Global High Income Fund may also invest in high-yield bonds ("junk bonds"). These bonds carry NRSRO ratings below BBB and typically pay a higher yield due to their increased risk of default.

Saturna Sustainable Funds

Saturna Sustainable Equity Fund seeks capital appreciation by investing primarily in common stocks. It may invest in securities convertible into common stocks and preferred stocks, and in other securities that are suited to the Fund's investment objectives. The Fund does not invest in nonconvertible debt securities.

Under normal conditions, the Fund invests at least 80% of its assets in equities of issuers located throughout the world that the Fund's adviser believes demonstrate sustainable characteristics. For purposes of this investment policy, the Fund's adviser considers issuers with sustainable characteristics to be those issuers that are generally larger, more established, consistently profitable, financially strong, and with robust policies in the areas of the environment, social responsibility, and corporate governance ("ESG"). The Fund's adviser uses an internally developed ESG rating system to identify issuers that the Fund's adviser believes demonstrate sustainable characteristics.

The Sustainable Equity Fund principally invests in equity securities of companies with market capitalizations greater than \$5 billion. To reduce risk, the Fund follows a value investment style and favors equities of more seasoned companies.

The Sustainable Equity Fund diversifies its investments among countries, ordinarily investing in securities of companies headquartered in at least four countries. No more than 40% of the Fund can be invested in companies domiciled in any one country. The Fund varies its investments geographically and by industry based on the adviser's evaluation of economic, market, and political trends. The adviser considers the relative political and economic stability of a company's operational countries in evaluating the potential rewards and risks of an investment opportunity. The Fund primarily invests in securities traded in mature markets (generally, the countries belonging to the Organisation for Economic Co-operation and Development). No more than 30% of assets may be invested in developing markets.

The Fund may invest in securities denominated in various currencies. Accordingly, a change in the value of such currency against the US dollar results in a corresponding change in the US dollar value of the Fund's assets denominated in that currency. Such changes also affect the Fund's income. Generally, when a given currency appreciates against the dollar (that is, the dollar weakens) the value of the Fund's securities denominated in that currency rises. When a given currency depreciates against the dollar (that is, the dollar strengthens), the value of the Fund's securities denominated in that currency would be expected to decline.

Saturna Sustainable Bond Fund seeks current income and capital preservation. Under normal conditions, the Fund invests at least 80% of its net assets in bonds of issuers located throughout the world (including emerging markets) that the Fund's adviser believes demonstrate sustainable characteristics. For purposes of this investment policy, the Fund's adviser considers issuers with sustainable characteristics to be those issuers that are generally larger, more established, consistently profitable, financially strong, and with robust policies in the areas of the environment, social responsibility, and corporate governance ("ESG"). The Fund's adviser uses an internally developed ESG rating system to identify issuers that the Fund's adviser believes demonstrate sustainable characteristics.

Under normal conditions, the Fund maintains a dollar-weighted average maturity of three years or more, invests at least 65% of its net assets in bonds within the four highest grades (AAA, AA, A, or BBB), and may invest up to 35% in unrated and high-yield bonds ("junk bonds"). The Sustainable Bond Fund diversifies its investments among several countries, ordinarily investing in issuers headquartered in at least four countries. No more than 40% of the Fund can be invested in issuers domiciled in any one country. The Fund varies its investments geographically and by industry based on the adviser's evaluation of economic, market, and political trends. The adviser considers the relative political and economic stability of an issuer's countries of operation in evaluating the potential rewards and risks of an investment opportunity. The Fund primarily invests in bonds traded in mature markets (generally, the countries of the Organisation for Economic Co-operation and Development). No more than 30% of assets may be invested in developing markets.

The Fund may invest in securities denominated in various currencies. Accordingly, a change in the value of such currency against the US dollar results in a corresponding change in the US dollar value of the Fund's assets denominated in that currency. Such changes also affect the Fund's income. Generally, when a given currency appreciates against the dollar (that is, the dollar weakens) the value of the Fund's securities denominated in that currency rises. When a given currency depreciates against the dollar (that is, the dollar strengthens), the value of the Fund's securities denominated in that currency would be expected to decline.

Under normal circumstances, the Fund invests at least 80% of its assets (net assets plus any borrowings for investment purposes, taken at market value at the time of investment) in "bonds," meaning:

- Corporate bonds;
- Collateralized or securitized bonds, such as asset-backed securities, mortgage-backed securities, and commercial mortgage-backed securities;
- Government and municipal securities;

- Commercial paper rated Prime-1 by Moody's at time of purchase, or, if unrated, issued or guaranteed by a corporation with any outstanding debt rated AA or better an NRSRO; and
- Bank obligations, including repurchase agreements, of banks having total assets in excess of \$1 billion.

The "effective maturity" of a debt instrument is the weighted average period over which the adviser expects the principal to be paid. It differs from the stated maturity in that it estimates the effect of expected principal prepayments and call provisions. With respect to mortgage-backed securities such as GNMA securities, the effective maturity is likely to be substantially less than the stated maturity of the mortgages in the underlying pools. With respect to obligations with call provisions, the effective maturity is typically the next call date on which the obligation reasonably may be expected to be called. Securities without prepayment or call provisions generally have an effective maturity equal to their stated maturity. During periods of rising interest rates, the effective maturity of mortgage-backed securities and callable obligations may increase substantially because they become less likely to be prepaid, which may result in greater net asset value fluctuation.

The Fund may also invest in other debt securities (including those convertible into, or carrying warrants to purchase, common stocks or other equity interests, and privately placed debt securities).

US government securities include: (i) bills, notes, bonds, and other debt securities, differing as to maturity and rates of interest, that are issued by and are direct obligations of the US Treasury; and (ii) other securities that are issued or guaranteed as to principal and interest by the US government or by its agencies or instrumentalities. Government securities are generally accepted as being among the safest debt securities with respect to the timely payment of principal and interest (but not any premium paid on their purchase), but generally bear a lower rate of interest than corporate debt securities. However, they are subject to market risk like other debt securities, and the securities' values fluctuate. The Fund may also invest in securities issued by foreign governments that meet the rating requirement of the Fund.

Among the government securities the Fund may purchase are those such as Fannie Mae, Federal Home Loan Mortgage Corporation ("Freddie Mac"), and the Federal Home Loan Banks in the US. Securities such as these represent an interest in a pool of mortgages insured in whole or in part by other agencies or the US Treasury, depending on the terms of the issue.

These "mortgage-backed" debt securities are entitled to interest and principal payments on mortgages in the pool as they are paid. During periods of declining interest rates, there is an increased likelihood that these mortgages will be prepaid, resulting in a loss of the benefit of holding the instrument to full term and a loss of any premium the Fund may have paid to buy the security.

The Fund may also invest in floating rate instruments that provide for periodic adjustments in coupon interest rates that are automatically reset based on changes in amount and direction of specified market interest rates. To the extent such instruments are subject to lifetime or periodic interest rate caps or floors, such instruments may experience greater price volatility than debt instruments without such features.

Lower grade debt securities are obligations of issuers with less capacity to pay interest and repay principal than those rated more highly. Investment in these debt securities involves somewhat greater investment risk, including the possibility of issuer default or bankruptcy. An economic downturn could adversely affect the value of outstanding bonds and the ability of issuers to repay principal and interest. During a period of adverse economic changes, including a period of rising interest rates, issuers of such bonds may experience more difficulty in servicing their principal and interest payment obligations.

Some issuers of debt securities choose not to have their securities rated by a rating service. The Fund may invest in unrated securities that in the adviser's opinion are comparable to securities having a rating suitable for investment by the Fund. In selecting investments, the adviser makes its own judgments and does not rely on rating agencies.

The Sustainable Bond Fund may also invest in high-yield bonds ("junk bonds"). These bonds carry NRSRO ratings below BBB and typically pay a higher yield due to their increased risk of default.

Idaho Tax-Exempt Fund

The **Idaho Tax-Exempt Fund** may direct investments in other tax-exempt investment companies which do not concentrate their investments in Idaho bonds, but nevertheless yield income which is exempt from both federal income and alternative minimum taxation. Such income may be taxable at the state level. It is anticipated that shares of such investment companies may be obtained by an affiliated broker-dealer, Saturna Brokerage Services (the "distributor"), which has agreed to act as agent for the Fund and not charge a commission or receive any compensation on purchases of securities made on behalf of the Fund. The purchase of securities of other investment companies may result in the Fund's shareowners paying investment advisory fees twice on the same assets.

The adviser believes that many of the debt securities issued by the state of Idaho or its political subdivisions, agencies, or instrumentalities are small issues in total dollars and are typically issued by smaller communities or instrumentalities to obtain capital. Because of the small size of such issues, the expense of obtaining a rating for the issued obligation (bond) is typically not undertaken. Without a rating, investors must rely solely on their own analysis and investigation to determine investment risk and worth of such bonds. Since the cost of such analysis and investigation is typically not considered warranted due to the size of such issues, despite a higher return typically available from such unrated bonds, issues of unrated bonds generally do not have a trading market consisting of as many dealers as comparable rated issues. Occasionally, the financial institution lending the funds to a municipality receives the bond and holds it until maturity. As a result, although trading markets exist for unrated bonds, generally the number of dealers participating in the market are fewer than that which exists for rated bonds. Although all bonds are traded on the basis of dealers' perception of creditworthiness, an unrated bond having greater recognition among dealers will have a market consisting of a greater number of dealers than will the market for a bond not having as great a recognition. The adviser anticipates that investment in unrated bonds will occur only when the adviser believes the credit of the issuer of such unrated bonds is such so as to warrant an investment without unreasonable

risk to the preservation of capital and which is sufficiently recognized among the market dealers so as to provide ready marketability of the investment.

The adviser believes that there exist bonds that constitute good investments that will promote the investment objectives of the Fund. Purchases of bonds on behalf of the Fund may be made directly from the issuer. Some purchases are by sealed bid, with the entire issue being awarded to the lowest interest rate that is bid. Most issuers are willing to negotiate a rate directly with the managing underwriter and/or purchaser. In this instance, the adviser will deal in good faith to arrive at a competitive rate.

In contemplating the rate at which to bid a bond, the adviser may consider the opinions and evaluations of independent broker-dealers specializing in Idaho municipal bonds. Such brokers may also be requested to render their opinions as to the value of the Fund's investment securities. The adviser may consider such evaluations and valuation services provided by such independent brokers in determining where it effects transactions in investment securities.

The Fund buys investment-grade bonds, meaning those rated BBB or higher by an NRSRO or, if unrated, of equivalent quality in the opinion of the adviser, considered at the time of purchase. At least 40% of bonds that the Fund buys must be rated A or higher or, if unrated, of equivalent quality, on a similar basis.

Up to 60% of total assets of the Fund can be invested in unrated bonds. The adviser will purchase only those unrated bonds that it believes are liquid and can be sold at the value consistent with that used for net asset value purposes.

In evaluating bonds, the adviser analyzes the extent of investment risk by policies that include:

- (1) The extent of unemployment within the assessment district for the issuer of a bond and the extent to which this may affect repayment of the bond at maturity;
- (2) The extent to which the real property within the assessment district is owned by a small number of persons or entities and the relative economic strength of such persons or entities which may affect repayment of the bond at maturity; and
- (3) The financial position of Idaho and the political subdivision, including, but not limited to, the extent of its existing indebtedness.

These limitations and policies are considered primarily at the time of purchase. The sale of a bond is not mandated in the event of a subsequent change in circumstances. Bonds are commonly held until maturity, when the bond will be redeemed for its full face value, assuming no defaults. Nonetheless, bonds may be sold prior to maturity for various purposes, such as a desire for greater liquidity or to preserve capital.

The Fund invests predominantly in municipal obligations issued by the State of Idaho or its political subdivisions, agencies, or instrumentalities ("municipality"). These municipal obligations generally include municipal bonds, municipal notes, municipal commercial paper, and any other obligation from which the payment of interest, in the opinion of the bond issuer's counsel, is exempt from

federal and Idaho state income tax. General descriptions of these investments are:

Municipal bonds are debt obligations issued to obtain funds for various public purposes such as construction of public facilities (e.g., airports, highways, bridges, and schools). Maturities of municipal bonds at the time of issuance may range from one year to 30 years or more.

Municipal notes are short-term obligations of municipalities, generally with a maturity ranging from six months to three years. The principal types of notes include tax, bond, revenue anticipation, and project notes.

Municipal commercial paper refers to short-term obligations of municipalities, which may be issued at a discount. Such paper is likely to be issued to meet seasonal working capital needs of the municipality or interim construction financing. Municipal commercial paper is, in most cases, backed by letters of credit, lending agreements, note repurchase agreements, or other credit facility agreements offered by banks and other institutions.

Municipal notes and commercial paper obligations are usually issued in the following circumstances:

- (a) When borrowing is in anticipation of long-term financing, the paper is generally referred to as a bond anticipation note ("BAN"). Cities are authorized to issue revenue BANs. The maturity date cannot exceed five years from the date of issue. Payment can be extended for not more than three years from their maturity date. BANs are secured by income and revenues derived by the city from the project and from the sale of the revenue bonds in anticipation of which the notes are issued.
- (b) Borrowings to level temporary shortfalls in revenue occasioned by irregular receipts of taxes are generally referred to as tax anticipation notes ("TAN"). Taxing districts, including counties, any political subdivision of the state, any municipal corporation, school districts, any quasi-municipal corporation, or any other public corporation authorized to levy taxes, are authorized to borrow money and issue a TAN. The TANs must mature no longer than one year from the date of issue and are issued in anticipation of collection of taxes in the current fiscal year. The taxing district is limited to an amount equal to 75% of the taxes levied in the current fiscal year and not yet collected. The full faith and credit of the taxing districts back TANs. The State of Idaho is also authorized to issue a TAN in anticipation of income or revenue from taxes but is forbidden by its constitution to engage in deficit spending or long-term borrowing. The term of the obligation is the shorter of 12 months or to the end of the fiscal year. Likewise, the borrowed amount cannot exceed 75% of the income or revenue from taxes which the State tax commission or other tax collection agency certifies is reasonably anticipated to be collected during the current fiscal year.

Municipal bonds include debt obligations issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds may be used to refund outstanding obligations, to obtain funds for general operating expenses, or for lending public or private institutions funds for the construction of educational facilities, hospitals, or housing, or for other public purposes. The two principal

classifications of municipal bonds are general obligation and limited obligation (or revenue) bonds. Limited project bonds are known as local improvement district ("LID") bonds.

General obligation bonds ("GO Bonds") are those obligations of an issuer to which the full faith and credit of the municipality is pledged. The proceeds from GO Bonds are used for a wide variety of public uses, including, but not limited to, public facilities such as the structure or improvement of schools, highways, roads, water, and sewer systems, and facilities for a variety of public purposes. A GO Bond is paid from ad valorem property taxes or from other tax sources. Many types of obligations may be general obligations of a municipality whether or not they are incurred through the issuance of bonds. GO Bonds may be incurred in the form of a registered warrant, conditional sales contract, or other instrument in which an unconditional and unlimited promise to pay from ad valorem taxes is made.

Revenue bonds may be issued to fund a wide variety of revenue-producing capital projects including, but not limited to, electric, gas, water, and sewer systems; highways, bridges, and tunnels; airport facilities; colleges and universities; hospitals; and health, convention, recreational, and housing facilities. Although the principal security of these bonds varies, generally, revenue bonds are payable from a debt service reserve fund, the cash for which is derived from the operation of the particular utility or enterprise. Revenue bonds are not general obligations. The revenues of the particular utility or system secure them. They can be issued by agencies of a state and can also be issued by political subdivisions including counties, cities, towns, water districts, sewer districts, irrigation districts, port districts, and housing authorities.

The Fund will invest in revenue bonds with a coverage factor between net revenue to the annual debt service of a minimum of 1 to 1.25. Only issues that have a debt service reserve fund balance equal to the average annual debt service will be purchased.

Local Improvement District ("LID") bonds are secured by assessments levied against the properties benefited by the improvements constructed with the proceeds of the bonds. This type of financing is available to counties, water and/or sewer districts, highway districts, irrigation districts, and cities. The property must be specially benefited by the improvements constructed out of the proceeds of the bonds, generally within a local improvement district.

Private Activity Bonds, including Industrial Development Bonds ("IDB"), are commonly issued by public authorities but generally are not secured by any taxing power. Rather, they are secured by the revenues derived from the lease or rental payments received from the industrial user, and the credit quality of such municipal bonds is usually directly related to the credit standing of the user of the facilities. Since 1986, there have been substantial limitations on new issues of municipal bonds to finance privately operated facilities. To the extent such municipal bonds would generate income that might be taxed under federal alternative minimum tax provisions, the Fund does not invest in Private Activity Bonds. The Fund does not anticipate that greater than 5% of the Fund's total assets will be invested in Private Activity Bonds.

The Fund may purchase certain variable or floating rate obligations in which the interest rate is adjusted at predesignated periodic intervals (variable rate) or when there is a change in the market rate of interest

on which the interest rate payable on the obligation is based (floating rate). Variable or floating rate obligations may include a demand feature that entitles the purchaser to demand prepayment of the principal amount prior to stated maturity. Also, the issuer may have a corresponding right to prepay the principal amount prior to maturity.

Risks

Market risk

(All Funds)

The value of a Fund's shares rises and falls as the value of the securities in which a Fund invests goes up and down. Only consider investing in a Fund if you are willing to accept the risk that you may lose money.

Growth stocks

(Sextant Growth, Sextant Core, Saturna Sustainable Equity)

Growth stocks, which can be priced on future expectations rather than current results, may decline substantially when expectations are not met.

Foreign securities

(Sextant International, Sextant Core, Sextant Short-Term Bond, Sextant Bond Income, Sextant Global High Income, Saturna Sustainable Equity, Saturna Sustainable Bond)

Investors should understand and carefully consider the risks involved in foreign investing. Investing in foreign securities or instruments involves risks and opportunities not typically associated with investing in US securities. These include: fluctuations in exchange rates of foreign currencies; possible imposition of exchange control regulation or currency restrictions that would prevent cash from being brought back to the US; less public information with respect to issuers of securities; less governmental supervision of exchanges, issuers, and brokers; lack of uniform accounting, auditing, and financial reporting standards; lack of uniform trading practices; less liquidity or greater price volatility in foreign markets; possible imposition of foreign taxes; or less advantageous legal, operational, and financial protections applicable to foreign custodial arrangements. Governments worldwide could affect investments by expropriation or confiscatory taxation, seizure or nationalization of bank deposits or other assets, establishment of exchange controls, adoption of anti-business restrictions, or adverse political, social, or diplomatic developments.

The dividends and interest payable on foreign portfolio securities may be subject to foreign withholding taxes, thereby reducing the net amount of income available for distribution to Fund shareowners. A shareowner otherwise subject to US federal income taxes may, subject to various limitations, be entitled to claim a credit or deduction for US federal income tax purposes for his or her proportionate share of such foreign taxes paid by the Fund.

Emerging markets risk

(Sextant International, Sextant Global High Income, Saturna Sustainable Equity, Saturna Sustainable Bond)

There are heightened risks when investing in emerging markets, which are generally less liquid and more volatile than more developed securities markets. These risks include greater political or economic uncertainties; delays and disruptions in securities settlement procedures; weaker corporate governance, accounting, auditing and financial reporting standards; and less publicly available

information about issuers. Emerging market countries' governments may also be more likely to impose capital controls or nationalize an industry.

Bond credit

(Sextant Core, Sextant Short-Term Bond, Sextant Bond Income, Sextant Global High Income, Saturna Sustainable Bond, Idaho Tax-Exempt)

An issuer of debt securities may fail to make interest payments and repay principal when due, in whole or in part. Changes in an issuer's financial strength, the market's perception of the issuer's financial strength, or in a security's credit rating may affect a security's value.

Interest rate

(Sextant Core, Sextant Short-Term Bond, Sextant Bond Income, Sextant Global High Income, Saturna Sustainable Bond, Idaho Tax-Exempt)

When interest rates rise, bond prices generally fall. The opposite is also generally true: bond prices rise when interest rates fall. In general, securities with longer maturities are more sensitive to these interest rate changes. Interest rates change based on longer-term economic expectations, primarily inflation. Higher rates normally prevail in underperforming economies. When interest rates are historically low, the risk of bond prices falling should rates return to normal is increased.

High-yield securities

(Sextant Global High Income, Saturna Sustainable Bond)

High-yield securities ("junk bonds") involve greater risk of a loss, or delays of interest, principal, or dividend payments than higher quality securities. Issuers of lower rated or "high-yield" securities are not as strong financially as those issuing higher quality securities. Companies with high dividends are generally more financially leveraged and likely to be undergoing difficult and stressful conditions in their operations. Issuers of high-yield securities are likely more vulnerable to changes in the relevant economy that could affect their ability to make payments of interest, principal, or dividends as expected. The prices of high-yield securities generally fluctuate more than those of higher credit quality. High-yield securities are often more illiquid (harder to sell) and harder to value.

LIBOR transition risk

(Sextant Global High Income, Saturna Sustainable Bond)

A Fund may invest in certain debt securities, derivatives or other financial instruments that utilize the London Interbank Offered Rate ("LIBOR") as a benchmark or reference rate for various interest rate calculations. LIBOR may be a significant factor in determining a Fund's payment obligations under a derivative investment, the cost of financing to a Fund or an investment's value or return to a Fund, and may be used in other ways that affect a Fund's investment performance.

In July 2017, the Financial Conduct Authority, the United Kingdom's financial regulatory body, announced that after 2021 it will cease its active encouragement of banks to provide quotations needed to sustain the LIBOR rate, which means that the LIBOR rate will generally no longer be published after 2021. Although there is still uncertainty regarding a replacement rate, it is anticipated that derivatives and other transactions that currently utilize LIBOR will transition to using the Secured Overnight Financing Rate ("SOFR"), which is a broad measure of the cost of overnight borrowings secured by US

Treasury securities. However, various counterparties or other entities may be unwilling or unable to utilize SOFR or may be unable to modify existing agreements or instruments in a timely manner. The transition from LIBOR to SOFR (or any other replacement rate) may lead to a reduction in the value of some LIBOR-based investments and the effectiveness of new hedges placed against existing LIBOR-based investments, as well as significant market uncertainty, increased volatility, and illiquidity in markets for various instruments, which may result in prolonged adverse market conditions and impact a Fund's performance or NAV.

State-specific bonds

(Idaho Tax-Exempt)

State-specific bond risk entails changes in investor perceptions about the state of Idaho or other entities issuing bonds in Idaho. Investing only in Idaho bonds means the Idaho Tax-Exempt Fund has greater exposure to events in that state. Factors such as political, economic, and financial trends in the state of Idaho can affect market prices for the Fund's holdings of Idaho issuers, regardless of the actions of the broader market for municipal bonds. Investor perceptions of those events may cause bonds in the Fund's portfolio to vary up and down.

Liquidity

(All Funds)

Market risk also includes the concept of "liquidity," the ability of security holders to purchase and sell securities. Liquidity can relate to securities markets as a whole or to the market for only one or a few types of securities. Should a market become "illiquid" (lose liquidity), the ability to purchase and sell securities disappears. Holders of securities that are illiquid may have little or no ability to dispose or purchase securities as desired. Adverse market conditions can cause investors to place a premium on the highest quality liquid securities (such as US Treasury securities), which can result in a relative increase in interest rates for other types of bonds. Bonds that are less liquid may be affected by material increases in the general level of risk aversion and any resulting decrease in liquidity for non-US government obligations.

Saturna Sustainable Bond Fund may invest in restricted securities which may increase liquidity risk as a result of such restrictions.

Fundamental Policies

The investment objectives of each Fund are described in the Prospectuses and Summary Prospectuses. Investment objectives and certain policies of each of the Funds may not be changed without the prior approval of the holders of the majority of the outstanding shares of the respective Fund. Investment objectives and policies that are considered fundamental and subject to change only by prior approval of the shareowners include:

- the primary and any secondary investment objectives;
- for the Sextant Bond Income, Sextant Short-Term Bond, Saturna Sustainable Bond Fund, and Idaho Tax-Exempt Fund the 80% of assets minimum investment in bonds;
- the classification of the Funds as an open-end management company and the subclassification of each of the Funds as a diversified company; and
- the policies listed under "Investment Restrictions."

Investment Restrictions

Sextant Mutual Funds, Saturna Sustainable Funds

In addition to the restrictions stated in the Prospectuses and Summary Prospectuses, the Funds shall not:

- purchase securities on margin;
- sell securities short, or purchase or write put or call options;
- purchase “restricted securities” – those which are subject to legal or contractual restrictions on resale or are otherwise not readily marketable (this restriction does not apply to Saturna Sustainable Bond Fund); or
- invest in oil, gas, or other mineral exploration leases and programs.

The Funds shall not make loans to others, except for:

- the purchase of debt securities; or
- the entering into of repurchase agreements.

The Funds shall not invest in securities so as to not comply with Subchapter M of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended (the “Code”), in that generally at the close of each quarter of the tax year, at least 50% of the value of each Fund’s total assets is represented by:

- cash and cash items, government securities, and securities of other regulated investment companies; and
- other securities.

In addition, the Funds shall not purchase:

- real estate;
- real estate limited partnerships (excepting master limited partnerships that are publicly traded on a national security exchange or Nasdaq’s National Market System); or
- commodities or commodity contracts.

The Funds shall not:

- issue senior securities; provided, however, that a fund may borrow money for extraordinary or emergency purposes and then only if after such borrowing there is asset coverage of at least 300% for all such borrowings; the Trust is authorized to mortgage or pledge assets of a Fund to the extent necessary to secure such temporary borrowings; act as a securities underwriter, except that they may purchase securities directly from the issuer for investment purposes;
- purchase or retain securities of any issuer if the officers or trustees of the Trust or its adviser own more than one-half of one percent of the securities of such issuer; or
- invest in any company for the purpose of management or exercising control.

No Fund shall invest in the securities of other open-end investment companies, except in connection with a merger, consolidation, acquisition, or reorganization or by purchase in the open market where no commission or profit to a sponsor or dealer results from the purchase other than the customary broker’s commission.

The Funds shall not:

- purchase securities of any issuer in excess of 5% of the Fund’s total assets;
- purchase more than 10% of the outstanding voting securities of any issuer;
- concentrate investments in a single industry beyond 25% of the total value of a Fund;
- invest more than 10% of its assets in the securities of issuers which together have a record of less than three years continuous operation; or
- purchase securities if such Fund’s outstanding borrowings exceed 5% of its net assets.

No Fund’s investments in warrants, valued at the lower of cost or market, shall exceed 5% of the value of the Fund’s net assets. Included within that amount, but not to exceed 2% of the value of the Fund’s net assets, may be warrants that are not listed on the New York or American Stock Exchanges. Warrants acquired in units or attached to securities may be deemed to be without value. Notwithstanding the above, the Funds may purchase securities pursuant to the exercise of subscription rights, provided that such purchase does not result in the Funds’ ceasing to be a diversified investment company. Japanese and European corporations frequently issue additional capital stock by means of subscription rights offerings to existing shareowners at a price substantially below the market price of the shares. The failure to exercise such rights would result in the Funds’ interest in the issuing company being diluted. The market for such rights is not well developed in all cases and, accordingly, the Funds may not always realize the full value on the sale of rights. The exception applies in cases where the limits set forth in the investment restrictions would otherwise be exceeded by exercising rights or would have already been exceeded as a result of fluctuations in the market value of the Funds’ portfolio securities with the result that the Funds would be forced to sell securities at a time when they might not otherwise have done so, or to forgo exercising the rights.

Idaho Tax-Exempt Fund

In addition to the restrictions stated in the Prospectus and Summary Prospectus, the Fund shall not:

- purchase securities on margin or sell securities short or purchase or write put or call options;
- purchase “restricted securities” (those which are subject to legal or contractual restrictions on resale or are otherwise not readily marketable); or
- invest in oil, gas, or other mineral exploration leases and programs.

The Fund shall not make loans to others, except for:

- the purchase of debt securities; or
- the entering into of repurchase agreements.

The Fund shall not invest in securities so as to not comply with Subchapter M of the Internal Revenue Code, in that generally at the close of each quarter of the tax year, at least 50% of the value of the

Fund's total assets is represented by:

- cash and cash items, government securities, and securities of other regulated investment companies; and
- other securities.

In addition, the Fund shall not purchase

- real estate;
- real estate limited partnerships; or
- commodities or commodity contracts.

The Fund shall not:

- issue senior securities; provided, however, that a fund may borrow money for extraordinary or emergency purposes and then only if after such borrowing there is asset coverage of at least 300% for all such borrowings;
- act as a securities underwriter except that it may purchase securities directly from the issuer for investment purposes;
- purchase or retain securities of any issuer if the officers or trustees of the Fund or its adviser own more than one-half of one percent of the securities of such issuer; or
- invest in any company for the purpose of management or exercising control.

The Fund shall not:

- purchase securities of any issuer in excess of 5% of the Fund's total assets;
- purchase more than 10% of the outstanding voting securities of any issuer;
- concentrate its investments in a single industry beyond 25% of the total value of the Fund;
- invest more than 10% of its assets in the securities of issuers which together have a record of less than three years continuous operation.

Other Fund Policies

Temporary Defensive Position

When the adviser considers a temporary defensive investment position advisable, any Fund may invest without limitation in high-quality corporate debt obligations, US government obligations, or hold cash or cash equivalents. Taking a temporary defensive position may keep a Fund from attaining its investment objective.

Portfolio Turnover

The Funds place no restrictions on portfolio turnover and the Funds will buy or sell investments according to the adviser's appraisal of the factors affecting the market and the economy. During the most recent fiscal year ended November 30, 2020, Saturna Sustainable Bond Fund's portfolio turnover increased from 37.96% to 63.41%. This increase does not represent a change in strategy and is attributable to selective portfolio repositioning, which may continue over the next year due to the change in market conditions. The adviser does not anticipate significant variation from the relatively low portfolio turnover rates experienced in the past.

Disclosure of Portfolio Holdings

The Saturna Investment Trust has adopted a portfolio holdings disclosure policy governing the disclosure of the Funds' portfolio holdings. In accordance with this policy, the Funds may provide portfolio holdings information directly to third parties no earlier than the time a report is filed with the SEC that is required to contain such information or one day after the information is posted on the Fund's publicly accessible website, www.saturna.com. A list of portfolio holdings is generally made available on the Funds' website within 10 business days after each month-end. Additionally, the Funds publish on the website a list of their top 10 holdings as of the end of each calendar quarter within 10 business days after the end of the quarter for which the information is current.

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

on the scope of the portfolio holdings information disclosed, when appropriate.

Nonpublic portfolio holdings information may be provided to other persons if approved by the adviser's president or designee upon a determination that there is a legitimate business purpose for doing so, the disclosure is consistent with the interests of the Funds, and the recipient is obligated to maintain the confidentiality of the information and not misuse it.

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

In view of these Fund policies, it is unlikely that a conflict of interest between the Funds, the adviser, or any affiliated person of the Funds may arise. However, should the adviser's president become aware that a potential conflict of interest may exist in connection with authorized portfolio disclosures, she will promptly consult with the chairman of the Trust's Board of Trustees with regard to action to be taken. For further information about conflicts of interest, see the "Portfolio Managers" section beginning on page 23.

Proxy Voting Policies

The proxy voting guidelines summarize Saturna Capital Corporation's positions and give a general indication of how portfolio securities will be voted.

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

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

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

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

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

CORPORATE GOVERNANCE

We will generally vote **FOR**:

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

Corporate Transactions

We will generally vote **AGAINST**:

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

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

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

Director Elections

We will generally vote **FOR**:

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

We will generally vote **AGAINST**:

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

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

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

Takeover Defenses

We will generally vote **FOR**:

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

We will generally vote **AGAINST**:

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

Capital Structure

We will generally vote **FOR**:

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

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

- Proposals to increase common stock.

Compensation

We will generally vote **FOR**:

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

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

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

ENVIRONMENT

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

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

- Addressing climate change.
- Reducing waste.
- Reducing greenhouse gas emissions.
- Reducing other toxic emissions.
- Taking responsibility for toxic cleanup.
- Mitigating water-related risks.
- Mitigating negative impact on biodiversity in the communities in which the company operates.
- The use of harmful pesticides, antibiotics, genetically engineered organisms, and other chemicals in food production.
- Health and environmental hazards the company's operations present to the communities in which it operates.
- Sustainable business operations.

SOCIAL RESPONSIBILITY

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

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

Management of the Funds





Board of Trustees

A Board of six Trustees supervises the Funds: Marina E. Adshade, Ronald H. Fielding, Gary A. Goldfogel, James V. McKinney, Sarah E.D. Rothenbuhler, and Jane K. Carten. The Trustees establish policies as well as review and approve the Funds' investment advisory contracts and their continuance. The Trustees also elect the officers, determine the amount of any dividend or capital gain distribution, and serve on any committees of the Trust. Trustees serve for the lifetime of the Trust or until reaching the mandatory retirement age, death, resignation, removal, or non re-election by the shareowners. The Trustees annually appoint officers for one-year terms.

Management Information					
Name, Address, and Age	Position(s) held with Trust; term of office and length of time served	Principal occupation(s) during past 5 years	Number of portfolios in Saturna fund complex overseen by Trustee	Other directorships held by Trustee during past 5 years	
Independent Trustees					
 Marina E. Adshade , PhD (53) 1300 N. State Street Bellingham WA 98225	Independent Trustee (since 2017)	Professor of Economics, University of British Columbia, Vancouver and the School of Public Policy at Simon Fraser University Author	Nine	None	
 Ronald H. Fielding , MA, MBA, CFA (72) 1300 N. State Street Bellingham WA 98225	Independent Trustee (since 2009)	Director, ICI Mutual Insurance Company	Thirteen	Amana Mutual Funds Trust	
 Gary A. Goldfogel , MD (62) 1300 N. State Street Bellingham WA 98225	Chairman (since 2017); Independent Trustee (since 1995)	Medical Examiner (pathologist)	Nine	None	
 Jim V. McKinney (59) 1300 N. State Street Bellingham WA 98225	Independent Trustee (since 2017)	President/CEO, Apple Mountain LLC, consulting and development; US Army Foreign Area Officer - Retired	Nine	None	
 Sarah E.D. Rothenbuhler (53) 1300 N. State Street Bellingham WA 98225	Independent Trustee (since 2017)	CEO, Birch Equipment (industrial rentals and sales)	Nine	None	
Interested Trustee					
 Jane K. Carten , MBA (46) 1300 N. State Street Bellingham WA 98225	President, Trustee (since 2017)	President and Director, Saturna Capital Corporation Vice President and Director, Saturna Trust Company President, Saturna Brokerage Services	Nine	None	

Mrs. Carten is an "interested person" of the Trust as an officer and controlling shareowner of the Adviser, Saturna Capital Corporation.

Officers Who Are Not Trustees

Name, Address, and Age	Position(s) held with Trust (length of time served); and term of office	Principal occupation(s) during past 5 years
Officers Who Are Not Trustees		
 Bryce R. Fegley (46) ¹ 1300 N. State Street Bellingham, WA 98225	Vice President (since 2020)	Portfolio Manager and Senior Investment Analyst, Saturna Capital
 Christopher R. Fankhauser (49) ¹ 1300 N. State Street Bellingham, WA 98225	Treasurer (since 2002)	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
 Michael E. Lewis (59) ¹ 1300 N. State Street Bellingham, WA 98225	Chief Compliance Officer (since 2012)	Chief Compliance Officer, Saturna Capital, Saturna Trust Company, and Affiliated Funds
 Jacob A. Stewart (40) ¹ 1300 N. State Street Bellingham, WA 98225	Anti-Money Laundering Officer (since 2015)	Anti-Money Laundering Officer, Saturna Capital Corporation, Saturna Brokerage Services Chief Compliance Officer, Saturna Brokerage Services Bank Secrecy Act Officer, Saturna Trust Company
 Nicole Trudeau (41) ¹ 1300 N. State Street Bellingham WA 98225	Secretary (since 2018)	Chief Legal Officer, Saturna Capital Corporation Former: Counsel, Simpson Thacher & Bartlett LLP; Partner, Stradley Ronon Stevens & Young, LLP; Partner, K&L Gates LLP

¹ Messrs. Fegley, Fankhauser, Lewis, Stewart, and Ms. Trudeau are “interested persons” of the Trust as officers and/or employees of the Adviser, Saturna Capital Corporation. Messrs. Fankhauser, Lewis, Stewart, and Ms. Trudeau hold the same positions with Amana Mutual Funds Trust, which has four fund portfolios and is also managed by Saturna Capital Corporation.

As of December 31, 2020, no Independent Trustee (or any of their immediate family members) owned beneficially or of record securities of the adviser or the Trust’s principal underwriter, or any person (other than a registered investment company) directly or indirectly, controlling, controlled by or under common control with the adviser or principal underwriter.

Management Ownership Information (as of Dec. 31, 2020)

Trustee	Dollar range of equity securities in Funds of Saturna fund complex	Aggregate dollar range of equity securities in all Registered Investment Companies overseen by Trustee/Officer in Saturna fund complex
Marina E. Adshade	None	None
Jane K. Carten	Sextant Growth Investor Shares: \$10,001-\$50,000 Sextant Growth Z Shares: over \$100,000 Sextant International Z Shares: \$10,001-\$50,000 Sextant Core : over \$100,000 Sextant Bond Income : \$1-\$10,000 Sextant Global High Income : \$10,001-\$50,000 Saturna Sustainable Equity : over \$100,000 Saturna Sustainable Bond : \$50,001-\$100,000	Over \$100,000
Ronald H. Fielding	Sextant International Z Shares: over \$100,000 Sextant Global High Income : \$50,001-\$100,000	Over \$100,000
Gary A. Goldfogel	Sextant Growth Z Shares: over \$100,000 Sextant International Investor Shares: \$1-\$10,000 Sextant International Z Shares: over \$100,000 Sextant Core : over \$100,000 Sextant Short-Term Bond : over \$100,000 Sextant Bond Income : over \$100,000 Sextant Global High Income : over \$100,000 Saturna Sustainable Equity : over \$100,000	Over \$100,000
Jim V. McKinney	None	None
Sarah E.D. Rothenbuhler	Sextant International Investor Shares: \$1-\$10,000 Saturna Sustainable Equity : \$1-\$10,000	\$10,001-\$50,000

Leadership Structure and Board of Trustees

As part of its annual governance assessment, the Board reviews the collective and individual experience, qualifications, attributes, and skills of the Trustees. Attributes common to all Trustees are strong educational backgrounds, lifetimes of experience in business and finance, and ability to effectively request, evaluate, and discuss information about the Trust with the adviser and other service providers to the Trust. The Chairman of the Board and all other Trustees (except Mrs. Carten) are independent of the adviser.

The Board has concluded that its current leadership structure, in which the Chairman of the Board is not affiliated with the adviser, is appropriate and in the best interest of shareowners, in light of the services provided to the Trust. In making the determination that each Trustee is qualified to serve, the Board considers a variety of criteria, including actual service, commitment, and participation of each Trustee during his tenure with the Trust. In addition to the information set forth in the Trustees table (on pages 14-15) and other relevant qualifications, the following are additional important qualifications of each Trustee:

Marina E. Adshade PhD, is a professor of economics at the Vancouver School of Economics at the University of British Columbia). Dr. Adshade earned her doctorate in economics from Queen's University (Kingston, Ontario). Dr. Adshade is a regular contributor to print and broadcast media and has been published globally in thirteen different languages. The Board believes Dr. Adshade's economics background and research experience make her an excellent board member.

Jane K. Carten MBA, graduated from Western Washington University with an MBA and undergraduate degree in Computer Science and Business. As President of Saturna Capital Corporation (the Funds' investment adviser), Mrs. Carten oversees Saturna's daily operations and holds officer positions and directorships with certain Saturna Capital affiliates as noted previously. Mrs. Carten is active in the Bellingham Bay Rotary and is a member of the Young Presidents' Organization. She is a founder of the nonprofit OpenAccess Internet Services and is a Bellingham Sister Cities member and contributor. The Board believes Mrs. Carten's demonstrated mutual fund industry experience and background, and her volunteer service and leadership on community boards make her an excellent board member.

Gary A. Goldfogel MD, serves as the Medical Examiner for Northwest Washington State. Dr. Goldfogel is a board certified physician in Surgical and Forensic Pathology and Laboratory Medicine. He earned his doctorate in the field of medicine from Emory University. He has served on boards of various professional and community organizations. The Board believes Dr. Goldfogel's service to community organizations, considerable board experience, and business background make him an excellent board member.

Ronald H. Fielding MA, MBA, CFA, has worked in the mutual fund industry as a portfolio manager, owner, and senior officer of mutual fund advisers for over 35 years. He has served on the board of Investment Company Institute Mutual Insurance for 20 years. He has taught courses in finance and economics, and serves on philanthropic and educational institution boards. Mr. Fielding has a bachelor's degree in liberal arts from St. John's College, plus master's degrees in economics and in business from the University of Rochester. The

Board believes Mr. Fielding's demonstrated mutual fund industry experience and background, and his volunteer service and leadership on many boards including ICI Mutual Insurance, make him an excellent board member.

James V. McKinney is the owner of Apple Mountain LLC, a strategy and development consulting firm. Mr. McKinney is a retired foreign area officer with extensive service in the Middle East, Europe, and Asia. He served as a senior defense official/defense attaché and security assistance officer for US Embassies, and as a leader, advisor, and analyst in numerous global assignments. He provided extensive guidance and assistance to senior government leaders in developing nations. He has a bachelor's in Government from California State University, Sacramento, and a master's in International Studies from the University of Washington. The Board believes Mr. McKinney's background, leadership experience, and community service activity make him an excellent board member.

Sarah E. D. Rothenbuhler is CEO of Birch Equipment Co, Inc, a construction equipment rental and sales company. She earned a bachelor's from the University of Colorado and is a recipient of multiple business and community leadership awards. She is active on several philanthropic boards and organizations, including Bellingham Bay Rotary, St. Joseph's Hospital Foundation, and Whatcom Business Alliance. The Board believes Ms. Rothenbuhler's background, considerable business experience, and leadership service on community boards make her an excellent board member.

Board Role in Risk Oversight

The Board's role in management of the Trust is oversight. As is the case with many investment companies, day-to-day management of the Trust, selection of Fund investments, administration and distribution services, and management of operational and portfolio risk are responsibilities of the adviser. The Board, through reports from the adviser and third parties, meetings of the Board as well as its committees, independent experiences including shareowner contacts, and Board advisors such as auditors, legal counsel, compliance officers, and regulators, provides only general supervision and risk oversight. The Chairman's duties include developing the agenda for each Board meeting in consultation with management, presiding over each Board meeting, discussing matters with management between Board meetings, and facilitating communication and coordination between the Trustees and management.

Committees

The Board has an Audit and Compliance Committee consisting of the Independent Trustees. The Committee held one meeting during the fiscal year. The Committee operates under a specific charter, selects the independent registered public accounting firm, and reviews all audit reports. The Committee also reviews and considers matters related to the Trust's compliance program, and meets with the Chief Compliance Officer at least annually.

The Board has authority to establish an Executive Committee with the power to act on behalf of the Board between meetings and to exercise all powers of the Trustees in the management of the Trust. No Executive Committee has been established at this time.

Compensation

The Trust currently pays disinterested trustees \$1,000 per meeting attended, plus \$2,000 per year retainer, plus reimbursement of travel expenses (allocated *pro rata* to each Fund of the Trust). Trustees are also compensated for committee meetings and chairmanships. As an interested trustee, Mrs. Carten receives no compensation from the Trust. The Trustee Compensation table (below) provides the total compensation paid Trustees for the fiscal year ended November 30, 2020.

Code of Ethics

The Trust, its investment adviser Saturna Capital Corporation, and its principal underwriter Saturna Brokerage Services, Inc., have adopted a common Code of Ethics under Rule 17j-1 of the Investment Company Act of 1940, as amended (the "1940 Act"), and Rule 204a-1 of the Investment Advisers Act. The Code of Ethics permits personnel subject to the Code of Ethics (as defined in the Code of Ethics) to invest in securities, including common stocks and mutual funds. To prevent conflicts of interest, the Code of Ethics includes restrictions on investing in securities that may be purchased by the Funds. A copy of the Code of Ethics is available without charge by contacting the Trust or Saturna Capital Corporation, and at www.saturna.com.

Trustee Compensation for Fiscal Year ended Nov. 30, 2020				
Name of Person; Position	Aggregate Compensation from Trust	Pension or Retirement Benefits Accrued as Part of Trust Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation From Trust and Fund Complex Paid to Trustees
Marina E. Adshade; Trustee	\$6,000	\$0	\$0	\$6,000
Jane K. Carten; Trustee	0	0	0	0
Ronald H. Fielding; Trustee ¹	8,000	0	0	19,667
Gary A. Goldfogel; Trustee, Chairman	8,000	0	0	8,000
James V. McKinney; Trustee	6,000	0	0	6,000
Sarah E.D. Rothenbuhler; Trustee	\$7,500	\$0	\$0	\$7,500

¹ Ronald H. Fielding also serves as Trustee to the Amana Mutual Funds Trust. He was paid \$11,667 by that Trust during Saturna Investment Trust's fiscal year ended November 30, 2020.

Trustees and Officers Ownership of Trust Shares ¹		
Fund:	Shares Owned:	Percentage of Outstanding:
Sextant Growth Investor Shares	441	0.36%
Sextant Growth Z Shares	231,666	18.44%
Sextant International Investor Shares	412	0.02%
Sextant International Z Shares	359,937	26.14%
Sextant Core	412,124	32.36%
Sextant Short-Term Bond	931,860	38.53%
Sextant Bond Income	640,213	25.98%
Sextant Global High Income	474,405	52.88%
Saturna Sustainable Equity	446,430	37.43%
Saturna Sustainable Bond	406,993	17.52%
Idaho Tax-Exempt	447,273	17.72%

¹ As of March 8, 2021, officers and Trustees (plus affiliated family members and entities), as a group, owned the above shares of the Funds.

Control Persons and Principal Holders of Securities

Principal Holders of Securities

As of March 8, 2021, the principal holders of record (those with 5% or more of the outstanding shares) of securities of the following Funds were:

	Name and Address	Shares	Percentage
Sextant Growth Investor Shares	NFSC Omnibus Account for the Exclusive Benefit of our Customers 200 Liberty Street New York, NY 10281	46,761	37.97%
	SEI Private Trust Company c/o Peapack Gladstone Bank ID 212 One Freedom Valley Dr. Oaks, PA 19456	31,480	25.56%
	Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street San Francisco, CA 94104	19,878	16.14%
	TD Ameritrade, Inc., For the Exclusive Benefit of Our Clients P.O. Box 2226 Omaha, NE 68103	8,936	7.26%
Sextant Growth Z Shares	Helen F. Schloerb Revocable Trust ¹ P.O. Box 9623 North Amherst, MA 01059	85,602	6.81%
	Saturna Capital Corporation ¹ 1300 North State Street Bellingham, WA 98225	83,439	6.64%
Sextant International Investor Shares	NFSC Omnibus Account for the Exclusive Benefit of our Customers 200 Liberty Street New York, NY 10281	1,000,100	42.64%
	Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street San Francisco, CA 94104	929,522	39.63%
	Pershing LLC 1 Pershing Plaza Jersey City, NJ 07399	149,148	6.36%
Sextant International Z Shares	Saturna Capital Corporation ¹ 1300 North State Street Bellingham, WA 98225	150,288	10.93%
	Ronald H. Fielding ¹ 1300 North State Street Bellingham, WA 98225	101,433	7.37%
	Helen F. Schloerb Revocable Trust ¹ P.O. Box 9623 North Amherst, MA 01059	89,194	6.48%
	Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street San Francisco, CA 94104	84,584	6.15%
	Saturna Capital 401(k) Omnibus Account FBO Saturna Capital Employees 1300 North State Street Bellingham, WA 98225	72,417	5.26%

Principal Holders of Securities

As of March 8, 2021, the principal holders of record (those with 5% or more of the outstanding shares) of securities of the following Funds were:

	Name and Address	Shares	Percentage
Sextant Core	Saturna Capital 401(k) Omnibus Account FBO Saturna Capital Employees 1300 North State Street Bellingham, WA 98225	139,620	10.97%
	Saturna Capital Corporation ¹ 1300 North State Street Bellingham, WA 98225	121,170	9.52%
	Goldfogel Family Partnership ¹ 1300 N. State Street Bellingham, WA 98225	77,912	6.12%
	Janicki Industries 401(k) Omnibus Account FBO Janicki Industries Employees 719 Metcalf Street Sedro Woolley, WA 98284	64,236	5.05%
Sextant Short-Term Bond	Saturna Capital Corporation ¹ 1300 North State Street Bellingham, WA 98225	555,171	22.96%
	Dr. Peter A. Telfer ¹ 1300 N. State Street Bellingham, WA 98225	314,652	13.01%
Sextant Bond Income	Saturna Capital Corporation ¹ 1300 North State Street Bellingham, WA 98225	294,979	11.97%
	Saturna Trust Company ¹ 1070 West Horizon Ridge Parkway, Suite 201 Henderson, NV 89012	170,032	6.90%
	Western Washington University Foundation ¹ 516 High Street OM 430 Bellingham, WA 98225	144,011	5.84%
Sextant Global High Income	Saturna Capital Corporation ¹ 1300 North State Street Bellingham, WA 98225	277,997	30.98%
	Nicholas F. Kaiser ¹ 1300 North State Street Bellingham, WA 98225	94,272	10.51%
	Muhammad Alghannam, M.D., 401(k) & PS Plan 674 Morgan Estates Dr Yuba City, CA 95991	73,378	8.18%
	Saturna Capital 401(k) Omnibus Account FBO Saturna Capital Employees 1300 North State Street Bellingham, WA 98225	70,878	7.90%
	Goldfogel Family Partnership ¹ 1300 N. State Street Bellingham, WA 98225	48,673	5.42%

¹ Shares are owned beneficially

Control Persons and Principal Holders of Securities

Principal Holders of Securities

As of March 8, 2021, the principal holders of record (those with 5% or more of the outstanding shares) of securities of the following Funds were:

	Name and Address	Shares	Percentage
Saturna Sustainable Equity	Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street San Francisco, CA 94104	339,280	28.45%
	Saturna Capital Corporation ¹ 1300 North State Street Bellingham, WA 98225	304,288	25.51%
	NFSC Omnibus Account for the Exclusive Benefit of our Customers 200 Liberty Street New York, NY 10281	116,057	9.73%
	Saturna Capital 401(k) Omnibus Account FBO Saturna Capital Employees 1300 North State Street Bellingham, WA 98225	72,633	6.09%
	Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street San Francisco, CA 94104	718,037	30.83%
Saturna Sustainable Bond	NFSC Omnibus Account for the Exclusive Benefit of our Customers 200 Liberty Street New York, NY 10281	291,785	12.53%
	Saturna Capital Corporation ¹ 1300 North State Street Bellingham, WA 98225	284,423	12.21%
	FolioFN Investments, Inc. 8180 Greensboro Dr., 8th Floor McLean, VA 22102	276,049	11.85%
	Pershing LLC 1 Pershing Plaza Jersey City, NJ 07399	198,888	8.54%
	Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street San Francisco, CA 94104	718,037	30.83%

Principal Holders of Securities

As of March 8, 2021, the principal holders of record (those with 5% or more of the outstanding shares) of securities of the following Funds were:

	Name and Address	Shares	Percentage
Idaho Tax-Exempt	Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street San Francisco, CA 94104	616,859	24.44%
	Saturna Capital Corporation ¹ 1300 North State Street Bellingham, WA 98225	369,476	14.64%
	TD Ameritrade, Inc., For the Exclusive Benefit of Our Clients P.O. Box 2226 Omaha, NE 68103	199,942	7.92%
	Orma H. Barker ¹ 1300 N. State Street Bellingham, WA 98225	160,406	6.36%
	Lola M. Epler ¹ 1300 N. State Street Bellingham, WA 98225	142,566	5.65%

¹ Shares are owned beneficially

Any person holding in excess of 25% of the outstanding voting securities of a Fund may be deemed to control the Fund based on 1) the substantial ownership interest held and 2) the person's resulting ability to potentially influence voting on certain matters submitted to shareowners for their consideration and approval.

Mr. Nicholas F. Kaiser, 1300 N. State Street, Bellingham, WA 98225, is considered a "control person" of the Sextant Global High Income, Sextant Short-Term Bond, and Saturna Sustainable Equity Funds. As of March 8, 2021, Mr. Nicholas F. Kaiser directly and indirectly through his ownership interest in Saturna Capital owned 41.49%, 26.63%, and 29.77% of these funds, respectively. Mrs. Jane K. Carten, 1300 N. State Street, Bellingham, WA 98225, is considered a "control person" of the Sextant Global High Income and Saturna Sustainable Equity Funds. As of March 8, 2021, Mrs. Jane K. Carten directly and indirectly through her ownership interest in Saturna Capital owned 31.26%, and 29.74%, of these funds, respectively. Their status as control persons has no effect on the voting rights of other security holders.

The Control Persons and Principal Holders of Securities table shows the only persons known to the Trust to be the owners of record of more than five percent or more of any Fund.

Investment Advisory and Other Services

Investment Adviser and Administrator

Saturna Capital Corporation, 1300 N. State Street, Bellingham, Washington 98225, is the Investment Adviser and Administrator for the Funds. Saturna Capital is also the Funds' transfer agent and shareowner servicing agent. Mrs. Jane K. Carten, president of Saturna Capital, through her ownership of 52% of its voting stock, is a control person of the adviser. Mrs. Carten is also a principal portfolio manager of the Saturna Sustainable Equity Fund. Mr. Nicholas F. Kaiser, chairman of Saturna Capital, through his ownership of 41% of its voting stock, is a control person of the adviser.

Advisory Fee

Sextant Funds

Each of the Sextant Funds pays the adviser an Advisory and Administrative Services Fee (the "Base Fee"). The Base Fee is compensation for portfolio management, advice, and recommendations on securities to be purchased, held, or sold. The Base Fee also covers certain administrative services such as portfolio accounting, shareowner and financial reporting, shareowner servicing, and transfer agency services. The Base Fee is computed at the annual rate of 0.50% of average daily net assets of each Fund and is paid monthly. The Base Fee is subject to adjustment up or down depending on the investment performance of the Fund.

- For each month in which any of these Funds' total investment return (change in net asset value plus all distributions reinvested) for the one year period through that month outperforms or underperforms the total return of a specified benchmark for that period by 1% or more but less than 2%, the Base Fee is increased or decreased by the annual rate of 0.10% based on the Fund's average net assets over the performance period (one year).
- If the outperformance or underperformance is 2% or more, then the adjustment is at the annual rate of 0.20%.

Sextant Funds Advisory Fee Structure

Base Fee annual rate	Performance adjustment annual rate		
	< 1% more or less than benchmark	1% and < 2% more or less than benchmark	2% or greater more or less than benchmark
0.50%	0.00%	+/- 0.10%	+/- 0.20%

Total return investment performance is calculated and published by Morningstar™, Inc. for each Sextant Fund. The Morningstar™ category is used as the benchmark for comparison purposes.

The categories currently assigned by Morningstar™ are:

Sextant Growth	Large Growth
Sextant International	Foreign Large Blend
Sextant Core	Allocation – 50% to 70% Equity
Sextant Short-Term Bond	Short-Term Bond
Sextant Bond Income	Long-Term Bond
Sextant Global High Income	World Allocation

Each class of shares of a Fund is subject to the same Advisory and Administrative Fee schedule. However, for the Sextant Growth Fund and the Sextant International Fund, advisory and administrative fees paid by Investor Shares (subject to a 12b-1 Fee) and Z Shares may differ due to performance fee adjustments.

The adviser has committed through March 31, 2022, to waive fees and/or reimburse expenses to the extent necessary to ensure that annual net operating expenses, excluding brokerage commissions, interest, taxes, and extraordinary expenses do not exceed 0.60% for Sextant Short-Term Bond, 0.65% for Sextant Bond Income, and 0.75% for Sextant Global High Income.

Saturna Sustainable Funds

Under their Advisory and Administrative Services Agreements, each of the Saturna Sustainable Funds pays the adviser an advisory and administration fee. This fee covers certain administrative services such as portfolio accounting, shareowner and financial reporting, shareowner servicing, and transfer agency services. The Fee is also compensation for portfolio management, advice, and recommendations on securities to be purchased, held, or sold. The Fee is computed at an annual rate – 0.65% for Sustainable Equity Fund and 0.55% for Sustainable Bond Fund – of average daily net assets and is paid monthly.

The adviser has committed through March 31, 2022, to waive fees and/or reimburse expenses to the extent necessary to ensure that annual net operating expenses, excluding brokerage commissions, interest, taxes, and extraordinary expenses do not exceed the net operating expense ratio of 0.75% for Sustainable Equity Fund and 0.65% for Sustainable Bond Fund.

Idaho Tax-Exempt Fund

The Fund is obligated to pay Saturna Capital monthly an advisory fee at the annual rate of 0.50% of the average daily net assets up to \$250 million, 0.40% of assets between \$250 million and \$1 billion, and 0.30% of assets in excess of \$1 billion.

Advisory Fees Paid To Saturna Capital For The Last Three Fiscal Years¹

	2020	2019	2018
Sextant Growth Fund	\$289,231	\$279,840	\$169,651
Sextant International Fund	281,306	565,056	372,344
Sextant Core Fund	106,542	91,370	62,932
Sextant Short-Term Bond Fund	26,065	25,079	16,994
Sextant Bond Income Fund	23,203	31,618	21,686
Sextant Global High Income Fund	13,001	31,630	34,385
Saturna Sustainable Equity Fund	69,950	0	8,128
Saturna Sustainable Bond Fund	98,908	113,103	120,099
Idaho Tax-Exempt Fund	\$71,556	\$67,172	\$82,109

¹ After performance adjustments and expense limitations

Shareowner Services

Under the advisory agreement, Saturna Capital also provides services as the transfer agent, shareowner servicing agent, and dividend-paying agent for the Funds. As transfer agent, Saturna Capital furnishes to each shareowner a confirmation after each transaction, a historical statement quarterly and annually showing all transactions during the respective periods, and Form 1099 tax forms. Saturna Capital also, on behalf of the Funds, responds to shareowners' questions and correspondence. Furthermore, the transfer agent regularly furnishes the Funds with current shareowner lists and information necessary to keep the shares in balance with the Funds' records. The transfer agent (or its agents) performs the mailing of all financial statements, notices, prospectuses, and summary prospectuses to shareowners. These transfer agent services are included in the Advisory Fee.

Saturna Trust Company, a separate wholly-owned subsidiary of Saturna Capital, receives compensation for maintaining records of contributions, disbursements, and assets as required for IRAs and qualified retirement accounts that invest in the Funds. An annual fee of \$10 per fund account for retirement plan services is paid by the Funds to Saturna Trust Company.

The **Retirement Plan Custodial Fees** table shows the amounts the Funds paid to Saturna Trust Company as retirement plan custodian for the three most recent fiscal years ended November 30.

Retirement Plan Custodial Fees			
	2020	2019	2018
Sextant Growth Fund Investor Shares	\$7	\$9	\$11
Sextant Growth Fund Z Shares	8369	7,299	8,079
Sextant International Fund Investor Shares	18	9	6
Sextant International Fund Z Shares	5,751	4,200	6,376
Sextant Core Fund	3,654	3,068	3,078
Sextant Short-Term Bond Fund	3,650	3,477	3,455
Sextant Bond Income Fund	3,181	2,753	2,794
Sextant Global High Income Fund	2,130	1,709	1,644
Saturna Sustainable Equity Fund	34	5,721	1,125
Saturna Sustainable Bond Fund	1,294	754	731
Idaho Tax-Exempt Fund	\$115	\$99	\$93

12b-1 Fees			
	2020	2019	2018
Sextant Growth Fund Investor Shares	\$11,519	\$9,850	\$15,158
Sextant Growth Fund Z Shares	n/a	n/a	n/a
Sextant International Fund Investor Shares	\$134,548	\$148,607	\$108,911
Sextant International Fund Z Shares	n/a	n/a	n/a
Sextant Core Fund	n/a	n/a	n/a
Sextant Short-Term Bond Fund	n/a	n/a	n/a
Sextant Bond Income Fund	n/a	n/a	n/a
Sextant Global High Income Fund	n/a	n/a	n/a
Saturna Sustainable Equity Fund	n/a	n/a	n/a
Saturna Sustainable Bond Fund	n/a	n/a	n/a

Rule 12b-1 Plan

Effective October 2, 2006, the Trust entered into a distribution agreement with the distributor (see the *Underwriters* section below), pursuant to which the distributor acts as principal underwriter of Fund shares for sale to the public. Prior to June 2, 2017, each series of the Trust (with the exception of the Idaho Tax-Exempt Fund) participated in a Rule 12b-1 distribution plan. Under the plan, each Fund paid the distributor a monthly fee at the rate of 0.25% annually of their average daily net assets to finance activities that support the sales of Fund shares, including distribution of Fund shares, and to furnish services to shareowners. As of June 2, 2017, only Investor Shares of Sextant Growth and Sextant International Funds participate in the Rule 12b-1 Plan.

The Trust allocates the Rule 12b-1 expenses between the Sextant Growth Fund Investor Shares and Sextant International Fund Investor Shares based on relative net asset size. A stable or growing portfolio with reduced redemptions may spread fixed costs across a wider base and increase investment efficiency. There is no assurance that these events will occur.

The **12b-1 Fees** table shows the amounts Saturna Brokerage Services was paid as the Funds' underwriter under the distribution plan for the three most recent fiscal years ended November 30.

No Trustee who is not an interested person of the Trust has a direct or indirect financial interest in the operation of the plan or related agreements, but Mrs. Jane K. Carten and other employees of Saturna Capital may be considered to receive indirect financial benefits from the operation of the plan insofar as the plan grows Trust assets and pays fees to Saturna Capital.

Under the distribution plan, the distributor has entered into selling agreements with a number of financial intermediaries, such as brokers, financial advisers, banks, plan administrators, and others.

During the fiscal year ended November 30, 2020, the Trust paid the distributor \$146,328. The distributor spent the following amounts on these principal activities:

Advertising:	\$0
Printing and mailing of prospectuses to other than current shareowners:	\$0
Compensation to underwriters:	\$0
Compensation to broker-dealers:	\$146,328
Compensation to sales personnel:	\$0
Interest, carrying, or other financing charges:	\$0

The adviser spent an additional \$205,480 out of its own resources and not as an additional charge to any Fund. These expenses include payments to selected brokers, dealers, or other financial intermediaries, including plan administrators (collectively, "intermediaries") in connection with the sale and/or distribution of a Fund's shares or the retention and/or servicing of fund shareowners. This compensation by the adviser could be characterized as "revenue sharing."

In some cases, these payments may create an incentive for the intermediary or its employees to recommend or sell shares of the Funds to you. If you have purchased shares of a Fund through an intermediary, please contact your intermediary to learn more about any payments it receives from the adviser and/or its affiliates, as well as fees and/or commissions the intermediary charges. You should also consult disclosures made by your intermediary at the time of purchase. Any such payments will not change the net asset value or the price of a Fund's shares.

Custodian

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

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

Independent Registered Public Accounting Firm

Tait, Weller & Baker, LLP, 50 South 16th Street, Suite 2900, Philadelphia, PA 19102, is the independent registered public accounting firm for the Funds. The accountants conduct an annual audit of the Funds as of November 30 each year, prepare the tax returns of the Funds, and assist the adviser in various accounting matters throughout the year.

Portfolio Managers

All Saturna Capital employees, including Elizabeth W. Alm, Jane K. Carten, Patrick T. Drum, Bryce R. Fegley, Scott F. Klimo, Christopher W. Lang, Christopher E. Paul, Levi Stewart Zurbrugg and other portfolio managers are paid an annual salary, as set by the board of Saturna Capital. The board also pays bonuses that are partly dependent on the profits of Saturna Capital and may also reflect the results of specific managed accounts or specific businesses of Saturna Capital. As owners of shares and/or stock options of Saturna Capital Corporation, Mmes. Alm and Carten and Messrs. Drum, Fegley, Klimo, Lang, Paul, and Stewart Zurbrugg may benefit from any increase in its value per share that might result from its operations or profits. They may also receive dividends on shares of Saturna Capital. All Saturna Capital employees are eligible for a retirement plan, health care, and other benefits, and a stock option plan. Stock options are annually awarded on the basis of years of service, and not individual performance. Mutual fund portfolio managers are paid a monthly bonus (which may be shared with other employees) when a Fund achieves an overall rating of 4 or 5 stars from Morningstar. The bonus is 1% of the adviser's net monthly fee (which is based on both assets and performance) for a 4-star rating and 2% of the monthly fee for a 5-star rating.

Saturna Capital's portfolio managers may manage multiple accounts, including mutual funds and separate accounts for individuals, investment partnerships, pension funds, and charities. Portfolio managers make investment decisions for each account based on the investment objectives, policies, practices, and other relevant investment considerations that the managers believe are applicable to that account. The management of multiple accounts may give rise to potential conflicts of interest when the accounts have similar or different objectives, benchmarks, time horizons, and fees because the portfolio manager must allocate his time and investment ideas across multiple accounts. Consequently, a manager may purchase (or sell) a security for one account and not for another. The adviser has adopted policies designed to fairly allocate securities purchased or sold on an aggregated basis. Transactions executed for one account may adversely affect the value of securities held by other accounts. Securities selected for some accounts may outperform the securities selected for others. A portfolio manager's compensation plan may give rise to potential conflicts of interest. To reduce this risk, a mutual fund portfolio manager's account performance bonus depends upon the Fund's overall Morningstar™ rating, which derives from investment results over the last three, five, and 10 years. A manager's compensation tends to increase with assets under management, which in turn may increase the value of Saturna Capital Corporation.

Portfolio Managers (as of Nov. 30, 2020)

Portfolio Manager:	Trust portfolios served as primary manager (assets):	Other investment company portfolios served as primary manager (assets):	Other pooled investment vehicles served as primary manager (assets):	Other accounts (assets):
Elizabeth W. Alm	Sextant Bond Income (\$14,048,267) ¹ Idaho Tax-Exempt Fund (\$14,978,876)	None	None	None
Jane K. Carten	Saturna Sustainable Equity Fund (\$16,831,313)	None	None	None
Patrick T. Drum	Saturna Sustainable Bond Fund (\$21,922,076)	Amana Participation Fund (\$141,056,494)	None	None
Bryce R. Fegley	Sextant Global High Income Fund (\$8,611,939) ¹ Sextant Core Fund (\$18,968,582) ¹	None	None	None
Scott F. Klimo	Sextant Growth Fund (\$58,977,595) ¹	Amana Growth Fund (\$2,641,098,501)	None	None
Christopher W. Lang	None	None	None	Twelve (\$13,378,549)
Christopher E. Paul	Sextant International Fund (\$78,070,831) ¹ Sextant Core Fund (\$18,968,582) ¹	None	Five (\$83,766,638) ¹	None
Levi Stewart Zurbrugg	Sextant Short-Term Bond Fund (\$11,428,221) ¹	None	None	None

¹ Assets managed with a performance fee

Portfolio Manager Fund Ownership (as of Nov. 30, 2020)

Dollar range of equity securities in Saturna Investment Trust Funds owned beneficially by Portfolio Managers

Elizabeth W. Alm	Sextant Core: \$10,001-\$50,000 Saturna Sustainable Bond: \$1-\$10,000
Jane K. Carten	Sextant Growth Investor Shares: \$10,001-\$50,000 Sextant Growth Z Shares: \$100,001-\$500,000 Sextant International Z Shares: \$10,001-\$50,000 Sextant Core: \$100,001-\$500,000 Sextant Bond Income: \$1-\$10,000 Sextant Global High Income: \$10,001-\$50,000 Saturna Sustainable Equity: \$500,001-\$1,000,000 Saturna Sustainable Bond: \$50,001-\$100,000
Patrick T. Drum	Saturna Sustainable Bond: \$10,001-\$50,000
Bryce R. Fegley	Sextant Growth Z Shares: \$100,001-\$500,000 Sextant International Z Shares: \$100,001-\$500,000 Sextant Global High Income: \$100,001-\$500,000
Scott F. Klimo	Sextant Growth Z Shares: \$100,001-\$500,000 Saturna Sustainable Equity: \$100,001-\$500,000 Saturna Sustainable Bond: \$50,001-\$100,000
Christopher W. Lang	Sextant Growth Z-Shares: \$100,001-\$500,000 Sextant International Z-Shares: \$100,001-\$500,000 Sextant Core: \$100,001-\$500,000 Sextant Short-Term Bond: \$1-\$10,000 Saturna Sustainable Equity: \$10,001-\$50,000
Christopher E. Paul	Sextant International Z-Shares: \$100,001-\$500,000 Sextant Core: over \$1,000,000
Levi Stewart Zurbrugg	Sextant Growth Z Shares: \$1-\$10,000 Sextant Short-Term Bond: \$1-\$10,000 Sextant Bond Income: \$1-\$10,000 Saturna Sustainable Equity: \$1-\$10,000 Saturna Sustainable Bond: \$1-\$10,000

Brokerage Allocation

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

The primary consideration in effecting securities transactions for the Funds is to obtain the best price and execution that in the judgment of the adviser is attainable at the time and which would bring the best overall net economic result to a Fund. Factors taken into account in the selection of brokers include the price of the security, commissions paid on the transaction, the efficiency and cooperation with which the transaction is effected, the expediency of making settlement, and the financial strength and stability of the broker. The adviser may negotiate commissions at a rate in excess of the amount another broker would have charged if it determines in good faith that the overall net economic result is favorable to the Fund and is not required to execute trades in "over-the-counter" securities with primary market-makers if similar terms are available elsewhere. A Fund may not pay the lowest possible commission rate on certain trades if Saturna Capital believes that the Fund has obtained best execution and the commission rates are reasonable. The adviser evaluates whether brokerage commissions are reasonable based upon available information about the general level of commissions paid by other mutual funds for comparable services as well as evaluating services provided by the broker-dealer, such as willingness to take principal positions, ability to handle a particular type of trade, and confidentiality, among other things.

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

For purchases and sales of bonds and other fixed-income instruments, Saturna Capital, acting on behalf of the Fund, will deal directly with the issuer or through a primary market-maker acting as principal on a net basis. The Fund does not pay brokerage commissions, but the price will reflect the spread between the bid and ask prices of the security, which includes undisclosed compensation and may include selling concessions or underwriting fees.

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

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

The Trustees review brokerage activity in detail at each regular quarterly meeting.

Commissions Paid To Saturna Brokerage Services					
	2020	2019	2018	% of 2020 aggregate brokerage commissions paid Saturna Brokerage	% of 2020 aggregate dollar amount of transactions involving the payment of commissions through Saturna Brokerage
Sextant Growth Fund	\$-	\$-	\$-	0%	0%
Sextant International Fund	\$-	\$-	\$-	0%	0%
Sextant Core Fund	\$-	\$-	\$-	0%	0%
Sextant Short-Term Bond Fund	\$-	\$-	\$-	0%	0%
Sextant Bond Income Fund	\$-	\$-	\$-	0%	0%
Sextant Global High Income Fund	\$-	\$-	\$-	0%	0%
Saturna Sustainable Equity Fund	\$-	\$-	\$-	0%	0%
Saturna Sustainable Bond Fund	\$-	\$-	\$-	0%	0%
Idaho Tax-Exempt Fund	\$-	\$-	\$-	0%	0%

Commissions Paid To Other Broker-Dealers			
	2020	2019	2018
Sextant Growth Fund	\$-	\$-	\$-
Sextant International Fund	\$-	\$-	\$-
Sextant Core Fund	\$-	\$-	\$-
Sextant Short-Term Bond Fund	n/a	n/a	n/a
Sextant Bond Income Fund	n/a	n/a	n/a
Sextant Global High Income Fund	\$-	\$253	\$321
Saturna Sustainable Equity Fund	\$316	\$452	\$48
Saturna Sustainable Bond Fund	n/a	n/a	n/a
Idaho Tax-Exempt Fund	n/a	n/a	n/a

Capital Stock

The Saturna Investment Trust is organized as a “series” investment company. Each share class of a Fund is divided into shares of beneficial interest. Those Funds and classes are named: Sextant Growth Fund Investor Shares, Sextant Growth Fund Z Shares, Sextant International Fund Investor Shares, Sextant International Fund Z Shares, Sextant Core Fund, Sextant Global High Income Fund, Sextant Bond Income Fund, Sextant Short-Term Bond Fund, Saturna Sustainable Equity Fund, Saturna Sustainable Bond Fund, and Idaho Tax-Exempt Fund. There are no restrictions on shareowners’ rights to freely retain or dispose of shares of any class. There are no material obligations or potential liabilities associated with owning a Fund’s shares except the investment risks described in the Funds’ prospectuses and summary prospectuses, and in this statement of additional information in the section Fund Descriptions, Investments, and Risks beginning on page 2. The shareowners of each separate Fund may look only to that Fund for dividends, income, capital gains or losses, redemption, liquidation, or termination. Each class of shares of a Fund will have (i) exclusive voting rights on any matter submitted to shareholders that relates solely to its arrangement and (ii) separate voting rights on any matter submitted to shareowners in which the interests of one Fund differ from the interest of any other Fund. The voting rights of each class of shares can only be modified by a majority vote of that class. Shareowners may elect to convert eligible Investor Shares into corresponding Z Shares of the same series. Any such conversion will occur at the next available respective net asset values of the share classes. There are no sinking fund provisions. The creditors and shareowners of each Fund are limited to the assets of that Fund for recovery of charges, expenses, and liabilities.

Purchase, Redemption, and Pricing of Shares

See *Purchase and Sale of Fund Shares* in the Prospectus or Summary Prospectus and *Fund Share Pricing* in the Prospectus for an explanation about the ways to purchase or redeem shares. Purchases and redemptions are processed at net asset value per share.

It is important to note that there are differences between the two share classes of Sextant Growth and Sextant International Funds. Investor Shares are subject to an annual distribution fee to compensate financial intermediaries for providing investors with ongoing account services. Z Shares (and shares of Funds that do not participate in the 12b-1 distribution plan) are not subject to an annual distribution fee and, consequently, holders of these shares may not receive the same types or levels of services from financial intermediaries. In choosing between Investor Shares versus Z Shares, investors should weigh the benefits of the services to be provided by financial intermediaries against the annual distribution fee imposed upon some shares. Sextant Growth and Sextant International Fund Z Shares will be purchased by default.

Offering Price

A Fund computes its price per share of share classes on each business day by dividing the value of all securities and other assets, less liabilities, attributable to each share class, by the number of shares outstanding of that class. The daily price is determined for each class of a Fund as of the close of trading on the New York Stock Exchange

(generally 4 p.m. Eastern time) on each day the Exchange is open for trading. The Exchange is generally closed on New Year’s Day, Martin Luther King Day, President’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas. See the balance sheet in the Annual Report or Semi-Annual Report for a specimen sheet showing how the Funds calculate net asset value, which is the price used for both purchase and redemption of shares.

Pricing of Foreign Securities

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

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

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

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

Taxation of the Funds

Saturna Investment Trust is organized as a “series” investment company. Each Fund of the Trust is a separate economic entity with separate assets and liabilities and separate income streams. The shareowners of each separate Fund may look only to that Fund for income, capital gain or loss, redemption, liquidation, or termination. Each Fund has separate arrangements with the adviser. Assets of each Fund are segregated. The creditors and shareowners of each Fund are limited to the assets of that Fund for recovery of charges, expenses, and liabilities. Each Fund of the Trust conducts separate voting on issues relating solely to that Fund, except as required by the 1940 Act. The tax status and tax consequences to shareowners of each Fund differ, depending upon the investment objectives, operations, income, gain or loss, and distributions from each Fund.

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

If, in any taxable year, a Fund does not qualify as a regulated investment company under the Code, and such Fund does not qualify for an exception, cure period, or other relief, or fails to meet the distribution requirements under the Code, (1) the Fund would be taxed at the normal corporate rates on the entire amount of its

taxable income, if any, without a deduction for dividends or other distributions to shareowners; (2) the Fund's distributions, to the extent made out of the Fund's current or accumulated earnings and profits, would be taxable to shareowners as ordinary dividends, regardless of whether they would otherwise have been considered capital gain dividends; (3) the Fund may qualify for the 50% deduction for dividends received by corporations; and (4) foreign tax credits would not "pass through" to shareowners.

If shareowners do not furnish the transfer agent with a valid Social Security or Tax Identification Number and in certain other circumstances, the transfer agent is required to withhold 24% of dividends and other distributions and redemption proceeds. Dividends to shareowners who are nonresident aliens may be subject to a 30% United States withholding tax under the existing provisions of the Code applicable to foreign individuals and entities, unless a reduced rate of withholding or a withholding exemption is provided under applicable treaty law. If the IRS determines that a Fund should be fined or penalized for inaccurate, missing, or otherwise inadequate reporting of a Tax Identification Number, the amount of the IRS fee or penalty will be directly assessed to the shareowner account involved.

At November 30, 2020, the Funds had capital loss carryforwards as follows, subject to regulation. The Registered Investment Company Modernization Act requires that the Funds use long-term and short-term loss carryforwards with unlimited expiration prior to those with an expiration. Prior to their expiration, such loss carryforwards may be used to offset future new capital gains realized for federal income tax purposes.

	Carryforward	Expiration
Short-Term Bond Fund		
Short-term loss carryforward	\$23,711	Unlimited
	\$23,711	
Bond Income Fund		
Long-term loss carryforward	\$15,924	Unlimited
	\$15,924	
Core Fund		
Short-term loss carryforward	\$249,554	Unlimited
Long-term loss carryforward	\$105,894	Unlimited
	\$355,448	
Global High Income Fund		
Short-term loss carryforward	\$299,575	Unlimited
Long-term loss carryforward	\$148,225	Unlimited
	\$447,800	
International Fund		
Short-term loss carryforward	\$2,603,538	Unlimited
Long-term loss carryforward	\$2,012,915	Unlimited
	\$4,616,453	

	Carryforward	Expiration
Sustainable Equity Fund		
Short-term loss carryforward	\$260,269	Unlimited
Long-term loss carryforward	\$31,937	Unlimited
	\$292,206	
Sustainable Bond Fund		
Long-term loss carryforward	\$55,758	Unlimited
	\$55,758	
Idaho Tax-Exempt Fund		
Short-term loss carryforward	\$55,441	Unlimited
Long-term loss carryforward	\$32,516	Unlimited
	\$87,957	

Underwriters

The adviser's wholly-owned subsidiary, Saturna Brokerage Services, Inc., 1300 N. State Street, Bellingham, WA 98225 is a general securities brokerage firm and acts as distributor for the Funds under a Rule 12b-1 distribution plan.

Mrs. Jane K. Carten is President of Saturna Brokerage Services, Inc. All employees of the distributor are also employees of the adviser.

Under the distribution agreement, the distributor is not required to sell a certain number of shares. The offering of shares by the distributor is continuous.

Financial Statements

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

There is incorporated into this Registration Statement the Annual Report to shareowners for the fiscal year ended November 30, 2020.