SATURNA CAPITAL CORPORATION

1300 NORTH STATE STREET BELLINGHAM, WASHINGTON 98225

January 14, 2008

Ladies and Gentlemen:

Re: Releases Nos.33-8861 and IC-28064, and the referenced file number, regarding Enhanced Disclosure and New Prospectus Delivery Option For Registered Open-End Management Investment Companies ("Proposal")

Saturna Capital Corporation ("Saturna") is a Registered Investment Adviser located in Bellingham, WA. Saturna manages a variety of accounts, including two Trusts consisting of eight no-load mutual funds (Saturna Investment Trust and Amana Mutual Funds Trust), the assets of which are approximately $1 billion.

Saturna appreciates the opportunity to submit comments regarding the Proposal. We believe that the concept of a summary prospectus is a positive step in providing information to mutual fund investors. After a review of the Proposal within our firm, we respectfully submit the following comments for the Commission's consideration.

Summary Prospectus Forma

We believe that use of a summary prospectus in lieu of a full prospectus should help investors digest key facts about a fund.

However, fund families often combine funds in a single prospectus to assist investors in choosing which fund(s) are most appropriate for their objectives. The Proposal's requirement that the prospectus contain a summary for each fund offered under the prospectus will enlarge the document, and make ready comparisons among the options difficult for an investor.

For example, if a family of funds offers a number of fixed-income funds, varying by maturity, quality, or other objectives, the investor will not be readily able to compare the related funds and choose the one most appropriate for the investor's portfolio. Instead, the investor may not be aware of the other choices, and, on receiving a full prospectus, will have to read a separate multi-page summary for each fund, each of which also contains information common to all funds in the prospectus. Comparing the funds and their objectives would be difficult. Forbidding the inclusion of more than one fund in a prospectus would further compound the problem of comparing investment choices.

Perhaps a better approach would be not to require the summaries to be the first part of each full prospectus. Instead, a summary could be an independent document, containing certain specified information drawn from the full prospectus and incorporating the full prospectus by reference.

These separate summaries could be used in the manner outlined in the Proposal. However, when an investor requests a prospectus, it should closely resemble the present form of prospectus. The full prospectus would have information about all of the funds in the prospectus, allowing easier comparison of objectives. Common information would be contained in one place, rather than repeated. The summaries could be delivered on request.

We also suggest permitting in a summary of a list of the other funds contained in the prospectus. This listing would inform an investor of the availability of other options, one or more of which may even be more appropriate for the investor's portfolio than the specific one about which he requested information.

Expense information

We believe that requiring the expense ratio to be featured prominently, presently required by regulations in some settings, can mislead investors, and possibly be a disservice to them.

Of course, the costs of investing are important considerations. But an investor purchasing a fund because it has a low expense ratio could be eliminating from consideration other funds, possibly with better performance or better suited to the investor's needs. An expense ratio is only one of several factors in making an investment decision, but one that is automatically eliminated from importance because it is netted out of the performance numbers presented to investors. By drawing attention to the expense ratio in isolation from the context of its relationship to performance, the proposed placement is in effect double counting. We suggest that the important issue for shareholders is the return they receive net of expenses, not just the amount of the expense in isolation from performance.

Expenses of a given fund could be higher than those of other funds because a high expense fund might have a performance fee that is rewarding the manager for superior performance. An adviser to a fund may maintain an expensive research department, or hire more skilled managers who produce far better results. The common practice of automatically disparaging high expense ratios is inappropriate when directed to funds with fulcrum performance fees. In the case of a fulcrum fee, a higher expense ratio is the result of better performance (which is net of that higher fee), while a lower expense ratio may exist only because of poor performance. Placing an excessive focus on expenses will discourage investors from considering funds with fees related to performance, which is to their disadvantage.

In addition, the emphasis on expense ratio disadvantages small funds without the opportunity to spread fixed costs over a large asset base. If the small fund has outstanding performance and a higher expense ratio, an investor may be misled into thinking it is not as good an investment as a larger fund with lower expenses. But, should that difference be solely attributable to the larger fund's ability to spread fixed costs, then the investor is making her investment decision for the wrong reason. In other words, the fact an investment is cheap does not mean it is a good investment.

Graphic and other information

We urge the Commission to reconsider its limitation on use of graphic information. As a general principle, we believe that well-designed graphics improves understanding of complex information.

We suggest the Commission permit such graphics as two items commonly found in fund shareholder reports: (1) the "mountain chart" showing growth of a $10,000 investment, effectively summarizing long-term results; and (2) the pie chart showing portfolio industries.

The bar chart of annual returns in the prospectus is another example of a useful graph. Other graphics to consider might be assets by country in an international fund, or bonds by rating in an income fund. This information is very important to an investor's decision, and presenting this information in a graphic form makes these important points easily understood at a glance.

Calendar quarter updates

We ask that the Commission review the Proposal's requirement that information be updated quarterly.

Please note that many mutual funds do not have fiscal years ending on calendar quarters, for example to save shareowners audit and other fees by shifting work to less busy times. The obligation to update the summary on a calendar quarterly basis, rather than in a manner that reflects the normal work cycle of a fund, will perhaps double the amount of effort required to maintain updated disclosure for non-calendar year funds.

We suggest that the Commission permit updating summaries on the basis of a calendar or fiscal quarter, at the fund's option, yet continue to require that performance be reported to the latest calendar quarter. This will keep performance figures synchronized across all funds, an important consideration for investors, while still permitting other less time-critical information to be updated on a timely basis, but one more appropriate to a fund’s other reporting cycles.

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We appreciate this opportunity to comment on the Proposal. If you have any questions about our comments, or would like additional information, please contact me at 1-800-728-8762 x. 307.

Sincerely,

\s\ James D. Winship,

General Counsel,

Saturna Capital Corporation