

# Sit U.S. Government Securities Fund

## Fund Overview

This annual shareholder report contains important information about Sit U.S. Government Securities Fund for the period of April 1, 2024 to March 31, 2025. You can find additional information about the Fund at [www.sitfunds.com/documents](http://www.sitfunds.com/documents). You can also request this information by contacting us at 1-800-332-5580.

## What were the Fund's costs for the last year?

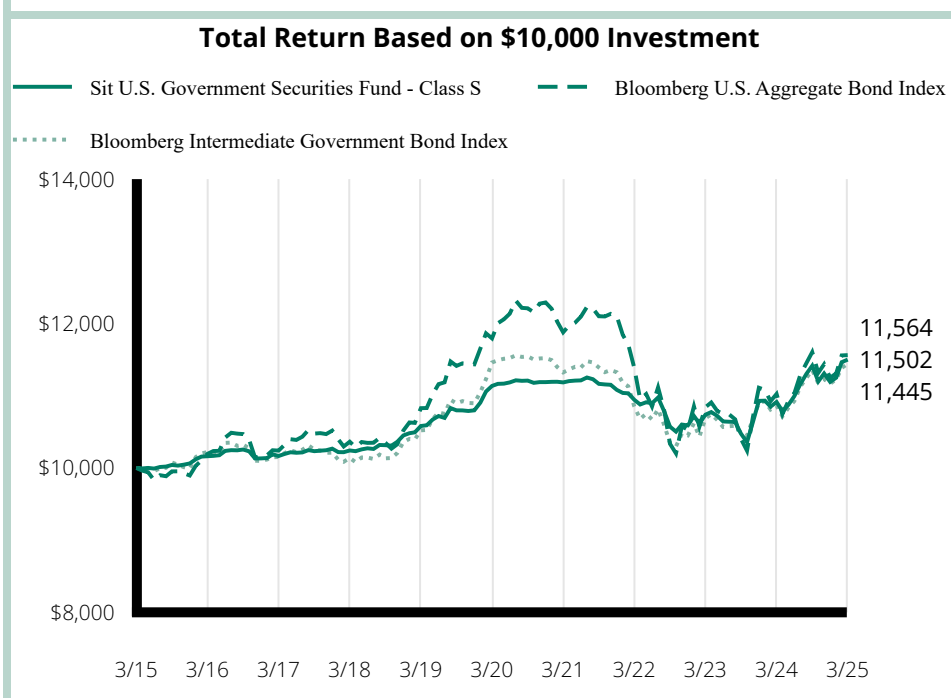
(based on a hypothetical \$10,000 investment)

Class Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Sit U.S. Government Securities Fund - Class S	\$82	0.80%

## How did the Fund perform in the past 12 months and what affected its performance?

For the 12-month period ended March 31, 2025, the Sit U.S. Government Securities Fund - Class S returned +5.38%, outperforming the Bloomberg Intermediate Government Bond Index's return of +5.35%. The Federal Reserve reduced short-term interest rates by 1.00% which caused the yield curve to steepen and prices on mortgage-backed securities to increase. The Fund benefited from the consistent relatively high level of income provided by its holdings in higher coupon government agency mortgages. The Fund reduces interest rate risk by using options on Treasury securities. The use of options was effective in providing stability to the Fund's net asset value but detracted from overall performance. The Fund continued to experience relatively stable prepayment rates as the mortgage holdings are generally well seasoned and have been through many refinancing cycles.

## How did the Fund perform over the last 10 years?



The Fund continues to use the Bloomberg Intermediate Government Bond Index as an additional benchmark.

The line graph above shows the value of a hypothetical \$10,000 investment in the Fund over the past 10 fiscal years (or since inception if shorter). The graph above and table below are total returns, which assume the reinvestment of dividends and capital gains, if any. Neither the Fund's returns nor the index returns reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares. **The Fund's past performance is not a good predictor of the Fund's future performance.** Updated performance information is available at [www.sitfunds.com/documents](http://www.sitfunds.com/documents).

## Average Annual Total Returns (as of 03/31/25)

	1 Year	5 Years	10 Years
Sit U.S. Government Securities Fund - Class S	5.38%	0.65%	1.41%
Bloomberg U.S. Aggregate Bond Index	4.88%	-0.40%	1.46%
Bloomberg Intermediate Government Bond Index	5.35%	-0.03%	1.36%

## What did the Fund invest in?

The Fund exclusively invested in U.S. government securities, focusing on high current income relative to market yields. The tables reflect the investment makeup of the Fund as of March 31, 2025. Portfolio holdings are subject to change.

### Fund Statistics (as of 03/31/25)

Total Net Assets	\$212,110,065
# of Portfolio Holdings	168
Portfolio Turnover Rate	25.55%
Investment Advisory Fees Paid	\$450,915
Average Maturity	23.2 Years
Effective Duration <sup>1</sup>	3.7 Years

<sup>1</sup> 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 by 1%, the fair 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 Sit Investment Associates, Inc. (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, and therefore is a more accurate estimate of price sensitivity provided interest rates remain within their historical range.

### Estimated Average Life

0-1 Year	1.3%
1-5 Years	91.3
5-10 Years	6.3
10-20 Years	1.1
Total	100.0%

### Portfolio Composition (% of Net Assets)

Collateralized Mortgage Obligations	72.5%
Federal National Mortgage Association	9.6
Federal Home Loan Mortgage Corporation	8.2
Government National Mortgage Association	4.3
U.S. Treasury / Federal Agency Securities	3.4
Asset-Backed Securities	0.7
Cash & Other Net Assets	1.3
Total	100.0%

## Material Fund Changes

There were no material changes to the Fund during the 12-month period ended March 31, 2025.

## Additional Information

Additional Information is available on the Fund's website at [www.sitfunds.com/documents](http://www.sitfunds.com/documents), including its prospectus, financial information, holdings, and proxy voting information.

## Householding

The SEC permits funds to deliver only one copy of shareholder documents, including prospectuses, proxy statements and shareholder reports, to fund investors with multiple accounts at the same residential or post office box address. The Sit Funds, or your financial intermediary, may household the mailing of your documents indefinitely unless you instruct the Sit Funds, or your financial intermediary, otherwise. If you would prefer that your Sit Fund documents not be househanded, please contact the Sit Funds at 1-800-332-5580, or contact your financial intermediary. Your instructions that householding not apply to delivery Fund documents will typically be effective within 30 days of receipt by the Fund or your financial intermediary.

Class S - SNGVX

# Sit U.S. Government Securities Fund



**Sit Mutual Funds**

Annual Shareholder Report

March 31, 2025