



IDAHO TAX-EXEMPT FUND



Annual Report

November 30, 2022

Performance Summary (as of December 31, 2022)

Average Annual Returns (before any taxes paid by shareowners)

	1 Year	3 Year	5 Year	10 Year	15 Year	Expense Ratio
Idaho Tax-Exempt Fund	-5.07%	-0.43%	1.11%	1.55%	2.52%	0.67% ¹
S&P Idaho Municipal Bond Index	-7.86%	-0.46%	1.34%	2.48%	3.71%	n/a
"Muni Single State Intermediate" Category Average ²	-7.71%	-1.14%	0.58%	1.29%	2.42%	0.83%

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

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

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

¹ By regulation, the expense ratio shown in this table is as stated in the Fund's most recent prospectus, which is dated March 30, 2022, and incorporates results for the fiscal year ended November 30, 2021. The ratio presented in this table differs from expense ratios shown elsewhere in this report as they represent different fiscal periods.

² **Source: Morningstar December 31, 2022.** Morningstar, Inc. is an independent fund performance monitor. Category returns are determined monthly from total returns by Morningstar, by category as determined by Morningstar. Category average expense ratios are determined by Morningstar from prospectus level data reported by funds in the category.

On the cover: Winter in Downtown Wallace, Idaho.



Fellow Shareowners:

January 18, 2023

The Idaho Tax-Exempt Fund returned -5.47% for the fiscal year ended November 30, 2022, outperforming its benchmark S&P Idaho Municipal Index, which declined -7.92%. The Fund also outperformed the Morningstar Muni Single State Intermediate category, which fell -7.82%.

The outperformance was mainly due to the Fund's conservative positioning in shorter-term bonds and investment-grade issuers. The bond market experienced a great deal of volatility amid rising rates during 2022. Bonds with longer maturities generally experienced more negative returns compared to bonds with shorter maturities, as the longer bonds tend to have higher exposure to interest rate risk.

The state of Idaho maintained its strong financial position and conservative fiscal management in 2022. The state's revenues primarily come from individual income and sales taxes, both of which tend to be economically sensitive. Historically, when Idaho faced economic uncertainty, the state acted conservatively. During the first three months of fiscal year 2022, Idaho revenue from tax collections was \$50 million below expectations.¹ Despite this, lawmakers are still heading into 2023 with a \$1.54 billion budget surplus. In September 2022, Governor Brad Little and the Idaho Legislature passed a law to issue tax rebates, reduce the income tax rate, and direct \$410 million per year toward funding public school and career programs.² Going forward, we expect to see added uncertainty in the economy. From a financial standpoint, the state of Idaho is ideally positioned to face this uncertainty.

The state also continues to benefit from favorable demographics. The latest census data shows that Idaho's population grew by 16.5% between 2010 and 2020, the largest net migration of any state in the country.³ The state's 2022 population growth rate of 1.8% was ranked second in the nation, while the national average growth rate was 0.4%. This also means growth in the number of workers and consumers, adding to economic activity. The surging population has put pressure on schools in the form of overcrowding and the need for more facilities. In Idaho, bonds require a two-thirds supermajority to pass, and only about 50% of all proposed bonds pass.⁴ Many school districts have facilities needs but are unable to pass bonds. We expect to see more districts aim to pass bonds or look to the state legislature for help in funding facilities.

The bond market had a challenging 2022. The Federal Reserve hiked rates an additional 50 basis points (bps) in December, bringing the target range to 4.25% - 4.5%, up from 0% - 0.25% at the beginning of the year. The shape of the Treasury yield curve shifted dramatically over the 12-month period, moving from an upward sloping curve to a curve with an inversion of 70 bps in the two-year and 10-year Treasuries. The entire curve also shifted upward, and the six-month Treasury rose a staggering 458 bps. While the end of the fourth quarter marked the end of 2022, it does not mean the challenges presented throughout the year have ceased. Risks remain elevated for financial assets and concerns of recession continue to ratchet higher.

Continued on next page.



(unaudited)

Municipal bonds tend to do well during recessions. Even during the two negative episodes in 1981 and 2008, poor performance was followed by a solid rebound in tax-exempt securities. However, we continue to be vigilant for potential challenges spurred by inflationary and credit pressures. Our security review and surveillance process emphasizes selecting securities with strong balance sheets and financial flexibility. The Idaho Tax-Exempt Fund continues to offer discriminating investors the opportunity to invest in high quality, tax-exempt securities in an exceptionally creditworthy state.

Respectfully,



Jane Carten MBA,
President



Elizabeth Alm CFA®,
Portfolio Manager

¹ Ridler, Keith. "Idaho Tax Collection Fall Short, but Budget Surplus Remains." *US News & World Report*, October 17, 2022. <https://www.usnews.com/news/best-states/idaho/articles/2022-10-17/idaho-tax-collections-fall-short-but-budget-surplus-remains>

² Corbin, Clark. "Idaho lawmakers head into 2023 with projected \$1.5B surplus – and ideas on how to use it." *Idaho Capital Sun*, December 15, 2022. <https://idahocapitalsun.com/2022/12/15/idaho-lawmakers-head-into-2023-with-projected-1-5b-surplus-and-ideas-on-how-to-use-it/>

³ "Evaluation Estimates – 2020." United States Census Bureau. <https://www.census.gov/programs-surveys/popest/technical-documentation/research/evaluation-estimates.html>

⁴ Flandro, Carly. "Decaying buildings and a record of failed bond elections: 'It is quite atrocious' in Salmon." *Idaho Education News*, January 5, 2023. <https://www.idahoednews.org/news/decaying-buildings-and-a-record-of-failed-bond-elections-it-is-quite-atrocious-in-salmon/>

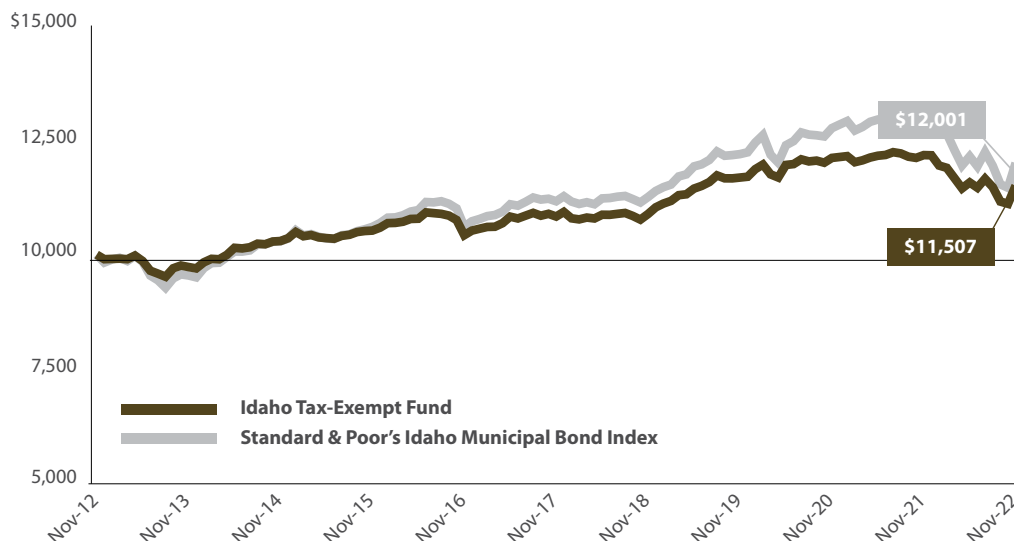
Performance Summary

(unaudited)

Average Annual Returns (as of November 30, 2022)

	1 Year	5 Year	10 Year	Expense Ratio ¹
Idaho Tax-Exempt Fund	-5.47%	1.22%	1.41%	0.67%
S&P Idaho Municipal Bond Index	-7.92%	1.48%	2.36%	n/a

Growth of \$10,000



Comparison of any mutual fund to a market index must be made bearing in mind that the index is unmanaged and expense-free. Conversely, the fund will (1) be actively managed; (2) have an objective other than mirroring the index, such as limiting risk; (3) bear transaction and other costs; (4) stand ready to buy and sell its securities to shareowners on a daily basis; and (5) provide a wide range of services. The graph compares \$10,000 invested in the Fund on November 30, 2012, to an identical amount invested in the Standard & Poor's Idaho Municipal Bond Index, a broad-based index of Idaho municipal bond prices. The graph shows that an investment in the Fund would have risen to \$11,507 versus \$12,001 in the S&P Idaho Municipal Bond Index.

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

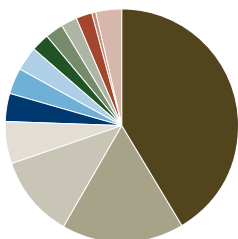
¹ By regulation, the expense ratio for the Fund shown in this table is as stated in the Fund's most recent prospectus, which is dated March 30, 2022, and incorporates results for the fiscal year ended November 30, 2021. The ratio presented in this table differs from expense ratios shown elsewhere in this report as they represent different fiscal periods.

Fund Objective

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

Portfolio Diversification

% of Total Net Assets	
General Obligation	41.5%
State Education	16.9%
Municipal Leases	11.4%
Real Estate	6.0%
Financial Services	3.8%
Water Supply	3.7%
Government Bonds	3.2%
Medical - Hospitals	2.5%
Government Bonds	2.5%
Health Care Facilities	2.2%
Pollution Control	2.2%
Educational Services	0.6%
Other assets (net of liabilities)	3.5%



Top 10 Holdings

% of Total Net Assets	
Teton Co, ID SCD #401 Driggs (4.00% due 09/15/2035)	4.2%
Canyon Co ID SCD #134 Middleton (4.00% due 09/15/2028)	3.4%
Nez Perce CO ISD #1 Lewiston (5.00% due 09/15/2029)	2.9%
Idaho Fish & Wildlife Foundation Rev (5.00% due 12/01/2033)	2.9%
Ada & Canyon Cos ID JSD #2 Meridian (5.00% due 08/15/2032)	2.8%
Idaho Falls ID COPs (4.00% due 09/15/2028)	2.7%
Bonneville & Bingham Cos JSD #93 (5.00% due 09/15/2032)	2.6%
Idaho St Bond Bank Auth Rev (4.00% due 09/15/2032)	2.6%
Twin Falls Co ID SCD #411 Series A (4.25% due 09/15/2030)	2.5%
Idaho Health Rev Trinity Health Grp (3.25% due 12/01/2028)	2.5%

For the 12-month period ended November 30, 2022, the Idaho Tax-Exempt Fund returned -5.47% and the S&P Idaho Municipal Index returned -7.92%. For the five-year period, the Fund provided an annualized total return of 1.22% compared to an annualized return of 1.48% for the Index. One of the major factors that allowed the Fund to outperform the Index was that the Fund had a shorter duration.

Factors Affecting Past Performance

Over the fiscal year, we observed pervasive high inflation, energy supply constraints, and ever-increasing debts and deficits among world economies. The shape of the Treasury yield curve shifted dramatically over the 12-month period, moving from an upward sloping curve to a curve with an inversion of 70 basis points (bps) in the two-year and 10-year Treasuries. The entire curve also shifted upward, and the six-month Treasury rose a staggering 458 bps. With such a dramatic rise in yields, performance was generally worse for longer duration bonds and better for shorter duration bonds, with almost all fixed-income securities producing a negative return.

The municipal market also experienced dramatic upward shifts in yields. The Bloomberg Municipal Bond Index returned 1.97% for the fiscal year. Longer duration bonds significantly underperformed shorter duration bonds in the municipal market as well. The Idaho Tax-Exempt Fund has been defensively positioned to minimize net asset value (NAV) volatility, including having a modified duration of 4.93 years with a weighted average maturity of 9.42 years. The Index maintains a modified duration closer to 6.47 years and a weighted average maturity of 13.99 years. The longer maturities in the Index contributed to the outperformance of the Fund.

Looking Forward

We expect continued upward pressure on yields and the Treasury curve for the next fiscal year. Inflation will likely continue to be present. We are defensively positioning the portfolio to withstand anticipated yield curve changes, currency movements, and inflationary pressures. Our goal has always been to choose good companies and invest through cycles.

For those seeking a conservative investment vehicle, the Idaho Tax-Exempt Fund offers a portfolio of high-grade issues intended to provide income that is exempt from federal income, federal alternative minimum, and Idaho state income taxes. The Fund chooses not to invest in US territories such as Puerto Rico, Guam, and the US Virgin Islands to boost income at the expense of creditworthiness.

Schedule of Investments

As of November 30, 2022

Tax-Exempt Municipal Bonds - 94.0%		Coupon / Maturity	Face Amount	Market Value	Percentage of Net Assets
Educational Services					
Boise City ID Indep Sch Dist	5.00% due 08/01/2032		\$65,000	\$72,141	0.6%
Financial Services					
Idaho Housing & Finance Rev	3.00% due 07/01/2036		50,000	48,898	0.4%
Idaho St Bond Bank Auth Rev	4.00% due 09/15/2032		95,000	96,575	0.8%
Idaho St Bond Bank Auth Rev	4.00% due 09/15/2032		310,000	314,512	2.6%
				459,985	3.8%
General Obligation					
Ada & Canyon Cos ID JSD #2 Meridian	5.00% due 08/15/2032		325,000	345,087	2.8%
Ada & Canyon Cos ID JSD #3 Kuna	4.00% due 09/15/2027		100,000	105,473	0.9%
Boise City ID Independent SD	3.00% due 08/01/2038		100,000	87,705	0.7%
Bonneville & Bingham Cos JSD #93	5.00% due 09/15/2032		300,000	319,285	2.6%
Canyon Co ID SCD #134 Middleton	4.00% due 09/15/2028		400,000	414,345	3.4%
Canyon Co ID SCD #135 Notus	3.25% due 09/15/2031		290,000	293,882	2.4%
Canyon Co ID SCD #135 Notus	3.25% due 09/15/2032		170,000	170,957	1.4%
Canyon Co ID SCD #139 Vallivue	5.00% due 09/15/2024		260,000	260,501	2.1%
Canyon Co ID Sch Dist #139 Vallivue	5.00% due 09/15/2030		200,000	226,309	1.8%
Caribou Franklin Bannock JSD #148	3.25% due 09/15/2035		300,000	300,893	2.5%
Cassia Oneida Twin Falls JSD #151	3.375% due 09/15/2034		160,000	158,051	1.3%
College of Western ID Annual Approp	4.00% due 10/01/2027		125,000	129,872	1.1%
Kootenai Co ID SCD #273	4.00% due 08/15/2031		265,000	274,454	2.2%
Latah Co ID SCD #281 Moscow Ser B	4.00% due 08/15/2027		100,000	100,956	0.8%
Latah Co ID SCD #281 Moscow Ser B	4.00% due 08/15/2028		200,000	201,898	1.6%
Madison Co ID Sch Dist #321 Rexburg	5.00% due 09/15/2034		25,000	27,004	0.2%
Madison Co. Id. SDC #321	5.00% due 09/15/2035		250,000	269,693	2.2%
Owyhee & Canyon Co. # 363 Marsing	4.00% due 09/15/2035		150,000	153,924	1.3%
SUN VLY ID	5.00% due 09/15/2029		40,000	44,400	0.4%
Teton Co, ID SCD #401 Driggs	4.00% due 09/15/2035		500,000	514,331	4.2%
Twin Falls Co ID SCD #411 Series A	4.00% due 09/15/2027		170,000	173,978	1.4%
Twin Falls Co ID SCD #411 Series A	4.25% due 09/15/2030		300,000	308,319	2.5%
Twin Falls Co ID SCD #411 Series B	4.75% due 09/15/2039		200,000	207,279	1.7%
				5,088,596	41.5%
Government Bonds					
Idaho St Bldg Auth Health & Welfare	5.00% due 09/01/2043		25,000	26,985	0.2%
Idaho St Health Facs Auth	4.00% due 09/01/2045		265,000	256,529	2.1%
Idaho St Hsg & Fin Assn	5.00% due 07/15/2037		100,000	108,222	0.9%
				391,736	3.2%
Health Care Facilities					
Idaho Health Faci Auth Hos Rev	5.00% due 12/01/2047		260,000	263,805	2.2%
Medical/Hospitals					
Idaho Health Rev Trinity Health Grp	3.25% due 12/01/2028		300,000	302,220	2.5%

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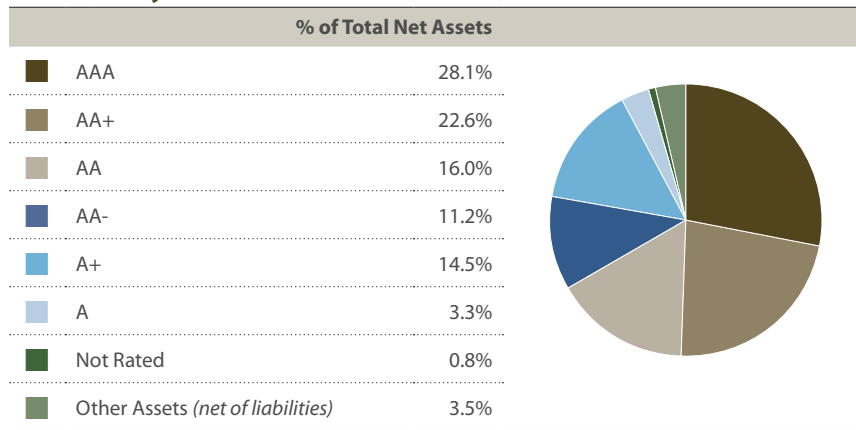
Schedule of Investments

As of November 30, 2022

Tax-Exempt Municipal Bonds - 94.0%		Coupon / Maturity	Face Amount	Market Value	Percentage of Net Assets
Municipal Leases					
Fremont Cnty ID Annual Approp COPS	4.00% due 09/01/2031		\$280,000	\$296,138	2.4%
Fremont Cnty ID Annual Approp COPS	4.00% due 09/01/2036		210,000	215,147	1.8%
Idaho Falls ID COPS	4.00% due 09/15/2028		310,000	326,090	2.7%
Idaho Falls ID COPS	4.00% due 09/15/2038		150,000	151,854	1.2%
Idaho St HLTH FACS ADA CNTY	4.00% due 09/01/2040		155,000	152,471	1.2%
Payette Cnty ID SCD#372	4.00% due 09/15/2034		250,000	254,956	2.1%
				1,396,656	11.4%
Pollution Control					
Idaho Bond Bank Authority	4.00% due 09/15/2032		130,000	136,069	1.1%
Idaho Bond Bank Authority	4.00% due 09/15/2033		135,000	140,875	1.1%
				276,944	2.2%
Real Estate					
Idaho Fish & Wildlife Foundation Rev	5.00% due 12/01/2033		320,000	351,958	2.9%
Idaho Fish & Wildlife Foundation Rev	4.00% due 12/01/2036		200,000	204,166	1.7%
Idaho St HSG & FIN	2.25% due 07/01/2031		200,000	179,015	1.4%
				735,139	6.0%
State Education					
Ada & Canyon ID SCH #3 Kuna	5.00% due 09/15/2030		25,000	27,063	0.2%
Boise State University ID Revenue	5.00% due 04/01/2028		125,000	130,735	1.1%
Boise State University ID Revenue	5.00% due 04/01/2032		160,000	168,797	1.4%
Idaho State University Revenue	4.00% due 04/01/2027		170,000	175,022	1.4%
Idaho State University Revenue	4.00% due 04/01/2030		245,000	249,823	2.0%
Idaho State University Revenue	3.00% due 04/01/2031		250,000	233,077	1.9%
Jefferson & Madison Cos. ID SCD#251	5.00% due 09/15/2028		100,000	112,042	0.9%
Jefferson & Madison ID SCD #251	5.00% due 09/15/2032		25,000	27,866	0.2%
Nez Perce CO ISD #1 Lewiston	5.00% due 09/15/2029		330,000	359,030	2.9%
North Idaho College Dormitory Rev	4.00% due 11/01/2030		285,000	294,012	2.4%
Univ of Idaho ID Revenues	4.00% due 04/01/2038		125,000	128,058	1.1%
University of Idaho Revenues	5.00% due 04/01/2038		150,000	166,814	1.4%
				2,072,339	16.9%
Water Supply					
Payette Lakes Rec Wtr & Swr Rev	4.00% due 08/01/2032		195,000	201,727	1.6%
Payette Lakes Rec Wtr & Swr Rev	4.00% due 08/01/2034		255,000	262,995	2.1%
				464,722	3.7%
Total Municipal Bonds		(Cost \$11,940,768)		\$11,524,283	94.0%
Municipal Revenue Bonds - 2.5%		Coupon / Maturity	Face Amount	Market Value	Percentage of Net Assets
Government Bonds					
ID ST Hsg & Fin Assn Sales Tax Rev	5.00% due 08/15/2047		\$150,000	\$162,480	1.3%
ID St Hsg & Fin Assn Sales TX Rev	5.00% due 08/15/2042		125,000	138,578	1.2%
Total Municipal Revenue Bonds		(Cost \$320,845)		\$301,058	2.5%
Total investments		(Cost \$12,261,613)		\$11,825,341	96.5%
Other assets (net of liabilities)				432,395	3.5%
Total net assets				\$12,257,736	100.0%

Bond Quality Diversification

(unaudited)



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

Statement of Assets and Liabilities

As of November 30, 2022

Assets	
Investments in securities, at value (Cost \$12,261,613)	\$11,825,341
Cash	324,607
Interest receivable	121,659
Prepaid expenses	2,669
Other assets	801
Total assets	12,275,077
Liabilities	
Accrued audit expenses	5,921
Accrued advisory fees	4,989
Distributions payable	2,777
Payable for Fund shares redeemed	1,505
Accrued printing fees	792
Accrued other operating expenses	549
Accrued Chief Compliance Officer expenses	390
Accrued legal expenses	229
Accrued retirement plan custody fee	106
Accrued trustee expenses	83
Total liabilities	17,341
Net assets	\$12,257,736
Analysis of net assets	
Paid-in capital (unlimited shares authorized, without par value)	\$12,747,412
Total distributable earnings	(489,676)
Net assets applicable to Fund shares outstanding	\$12,257,736
Fund shares outstanding	2,364,263
Net asset value, offering and redemption price per share	\$5.18

Statement of Operations

Year ended November 30, 2022

Investment income	
Interest income	\$338,901
Total investment income	338,901
Expenses	
Investment advisory fees	68,955
Audit fees	8,013
Filing and registration fees	3,943
Trustee fees	2,595
Legal fees	2,273
Chief Compliance Officer expenses	1,952
Transfer agent fees	1,822
Other expenses	1,716
Printing and postage expenses	863
Custodian fees	561
Retirement plan custodial fees	110
Total gross expenses	92,803
Less transfer agent fees waived	(1,822)
Less custodian fee credits	(561)
Net expenses	90,420
Net investment income	\$248,481
Net realized gain from investments	
Net realized gain from investments	\$2,999
Net decrease in unrealized appreciation on investments	(1,092,662)
Net loss on investments	\$(1,089,663)
Net decrease in net assets resulting from operations	
	\$(841,182)

Statement of Changes of Net Assets

Year ended November 30, 2022

Year ended November 30, 2021

Decrease in net assets from operations		
From operations		
Net investment income	\$248,481	\$256,237
Net realized gain on investment	2,999	27,674
Net decrease in unrealized appreciation	(1,092,662)	(211,219)
Net increase (decrease) in net assets	(841,182)	72,692
Distributions to shareholders	(248,471)	(256,226)
Capital share transactions		
Proceeds from sales of shares	1,072,740	1,605,737
Value of shares issued in reinvestment of dividends	216,054	221,011
Cost of shares redeemed	(2,829,281)	(1,735,159)
Total capital share transactions	(1,540,487)	91,589
Total decrease in net assets	(2,630,140)	(91,945)
Net assets		
Beginning of year	14,887,876	14,979,821
End of year	\$12,257,736	\$14,887,876
Shares of the Fund sold and redeemed		
Number of shares sold	200,745	286,094
Number of shares issued in reinvestment of dividends	41,059	39,403
Number of shares redeemed	(545,627)	(308,540)
Net increase (decrease) in number of shares outstanding	(303,823)	16,957

Financial Highlights

For the year ended November 30,

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

	2022	2021	2020	2019	2018
Net asset value at beginning of year	\$5.58	\$5.65	\$5.55	\$5.28	\$5.37
Income from investment operations					
Net investment income	0.10	0.10	0.10	0.11	0.12
Net gains (losses) on securities (both realized & unrealized)	(0.40)	(0.07)	0.10	0.27	(0.09)
Total from investment operations	(0.30)	0.03	0.20	0.38	0.03
Less distributions					
Dividends (from net investment income)	(0.10)	(0.10)	(0.10)	(0.11)	(0.12)
Total distributions	(0.10)	(0.10)	(0.10)	(0.11)	(0.12)
Net asset value at end of year	\$5.18	\$5.58	\$5.65	\$5.55	\$5.28
Total return	(5.47)%	0.51%	3.67%	7.30%	0.51%
Ratios / supplemental data					
Net assets (\$000), end of year	\$12,258	\$14,888	\$14,980	\$13,487	\$13,554
Ratio of expenses to average net assets					
Before transfer agent fee waiver and custodian fee credits	0.67%	0.67%	0.72%	0.69%	0.68%
After transfer agent fee waiver	0.66%	0.66%	0.71%	0.67%	0.67%
After transfer agent fee waiver and custodian fee credits	0.66%	0.66%	0.71%	0.67%	0.67%
Ratio of net investment income after fee waiver and custodian credits to average net assets	1.80%	1.75%	1.82%	2.07%	2.20%
Portfolio turnover rate	12%	9%	5%	4%	13%

Notes To Financial Statements

Note 1 — Organization

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

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

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

Investment risks:

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

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

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

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

Note 2 — Significant Accounting Policies

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

Security valuation:

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

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

Share valuation:

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

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

Fair value measurements:

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

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

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

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

Notes To Financial Statements *(continued)*

The following table is a summary of the inputs used as of November 30, 2022, in valuing the Fund's investments carried at value.

Fair Value Inputs	Level 1	Level 2	Level 3	Total
	Quoted Price	Significant Observable Input	Significant Unobservable Input	
Municipal Bonds ¹	\$-	\$11,524,283	\$-	\$11,524,283
Municipal Revenue Bonds ¹	\$-	\$301,058	\$-	\$301,058
Total Assets	\$-	\$11,825,341	\$-	\$11,825,341

¹ See Schedule of Investments for industry breakout.

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

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

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

Income taxes:

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

The Fund recognizes the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years (2019 – 2021), or expected to be taken in the Fund's 2022 tax return. The Fund identifies its major tax jurisdiction as US federal and foreign jurisdictions where the Fund makes significant investments; however, the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

Reclassification of capital accounts:

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

As of November 30, 2022, there were no reclassifications to the capital accounts.

Distributions to shareowners:

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

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

Use of estimates:

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

Notes To Financial Statements *(continued)*

LIBOR Transition Risk:

A Fund may invest in certain debt securities 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 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.

Publication of LIBOR benchmarks for most maturities and currencies ceased as of December 31, 2021, and publication of the remaining benchmarks is scheduled to be phased out on June 30, 2023. It is anticipated that financial instruments, such as certain floating rate bonds, 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, 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.

Other:

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

Recent Accounting Pronouncement:

In December 2020, the Securities and Exchange Commission ("SEC") adopted Rule 2a-5 under the 1940 Act, which establishes requirements for determining fair value in good faith for purposes of the 1940 Act, including related oversight and reporting requirements. The rule also defines when market quotations are "readily available" for purposes of the 1940 Act, the threshold for determining whether a fund must fair value a security. The SEC also adopted new Rule 31a-4 under the 1940 Act, which sets forth the recordkeeping requirements associated with fair value determinations. Finally, the SEC is rescinding previously issued guidance on related issues, including the role of a board in determining fair value and the accounting and auditing of fund investments. Rule 2a-5 and Rule 31a-4 became effective on March 8, 2021, with a compliance date of September 8, 2022. The Fund is in compliance with Rule 2a-5.

Note 3 — Transactions with Affiliated Persons

Under a contract approved by shareowners on September 28, 1995 and reviewed and approved annually by the Trust's Board of Trustees, including those Trustees who are not parties to the contract or "interested persons" (as defined in the Investment Company Act of 1940) of such parties or the Trust (the "Independent Trustees"), Saturna Capital Corporation ("Saturna Capital") provides investment advisory services and certain other administrative and distribution services to conduct the Fund's business. For such services, the Fund pays an annual fee equal to 0.50% of its average daily net assets. For the fiscal year ended November 30, 2022, the Fund incurred advisory fee expenses of \$68,955.

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

Saturna Capital also acts as transfer agent for the Fund, for which it did not receive any compensation during the fiscal year ended November 30, 2022. Saturna Capital has voluntarily elected to waive the transfer agent fee through November 30, 2023, to reduce the Fund's operating expenses. Such fees, had they been charged, would have totaled \$1,822.

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

Saturna Trust Company ("STC"), a subsidiary of Saturna Capital, acts as a retirement plan custodian for Fund shareowners. For the fiscal year ended November 30, 2022, the Fund incurred retirement plan custodial fees of \$110.

Mrs. Jane Carten serves as a trustee and president of the Trust. She is also a director and the president of Saturna Capital and Saturna Trust Company. She is not compensated by the Trust. For the fiscal year ended November 30, 2022, the Saturna Investment Trust incurred \$47,605 of total expenses for the independent Trustee's compensation and Trust board meetings. The Fund's allocation of these expenses was \$2,595.

The officers of the Trust are paid by Saturna Capital, not the Trust, except the Chief Compliance Officer, who is partially compensated by the Trust. For the fiscal year ended November 30, 2022, the Fund's allocation of these expenses was \$1,952.

On November 30, 2022, the trustees, officers, and their immediate families as a group directly or indirectly owned 16.17% of the outstanding shares of the Fund.

Notes To Financial Statements *(continued)*

Note 4 — Distributions to Shareowners

The tax characteristics of distributions paid during the fiscal years ended November 30, 2022, and November 30, 2021, were as follows:

	Year ended November 30, 2022	Year ended November 30, 2021
Tax-exempt income	\$248,471	\$256,226
Taxable income	\$-	\$-

Note 5 — Federal Income Taxes

The cost basis of investments for federal income tax purposes as of November 30, 2022 were as follows:

Cost of investments	\$12,261,613
Gross unrealized appreciation	\$40,028
Gross unrealized depreciation	\$(476,300)
Net unrealized depreciation	\$(436,272)

As of November 30, 2022, the components of distributable earnings on a tax basis were as follows:

Undistributed tax exempt income	\$3,880
Accumulated capital loss	\$(57,284)
Unrealized depreciation	\$(436,272)
Total accumulated earnings	\$(489,676)

As of November 30, 2022, the Fund had capital loss carryforwards as follows, subject to regulation.

	Carryforward	Expiration
Short-term loss carryforward	\$55,441	Unlimited
Long-term loss carryforward	\$1,843	Unlimited
	\$57,284	

Note 6 — Investments

During the year ended November 30, 2022, the Fund purchased \$1,559,083 of securities and sold/matured \$2,295,000 of securities.

Note 7 — Custodian

Under the agreement in place with UMB Bank, custody fees are reduced by credits for cash balances. Such reduction for the year ended November 30, 2022, amounted to \$561.

Note 8 — COVID-19 Pandemic

The global outbreak of COVID-19 (commonly referred to as “coronavirus”) has disrupted economic markets and the prolonged economic impact is uncertain. Although vaccines for COVID-19 are becoming more widely available, the ultimate economic fallout from the pandemic, amid the spread of COVID-19 variants, and the long-term impact on economies, markets, industries and individual companies are not known. The operational and financial performance of individual companies and the market in general depends on future developments, including the duration and spread of any future outbreaks and the pace of recovery which may vary from market to market, and such uncertainty may in turn adversely affect the value and liquidity of the Fund’s investments, impair the Fund’s ability to satisfy redemption requests, and negatively impact the Fund’s performance.

Note 9 — Subsequent Events

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

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

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Idaho Tax-Exempt Fund, (the "Fund"), a series of Saturna Investment Trust, including the schedule of investments, as of November 30, 2022, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of November 30, 2022, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

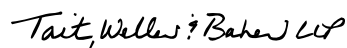
Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of November 30, 2022 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

Philadelphia, Pennsylvania
January 27, 2023



Tait, Weller & Baker LLP

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

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

Example

The following example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (June 1, 2022, to November 30, 2022).

Actual Expenses

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

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

Hypothetical Example for Comparison Purposes

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

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

	Beginning Account Value [June 1, 2022]	Ending Account Value [November 30, 2022]	Expenses Paid During Period ¹	Annualized Expense Ratio
Actual	\$1,000.00	\$994.00	\$3.37	0.67%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.69	\$3.42	0.67%

¹ Expenses are equal to Idaho Tax-Exempt Bond Fund's annualized expense ratio of 0.65% (based on the most recent semi-annual period of June 1, 2022 through November 30, 2022) multiplied by the average account value over the period multiplied by 183/365 (to reflect the one-half year period).

Trustees and Officers

(unaudited)

Name, Address, and Age	Position(s) Held with Trust and Number of Saturna Fund Portfolios Overseen	Principal occupation(s) during past 5 years, including Directorships	Other Directorships held by Trustee
Independent Trustees			
 Marina E. Adshade (55) 1300 N. State Street Bellingham WA 98225	Independent Trustee (since 2017); Nine	Professor of Economics, University of British Columbia, Vancouver; Author	None
 Ronald H. Fielding , MA, MBA, CFA (73) 1300 N. State Street Bellingham WA 98225	Independent Trustee (since 2009); Thirteen	Director, ICI Mutual Insurance Company	Amana Mutual Funds Trust
 Gary A. Goldfogel , MD (64) 1300 N. State Street Bellingham WA 98225	Chairman (since 2017); Independent Trustee (since 1995); Nine	Medical Examiner (pathologist)	None
 Jim V. McKinney (61) 1300 N. State Street Bellingham WA 98225	Independent Trustee (since 2017); Nine	President/CEO, Apple Mountain LLC, consulting and development; Former US Army Foreign Area Officer	None
 Sarah E.D. Rothenbuhler (54) 1300 N. State Street Bellingham WA 98225	Independent Trustee (since 2017); Nine	CEO, Birch Equipment (industrial rentals and sales)	None
Interested Trustee			
 Jane K. Carten , MBA (47) 1300 N. State Street Bellingham WA 98225	President, Trustee (since 2017); Nine	President and Director, Saturna Capital Corporation Vice President and Director, Saturna Trust Company President, Saturna Brokerage Services	None

Name (Age) and Address	Position(s) held with Trust and Number of Saturna Fund Portfolios Overseen	Principal occupation(s) during past 5 years, including Directorships	Other Directorships held by Trustee
Officers Who Are Not Trustees			
 Bryce R. Fegley (47) 1300 N. State Street Bellingham, WA 98225	Vice President (since 2020); N/A	Portfolio Manager and Senior Investment Analyst, Saturna Capital	N/A
 Christopher R. Fankhauser (50) 1300 N. State Street Bellingham, WA 98225	Treasurer ¹ (since 2002); N/A	Chief Operations Officer, Saturna Capital Corporation Vice President and Chief Operations Officer, Saturna Brokerage Services Director, Vice President, and Chief Operations Officer, Saturna Trust Company	N/A
 Michael E. Lewis (61) 1300 N. State Street Bellingham, WA 98225	Chief Compliance Officer ¹ (since 2012); N/A	Chief Compliance Officer, Saturna Capital, Saturna Trust Company, and Affiliated Funds	N/A
 Jacob A. Stewart (42) 1300 N. State Street Bellingham, WA 98225	Anti-Money Laundering Officer ¹ (since 2015); N/A	Anti-Money Laundering Officer, Saturna Capital Corporation, Saturna Brokerage Services Chief Compliance Officer, Saturna Brokerage Services Bank Secrecy Act Officer, Saturna Trust Company	N/A
 Elliot S. Cohen (59) 1300 N. State Street Bellingham, WA 98225	Secretary (since 2022); N/A	Chief Legal Officer, Saturna Capital Corporation; Former Associate General Counsel for Russell Investments	N/A

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

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

On November 30, 2022 the Trustees, officers, and their related accounts as a group owned 16.17% of the outstanding shares of the Fund.

During the year ended November 30, 2022, the Independent Trustees were each paid by the Trust: (1) \$2,000 annual retainer plus \$1,000 per board meeting attended (in person or by phone), plus reimbursement of travel expenses; (2) \$250 for committee meetings; and (3) \$250 per quarter for serving as chairman of the board or any committee.

Mrs. Carten is an Interested Trustee by reason of her positions with the Trust's adviser (Saturna Capital Corporation) and underwriter (Saturna Brokerage Services), and is the primary manager of the Saturna Sustainable Equity Fund portfolio. She is paid by Saturna Capital a salary, plus a bonus for each month the Saturna Sustainable Equity Fund portfolio earns a 4 or 5 star rating from Morningstar (see www.saturna.com). The officers are paid by Saturna Capital and not the Trust. As of November 30, 2022, all Saturna Capital employees listed above as officers owned shares in one or more of the Saturna Investment Trust funds, with Mrs. Carten owning (directly or indirectly) over \$1.55 million.

¹ Holds the same position with Amana Mutual Funds Trust

Renewal of Investment Advisory Contract

(unaudited)

During their meeting of September 13, 2022, the Trustees of Saturna Investment Trust (the “Board” or “Trustees”), including the Independent Trustees, discussed the continuance of the Investment Advisory and Administrative Services Agreement (“Agreement”) between the Trust, on behalf of the Fund, and Saturna Capital. In considering the renewal of the Agreement, the Board, including the Independent Trustees, considered the factors it deemed relevant, including the nature, quality and extent of services provided, the performance of each Fund, expenses and fees, the profitability of Saturna, the potential for economies of scale that may be shared with each Fund and its shareholders as each Fund’s assets grow, and any other benefits derived by Saturna from its relationship with the Funds. In their deliberations, the Trustees did not identify any single factor which alone was responsible for the decision to approve the agreements, and each Trustee may have given different weights to different factors, and, thus, each Trustee may have had a different basis for his or her decision.

The Trustees considered Saturna Capital’s specific responsibilities in all aspects of day-to-day management of the Fund as well as the qualifications, experience and responsibilities of the Fund’s portfolio manager and other key personnel at Saturna Capital. The Trustees discussed Saturna Capital’s experience, ability, and commitment to quality service through performing internally such functions as shareowner servicing, administration, accounting, marketing, and distribution — all in addition to investment management. The Trustees took into consideration Saturna Capital’s continued avoidance of significant operational and compliance problems, plus its continued investments in infrastructure, information management systems, personnel, training, compliance, and investor education materials, all designed to provide high quality investor services and meet investor needs. They recognized Saturna Capital’s efforts to recruit and retain qualified and experienced staff and improve the capital base on which Saturna Capital operates, which the Trustees believe is important to the long-term success of the Fund. They considered Saturna Capital’s focus on investors and its efforts to avoid potential conflicts of interest.

The Trustees considered the investment performance of the Fund over time, including the Fund’s average annual total returns relative to its benchmark for the one-, three-, five-, ten-, and fifteen year periods, all as of July 31, 2022. The Trustees also considered comparative performance information from Morningstar Inc. (“Morningstar”), which provides independent analysis of mutual fund data and, among other things, ranks mutual fund performance within categories comprised of similarly managed funds. The Trustees considered and discussed the Fund’s performance relative to its Morningstar category for the one-, three-, five-, ten-, and fifteen-year periods ended July 31, 2022. The Trustees also considered the Fund’s Morningstar overall performance rating (three stars), and the Fund’s performance rating relative to the Fund’s category selected by and Thomas Reuters Lipper (“Lipper”), as of July 31, 2022, noting that its Lipper total return rating was four on a scale of one to five, with five as the highest rating.

With respect to long-term performance, the Trustees found that the Fund was in the second quartile for its Morningstar category for the 10- and 15-year periods. The Trustees also considered the short- and medium-term performance of the Fund, noting that the Fund was in the first quartile for its Morningstar category for the one-, three- and five- year periods. The Trustees noted the risk-averse investment style of the Fund and other factors which can affect the Fund’s performance relative to its broader Morningstar category. The Trustees also noted certain differences between the Fund and the peer funds within its Morningstar category, including differences in investment strategies and asset size. The Trustees found that Saturna Capital continued to manage the Fund in a manner that is designed to be risk-averse and attractive to long-term investors. The Trustees discussed and considered the efforts of Saturna Capital to make additional resources available to assist in managing the Fund. The Trustees also considered Saturna Capital’s focus on improving investment performance without incurring materially higher levels of risk.

The Trustees also considered the performance and expenses of the Fund as compared to another Idaho municipal bond fund. The Trustees considered these comparative performance and expense data, along with the comparative data published by Morningstar and the Fund’s performance relative to its benchmark, to evaluate the Fund’s performance over near-term and long-term time periods.

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

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

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

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

Renewal of Investment Advisory Contract *(continued)*

(unaudited)

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

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

Availability of Quarterly Portfolio Information

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

Availability of Proxy Voting Information

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

Householding Policy

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

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

Privacy Statement

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

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

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

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



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Bellingham, WA 98225
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This report is issued for the information of the shareowners of the Idaho Tax-Exempt Fund. It is not authorized for distribution to prospective investors unless it is accompanied or preceded by an effective prospectus relating to the securities of the Fund, a series of Saturna Investment Trust.

Saturna Brokerage Services, Distributor