

# Sit Balanced Fund

As of September 30, 2018

800-332-5580

www.sitfunds.com

## INVESTMENT OBJECTIVE

Long-term capital growth consistent with preservation of principal and seeks to provide shareholders with regular income.

## INVESTMENT STRATEGY

The Fund seeks to achieve its objective by investing in a diversified portfolio of stocks and bonds. In seeking to achieve the Fund's long-term capital growth objective, the Fund invests in common stocks of growth companies. To provide shareholders with regular income, the Fund invests in fixed-income securities and/or common stocks selected primarily for their dividend payment potential.

## EQUITY INVESTMENT STYLE

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

## FIXED-INCOME INVESTMENT STYLE

|         |      | Duration |        |      |
|---------|------|----------|--------|------|
|         |      | Short    | Interm | Long |
| Quality | High |          |        |      |
|         | Mid  |          |        |      |
|         | Low  |          |        |      |

## INDUSTRY EXPERIENCE

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

- Roger J. Sit, 28 years
- Bryce A. Doty, CFA, 28 years
- Ronald D. Sit, CFA, 34 years

## INVESTMENT ADVISER

### Sit Investment Associates, Inc.

- Founded in 1981
- Employee-owned firm
- \$13.7 billion in assets under management
- Sole business is investment management
- Based in Minneapolis, Minnesota

## FUND DETAILS

Ticker: SIBAX  
 CUSIP: 82980D-20-2  
 Inception Date: 12/31/93  
 Expense Ratio: 1.00%

## FUND PERFORMANCE (%)

|   | Annualized Returns |              |              |             |             |                 |
|---|--------------------|--------------|--------------|-------------|-------------|-----------------|
|   | 3 Month            | 1 Year       | 3 Year       | 5 Year      | 10 Year     | Since Inception |
| <b>Balanced</b>                         | <b>4.59</b>        | <b>11.14</b> | <b>10.72</b> | <b>9.33</b> | <b>8.35</b> | <b>7.19</b>     |
| S&P 500® Index                          | 7.71               | 17.91        | 17.31        | 13.95       | 11.97       | 9.81            |
| Bloomberg Barclays Aggregate Bond Index | 0.02               | -1.22        | 1.31         | 2.16        | 3.77        | 5.07            |

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.

## TOTAL RETURN BY CALENDAR YEAR (%)

|   | 2009         | 2010         | 2011        | 2012        | 2013         | 2014        | 2015        | 2016        | 2017         | YTD 2018    |
|---|--------------|--------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|-------------|
| <b>Balanced</b>                         | <b>23.12</b> | <b>10.51</b> | <b>2.04</b> | <b>9.95</b> | <b>18.36</b> | <b>9.15</b> | <b>2.25</b> | <b>4.60</b> | <b>17.74</b> | <b>6.25</b> |
| S&P 500® Index                          | 26.47        | 15.06        | 2.11        | 16.00       | 32.39        | 13.69       | 1.38        | 11.96       | 21.83        | 10.56       |
| Bloomberg Barclays Aggregate Bond Index | 5.93         | 6.54         | 7.84        | 4.22        | -2.02        | 5.97        | 0.55        | 2.65        | 3.54         | -1.60       |

## TOP HOLDINGS

| Stocks           |                 | Bonds                                 |                 |
|------------------|-----------------|---------------------------------------|-----------------|
| Company Name     | % of Net Assets | Company Name                          | % of Net Assets |
| Apple, Inc.      | 2.7             | U.S. Treasury Strip, 2.93%, 11/15/27  | 0.8             |
| Microsoft Corp.  | 2.3             | FNMA, 2.96%, 2/25/27                  | 0.6             |
| Visa, Inc.       | 2.1             | United Airlines Trust, 3.70%, 12/1/22 | 0.5             |
| Alphabet, Inc.   | 2.1             | U.S. Treasury Note, 3.13%, 5/15/48    | 0.5             |
| Amazon.com, Inc. | 2.1             | FHLMC, 6.00%, 12/15/28                | 0.5             |

## PORTFOLIO ALLOCATION (%)

|                           |      |
|---------------------------|------|
| Stocks                    | 61.3 |
| Bonds                     | 33.4 |
| Cash and Other Net Assets | 5.3  |

## PORTFOLIO CHARACTERISTICS

|                         |        |
|-------------------------|--------|
| Fund Assets (Millions): | \$40.1 |
| Number of Holdings:     | 248    |

Mutual fund investing involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved, and the market value of securities held by the Fund may fall or fail to rise. The Fund's focus on growth stocks may cause the Fund's performance at times to be better or worse than the performance of funds that focus on other types of stocks or that have a broader investment style. An increase in interest rates may lower the value of the fixed-income securities held by the Fund. A decrease in interest rates may lower the income earned by the Fund.

More information on these risks considerations, as well as information on other risks to which the Fund is subject, 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](http://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. Carefully consider the Fund's investment objectives, risks, charges and expenses before investing.

Fund holdings, sector allocations (as % of market value) and portfolio characteristics may change at any time and are not investment recommendations. The **S&P 500® Index** is an unmanaged capitalization-weighted index that measures the performance of 500 widely held common stocks of large-cap companies. The **Bloomberg Barclays Aggregate Bond Index** is an unmanaged market value-weighted index which measures the performance of investment grade debt securities with maturities of at least one year. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indices are rebalanced monthly by market capitalization. It is not possible to invest directly in an index.