

SATURNA INVESTMENT TRUST

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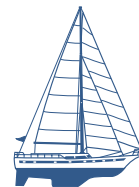
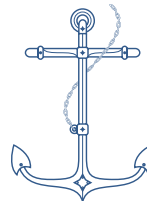
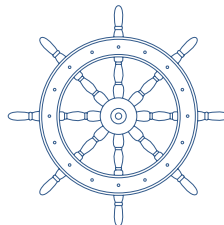


Sextant Mutual Funds

Statement of Additional Information

Growth SSGFX	International SSIFX	Core SCORX	Short-Term Bond STBFX	Bond Income SBIFX	Global High Income SGHIX
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March 30, 2012
Revised April 30, 2012



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

This Statement of Additional Information is neither a Prospectus nor a Summary Prospectus. It merely furnishes additional information concerning the Growth Fund, International Fund, Core Fund, Short-Term Bond Fund, Bond Income Fund, and Global High Income Fund that is not included in the Prospectus or Summary Prospectuses. It should be read in conjunction with the Prospectus or Summary Prospectuses.

The Trust's Annual Report to shareowners for the Funds dated November 30, 2011, 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 Statement of Additional Information.

You may obtain a Prospectus or Summary Prospectuses dated March 30, 2012, 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.sextantfunds.com.

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Fund Descriptions, Investments and Risks

Classification

Saturna Investment Trust is “technically” known as an “open-end diversified management investment company.” It is a “series trust” that presently offers six Sextant Funds to investors.

Investment Strategies

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

Sextant Growth Fund seeks long-term growth 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 ordinarily does not invest in non-convertible debt securities.

The Growth Fund may invest in securities of smaller or newer companies as well as those of well-seasoned companies of any size. Although the Fund invests principally in securities of U.S. issuers, it may invest up to 5% of its total assets (valued at the time of investment) in foreign equity securities traded in or outside the U.S.

Sextant International Fund invests at least 65% of its total assets (taken at market value at time of investment) in foreign securities (securities of non-U.S. issuers), primarily common stocks, and American Depositary Receipts.

The Fund may invest in securities of smaller or newer companies as well as those of well-seasoned companies of any size. 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 U.S. 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 U.S. dollar results in a corresponding change in the U.S. 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.

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 seven separate Funds, six of which are offered as the Sextant Funds through a single Prospectus (or separate Summary Prospectuses for each Fund) and this Statement of Additional Information:

- 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 2, 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).

A seventh fund, Idaho Tax-Exempt Fund, is offered through a separate Prospectus (or Summary Prospectus) and Statement of Additional Information.

Sextant Core Fund seeks long-term capital appreciation and capital preservation. The Fund invests in a mix of common stocks and other equity securities, 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 assets in equities of U.S. companies, 20% in foreign equities, 25% in investment-grade debt securities (those rated BBB or higher, including government and convertible bonds) with maturities of three years or longer, and 15% in short-term debt securities 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 U.S. 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 U.S. dollar results in a corresponding change in the U.S. 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 primarily in marketable short-term bond securities. 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.

Sextant Bond Income Fund invests primarily in marketable long-term bond securities. 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 ten years.

Sextant Global High Income Fund utilizes a wide search for attractively valued high income securities, including:

- Foreign and domestic common and preferred stocks, including depository receipts

- Foreign and domestic corporate bonds, including convertible bonds
- Foreign and domestic government bonds

The Global High Income Fund diversifies its foreign investments among several countries, ordinarily investing in securities of at least three countries outside the U.S. 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 U.S.

The Fund may invest in securities denominated in various currencies. Accordingly, a change in the value of such currency against the U.S. dollar results in a corresponding change in the U.S. 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 A- 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.

Bond investments

(Short-Term Bond, Bond Income, Core, 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, 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 U.S. dollars, rated at the time of purchase within the four highest grades assigned by Moody's Investors Service, Inc. ("Moody's") (Aaa, Aa, A, or Baa) or by Standard & Poor's Corporation ("S&P") (AAA, AA, A, or BBB);
- Government securities;
- Commercial paper rated Prime-1 by Moody's or A-1 by S&P at time of purchase, or, if unrated, issued or guaranteed by a corporation with any outstanding debt rated Aa or better by Moody's or AA or better by S&P; 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 Moody's (Baa) or S&P (BBB). Debt rated Baa or BBB is considered "medium grade," though still generally accepted as investment grade.

U.S. 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 U.S. Treasury; and (ii) other securities that are issued or guaranteed as to principal and interest by the U.S. Government or by its agencies or instrumentalities. U.S. 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 ("GNMA"), Federal National Mortgage Association ("FNMA") 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 U.S. 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 loss of any premium the Fund may have paid to buy the security.

The Funds may also invest in floating rate instruments which 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 (Baa or 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 judgements and does not rely on rating agencies.

Risks

Growth stocks

(Growth, Core)

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

Small companies

(Growth, Core, Global High Income)

Smaller companies involve higher investment risks in that they often have limited product lines, markets and resources, or their securities may trade less frequently and have greater price fluctuation than those of larger companies.

Foreign securities

(International, Core, Global High Income)

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 U.S. 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 U.S.; 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 U.S. federal income taxes may, subject to various limitations, be entitled to claim a credit or deduction for U.S. federal income tax purposes for his or her proportionate share of such foreign taxes paid by the Fund.

Developing markets

(International, Global High Income)

The risks of small companies may be particularly applicable in smaller or emerging foreign markets. In addition to the risks of foreign investing, developing markets may have heightened risks due to a lack of established legal, political, business and social frameworks to support efficient securities markets.

Bond credit

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

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

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

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. Interest rates are also based on perceptions, with higher rates normally prevailing in economies doing worse than their peers. When interest rates are abnormally low based on historical standards, the risk of bond prices falling should rates return to normal are increased.

High yield securities

(Global High Income)

High yield securities 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, and often are more illiquid (harder to sell) and harder to value.

Fund Policies

The investment objectives of each Fund are described in the Prospectus and Summary Prospectuses and cannot be changed without approval by vote of a majority of the outstanding shares of that Fund.

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. Objectives and policies which are considered fundamental and subject to

change only by prior approval of the shareowners include: (1) the primary and any secondary investment objectives; (2) for the Bond Income and Short-Term Bond Funds, the 80% of assets minimum investment in bonds; (3) the classification of the Funds as an open-end management company and the sub-classification of each of the Funds as a diversified company; and (4) the policies listed under "Investment Restrictions."

Investment Restrictions

In addition to the restrictions stated in the Prospectus and Summary Prospectuses, the Funds 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); nor invest in oil, gas or other mineral exploration leases and programs. The Funds shall not make loans to others, except for (i) the purchase of debt securities, or (ii) the entering into of repurchase agreements. The Funds 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 each Fund's total assets is represented by (i) cash and cash items, government securities, and securities of other regulated investment companies, and (ii) 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); commodities or commodity contracts; 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; nor act as a securities underwriter except that they may purchase securities directly from the issuer for investment purposes. Also, no Fund shall 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; 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.

No Fund shall purchase securities of any issuer in excess of 5% of the Fund's total assets or purchase more than 10% of the outstanding voting securities of any issuer; or concentrate its investments in a single industry beyond 25% of the total value of the Fund; or invest more than 10% of its assets in the securities of issuers which together have a record of less than three years continuous operation. No Fund purchases securities if it has outstanding borrowings exceeding 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 Exchange. 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 forego exercising the rights.

Temporary Defensive Position

When the adviser considers a temporary defensive investment position advisable, any Sextant Fund may invest without limitation in high-quality corporate debt obligations or U.S. government obligations or hold cash or cash equivalents.

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. The adviser does not anticipate significant variation from the relatively low portfolio turnover rates experienced in the past.

Portfolio Information

The Funds publish their complete portfolio holdings online within 10 days after each month-end (www.sextantfunds.com). They publish annual and semi-annual reports containing portfolio holdings. They file periodic reports with the SEC containing portfolio holdings, which may be published online. They may provide individual investors, institutional investors, intermediaries that distribute the Fund's shares, third-party service providers, rating and ranking organizations, and affiliated persons of the Fund with month-end portfolio holdings. The Funds only disclose month-end portfolio holdings. No other disclosures are made. No person associated with the Funds receives compensation in connection with disclosures of portfolio information. Information about open trades, strategies, and investment programs is proprietary information of the adviser and kept confidential.

Proxy Voting Policies

The proxy voting guidelines below summarize Saturna Capital's positions on various issues of concern to investors, and give a general indication of how portfolio securities held in advisory accounts, such as the Funds, will be voted on proposals dealing with particular issues.

The proxy voting guidelines are just that — guidelines. The guidelines are not exhaustive and do not include all potential voting issues. Because proxy issues and the circumstances of individual companies are so varied, there may be instances when the adviser may not vote in strict adherence to these guidelines. Regardless of these guidelines, the adviser will always attempt to vote consistent with specific investment objectives and policies of the Funds.

Saturna Capital's investment professionals, as part of their ongoing review and analysis of all portfolio holdings, are responsible for monitoring significant corporate developments, including

proxy proposals submitted to shareholders. Voting proxies is a responsibility of a Fund's portfolio manager.

These guidelines are reviewed and approved annually by the Trustees. The portfolio manager will refer all issues where there could be a conflict of interest (e.g., a familial or business relationship with company management) or uncertainty of direction to the Trustees for resolution. Disclosure of the proxy voting record is a responsibility of the Trust's secretary. After June 30, information as filed on Form N-PX regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling Saturna Capital at 800/SATURNA; (2) through the Trust's website at www.sextantfunds.com; and (3) on the SEC's website at www.sec.gov.

By the following general categories, absent special circumstances, proxies will be voted:

• Governance

For proposals calling for a majority of the directors to be independent of management.

For proposals seeking to increase the independence of board nominating, audit, and compensation committees.

In accordance with the recommendation of the company's board of directors on all shareholder proposals, except it will vote **for** shareholder proposals that are consistent with these proxy voting guidelines.

For the election of the company's nominees for director, except it will **withhold votes** for nominees it considers insufficiently committed or competent.

Against proposals to elect directors on a staggered schedule.

• Business Transactions

On a **case-by-case basis** on board-approved proposals to effect **acquisitions, mergers, reincorporations, reorganizations, and other transactions.**

Against proposals to adopt anti-takeover measures.

On a **case-by-case basis** on proposals to amend a company's charter or bylaws.

Against authorization to transact other unidentified, substantive business at the meeting.

• Capitalization

On a **case-by-case basis** on board-approved proposals involving changes to a company's capitalization, except it will normally vote:

For proposals relating to the authorization of additional common stock.

For proposals to effect stock splits.

For proposals authorizing share repurchase programs.

• Executive Compensation

On a **case-by-case basis** on board-approved proposals relating to executive compensation.

For compensation programs that relate executive compensation to a company's long-term performance.






For stock option plans unless they could result in massive dilution or have other provisions clearly not in the interest of existing shareholders.

Management of the Funds

Board of Trustees




A Board of five Trustees supervises the Funds: Nicholas Kaiser, John E. Love, Gary A. Goldfogel, Herbert G. Grubel, and Ronald H. Fielding. 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. Four Trustees are Independent, having no relationship with the adviser or its affiliates, and solely consider the interests of shareowners.

Table 1: Management Information

Name, Address, and Age	Position(s) held with Trust; term 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				
 <p>John E. Love 1002 Spokane Street Garfield, WA 99130 Age: 79</p>	Independent Trustee since 1987; Independent Chairman	Owner, J.E. Love Co., (agricultural equipment manufacturer)	Seven	None
 <p>Gary A. Goldfogel, MD 1500 N. State Street Bellingham, WA 98225 Age: 53</p>	Independent Trustee since 1995	Medical Examiner (pathologist). Owner, Avocet Environmental Testing (laboratory)	Seven	None
 <p>Herbert G. Grubel, PhD 125 West Second St. Apt. 1202 North Vancouver, BC Canada V7M 1C5 Age: 78</p>	Independent Trustee since 2005	Senior Fellow, Fraser Institute; Professor (Emeritus) of Economics, Simon Fraser University; Author	Seven	Amana Mutual Funds Trust (retired 2011)
 <p>Ronald H. Fielding 42 Surfsong Rd. Kiawah Island, SC 29455 Age: 63</p>	Independent Trustee since 2009	Retired (2009); Senior Vice President & Portfolio Manager, OppenheimerFunds Rochester Division	Ten	Amana Mutual Funds Trust; ICI Mutual Insurance Company
Interested Trustee				
 <p>Nicholas F. Kaiser, MBA¹ 1300 N. State Street Bellingham WA 98225 Age: 65</p>	President and Trustee since 1990	Chairman (retired president 2009), Saturna Capital Corporation (the Trust's investment adviser); Director, Saturna Brokerage Services (the Trust's distributor)	Ten	Amana Mutual Funds Trust

¹ Mr. Kaiser is an "interested person" of the Trust as an officer of the Adviser, Saturna Capital Corporation, and a director of the Distributor, Saturna Brokerage Services. He holds the same positions with Amana Mutual Funds Trust, which has three fund portfolios, and is also managed by Saturna Capital Corporation.

Table 2: Officers Who Are Not Trustees

Name, Address, and Age	Position(s) held with Trust; term 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	
Officers Who Are Not Trustees					
	Phelps S. McIlvaine ¹ 1300 N. State Street Bellingham, WA 98225 Age: 58	Vice President since 1994	Vice President, Saturna Capital Corporation (the Trust's investment adviser); Director and Treasurer, Saturna Brokerage Services (the Trust's distributor)	N/A	N/A
	Ethel B. Bartolome ¹ 1300 N. State Street Bellingham, WA 98225 Age: 39	Secretary since 2001	Corporate Administrator, Saturna Capital Corporation (the Trust's investment adviser)	N/A	N/A
	Christopher R. Fankhauser ¹ 1300 N. State Street Bellingham, WA 98225 Age: 40	Treasurer since 2002; Chief Compliance Officer since 2012	Chief Operations Officer, Saturna Capital Corporation (the Trust's investment adviser); Vice President and Chief Operations Officer, Saturna Brokerage Services (the Trust's Distributor)	N/A	N/A

¹ Messrs. McIlvaine and Fankhauser, and Mrs. Bartolome are "interested persons" of the Trust as officers and/or employees of the Adviser, Saturna Capital Corporation. Mr. Fankhauser and Mrs. Bartolome hold the same positions with Amana Mutual Funds Trust, which has three fund portfolios, and is also managed by Saturna Capital Corporation.

Table 3: Management Ownership Information (as of Dec. 31, 2011)

Trustee/Officer	Dollar range of equity securities in Funds of Saturna fund complex	Aggregate dollar range of equity securities in all Registered Investment Companies overseen by Trustee/Officer in Saturna fund complex
John E. Love	Growth: \$10,001-50,000 International: over \$100,000 Core: \$10,001-50,000 Short-Term Bond: \$50,001-100,000 Bond Income: over \$100,000	Over \$100,000
Gary A. Goldfogel	Growth: over \$100,000 International: over \$100,000 Core: over \$100,000 Bond Income: \$50,001-100,000 Amana Developing World: over \$100,000	Over \$100,000
Herbert G. Grubel	Growth: \$10,001-50,000 Amana Income: \$10,001-50,000	\$10,001-\$50,000
Ronald H. Fielding	International: over \$100,000 Short-Term Bond: \$1-\$10,000	Over \$100,000
Nicholas F. Kaiser	Growth: over \$100,000 International: over \$100,000 Core: over \$100,000 Short-Term Bond: over \$100,000 Bond Income: over \$100,000 Idaho Tax-Exempt: over \$100,000 Amana Income: over \$100,000 Amana Growth: over \$100,000 Amana Developing World: over \$100,000	Over \$100,000
Phelps S. McIlvaine	Growth: \$10,001-50,000 International: over \$100,000 Short-Term Bond: \$10,001-50,000 Amana Income: \$10,001-50,000 Amana Growth: \$10,001-50,000 Amana Developing World: \$10,001-50,000	Over \$100,000
Ethel B. Bartolome	Growth: \$1-10,000 International: \$10,001-50,000 Core: \$10,001-50,000 Amana Income: \$10,001-50,000 Amana Growth: \$10,001-50,000	Over \$100,000
Christopher R. Fankhauser	Growth: \$10,001-50,000 International: \$50,001-100,000 Core: \$1-10,000 Bond Income: \$1-10,000 Short-Term Bond: \$10,001 - 50,000 Amana Income: \$50,001-100,000 Amana Growth: \$50,001-100,000 Amana Developing World: \$1-10,000	Over \$100,000

Leadership Structure and Board of Trustees

As part of its annual governance assessment, the Board reviews the collective and individual experience, qualifications, attributes, and skills of the Trustees. Attributes common to all Trustees are strong educational backgrounds, lifetimes of experience in business and finance, personal investments in the Funds, 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 Mr. Kaiser) are independent of the adviser and other service providers.

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 above and other relevant qualifications, the following are additional important qualifications of each Trustee:

John E. Love is the Trust's independent chairman, having joined the Board in 1987. Mr. Love is president and CEO of the J.E. Love Company which manufactures and markets specialty agricultural equipment. He is a retired Navy Rear Admiral and a Certified Professional Manager. He has a degree in Economics/Business Administration from Whitworth University. Mr. Love has served on bank, community, and higher education institution boards.

Nicholas F. Kaiser, MBA, CFA, is president of the Trust and the portfolio manager of the Sextant International Fund. He is chairman and controlling shareowner of Saturna Capital Corporation, the Funds' investment adviser and administrator. For over 30 years, Mr. Kaiser and his firms have provided investment management, administration, accounting, servicing, marketing, and other services to mutual funds. He has served on association, community and educational institution boards.

Gary A. Goldfogel, MD, serves as the Medical Examiner for Northwest Washington State, and is the owner and president of Avocet Environmental Testing Laboratory. Dr. Goldfogel is a physician board certified in Surgical and Forensic Pathology and Laboratory Medicine. He has served on boards of various professional and community organizations.

Herbert G. Grubel, PhD, is a senior fellow of The Fraser Institute and professor emeritus of Economics at Simon Fraser University (Vancouver, BC). Dr. Grubel has held appointments and positions with universities, governments and institutes worldwide. He was a member of Canada's Parliament from 1993 to 1997. Dr. Grubel has published many books and professional articles in economics dealing with international trade and finance and a wide range of economic policy issues.

Ronald H. Fielding, MA, MBA, CFA, has worked in the mutual fund industry as a portfolio manager and senior officer of fund advisers for over 25 years. He has served on the board of Investment Company Institute Mutual Insurance for 15 years, and is currently chairman. He has taught courses in finance and economics in Rochester, NY. He has served on philanthropic and educational institution boards.

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 at 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 regularly with the Chief Compliance Officer.

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.

Table 4: Trustee Compensation for Fiscal Year ended Nov. 30, 2011

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
John E. Love; Trustee, Chairman	\$8,250	\$0	\$0	\$8,250
Gary A. Goldfogel; Trustee	\$6,250	\$0	\$0	\$6,250
Herbert G. Grubel; Trustee ¹	\$6,250	\$0	\$0	\$21,000 ¹
Ronald H. Fielding; Trustee	\$8,250	\$0	\$0	\$8,250
Nicholas F. Kaiser; Trustee ²	\$0	\$0	\$0	\$0

¹ Herbert G. Grubel served as Trustee for the Amana Mutual Funds Trust, to which Saturna Capital is adviser. He was paid \$14,750 by that Trust during the fiscal year ended November 30, 2011.

² Nicholas F. Kaiser serves as Interested Trustee to the Amana Mutual Funds Trust, to which Saturna Capital is adviser. He serves in this capacity without compensation.

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, Mr. Kaiser receives no compensation from the Trust. The Chief Compliance Officer has been retained by the Trust and, as such, a portion of the Chief Compliance Officer's compensation is paid by the Trust. No other officers are compensated by the Trust. Table 4 (on page 10) provides the total compensation paid Trustees for the fiscal year ended November 30, 2011.

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 and Rule 204a-1 of the Investment Advisers Act. The Code permits personnel subject to the Code (as defined in the Code) to invest in securities, including common stocks and mutual funds. To prevent conflicts of interest, the Code includes restrictions on investing in common stocks that may be purchased by the Funds. A copy of the Code is available without charge by contacting the Trust or Saturna Capital Corporation, and at www.sextantfunds.com.

Control Persons & Principal Holders of Securities

Table 5: Principal Holders of Securities as of Mar. 2, 2012

	Name and Address	Shares	Percentage
Growth Fund	NFSC Omnibus Account for the Exclusive Benefit of our Customers 200 Liberty Street New York, NY 10281	190,069	15.38%
	Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street San Francisco, CA 94104	122,843	9.94%
International Fund	Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street San Francisco, CA 94104	5,072,097	41.88%
	NFSC Omnibus Account for the Exclusive Benefit of our Customers 200 Liberty Street New York, NY 10281	4,186,827	34.57%
Core Fund	Saturna Capital Corporation 1300 North State Street Bellingham, WA 98225	78,066	13.69%
	Morton D. Hurt 14535 190th NE Woodinville, WA 98072	68,026	11.93%
	Nicholas F. Kaiser 1300 North State Street Bellingham, WA 98225	61,035	10.70%
Short-Term Bond Fund	Saturna Capital Corporation 1300 North State Street Bellingham, WA 98225	170,499	13.91%
	Bellingham Anesthesia Associates FBO Dr. Peter Telfer 2152 Dellesta Drive Bellingham, WA 98226	91,794	7.48%
	Saturna Trust Company 1300 North State Street Bellingham, WA 98225	83,178	6.78%
	Saturna Brokerage Services, Inc. 1300 North State Street Bellingham, WA 98225	73,587	6.00%
	Saturna Capital Corporation 1300 North State Street Bellingham, WA 98225	130,918	9.77%
Bond Income Fund	Saturna Trust Company 1300 North State Street Bellingham, WA 98225	129,797	9.69%
	Western Washington University Foundation 516 High Street OM 430 Bellingham, WA 98225	109,933	8.20%
	Saturna Brokerage Services, Inc. 1300 North State Street Bellingham, WA 98225	69,997	5.22%
	n/a	n/a	n/a
Global High Income Fund	n/a	n/a	n/a

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

Mr. Nicholas Kaiser, 1300 N. State Street, Bellingham, WA 98225, is considered a "control person" of the Core, Short-Term Bond, and Bond Income Funds. He directly and indirectly owns 32.7%, 27.4%, and 25.4% of these Funds, respectively.

Table 5 (left) shows the only persons known to the Trust to be the owners of record of more than five percent or more of any Fund.

Table 6: Officers and Trustees Ownership of Trust Shares¹

Fund:	Shares Owned:	Percentage of Outstanding:
Growth Fund	138,535	11.2%
International Fund	300,958	2.5%
Core Fund	246,429	43.2%
Short-Term Bond Fund	359,128	29.3%
Bond Income Fund	434,270	32.4%
Global High Income Fund	n/a	n/a

¹ As of March 2, 2012, officers and Trustees (plus affiliated family members and entities), as a group, owned the above shares of the Funds.

Investment Advisory & Other Services

Investment Adviser and Administrator

Saturna Capital Corporation, 1300 N. State Street, Bellingham, Washington 98225, is the Investment Adviser and Administrator (the "adviser") for the Funds. Saturna Capital is also the Funds' shareowner servicing agent. Mr. Nicholas Kaiser, chairman of the board of Saturna Capital, through his ownership of 88% of its voting stock, is the controlling person of the adviser. Mr. Kaiser is also a Trustee and President of Saturna Investment Trust, and the principal portfolio manager of the Growth and International Funds. Mr. Phelps McIlvaine is the principal portfolio manager of the Short-Term Bond and Bond Income Funds, and a vice president, shareowner and member of the board of the adviser. Mr. Peter Nielsen is primary portfolio manager of the Core Fund and senior investment analyst for the adviser. Messrs. Bryce Fegley and John Scott are co-managers of the Global High Income Fund and investment analysts for the adviser.

A discussion of the Trustees' approval of the continuance of the investment advisory and administration agreements is available in the Funds' November 30, 2011 annual report.

Advisory Fee

Each of the Sextant Funds pays the adviser an Advisory and Administrative Services Fee (the "Base Fee"). The Base Fee covers certain administrative services such as portfolio accounting, shareowner and financial reporting, shareowner servicing, and transfer agency services. The Base Fee is also compensation for portfolio management, advice and recommendations on securities to be purchased, held or sold. The Base Fee is computed at the annual rate of 0.60% 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.

Performance adjustment for Growth Fund, International Fund and Core 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 .10% based on the Fund's average net assets over the performance period (one year).
- If the outperformance or underperformance is 2% or more but less than 4%, then the adjustment is at the annual rate of .20%.
- If the outperformance or underperformance is 4% or more, the adjustment is at an annual rate of .30%.

Performance adjustment for Bond Income Fund, Short-Term Bond Fund, and Global High Income 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 .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 .20%.

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

Table 7: 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% and < 4% more or less than benchmark	4% or greater more or less than benchmark
Growth Fund, International Fund & Core Fund	0.60%	0.00%	+/- 0.10%	+/- 0.20%	+/- 0.30%
Short-Term Bond Fund, Bond Income Fund, & Global High Income Fund	0.60%	0.00%	+/- 0.10%	+/- 0.20%	+/- 0.20%

Table 8: Advisory Fees Paid To Saturna Capital For The Last Three Fiscal Years¹

	2011	2010	2009
Growth Fund	\$85,662	\$102,677	\$130,509
International Fund	\$890,908	\$700,482	\$451,165
Core Fund	\$25,972	\$21,177	\$29,660
Short-Term Bond Fund	\$524	\$(5,669)	\$(53)
Bond Income Fund	\$13,025	\$5,969	\$(2,068)
Global High Income Fund	n/a	n/a	n/a

¹ After performance adjustments and expense limitations

The categories currently assigned by Morningstar™ are:

- Growth Fund: “Large Growth Funds”
- International Fund: “Foreign Large Blend Funds”
- Core Fund: “Moderate Allocation Funds”
- Bond Income Fund: “Intermediate-Term Bond Funds”
- Short-Term Bond Fund: “Short-Term Bond Funds”
- Global High Income Fund: TBD

For Short-Term Bond, Bond Income, and Global High Income Funds the adviser has committed through March 31, 2013, to waive fees and/or reimburse expenses to the extent necessary to ensure that the Fund’s net operating expenses, excluding brokerage commissions, interest, taxes, and extraordinary expenses, do not exceed the net operating expense ratio of 0.75% for Short-Term Bond and 0.90% for Bond Income and Global High Income.

The Adviser also continues, through March 31, 2013, its undertaking to waive its entire advisory fee for the Sextant Short-Term Bond Fund, Sextant Bond Income Fund or Sextant Core Fund on days when assets of that Fund are under \$2 million.

These waivers may be changed or terminated only with approval of the Board of Trustees.

Portfolio Managers

All Saturna Capital employees, including Nicholas Kaiser, Phelps McIlvaine, Peter Nielsen, Bryce Fegley, John Scott, 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 options of Saturna Capital Corporation, Messrs. Kaiser, McIlvaine, Nielsen, Fegley, and Scott 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 and other benefits, and a stock option plan. Stock options are annually awarded on the basis of years of service, and not individual performance. Mutual fund portfolio managers are paid a monthly bonus (which may be shared with other employees) when a fund achieves an overall rating of 4 or 5 stars from Morningstar. The bonus is 1% of the adviser’s net monthly fee (which is based on both assets and performance) for a 4-star rating, and 2% of the monthly fee for a 5-star rating.

Saturna’s portfolio managers may manage multiple accounts, including mutual funds and separate accounts for individuals, investment partnerships, pension funds and charities. Portfolio managers make investment decisions for each account based on the investment objectives, policies, practices and other relevant investment considerations that the managers believe are applicable to that account. The management of multiple accounts may give rise to potential conflicts of interest when the accounts have similar or different objectives, benchmarks, time horizons and fees because the portfolio manager must allocate his time and investment ideas across multiple accounts. Consequently a manager may purchase (or sell) a security for one account and not for another. The adviser has adopted policies designed to fairly allocate securities purchased or sold on an aggregated basis. Transactions executed for one account may adversely affect the value of securities held by other accounts. Securities selected for some accounts may outperform the securities selected for others. Through an arrangement with Saturna Brokerage Services, accounts presently trade securities at zero commission, eliminating a potential conflict. Personal accounts may give rise to potential conflicts of interest, and portfolio managers do not trade for their own accounts; trading in personal accounts is restricted by Saturna’s Code of Ethics. A portfolio manager’s compensation plan may give rise to potential conflicts of interest. To reduce this risk, mutual fund portfolio managers’ account performance bonus depends upon the fund’s overall Morningstar™ rating, which derives from investment results over the last three, five and ten years. A manager’s

Table 9: Portfolio Managers as of Nov. 30, 2011

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):
Nicholas Kaiser	Sextant International Fund (\$165,102,815) ¹ Sextant Growth Fund (\$22,869,175) ¹	Amana Growth Fund (\$2,119,176,516) Amana Income Fund (\$1,301,443,346) Amana Dev. World Fund (\$16,387,802)	Two (\$24,740,102) ¹	Nineteen (\$17,419,354)
Phelps McIlvaine	Sextant Bond Income Fund (\$6,785,051) ¹ Sextant Short-Term Bond Fund (\$6,085,971) ¹ Idaho Tax-Exempt Fund (\$16,126,691)	None	None	Four (\$7,196,199)
Peter Nielsen	Sextant Core Fund (\$5,800,168) ¹	None	None	None
Bryce Fegley	Sextant Global High Income Fund (\$0) ²	None	None	None
John Scott	Sextant Global High Income Fund (\$0) ²	None	None	None

¹ Assets managed with a performance fee

² Commenced operations March 30, 2012

compensation tends to increase with assets under management, which in turn may increase the value of Saturna Capital Corporation.

As of Nov. 30, 2011: Mr. Kaiser beneficially owned Growth, Core, Short-Term Bond, and Bond Income Fund shares in the dollar range of over \$1,000,000 for each; and International Fund shares in the dollar range of \$500,001 to \$1,000,000. Mr. McIlvaine beneficially owned Growth Fund and Short-Term Bond Fund shares in the dollar range of \$10,001 to \$50,000 for each; and International fund shares in the dollar range of \$100,001 to \$500,000. Mr. Nielsen owned Core Fund shares in the dollar range of \$100,001 to \$500,000. Mr. Fegley beneficially owned Growth Fund shares in the dollar range of \$50,001 to \$100,000. Mr. Scott did not own any shares of the Sextant Funds.

Shareowner Services

Under the Advisory agreement, Saturna Capital also provides services as the transfer agent and dividend-paying agent for the Funds. As transfer agent, Saturna furnishes to each shareowner a confirmation after each transaction, an historical statement on quarterly and annual bases showing all transactions during the respective periods, and Form 1099 tax forms. Saturna also, on behalf of the Funds, responds to shareowners' questions and correspondence. Furthermore, the transfer agent regularly furnishes the Funds with current shareowner lists and information necessary to keep the shares in balance with the Funds' records. The transfer agent (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 Base 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. A fee of \$10 per account for retirement plan services is paid by the Funds to Saturna Trust Company.

	2011	2010	2009
Growth Fund	\$6,691	\$6,490	\$6,430
International Fund	\$7,373	\$7,110	\$6,690
Core Fund	\$1,605	\$1,260	\$950
Short-Term Bond Fund	\$4,394	\$3,290	\$2,990
Bond Income Fund	\$1,871	\$1,800	\$1,550
Global High Income 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 *Principal Underwriter*), pursuant to which the Distributor acts as principal underwriter of Fund shares for sale to the public. Additionally, the Trust has adopted a Rule 12b-1 distribution plan which provides that the Funds shall pay 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. The Distributor may use all or any portion of the fee for activities that the Distributor determines to be reasonably calculated to result in sales of Fund Shares. The Plan was adopted by

the Core Fund and ratified by shareowners on March 12, 2007, to be effective at the time of the Fund's first public offering of its shares. The Plan was adopted by the Global High Income Fund and ratified by shareowners on January 11, 2012, to be effective at the time of the Fund's first public offering of its shares.

The Trust does not participate in any joint distribution activities with another investment company, but does allocate the Rule 12b-1 expenses between the Sextant Funds based on relative net asset size. The plan is intended to provide the Distributor additional flexibility and resources to attract new investors and retain existing shareowners. 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.

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 Mr. Nicholas Kaiser 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 the fees paid 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 period ended November 30, 2011, the Trust paid the Distributor \$534,557. The Distributor spent the following amounts on these principal activities:

Advertising:	\$27,160
Printing and mailing of prospectuses to other than current shareowners:	\$8,324
Compensation to underwriters:	\$0
Compensation to broker-dealers:	\$668,965
Compensation to sales personnel:	\$0
Interest, carrying or other finance charges:	\$0
Other:	\$0

A portion of the above expenses were paid by the adviser 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." For more information, please see "Revenue Sharing."

For the fiscal year ended November 30, 2011, the Trust paid the distributor the following amounts:

Short-Term Bond	\$14,482
Bond Income	14,065
Core	14,022
Growth	61,894
International	\$430,094
Global High Income	n/a

Custodian

BNY Mellon Asset Servicing, 2 Hanson Place, Brooklyn, NY 11217, is the custodian of the Funds. 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, 1818 Market Street, Suite 2400, Philadelphia, PA 19103 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.

Principal Underwriter

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

Mr. Christopher Lang 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.

Brokerage Allocation

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

The primary consideration in effecting securities transactions for the Funds is to obtain the best price and execution which in the judgment of the adviser is attainable at the time and which would bring the best net overall economic result to a Fund. Factors taken into account in the selection of brokers include the price of the security, commissions paid on the transaction, the efficiency and cooperation with which the transaction is effected, the expediency of making settlement and the financial strength and stability of the broker. The adviser may negotiate commissions at a rate in excess of the amount another broker would have charged if it determines in good faith that the overall net economic result is favorable to the Fund, and is not required to execute trades in "over-the-counter" securities with primary market-makers if similar terms are available elsewhere. The adviser evaluates whether brokerage commissions are reasonable based upon available information about the general level of commissions paid by similar mutual funds for comparable services.

When consistent with best execution, brokerage is primarily 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). Should any change occur in this policy, shareowners would be notified.

The Trustees review brokerage activity in detail at each regular meeting. Meetings are held on a quarterly schedule. Table 12 below contains the commissions each Fund paid Saturna Brokerage for each of the last three fiscal years.

Table 12: Commissions Paid To Saturna Brokerage Services

	2011	2010	2009	% of 2011 aggregate brokerage commissions paid Saturna Brokerage	% of 2011 aggregate dollar amount of transactions involving the payment of commissions through Saturna Brokerage
Growth Fund	\$0	\$0	\$0	0%	0%
International Fund	\$0	\$0	\$0	0%	0%
Core Fund	\$0	\$0	\$0	0%	0%
Short-Term Bond Fund	\$0	\$0	\$0	0%	0%
Bond Income Fund	\$0	\$0	\$0	0%	0%
Global High Income Fund	n/a	n/a	n/a	0%	0%

Capital Stock

Each Fund of Saturna Investment Trust is divided into shares of beneficial interest. The shares of each separate Fund of the Trust have equal voting rights. On issues relating solely to a single Fund, only the shareowners of that Fund are entitled to vote. All shares are fully paid, non-assessable, transferable and with rights of redemption, and are not subject to preemptive rights. The Trust is not required to hold annual shareowner meetings. However, special meetings may be called for such purposes as electing or removing Trustees, changing fundamental policies, or voting on approval of an advisory contract. All dividends and distributions for each Fund shall be distributed to shareowners in proportion to the number of shares owned.

The 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 conducts separate voting on issues relating solely to that Fund, except as required by the Investment Company Act.

Purchase, Redemption and Pricing of Shares

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

Price

Price (net asset value) per share is determined by dividing the value of all securities and other assets, less liabilities, by the number of shares outstanding. The daily price is determined for each Fund as of the close of trading on the New York Stock Exchange (generally 4 p.m. Eastern time) on each day the Exchange is open for trading. The Exchange is generally closed on New Year's Day, Martin Luther King Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas. See the *Statement of Assets and Liabilities* 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. Also see the Prospectus for additional information about the computation of net asset value.

Pricing of Foreign Equity Securities

Foreign securities traded outside the U.S. are valued on the basis of their most recent closing market prices at 4 p.m. ET.

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 some or all of the Funds' foreign securities. To account for this the Funds may use independent pricing services for valuation of their securities.

In developing valuations for such securities, the independent pricing services review a variety of factors, including developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. 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.

Exchanges

In addition to purchases and redemptions, the shares of the Funds may be exchanged for shares of other Funds managed by Saturna Capital. Exchanges can be made at no charge upon written request or by telephone. A gain or loss for federal tax purposes will be realized upon redemption of any shares for the purposes of an exchange as described above.

Dividends

Returned dividend payments will be automatically reinvested into your account; future dividends in such accounts will continue to be reinvested until the shareowner is located or the account is closed.

Intermediary Processing

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

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 Investment Company 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 Internal Revenue Code applicable to regulated investment companies (Subchapter M), 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 Internal Revenue 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 shareholders; (2) the Fund's distributions, to the extent made out of the Fund's current or accumulated earnings and profits, would be taxable to shareholders as ordinary dividends regardless of whether they would otherwise have been considered capital gain dividends; (3) the Fund may qualify for the 70% deduction for dividends received by corporations; and (4) foreign tax credits would not "pass through" to shareholders.

At November 30, 2011, the Funds had the following amounts of capital loss carryforwards, subject to regulation:

Table 13: Capital Loss Carryforwards		
	Carryforward	Expiration
Short-Term Bond		
	\$2,972	2014
	10,255	2016
	\$13,227	
Bond Income		
	\$19,585	2016
	\$20,467	2017
	\$40,052	
Core		
	\$74,883	2016
	\$62,995	2017
	\$11,779	2018
	\$73,738	2019
	\$223,395	
Growth		
	\$295,225	2019
	\$295,225	
International		
	\$1,528,334	2019
	\$1,528,334	

Prior to their expiration, such loss carryforwards may be used to offset future net capital gains realized for federal income tax purposes.

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 28% of income. Dividends and capital gains distributions to shareowners who are nonresident aliens may be subject to a 30% United States foreign 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 or missing or otherwise inadequate reporting of a Tax Identification Number, the amount of the IRS fee or penalty will be directly assessed to the shareowner account involved.

Revenue Sharing

Revenue sharing payments are made by the adviser and its affiliates and are in addition to any distribution or service fees payable under the Funds' Rule 12b-1 plan that are generally payable to intermediaries. These payments might be in return for activities including, but not limited to, (i) providing administrative services (including recordkeeping, reporting, and processing services), (ii) providing personnel and facilities to establish and maintain accounts for Fund investors, (iii) answering questions from and distributing materials to Fund investors, and (iv) assisting in transactions with the Funds.

The adviser also may make revenue sharing payments to intermediaries for providing a Fund with "shelf space" or access to a third-party platform or fund offering list or other marketing programs including, without limitation, (i) inclusion of the fund on preferred or recommended sales lists, mutual fund "supermarket" platforms and other sales programs; (ii) granting the Distributor access to the intermediary's sales force; (iii) granting the Distributor access to the intermediary's conferences and meetings; (iv) assistance in training and educating the intermediary's personnel; and (v) obtaining other forms of marketing support.

Revenue sharing payments made to an intermediary generally are a percentage of the value of Fund shares associated with the intermediary's activities as described above, but may include one or more lump sums or other form of payment.

The amount of these revenue sharing payments is determined at the discretion of the adviser and its affiliates, including the Distributor, from time to time. Revenue sharing payments may be substantial, and may be different for different intermediaries based on, for example, the nature of the services provided by the intermediary. Receipt of, or the prospect of receiving, this additional compensation may influence an intermediary's recommendation of the Funds. Investors should review their intermediary's compensation disclosure and/or contact the intermediary to obtain more information on how this compensation may have influenced the intermediary's recommendation of the Funds.

Financial Statements

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

Annual Financial Statements

There is incorporated into this Registration Statement the following financial information in the Annual Report to shareowners for the fiscal year ended November 30, 2011:

- Report of Tait, Weller & Baker LLP Independent Registered Public Accounting Firm.
- Statement of Assets and Liabilities – as of November 30, 2011.
- Statement of Operations – year ended November 30, 2011.
- Statements of Changes in Net Assets – years ended November 30, 2011, and 2010.
- Investments – as of November 30, 2011.
- Notes to Financial Statements.