

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
Sit Fixed Income Advisors II, LLC

SEC File Number:  
801- 55201

Date:  
3/12/2008

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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1.D.	<p>Applicant provides investment advisory services on a discretionary basis pursuant to investment management agreements entered into with each client. Applicant provides services in conjunction with its parent Sit Investment Associates, Inc. ("SIA"). Clients include institutional investors (including both public and private organizations), investment companies and high-net worth individuals.</p> <p>Applicant's compensation for its services is computed according to fee schedules which are part of the investment management agreements. Generally, fees are stated at an annual rate, calculated quarterly as a percentage of net asset value at the end of each calendar quarter, and payable quarterly in arrears. The net asset value is generally determined based on the aggregate market value of all securities held in the account plus cash or cash equivalents subject to management, excluding however, assets, if any, invested in shares of investment companies managed by Applicant or its affiliates. Applicant's most significant fee schedules are presented below.</p> <p><i>Separate Account Management:</i></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <th colspan="2" style="text-align: center;">Fixed Income Management Balanced Portfolios</th> </tr> <tr> <th style="text-align: left;"><u>Net Asset Value</u></th> <th style="text-align: left;"><u>Annual Rate</u></th> </tr> <tr> <td>First \$10 million</td> <td>.75%</td> </tr> <tr> <td>Next \$10 million</td> <td>.70%</td> </tr> <tr> <td>Next \$10 million</td> <td>.65%</td> </tr> <tr> <td>Next \$10 million</td> <td>.60%</td> </tr> <tr> <td>Next \$10 million</td> <td>.55%</td> </tr> <tr> <td>Over \$50 million</td> <td>Negotiable</td> </tr> </table> <table style="margin-left: auto; margin-right: auto;"> <tr> <th colspan="2" style="text-align: center;">Fixed Income Management Fixed Income Portfolios</th> </tr> <tr> <th style="text-align: left;"><u>Net Asset Value</u></th> <th style="text-align: left;"><u>Annual Rate</u></th> </tr> <tr> <td>First \$20 million</td> <td>.40%</td> </tr> <tr> <td>Next \$30 million</td> <td>.30%</td> </tr> <tr> <td>Over \$50 million</td> <td>Negotiable</td> </tr> </table> <p>The rate applicable to any particular portfolio may reflect the total of all assets managed on behalf of a client by Applicant and its affiliates, including investments made by such client in investment companies managed by Applicant and its affiliates. The rate applicable may also reflect the total of all assets managed on behalf of a client's financial consultant or financial intermediary by Applicant and its affiliates, including investments made by such client in investment companies managed by Applicant and its affiliates. It may be necessary for Applicant to negotiate fees with clients that may be different than those outlined herein in order to accommodate a unique situation or service requirement.</p> <p>Applicant manages a few client accounts pursuant to investment management agreements that have unique investment objectives and entitle Applicant to receive a management fee based on the assets managed and a performance fee based on the amount by which the account's total return exceeds the total return of a specific benchmark.</p>	Fixed Income Management Balanced Portfolios		<u>Net Asset Value</u>	<u>Annual Rate</u>	First \$10 million	.75%	Next \$10 million	.70%	Next \$10 million	.65%	Next \$10 million	.60%	Next \$10 million	.55%	Over \$50 million	Negotiable	Fixed Income Management Fixed Income Portfolios		<u>Net Asset Value</u>	<u>Annual Rate</u>	First \$20 million	.40%	Next \$30 million	.30%	Over \$50 million	Negotiable
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1.D. Continued	<p><i>Private Investment Company Management:</i></p> <p>Applicant has entered an investment management agreement with each of the following private investment companies to serve as investment adviser. Applicant also serves as the manager for such funds.</p> <p>Interests in the private investment companies are offered to a limited number of selected institutional and other sophisticated investors. Investments in the private investment companies are subject to a number of restrictions with regard to investments, transfers and withdrawals.</p> <p>Applicant receives a management fee based on the value of the fund's or each investor's capital account at the end of each month, at the annual rates shown below. Each investment company is obligated to pay for all of its operating expenses not specifically assumed by Applicant pursuant to the investment management agreement, including, but not limited to, management fees (including contingent fees if applicable), custodian fees, charges and expenses of independent auditors, legal counsel, registrars, insurance expenses, taxes and registration fees payable to federal or other governmental agencies, costs of share certificates, interest, brokerage commissions, other transaction charges relating to the Fund's investing activities and extraordinary expenses. However, for the years 2000 through 2008, Applicant has voluntarily agreed to absorb all expenses of certain investment companies that would cause such investment company's annual expense ratio to exceed a certain amount.</p> <table> <thead> <tr> <th></th> <th>Annual Rate</th> </tr> </thead> <tbody> <tr> <td>Sit Opportunity Bond Fund, LLC (a)</td> <td>0.40%</td> </tr> <tr> <td>Sit Minnesota Municipal Bond Fund, LLC</td> <td>0.60%</td> </tr> <tr> <td>Sit Bond Fund, LLC</td> <td>0.60%</td> </tr> <tr> <td>Sit Short Duration Fund, LLC</td> <td>0.40%</td> </tr> <tr> <td>Sit Municipal Opportunity Bond Fund, LLC (a)</td> <td>0.40%</td> </tr> </tbody> </table> <p>(a) In addition to the management fee, Applicant is entitled to earn a contingent fee equal to 20% of the difference between the Fund's return (net of fees) and the return for the same period of the Lehman Aggregate Bond Index with respect to the Opportunity Bond Fund, or the Lehman Municipal Bond Index with respect to the Municipal Opportunity Bond Fund, plus 1%.</p> <p><i>Other Advisory Services and Fees Information.</i></p> <p>Clients of Applicant may terminate their contract with Applicant on thirty days written notice, or in some cases at any time without notice. The investment management agreements are terminated automatically if assigned. All such terminations are without penalty.</p> <p>Applicant provides investment management services to tax-exempt charitable organizations and makes a charitable contribution to certain of such organizations. The charitable contributions may be equal to a fixed percentage of the investment management fees paid to Applicant by the charitable organizations.</p> <p>Applicant's affiliate assists SIA in the management of the following registered investment companies that are part of the Sit Mutual Funds, a family of no-load mutual funds: Sit Tax-Free Income Fund, Sit Money Market Fund, Sit Balanced Fund, Sit Minnesota Tax-Free Income Fund, Sit High Income Municipal Bond Fund and Sit U.S. Government Securities Fund.</p>			Annual Rate	Sit Opportunity Bond Fund, LLC (a)	0.40%	Sit Minnesota Municipal Bond Fund, LLC	0.60%	Sit Bond Fund, LLC	0.60%	Sit Short Duration Fund, LLC	0.40%	Sit Municipal Opportunity Bond Fund, LLC (a)	0.40%
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4.C.7.	The investment strategies recommended by Applicant are based on the objectives of client portfolios included in the investment management agreement. Pursuant to certain client guidelines, Applicant may purchase options on fixed income securities or fixed income futures or trade in fixed income futures to hedge the value of fixed income holdings.	
5.	Applicant seeks to employ investment professionals with extensive experience in investment research and management. In most instances these individuals have college and advanced degrees and have achieved professional designations including that of Chartered Financial Analyst.	
6.	<p><b>Investment Committee and Principal Executive Officers</b></p> <p><u>Eugene C. Sit</u> - CPA, CFA – Chairman and CEO, Born 1938  BSC DePaul University  Northwestern University  DePaul University Graduate School  Business Background -  Chairman, Co-CEO and Co-Global CIO of Sit Investment Associates, Inc. since 2-08  Chairman, CEO and CIO of Sit Investment Associates, Inc. (1993 – 2-08)  President and CEO of Sit Investment Associates, Inc. (1981-1993)</p> <p><u>Michael Clinton Brilley</u> – President and Chief Fixed Income Officer, Born 1945  BS Milliken University, Decatur, IL  Business Background -  Sr. Vice President of Sit Investment Associates, Inc. since 1993  Vice President and Portfolio Manager of Sit Investment Associates, Inc. (1984-1993)</p> <p><u>Debra Ann Sit</u> - CFA - Senior Vice President, Born 1960  BA University of Minnesota  MBA University of Chicago Graduate School of Business  Business background -  Vice President - Bond Investments of Sit Investment Associates, Inc. since 1993  Bond Specialist - Assistant Portfolio Manager &amp; Fixed Income Analyst, Sit Investment Associates, Inc. (1987-1993)</p>	
8.C.2. & 3.	<p>Applicant or its affiliate assists SIA in the management of the fixed income portfolios of SIA's balanced accounts, and the following registered investment companies that are part of the Sit Mutual Funds, a family of no-load mutual funds: Sit Tax-Free Income Fund, Sit Money Market Fund, Sit Balanced Fund, Sit Minnesota Tax-Free Income Fund, Sit High Income Municipal Bond Fund and Sit U.S. Government Securities Fund. SIA provides executive personnel, back office staff, systems and equipment to Applicant. Applicant and SIA have three common directors or managers.</p> <p>Sit Investment Fixed Income Advisors, Inc. ("SFIA") is a registered investment adviser (SEC File number 801-21385) and subsidiary of SIA and therefore an affiliate of Applicant. SFIA provides investment advisory services in conjunction with SIA and Applicant to client accounts.</p>	

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8.D.	Applicant and its affiliate provide investment advisory services and serve as general partner or manager to private investment companies organized as limited partnerships or limited liability companies. Several of such private investment funds are available to Applicant's clients, however, Applicant does not advise clients whether to invest in such private investment funds. Applicant does not invest assets from its clients' accounts for which it has discretionary investment responsibilities in private investment funds for which it serves as a manager or general partner.	
9.D.	<p>Applicant's affiliate assists SIA in the management of six registered investment companies that are part of the Sit Mutual Funds, a family of no-load registered investment companies sponsored by SIA. The investment management agreements with certain clients provide that Applicant may invest the client's assets in shares of one or more of the Sit Mutual Funds. Clients are informed of any investment in shares of the Sit Mutual Funds and receive the fund's prospectus. The value of shares of the Sit Mutual Funds held in a client account are excluded from the calculation of the management fee payable to Applicant with respect to the separate account.</p> <p>See response to item 8.D. and 9.E.</p>	
9.E.	<p>Applicant, its affiliates and employees may buy or sell for themselves securities that they also recommend to clients. The personal trading activities of Applicant's directors, officers and employees are restricted by Applicant's code of ethics. The restrictions applicable to the personal security transactions of Applicant's officers and employees include, among others things: pre-clearance of all transactions; a 10 day black-out period; a restricted security list; prohibitions on short-term trading and initial public offerings; and limits on the number of transactions over certain periods of time. The code of ethics also contains reporting requirements. Officers and employees are required to annually certify their compliance with the code of ethics. Other prohibitions applicable to Applicant's officers and employees include accepting gifts of more than nominal value, borrowing money from Applicant's clients, and taking any action which such person knows to be in conflict with the interest of Applicant.</p> <p>See response to 8.D. and 9.D.</p>	
10.	Applicant generally requires a minimum of \$10 million for institutional accounts. Applicant does not intend to accept non-discretionary accounts.	
12.A.	<p>Applicant, in effecting purchases and sales of portfolio securities for the account of clients, including the investment companies, will seek best execution of the orders. Consistent with this policy, orders for portfolio transactions are placed with broker-dealer firms giving consideration to the quality, quantity and nature of the firm's professional services which include execution, clearance procedures and market, statistical and other research information provided to Applicant and its clients. All these factors are taken into account in the allocation of brokerage and thus lowest price is not necessarily the determining factor. Applicant feels that it is to the overall benefit of its clients and clients of its subsidiary to receive these benefits from broker-dealers and not to have to duplicate these services by expensive additions to Applicant's staff. Nothing in this policy relieves Applicant of its responsibility of reviewing the research and making the ultimate determination on transactions based on its own expertise. It is quite possible that the research benefits received from any one order will not inure to the direct benefit of the client including a mutual fund placing the order but Applicant feels that the aggregate benefits of information received from all orders will benefit all its clients, including the clients of its subsidiaries. While Applicant will be primarily responsible for the allocation of the client's brokerage business, the policies and practices for Applicant in this regard must be consistent with the foregoing and will at all times be subject to review by the client. The aggregation or blocking of client transactions allows Applicant to execute transactions in a more timely, equitable, and</p>	

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	<p>efficient manner and seeks to reduce overall commission charges to clients. Applicant's policy is to aggregate client transactions where possible and when advantageous to clients. In these instances clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. Applicant's policy prohibits any allocation of trades in a manner that Applicant's proprietary accounts, affiliated accounts, or any particular client(s) or group of clients receive more favorable treatment than other client accounts. Applicant has adopted a policy for the fair and equitable allocation of transactions using a pro-rata allocation method. Equity security transactions are processed using an electronic order management system. Transactions are allocated to all applicable client accounts based on account size, cash levels, the model portfolio target weightings, and investment restrictions. Fixed income security transactions are allocated by the trader to all applicable client accounts based on portfolio characteristics such as cash and liquidity requirements, portfolio duration, quality requirements, and investment restrictions.</p> <p>Applicant has policies and procedures for the allocation of initial public offerings ("IPO's") to client accounts. IPO shares are allocated fairly and equitably among all advisory clients according to a specific and consistent basis so as not to advantage any firm, personal or related account and so as not to favor or disfavor any client, or group of clients, over any other. IPOs are allocated on a rotational allocation basis. Circumstances may arise in which deviation from the above procedures may be appropriate and may be approved by the Chief Investment Officer.</p> <p>The Applicant may under certain circumstances effect cross-trades which means the purchase and sale of a security between two or more accounts (including pooled investment funds) managed by the Applicant or its affiliates. In certain situations it is advantageous to clients to engage in a cross-trade. These situations can arise for many reasons. Often an account will have incoming cash that needs to be invested and at the same time another account is withdrawing funds and needs to sell portfolio securities to raise cash. Another situation in which a cross-trade may be desirable is when the characteristics of a particular security change, for example from mid-cap to large-cap. An account investing in mid-cap stocks may need to sell the security while it may be desirable for a large-cap portfolio to acquire the same security.</p> <p>All cross-trades are executed at a fair price and no client is disfavored by the transaction. The Applicant receives no compensation from effecting a cross-trade. The Applicant has policies and procedures to ensure the transactions are done on a fair and equitable basis and in the best interests of the clients. Where a registered investment company is involved in the transaction, the requirements of Rule 17a-7 under the Investment Company Act of 1940 are complied with. Commissions are not paid on purchases and sales between registered investment companies subject to Rule 17a-7 of the Investment Company Act of 1940, but such transactions may be charged transfer fees. Where an account subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) is involved in the transaction, the requirements of section 408(b)(19) of ERISA are complied with. Generally, the Applicant effects a cross-trade by placing simultaneous buy and sell orders for a security through an independent broker-dealer, who then effects both transactions at a reduced commission. Alternatively, a cross-trade may be executed by instructing the custodians to transfer the security from one client's account to the other. Notwithstanding the above, Applicant may initiate the purchase and sale of a security in the market on behalf of two or more clients on the same day but through different independent broker-dealers. Generally, such a transaction is not considered a cross-trade for purposes of the cross-trade procedures.</p> <p>During 2007 Applicant and its affiliates received approximately 16 different services and products from 7 different broker-dealers from soft-dollar arrangements. Among the services and products received were: financial, economic, and political information services and research reports; periodic specialized financial market research; financial market statistical information; industry and sector</p>	

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	<p>analysis; economic, political and market commentary; issuer credit research; on-line bond trading services; quantitative research and analysis; and market prices and quotation services. A complete list of the services and products received is available to clients upon request.</p> <p>Certain clients have directed Applicant to use a particular broker in effecting purchases and sales of its portfolio securities, and therefore, the Applicant's services would not include selection of brokerage firms or negotiation of commission rates. Generally, under such circumstances, the client may receive products or services from the broker directly. If a client chooses to direct its brokerage to a broker other than the one through which the Applicant will execute orders for its other clients, the client will forgo any benefit from savings on execution costs that the adviser could obtain for its other clients through, for example, discounts on batched orders.</p> <hr/> <p><b><u>Proxy Voting</u></b></p> <p>Applicant exercises voting authority with respect to client securities unless instructed otherwise. Applicant maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting. Generally, Applicant's policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.</p> <p>Clients may at any time request a copy of the proxy voting policies and procedures, and information regarding how Applicant voted a client's proxies.</p> <p>In the absence of specific voting guidelines from the client, Applicant will vote proxies in the best interests of each particular client. Applicant's policy is to vote all proxies from a specific issuer the same way for each client absent qualifying restrictions from a client.</p> <p>Applicant will make reasonable attempts to identify any conflicts that exist between the interests of Applicant and the client by reviewing the relationship of Applicant with the issuer of each security to determine if Applicant or any of its employees has any financial, business or personal relationship with the issuer. If a material conflict of interest exists, the Proxy Committee will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation. Applicant will maintain a record of the voting resolution of any conflict of interest.</p>	

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	<p><b><u>Privacy Policy Notice</u></b></p> <p>Sit Investment Associates, Inc., its subsidiaries and the Sit Mutual Funds ("Sit") take their clients' personal privacy seriously. In order to provide financial products and services, Sit may collect nonpublic personal information about its clients from the following sources:</p> <ul style="list-style-type: none"> <li>• information we receive from account documentation, including applications, contracts, and other forms which may include (but is not limited to) information such as a client's name, address, tax identification number or social security number, assets and income;</li> <li>• information about client transactions and communications with Sit, its affiliates, agents or others which may include (but is not limited to) account numbers, balances, and transaction requests made through transfer agents, custodians or third party intermediaries.</li> </ul> <p>Sit does not disclose any nonpublic personal information about its clients or former clients to anyone outside Sit's organization except as necessary in order to provide services to its clients as permitted by law. For example, we may disclose nonpublic personal information about a client to a non-affiliated company assisting Sit in servicing client accounts such as providing a portfolio management system and transfer agent services. To safeguard its client's personal information, Sit insists that its service providers limit access to personal information to authorized employees and agents and maintain appropriate safeguards.</p> <p>Sit restricts access to its clients' nonpublic personal information to those employees who need to now that information to provide products or services to its clients. Sit maintains physical, electronic and procedural safeguards that comply with federal standards to guard its clients' nonpublic personal information.</p> <p>This privacy policy does not apply to a client's relationship with other financial service providers, such as broker-dealers, custodians or other third party intermediaries.</p>	

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