



Amana Mutual Funds Trust

Income Fund • Growth Fund • Developing World Fund

AMANX

AMAGX

AMDWX

Statement of Additional Information

September 9, 2011

1300 N. State Street
Bellingham, Washington 98225

360/594-9900
888/73-AMANA

This Statement of Additional Information is not a Prospectus or Summary Prospectus. It provides additional information concerning the Trust, the Income Fund, the Growth Fund, and the Developing World Fund that is not included in the Prospectus or Summary Prospectuses. It should be read in conjunction with the Prospectus or Summary Prospectuses.

The audited financial statements and Report of Independent Registered Public Accounting Firm in the Fund's Annual Report to Shareowners, for the fiscal year ended May 31, 2011, are incorporated by reference and made part of this Statement of Additional Information.

You may obtain a Prospectus or Summary Prospectus dated September 9, 2011 and shareowner Annual and Semi-Annual reports without charge by writing to the address shown above, calling toll-free to the number shown above, and at www.amanafunds.com.

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TRUST HISTORY

Amana Mutual Funds Trust (the "Trust") was organized as an Indiana Business Trust on July 26, 1984. The Income Fund commenced operations on June 23, 1986. The Growth Fund began operations on February 3, 1994. The Developing World Fund began operations on September 28, 2009.

FUND DESCRIPTIONS, INVESTMENTS AND RISKS

Classification

Amana Mutual Funds Trust is designed to meet the needs of various investors, and the particular needs of Muslims, by investing in accordance with Islamic principles. The Trust is open to any investor.

The Trust is technically known as an "open-end diversified management investment company." It is a "series trust" that presently offers three separate funds for investors: Income Fund, Growth Fund, and Developing World Fund.

Investment Strategies and Risks

The Prospectus describes the investment strategies and risks of those strategies.

Fund Policies

The objectives of the **Income Fund** are current income and preservation of capital, consistent with Islamic principles; current income is its primary objective. The objective of the **Growth Fund** is long-term capital growth, consistent with Islamic principles. The objective of the **Developing World Fund** is long-term capital growth, consistent with Islamic principles. In accordance with Islamic principles, the Funds shall not make any investments that pay interest. The investment objective(s) of a Fund are fundamental, and cannot be changed without approval by vote of a majority of the outstanding shares of the Fund.

The Funds pursue these investment objectives by purchasing equity securities. While the Funds may purchase preferred stocks and engage in covered option writing, they currently do not do so.

The Funds may use income producing investments to the extent the Board of Trustees and Saturna's Islamic consultants agree that those investments are consistent with Islamic principles. Short-term investments are securities that mature or have a remaining maturity of twelve months or less from the date of purchase. Most ordinary mutual funds use a variety of interest-paying investments for short-term needs. Because the Funds may not receive interest from their investments, the Funds cannot use them. A limited amount of Islamic investments that do not pay interest are available. The Funds may invest in them when such opportunities are suitable for the Funds.

In accordance with Islamic principles, the Funds shall not purchase conventional bonds, debentures, or other interest-paying obligations of indebtedness. The Funds may not make loans, lend portfolio securities, make short sales, borrow money, or purchase or sell options, except that they may sell covered call options and purchase call options for the purpose of terminating call options previously sold. These restrictions are fundamental policies and may not be changed without prior approval by vote of a majority of the outstanding shares of a Fund.

The adviser selects investments in companies that to its knowledge do not violate the requirements of the Islamic faith at the time of investment. To ensure that investments meet the requirements of the Islamic faith, the adviser follows guidelines established by the Fiqh Council of North America (FCNA), a non-profit organization serving the Muslim community. The following "non-fundamental" policies were established by the Trustees, and may be changed by them as allowed by law:

- (i) Each Fund has the power to use covered call options, as a method to increase the income received from common and preferred stocks owned by that Fund. The Funds may sell (write) covered call options and purchase call options to close out call options previously written. The Trustees have currently, by policy, suspended the use of call options.
- (ii) Income Fund and Growth Fund have authority to invest up to 10% of their respective assets in foreign securities not traded publicly in the U.S. Developing World Fund has authority to invest all its assets in foreign securities not traded publicly in the U.S.
- (iii) The Funds shall not purchase securities on margin; "restricted securities" (those which are subject to legal or contractual restrictions on resale or are otherwise not readily marketable); or oil, gas or other mineral exploration leases and programs.

In addition, the Funds shall not

- purchase real estate;
- purchase real estate limited partnerships (excepting master limited partnerships that are publicly traded on a national security exchange);
- purchase commodities or commodity contracts;
- borrow, lend, or issue senior securities;
- act as a securities underwriter;
- purchase securities of any issuer in excess of 5% of the value of a Fund; or
- purchase more than 10% of the outstanding voting securities of any issuer or concentrate their investments in a single industry more than 25% of the total value of a Fund.

Also,

no Fund shall purchase or retain securities of any issuer if the officers or trustees of the Trust or its adviser owning beneficially more than one half of one percent of the securities of an issuer together own beneficially more than five percent of the securities of that issuer;

no Fund shall invest in the securities of other investment companies, except by purchase in the open market where no commission or profit results from the purchase other than the customary broker's commission or except when the purchase is part of a plan of merger, consolidation, reorganization or acquisition; and

no Fund shall invest more than 10% of its assets in the securities of issuers which together have a record of less than three years continuous operation or securities of issuers which are restricted as to disposition.

- (iv) The Funds' investments in warrants, valued at the lower of cost or market, shall not exceed 5% of the value of a Fund's net assets. Included within that amount, but not to exceed 2% of the value of a Fund's net assets, may be warrants that are not listed on the New York or American Stock Exchange. Warrants acquired by a Fund in units or attached to securities may be deemed to be without value.
- (v) The Trustees have also instructed that investments not be made in preferred stocks.
- (vi) The Trustees have also instructed that the Funds should favor no-debt and low-debt companies.

Temporary Defensive Position

The Funds may use short-term income producing investments to the extent the Board of Trustees and Saturna's Islamic consultants agree that those investments are consistent with Islamic principles. Short-term investments that meet Islamic and mutual fund requirements are currently limited in the United States. Accordingly, assets are primarily held in cash at the custodian when the adviser implements a defensive position.

Portfolio Turnover

The Trust places no formal restrictions on portfolio turnover and will buy or sell investments according to the adviser's appraisal of the factors affecting the market and the economy. Excessive portfolio turnover may be considered as gambling by Islamic investors. The portfolio turnover rates for the Income Fund for the fiscal years ended May 31, 2011 and May 31, 2010, were 3% and 5%, respectively. The turnover rates for the Growth Fund for the fiscal years ended May 31, 2011 and May 31, 2010, were 5% and 5%, respectively. The turnover rates for the Developing World Fund for the fiscal year ended May 31, 2011 and the fiscal period ended May 31, 2010, were 2% and 5%, respectively.

The Trustees have adopted a policy that seeks to minimize potential current income taxes paid by shareowners, which includes: (1) infrequent trading, (2) offsetting capital gains with losses and (3) selling highest-cost tax-lots first.

Disclosure of Portfolio Holdings

The Funds publish their portfolio holdings at www.amanafunds.com after each month-end. 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 dealers, financial services and reporters with month-end portfolio holdings. The Funds do not disclose mid-month portfolio holdings. Neither the adviser, the Funds, nor any affiliated party shall receive any compensation or consideration in connection with the disclosure of portfolio holdings. Information about open trades, strategies, and investment programs is proprietary information of the adviser and kept confidential.

In view of these Fund policies, it is unlikely that a conflict of interest between the interests of the Funds, the adviser or any affiliated person of the Funds or the adviser may arise. However, should the President of the adviser become aware that a potential conflict of interest may exist in connection with portfolio disclosures, she will promptly consult with the Chairman of the Trust's Board of Trustees with regard to action to be taken. For further information about conflicts of interest, see the "Portfolio Managers" section beginning on page 11.







MANAGEMENT OF THE TRUST

Board of Trustees

A Board of nine Trustees oversees the Trust: Nicholas Kaiser, Talat M. Othman, Iqbal Unus, Abdul Wahab, Abid Malik, Miles Davis, Herbert Grubel, Salim Manzar, and Yaqub Mirza. The Trustees establish policies, as well as review and approve contracts and their continuance. The Trustees also elect the officers, determine the amount of any dividend or capital gain distribution and serve on committees of the Trust. Trustees serve for the lifetime of the Trust or until death, resignation, removal, or non re-election by the shareowners. The Trustees annually appoint officers for one-year terms.

Management Information

Starting with the Independent Trustees, the Trustees and officers are listed in the following table.

Name (Age) and Address	Position(s) Held with Trust & Number of Saturna Fund Portfolios Overseen	Principal Occupation(s) during past 5 years, including Directorships	Dollar Range of Securities in the Funds of the Trust at Dec. 31, 2010	Dollar Range of Equity Securities in all Saturna Funds at Dec. 31, 2010	Other Directorships held by Trustee
INDEPENDENT TRUSTEES					
 Talat M. Othman (75) 1300 North Shore Dr. Suite 7D Chicago, IL 60610	Chairman, Trustee (since 2001); Three	Chairman, CEO, Grove Financial, Inc. (financial services)	Income: \$10,001-\$50,000 Growth: None Developing World: None	\$10,001-\$50,000	None
 Iqbal Unus , PhD (67) 500 Grove Street Herndon, VA 22070	Trustee (since 1986); Three	Director, The Fairfax Institute; previously Dean of Students/Registrar, School of Islamic and Social Sciences	Income: \$10,001-\$50,000 Growth: over \$100,000 Developing World: None	over \$100,000	None
 Abdul Wahab (63) 11000 Wright Road Lynwood, CA 90262	Trustee (since 2005); Three	President, Wasatch Company (manufacturer and international distributor of textile products)	Income: over \$100,000 Growth: \$50,001-\$100,000 Developing World: None	over \$100,000	None
 Abid Malik (53) 253 NE Adams Dairy Pkwy Blue Springs, MO 64014	Trustee (since 2006); Three	CEO, eBanyan, Inc. (eCommerce software development); previously CFO and director of a circuit board manufacturer	Income: \$1-\$10,000 Growth: \$10,001-\$50,000 Developing World: None	\$10,001-\$50,000	None
 Miles K. Davis , PhD (52) 40478 Tim Tam Ct. Leesburg, VA 20176	Trustee (since 2008); Three	Associate Professor of Management/Director of the Institute for Entrepreneurship, Shenandoah University	Income: None Growth: None Developing World: \$1-\$10,000	\$1-\$10,000	None
 Herbert G. Grubel , PhD (77) 125 West Second St. Apt. 1202 North Vancouver, BC Canada V7M 1C5	Trustee (since 2008); Nine	Senior Fellow, Fraser Institute; Professor (Emeritus) of Economics, Simon Fraser University; Author	Income: \$10,001-\$50,000 Growth: None Developing World: None	\$10,001-\$50,000	Saturna Investment Trust

Continued on next page.

Name (Age) and Address	Position(s) Held with Trust & Number of Saturna Fund Portfolios Overseen	Principal Occupation(s) during past 5 years, including Directorships	Dollar Range of Securities in the Funds of the Trust at Dec. 31, 2010	Dollar Range of Equity Securities in all Saturna Funds at Dec. 31, 2010	Other Directorships held by Trustee
INDEPENDENT TRUSTEES					
 Salim Manzar (62) 29 Monterey Dr. Princeton Junction, NJ 08550	Trustee (since 2008); Three	Executive Director and CEO, Princeton Advisory Group, LLC (insurance industry consulting); previously senior officer with MetLife	Income: \$1-\$10,000 Growth: \$1-\$10,000 Developing World: \$1-\$10,000	\$10,001-\$50,000	None
 M. Yaqub Mirza , PhD (64) 11922 Safa Court Herndon, VA 20170	Trustee (since 2009); Three	CEO, Sterling Management Group, Inc.	Income: over \$100,000 Growth: over \$100,000 Developing World: None	over \$100,000	None
INTERESTED TRUSTEE					
 Nicholas F. Kaiser , CFA (65) 1300 N. State Street Bellingham, WA 98225	President and Trustee ¹ (since 1989); Nine	Chairman, Saturna Capital Corporation (the Trust's investment adviser)	Income: over \$100,000 Growth: over \$100,000 Developing World: over \$100,000	over \$100,000	Saturna Investment Trust
OFFICERS WHO ARE NOT TRUSTEES					
 Monem A. Salam , MBA (39) 1300 N. State Street Bellingham, WA 98225	Vice President ¹ (since 2003); N/A	Director of Islamic Investing, Saturna Capital Corporation	Income: \$50,001 -\$100,000 Growth: \$50,001 -\$100,000 Developing World: \$50,001 -\$100,000	over \$100,000	N/A
 Christopher R. Fankhauser (39) 1300 N. State Street Bellingham, WA 98225	Treasurer ¹ (since 2002); N/A	Chief Operations Officer, Saturna Capital Corporation	Income: \$10,001-\$50,000 Growth: \$10,001-\$50,000 Developing World: \$1-\$10,000	over \$100,000	N/A
 Ethel B. Bartolome (38) 1300 N. State Street Bellingham, WA 98225	Secretary ¹ (since 2003); N/A	Corporate Administrator, Saturna Capital Corporation	Income: \$10,001-\$50,000 Growth: \$10,001-\$50,000 Developing World: None	\$50,001-\$100,000	N/A
 JoAnne Langhäuser (52) 1300 N. State Street Bellingham, WA 98225	Chief Compliance Officer ¹ (since 2011); N/A	Chief Compliance Officer, Saturna Capital Corporation and Funds; Senior Compliance Manager, Edge Asset Management, Inc.; Assistant Vice President, WM Advisors, Inc.	Income: None Growth: None Developing World: None	None	N/A

As of September 1, 2011, no Independent Trustee (or any of his immediate family members) owned beneficially or of record securities of the Adviser or the Trust's principal underwriter, or any person (other than a registered investment company) directly or indirectly, controlling, controlled by or under common control with the Adviser or principal underwriter.

¹Mr. Kaiser, Mr. Salam, Mr. Fankhauser, Mrs. Bartolome and Ms. Langhäuser are "interested persons" of the Trust as employees of the adviser. Messrs. Kaiser, Fankhauser, Mrs. Bartolome and Ms. Langhäuser hold the same positions with Saturna Investment Trust, which has six 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, and ability to effectively request, evaluate, and discuss information about Amana 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. They reside in diverse communities across the continent, and all have lived outside the United States. A Board Assessment, Compensation and Nominations Committee meets as needed to evaluate the qualifications and skills of potential Trustees.

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:

Iqbal Unus, Ph.D., has served since Amana's inception. Currently Director of the Fairfax Institute (Washington, DC area), Dr. Unus has a long management career in Islamic education and service institutions. He is the former Dean of Students/Registrar at the School of Islamic and Social Sciences (Leesburg, VA).

M. Yaqub Mirza, Ph.D., suggested the concept of an Islamic equity mutual fund in 1984. He is the CEO of Sterling Management Group, Inc. (Herndon, VA), a venture capital, securities management and real estate investment firm. Dr. Mirza has served on the boards of public and private corporations, and has been actively involved with agro-industrial and technology businesses in several countries. He serves as a leader of numerous charities, and lectures on both entrepreneurialism and philanthropy.

Nicholas F. Kaiser is president of the Trust and the portfolio manager of the Amana Income, Amana Growth, and Amana Developing World Funds. He is chairman of Saturna Capital Corporation, Amana's 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.

Talat M. Othman is the Trust's independent chairman, having joined the board in 2001. Mr. Othman is the CEO of Grove Financial, Inc. (Chicago), an international investment management firm focused on the Middle East. He has a

distinguished career as a board member and leader of various international banking and business organizations, charitable, government and educational institutions, and Islamic groups.

Abdul Wahab is owner of the Wasatch Company (Los Angeles), an international manufacturer and distributor of institutional textile products. Mr. Wahab has served in leadership roles with the Islamic Society of North America and the Islamic Society of Orange County.

Abid Malik is the CEO of an e-commerce software development company (Kansas City). An electrical engineer, Mr. Malik previously founded a circuit board manufacturer where he served as CFO and board member. Mr. Malik also serves as a board member for a non-profit research organization that studies market trends and ethics.

Miles K. Davis, Ph.D., is an associate professor of management and director of the Institute for Entrepreneurship at Shenandoah University (Winchester, VA). Dr. Davis is active in the microfinance movement, and lectures regularly in the U.S., Africa, and Europe. He also conducts research on faith based entrepreneurship and has several published reference articles in that area.

Herbert Grubel, Ph.D., 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.

Salim Manzar is currently CEO of Princeton Advisory Group, LLC (New York City area), an insurance-industry consulting firm. Mr. Manzar has over 30 years experience in mergers and acquisitions, strategy, controls, and financial leadership as an actuary and senior financial officer with MetLife and its international subsidiaries.

Board Role in Risk Oversight

The Board's role in management of the Trust is oversight. Day-to-day management of the Trust, selection of Fund investments, administration services, and management of operational and portfolio risk are responsibilities of the adviser. Distribution services are the responsibility of Saturna Brokerage Services, Inc., a subsidiary of the adviser. The Board, through reports from the adviser, distributor, and third-parties; meetings of the whole board as well as its committees; independent experiences including shareowner contacts; and communications with 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 Trust matters with management between Board meetings, and facilitating communication and coordination between the Trustees and management.

Committees

The Board established an Executive Committee with the power to act on behalf of the Board between meetings and to exercise most powers of the Trustees in the management of the Trust (the members of the Executive Committee are Trustees Othman, Unus, Kaiser and Davis).

An Audit and Compliance committee of Independent Trustees (Mirza, Wahab, Grubel, and Manzar), held three meetings during the fiscal year. The committee operates under a specific charter, selects the independent registered public accounting firm, reviews all audit reports and monitors compliance programs.

A Distribution and InForming committee, including Independent Trustees Wahab, Malik and Davis, met twice during the year. It reviews marketing, information and distribution activities of the Trust.

A Governance, Compensation and Nominations committee, consisting of Trustees Unus, Othman, Manzar, and Kaiser held two meetings during the fiscal year. It reviews how the board is functioning, and recommends trustee compensation. Shareowners wishing to recommend nominees may do so by sending written information to Dr. Unus at his address as given above.

An Operations and Brokerage committee, including Trustees Malik and Unus, held two meetings during the fiscal year. The committee monitors Amana's investor services and other operations, including portfolio trading.

Compensation

Saturna Capital pays the salaries of officers of the Trust, not the Trust; except Ms. Langhäuser (Chief Compliance Officer of the Trust), for whose services the Trust partially reimburses the adviser. The Independent Trustees are paid \$2,500 per quarter, in arrears, plus \$1,000 per board meeting attended (in person or by phone), plus reimbursement of travel expenses, by the Trust. The Trustees are also paid \$250 for committee meetings held in conjunction with a board meeting, as well as an additional \$250 for committee meetings occurring on other dates, by the Trust. The Board Chairman and each committee Chairman is paid an additional \$500 per quarter, in arrears, by the Trust. For the fiscal year ended May 31, 2011, the Trust incurred \$108,750 of compensation expenses. No pension or retirement benefits were incurred.

Code of Ethics

The Trust, its investment adviser Saturna Capital Corporation, and its principal underwriter Saturna Brokerage Services, 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 is available on the Trust's website.

Proxy Voting Policies

The proxy voting guidelines on the following pages 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.

Trustee Compensation for Fiscal Year ended May 31, 2011

Name of Person; Position	Aggregate Compensation from Trust	Pension or Retirement Benefits Accrued as Part of Trust Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation From Trust and Fund Complex Paid to Trustees
Talat M. Othman; Trustee, Chairman	\$14,500	\$0	\$0	\$14,500
Iqbal Unus; Trustee	\$14,500	\$0	\$0	\$14,500
Abdul Wahab; Trustee	\$14,750	\$0	\$0	\$14,750
Abid Malik; Trustee	\$13,750	\$0	\$0	\$13,750
Salim Manzar; Trustee	\$12,750	\$0	\$0	\$12,750
Miles K. Davis; Trustee	\$12,500	\$0	\$0	\$12,500
Herbert G. Grubel; Trustee ¹	\$13,500	\$0	\$0	\$13,500
M. Yaqub Mirza; Trustee	\$12,500	\$0	\$0	\$12,500
Nicholas F. Kaiser; Trustee ²	\$0	\$0	\$0	\$0

¹ Herbert G. Grubel serves as Trustee to the Saturna Investment Trust, to which Saturna Capital is adviser. He was paid \$5,250 by that Trust during its fiscal year ended November 30, 2010.

² Nicholas F. Kaiser serves as president and Trustee to the Saturna Investment Trust, for which Saturna Capital is adviser. He serves in this capacity without compensation.

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. Information is 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 and is available (1) without charge, upon request, by calling Saturna Capital at 800-SATURNA; (2) on the Trust's website at www.amanafunds.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 August 19, 2011, the principal holders of record (those with 5% or more of the outstanding shares) of securities of **Amana Income Fund** were:

Name and Address	Shares	Percentage of Class
NFSC Omnibus Account for the Exclusive Benefit of our Customers 200 Liberty Street New York, NY 10281	12,729,397	30.91%
Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street San Francisco, CA 94104	10,228,232	24.84%

As of August 19, 2011, the principal holders of record (those with 5% or more of the outstanding shares) of securities of **Amana Growth Fund** were:

Name and Address	Shares	Percentage of Class
NFSC Omnibus Account for the Exclusive Benefit of Our Customers 200 Liberty Street New York, NY 10281	24,960,627	30.77%
Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street San Francisco, CA 94104	19,992,855	24.64%
Prudential Investment Management FEBO Mutual Fund Clients 3 Gateway Center, 15th Floor Newark, NJ 07102	4,248,713	5.23%

As of August 19, 2011, the principal holders of record (those with 5% or more of the outstanding shares) of securities of **Amana Developing World Fund** were:

Name and Address	Shares	Percentage of Class
NFSC Omnibus Account for the Exclusive Benefit of Our Customers 200 Liberty Street New York, NY 10281	260,692	16.77%
TD Ameritrade Inc. For The Exclusive Benefit of Our Customers P.O. Box 2226 Omaha, NE 68103-2226	213,154	13.71%
Mar-Jac Poultry Inc. P.O. Box 1017 Gainesville, GA 30503	136,719	8.79%
Charles Schwab & Co., Inc. Special Custody Account FBO Customers 101 Montgomery Street San Francisco, CA 94104	126,498	8.13%
Saturna Capital Corporation 1300 North State Street Bellingham, WA 98225	78,736	5.06%

As of August 19, 2011, officers and trustees (plus affiliated entities), as a group, owned 0.23% of outstanding shares of the Income Fund, 0.21% of outstanding shares of the Growth Fund, and 9.63% of the Developing World Fund.

INVESTMENT ADVISORY AND OTHER SERVICES

Investment Adviser and Administrator

Saturna Capital Corporation, 1300 N. State Street, Bellingham, Washington 98225 is the Investment Adviser and Administrator (the “adviser”) for the Trust. Saturna Capital is also the Trust’s shareowner servicing agent. Mr. Nicholas Kaiser, by his ownership of the majority of its voting stock, is the controlling person of the adviser. Mr. Kaiser is also a Trustee and President of Amana Mutual Funds Trust, and the principal portfolio manager of the Income, Growth, and Developing World Funds. A discussion regarding the Trustees’ approval of the continuance of the investment advisory and administration agreements is available in the Trust’s semi-annual report published every January.

Advisory Fee

Under their Advisory and Administration Agreements, each Fund pays the adviser an advisory and administration fee of 0.95% annually of average daily net assets. Additionally, the adviser has contractually undertaken to modify each Fund’s advisory and administration fee to: 0.95% on the first \$500 million of the Fund’s average daily net assets, 0.85% on the next \$500 million, 0.75% on the next \$500 million, and 0.65% on assets over \$1.5 billion. This undertaking may not be rescinded without the approval of the Board of Trustees. The adviser, at its own expense and without additional cost to the Funds, furnishes office space, office facilities and equipment, personnel (including executive officers) and clerical and bookkeeping services required to conduct the Funds’ business.

For the fiscal years ended May 31, 2011, 2010, and 2009, Saturna Capital was paid \$10,597,102; \$8,662,993; and \$4,972,757; respectively, as the Income Fund’s investment adviser and administrator. For the fiscal years ended May 31, 2011, 2010, and 2009, Saturna Capital was paid \$15,138,061; \$12,150,253; and \$6,921,460; respectively, as the Growth Fund’s investment adviser and administrator. For the fiscal years ended May 31, 2011 and 2010, Saturna Capital was paid \$120,935 and \$36,495; respectively, as the Developing World Fund’s investment adviser and administrator.

The advisory agreements also provide that in the event the total expenses of a Fund (excluding taxes, commissions and extraordinary items) for any fiscal year exceed 2% of average daily net assets, the Fund shall be reimbursed for such excess. No reimbursements have been required.

Under its respective investment advisory agreement, each Fund pays its own taxes, brokerage commissions (currently none), trustees’ fees, legal and auditing fees, insurance premiums, custodian fees, transfer agent fees, registrar and dividend disbursing agent fees, expenses incurred in complying with state and federal laws regulating the issue and sale of its shares, and mailing and printing costs for prospectuses, reports, and notices to shareowners.

Portfolio Managers

Mr. Nicholas Kaiser is the primary portfolio manager for the Income, Growth and Developing World Funds. At the fiscal year end (May 31, 2011), he directly owned more than \$1,000,000 of the Income Fund and directly owned \$500,001 to \$1,000,000 of the Growth and Developing World Funds. Additionally, he indirectly owned more than \$1,000,000 of the Income, Growth, and Developing World Funds.

Mr. Monem Salam is the deputy portfolio manager for the Income, Growth and Developing World Funds. At the fiscal year end (May 31, 2011), he directly owned \$50,001 to \$100,000 of the Income, Growth, and Developing World Funds.

In addition, Mr. Kaiser is the primary manager for two other investment company portfolios, Sextant Growth Fund and Sextant International Fund. At May 31, 2011 assets of these Sextant Funds were \$212 million. The Sextant Funds include a performance element in their investment advisory fees. Mr. Kaiser is also the primary manager of two other pooled investment portfolios managed solely with a performance fee, having assets of \$26 million at May 31, 2011. Also at May 31, 2011, Mr. Kaiser was the primary manager for an additional twenty private accounts having total assets of \$20 million with fees based on assets (no performance component). At May 31, 2011, Mr. Salam was the primary manager for an additional thirty-one private accounts having total assets of \$23 million with fees based on assets (no performance component).

All Saturna Capital employees, including Nicholas Kaiser and other portfolio managers, are paid an annual salary, as set by the board of Saturna Capital. The board also pays annual bonuses to employees that are dependent on the profits of Saturna Capital and not the results of any specific managed account or specific business of Saturna Capital. All employees are eligible for a 401(k) retirement plan, health and other benefits, and a stock option plan. Saturna contributes to 401(k) plan participant accounts on a matching basis to encourage voluntary salary deductions by employees. The 401(k) plan has a profit sharing element whereby employees are credited with a portion of Saturna Capital’s profit each year. Stock options are annually awarded on the basis of years of service, and not individual performance.

To align the managers’ interests with fund shareowners, primary mutual fund portfolio managers, such as Mr. Kaiser, are also paid a monthly bonus 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 for a 4-star rating, and 2% of the monthly fee for a 5-star rating. Morningstar™ ratings are determined within peer categories, and primarily reflect total returns for the last 3, 5 and 10 years. Amana’s net monthly advisory fee is solely dependent on Fund assets.

The net monthly fee from the Sextant Funds is partly based on Sextant fund performance results. The Sextant Growth

and International Funds (which Mr. Kaiser manages), and the Sextant Core Fund (which Mr. Kaiser does not manage) pay a base fee of 0.60% of average daily net assets, adjusted up or down by up to 0.30% depending upon a fund's performance over the previous 12 months compared to the average fund in its Morningstar category. The Sextant Bond Income and Short-Term Bond Funds (which Mr. Kaiser does not manage) pay a base fee of 0.60% of average daily net assets, adjusted up or down by up to 0.20% depending on a fund's performance over the previous 12 months compared to the average fund in its Morningstar category.

Since all fund assets vary over time with performance and investors favor mutual funds with superior investment records (like the Amana Funds, which have grown substantially in assets over the five years ending May 31, 2011), the portfolio manager's bonus is a function of both performance and assets.

The two private pooled investment portfolios managed by Mr. Kaiser pay Saturna Capital as adviser a performance fee of 10% of the year's increase in net asset value achieved from the previous highest year-end net asset value. There is no base fee, and no performance fee in years when the net asset value is below the highest previous value. As portfolio manager, Mr. Kaiser normally receives a significant portion of any fee earned as a bonus.

The portfolio equity transactions of the funds are normally executed by Saturna Brokerage Services, Inc., an affiliate of the adviser, but involve no conflict of interest because the adviser has agreed to waive all commission charges normally paid on securities transactions. The adviser has adopted a Code of Ethics which governs trading by portfolio managers to avoid conflicts of interest. To avoid any single managed account of the adviser getting a trading advantage, portfolio transactions are done as a "bunched" order then allocated pro-rata to managed accounts. As noted above, other investment company portfolios and pooled investment portfolios managed by Mr. Kaiser pay performance fees, and thus may pay higher fees to Saturna than other accounts if certain performance objectives and other requirements are met, presenting a potential conflict of interest. Because Mr. Kaiser's compensation is impacted by firm profitability, it is possible under certain circumstances that his compensation could be more positively affected if an account that pays a performance fee performs better than accounts that do not. In addition, because Mr. Kaiser makes no individual securities transactions for himself, and invests only through the Funds, the possibility that he can profit from knowledge of impending Fund trades is eliminated. However, Saturna's policies, such as bunching client trades and certain practical considerations, mitigate the possible conflict. In Saturna's opinion, no such conflict exists in actual practice. To avoid conflicts of interest, Mr. Kaiser and Mr. Salam do not trade individual securities for their own accounts or those in which they have a beneficial interest.

Shareowner Services

Under a separate service agreement, Saturna Capital also provides shareowner services as the transfer agent and dividend-paying agent for the Funds. As transfer agent, Saturna furnishes to each shareowner a confirmation after each transaction, a historical statement at the end of each year showing all transactions during the year, and Form 1099 and Form 1042 tax forms. Saturna also, on behalf of the Funds, responds to shareowners' questions and correspondence. Furthermore, the transfer agent regularly furnishes the Funds with current shareowner lists and information necessary to keep the shares in balance with the Funds' records. The transfer agent protects the privacy of shareowner information, but provides shareowner information to regulators and other parties with legal rights to such information, and to a mailing service, under a confidentiality agreement, to facilitate the distribution of shareholder reports. The transfer agent performs the mailing of all financial statements, notices and prospectuses to shareowners. Without cost to shareowners, the transfer agent also maintains records of contributions, disbursements and assets as required for IRAs and other IRS-qualified retirement accounts. The transfer agent makes year-end *zakah* computations for shareowners requesting this service. The transfer agent is paid a monthly fee of \$1.65 per active account. For the fiscal years ended May 31, 2011, 2010, and 2009, Saturna Capital was paid \$585,117; \$602,785; and \$331,673; respectively, as the Income Fund's shareowner servicing agent. For the fiscal years ended May 31, 2011, 2010, and 2009, Saturna Capital was paid \$933,344; \$856,536; and \$518,357; respectively, as the Growth Fund's shareowner servicing agent. For the fiscal years ended May 31, 2011 and 2010, Saturna Capital was paid \$17,554 and \$7,084; respectively, as the Developing World Fund's shareowner servicing agent.

Beginning March 1, 2009, Saturna Trust Company, a 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. An annual fee of \$10 per account for retirement plan services is paid by the Funds to Saturna Trust Company.

Rule 12b-1 Plan

Effective August 13, 2001 for the Income and Growth Funds, and September 28, 2009 for the Developing World Fund, the Trust entered into a distribution agreement with Saturna Brokerage Services, Inc. ("Distributor"), a broker-dealer registered under the Securities Exchange Act of 1934, pursuant to which Distributor acts as principal underwriter of Fund shares for sale to the public. Additionally, the Trust has adopted a Rule 12b-1 plan which provides for the Trust to reimburse the Distributor monthly at a rate of up to 0.25% annually of the Funds' average daily net assets to finance the distribution of Fund shares and to furnish services to shareowners. The plan reimburses the Distributor only for expenses incurred and does not compensate the Distributor

regardless of expenses. The Trust does not participate in any joint distribution activities with another investment company and allocates the 12b-1 expense among the three Amana Funds based on relative net asset size.

The Trustees, in seeking shareowner approval for the distribution plan, expected that it would help the adviser and Distributor have the flexibility to direct their distribution activities in a manner consistent with prevailing market conditions by using, subject to regular Trustee approval, a portion of Trust assets to make payments to the Distributor or third parties for marketing, distribution, and other services. They expected that to the extent the adviser and Distributor have greater flexibility and resources under the plan, additional sales of Fund shares may result, and that this has the potential to benefit the Funds by reducing the possibility that a Fund would experience net redemptions, which might require the liquidation of portfolio securities in amounts and at times that could be disadvantageous for investment purposes. There can be no assurance that these events will occur.

For the fiscal years ended May 31, 2011, 2010, and 2009, Saturna Brokerage Services was paid \$3,032,367; \$2,413,063; and \$1,317,776; respectively, as the Income Fund's underwriter under the distribution plan. For the fiscal years ended May 31, 2011, 2010, and 2009, Saturna Brokerage Services was paid \$4,668,485; \$3,564,791; and \$1,887,027; respectively, as the Growth Fund's underwriter. For the fiscal years ended May 31, 2011 and 2010, Saturna Brokerage Services was paid \$31,825; and \$9,604; respectively, as the Developing World Fund's underwriter. 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 because Saturna Capital receives fees for the management of the assets in the plan.

Under the distribution plan, the Distributor has entered into dealer selling agreements with a large number of brokerage firms. These selling agreements do not compensate dealers for actual sales (the Amana Funds pay no sales commissions) - only for assets they hold and service for their customers.

In early 2007, Saturna Capital established a 401(k) retirement plan administration business. Employers pay Saturna an annual plan recordkeeping fee of \$750 plus 0.25% of the year-end plan assets. Saturna Brokerage Services, as distributor of the Amana and Sextant funds, pays each retirement plan 0.25% (the 12b-1 fee) of year-end assets invested in the funds.

The Funds pay the Distributor a rate, evaluated monthly and changed from time to time (which has varied from 0.15% to 0.25% of average annual daily net assets) estimated to provide sufficient revenues to pay projected 12b-1 plan

expenses. During the fiscal year ended May 31, 2011, the Funds reimbursed the Distributor the following amounts allocated to the following principal activities:

Advertising:	\$657,101
Printing and mailing of prospectuses to other than current shareowners:	\$76,653
Compensation to underwriters:	\$-
Compensation to broker-dealers:	\$6,998,922

The adviser spent an additional \$4,223,005 of its own resources to compensate broker-dealers. The adviser may pay such additional compensation, out of its own resources and not as an expense of the Funds, to brokers or other financial intermediaries, or their affiliates, in connection with the sale, distribution, retention and/or servicing of Fund shares. To the extent that these resources are derived from advisory fees paid by the Funds, these payments could be considered "revenue sharing." In some cases, these payments may create an incentive for the intermediary or its employees to recommend or sell shares of the Funds to you. If you have purchased shares of a Fund through an intermediary, please contact your intermediary to learn more about any payments it receives from the adviser and/or its affiliates, as well as fees and/or commissions the intermediary charges. You should also consult disclosures made by your intermediary at the time of purchase. Any such payments will not change the net asset value or the price of a Fund's shares.

Custodian

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 Fund shares, and on order of the Funds, pays the authorized expenses of the Funds. When investors redeem Fund shares, the proceeds are paid to the shareowner from a Fund's account at the custodian bank.

Independent Registered Public Accounting Firm

Tait, Weller and Baker LLP, 1818 Market Street, Suite 2400, Philadelphia, PA 19103 is the independent registered public accounting firm for the Trust and the Funds. The accountants conduct an annual audit of the Funds as of May 31 each year. With pre-approval of the Trustees, they may provide related services such as preparing Fund tax returns, auditing the adviser and affiliates, and assisting the adviser in any 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 Trust.

Mr. Kaiser, an interested Trustee, is chairman of Saturna Capital and a director of Saturna Brokerage Services, Inc. Mr. Monem Salam, an officer of the Trust, is a vice president of

Saturna Capital and president of Saturna Brokerage Services, Inc. Mr. Fankhauser, an officer of the Trust, is chief operations officer and a director of Saturna Capital; he is also chief operations officer and a vice president of Saturna Brokerage Services, Inc. All employees of the Distributor are also employees of the adviser.

The Trust operates under a Rule 12b-1 distribution plan. The Distributor acts as principal underwriter of Fund shares for sale to the public. The distribution plan provides that the Trust shall pay a fee up to the annual rate of 0.25% of average daily net assets to the Distributor monthly to finance activities that support the sales of Fund shares, including distribution of Fund shares, and to furnish services to shareowners.

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 Trust 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 table below contains the commissions each Fund paid Saturna Brokerage for each of the last three fiscal years.

The Trustees review brokerage activity in detail at each regular meeting. Meetings are held on a quarterly schedule.

CAPITAL STOCK

Each Fund of Amana Mutual Funds Trust is divided into shares of beneficial interest. The shares of each Fund of the Trust have equal voting rights. All dividends and distributions for each Fund are distributed to shareowners in proportion to the number of shares owned. 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. On issues relating solely to a single Fund, only the shareowners of that Fund are entitled to vote.

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.

Commissions Paid To Saturna Brokerage Services

	2011	2010	2009	% of 2011 aggregate brokerage commissions paid Saturna Brokerage	% of 2011 aggregate dollar amount of transactions involving the payment of commissions through Saturna Brokerage
Income Fund	\$0	\$0	\$0	0%	0%
Growth Fund	\$0	\$0	\$0	0%	0%
Developing World Fund	\$0	\$0	\$0	0%	0%

PURCHASE, REDEMPTION AND PRICING OF SHARES

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

Price

Each Fund's Price (net asset value) per share is determined by dividing the value of all its 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 balance sheet in the Annual Report or Semi-Annual Report for a specimen sheet showing how the Funds calculate net asset value, which is the price used for both purchase and redemption of shares.

Pricing of Foreign 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.

Early Redemption Fee Waiver

The 2% early redemption fee on Fund shares held less than 90 days 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
- Financial hardship 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
 - Retirement plan loan distributions
 - 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
- Redemption Fees applied to Fund of Funds Transactions

Fund/SERV® Order Processing

Waivers of early redemption fees prior to the end of the 90-day holding period apply to orders transmitted to the transfer agent through the Depository Trust & Clearing Corporation's (DTCC) 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	Yes
(8) Auto Rebalance Waiver	Yes

(9) Defined Contribution Plans	
a. Termination Waiver	Yes
b. Involuntary Distribution Waiver	Yes
c. Loan Distribution Waiver	Yes
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.

Abandoned Property

It is the responsibility of the investor to ensure that Saturna Capital Corporation maintains a correct address for the investor's account(s). An incorrect address may cause an investor's account statements and other mailings to be returned to Saturna Capital Corporation. If Saturna Capital Corporation is unable to locate the investor, then it will determine whether the investor's account has legally been abandoned. Saturna Capital Corporation is legally obligated to escheat (or transfer) abandoned property to the appropriate state's unclaimed property administrator in accordance with statutory requirements. The investor's last known address of record determines which state has jurisdiction.

TAXATION OF THE TRUST

Each Fund is a separate economic entity and as such, 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 tax on the amounts so distributed.

If a Fund failed to qualify for treatment as a regulated investment company for any taxable year, (a) it would be taxed as an ordinary corporation on the full amount of its

taxable income for that year without being able to deduct the distributions it makes to its shareowners and (b) the shareowners would treat all those distributions, including distributions of net capital gain, as dividends to the extent of that Fund's earnings and profits, taxable as ordinary income (except that, for individual shareholders, the part thereof that is "qualified dividend income" would be subject to federal income tax at the rate for net capital gain – a maximum rate of 15% through December 31, 2012) and eligible for the dividends-received deduction available to corporations under certain circumstances. In addition, the Fund could be required to recognize unrealized gains, pay substantial taxes and interest, and make substantial distributions before requalifying for regulated investment company treatment.

The Trust's custodian may use foreign sub-custodians to hold securities of a Fund outside the U.S., which can subject the Fund to foreign withholding or other taxes. Working with its custodian, the Fund can normally reclaim such foreign taxes.

As of May 31, 2011, the components of distributable earnings on a tax basis were as follows:

Income Fund	
Undistributed ordinary income	\$477,306
Tax accumulated earnings	\$477,306
Accumulated capital losses	\$(13,109,211)
Unrealized appreciation	\$295,717,980
Total accumulated earnings	\$283,086,075
Growth Fund	
Undistributed ordinary income	\$15,788
Tax accumulated earnings	\$15,788
Accumulated capital losses	\$(17,918,274)
Unrealized appreciation	\$565,935,186
Total accumulated earnings	\$548,032,700
Developing World Fund	
Accumulated capital and other losses	\$(112,555)
Unrealized appreciation	\$958,150
Other unrealized gains	\$131
Total accumulated earnings	\$845,726

The Funds' transfer agent must withhold and remit to the U.S. Treasury 28% of dividends, capital gain distributions, and redemption proceeds (regardless of the extent to which gain or loss may be realized) otherwise payable to any individual or certain other non-corporate shareowner who fails to properly furnish the transfer agent with a correct Social Security or other taxpayer identification number. Withholding at that rate also is required from a Fund's dividends and capital gain distributions otherwise payable to such a shareowner who is subject to backup withholding for any other reason. Backup withholding is not an additional tax, and any amounts so withheld may be credited against a shareowner's federal income tax liability or refunded.

Dividends a Fund pays to a foreign shareowner, other than (1) dividends paid to a foreign shareowner whose ownership of shares is effectively connected with a U.S. trade or business the shareowner carries on and (2) capital gain distributions paid to a non-resident alien individual who is physically present in the United States for no more than 182 days during the taxable year, generally will be subject to a federal withholding tax of 30% (or lower treaty rate). "Short-term capital gain dividends," if properly designated by a Fund, will be exempt from that tax through 2011 (unless this provision is extended by legislation). If the IRS determines that the Trust 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.

UNDERWRITERS

Effective August 13, 2001, the Trust entered into a distribution agreement with Saturna Brokerage Services, Inc. ("Distributor"), a broker-dealer registered under the Securities Exchange Act of 1934, pursuant to which Distributor acts as principal underwriter of Fund shares for sale to the public. The Distributor is a member of the The Financial Industry Regulatory Authority and a wholly-owned subsidiary of Saturna Capital Corporation. All employees of the Distributor are also employees of the adviser. Additionally, the Trust has adopted a Rule 12b-1 Plan, under which the Distributor is reimbursed by the Trust on a monthly basis at a rate of up to 0.25% annually of the Funds' average daily net assets to finance the distribution of Fund shares and to furnish services to shareowners.

In accordance with its contract with the Trust, the Distributor devotes appropriate efforts to effect the sales of shares of each of the Funds, but is not obligated to sell any certain number of shares. The offering of shares is continuous.

FINANCIAL STATEMENTS

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

There is incorporated by reference into this Registration Statement the following financial information in the Annual Report to shareowners for the fiscal year ended May 31, 2011:

Report of Tait, Weller & Baker LLP, Registered Public Accounting Firm
Statements of Assets and Liabilities as of May 31, 2011
Financial Highlights - years ended May 31, 2011, 2010, 2009, 2008, and 2007
Statements of Operations - Year ended May 31, 2011
Statements of Changes in Net Assets - Years ended May 31, 2011, and 2010
Investments - as of May 31, 2011
Notes to Financial Statements