

Sit Quality Income Fund

Sit Investment Associates

Sit Mutual Funds

As of March 31, 2023

800-332-5580

www.sitfunds.com

INVESTMENT OBJECTIVE

High current income and safety of principal.

INVESTMENT STRATEGY

The Fund seeks to achieve its objective by investing under normal market conditions at least 80% of its assets in debt securities issued by the U.S. government and its agencies, debt securities issued by corporations, mortgage and other asset-backed securities.

The Fund invests at least 50% of its assets in U.S. government debt securities, which are securities issued, guaranteed or insured by the U.S. government, its agencies or instrumentalities. The balance of the Fund's assets will be invested in investment grade debt securities issued by corporations and municipalities, and mortgage and other asset backed securities. Investment grade debt securities are rated at the time of purchase within the top four rating categories by a Nationally Recognized Statistical Rating Organization or of comparable quality as determined by the Adviser. The Fund's dollar-weighted average portfolio quality is expected to be "A" or better.

INVESTMENT STYLE

		Duration		
		Short	Interm	Long
Quality	High			
	Mid			
	Low			

INDUSTRY EXPERIENCE

The Fund is managed by a team of investment professionals led by:

- Bryce A. Doty, CFA, 32 years
- Mark H. Book, CFA, 36 years
- Christopher M. Rasmussen, CFA, 22 years

INVESTMENT ADVISER

Sit Investment Associates, Inc.

- Founded in 1981
- Employee-owned firm
- \$15.3 billion in assets under management
- Sole business is investment management
- Based in Minneapolis, Minnesota

FUND DETAILS

Ticker:	SQIFX	SQIYX
CUSIP:	82979K-50-6	82980B-30-5
Inception Date:	12/31/12	3/30/22
Gross Expense Ratio ⁽²⁾ :	0.90%	0.65%
Net Expense Ratio ⁽²⁾ :	0.80%	0.55%

FUND PERFORMANCE (%)

	Annualized Returns						30-Day SEC Yield ⁽¹⁾	
	3 Month	1 Year	3 Year	5 Year	10 Year	Since Inception	Subsidized	Unsubsidized
Class S Shares	1.18	-0.47	1.28	1.61	1.04	1.06	3.64	3.54
Bloomberg U.S. 1-3 Year Government/Credit Index	1.51	0.26	-0.37	1.26	1.01	1.01		
Class Y Shares	1.25	-0.11	—	—	—	-0.11	3.89	3.89
Bloomberg U.S. 1-3 Year Government/Credit Index	1.51	0.26	—	—	—	0.26		

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. 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 administrative expenses are included in the Fund's performance. Returns for periods greater than one year are compounded average annual rates of return.

(1) The SEC yield is a standardized calculation and reflects the net investment income earned by the fund during the most recent 30-day period expressed as an annual percentage rate. Unsubsidized SEC Yield represents what the fund's 30-day SEC Yield would have been had no fee waivers been in place over the period.

TOTAL RETURN BY CALENDAR YEAR (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022*	YTD 2023
Class S Shares	0.68	-0.27	0.79	1.16	0.90	3.13	2.96	1.47	-1.66	1.18
Bloomberg U.S. 1-3 Year Government/Credit Index	0.77	0.65	1.28	0.84	1.60	4.03	3.33	-0.47	-3.69	1.51
Class Y Shares	—	—	—	—	—	—	—	—	-1.33	1.25
Bloomberg U.S. 1-3 Year Government/Credit Index	—	—	—	—	—	—	—	—	-1.23	1.51

*Due to the Y Share's inception date of 3/30/22, the 2022 calendar year returns of the Share and its benchmarks reflect performance since 3/30/22.

PORTFOLIO SECTOR ALLOCATION (%)

U.S. Treasury/Federal Agency	36.4
Taxable Municipal	23.7
Mortgage Pass-Through (Agy.)	17.5
Corporate Bonds	14.3
CMO (non-agency)	4.7
Asset-Backed (non-agency)	1.2
Cash & Other Net Assets	2.2

PORTFOLIO CHARACTERISTICS

S Share Assets (Millions):	\$34.4
Y Share Assets (Millions):	\$110.2
Average Maturity:	9.1 Years
Effective Duration:	1.9 Years

(2) Expense ratios are as stated in the prospectus dated January 1, 2022. Sit Investment Associates, Inc. (the "Adviser") has agreed to a management fee waiver equal to 0.10% through June 30, 2023. Until such date, the waiver cannot be terminated without approval by the Fund's Board of Directors. After June 30, 2023, the Adviser may elect to extend, modify or terminate the fee waiver.

See important information on the reverse side including a discussion of the risks of investing in the Fund and definitions of terms.

Mutual fund investing involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved.

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. 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. 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 interest 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.

More information on these risks considerations, as well as information on other risks to which the Fund is subject, as futures contracts and options, are included in the Fund's prospectus. The prospectus may be obtained by calling Sit Mutual Funds at 1-800-332-5580 or at www.sitfunds.com. Read the prospectus carefully before investing. Investment return and principal value of an investment will fluctuate so that an investor's shares when redeemed may be worth more or less than their original cost.

Fund holdings, sector allocations (as % of market value) and portfolio characteristics may change at any time and are not investment recommendations. The **Bloomberg 1-3 Year U.S. Government/Credit Index** is an unmanaged index of Treasury or government agency securities and investment grade corporate debt securities with maturities of one to three years. The returns include the reinvestment of income and do not include any transaction costs, management fees or other costs. It is not possible to invest directly in an index. **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 rate 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 the Effective Duration estimates calculated by the Adviser, which are based on assumptions by the Adviser and are subject to a number of limitations. **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.