

SATURNA INVESTMENT TRUST

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Bellingham, Washington 98225

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Sextant Mutual Funds

Statement of Additional Information

Growth
SSGFX

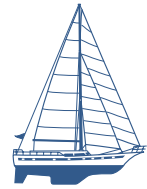
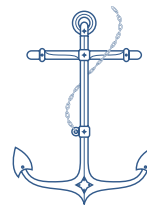
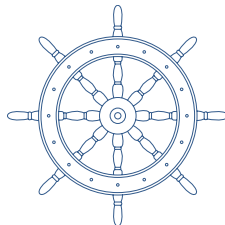
International
SSIFX

Core
SCORX

Short-Term Bond
STBFX

Bond Income
SBIFX

March 25, 2011



Sextant Growth Fund, Sextant International Fund, the Sextant Core Fund, the Sextant Short-Term Bond Fund, and the Sextant Bond 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 Sextant Growth Fund, the Sextant International Fund, the Sextant Core Fund, the Sextant Short-Term Bond Fund, and the Sextant Bond 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, 2010, 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 25, 2011 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.sextantmutualfunds.com.

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History of the Funds

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

The Trust has six separate Funds, five 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), and
- 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).

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

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 five Sextant Funds to investors.

Investment Strategies and Risks

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. 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. 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. (See Risks in Foreign Securities, below.)

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 ordinarily invests in securities of at least three countries outside the U.S.

The Fund may invest in securities of smaller or newer companies as well as those of well-seasoned companies of any size. 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. These factors may be particularly applicable in smaller or emerging foreign markets. 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 and does not concentrate in any particular industry. 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 throughout the world. 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 (such as Canada, Japan and the United Kingdom), 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.

The dividends and interest payable on certain of the Fund's foreign portfolio securities may be subject to foreign withholding taxes, thereby reducing the net amount of income available for distribution to the Fund's 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.

Risks in Foreign Securities: 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, 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.

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. (For a more complete description of "bond," refer to the discussion of bonds contained in the following section discussing policies of the Sextant Bond Funds.) To reduce

risk, the Core Fund follows a value investment style, favoring income-producing securities and those of larger, more seasoned companies.

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.

The risks and investment returns offered in these Bond Funds depend primarily on the terms and quality of the obligations in each Fund's portfolio, as well as on market conditions. Interest rate fluctuations affect a Fund's net asset value, but not the income received by the Fund from its portfolio securities. However, because prices and yields on debt securities vary over time, no specific yield on shares of a Fund can be assured.

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

- 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);
- U.S. 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 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 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.

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. The Funds may invest in unrated securities that in the adviser's opinion are comparable to securities having at least a medium grade rating and are suitable for investment by the Funds. In selecting investments, the adviser makes its own judgments and does not rely on rating agencies.

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 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.

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 here under "Investment Restrictions."

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.

Portfolio Information






The Funds publish their complete portfolio holdings online within 10 days after each month-end (www.sextantmutualfunds.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.

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	Principal Occupation(s) during past 5 years	Dollar Range in Funds of Saturna Investment Trust	Number of Portfolios in Saturna fund complex overseen by Trustee	Other Directorships held by Trustee
Independent Trustees					
 John E. Love 1002 Spokane Street Garfield, WA 99130 Age: 78	Independent Trustee since 1987; Independent Chairman	Owner, J.E. Love Co., (agricultural equipment manufacturer)	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	Six	None
 Gary A. Goldfogel, MD 1500 N. State Street Bellingham, WA 98225 Age: 52	Independent Trustee since 1995	Medical Examiner (pathologist). Owner, Avocet Environmental Testing (laboratory)	Growth: over \$100,000 International: over \$100,000 Core: over \$100,000 Bond Income: \$50,001-100,000	Six	None
 Herbert G. Grubel, PhD 125 West Second St. Apt. 1202 North Vancouver, BC Canada V7M 1C5 Age: 77	Independent Trustee since 2005	Senior Fellow, Fraser Institute; Professor (Emeritus) of Economics, Simon Fraser University; Author	Growth: \$10,001-50,000	Nine	Amana Mutual Funds Trust
 Ronald H. Fielding 42 Surfson Rd. Kiawah Island, SC 29455 Age: 62	Independent Trustee since 2009	Retired (2009); Senior Vice President & Portfolio Manager, OppenheimerFunds Rochester Division	International: over \$100,000	Six	None
Interested Trustee					
 Nicholas F. Kaiser, MBA ¹ 1300 N. State Street Bellingham WA 98225 Age: 64	President and Trustee since 1990	Chairman (retired president 2009), Saturna Capital Corporation (the Trust's investment adviser)	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	Nine	Amana Mutual Funds Trust

¹ Mr. Kaiser in an "interested person" of the Trust as an officers of the Adviser, Saturna Capital Corporation. He holds the same positions with Amana Mutual Funds Trust, which has three Fund portfolios, and is also managed by Saturna Capital Corporation.

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 or 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 Growth and Sextant International Funds. 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 virtually all 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 whole 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 long had an Audit Committee (recently restructured as the 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. The Audit Committee and Nominating Committee consist solely of disinterested Trustees and each held one meeting during the fiscal year. Nominating Committee, which will meet as required to consider potential Trustees. Shareholders wishing to suggest a nominee should send their recommendation and the person's qualifications to the Secretary of the Trust.

Table 2: Officers and Trustees Ownership of Trust Shares¹

Fund:	Shares Owned:	Percentage of Outstanding:
Growth Fund	116,291	8.5%
International Fund	278,738	2.7%
Core Fund	222,937	42.6%
Short-Term Bond Fund	223,322	22.4%
Bond Income Fund	278,914	26.0%

¹As of December 31, 2010, officers and Trustees (plus affiliated family members and entities), as a group, own the above shares of the Funds.

Table 3: Officers Who Are Not Trustees

Name, Address, and Age	Position(s) Held with Trust	Principal Occupation(s) during past 5 years	Dollar Range in Funds of Saturna Investment Trust	Number of Portfolios in Saturna fund complex overseen by Trustee	Other Directorships held by Trustee
Officers Who Are Not Trustees					
 Phelps S. McIlvaine ¹ 1300 N. State Street Bellingham, WA 98225 Age: 57	Vice President since 1994	Vice President, Saturna Capital Corporation (the Trust's investment adviser) Treasurer, Saturna Brokerage Services (the Trust's distributor)	Growth: \$50,001-100,000 International: over \$100,000 Short-Term Bond: \$10,001-50,000	N/A	N/A
 Ethel B. Bartolome ¹ 1300 N. State Street Bellingham, WA 98225 Age: 38	Secretary since 2001	Corporate Administrator, Saturna Capital Corporation (the Trust's investment adviser)	International: \$10,001-50,000 Core: \$10,001-50,000 Growth: \$1 - 10,000	N/A	N/A
 Christopher R. Fankhauser ¹ 1300 N. State Street Bellingham, WA 98225 Age: 39	Treasurer since 2002	Chief Operations Officer, Saturna Capital Corporation (the Trust's investment adviser)	Growth: \$10,001-50,000 International: \$50,001-100,000 Core: \$1-10,000 Bond Income: \$1-10,000 Short-Term Bond: \$1-10,000	N/A	N/A
 James D. Winship ¹ 1300 North State Street Bellingham, WA 98226 Age: 63	Chief Compliance Officer since 2004	Attorney; Chief Compliance Officer, Saturna Capital and Funds; General Counsel, Saturna Capital	Growth: \$10,001-50,000 International: \$50,001-100,000 Core: \$10,001-50,000	N/A	N/A

¹ Messrs. McIlvaine, Fankhauser, Winship, and Mrs. Bartolome are "interested persons" of the Trust as officers and/or employees of the Adviser, Saturna Capital Corporation. Messrs. Kaiser, Fankhauser, and Winship 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 4: Trustee Compensation for Fiscal Year ended Nov. 30, 2010

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
John S. Moore; Trustee (retired)	\$2,250	\$0	\$0	\$2,250
Gary A. Goldfogel; Trustee	\$6,250	\$0	\$0	\$6,250
Herbert G. Grubel; Trustee ¹	\$5,250	\$0	\$0	\$5,250
Ronald H. Fielding; Trustee	\$5,000	\$0	\$0	\$5,000
Nicholas F. Kaiser; Trustee ²	\$0	\$0	\$0	\$0

¹ Herbert G. Grubel serves as Trustee for the Amana Mutual Funds Trust, to which Saturna Capital is adviser. He was paid \$12,000 by that Trust during its fiscal year ended May 31, 2010.

² Nicholas F. Kaiser serves as 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. Mr. Kaiser receives no compensation from the Trust, nor are the other officers of the Trust paid for their duties with the Trust; except that Mr. Winship has been retained by the Trust as Chief Compliance Officer, for which he is compensated. Table 4 provides the total compensation paid trustees for the fiscal year ended November 30, 2010.

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.sextantmutualfunds.com.

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.sextantmutualfunds.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.

Principal Holders of Securities

As of March 1, 2011 the following are the only persons known to the Trust to be the beneficial owner of more than five percent of any Fund:

Table 5: Principal Holders of Securities

	Name and Address	Shares	Percentage
Growth Fund	NFSC Omnibus Account for the Exclusive Benefit of our Customers 200 Liberty Street New York, NY 10281	238,249	17.49%
	Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street San Francisco, CA 94104	198,859	14.60%
	Estate of Helen F. Schloerb P.O. Box 9623 North Amherst, MA 01059-9623	113,006	8.29%
International Fund	Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street San Francisco, CA 94104	5,113,734	44.61%
	NFSC Omnibus Account for the Exclusive Benefit of our Customers 200 Liberty Street New York, NY 10281	3,864,837	33.71%
Core Fund	Saturna Capital Corporation 1300 North State Street Bellingham, WA 98225	76,920	14.71%
	Morton D. Hurt 14535 190th NE Woodinville, WA 98072	67,027	12.82%
	Nicholas F. Kaiser 1300 North State Street Bellingham, WA 98225	60,139	11.50%
	Roger A. Barnhart, MD 3017 Vining Street Bellingham, WA 98226	29,150	5.57%
Short-Term Bond Fund	Saturna Capital Corporation 1300 North State Street Bellingham, WA 98225	108,767	10.33%
	Bellingham Anesthesia Associates FBO Dr. Peter Telfer 2152 Dellesta Drive Bellingham, WA 98226	90,259	8.57%
Bond Income Fund	Saturna Capital Corporation 1300 North State Street Bellingham, WA 98225	126,533	11.74%
	Estate of Helen F. Schloerb P.O. Box 9623 North Amherst, MA 01059-9623	97,554	9.05%
	David K. Heaps 1401 W. Holly Street #201 Bellingham, WA 98225	60,999	5.65%
	John E. Love 1002 Spokane St. Garfield, WA 99130	56,293	5.22%

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.

A discussion of the Trustees' approval of the continuance of the investment advisory and administration agreements is available in the Funds' November 30, 2010 annual report.

Advisory Fee

Each of the Sextant Funds monthly 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 Sextant Growth Fund, Sextant International Fund and Sextant 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 Sextant Bond Income Fund and Sextant Short-Term Bond Fund:

- For each month in which either 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 Morningstar™ category is used as the benchmark for comparison purposes. 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"

The adviser waives its investment advisory and administrative fee for either bond fund completely so long as assets of that Fund are less than \$2 million.

Table 6: Advisory Fee Structure

	Base Fee annual rate	Performance Adjustment annual rate			
		<1% more or less than benchmark	1-2% more or less than benchmark	2-4% more or less than benchmark	>4% 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	0.60%	0.00%	+/- 0.10%	+/- 0.20%	+/- 0.20%

Table 7: Advisory Fees Paid To Saturna Capital For The Last Three Fiscal Years¹

	2010	2009	2008
Growth Fund	\$102,677	\$130,509	\$93,090
International Fund	\$700,482	\$451,165	\$130,024
Core Fund	\$21,177	\$29,660	\$28,134
Short-Term Bond Fund	\$(5,669)	\$(53)	\$(1,371)
Bond Income Fund	\$5,969	\$(2,068)	\$4,182

¹After performance adjustments and expense limitations

Portfolio Managers

All Saturna Capital employees, including Nicholas Kaiser, Phelps McIlvaine, Peter Nielsen 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 and Nielsen 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 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 compensation tends to increase with assets under management, which in turn may increase the value of Saturna Capital Corporation.

The dollar range of equity securities owned in each Fund by Mr. Kaiser and Mr. McIlvaine is shown in Table 1 and Table 3, respectively. Mr. Nielsen owns Sextant Core Fund shares in the dollar range of \$50,001 to \$100,000. Saturna Capital Corporation owns more than \$100,000 of each Fund of Saturna Investment Trust.

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 statement after each transaction, an historical statement at the end of each calendar quarter showing all transactions during the year, and Form 1099 tax forms. Saturna also, on behalf of the Funds, responds to shareowners' questions or 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.

Beginning March 1, 2009, Saturna Trust Company, a separate wholly-owned subsidiary of Saturna Capital, began receiving compensation for maintaining records of contributions, disbursements and assets as required for IRAs and other 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.

Table 8: Portfolio Managers

	Nicholas Kaiser	Phelps McIlvaine	Peter Nielsen
Trust portfolios served as primary manager (assets):	Sextant Growth Fund (\$25,366,318) ¹ Sextant International Fund (\$163,971,481) ¹	Sextant Bond Income Fund (\$5,303,441) ¹ Sextant Short-Term Bond Fund (\$5,079,844) ¹ Idaho Tax-Exempt Fund (\$15,033,233)	Sextant Core Fund (\$5,428,459) ¹
Other investment company portfolios served as primary manager (assets):	Amana Growth Fund (\$1,941,131,966) Amana Income Fund (\$1,253,544,287) Amana Dev. World Fund (\$14,111,181)	None	None
Other pooled investment vehicles served as primary manager (assets):	Two (\$20,352,194) ¹	None	None
Other accounts (assets):	Twenty (\$16,932,236)	Three (\$5,131,865)	None

¹Assets as of Dec. 31, 2010 managed with a performance fee

Table 9: Fees Paid to Saturna Trust Company

	2010	2009	2008
Sextant Growth Fund	\$6,490	\$6,430	n/a
Sextant International Fund	\$7,110	\$6,690	n/a
Sextant Core Fund	\$1,260	\$950	n/a
Sextant Short-Term Bond Fund	\$3,290	\$2,990	n/a
Sextant Bond Income Fund	\$1,800	\$1,550	n/a

Rule 12b-1 Plan

Effective October 2, 2006, the Trust entered into a distribution agreement under Rule 12b-1 with the Distributor (see *Principal Underwriter*), pursuant to which the Distributor acts as principal underwriter of Fund shares for sale to the public. This Rule 12b-1 distribution plan 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 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, 2010, the Trust paid the Distributor \$386,716.

The Distributor spent the following amounts on these principal activities:

Advertising:	\$37,017
Printing and mailing of prospectuses to other than current shareowners:	\$4,741
Compensation to underwriters:	\$0
Compensation to broker-dealers:	\$421,239
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, 2010, the Funds paid the distributor the following amounts:

Table 10: 12b-1 Fees By Fund

Short-Term Bond	\$11,745
Bond Income	11,887
Core	11,731
Growth	57,234
International	\$294,119

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,

Table 11: Commissions Paid To Saturna Brokerage Services

	2010	2009	2008	% of 2010 aggregate brokerage commissions paid Saturna Brokerage	% of 2010 aggregate dollar amount of transactions involving the payment of commissions through Saturna Brokerage
Sextant Growth Fund	\$0	\$0	\$0	0%	0%
Sextant International Fund	\$0	\$0	\$0	0%	0%
Sextant Core Fund	\$0	\$0	\$0	0%	0%
Sextant Short-Term Bond Fund	\$0	\$0	\$0	0%	0%
Sextant Bond Income Fund	\$0	\$0	\$0	0%	0%

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. Monem Salam, a vice president of Saturna Capital, 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 8, on page 12, contains the commissions each Fund paid Saturna Brokerage for each of the last three fiscal years.

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 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. A 2% early redemption fee may apply as explained in the Funds' Prospectus and Summary Prospectuses.

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. EST.

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 normal purchases or 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 (note that a 2% redemption fee on shares held less than 90 calendar days applies). 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.

Early Redemption Fee Waiver

The 2% early redemption fee on Fund shares held less than 90 calendar days or less is normally waived for non-participant directed, involuntary and or non-discretionary transactions. Early redemption fees are due and payable to the Fund regardless of dollar amount.

Orders Placed Directly With The Funds

Common reasons for this waiver for transactions processed directly include:

- Corrections
- Reinvested dividends
- Death distributions
- Disability distributions
- Retirement plan required minimum distributions
- Involuntary distributions required by employer decisions to change a plan

- Systematic withdrawal plans
- Automated asset rebalancing programs
- WRAP program distributions
- Participant contribution distributions
- Shares redeemed as part of a defined contribution retirement plan participant-directed distribution including, but not limited to, the following examples:

- Death distributions
- Qualified Domestic Relations Orders (QDROs)
- Shares redeemed as part of a retirement plan termination or restructuring
- Shares transferred from one retirement plan to another plan in the same fund
- Shares redeemed by shareowner to cover various plan fees
- Excess contributions corrections
- Forfeiture, or terminated employee distributions
- Rollover Contributions
- Other Involuntary Distributions

The following transactions are not exempt from the early redemption fee:

- In Service Distributions
- Hardship Distributions
- Loan Distributions
- Redemption Fees applied to Fund of Funds Transactions

Fund/SERV Order Processing

Waivers to early redemption fees prior to the end of the 90-day holding period apply to orders transmitted to the transfer agent through DTCC's Fund/SERV order processing system. Those circumstances under which a waiver may or may not be granted are described using the Fund/SERV transaction and reason codes listed below.

Fund/SERV Reason Codes	Fund Waiver Policy
(1) Corrections Waiver	Yes
(2) Death Waiver	Yes
(3) Disability Waiver	Yes
(4) Mandatory/ Qualified Distribution Waiver	Yes
(5) Systematic Withdrawal Plan Waiver	Yes
(6) Defined Contribution Waiver	Yes
(7) Hardship Waiver	No
(8) Auto Rebalance Waiver	Yes
(9) Defined Contribution Plans	
a. Termination Waiver	Yes
b. Involuntary Distribution Waiver	Yes
c. Loan Distribution Waiver	No
d. Excess Contribution Waiver	Yes
e. WRAP Program Distribution	Yes
f. Fund of Funds	No
g. Divorce	Yes
h. Plan Fees	Yes
(10) Reinvested Shares Waiver	Yes
(11) Exchange Buy Waiver	No
(12) Exchange Buy Aging Date Waiver	No
(13) Aging Start Date Waiver	No
(14) Eligible Transaction Waiver	No

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.

At November 30, 2010, the Funds had the following amounts of capital loss carryforwards, subject to regulation:

Table 12: Capital Loss Carryforwards		
	Carryforward	Expiration
Short-Term Bond		
	\$3,074	2013
	10,899	2014
	10,255	2016
	\$24,228	
Bond Income		
	\$13,440	2014
	4,203	2015
	29,521	2016
	20,467	2017
	\$67,631	
Core		
	\$74,883	2016
	62,995	2017
	11,779	2018
	\$149,657	

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, 2010:

- Report of Tait, Weller & Baker LLP Independent Registered Public Accounting Firm.
- Statement of Assets and Liabilities – as of November 30, 2010.
- Statement of Operations – year ended November 30, 2010.
- Statements of Changes in Net Assets – years ended November 30, 2010, and 2009.
- Investments – as of November 30, 2010.
- Notes to Financial Statements.