

# Sit Minnesota Tax-Free Income Fund

## Fund Overview

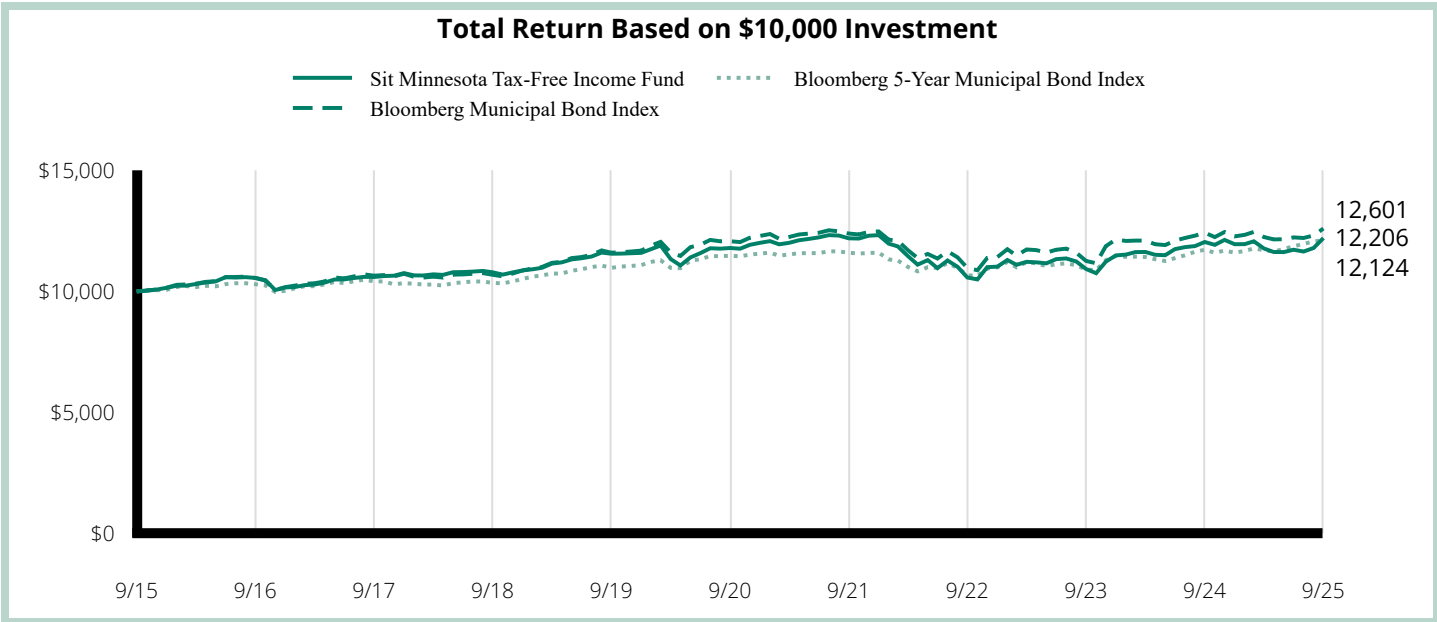
This semi-annual shareholder report contains important information about Sit Minnesota Tax-Free Income Fund for the period of April 1, 2025 to September 30, 2025. You can find additional information about the Fund at [www.sitfunds.com/documents](http://www.sitfunds.com/documents). You can also request this information by contacting us at 1-800-332-5580.

## What were the Fund’s costs for the last six months?

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

| Fund Name                          | Costs of a \$10,000 investment | Costs paid as a percentage of a \$10,000 investment |
|------------------------------------|--------------------------------|-----------------------------------------------------|
| Sit Minnesota Tax-Free Income Fund | \$41                           | 0.80%                                               |

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



## Average Annual Total Returns (as of 09/30/25)

|                                       | 6 Months | 1 Year | 5 Years | 10 Years |
|---------------------------------------|----------|--------|---------|----------|
| Sit Minnesota Tax-Free Income Fund    | 3.65%    | 1.35%  | 0.69%   | 2.01%    |
| Bloomberg Municipal Bond Index        | 2.87%    | 1.39%  | 0.86%   | 2.34%    |
| Bloomberg 5-Year Municipal Bond Index | 3.56%    | 3.43%  | 1.11%   | 1.94%    |

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 and table above 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).

The Fund continues to use the Bloomberg 5-Year Municipal Bond Index as an additional benchmark.

## What did the Fund invest in?

The Fund primarily invested in municipal securities, offering interest income exempt from federal regular income tax and Minnesota regular personal income tax. The tables reflect the investment makeup of the Fund as of September 30, 2025. Portfolio holdings are subject to change.

| Fund Statistics (as of 09/30/25)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |               | Quality Ratings (% of Net Assets) |        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------------------|--------|
| Total Net Assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | \$374,474,762 | AAA                               | 6.6%   |
| # of Portfolio Holdings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 253           | AA                                | 38.4   |
| Portfolio Turnover Rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 9.25%         | A                                 | 12.8   |
| Investment Advisory Fees Paid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$370,543     | BBB                               | 6.2    |
| Average Maturity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 16.5 Years    | Less Than BBB                     | 9.2    |
| Effective Duration <sup>1</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 7.2 Years     | Not Rated                         | 23.2   |
| <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. |               | Other Assets & liabilities        | 3.6    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |               | Total                             | 100.0% |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |               |                                   |        |

| Portfolio Composition (% of Net Assets) |        | Adviser's Assessment of Non-Rated Securities |       |
|-----------------------------------------|--------|----------------------------------------------|-------|
| Multifamily Mortgage                    | 22.4%  | A                                            | 0.9%  |
| Single Family Mortgage                  | 22.2   | BBB                                          | 6.4   |
| Education/Student Loan                  | 16.5   | BB                                           | 14.0  |
| Hospital/Health Care                    | 13.5   | < BB                                         | 1.9   |
| General Obligation                      | 9.1    | Total                                        | 23.2% |
| Sectors less than 5%                    | 12.7   |                                              |       |
| Cash & Other Net Assets                 | 3.6    |                                              |       |
| Total                                   | 100.0% |                                              |       |

## Material Fund Changes

There were no material changes to the Fund during the six-month period ended September 30, 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 householded, 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.

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**Sit Minnesota Tax-Free Income Fund**



**Sit Mutual Funds**  
Semi-Annual Shareholder Report  
September 30, 2025