



INVESTMENT PRESENTATION

SIT U.S. GOVERNMENT SECURITIES FUND SIT TAX-FREE INCOME FUND

4TH QUARTER, 2020

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 **Sit Investment Associates**

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OUTLINE OF PRESENTATION

- I. Organization**
- II. U.S. Government Securities Fund**
- III. Tax-Free Income Fund**
- IV. Disclosures**

I. ORGANIZATION

MISSION STATEMENT & ASSETS UNDER MANAGEMENT



SIT INVESTMENT ASSOCIATES, INC.

Global Investment Managers Specializing in Growth Equity Portfolios & Fixed Income

Our Mission Statement

The firm is dedicated to a single purpose – to be a premier investment management firm.

Total Assets Under Management

\$14.9 Billion*

**as of December 31, 2020*

- Equity \$2.3 B
- Fixed Income \$12.6 B

By Client Type

- Institutional Separate Accounts \$12.4 B
- Sit Mutual Funds \$2.5 B

COMPANY HISTORY



SIT INVESTMENT ASSOCIATES PROFESSIONALS

EQUITY

	Years of Investment Experience	Years with SIA
Roger J. Sit	30	23
Kent L. Johnson, CFA	27	31
Ronald D. Sit, CFA	36	36
David A. Brown, CFA	25	23
Denise A. Anderson, Ph.D.	22	12
Joseph R. Eshoo	25	12
Michael T. Manns	33	6
Michael C. Marzolf	22	4
Mark A. Pepper	21	17
Raymond E. Sit	29	29
Robert W. Sit, CFA	29	29
Stacey M. Curme	23	28
Ningning Tang, CFA	16	13
Bradley W. Meyer	17	19
Lee J. Feltman, CFA	13	13
Eric M. Manthe	9	16
Nicholas D. Tich	12	15
Samuel K. V. Krawczyk	6	6
Michael J. Sit	6	0

Total Investment Experience: 401 Years
Average Investment Experience: 21.1 Years

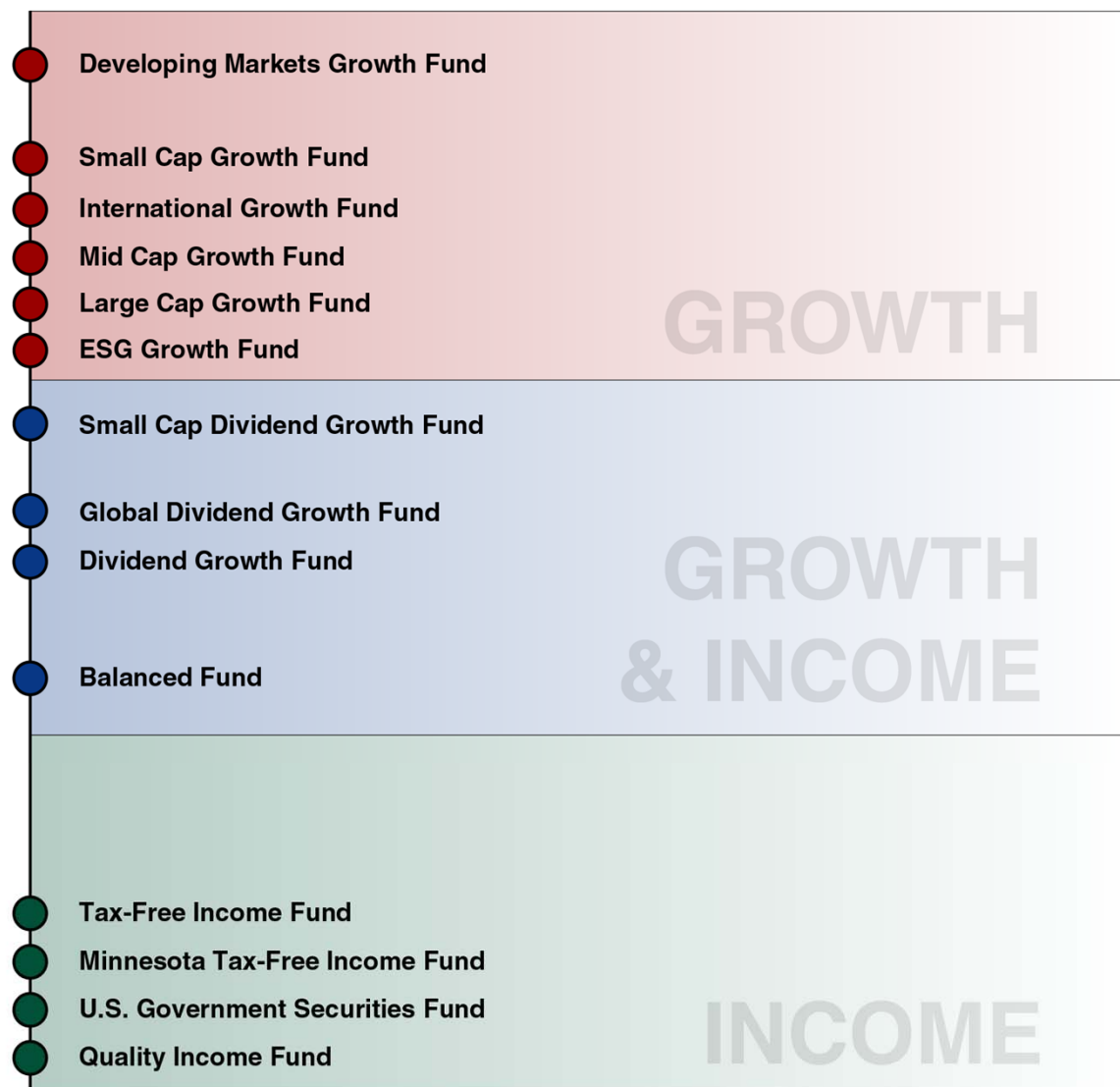
FIXED INCOME

	Years of Investment Experience	Years with SIA
Roger J. Sit	30	23
Bryce A. Doty, CFA	30	25
Paul J. Jungquist, CFA, CPA	26	26
Mark H. Book, CFA, CMA	34	20
Kurt van Kuller, CFA	40	2
Christopher M. Rasmussen, CFA	20	21
Todd S. Emerson, CFA	26	14
Jessica A. Ersfeld, CFA	13	13
Michael C. Hubbard, CFA	15	9
Michael J. Reich, CFA	16	16
Kevin P. O'Brien, CFA	17	20
Jason B. Miller, CFA	13	7
Andrew J. Tich, CFA	13	14
Nick F. Ochsner, CFA	8	3
Joseph H. Lepinski, CFA	15	13
Marci A. Lorge	36	32
Brian R. Gilbert	26	26
Michael J. Book	5	1

Total Investment Experience: 353 Years
Average Investment Experience: 20.8 Years

SIT MUTUAL FUND OFFERINGS

Higher Risk
Higher Growth Potential



Lower Risk
Lower Growth Potential

II. U. S. GOVERNMENT SECURITIES FUND

INVESTMENT PHILOSOPHY, OBJECTIVE AND STRATEGY

- The Sit U.S. Government Securities Fund (“Fund”) seeks to attain consistent, superior risk-adjusted returns using a conservative investment approach. The objective is to provide high current income and safety of principal by investing exclusively in U.S. government securities which are issued, guaranteed or insured by the U.S. government or its agencies or instrumentalities.
- Fund managers search for securities providing high current income relative to yields currently available in the market. Considerations include their economic outlook, prepayment risk, yield, maturity and liquidity. **Seasoned, high-coupon, mortgage pools with stable prepayment histories are favored.** Managers attempt to maintain an average effective duration for the portfolio of approximately 1 to 4 years.

AVERAGE ANNUAL TOTAL RETURNS AS OF DECEMBER 31, 2020

	1 Year	3 Year	5 Year	10 Year	Since Inception Date*	30-Day SEC Yield
Sit U.S. Government Securities Fund Class S	3.62	2.91	2.15	1.76	5.09	1.75
Sit U.S. Government Securities Fund Class Y	3.92	--	--	--	3.92	2.00
Bloomberg Barclays Interm. Gov't Bond Index	5.73	4.10	2.89	2.46	5.35	0.32**

* The Sit U.S. Government Securities Fund Class S inception was 6/2/87; Class Y inception was 1/1/2020

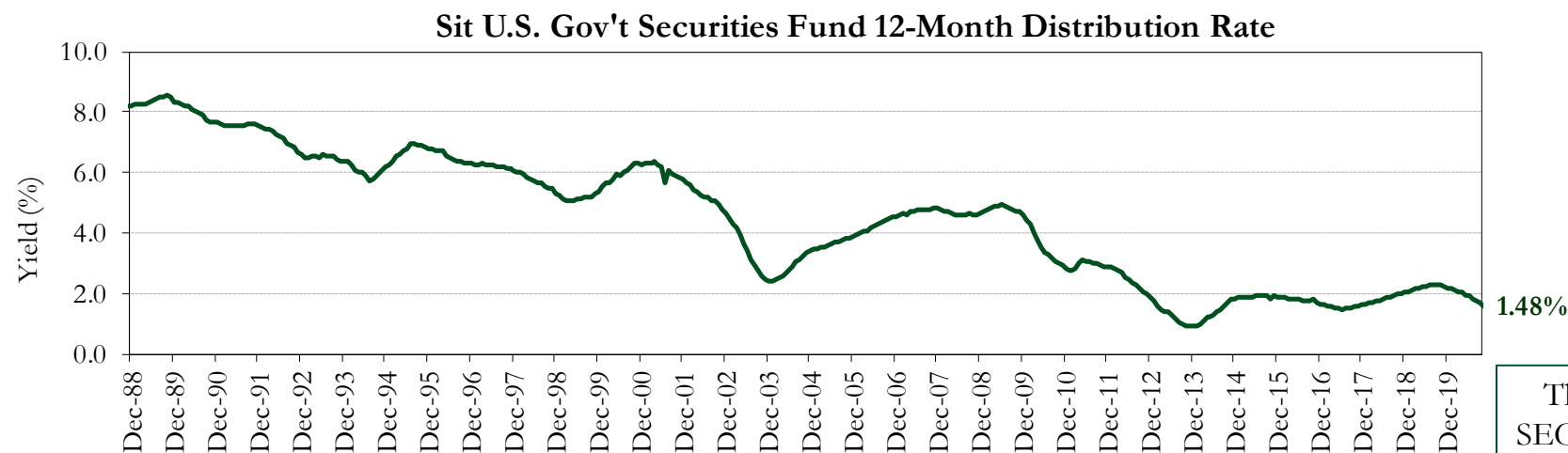
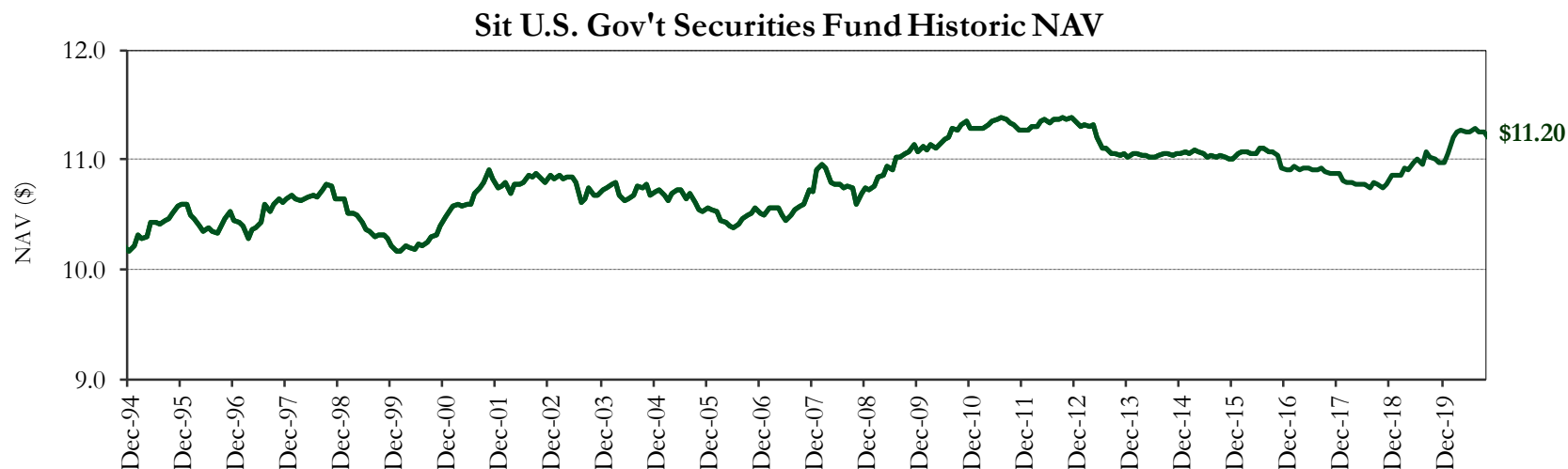
** Represents yield to worst

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Carefully consider the Fund's investment objectives, risks, charges and expenses before investing. The Fund's prospectus contains this and other important Fund information and may be obtained at www.sitfunds.com or by calling 1-800-332-5580. Please see additional information in the last section entitled "Disclosures."

SIT U.S. GOV'T SECURITIES FUND (CLASS S) NAV AND 12-MONTH DISTRIBUTION RATE



Source: Sit Investment Associates, Inc.

The 30-Day
SEC Yield as of
12/31/20 was
1.75% (Class S)

The **30-Day SEC Yield** reflects the rate at which the Fund is earning income on its current portfolio of securities, while the **Distribution Rate** reflects the Fund's past dividends paid to shareholders based on the net investment income distributed and the average NAV during the past 12 months.

SIT U.S. GOVERNMENT SECURITIES FUND SECTOR WEIGHTINGS

	12/14	12/15	12/16	12/17	12/18	12/19	12/20	Bloomberg Barclays Interm Gov't Index 12/20
U.S. Treasury Bonds	1 %	4 %	2 %	1 %	1 %	0 %	9 %	99 %
U.S. Agency Bonds	0	0	0	0	0	0	0	1
Agency CMO's	48	53	50	51	54	59	52	0
TIPS	0	0	0	0	0	0	0	0
Mortgage Pass-Through Securities	44	36	44	42	41	36	36	0
Asset Backed Securities	3	3	2	2	2	2	2	0
Cash	4	4	2	4	2	3	1	0
Totals	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Sit Gov't. Fund Quality	AGY / AGY	AGY / AGY	AGY / AGY	AGY / AGY	AGY / AGY	AGY / AGY	AGY / AGY	
Sit Gov't. Fund Duration (years)	1.3	1.0	1.2	2.3	2.7	2.4	1.9 Yrs	
Bloomberg Barclays Interm. Gov't. Dur. (years)	3.7	3.8	3.9	3.8	3.8	3.8	3.9 Yrs	
Sit Gov't. Fund Class S 30-Day SEC Yield	3.1 %	2.8 %	2.3 %	2.7 %	3.2 %	2.8 %	1.8 %	
Bloomberg Barclays Interm. Gov't. Yield	1.2 %	1.5 %	1.7 %	2.1 %	2.5 %	1.7 %	0.3 %	

Duration is a measure of estimated price sensitivity relative to changes in interest rates. Portfolios with longer durations are typically more sensitive to changes in interest rates. For example, if interest rates rise 1%, the market value of a security with an effective duration of 5 years would decrease by 5%, with all other factors being constant. The correlation between duration and price sensitivity is greater for securities rated investment-grade than it is for securities rated below investment grade. Duration estimates are based on assumptions by the Adviser and are subject to a number of limitations.

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SEASONED GOVERNMENT AGENCY MORTGAGES - SIMPLIFIED EXAMPLE

Coupon	Purchase Cost		Par		Premium Paid
6.00%	\$112,000	—	\$100,000	=	\$12,000

One Year Profit / Loss Scenarios

	Interest Received		Premium Loss		Profit	Profit / Cost
1) Nobody refinances	\$6,000	—	\$0	=	\$6,000	5.36%
2) One-fifth is refinanced after 6 months	\$5,400	—	\$2,400	=	\$3,000	2.68%
3) Half is refinanced after 6 months	\$4,500	—	\$6,000	=	-\$1,500	-1.34%
4) All is refinanced after 6 months	\$3,000	—	\$12,000	=	-\$9,000	-8.04%

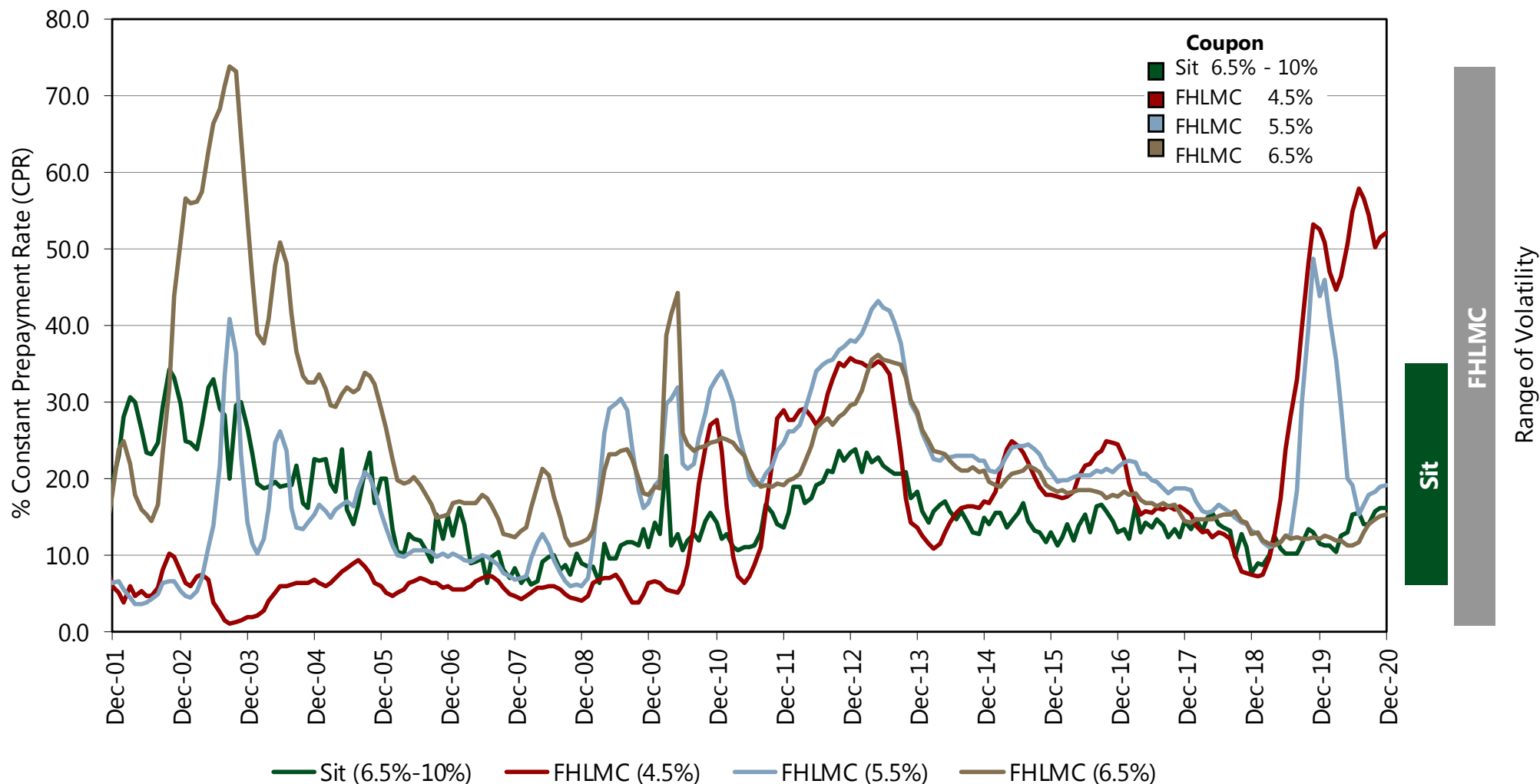
Source: Sit Investment Associates, Inc.



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SEASONED MORTGAGES HAVE LOWER PREPAYMENT EXPERIENCE

High coupon seasoned mortgages exhibit the most stable prepayments.



RISK MANAGEMENT

Risk management is a very important factor in achieving the high risk-adjusted returns that the Fund seeks. Fund managers monitor portfolio interest rate related risks by measuring traditional durations based on bond maturities, and adjusted durations based on the expected average lives of individual securities. Fund managers do not substantially shift portfolio durations with the expectation that there is substantial value added from aggressive duration shifts.

Below is a list of the Fund's attributes for primary fixed income market risk measures:

- **Interest Rate Risk:** The Fund's duration is generally kept between 1 to 4 years.
- **Credit Risk:** Minimal. All securities are U.S. Treasury/Agency issues.
- **Prepayment Risk:** The mortgages favored by the Fund are seasoned, high coupon securities which have relatively stable and predictable prepayment characteristics. These securities tend to have relatively short durations and therefore do not have the price risk of more traditional MBS issues.
- **Yield Curve Risk:** Fund managers do not make "bets" on the expected shape of the yield curve. Managers seek strong risk-adjusted returns from an emphasis on income, not on the direction of interest rates.
- **Call Risk:** Minimal. The Fund rarely uses callable securities.

SIT US GOVERNMENT SECURITIES STRATEGY

December 31, 2020

INVESTMENT OBJECTIVES

The Sit U.S. Government Securities objective seeks high current income and safety of principal.

INVESTMENT STRATEGY

The Sit U.S. Government Securities strategy is to achieve its objectives by investing exclusively in U.S. government securities, which are securities issued, guaranteed or insured by the U.S. government, its agencies or instrumentalities.

The Fund invests a substantial portion of its assets in pass-through securities. Pass-through securities are formed when mortgages or other debt instruments are pooled together and undivided interests in the pool are sold to investors, such as the Fund. Pass-through securities in which the Fund invests include mortgage-backed securities such as those issued by Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC). GNMA is an agency of the U.S. government and its securities are backed by the full faith and credit of the U.S. government. FNMA and FHLMC are U.S. government sponsored enterprises and their securities are backed by their credit. Other types of U.S. government securities in which the Fund may invest include U.S. Treasury securities, U.S. government agency collateralized mortgage obligations and other U.S. government agency securities.

SECTOR ALLOCATION (%)

CMO	51.9	FHLMC Pass-Through	4.7
FNMA Pass-Through	20.1	Asset-Backed	1.4
GNMA Pass-Through	10.6	SBA Pass-Through	0.5
U.S. Treasury/Federal Agy.	9.2	Cash & Other Net Assets	1.6

INVESTMENT STYLE

	Duration		
	Short	Interm	Long
High			
Mid			
Low			

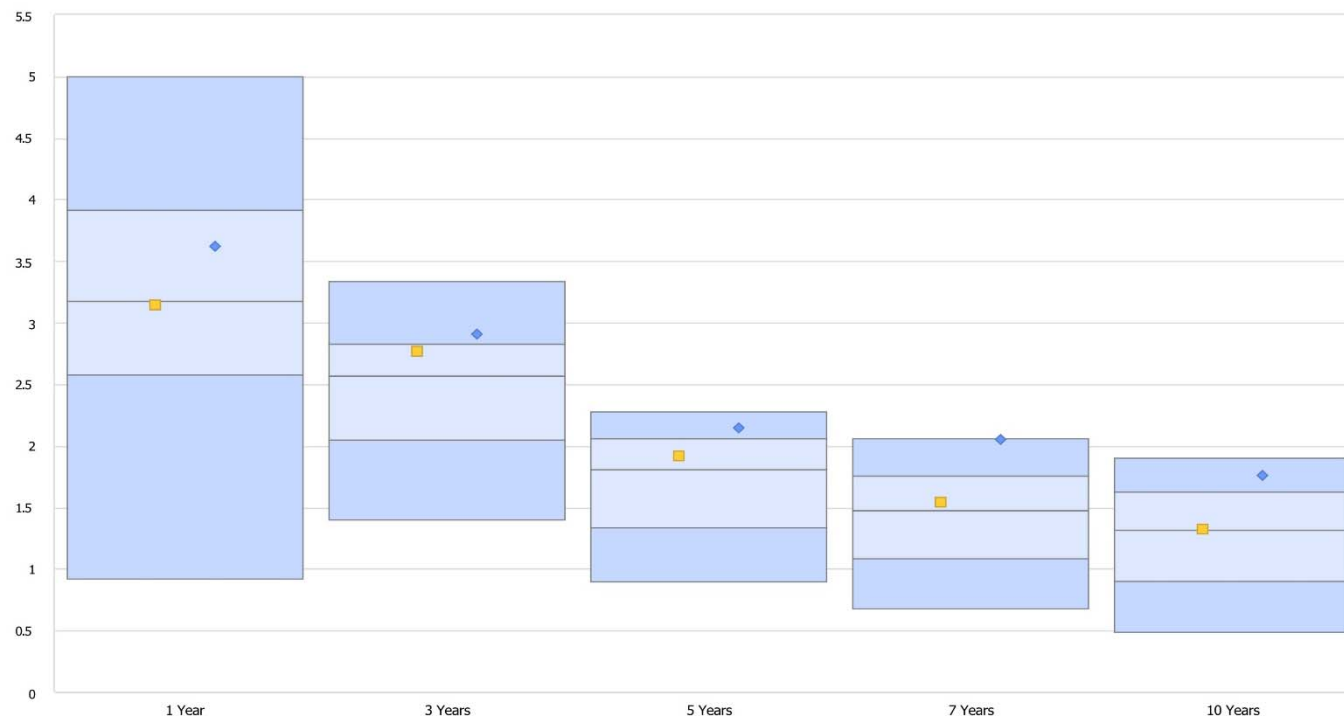
PORTFOLIO CHARACTERISTICS

Average Maturity: 17.9 years

Effective Duration: 1.9 years

SIT U.S. GOV'T SECURITIES FUND CLASS S – PERFORMANCE RANKINGS

As of December 31, 2020



Universe: Morningstar Short Government

	1 Year		3 Years		5 Years		7 Years		10 Years	
		Rk		Rk		Rk		Rk		Rk
5th percentile	5.00		3.33		2.27		2.06		1.90	
25th percentile	3.91		2.82		2.06		1.75		1.62	
Median	3.17		2.56		1.80		1.47		1.31	
75th percentile	2.57		2.04		1.33		1.08		0.90	
95th percentile	0.92		1.40		0.89		0.67		0.48	
# of Observations	92		92		92		91		86	
Bloomberg Barclays US 1-3 Yr Government	3.14	53	2.77	32	1.92	34	1.54	45	1.32	49
US Gov't Fund - Net	3.62	37	2.91	20	2.15	14	2.05	6	1.76	13

Source: EVESTMENT

Results displayed in USD using Spot Rate (SR).

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SIT U.S. GOVERNMENT SECURITIES FUND

Quarterly Rates of Return – Class S

	<u>1st Qtr</u>	<u>2nd Qtr</u>	<u>3rd Qtr</u>	<u>4th Qtr</u>	<u>YTD</u>		<u>1st Qtr</u>	<u>2nd Qtr</u>	<u>3rd Qtr</u>	<u>4th Qtr</u>	<u>YTD</u>
1987		1.00*	-1.07	6.14	6.05**	2004	1.52	-0.58	1.87	0.52	3.35
1988	4.10	1.27	1.63	0.67	7.86	2005	0.13	1.97	-0.17	0.55	2.49
1989	1.45	4.72	1.27	3.21	11.04	2006	0.09	0.43	2.33	1.26	4.13
1990	0.32	4.02	1.44	4.83	10.97	2007	1.67	0.12	2.43	2.55	6.92
1991	2.54	1.05	4.73	4.01	12.87	2008	3.05	-0.17	0.99	1.19	5.13
1992	-0.77	3.50	2.13	0.52	5.43	2009	2.12	1.78	2.51	1.17	7.78
1993	2.77	1.90	1.26	1.23	7.34	2010	1.26	1.10	1.50	0.96	4.91
1994	0.19	-0.02	1.07	0.51	1.77	2011	0.74	1.50	0.43	0.03	2.72
1995	2.85	3.26	1.98	2.95	11.50	2012	0.99	0.73	0.85	0.07	2.67
1996	0.42	0.66	1.69	2.14	4.99	2013	-0.27	-1.48	-0.35	0.01	-2.08
1997	0.00	3.00	3.04	1.95	8.19	2014	0.63	0.35	0.60	0.62	2.22
1998	1.39	1.70	2.34	0.94	6.52	2015	0.78	-0.08	0.50	0.21	1.42
1999	0.00	0.04	0.85	0.47	1.37	2016	0.99	0.72	0.18	-1.19	0.69
2000	1.53	1.72	2.19	3.42	9.15	2017	3.13	0.45	0.21	0.35	1.33
2001	2.63	1.59	3.17	0.91	8.56	2018	-0.25	0.30	0.42	1.31	1.77
2002	0.72	2.33	1.87	0.77	5.79	2019	1.25	1.30	0.74	0.00	3.34
2003	0.53	0.23	0.00	0.42	1.19	2020	3.13	0.44	0.22	-0.18	3.62

* Return is from 6/2/87 through 6/30/87

** Return is from 6/2/87 through 12/31/87

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III. TAX-FREE INCOME FUND

SIT TAX-EXEMPT FUND INVESTMENT STRATEGY

The investment objective is to maximize after-tax income by placing major emphasis on:

- The income component of total return
- Over-weighting select, high quality/higher-yielding sectors of the tax-exempt market
- Minimization of capital gains; lower turnover
- Maximizing usage of revenue bonds which carry solid credit ratings but higher yields due to the impact of sinking funds and call provisions
- Heavy use of secondary market for purchases through a network of over 100 broker-dealers
- Callable bonds when expectations are that calls will not be made. These provide an increase in yield to the coupon rate after the call date

SIT TAX-EXEMPT FUND RISK CONTROL

Portfolio managers control risk for the tax-exempt funds by:

- Maintaining portfolio durations within a specified range of their benchmark
- Minimizing credit risk by mainly using investment grade securities. Non-rated tax-exempt bonds are utilized, but only after internal research.
- Minimizing liquidity risk by utilizing securities that have sound credit quality, generate significant cash flow, have stable prepayment characteristics, and have well-diversified ownership
- Maintaining a broad issue and geographic diversification with our tax-exempt bond security selections with an average holding of less than one percent of the total portfolio

SIT TAX-FREE INCOME FUND AVERAGE ANNUAL TOTAL RETURNS

As of December 31, 2020

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Since Inception*</u>	<u>30-Day SEC Yield</u>
Sit Tax-Free Income Fund	4.01	3.90	3.98	5.34	5.16	1.95
Bloomberg Barclay's 5-Yr Muni Bond Index	4.29	3.80	2.81	3.03	4.89	

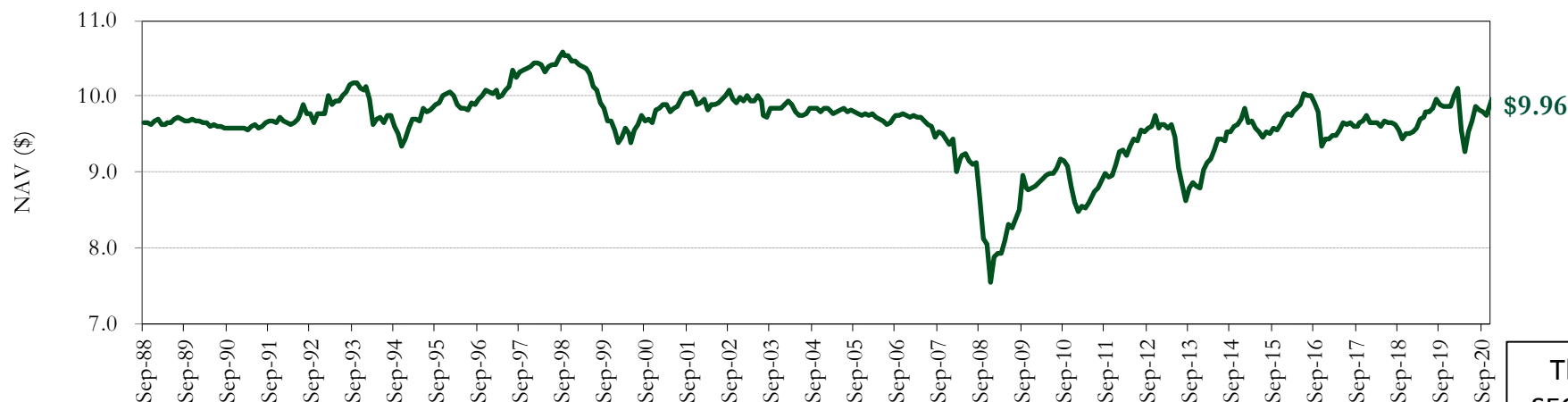
* The Sit Tax-Free Income Fund's inception was 9/29/1988

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SIT TAX-FREE FUND HISTORIC NAV VS. 12-MONTH DISTRIBUTION RATE

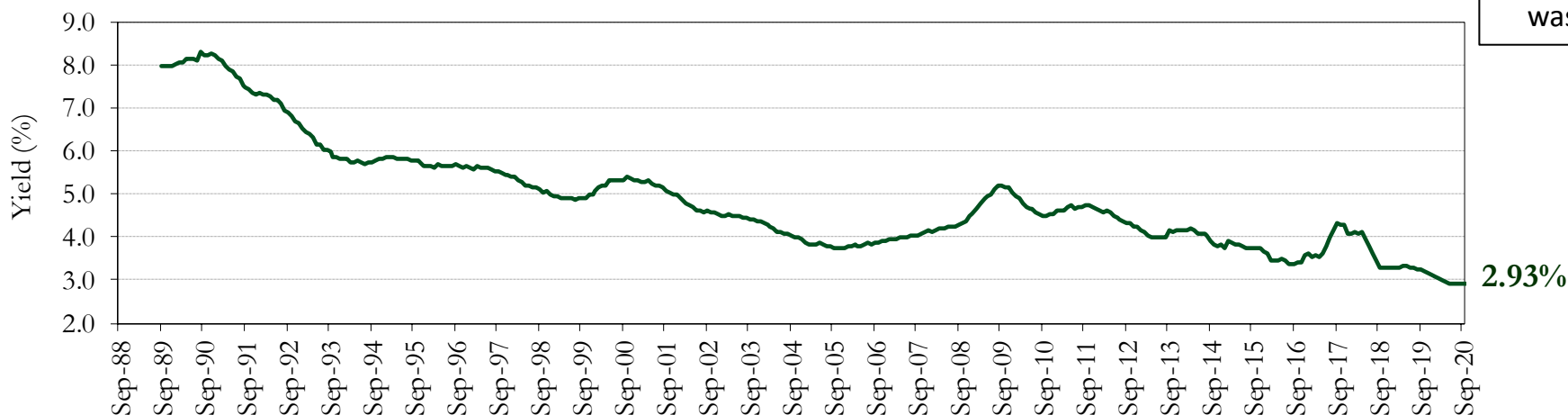
As of December 31, 2020

Sit Tax-Free Income Fund Historic NAV



The 30-Day
SEC Yield as of
12/31/2020
was 1.95%

Sit Tax-Free Income Fund 12-Month Distribution Rate



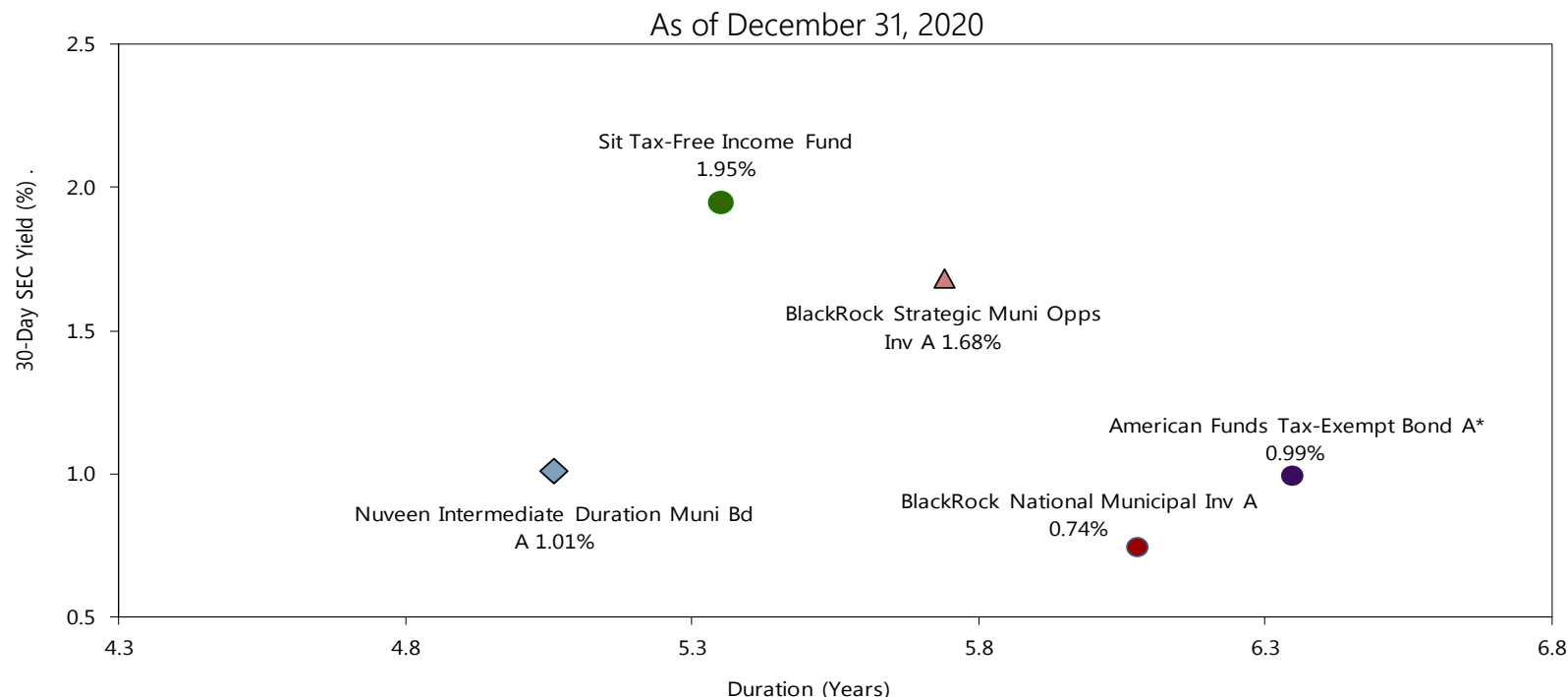
Source: Sit Investment Associates Inc.

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SIT TAX-FREE INCOME FUND VS. FIVE LARGEST NATIONAL FUNDS' YIELDS AND DURATION



Average Annual Total Returns (%) as of December 31, 2020

	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>Since Inception</u>
Sit Tax-Free Income	4.0	3.9	4.0	5.3	5.2
Nuveen Intermediate Duration Muni Bd A (NMBAX)	4.3	4.1	3.6	3.9	4.3
American Funds Tax-Exempt Bond A (AFTEX)	4.7	4.2	3.7	4.7	6.3
BlackRock National Municipal Inv A (MDNLX)	4.0	3.8	3.3	4.7	5.1
BlackRock Strategic Muni Opps Inv A (MEMTX)	0.3	2.5	3.2	4.4	4.2
Fidelity Advisor® Interm Muni Inc A (FZIAX)	4.1	3.7	3.0	3.4	3.5
Morningstar Muni National Interm	4.5	4.0	3.2	3.9	N/A
Bloomberg Barclays US 5 Yr Municipals	4.3	3.8	2.8	3.0	4.9

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SIT TAX-FREE INCOME STRATEGY

December 31, 2020

INVESTMENT OBJECTIVES

The Sit Tax-Free Income objective seeks high current income that is exempt from federal income tax consistent with preservation of capital.

INVESTMENT STRATEGY

The Sit Tax-Free Income strategy is to achieve its objectives is to invest primarily in municipal securities that generate interest income that is exempt from both regular federal income tax and federal alternative minimum tax. During normal market conditions, the Fund invests 100% (and, as a fundamental policy, no less than 80%) of its net assets in such tax-exempt municipal securities. Municipal securities are debt obligations issued by or for U.S. states, territories, and possessions and the District of Columbia, and their political subdivisions, agencies, and instrumentalities.

The Fund invests both in revenue bonds, which are backed by and payable only from the revenues derived from a specific facility or specific revenue source, and in general obligation bonds, which are secured by the full faith, credit and taxation power of the issuing municipality. The Fund generally invests a significant portion of its assets in obligations of municipal housing authorities, which include single family and multi-family mortgage revenue bonds, revenue bonds of health care-related facilities, and revenue bonds of educational institutions, which include higher education institutions, public, private and charter schools, and student loan-backed bonds.

QUALITY RATINGS [%]

		Assessment of Non-Rated Securities	
AAA	8.0	AAA	0.0
AA	33.2	AA	0.2
A	18.6	A	0.3
BBB	10.9	BBB	0.9
Less than BBB	2.8	BB	18.7
Non-Rated	23.2	Less than BB	3.1
Cash and Other Net Assets	3.3		

SECTOR ALLOCATION [%]

Multi Family Mortgage	25.8	General Obligation	6.1
Single Family Mortgage	19.0	Investment Companies	5.5
Other Revenue	11.5	Hospital / Health Care	4.3
Education/Student Loan	10.5	Sectors Less Than 3.0%	6.6
Insured	7.4	Cash and Other Net Assets	3.3

INVESTMENT STYLE

	Duration		
	Short	Interm	Long
High			
Mid			
Low			

PORTFOLIO CHARACTERISTICS

Average Maturity: 19.6 Years

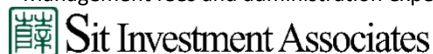
Duration to Estimated Avg. Life: 5.3 Years

SIT TAX-FREE INCOME FUND PORTFOLIO CHARACTERISTICS (% NET ASSETS)

QUALITY - RATED	Dec-05	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
AAA	30.6%	31.6%	24.2%	11.7%	9.5%	9.6%	8.4%	8.0%	9.9%	11.1%	11.2%	10.7%	12.6%	12.7%	11.0%	8.0%
AA	4.4	3.1	8.6	8.0	11.7	12.2	22.9	28.3	23.6	27.8	29.8	29.9	31.9	35.1	31.5	33.2
A	21.2	16.5	12.1	11.8	16.9	17.1	18.5	20.9	23.9	23.0	21.6	22.2	19.8	16.9	15.3	18.7
BBB	33.7	30.0	26.9	27.6	18.5	25.5	16.7	15.2	10.0	7.5	5.5	4.3	4.7	7.0	8.0	10.9
<BBB	3.6	2.6	4.7	5.0	6.7	5.7	6.4	5.7	6.6	5.2	3.8	3.7	3.5	2.2	2.1	2.8
CASH EQUIVALENTS	6.5	1.6	-0.4	1.9	3.7	1.1	4.0	0.9	6.8	2.7	5.5	7.0	5.3	5.7	10.2	3.3
TOTAL RATED	100.0%	85.4%	76.1%	66.0%	67.0%	71.2%	76.9%	79.0%	80.8%	77.3%	77.4%	77.8%	77.8%	79.6%	78.1%	76.9%
NON-RATED																
(SIT INTERNAL RATINGS)																
(AAA)	0.0	0.0	0.0	0.0	0.0	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(AA)	0.0	0.0	0.0	0.0	0.3	1.9	1.7	1.5	1.6	1.4	1.3	0.2	0.2	0.1	0.3	0.2
(A)	0.0	2.2	3.3	2.8	2.7	1.1	0.8	0.8	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.3
(BBB)	0.0	3.8	5.9	5.1	6.5	7.4	5.3	4.8	3.3	2.4	1.4	1.6	0.5	0.7	0.7	0.9
(<BBB)	0.0	8.6	14.7	26.1	23.5	18.0	14.9	13.9	14.3	18.9	19.7	20.3	22.1	19.6	20.9	21.7
(TOTAL NON-RATED)	0.0	14.6	23.9	34.0	33.0	28.8	23.1	21.0	19.2	22.7	22.6	22.2	22.2	20.4	21.9	23.1
TOTAL PORTFOLIO	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
AVERAGE RATING	A1 / A+	A2 / A	A3 / A-	Baa1/BBB+	Baa1 / BBB+	Baa1 / BBB+	A3 / A-	A3 / A-	A2 / A	A2 / A	A2 / A	A2 / A	A2 / A	A2 / A	A2 / A	A2/A
PORTFOLIO COMPOSITION	Dec-05	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
SINGLE FAMILY HOUSING	1.0%	1.4%	4.5%	7.6%	10.3%	10.9%	13.0%	17.2%	19.4%	23.0%	22.4%	21.6%	25.0%	25.7%	23.5%	18.8%
MULTI-FAMILYL HOUSING	15.4%	14.5%	15.3%	14.0%	14.0%	12.5%	11.5%	16.2%	15.3%	18.3%	19.6%	21.7%	23.7%	20.9%	21.3%	25.9%
HOSPITAL	18.5	20.2	21.3	20.7	16.1	14.7	12.2	9.5	6.0	6.0	4.5	4.2	5.1	5.1	4.2	4.3
IDR/PCR	8.9	5.5	4.5	4.2	4.5	4.0	2.3	1.7	1.6	0.9	0.7	0.5	0.1	0.1	0.1	0.3
EDUCATION	3.9	7.8	10.2	11.2	11.2	15.4	14.2	12.0	10.3	9.9	8.3	7.6	6.4	7.6	7.2	10.5
LEASES	1.2	0.7	0.4	0.8	2.3	1.7	0.9	0.4	0.7	0.9	0.8	1.2	1.3	1.5	1.2	1.5
INSURED	21.5	22.2	17.2	5.8	2.7	3.2	3.5	3.2	2.6	5.0	4.9	4.1	3.7	3.9	3.3	3.3
INSURED G.O.	2.1	2.6	3.1	1.0	0.7	1.0	2.5	3.1	3.4	3.1	2.0	2.3	1.8	2.8	2.7	4.0
GENERAL OBLIGATION	0.4	1.0	1.7	1.6	3.3	2.7	4.8	6.2	6.6	6.5	5.9	6.2	6.0	5.7	6.0	6.2
UTILITIES	3.0	1.5	1.1	2.3	2.3	2.1	3.2	4.7	3.2	2.2	2.8	1.3	1.5	0.7	0.8	0.4
MUTUAL FUNDS	0.6	0.7	3.7	6.1	7.4	6.6	7.6	6.0	6.0	6.2	6.1	5.5	3.7	3.6	4.0	5.5
ESC. TO MAT/PRE REF	2.4	4.4	1.9	0.0	0.0	0.4	0.0	0.0	0.0	0.2	1.0	1.8	2.5	1.9	1.2	1.2
PUBLIC FACILITIES	1.2	0.8	1.0	2.6	2.8	1.8	1.3	1.2	1.0	0.0	0.4	0.0	0.6	0.4	0.2	0.2
OTHER REVENUE	12.3	14.2	13.1	18.9	16.7	17.4	15.5	14.6	13.6	12.2	12.5	11.6	9.9	10.2	10.9	11.6
TRANSPORTATION	0.6	0.5	0.6	0.6	1.2	3.1	1.9	1.0	2.4	2.7	2.9	2.7	1.8	1.2	2.0	2.0
SALES	0.5	0.4	0.8	0.7	0.8	1.4	1.7	2.1	1.1	0.3	0.6	1.3	1.4	1.8	1.3	1.0
CASH EQUIVALENTS	6.5	1.6	-0.4	1.9	3.7	1.1	3.9	0.9	6.8	2.8	5.6	7.0	5.3	5.7	10.2	3.3
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
STATED MATURITY (Yrs)	11.6	14.0	15.4	15.1	15.1	15.7	16.1	17.9	16.9	17.6	17.0	16.8	17.4	18.1	18.2	19.6
WEIGHTED AVG CPN	5.3	5.3	5.3	5.3	5.1	5.4	5.0	4.8	4.5	4.6	4.5	4.4	4.4	4.4	4.0	4.2
DUR TO AVG LIFE (Yrs)	3.2	3.9	4.8	5.6	5.6	6.3	6.1	6.2	6.7	5.9	5.7	5.7	4.1	4.3	5.1	5.3
BLOOMBERG BARCLAYS 5-YR YLD TO WORST	3.5	3.7	3.4	3.0	2.2	2.3	1.5	1.2	1.7	1.5	1.5	2.1	1.9	2.2	1.9	0.6

Duration is a measure of estimated price sensitivity relative to changes in interest rates. Portfolios with longer durations are typically more sensitive to changes in interest rates. For example, if interest rates rise 1%, the market value of a security with an effective duration of 5 years would decrease by 5%, with all other factors being constant. The correlation between duration and price sensitivity is greater for securities rated investment-grade than it is for securities rated below investment grade. There are multiple accepted methodologies utilized across the industry to calculate duration estimates. The duration reported herein are Effective Duration estimates calculated by the Adviser, which are based on assumptions by the Adviser and are subject to a number of limitations.

Performance figures are historical and do not guarantee future results. Investment returns and principal value will vary, and you may have a gain or loss when you sell shares. Current performance may be lower or higher than the performance data quoted. Contact the Fund for performance data current to the most recent month end at www.sitfunds.com or 800-332-5580. Returns include changes in share price as well as reinvestment of all dividends and capital gains. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Management fees and administration expenses are included in the Fund's performance. Returns for periods greater than one year are compounded average annual rates of return.



IV. DISCLOSURES

DISCLOSURE PAGE

Mutual fund investing involves risk; principal loss is possible. There is no guarantee that a Fund's objectives will be achieved, and the market value of securities held by a Fund may fall or fail to rise. Fund holdings, sector allocations (as % of market value) and portfolio characteristics may change at any time and are not investment recommendations. More information on the risks specific to each Fund is included in each Fund's prospectus. Prospectuses may be obtained by calling Sit Mutual Funds at 800-332-5580 or at www.sitfunds.com. Read the prospectus carefully before investing.

Risks specific to Sit U.S. Government Securities Fund

Fixed-income securities present issuer default risk. Securities held by the Fund may not be backed by the full faith and credit of the United States. Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. An increase in interest rates may lower the value of the fixed-income securities held by the Fund. Declining interest rates may compel borrowers to prepay mortgages and debt obligations underlying the mortgage-backed securities owned by the Fund. The proceeds received by the Fund from prepayments may be reinvested at interest rates lower than the original investment, thus resulting in a reduction of income to the Fund. Rising rates could reduce prepayments and extend the life of securities with lower interest rates, which may increase the sensitivity of the Fund's value to rising interest rates. There may be limited liquidity for certain fixed-income securities. The Fund may hold securities for which prices from pricing services may be unavailable or are deemed unreliable. Beginning January 1, 2020, the Sit U.S. Government Securities Fund has two available share classes. Class S shares are the share class that existed prior to January 1, 2020. Class Y shares are a new share class publicly available after January 1, 2020 that offer an annual management fee of 0.55% with a minimum investment requirement of \$1 million.

Risks specific to Tax-Free Fund

Fixed-income securities present issuer default risk, and the revenue bonds in which the Fund invests may entail greater credit risk than the Fund's investments in general obligation bonds. Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. The Fund's municipal securities may be particularly affected by the political, demographic, legislative and economic conditions and developments in the issuing states and their political subdivisions, and the Fund may be more adversely affected than other funds by future changes in federal or state income tax laws. The Fund invests a significant portion of its assets in certain sectors including health care facility bonds, housing authority bonds, and education bonds, and therefore the Fund may be more affected by events influencing these sectors than a fund that is more diversified across numerous sectors. Call risk exists as a fixed-income security may be called, prepaid or redeemed before maturity and that similar-yielding investments may not be available for purchase. An increase in interest rates may lower the value of the fixed-income securities held by the Fund. Falling interest rates may lower the income earned by the Fund and result in the Fund investing in lower-yielding securities, lowering the Fund's income and yield. Federal and state tax rules apply to capital gain distributions and any gains or losses on sales. Income may be subject to state, local or alternative minimum taxes. There may be limited liquidity for certain fixed-income securities. The Fund may hold securities for which prices from pricing services may be unavailable or are deemed unreliable.

DISCLOSURE PAGE

Index Descriptions

The Barclay's Capital 5-Year Municipal Bond Index is an unmanaged of long-term, fixed-rate, investment-grade tax-exempt bonds representative of the municipal bond market. The Barclays Municipal Bond Index is an unmanaged, broad-based benchmark that measures the investment grade U.S. dollar –denominated, fixed tax-exempt bond market. It includes state and local general obligation, revenue, insured, and pre-refunded bonds. It is not possible to invest directly in an index.

The Barclays Intermediate Government Index is a sub-index of the Bloomberg Barclays Government Bond Index covering issues with remaining maturities of three to five years. The Bloomberg Barclays Government Bond Index measures the performance of securities of the U.S. Government, including public obligations of the U.S. Treasury of one year or more, and publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government. It is not possible to invest directly in an index.

Definition of Terms

Effective duration is calculated based on historical price changes of securities held by the Fund utilizing empirical historical pricing, estimated average life yield, estimated average life price, and estimated average life date as opposed to maturity, which the Adviser believes is a more accurate estimate of price sensitivity provided interest rates remain within their historical range. Investments in debt securities typically decrease in value when interest rates rise. The risk is usually greater for long-term debt securities. Effective Durations reported herein are calculated by the Adviser and may differ from duration estimates reported in other materials that are based on different methods of calculating duration utilizing different assumptions.

Yield to Worst is the lower of either the yield to maturity or yield to call. It is the lowest possible yield an investor will receive without a default occurring.

Constant Prepayment Rate (CPR) measures the rate at which loans (mortgages for example) are paid back. For example, a 10% CPR means that 10% of the outstanding principal is expected to be paid back during the period. Higher prepayment rates mean the loan(s) is being paid back at a faster rate, and in times of declining interest rates this may lower an investor's total return as the returned principal may have to be reinvested in lower-yielding securities.