



Saturna Capital Corporation

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This brochure provides information about the qualifications and business practices of Saturna Capital Corporation. If you have any questions about the contents of this brochure, please contact us at 1-800/SATURNA.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Saturna Capital Corporation also is available on the SEC's website at www.adviserinfo.sec.gov.

Saturna Capital Corporation ("Saturna") is registered as an investment adviser under the Investment Advisers Act of 1940, as amended. However, registration does not imply a certain level of skill or training.

Material Changes

This brochure is an annual update to the brochure dated September 28, 2017. Since that time there have been no material changes to this brochure.

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Advisory Business

Established in 1989, Saturna is an SEC-registered investment adviser. Nicholas Kaiser is the principal owner.

Throughout this brochure we refer to our Core Values, a set of guiding principles according to which Saturna is managed. Please visit www.saturna.com for more information.

Saturna serves as investment adviser to two mutual fund trusts: Amana Mutual Funds Trust and Saturna Investment Trust. Amana Mutual Funds Trust is composed of four series: Amana Income Fund, Amana Growth Fund, Amana Developing World Fund, and the Amana Participation Fund. Saturna Investment Trust is composed of nine series: Sextant International Fund, Sextant Growth Fund, Sextant Core Fund, Sextant Short Term Bond Fund, Sextant Bond Income Fund, Sextant Global High Income Fund, Idaho Tax Exempt Fund, Saturna Sustainable Equity Fund, and Saturna Sustainable Bond Fund. The disclosures in this Part 2 of Form ADV relate to Saturna's Investment Management Accounts. Although this brochure refers to the mutual funds

managed by Saturna (the "Funds"), this document should not be considered an offering document for the Funds. Please see the Funds' Prospectus, Statement of Additional Information, and other reports to shareholders for disclosures relating to the Funds. These documents are available on Saturna's website, www.saturna.com.

When advising individuals or families, we often advise on many aspects of the client's financial arrangements because the assets often include retirement plans, trusts, real estate, and business interests, all of which are involved in conducting an appropriate investment program.

As part of our Core Values, Saturna strives to deliver superior performance to our investors. We tailor our advisory service to the specific needs of each client by first conducting a thorough analysis of the client's financial situation, goals, and risk tolerance. The result of our analysis is a simple statement of investment objectives.

We serve a variety of special client needs, such as those of Islamic investors. Our first and largest client is the Amana Mutual Funds Trust, which follows Islamic principles that impose restrictions on the securities in which the Trust may invest. As long-term value investors, we favor equities of companies with low financial leverage and growth at a reasonable price. We further favor investments that pass our environmental, social and governance (ESG) screens. Specific investment guidelines are developed between a portfolio manager and a client as required by the client's stated needs. Clients may impose restrictions on investing in certain securities or types of securities.

The portfolio management services Saturna offers to Investment Management Accounts ("wrap fee accounts") are substantially similar to those offered to other accounts, such as Pooled Investment Funds. Saturna receives the entirety of the wrap fee for the services it provides to Investment Management Accounts with the exception of sub-advised accounts. For these accounts, Saturna may receive only a portion of the fee. For more details, see Saturna's wrap fee brochure.

As of 6/30/2018, Saturna managed \$3,437,525,000 of client assets on a discretionary basis. Saturna does not provide investment management services to any accounts on a non-discretionary basis.

Fees and Compensation

All Investment Management Account clients complete the Saturna Capital Investment Management Agreement, which details the terms of our relationship.

As part of our Core Values, Saturna provides high-value services at low cost. The annual advisory fee for private Investment Management Accounts is \$2,500 plus 0.5% of the first \$5 million and 0.4% on amounts over \$5 million, with a minimum quarterly fee of \$1,250 (minimum \$5,000 annually). Accounts with less than \$1 million are limited to holding only equities and mutual funds. We believe this fee structure is reasonable in light of the services provided and, as such, Saturna does not generally negotiate fees. Extra fees or other arrangements may

be mutually agreed depending upon the complexity of the services rendered. The following table illustrates the effective rate for accounts of varying value.

Account Value	Effective Annual Rate
\$500,000	1.00%
\$1,000,000	0.75%
\$2,500,000	0.60%
\$10,000,000	0.475%

Clients have the option of purchasing investment products Saturna recommends through other brokers or agents not affiliated with Saturna. There are no brokerage commissions when securities are traded through Saturna Brokerage Services, Inc. ("SBS"). When clients select SBS as their broker, the single asset-based advisory fee includes investment management, trading, and custody ("wrap fee"). For more information regarding SBS, refer to the Other Financial Industries and Affiliations section in this document.

In addition to offering private Investment Management Accounts directly to its advisory clients, Saturna may be selected by a financial institution sponsor ("Sponsor") of a separately managed account program ("SMA Program") to serve as a discretionary investment adviser. An SMA Program Sponsor provides its SMA Program participants with a bundle of services for a single fee. Typically, these services include research of investment managers, such as Saturna, ongoing monitoring of performance, execution of client portfolio transactions, and custody of the participant's assets. Under a "dual-contract" SMA Program arrangement, the client enters into an agreement with the Sponsor firm and enters into an investment management agreement with Saturna. In a dual-contract SMA Program, the investment management fee may not be included in the Sponsor's bundled fee and, in those cases, the client pays the advisory fee directly to Saturna.

The annual advisory fee for SMA Program accounts is 0.50% of the first \$5 million and 0.40% on amounts over \$5 million. There is no minimum quarterly advisory fee for accounts managed by Saturna in connection with SMA Programs.

Fees are computed and deducted from accounts in arrears after the end of each quarter, based on account value at the end of the quarter. There is no fee for the initial (partial) quarter. Either party may cancel contracts at any time without penalty. Saturna may change fees only after 60 days written notice. The Advisory Agreement authorizes Saturna to deduct advisory fees directly from your account. When the Agreement covers more than one related Account, assets are combined when calculating annual advisory fee reductions.

Our Core Values require us to always do what is best for the client. As such, and to minimize potential conflicts of interest, Saturna excludes client assets invested in mutual funds that Saturna manages or for which Saturna or Saturna Brokerage Services receives a distribution fee or other payment from the amount on which advisory fees are computed. This can substantially reduce the net fee an advisory client pays.

When Saturna elects to allocate a portion of a client's assets to a mutual fund, we select a class without a distribution or 12b-1 fee whenever possible.

Saturna does not provide compensation for Investment Management Account referrals nor does it receive cash or other economic benefit from a non-client in connection with giving advice to clients.

Fees for Pooled Investment Funds vary by contract and are negotiated.

Performance Based Fees and Side-By-Side Management

Saturna manages a variety of pooled investment funds, including privately managed portfolios and thirteen affiliated mutual funds. In connection with the management of some of these accounts, Saturna receives a performance-based fee; that is, a fee based on a share of capital gains or capital appreciation of account assets. Portfolio managers are eligible for performance-based compensation. As such, Saturna and its portfolio managers may have incentive to favor accounts for which they receive a performance-based fee over accounts (perhaps with similar objectives) without performance-based fees. A similar conflict may exist from managing accounts in a similar investment style, but some of which pay a higher advisory fee. Other conflicts may arise from managing accounts owned by Saturna, its owners or its employees.

Saturna has designed policies and procedures to mitigate these potential conflicts of interest and which are reasonably designed to monitor and prevent Saturna from inappropriately favoring one account over another. Saturna's policies do not allow portfolio managers to advise separate clients to both purchase and sell the same security on the same day. Saturna has adopted "bunch" order policies to further ensure that one client is not advantaged over another. When Saturna believes it can do so and achieve best execution, orders placed at the same time with the same instructions will be executed as a "bunched" order with each account receiving the same average execution price. In the event of a partially filled "bunched" order, shares are allocated pro-rata over the accounts participating in the original order. When circumstances dictate, or when Saturna believes that using multiple execution firms will minimize market impact, part or none of the order may be "bunched." As a result, clients could receive differing execution prices.

Types of Clients

Saturna advises a variety of accounts divided between (1) Investment Management (including Investment Management Account in connection with SMA Programs offered by third-party sponsor firms) for individuals, families, trusts, estates, corporations, and retirement plans, and (2) Pooled Investment Funds (mutual funds and private funds).

Investment Management Accounts are accepted and retained at the discretion of management. Saturna imposes a \$1,000,000 account minimum (other than accounts in SMA Programs offered by third-party sponsor firms) that may be waived.

Methods of Analysis, Investment Strategies, and Risk of Loss

We are primarily long-term investors, seeking to preserve and grow clients' capital over time. We believe that for the long-term investor equity securities are the investment of choice, but we recognize that fixed income or cash equivalents may be better suited in certain circumstances. Therefore, we also offer advice on most securities commonly held in U.S. investment accounts: domestic and foreign common and preferred stocks; government, corporate and municipal bonds; mutual funds; convertible securities; warrants; exchange-traded option contracts; and partnership interests.

We believe in long-term investing; not short-term speculation. The annual portfolio turnover in the accounts we manage rarely exceeds 25% (often less) and we favor holding securities that we have selected over one or more full market cycles. While we do selectively add positions to client portfolios, we do not normally engage in short-term trading, short sales, or margin transactions.

In selecting investments, we are value-oriented; we are reluctant to pay a premium for a stock and endeavor to buy stocks that we believe to be reasonably valued. One of our Core Values is to make investments only when the expected returns outweigh the risks: we don't chase fad stocks or fashionable investment trends. We seek companies that represent high quality operations, with large free cash flows, sustainable growth rates, increasing dividends, and low price volatility. We favor companies in which management has a considerable stake. Once a position is held, we monitor market conditions, industry developments, and other factors that may affect the rationale for holding the investment. Although we consider valuation when monitoring a client's investments, we may not necessarily liquidate a position solely because of a relatively high valuation.

We advocate ethical investing, believing that companies with effective corporate responsibility policies are better positioned to avoid crises that could lead to reputation damage, higher costs, lost production, and fraudulent operations. We favor companies with stable earnings and strong balance sheets free of excessive debt. Because we are moderately risk-averse, our performance may trail the averages in rising markets, as we seek to minimize losses during falling markets.

We look for investment opportunities globally. Analytical responsibility is divided among our investment staff by sectors, industries and countries. Portfolio managers select equity issues from our recommended list.

When a client's objective is income, we generally use higher-quality short to medium term bonds, either taxable or tax-exempt, and high-yield equities, but we may elect to allocate a portion of the client's account to one or more Funds that invest in taxable or tax-exempt fixed-income securities, including *Sukuk*.

Saturna gathers investment information from many sources. We maintain our own research files on hundreds of actively followed companies. We maintain our own database for stock screening and evaluations. Our analysts regularly read numerous financial and market publications, and also review securities and markets with independent analytical services. Our analysts travel domestically and internationally to investigate economic conditions, participate in investment conferences, and meet with company managements.

Please be aware that investing involves risk, including the risk of loss. As a client of Saturna, you must be prepared to accept this risk. Only consider investing in a strategy if you are willing to accept the risk that you may lose money. Principal value, yields, and total returns will change with the fluctuations in the securities markets as well as the fortunes of the industries and companies in which a strategy invests.

Investment Management Account Strategy

The Investment Management Account Strategy invests primarily in a diversified portfolio of equity issues. The strategy diversifies its investments across industries and companies, and generally follows a value investment style. Portfolios are tailored to an individual client's needs. On a case-by-case basis, Saturna may invest a client's assets in one or more of the Funds where Saturna believes such an investment is an efficient and cost effective means to gain market exposure to the types of securities in which the Fund invests.

Islamic Investment Management Account Strategy

Clients may elect The Islamic Investment Account Strategy, which is substantially similar to the Investment Management Account Strategy with the exception that investments are limited to holdings consistent with Islamic finance principles.

Principal Investment Risks

The securities in which clients invest may experience significant volatility in response to economic or market conditions or adverse events that affect a particular industry, sector, or company. Our strategy tends to favor larger companies and, to a lesser extent, midsize companies. Larger companies may have slower rates of growth as compared to smaller, faster-growing companies. Midsize companies may have more limited financial resources, products, or services, and tend to be more sensitive to changing economic or market conditions.

Clients may invest in securities that are not traded in the United States when market conditions or investment opportunities arise that, in our judgment, warrant such investment. Investments in the securities of foreign issuers may involve risks in addition to those normally associated with investments in the securities of US issuers, including: (1) foreign political and economic instability; (2) adverse movements in foreign exchange rates; (3) currency devaluation; (4) the imposition or tightening of exchange controls or other limitations on repatriation of foreign capital; (5) changes in foreign governmental attitudes towards private investment, including potential nationalization, increased taxation, or confiscation of assets; and (6) differing reporting, accounting, and auditing standards of foreign countries. The risks of foreign investing are generally magnified in the smaller and more volatile securities markets of the developing world.

In addition, the Islamic Investment Management Account Strategy limits the securities purchased to those consistent with Islamic finance principles. This generally restricts the ability to invest in certain market sectors, such as financial companies and conventional fixed-income securities, which limits investment opportunities

and may affect performance. Because Islamic principles preclude the use of interest-paying instruments, cash reserves do not earn interest income.

To the extent Saturna invests an individual Investment Management Account's assets in shares of a Fund, such investments will be exposed to the Fund's investment strategies and risks, which are disclosed in the Fund's prospectus and statement of additional information.

Disciplinary Information

The SEC mandates the disclosure of certain legal and disciplinary events that are material to your evaluation of Saturna as an investment adviser.

As part of our Core Values, Saturna places a high value on protecting our reputation and has no such events to report.

Other Financial Industry Activities and Affiliations

As part of our Core Values, and to obtain a competitive advantage, Saturna builds operations internally, preferring in-house over outsourcing.

Mutual Funds

Saturna serves as investment adviser to two families of mutual funds: Amana Mutual Funds Trust and Saturna Investment Trust (the "Trusts"). See the Advisory Business section for more information about the Trusts. Saturna has established policies and procedures designed to facilitate the equal application of Saturna's fiduciary responsibilities among all of its clients despite any affiliations, such as this, that may create a conflict of interest. See the Brokerage Practices section.

Saturna Brokerage Services, Inc.

SBS, established in 1986, is a wholly owned subsidiary of Saturna. All of SBS's registered representatives are also employees of Saturna. In turn, most of Saturna's employees are registered representatives of SBS. All employees, in keeping with our Core Values, receive no commissions or other incentives based on brokerage account activity.

SBS serves individual investors as well as professionally managed trading accounts. SBS acts as a brokerage agent and fully discloses all compensation.

SBS distributes the Funds and collects a distribution, or 12b-1, fee from the investor class of Funds that have one.

SBS does not charge commissions on transactions effectuated on behalf of Saturna's investment management accounts. This practice works to mitigate any potential conflict of interest arising from Saturna's ownership of SBS.

Pershing LLC is SBS's clearing broker and provides custody services. Securities held at Pershing are protected by the Securities Investor Protection Corporation ("SIPC,") plus an excess SIPC policy paid for by Pershing.

SBS is a member of the Financial Industry Regulatory Authority (FINRA) (CRD #18437; SEC File Number 8-36588), SIPC and the Securities Industry and Financial Markets Association (SIFMA).

Saturna Sendirian Berhad

Saturna Sdn. Bhd. ("SSB"), located in Kuala Lumpur, Malaysia, is a wholly owned subsidiary of Saturna and is Saturna's direct source for investment research and analysis on emerging markets throughout Asia. Strategically located in the heart of one of the world centers of Islamic finance, SSB seeks to meet the growing international demand for Islamic investment management expertise.

Licensed by the Securities Commission of Malaysia, SSB provides equity management services to individuals, corporations, and institutions, specializing in Islamic investing. SSB is the fund manager for the Saturna ASEAN Equity Fund and the ICD Global Sustainable Fund, which are not available to US investors.

As a result of the separation of markets and limited overlap of client base, we do not believe Saturna's ownership of SSB creates any material conflicts of interest.

Additional details are available at www.saturna.com.my.

Saturna does not recommend or select other investment advisers for our clients.

Saturna Trust Company

Saturna Trust Company ("STC") is a wholly owned subsidiary of Saturna and offers a number of tax advantaged retirement programs, including 401(k), IRA, HSA, ESA, SEP and SIMPLE plans.

STC additionally offers a variety of flexible, low-cost administration and trust services designed to meet needs of families, charities, trusts, estates, and retirement plans. With headquarters in Henderson, Nevada, STC is advantageously positioned to allow clients to benefit from the asset-friendly nature of Nevada's trust laws. STC's priority is building long-lasting relationships with our clients, and assisting them in providing for their heirs in accordance with their wishes. STC complements the investment management services offered by Saturna. However, to minimize any potential conflicts of interest, we are willing to work with any trust services provider of your choosing.

STC serves Saturna's retirement accounts as trustee and collects a fee for this service.

Additional details are available at www.saturnatrust.com.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

All Saturna employees are subject to a Code of Ethics, adopted pursuant to SEC Rule 204A-1. Saturna's Code of Ethics seeks to ensure that we place our clients' interest above our own. It is written to ensure that we avoid even the appearance of impropriety, and to ensure that no employee takes advantage of our positions or our access to information. The Code of Ethics also prohibits Saturna employees from providing or accepting any gifts or excessive entertainment to or from a client, prospective client, or any person or entity that seeks to do business with Saturna beyond minimal limits.

A copy of the Code of Ethics is available to any client or prospective client free upon request, and on the Saturna website (www.saturna.com). All transactions by employees are reported under the Code of Ethics and monitored by its Chief Compliance Officer. Violations of the Code of Ethics can result in censure, fines and/or dismissal of any employee.

When appropriate, Saturna may invest client assets in the Funds, for which Saturna and SBS collect management and distribution fees. To avoid any "double-dipping" and to minimize potential conflicts of interest, Saturna excludes from the amount on which Saturna's advisory fees are computed client assets invested in mutual funds that Saturna manages or for which Saturna receives a distribution fee or other payment.

With the exception of affiliated mutual funds, Saturna does not buy or sell for itself securities that are also recommended to clients. Employees of Saturna hold securities, or types of securities, that are also recommended to clients. Saturna's Code of Ethics seeks to minimize this conflict of interest.

Brokerage Practices

The discretionary investment authority granted to Saturna generally includes the discretion to select securities brokers or dealers to execute portfolio transactions. Saturna seeks to execute transactions in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances. The primary consideration in effecting securities transactions is to obtain the best price and execution which in the judgment of Saturna is attainable at the time and which would bring the best net overall economic result. However, there can be no assurance that best execution will be achieved in any given transaction. 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. Saturna does not receive research or other products or services other than execution from any broker or third party in connection with client securities transactions. In addition, in selecting brokers for client transactions, Saturna does not consider referrals from brokers or third parties.

For Investment Management Accounts custodied at Pershing, Saturna directs brokerage to SBS, which introduces the portfolio transaction to Pershing for execution. SBS is a wholly owned subsidiary of Saturna. For

more information on the relationship, please see the Other Financial Industry Activities and Affiliations section. SBS does not charge any commission in connection with these portfolio transactions. Although Saturna does not select or recommend other brokerage firms for Investment Management Accounts, we will work with any brokerage firm (subject to most favorable execution of client transactions) and/or custodian the client selects. For all other clients, brokerage may be directed to SBS without commission, or to other brokers with commission.

For accounts custodied by a Sponsor of an SMA Program, Saturna generally will direct equity portfolio transactions to the Sponsor for execution to avoid additional brokerage costs. In these transactions, Saturna does not negotiate brokerage fees because brokerage typically is included among the bundle of services offered by the Sponsor.

Saturna 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 client. Saturna evaluates whether brokerage commissions are reasonable based upon available information about the general level of commissions paid by similar clients for comparable services.

When Saturna believes it can do so and achieve best execution, orders placed at the same time, with the same instructions, will be executed as a “bunched” order with each account receiving the same average execution price. In the event of a partially filled “bunched” order, shares are allocated pro-rata over the accounts participating in the original order. There may be instances where not all similarly managed accounts participate in the same or bunched transactions due to a variety of reasons, including cash flows, investment limitations, tax concerns and brokerage restrictions. When circumstances dictate, or when Saturna believes that using multiple execution firms will minimize market impact, part or none of the order may be “bunched.” In these circumstances, Saturna will place trades in a manner consistent with its best execution obligation and may determine in its discretion to place transactions in a manner and order it believes will have the least market impact. As a result, clients could receive differing execution prices.

Review of Accounts

Portfolio managers review all accounts on a periodic basis. The portfolio managers that review accounts are: Nicholas Kaiser, Chairman, and Portfolio Manager; Jane Carten, Chief Executive Officer and Portfolio Manager; Scott Klimo, Chief Investment Officer and Portfolio Manager; Phelps McIlvaine, Vice President and Portfolio Manager; Monem Salam, Executive Vice President and Portfolio Manager; Patrick Drum, Research Analyst and Portfolio Manager; Bryce Fegley, Investment Analyst and Portfolio Manager; Christopher Paul, Investment Analyst and Portfolio Manager; and Christopher Lang, Portfolio Manager. Review meetings are held as requested by clients.

Clients are sent written trade confirmations on trade date. Clients receive written statements of the activity in their accounts after the end of each month from Saturna and from Pershing, LLC, as custodian, or from a custodian of the client's choosing. In addition, at quarter end, clients receive invoices displaying the value of their accounts. Pershing-custodied clients may review their accounts online at any time.

Client Referrals and Other Compensation

Saturna does not receive and prohibits its employees from accepting any form of compensation for client referrals from any entity in conjunction with the advisory services it provides.

Custody

Clients receive statements both from Saturna and the custodian, and are encouraged to carefully review the statements for consistency. Tait, Weller, & Baker LLP ("Tait"), performs an annual examination of client funds and securities in Investment Management Accounts. The examination takes place at a date and time chosen by Tait without prior notice to Saturna.

Investment Discretion

Saturna accepts discretionary authority for Investment Management Accounts. Clients may elect to place certain limits on this authority, including restrictions on the securities we purchase for their accounts.

We require a completed and signed Saturna Capital Investment Management Agreement before acceptance of accounts.

Voting Client Securities

Saturna does not accept authority to vote client securities in individual Investment Management Accounts and Private Funds. Individual Investment Management Account and Private Fund clients are sent proxy materials directly through a proxy forwarding service. As the client is responsible for voting their proxies, clients cannot direct Saturna to vote in a particular solicitation. Clients may contact their portfolio manager at Saturna's toll free number, 800/SATURNA, to discuss voting issues at their discretion.

Saturna does vote proxies for the mutual fund portfolios it manages. Please see a specific Fund's Statement of Additional Information for a Fund's proxy voting guidelines. These documents are available on Saturna's website at www.saturna.com.

Financial Information

Saturna bills clients in accordance with its process described in the Fees and Compensation section.

Saturna is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. As part of our Core Values, Saturna prepares for the unforeseen through planning and retaining a substantial portion of our earnings.

Saturna's June 30, 2018 annual report, with audited financial statements, is available on-line at www.saturna.com and free upon request.