
**SIT MUTUAL FUNDS
INVESTMENT PRESENTATION
MARCH 31, 2018**

These presentation materials were prepared for institutional use only and must be preceded or accompanied by a prospectus. This material is for illustration purposes only and does not constitute an offer to buy or sell a security.

Sit Investment Associates, Inc.
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www.sitfunds.com

OUTLINE OF PRESENTATION

- I. ORGANIZATION**
- II. DIVIDEND GROWTH FUND**
- III. DISCLOSURES**

CORPORATE VALUES AND GOALS

ESTABLISHED WITH THE FOUNDING OF THE FIRM IN 1981

OUR CORPORATE VALUES

- To operate under the highest ethical and professional standards.
- To put our clients first in everything we do. We realize that the success of our clients results in our success.
- To maintain our uncompromising commitment and adherence to our investment philosophy and style, while continually seeking ways to enhance our successful investment process.
- To always work hard for our clients, expending the effort they deserve in all aspects of the investment management and client reporting process.

OUR CORPORATE GOALS

- To provide superior investment management products for discriminating investors.
- To act as a “true extension” of the client’s own operations, providing highly individualized services in an increasingly challenging investment environment.
- To control effectively our own destiny, avoiding imposed pressures for “growth,” thereby allowing us to provide the services we believe our clients require and deserve.

SIT MUTUAL FUNDS
A FAMILY OF NO-LOAD MUTUAL FUNDS
SPECIALIZING IN GROWTH EQUITY PORTFOLIOS AND FIXED INCOME

OUR MISSION STATEMENT

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

SIT INVESTMENT ASSOCIATES, INC. TOTAL ASSETS UNDER MANAGEMENT
AS OF MARCH 31, 2018: \$13.8 BILLION

- Equity \$3.1 Billion
- Fixed Income \$10.7 Billion
- Institutional Separate Accounts \$10.9 Billion
- Sit Mutual Funds \$2.8 Billion

HISTORY

1981

- Sit Investment Associates , Inc. is founded in Minneapolis by Eugene C. Sit. The company is one of the largest minority-owned advisory firms in the U.S.
- Sit Mutual Funds formed

1984

- Sit Fixed Income division formed to manage taxable and tax-exempt fixed income portfolios

1989

- Sit International division formed to manage international and global portfolios

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."

INVESTMENT PHILOSOPHY

EQUITY MANAGEMENT

- To achieve superior long-term absolute and real returns through investing in growth-oriented investment opportunities.
- We invest primarily in high quality growth companies worldwide that have the potential to increase earnings at a faster rate than the representative economy and market index and are at reasonable valuation levels.

FIXED INCOME MANAGEMENT

- To attain consistent, superior risk-adjusted returns using a conservative investment style.
- We utilize investment grade securities, with special emphasis on fixed income securities that provide high interest income and stability of principal value.

SIT INVESTMENT ASSOCIATES, INC. PROFESSIONALS

EQUITY

| <u>Name</u> | <u>Years of Investment Experience</u> | <u>Years With SIA</u> |
|-----------------------------|---------------------------------------|-----------------------|
| Roger J. Sit | 27 | 20 |
| Kent L. Johnson, CFA | 25 | 29 |
| Ronald D. Sit, CFA | 33 | 33 |
| David A. Brown, CFA | 23 | 20 |
| Denise A. Anderson, Ph.D. | 20 | 9 |
| Joseph R. Eshoo | 23 | 10 |
| Michael T. Manns | 31 | 3 |
| Michael C. Marzolf | 19 | 1 |
| Tasha M. Murdoff | 18 | 22 |
| Mark A. Pepper | 19 | 14 |
| Raymond E. Sit | 26 | 26 |
| Robert W. Sit, CFA | 26 | 26 |
| Michael J. Stellmacher, CFA | 26 | 17 |
| Stacey M. Curme | 21 | 25 |
| Ningning Tang, CFA | 14 | 10 |
| Bradley W. Meyer | 15 | 17 |
| Lee J. Feltman, CFA | 10 | 10 |
| Eric M. Manthe | 6 | 13 |
| Nicholas D. Tich | 10 | 12 |
| Samuel K. V. Krawczyk | 4 | 4 |

TOTAL YEARS INVESTMENT EXPERIENCE 396 YEARS
AVERAGE YEARS INVESTMENT EXPERIENCE 19.8 YEARS

FIXED INCOME

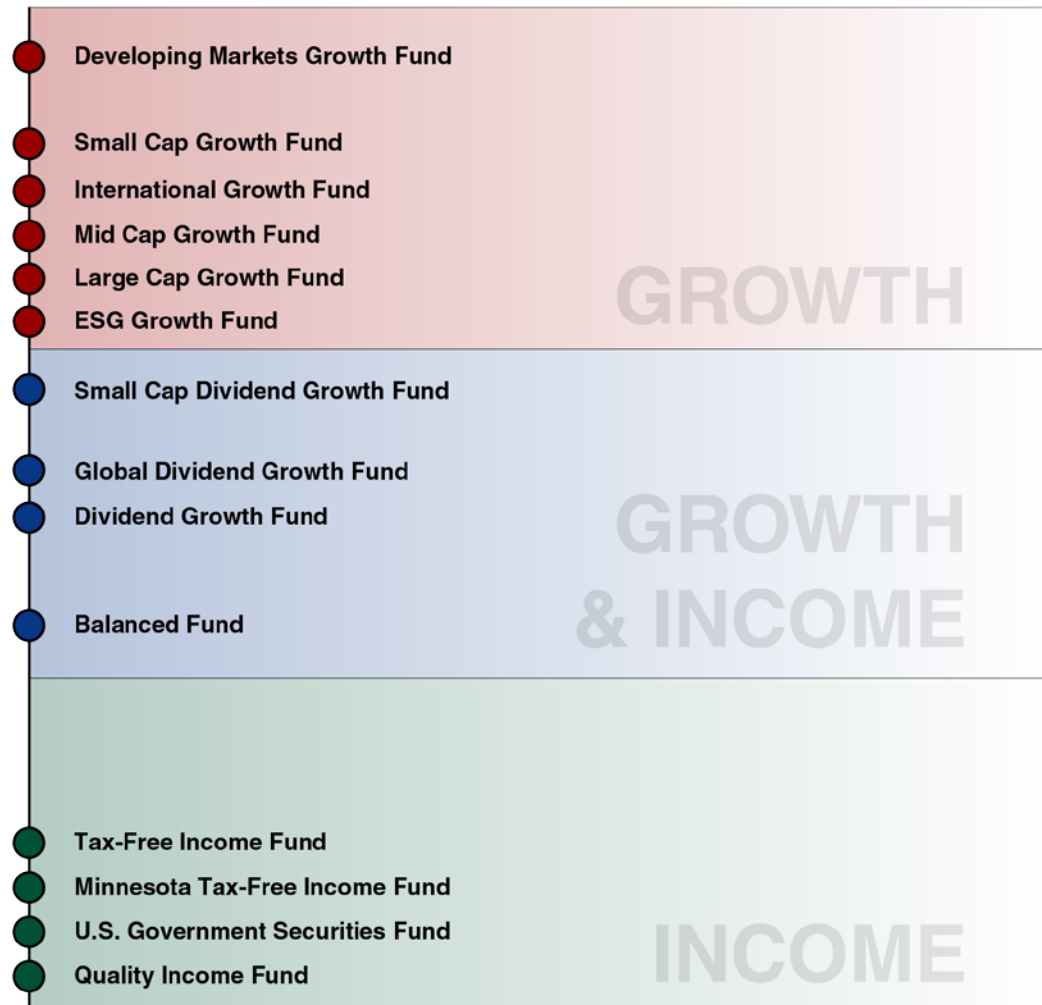
| <u>Name</u> | <u>Years of Investment Experience</u> | <u>Years With SIA</u> |
|-------------------------------|---------------------------------------|-----------------------|
| Roger J. Sit | 27 | 20 |
| Michael C. Brille | 49 | 33 |
| Bryce A. Doty, CFA | 26 | 22 |
| Paul J. Jungquist, CFA, CPA | 23 | 23 |
| Mark H. Book, CFA, CMA | 31 | 17 |
| Christopher M. Rasmussen, CFA | 15 | 18 |
| Todd S. Emerson, CFA | 23 | 11 |
| Jessica A. Ersfeld, CFA | 10 | 9 |
| Michael C. Hubbard, CFA | 12 | 6 |
| Michael J. Reich, CFA | 11 | 13 |
| Kevin P. O'Brien, CFA | 14 | 16 |
| Jason B. Miller, CFA | 9 | 4 |
| Charles D. Officer, CFA | 8 | 3 |
| Andrew J. Tich | 10 | 11 |
| Nick F. Ochsner | 6 | 0 |
| Marci A. Lorge | 33 | 29 |
| Brian R. Gilbert | 23 | 23 |

TOTAL YEARS INVESTMENT EXPERIENCE 337 YEARS
AVERAGE YEARS INVESTMENT EXPERIENCE 19.8 YEARS

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 MUTUAL FUND OFFERINGS

Higher Risk
Higher Growth Potential



Lower Risk
Lower Growth Potential

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II. DIVIDEND GROWTH FUND

DIVIDEND GROWTH INVESTING: WHY IT'S CURRENTLY ATTRACTIVE

The Return Environment

In a modest return environment expected for equities going forward, dividends are likely to become a large component of total returns

Investor Preferences

While demographic trends are playing a role, investors have become more conservative after “excesses” in recent years and high profile scandals. In addition, corporations are under pressure to manage capital wisely.

Higher Corporate Payouts

Corporate balance sheets remain strong and payout ratios remains relatively low, particularly based on normalized earnings. Free cash flow will remain strong due to secular/structural factors

PORTFOLIO OBJECTIVES / CHARACTERISTICS FOR DIVIDEND GROWTH FUND

- Equal proportion of growth companies that pay dividends and quality companies that pay a material dividend. Managers anticipate that all companies have the potential to increase their dividend.
- Investment universe: dividend-paying stocks across all sectors, geographies, and market capitalizations
- A dividend yield that exceeds (gross basis) each Fund's respective index
- Forecasted beta of approximately 0.90 for each Fund (source: Bloomberg Risk Analytics)
- Earnings per share growth rates similar to each Fund's respective index, but with lower fundamental valuations
- Above average "stability" for balance sheet, earnings, and cash flow measurements compared to each Fund's respective index

DIVIDEND GROWTH PORTFOLIOS

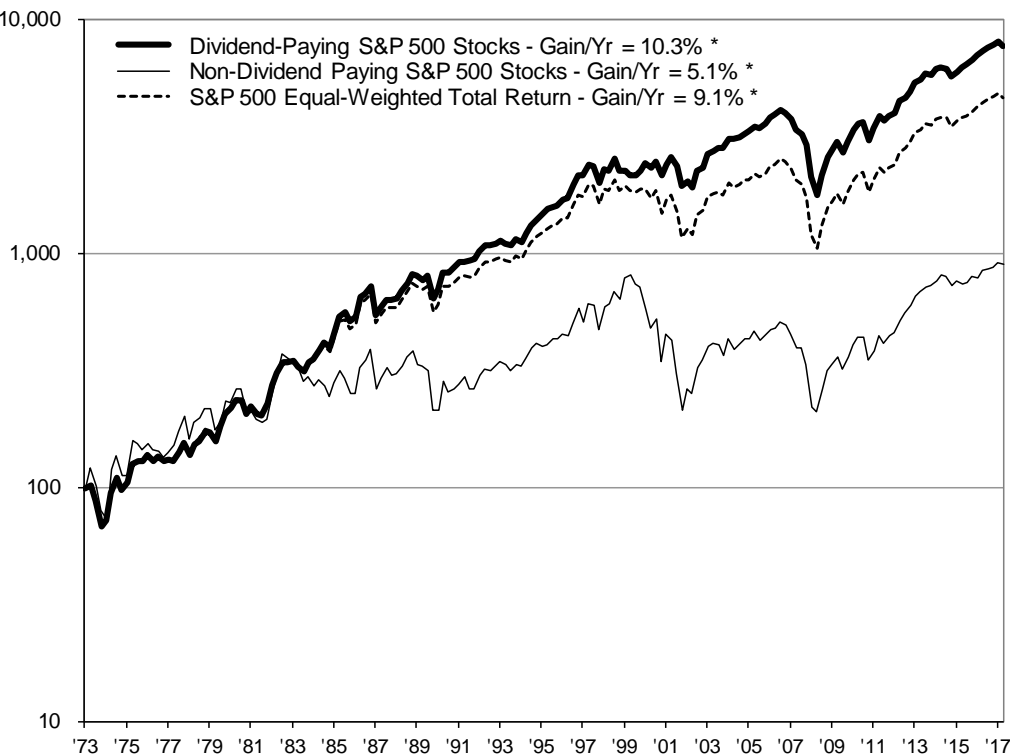
WHAT DO FUND MANAGERS LOOK FOR?

- The fundamental process includes a search for stocks of companies with:
 - Growing earnings;
 - Stable-to-improving margins;
 - Global opportunities;
 - A sustainable competitive advantage; and
 - Experienced management

- The Funds look further for companies that exhibit characteristics that would encourage dividends and dividend growth:
 - Consistency of earnings, cash flow generation
 - Emphasis on balance sheet strength, includes low debt and strong cash flow;
 - Shareholder “friendly” management teams committed to returning excess capital to shareholders; and
 - High current dividend yield or potential for significant dividend increases over time.



DIVIDEND PAYING STOCKS OUTPERFORM NON - DIVIDEND PAYING STOCKS IN A SLOWER ECONOMY



* Based on geometric average of total returns from December 1973 to March 2018. Holdings equal-weighted and rebalanced quarterly.

| December 1973 to March 2018 | | |
|-------------------------------|---------------------------------------|------------|
| Dividend Paying Stocks* | Non- Dividend Paying Stocks* | Difference |

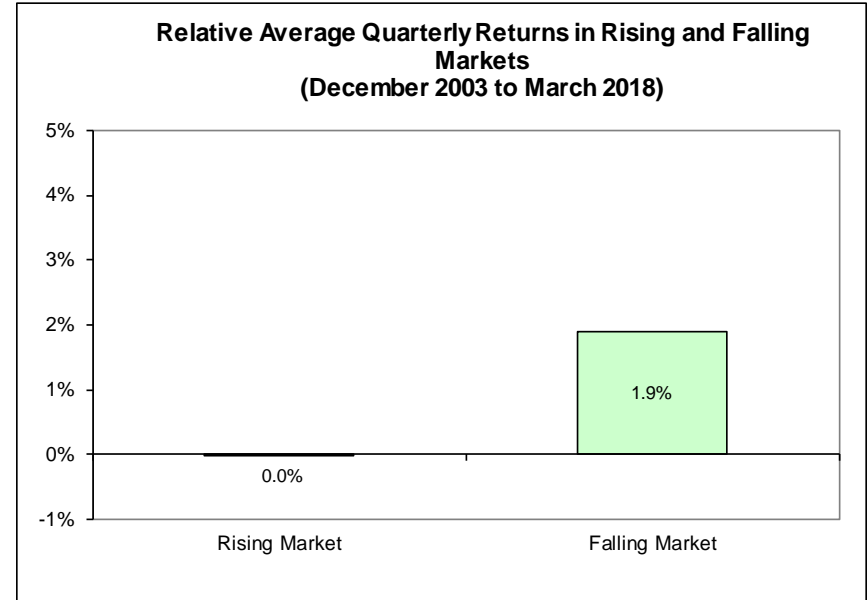
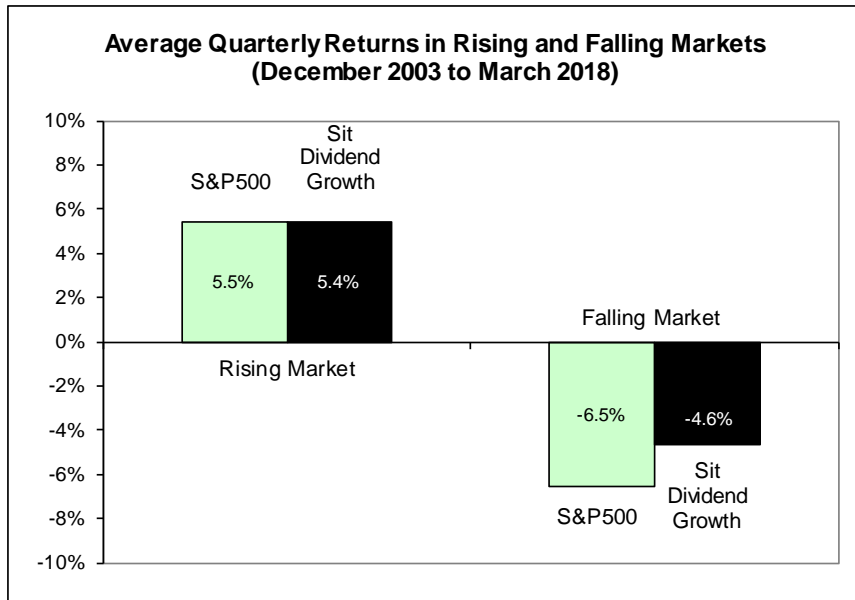
| | | | |
|---|-------|-------|-------|
| Median Ann. Return When Real Annualized Q/Q GDP is Greater Than 3.0%** | 15.5% | 18.4% | -2.9% |
| Median Ann. Return When Real Annualized Q/Q GDP is Less Than 3.0%** | 15.2% | 9.3% | 6.0% |

*Universe consists of S&P 500 constituents, rebalanced quarterly and equal-weighted.
** Average annualized Q/Q US real GDP growth during the period = 2.9% .

SOURCES: NED DAVIS RESEARCH, FACTSET & SIT INVESTMENT ASSOCIATES

SIT DIVIDEND GROWTH RISK/RETURN PROFILE

Average quarterly returns shown below are BEFORE fees.



Source: Sit Investment Associates, Inc.

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 NOT included in the Fund's performance shown above; returns would be lower after deducting for these fees

SIT DIVIDEND GROWTH FUND

MARCH 31, 2018

INVESTMENT OBJECTIVES

The Sit Dividend Growth objective is to generate:

- Long-term capital appreciation of securities;
- Income that exceeds the dividend yield of the S&P 500® Index; and
- Income that grows over a period of years.

INVESTMENT STRATEGY

The Sit Dividend Growth strategy to achieve its objectives is to invest, under normal market conditions, 80% of its net assets in common stocks of dividend-paying, growth-oriented companies that it deems financially strong and with the potential for long-term returns based on these criteria:

- A company's earnings growth;
- A record of increasing dividend payments;
- Strong prospects for growing dividend payments indicated, in part, by growing earnings and cash flow;
- Unique product or service;
- Growing product or service demand;
- Dominant and growing market share;
- Management experience and capabilities; and
- Strong financial condition.

SECTOR ALLOCATION (%)

| | | | |
|------------------------|------|---------------------------|------|
| Finance | 16.1 | Consumer Non-Durables | 6.9 |
| Health Technology | 12.7 | Retail Trade | 5.2 |
| Electronic Technology | 10.6 | Process Industries | 4.9 |
| Producer Manufacturing | 10.3 | Sectors Less Than 4.9% | 25.4 |
| Technology Services | 7.0 | Cash and Other Net Assets | 0.9 |

TOP TEN HOLDINGS (%)

| | | | |
|------------------------------|-----|--------------------------|-----|
| Microsoft Corp. | 3.1 | Home Depot, Inc. | 2.4 |
| Johnson & Johnson | 3.1 | Apple, Inc. | 2.4 |
| Verizon Communications, Inc. | 3.1 | Becton Dickinson and Co. | 2.1 |
| JPMorgan Chase & Co. | 2.8 | Broadcom, Ltd. | 2.1 |
| Bank of America Corp. | 2.5 | Abbott Laboratories | 2.1 |

BALANCE SHEET / PROFITABILITY - MEDIANS (%)

| | Return on Invested Capital | Free Cash Flow Margin | Net Debt/ Capital |
|----------------------------|----------------------------|-----------------------|-------------------|
| Sit Dividend Growth | 13.8 | 11.2 | 27.0 |
| S&P 500® Index | 11.0 | 10.1 | 34.3 |
| Russell 1000® Growth Index | 12.3 | 11.2 | 33.1 |
| Russell 1000® Value Index | 8.5 | 7.1 | 35.4 |

INVESTMENT STYLE

| | Style | | |
|-------|-------|-------|--------|
| | Value | Blend | Growth |
| Large | | | |
| Mid | | | |
| Small | | | |

PORTFOLIO CHARACTERISTICS

| | |
|----------------------------|-----------|
| Number of Holdings: | 81 |
| Forward Dividend Yield: | 2.60% |
| Wtd. Avg. Market Cap: | \$147.7 B |
| Median Market Cap: | \$56.6 B |
| Turnover Rate: | 47.6 % |
| Beta (vs. S&P 500® Index): | 0.98 |

Source for Balance Sheet/Profitability-Medians : FactSet

III. 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 Dividend Growth Fund

Dividend paying stocks may not experience the same capital appreciation non-dividend paying stocks, and the stocks held by the Fund may reduce or stop paying dividends. Stocks of medium-sized companies may be subject to more abrupt or erratic market movements than stocks of larger, more established companies, and there may be limited liquidity for certain small cap stocks. The Fund's focus on growth stocks may cause a Fund's performance to be higher or lower than the performance of funds that focus on other types of stocks that have a broader investment style. A decrease in interest rates may lower the income earned by the Fund.

Index Descriptions

The **S&P 500** is an unmanaged capitalization-weighted index that measures the performance of 500 widely-held common stocks of large cap companies. It is not possible to invest directly in an index.

Definition of Terms

Beta is a measure of a fund's sensitivity to market movements. The beta of the market is 1.00 by definition. A beta above 1 is more volatile than the overall market, while a beta of less than 1 is less volatile.

Weighted average market cap is the average market capitalization of companies held by the Fund, weighted in proportion to their percentage of the Fund's net assets.

Median market cap is the midpoint market capitalization of companies held by the Fund; half of the companies held by the Fund will have larger market capitalizations and half will have lower market capitalizations.

DISCLOSURE PAGE

Definition of Terms

Forward dividend yield is calculated by dividing each security's indicated annual dividends (IAD) by the security's current value. The IAD for a stock that pays dividends at a fixed frequency is computed by multiplying the most recent payment times the frequency. When a dividend frequency is unavailable, the IAD is calculated by totaling the dividends for the latest 12 months. The IAD is zero in the cases where dividend history is not available or when future dividend payments have been suspended. The Fund's forward dividend yield is the sum of each security's IAD multiplied by its weight in the Fund's portfolio, not the actual dividend yield of the Fund.

Return on Invested Capital (ROIC) is a measure of financial performance expressed as a percentage, and is used to assess the return that a company generates for investors who have provided capital, i.e. bondholders and stockholders. The general equation for ROIC is: $(\text{Net income} - \text{Dividends}) \div (\text{Debt} + \text{Equity})$.

Free Cash Flow Margin is a measure of financial performance expressed as a percentage, and is calculated as free cash flow (FCF) divided by revenue. FCF represents the cash that a company is able to generate after paying for required capital expenditures. Generally, the higher the percentage, the more cash a company has for paying dividends, reducing debt or for other purposes.