

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

Filing Date: **1999-07-27** | Period of Report: **1999-05-31**  
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### FILER

#### **SATURNA INVESTMENT TRUST**

CIK: **811860** | IRS No.: **356447892** | State of Incorporation: **WA** | Fiscal Year End: **0531**  
Type: **N-30D** | Act: **40** | File No.: **811-05071** | Film No.: **99671145**

Mailing Address	Business Address
<i>1300 NORTH STATE STREET BELLINGHAM WA 98225-4730</i>	<i>1300 NORTH STATE STREET BELLINGHAM WA 98225-4730 3607349900</i>

<HTML>  
<HEAD>  
<TITLE>IDAHO TAX EXEMPT FUND SEMI-ANNUAL REPORT 1999</TITLE>  
</HEAD>  
<BODY BGCOLOR="#ffffff">  
<p>&nbsp; </p>  
<p>  
<p><font size="6" color="#ff0000"><b>Idaho Tax-Exempt Fund</b> </font>  
<p align="right"><b>May 31, 1999 Report</b>  
<p><i>Fellow Shareowners:</i>  
<p>For the twelve-month period ending May 31, 1999 the Idaho Tax Exempt Fund provided a total return of 4.04% . The current 30-day yield on your Fund is 4.0%, tax-free, slightly lower than 4.20% of one year ago. This is the equivalent of 7.0% of taxable income for top-bracket Idaho taxpayers. Fund assets have grown 33% to \$6.7 million in one year.  
<p>An important aspect of the Idaho Fund is how well it has performed during periods of rising interest rates, such as experienced in the last six months. Back when interest rates increased in 1994, some US Treasury bonds lost as much as 30% of their value yet the decline of the Idaho Fund was just 5%. Similarly, over the last six months, the Idaho Fund again outperformed comparable US Treasuries. A rise in domestic inflation forced the yield of intermediate-maturity US Treasuries up more than one percent since last November. The yield on intermediate-term Idaho paper has risen only one quarter of one percent. For calendar 1999 through May 31st, the returns on intermediate and long US Treasuries range from -1.5% to -8%. For the same period, the Fund's total return was -0.5%.  
<p>This superior performance is partly the result of an unexpectedly strong year for the Idaho state economy. Despite weakness in agriculture, threats to Idaho's high technology businesses, and the pressures of rising interest rates, the Idaho economy continues healthy. This economic strength helps the traditionally high creditworthiness of Idaho bond issuers and greater wealth for investment in Idaho municipal bonds.  
<p>Looking ahead, the dynamics that have produced high growth/low inflation appear firmly entrenched. In addition, the US Treasury's cash flow surplus may mean less upward pressure on interest rates due to reduced US government borrowing. US rates have now risen from record lows to more normal levels. This means reduced price risk and the possibility of greater returns in the bond market. We feel this is a good time to buy bonds, and anticipate another year of positive total returns for the Idaho Tax Exempt Fund.  
<p> As always, your portfolio managers welcome your comments and suggestions. Only with your help can we be certain that we are meeting your investment needs our primary objective.  
<p> We invite you to again review the many advantages of the Idaho Tax-Exempt Fund, including income free from state and federal income taxes, a high-quality diversified bond portfolio, and daily supervision by professional managers. This could be a good time to reposition financial assets from the high-priced stock markets to core investment holdings.  
<p align="right">&nbsp;  
<table width="100%" border="0">  
<tr>  
<td width="51%"><b><i><font color="#ff0000">Nicholas Kaiser,</font></i></b></td>  
<td width="49%"> <b><i><font color="#ff0000">Phelps McIlvaine,</i></font></b>  
</td>  
</tr>  
<tr>  
<td width="51%"> President </td>  
<td width="49%">  
<p>Vice President, Portfolio Manager  
</td>  
</tr>  
</table>

</TABLE>

<p align="left"><b>July 15, 1999 </b>

<table width="100%" border="1" bordercolor="#FF0000">

<tr bordercolor="#FF0000">

<td width="55%" rowspan="3" bordercolor="#FFFFFF">Performance data quoted in this report represents past performance and is no guarantee of future performance. The investment return and principal value of investments in the Fund fluctuate daily, and an investor's shares when redeemed may be worth more or less than the original cost. </td>

<td colspan="3">

<p align="center">&nbsp;

<p align="center">

<p align="center"> <u> Average Annual Returns (as of 6/30/1999) </u>

</td>

</tr>

<tr>

<td width="15%">

<div align="center"><u>1 Year</u></div>

</td>

<td width="15%">

<div align="center"><u>5 Years</u></div>

</td>

<td width="15%">

<div align="center"><u>10 Years</u> </div>

</td>

</tr>

<tr>

<td width="15%">

<div align="center">1.70% </div>

</td>

<td width="15%">

<div align="center">5.44% </div>

</td>

<td width="15%">

<div align="center">5.91%</div>

</td>

</tr>

</TABLE>

<p align="right"><i>Page 1</i></p>

<HR>

<p>&nbsp;</p>

<table width="100%" border="0">

<tr>

<td width="36%" height="32" bgcolor="#FF0000">

<div align="center"><b><font size="4" color="#FFFFFF">IDAHO TAX-EXEMPT FUND</font></b></div>

</td>

<td width="28%" height="32">&nbsp;</td>

<td width="36%" height="32">

<div align="right"><i>May 31, 1999 Semi-Annual Report</i> </div>

</td>

</tr>

<tr>

<td width="36%">&nbsp;</td>

<td width="28%">

<div align="center"><i><font color="#ff0000" size="6">Investments </font></i>

</div>

</td>

<td width="36%">&nbsp;</td>

</tr>

</TABLE>

<br><table width="100%" border="1">

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<td width="13%">

<div align="center"><font size="4"><b>Rating</b></font></div>

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</td>
<td width="29%">
  <div align="center"><font size="4"><b>Issuer</b></font></div>
</td>
<td width="23%">
  <div align="center"><font size="4"><b>Coupon/Maturity</b></font></div>
</td>
<td width="16%">
  <div align="center"><font size="4"><b>Face Amount</b></font></div>
</td>
<td width="19%">
  <div align="center"><font size="4"><b>Market Value</b></font></div>
</td>
</tr>
<tr>
<td colspan="5" height="25"> <b><i>Airport Parking (1.8%)</i></b> </td>
</tr>
<tr>
<td width="13%">AAA</td>
<td width="29%">
  <p>
    <p> Boise City Airport Rev COP
  </td>
<td width="23%">5.40% due 8/1/2011</td>
<td width="16%">
  <div align="right">$115,000</div>
</td>
<td width="19%">
  <div align="right">$119,198 </div>
</td>
</tr>
<tr>
<td colspan="5" height="25"> <b><i>Electric Power (2.6%)</i></b> </td>
</tr>
<tr>
<td width="13%">AAA</td>
<td width="29%">
  <p>
    <p> Idaho Falls
  </td>
<td width="23%">&nbsp;</td>
<td width="16%">
  <div align="right"></div>
</td>
<td width="19%">
  <div align="right"></div>
</td>
</tr>
<tr>
<td width="13%">&nbsp;</td>
<td width="29%">
  <p>
    <p> Electric Revenue
  </td>
<td width="23%">6.75% due 4/1/2019</td>
<td width="16%">
  <div align="right">160,000</div>
</td>
<td width="19%">
  <div align="right">175,328</div>
</td>
</tr>
<tr>
<td colspan="5" height="25"> <b><i>General Obligations (52.4%)</i></b> </td>

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</tr>
<tr>
  <td width="13%">AA-</td>
  <td width="29%">Ada & Canyon Counties</td>
  <td width="23%">&nbsp;</td>
  <td width="16%">
    <div align="right"></div>
  </td>
  <td width="19%">
    <div align="right"></div>
  </td>
</tr>
<tr>
  <td width="13%">&nbsp;</td>
  <td width="29%">JSD #2 Meridian</td>
  <td width="23%">5.50% due 7/30/2011</td>
  <td width="16%">
    <div align="right">175,000</div>
  </td>
  <td width="19%">
    <div align="right">187,740</div>
  </td>
</tr>
<tr>
  <td width="13%">&nbsp;</td>
  <td width="29%">&quot;</td>
  <td width="23%">5.50% due 7/30/2015</td>
  <td width="16%">
    <div align="right">100,000</div>
  </td>
  <td width="19%">
    <div align="right">104,820</div>
  </td>
</tr>
<tr>
  <td width="13%">AAA</td>
  <td width="29%">Adams County GO</td>
  <td width="23%">5.00% due 8/1/2014</td>
  <td width="16%">
    <div align="right">110,000</div>
  </td>
  <td width="19%">
    <div align="right">109,593</div>
  </td>
</tr>
<tr>
  <td width="13%">A+</td>
  <td width="29%">
    <p>
      <p> Bannock County GO Jail
    </p>
  </td>
  <td width="23%">5.05% due 9/1/2012</td>
  <td width="16%">
    <div align="right">95,000</div>
  </td>
  <td width="19%">
    <div align="right">96,292</div>
  </td>
</tr>
<tr>
  <td width="13%">
    <p>
      <p>A+
    </p>
  </td>

```

<td width="29%">Bannock County SD #25</td>	<td width="23%">4.80% due 8/01/2008</td>
<td width="16%"> <div align="right">90,000</div> </td>	<td width="19%"> <div align="right">91,287</div> </td>
</tr>	
<tr>	
<td width="13%">&nbsp;  </td>	<td width="29%">&quot;</td>
<td width="23%"> <p> <p> 4.90% due 8/1/2009 </td>	<td width="16%"> <div align="right">90,000</div> </td>
<td width="19%"> <div align="right">91,386</div> </td>	</td>
</tr>	
<tr>	
<td width="13%">&nbsp;  </td>	<td width="29%">
<td width="23%">5.25% due 8/1/2016</td>	<td width="16%"> <div align="right">110,000</div> </td>
<td width="19%"> <div align="right">110,957</div> </td>	</td>
</tr>	
<tr>	
<td width="13%">AA-</td>	<td width="29%">
<td width="23%">5.10% due 2/1/2011</td>	<td width="16%"> <div align="right">110,000</div> </td>
<td width="19%"> <div align="right">112,299</div> </td>	</td>
</tr>	
<tr>	
<td width="13%">AAA</td>	<td width="29%">
<td width="23%">5.50% due 7/30/2011</td>	<td width="16%"> <div align="right">95,000</div> </td>
<td width="19%"> <div align="right">98,876</div> </td>	</td>

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</tr>
<tr>
  <td width="13%">
    <p>
      <p>AA-
    </td>
    <td width="29%">&quot;</td>
    <td width="23%">5.50% due 7/30/2016</td>
    <td width="16%">
      <div align="right">150,000</div>
    </td>
    <td width="19%">
      <div align="right">153,990</div>
    </td>
</tr>
<tr>
  <td width="13%">A</td>
  <td width="29%">
    <p>
      <p>Boise County SD #73
    </td>
    <td width="23%">5.15% due 7/31/2010</td>
    <td width="16%">
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    </td>
    <td width="19%">
      <div align="right">127,847</div>
    </td>
</tr>
<tr>
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  <td width="29%">Canyon County SD #131 Nampa</td>
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  <td width="16%">
    <p align="right">
      <p align="right"> 50,000
    </td>
    <td width="19%">
      <div align="right">52,655</div>
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</tr>
<tr>
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    <p>
      <p>AAA
    </td>
    <td width="29%">Canyon County SD #132</td>
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    <td width="16%">
      <div align="right">100,000</div>
    </td>
    <td width="19%">
      <div align="right">103,850</div>
    </td>
</tr>
<tr>
  <td width="13%">&nbsp;</td>
  <td width="29%">&quot;</td>
  <td width="23%">5.40% due 7/30/2012</td>
  <td width="16%">
    <div align="right">100,000</div>
  </td>
  <td width="19%">
    <div align="right">103,250</div>
  </td>

```

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</td>
</tr>
<tr>
<td width="13%">A</td>
<td width="29%">
<p>Canyon County SD #135 Notus 1994
</td>
<td width="23%">
<p>
<p> 6.00% due 8/1/2007
</td>
<td width="16%">
<div align="right">50,000</div>
</td>
<td width="19%">
<div align="right">51,407</div>
</td>
</tr>
<tr>
<td width="13%">
<p>
<p>AAA
</td>
<td width="29%">Cassia, Twin Falls JSD #151</td>
<td width="23%">5.10% due 8/1/2009</td>
<td width="16%">
<div align="right">90,000</div>
</td>
<td width="19%">
<div align="right">92,952</div>
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</tr>
<tr>
<td width="13%">&nbsp;</td>
<td width="29%">
<p>
<p> &quot;
</td>
<td width="23%">5.375% due 8/1/2013</td>
<td width="16%">
<div align="right">85,000</div>
</td>
<td width="19%">
<div align="right">87,270</div>
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</tr>
<tr>
<td width="13%">&nbsp;</td>
<td width="29%">&quot;</td>
<td width="23%">
<p>
<p> 5.375% due 8/1/2015
</td>
<td width="16%">
<div align="right">75,000</div>
</td>
<td width="19%">
<div align="right">76,207</div>
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</tr>
<tr>
<td width="13%">AAA</td>
<td width="29%">
<p>

```



<p>&lt;p&gt; Elmore County SD #193</p>			
		4.75% due 7/31/2007	
			250,000
			253,375
Gem & Boise Counties			
JSD #221 Emmetsville			
		4.40% due 8/1/2011	100,000
			96,700
" &quot;			
		4.50% due 8/1/2012	75,000
			72,367
AAA			
Gooding County			

	SD #232 Wendell	6.00% due 8/1/2008	55,000
	Kootenai County SD #273	4.85% due 7/30/2013	200,000
		5.00% due 7/30/2016	70,000
AAA	Kuna Sch/Comm Library Dist	4.90% due 8/1/2013	75,000
AAA	Madison County SD #321	5.60% due 2/1/2010	150,000
AAA	Payette County SD #373	4.45% due 7/31/2009	250,000

			245,575
	AAA	Payette County SD #373	4.45% due 7/31/2009
			250,000
		Payette County SD #372	6.50% due 7/31/2008
			80,000
			87,712
	&nbsp;	&quot;	
			6.75% due 7/31/2009
			155,000
			171,570
	&nbsp;	&quot;	
			6.75% due 7/31/2010
			100,000
			110,690
	AAA	Teton County SD #401	5.50% due 8/1/2012
			<u>75,000</u>
			<u>77,010</u>

```

<tr>
  <td width="13%">&nbsp;&nbsp;&nbsp;</td>
  <td width="29%"><i>SUB-TOTAL</i></td>
  <td width="23%">&nbsp;&nbsp;&nbsp;</td>
  <td width="16%">
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  </td>
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<tr>
  <td colspan="5" height="25"><b><i>Housing (5.8%)</i></b> </td>
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  </td>
  <td width="19%" height="22">
    <div align="right"></div>
  </td>
</tr>
<tr>
  <td width="13%">&nbsp;&nbsp;&nbsp;</td>
  <td width="29%">Single Fam Mortgage, B-1</td>
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  <td width="19%">
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<tr>
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  <td width="29%">Idaho Housing Authority</td>
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  <td width="16%">
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  </td>
  <td width="19%">
    <div align="right"></div>
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</tr>
<tr>
  <td width="13%">&nbsp;&nbsp;&nbsp;</td>
  <td width="29%">Refunding Ser A</td>
  <td width="23%">6.15% due 7/1/2024</td>
  <td width="16%">
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  <td width="19%">
    <div align="right">153,375</div>
  </td>
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<tr>
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  <td width="29%">Idaho Housing Authority </td>
  <td width="23%">&nbsp;&nbsp;&nbsp;</td>
  <td width="16%">
    <div align="right"></div>

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</td>
<td width="19%">
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</tr>
<tr>
<td width="13%">&nbsp;</td>
<td width="29%">Single Fam Mort Mezz-E-1</td>
<td width="23%">6.60% due 7/1/2011</td>
<td width="16%">
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<td width="13%">AA</td>
<td width="29%">Idaho Housing Authority</td>
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  <div align="right"></div>
</td>
<td width="19%">
  <div align="right"></div>
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<tr>
<td width="13%">&nbsp;</td>
<td width="29%">Single Fam Mort Rev Ser B1</td>
<td width="23%">8.125% due 7/1/2019</td>
<td width="16%">
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</td>
<td width="19%">
  <div align="right">4,986</div>
</td>
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<tr>
<td width="13%">&nbsp;</td>
<td width="29%">&quot;</td>
<td width="23%">8.00% due 1/1/2020</td>
<td width="16%">
  <div align="right">15,000</div>
</td>
<td width="19%">
  <div align="right">15,104</div>
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</tr>
<tr>
<td width="13%">AA</td>
<td width="29%">Idaho Housing Authority</td>
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  <div align="right"></div>
</td>
<td width="19%">
  <div align="right"></div>
</td>
</tr>
<tr>
<td width="13%">&nbsp;</td>
<td width="29%"> Single Fam Mort SR Ser C1 </td>
<td width="23%">7.70% due 7/1/2017</td>

```

```
 <u>30,000</u></div> </td>  <u>30,490</u></div> </td> </tr> <tr>  &nbsp;</td>  <i>SUB-TOTAL</i></td>  &nbsp;</td>  Copyright © 2012 www.secdatabase.com. All Rights Reserved. Please Consider the Environment Before Printing This Document | | | | | |
```

			6.00% due 7/1/2008
			50,000
			52,102
<b>Medical/Hospitals (4.5%)</b>			
	Idaho Health Facility Authority		
<b>Real Estate (3.0%)</b>			
	Hospital Revenue - Elks Rehab		
			300,000
			299,850
<b>AAA</b>			
	Idaho St Bldg Authority Ser C		
			100,000
			106,070
<b>AAA</b>			
	Idaho State Building Authority		
			100,000
			96,400
<b>SUB-TOTAL</b>			
			200,000

```

</td>
<td width="18%">
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</td>
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<tr>
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<tr>
  <td width="12%">A</td>
  <td width="30%">Payette L.I.D. #89-1</td>
  <td width="23%">7.60% due 5/1/2005</td>
  <td width="17%">
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  </td>
  <td width="18%">
    <div align="right">30,051</div>
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</tr>
<tr>
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  <td width="30%">Post Falls, Kootenai County</td>
  <td width="23%">7.40% due 4/15/2000</td>
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  <td width="18%">
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<tr>
  <td width="12%">&nbsp;</td>
  <td width="30%">L.I.D. #91-1</td>
  <td width="23%">7.60% due 4/15/2001</td>
  <td width="17%">
    <div align="right">15,000</div>
  </td>
  <td width="18%">
    <div align="right">14,934</div>
  </td>
</tr>
<tr>
  <td width="12%">&nbsp;</td>
  <td width="30%">&quot;</td>
  <td width="23%">7.75% due 4/15/2002</td>
  <td width="17%">
    <div align="right">20,000</div>
  </td>
  <td width="18%">
    <div align="right">19,940</div>
  </td>
</tr>
<tr>
  <td width="12%">&nbsp;</td>
  <td width="30%">&quot;</td>
  <td width="23%">7.95% due 4/15/2003</td>
  <td width="17%">
    <div align="right">20,000</div>
  </td>
  <td width="18%">
    <div align="right">19,971</div>
  </td>
</tr>
<tr>

```



	"	7.95% due 4/15/2004	20,000	
			20,001	
L.I.D. #91-4	7.95% due 4/15/2005	20,000	19,978	
L.I.D. #91-4	7.95% due 4/15/2006	20,000	19,996	
L.I.D. #91-4	7.95% due 4/15/2007	<u>20,000</u>	<u>19,996</u>	
	<i>SUB-TOTAL</i>		180,000	
			179,766	
<b><i>State Education (11.4%)</i></b>				
AAA	Boise State University			

```

<td width="18%">
  <div align="right"></div>
</td>
</tr>
<tr>
<td width="12%">&nbsp;</td>
<td width="30%">Student Univ. & Housing</td>
<td width="23%">5.10% due 4/1/2014</td>
<td width="17%">
  <div align="right">300,000</div>
</td>
<td width="18%">
  <div align="right">301,950</div>
</td>
</tr>
<tr>
<td width="12%">AAA</td>
<td width="30%">Idaho State University</td>
<td width="23%">&nbsp;</td>
<td width="17%">
  <div align="right"></div>
</td>
<td width="18%">
  <div align="right"></div>
</td>
</tr>
<tr>
<td width="12%">&nbsp;</td>
<td width="30%">Student Fee Revenue</td>
<td width="23%">4.90% due 4/1/2017</td>
<td width="17%">
  <div align="right">150,000</div>
</td>
<td width="18%">
  <div align="right">145,860</div>
</td>
</tr>
<tr>
<td width="12%">&nbsp;</td>
<td width="30%">Student Fee Rev - Elmwood</td>
<td width="23%">5.25% due 4/1/2014</td>
<td width="17%">
  <div align="right">120,000</div>
</td>
<td width="18%">
  <div align="right">123,180</div>
</td>
</tr>
<tr>
<td width="12%">AAA</td>
<td width="30%">University of Idaho</td>
<td width="23%">&nbsp;</td>
<td width="17%">
  <div align="right"></div>
</td>
<td width="18%">
  <div align="right"></div>
</td>
</tr>
<tr>
<td width="12%">&nbsp;</td>
<td width="30%">Student Fee Revenue</td>
<td width="23%">5.60% due 4/1/2015</td>
<td width="17%">

```

	<u>185,000</u>
	<u>191,752</u>
</tr>	
	755,000
	762,742
</tr>	
<b><i>Sewer (2.2%)</i></b>	
</tr>	
	Troy, Sewer Revenue
	7.10% due 2/1/2000
	10,000
	10,075
</tr>	
	7.30% due 2/1/2001
	10,000
	10,073
</tr>	
	7.40% due 2/1/2002
	10,000
	10,081
</tr>	
	7.50% due 2/1/2003
	10,000
	10,086
</tr>	

```

<tr>
  <td width="12%">&nbsp;</td>
  <td width="30%">&quot;</td>
  <td width="23%">7.60% due 2/1/2004</td>
  <td width="17%">
    <div align="right">10,000</div>
  </td>
  <td width="18%">
    <div align="right">10,093</div>
  </td>
</tr>
<tr>
  <td width="12%">&nbsp;</td>
  <td width="30%">&quot;</td>
  <td width="23%">7.70% due 2/1/2005</td>
  <td width="17%">
    <div align="right">15,000</div>
  </td>
  <td width="18%">
    <div align="right">15,149</div>
  </td>
</tr>
<tr>
  <td width="12%">&nbsp;</td>
  <td width="30%">&quot;</td>
  <td width="23%">7.80% due 2/1/2006</td>
  <td width="17%">
    <div align="right">15,000</div>
  </td>
  <td width="18%">
    <div align="right">15,159</div>
  </td>
</tr>
<tr>
  <td width="12%">&nbsp;</td>
  <td width="30%">&quot;</td>
  <td width="23%">7.90% due 2/1/2007</td>
  <td width="17%">
    <div align="right">15,000</div>
  </td>
  <td width="18%">
    <div align="right">15,165</div>
  </td>
</tr>
<tr>
  <td width="12%">&nbsp;</td>
  <td width="30%">&quot;</td>
  <td width="23%">8.00% due 2/1/2008</td>
  <td width="17%">
    <div align="right">15,000</div>
  </td>
  <td width="18%">
    <div align="right">15,167</div>
  </td>
</tr>
<tr>
  <td width="12%">&nbsp;</td>
  <td width="30%">&quot;</td>
  <td width="23%">8.00% due 2/1/2009</td>
  <td width="17%">
    <div align="right">20,000</div>
  </td>
  <td width="18%">
    <div align="right">20,230</div>
  </td>
</tr>

```



				<div align="right">200,000</div>
				</td>
				<div align="right">215,634</div>
				</td>
				</tr>
				<tr>
				<td width="12%">A</td>
				<td width="30%">McCall Water Revenue</td>
				<td width="23%">6.375% due 9/1/2014</td>
				<td width="17%">
				<div align="right">70,000</div>
				</td>
				<td width="18%">
				<div align="right">75,249</div>
				</td>
				</tr>
				<tr>
				<td width="12%">A</td>
				<td width="30%">Ucon Water & Sewer Rev. Ref.</td>
				<td width="23%">7.75% due 12/1/2002</td>
				<td width="17%">
				<div align="right"><u>35,000</u></div>
				</td>
				<td width="18%">
				<div align="right"><u>35,340</u></div>
				</td>
				</tr>
				<tr>
				<td width="12%">&nbsp;</td>
				<td width="30%"><i>SUB-TOTAL</i></td>
				<td width="23%">&nbsp;</td>
				<td width="17%">
				<div align="right">625,000</div>
				</td>
				<td width="18%">
				<div align="right">661,983</div>
				</td>
				</tr>
				<tr>
				<td colspan="2" height="25"><b>Total Investments (97.1%)</b></td>
				<td width="23%">Cost = \$6,403,899</td>
				<td width="17%">
				<div align="right"><u>\$6,355,000</u></div>
				</td>
				<td width="18%">
				<div align="right"><u>\$6,518,453</u></div>
				</td>
				</tr>
				<tr>
				<td colspan="4">Other Assets (net of liabilities) (2.9%)
				<div align="right"></div>
				</td>
				<td width="18%">
				<p align="right"><u>191,720</u></p>
				</td>
				</tr>
				<tr>
				<td colspan="4"><b>Total Net Assets (100%)</b></td>
				<div align="right"></div>
				</td>
				<td width="18%">
				<div align="right"><u>\$6,710,173</u></div>

```

    </td>
</tr>
<tr>
    <td colspan="5"><i>* These bond ratings reflect the adviser's current rating
        of each bond, as determined using criteria similar to Standard & Poor's
        and Moody's ratings. </i></td>
</tr>
</TABLE>
<p><i>Page 3</i></p>
<HR>
<hr>
<table width="100%" border="0">
    <tr>
        <td width="36%" height="32" bgcolor="#FF0000">
            <div align="center"><b><font size="4" color="#FFFFFF">IDAHO TAX-EXEMPT FUND</font></b></div>
        </td>
        <td width="28%" height="32">&nbsp;</td>
        <td width="36%" height="32">
            <div align="right"><i>May 31, 1999 Semi-Annual Report</i> </div>
        </td>
    </tr>
    <tr>
        <td width="100%" colspan="3">
            <div align="center"><i><font color="#ff0000" size="6">Financial Highlights</font></i>
            </div>
        </td>
    </tr>
</TABLE>
<p>Selected data per share of capital stock outstanding throughout the period:</p>
<table width="100%" border="0">
    <tr>
        <td width="6%">&nbsp;</td>
        <td width="40%">&nbsp;</td>
        <td width="8%">
            <div align="center">May</div>
        </td>
        <td colspan="5">
            <div align="center"><u>For Year Ended November 30</u></div>
        </td>
    </tr>
    <tr>
        <td colspan="2" width="6%">
            <div align="right"></div>
        </td>
        <td width="9%">
            <div align="right"><b><u>1999</u></b></div>
        </td>
        <td width="9%">
            <div align="right"><b><u>1998</u></b></div>
        </td>
        <td width="9%">
            <div align="right"><b><u>1997</u></b></div>
        </td>
        <td width="9%">
            <div align="right"><b><u>1996</u></b></div>
        </td>
        <td width="9%">
            <div align="right"><b><u>1995</u></b></div>
        </td>
        <td width="9%">
            <div align="right"><b><u>1994</u></b></div>
        </td>
    </tr>
</tr>
<tr>

```





	(0.03)
	0.52
	(0.46)
Total From Investment Operations	
	(0.01)
	0.35
	0.29
	0.24
	0.78
	(0.19)
	<i>Less Distributions</i>
	Dividends (from net investment income)
	(0.12)
	(0.23)
	(0.26)

```

</td>
<td width="9%">
  <div align="right">(0.27)</div>
</td>
<td width="9%">
  <div align="right">(0.26)</div>
</td>
<td width="9%">
  <div align="right">(0.27)</div>
</td>
</tr>
<tr>
  <td width="6%">&nbsp;</td>
  <td width="40%">Distributions (from capital gains)</td>
  <td width="9%">
    <div align="right"><u>0.00</u></div>
  </td>
  <td width="9%">
    <div align="right"><u>(0.04)</u></div>
  </td>
  <td width="9%">
    <div align="right"><u>0.00</u></div>
  </td>
  <td width="9%">
    <div align="right"><u>0.00</u></div>
  </td>
  <td width="9%">
    <div align="right"><u>0.00</u></div>
  </td>
  <td width="9%">
    <div align="right"><u>(0.01)</u></div>
  </td>
</tr>
<tr>
  <td colspan="2" width="6%">Total Distributions</td>
  <td width="9%">
    <div align="right">(0.12)</div>
  </td>
  <td width="9%">
    <div align="right">(0.27)</div>
  </td>
  <td width="9%">
    <div align="right">(0.26)</div>
  </td>
  <td width="9%">
    <div align="right">(0.27)</div>
  </td>
  <td width="9%">
    <div align="right">(0.26)</div>
  </td>
  <td width="9%">
    <div align="right">(0.28)</div>
  </td>
</tr>
<tr>
  <td colspan="2" width="6%"><b>Net asset value at end of year</b></td>
  <td width="9%">
    <div align="right"><b><u>$5.23</u></b></div>
  </td>
  <td width="9%">
    <div align="right"><b><u>$5.36</u></b></div>
  </td>
  <td width="9%">
    <div align="right"><b><u>$5.28</u></b></div>
  </td>

```

```

</td>
<td width="9%">
  <div align="right"><b><u>$5.25</u></b></div>
</td>
<td width="9%">
  <div align="right"><b><u>$5.28</u></b></div>
</td>
<td width="9%">
  <div align="right"><b><u>$4.76</u></b></div>
</td>
</tr>
<tr>
  <td colspan="2" width="6%"><b>Total Return</b></td>
  <td width="9%">
    <div align="right"><b>(0.28)%</b></div>
  </td>
  <td width="9%">
    <div align="right"><b>7.28%</b></div>
  </td>
  <td width="9%">
    <div align="right"><b>5.69%</b></div>
  </td>
  <td width="9%">
    <div align="right"><b>4.66%</b></div>
  </td>
  <td width="9%">
    <div align="right"><b>16.68%</b></div>
  </td>
  <td width="9%">
    <div align="right"><b>$4.76</b></div>
  </td>
</tr>
<tr>
  <td width="6%">&nbsp;</td>
  <td width="40%">&nbsp;</td>
  <td width="9%">
    <div align="right"></div>
  </td>
  <td width="9%">
    <div align="right"></div>
  </td>
  <td width="9%">
    <div align="right"></div>
  </td>
  <td width="9%">
    <div align="right"></div>
  </td>
  <td width="9%">
    <div align="right"></div>
  </td>
  <td width="9%">
    <div align="right"></div>
  </td>
</tr>
<tr>
  <td colspan="2" width="6%"><u><i>Ratios/Supplemental data</i></u></td>
  <td width="9%">
    <div align="right"></div>
  </td>
  <td width="9%">
    <div align="right"></div>
  </td>
  <td width="9%">
    <div align="right"></div>
  </td>
  <td width="9%">
    <div align="right"></div>
  </td>
  <td width="9%">
    <div align="right"></div>
  </td>
  <td width="9%">
    <div align="right"></div>
  </td>
</tr>

```

Net assets (\$000), end of period		
		\$6,710
		\$6,264
		\$5,255
		\$5,064
		\$5,220
		\$6,841
Ratio of expenses to average net assets &#134;		
		0.40%
		0.76%
		0.80%
		0.79%
		0.75%
		0.75%
Ratio of net investment income to average net assets&#134;		
		2.14%
		4.69%
		4.99%

	5.10%
	5.07%
	5.28%

Portfolio turnover rate	
	4%
	23%
	20%
	10%
	28%
	36%

For each of the above years, all or a portion of the expenses were waived. If these costs had not been waived, the resulting increase to expenses per share in each of the above periods would be \$.00, \$.00, \$.01, \$.01, \$.016, and \$.007, respectively. The increase to the ratio of expenses to average daily net assets would be .00%, .08%, .16%, .27%, .26%, and .14%, respectively.

*(The accompanying notes are an integral part of these financial statements)*

Page 4

<b>IDAHO TAX-EXEMPT FUND</b>	
<i>May 31, 1999 Semi-Annual Report</i>	

<b>Statement of Assets and Liabilities</b>		
--	--	--

```

</TABLE>
<br>
<table width="80%" border="0">
  <tr>
    <td colspan="3"><i>As of May 31, 1999</i> </td>
    <td width="14%">
      <div align="right"></div>
    </td>
    <td width="19%">
      <div align="right"></div>
    </td>
  </tr>
  <tr>
    <td colspan="3"><br>
      <b>Assets</b> </td>
    <td width="14%">
      <div align="right"></div>
    </td>
    <td width="19%">
      <div align="right"></div>
    </td>
  </tr>
  <tr>
    <td width="4%">&nbsp;</td>
    <td colspan="2">Bond investments (cost $6,403,899)</td>
    <td width="14%">
      <div align="right">$6,518,453 </div>
    </td>
    <td width="19%">
      <div align="right"></div>
    </td>
  </tr>
  <tr>
    <td width="4%">&nbsp;</td>
    <td colspan="2">Cash</td>
    <td width="14%">
      <div align="right">82,805</div>
    </td>
    <td width="19%">
      <div align="right"></div>
    </td>
  </tr>
  <tr>
    <td width="4%">&nbsp;</td>
    <td colspan="2">Interest receivable</td>
    <td width="14%">
      <div align="right">106,853</div>
    </td>
    <td width="19%">
      <div align="right"></div>
    </td>
  </tr>
  <tr>
    <td width="4%">&nbsp;</td>
    <td colspan="2">Insurance Reserve Premium</td>
    <td width="14%">
      <div align="right"><u>2,473</u></div>
    </td>
    <td width="19%">
      <div align="right"></div>
    </td>
  </tr>
  <tr>
    <td width="4%">&nbsp;</td>

```

```

<td width="8%">&nbsp;</td>
<td width="55%">Total Assets</td>
<td width="14%">
  <div align="right"></div>
</td>
<td width="19%">
  <div align="right">$6,710,584</div>
</td>
</tr>
<tr>
  <td colspan="3"><br>
    <b>Liabilities</b> </td>
  <td width="14%">
    <div align="right"></div>
  </td>
  <td width="19%">
    <div align="right"></div>
  </td>
</tr>
<tr>
  <td width="4%">&nbsp;</td>
  <td colspan="2">Other Liabilities</td>
  <td width="14%">
    <div align="right"><u>411</u></div>
  </td>
  <td width="19%">
    <div align="right"></div>
  </td>
</tr>
<tr>
  <td width="4%">&nbsp;</td>
  <td width="8%">&nbsp;</td>
  <td width="55%">Total Liabilities</td>
  <td width="14%">
    <div align="right"></div>
  </td>
  <td width="19%">
    <div align="right"><u>411</u></div>
  </td>
</tr>
<tr>
  <td colspan="3"><br>
    <b>Net Assets</b></td>
  <td width="14%">
    <div align="right"></div>
  </td>
  <td width="19%">
    <div align="right"><b>$6,710,173</b></div>
  </td>
</tr>
<tr>
  <td colspan="3"><br>
    Fund shares outstanding</td>
  <td width="14%">
    <div align="right"></div>
  </td>
  <td width="19%">
    <p align="right">
      <p align="right"> 1,281,456
    </p>
  </td>
</tr>
<tr>
  <td colspan="3">

```

```

        <p>
        <p>
        <p><b>Analysis of Net Assets</b>
    </td>
    <td width="14%">
        <div align="right"></div>
    </td>
    <td width="19%">
        <div align="right"></div>
    </td>
</tr>
<tr>
    <td width="4%">&nbsp;</td>
    <td colspan="2">Paid in capital (unlimited shares authorized, without par
        value)</td>
    <td width="14%">
        <div align="right">$6,594,007 </div>
    </td>
    <td width="19%">
        <div align="right"></div>
    </td>
</tr>
<tr>
    <td width="4%">&nbsp;</td>
    <td colspan="2">Accumulated net realized gain (loss) on investments</td>
    <td width="14%">
        <div align="right">1,566</div>
    </td>
    <td width="19%">
        <div align="right"></div>
    </td>
</tr>
<tr>
    <td width="4%">&nbsp;</td>
    <td colspan="2">Unrealized net appreciation on investments</td>
    <td width="14%">
        <div align="right"><u>114,600</u></div>
    </td>
    <td width="19%">
        <div align="right"></div>
    </td>
</tr>
<tr>
    <td width="4%">&nbsp;</td>
    <td width="8%">&nbsp;</td>
    <td width="55%">Net Assets applicable to Fund shares outstanding</td>
    <td width="14%">
        <div align="right"></div>
    </td>
    <td width="19%">
        <div align="right"><u> $6,710,173 </u> </div>
    </td>
</tr>
<tr>
    <td colspan="3"><br>
        <b>Net Asset Value, Offering and Redemption price per share</b> </td>
    <td width="14%">
        <div align="right"></div>
    </td>
    <td width="19%">
        <div align="right"><b><u>$5.23</u></b> </div>
    </td>
</tr>
</TABLE>

```



&nbsp;

<div align="center"> <i>Statement of Operations</i> </div>		
--	--	--

For the semi-annual period ended May 31, 1999		
<b>Investment income</b>		
		<b></b>
&nbsp;		
Interest income		
		\$171,774
&nbsp;		
Amortization of bond premiums		
		(3,140)
&nbsp;		
Accretion		
		433
&nbsp;		
Miscellaneous income		
		<u>25</u>
&nbsp;		



&nbsp;	Other expenses		<div align="right">1,457</div>
<div align="right"></div>			
&nbsp;	Filing and registration fees		<div align="right"><u>515</u></div>
<div align="right"></div>			
&nbsp;	Total gross expenses		<div align="right">26,200</div>
<div align="right"></div>			
&nbsp;	&nbsp;	Less advisory fee waived	<div align="right"><u>(395)</u></div>
<div align="right"></div>			
&nbsp;	Net expenses		<div align="right"></div>
<div align="right"></div>			
&nbsp;	&nbsp;	Net investment income	<div align="right"></div>
<div align="right"></div>			
<b>Net realized gain on investments</b>			<div align="right"></div>

```

        <div align="right"><b></b></div>
    </td>
    <td width="17%">
        <div align="right"><b></b></div>
    </td>
</tr>
<tr>
    <td width="7%">&nbsp;</td>
    <td colspan="2">Proceeds from sales</td>
    <td width="11%">
        <div align="right">208,480</div>
    </td>
    <td width="17%">
        <div align="right"></div>
    </td>
</tr>
<tr>
    <td width="7%">&nbsp;</td>
    <td colspan="2">Less cost of securities sold based on identified cost</td>
    <td width="11%">
        <div align="right"><u>207,264</u></div>
    </td>
    <td width="17%">
        <div align="right"></div>
    </td>
</tr>
<tr>
    <td width="7%">&nbsp;</td>
    <td width="7%">&nbsp;</td>
    <td width="58%">Realized net gain</td>
    <td width="11%">
        <div align="right"></div>
    </td>
    <td width="17%">
        <div align="right"><u>1,216</u></div>
    </td>
</tr>
<tr>
    <td colspan="3"><b>Unrealized gain on investments</b></td>
    <td width="11%">
        <div align="right"><b></b></div>
    </td>
    <td width="17%">
        <div align="right"><b></b></div>
    </td>
</tr>
<tr>
    <td width="7%">&nbsp;</td>
    <td colspan="2">End of period</td>
    <td width="11%">
        <div align="right">114,600</div>
    </td>
    <td width="17%">
        <div align="right"></div>
    </td>
</tr>
<tr>
    <td width="7%" height="20">&nbsp;</td>
    <td height="20" colspan="2">Beggining of period</td>
    <td width="11%" height="20">
        <div align="right"><u>267,836</u></div>
    </td>
    <td width="17%" height="20">
        <div align="right"></div>
    </td>

```

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</td>
</tr>
<tr>
<td width="7%">&nbsp;&nbsp;&nbsp;</td>
<td width="7%">&nbsp;&nbsp;&nbsp;</td>
<td width="58%">Increase in unrealized gain (loss) for the period</td>
<td width="11%">
<div align="right"></div>
</td>
<td width="17%">
<div align="right"><u>(153,236)</u></div>
</td>
</tr>
<tr>
<td width="7%">&nbsp;&nbsp;&nbsp;</td>
<td colspan="2">Net realized and unrealized gain (loss) on investments</td>
<td width="11%">
<div align="right"></div>
</td>
<td width="17%">
<div align="right"><u>(152,020)</u></div>
</td>
</tr>
<tr>
<td height="19" colspan="3"><b>Net decrease in net assets resulting from operations</b></td>
<td width="11%" height="19">
<div align="right"><b></b></div>
</td>
<td width="17%" height="19">
<div align="right"><b><u>$ (8,733)</u></b></div>
</td>
</tr>
</TABLE>
<p align="center"><font size="-1"><i>(The accompanying notes are an integral part
of these financial statements)</i></font></p>
<p align="right"><i>Page 5</i></p>
<p align="left">&nbsp;&nbsp;&nbsp;</p>
<HR>
<p>&nbsp;&nbsp;&nbsp;</p><table width="86%" border="0">
<tr>
<td width="36%" height="32" bgcolor="#FF0000">
<div align="center"><b><font size="4" color="#FFFFFF">IDAHO TAX-EXEMPT FUND</font></b></div>
</td>
<td width="28%" height="32">&nbsp;&nbsp;&nbsp;</td>
<td width="36%" height="32">
<div align="right"><i>May 31, 1999 Semi-Annual Report</i> </div>
</td>
</tr>
<tr>
<td width="100%" colspan="3">
<div align="center"><i><font color="#ff0000" size="6">Statement of Changes
in Net Assets</font></i></div>
</td>
</tr>
</TABLE><br>
<table width="79%" border="0">
<tr>
<td width="2%">&nbsp;&nbsp;&nbsp;</td>
<td width="62%">&nbsp;&nbsp;&nbsp;</td>
<td width="20%">
<p align="right"><i>Six months ended</i> <u>May 31, 1999</u></p>
</td>
<td width="16%">
<div align="right"><i>Year Ended</i> <u>Nov. 30, 1998</u></div>

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</td>
</tr>
<tr>
<td colspan="2"><b>INCREASE IN NET ASSETS</b></td>
<td width="20%">
<div align="right"></div>
</td>
<td width="16%">
<div align="right"></div>
</td>
</tr>
<tr>
<td height="14" colspan="2">
<p><b>From Operations</b></p>
</td>
<td height="14" width="20%">
<div align="right"></div>
</td>
<td height="14" width="16%">
<div align="right"></div>
</td>
</tr>
<tr>
<td width="2%">&nbsp;</td>
<td width="62%">Net investment income</td>
<td width="20%">
<div align="right">$143,287</div>
</td>
<td width="16%">
<div align="right">$271,306</div>
</td>
</tr>
<tr>
<td width="2%">&nbsp;</td>
<td width="62%">Net realized gain on investments</td>
<td width="20%">
<div align="right">1,216</div>
</td>
<td width="16%">
<div align="right">74,592</div>
</td>
</tr>
<tr>
<td width="2%">&nbsp;</td>
<td width="62%">Net increase (decrease) in unrealized appreciation</td>
<td width="20%">
<div align="right"><u>(153,236)</u></div>
</td>
<td width="16%">
<div align="right"><u>59,710</u></div>
</td>
</tr>
<tr>
<td width="2%">&nbsp;</td>
<td width="62%">Net increase in net assets from operations</td>
<td width="20%">
<div align="right"><u>(8,733)</u></div>
</td>
<td width="16%">
<div align="right"><u>405,608</u></div>
</td>
</tr>
<tr>
<td colspan="2"><b>Dividends to Shareowners from</b></td>

```

	Net investment income	(141,621)
		(270,610)
	Capital gains distributions	<u>0</u>
		<u>(52,202)</u>
<b>Fund Share Transactions</b>		
	Proceeds from sales of shares	835,413
		1,495,612
	Value of shares issued in reinvestment of dividends	<u>112,483</u>
		<u>247,973</u>







</TABLE>

<p align="center"><font size="-1"><i>(The accompanying notes are an integral part of these financial statements)</i></font></p>

<p><i>Page 6</i></p>

<HR>

<p align="center"><i><font color="#ff0000" size="6">Notes to Financial Statements</font></i></p>

<p><b><font

color="#ff0000">Note 1-<i>Organization</i></font></b> </p>

<p>Saturna Investment Trust, (the &quot;Trust&quot;) was established under Washington State Law as a Business Trust on February 20, 1987. The Trust is registered as a no-load, open-end series investment company under the Investment Company Act of 1940, as amended. Four portfolios have been created to date in addition to Idaho Tax-Exempt Fund (the &quot;Fund&quot;). The other four portfolios distribute through a separate prospectus and the results of those funds are contained in a separate report.

<p><b><font color="#ff0000">Note 2<i>Significant Accounting Policies</i></font></b>

<p>The following is a summary of the significant accounting policies followed by the Fund.

<p>

<p><b><i>Investments:</i></b>

<p>Fixed-income securities for which there are no publicly available market quotations are valued using matrices based on maturity, quality, yield and similar factors, which are compared periodically to multiple dealer bids and adjusted by the adviser under policies established by the Trustees.

<p>

<p>The cost of securities is the same for accounting and Federal income tax purposes. Securities transactions are recorded on trade date. Realized gains and losses are recorded on the identified cost basis.

<p>

<p><b><i>Income and Expenses:</i></b>

<p>Interest income is reduced by the amortization of bond premiums, on a constant yield-to-maturity basis from purchase date to maturity or call, as appropriate.

<p>

<p>Interest income is increased by accretion only for bonds underwritten as original issue discounts. Market discounts are recorded as realized gains upon disposition.

<p>

<p>Expenses incurred by the Trust on behalf of the Fund (e.g., professional fees) are allocated to the Fund and the other Funds of the Trust on the basis of relative daily average net assets. The Adviser has agreed to certain limits on expenses, as described below.

<p>

<p><b><i>Income taxes:</i></b>

<p>The Fund has elected to be taxed as a regulated investment company under the Internal Revenue Code and distribute substantially all of its taxable net investment income and realized net gains on investments. Therefore, no provision for Federal income taxes is required. Further, the Fund intends to meet IRS requirements for tax-free income dividends, and requirements of the Idaho Department of Revenue for income dividends free of Idaho state income tax.

<p><b><i>Dividends and distributions to shareowners:</i></b>

<p>Dividends and distributions to shareowners are recorded on the ex-dividend date. Dividends are paid daily and distributed on the last business day of each month. Shareowners electing to reinvest dividends and distributions purchase additional shares at the net asset value on the distribution date.

<p><b><font color="#ff0000">Note 3<i>Transactions with Affiliated Persons</i></font></b>

<p>Under a contract approved by shareowners on October 12, 1990, Saturna Capital Corporation provides investment advisory services and certain other administrative and distribution services to conduct the Fund's business. For such services, the Fund pays an annual fee equal to .50% of average daily net assets. For the six months ended May 31, 1999, the Fund incurred advisory fee expenses of \$15,944.

<p>

<p>Saturna Capital has volunteered to reimburse the Fund to the extent that total expenses of the Fund, (excluding interest, brokerage commissions and taxes) exceeds .80% through March 31, 2000. Accordingly, for the six months ended May

31, 1999, Saturna Capital waived \$395 of the advisory fee.

<p>

<p>In accordance with the Fund's agreement with its custodian, National City Bank of Indiana, for the six months ended May 31, 1999, custodian fees incurred by the Fund, amounted to \$1,041.

<p>

<p>The Trust acts as a distributor of its own shares, except in those states in which Investors National Corporation (a subsidiary of Saturna Capital Corporation) is itself registered as a broker-dealer and acts as distributor without compensation. Saturna Capital Corporation acts as shareowner servicing agent for the Fund, for a monthly fee plus certain expenses. For the six months ended May 31, 1999, the Fund paid such a fee of \$2,015.

<p>

<p>One trustee is also a director and officer of Saturna Capital Corporation. The unaffiliated trustees receive a fee of \$100 per meeting attended, and in the period ending May 31, 1999, such fees totalled \$800.

<p>

<p><b><font color="#ff0000">Note 4<i>Investments</i></font></b>

<p>At May 31, 1999, the net unrealized appreciation of investments for the Fund of \$114,600 comprised gross unrealized gains of \$158,795 and gross unrealized losses of (\$44,195).

<p>

<p>During the six months ended May 31, 1999, the Fund purchased \$775,842 of securities and sold/matured \$208,480 of securities.

<p align="right"><i>Page 7</i>

<p>

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<p align="center">&nbsp;</p>

<p align="center">&nbsp;</p>

<div align="center">

<table width="64%" border="2">

<tr bgcolor="#ff0000" align="center">

<td align="center"><font color='white'> </font><font color='white'>

<p><font color="#FFFFFF">web: <http://www.saturna.com><br>

E-mail: [Idaho@saturna.com](mailto:Idaho@saturna.com)</font></p>

<p></p>

</font></td>

</tr>

</TABLE>

<p align="center">(logo)</p>

<p align="center"><font size="7" color="#FF0000">Saturna Capital</font><br>

<font size="5">Mutual Funds</font></p>

<p>&nbsp;</p>

</div>

<p align="center">1-800/SATURNA<br>

(800/728-8762)</p>

<p align="center">&nbsp;</p>

<div align="center">

<table width="63%" border="2">

<tr bgcolor="#ff0000" align="center">

<td align="center">

<div align="center"><font color='white'> </font> </div>

<p align="center">&nbsp;</p>

<p align="center"><font color="#FFFFFF">This report is issued for the information of the shareowners of the Fund. It is not authorized for distribution to prospective investors unless it is accompanied or preceded by an effective prospectus relating to the securities of the Fund. Idaho Tax-Exempt Fund is a series of Saturna Investment Trust</font></p>

<p align="center">&nbsp;</p>

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</tr>

</TABLE>

<p>&nbsp;</p></div>

<h6 align="center"><font size="7" color="#FF0000">I D A H O </font><br>

TAX-EXEMPT FUND</h6>  
<p align="center">(graphic omitted)</p>  
<p align="center"><i>A Portfolio of Saturna Investment Trust</i></p>  
<p align="center"><font color="#FF0000">SEMI-ANNUAL REPORT</font><br>  
May 31, 1999</p>  
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</BODY>  
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