

SCHEDULE OF INVESTMENTS

September 30, 2018

Sit Quality Income Fund

Name of Issuer	Principal Amount (\$)	Coupon Rate (%)	Maturity Date	Fair Value (\$)
Asset-Backed Securities - 15.9%				
Agency - 1.9%				
FNMA Grantor Trust, Series 2004-T5, Class A11 ¹	761,784	2.56	5/28/35	743,527
FNMA REMICS, Series 2001-W2, Class AS5 ¹⁴	5,703	6.47	10/25/31	5,890
Small Business Administration, Series 2000-20D	57,602	7.47	4/1/20	58,430
Small Business Administration, Series 2006-20D, Class 1	332,442	5.64	4/1/26	342,854
Small Business Administration, Series 2007-20B, Class 1	173,666	5.49	2/1/27	179,552
Small Business Administration, Series 2007-20J, Class 1	220,159	5.57	10/1/27	227,301
				1,557,554
Non-Agency - 14.0%				
Aegis Asset Backed Securities Corp., Series 2003-2, Class M1, 1 Mo. Libor + 1.13% ¹	747,206	3.34	11/25/33	744,874
Bayview Opportunity Master Fund, Series 2017-SPL5, Class A ^{1,4}	473,486	3.50	6/28/57	470,523
Bear Stearns Asset Backed Securities I Trust, Series 2005-AQ2, Class A3, 1 Mo. Libor + 0.36% ¹	172,521	2.58	9/25/35	172,578
Bear Stearns Asset Backed Securities Trust, Series 2005-SD2, Class 1A2, 1 Mo. Libor + 0.47% ¹	1,313	2.69	3/25/35	1,313
Centex Home Equity Loan Trust, Series 2004-A, Class AF4 ¹⁴	102,684	5.01	8/25/32	103,970
Centex Home Equity Loan Trust, Series 2004-A, Class AF5 ¹⁴	310,000	5.43	1/25/34	315,991
Centex Home Equity Loan Trust, Series 2004-D, Class AF6 ¹⁴	13,752	5.17	9/25/34	13,916
CIT Home Equity Loan Trust, Series 2003-1, Class A6 ¹⁴	9,335	4.56	10/20/32	9,404
Countrywide Asset-Backed Certificates, Series 2004-S1, Class A3 ¹⁴	182,244	5.12	2/25/35	183,122
Credit Acceptance Auto Loan Trust, Series 2018-2A, Class B ⁴	500,000	3.94	7/15/27	498,868
Credit Suisse First Boston Mortgage Securities Corp. Series 2005-AGE1, Class M3, 1 Mo. Libor + 0.65% ¹	257,774	2.87	2/25/32	256,680
Discover Card Execution Note Trust, Series 2017-A5, Class A5, 1 Mo. Libor + 0.60% ¹	700,000	2.76	12/15/26	705,786
Fairway Outdoor Funding, LLC, Series 2012-1A, Class A2 ⁴	498,795	4.21	10/15/42	499,598
First Alliance Mortgage Loan Trust, Series 1997-4, Class A2 ¹⁴	292,605	7.63	4/20/29	295,185
GSAMP Trust, Series 2004-FM1, Class M1, 1 Mo. Libor + 0.98% ¹	213,942	3.19	11/25/33	211,445
Hertz Vehicle Financing II LP, Series 2018-1A, Class A ⁴	750,000	3.29	2/25/24	729,431
Irwin Whole Loan Home Equity Trust, Series 2003-B, Class M, 1 Mo. Libor + 2.00% ¹	63,235	4.22	11/25/32	63,266
Irwin Whole Loan Home Equity Trust, Series 2005-A, Class M1, 1 Mo. Libor + 0.86% ¹	667,868	3.07	6/25/34	664,998
Mill City Mortgage Loan Trust, Series 2017-3, Class A1 ^{1,4}	404,468	2.75	1/25/61	395,048
New Century Home Equity Loan Trust, Series 2003-5, Class A17 ¹	5,851	5.10	11/25/33	5,971
New Residential Mortgage Loan Trust, Series 2017-6A, Class A1 ^{1,4}	241,594	4.00	8/27/57	242,327
New Residential Mortgage Trust, 2018-1A, Class A1A ^{1,4}	482,622	4.00	12/25/57	484,735
NovaStar Mortgage Funding Trust, Series 2004-2, Class M2, 1 Mo. Libor + 1.02% ¹	44,812	3.24	9/25/34	44,840
OSCAR US Funding Trust VI, LLC, Series 2017-1A, Class A3 ⁴	1,000,000	2.82	6/10/21	996,140
OSCAR US Funding Trust VI, LLC, Series 2017-1A, Class A4 ⁴	940,000	3.30	5/10/24	935,375
OSCAR US Funding Trust VII, LLC, Series 2017-2A, Class A3 ⁴	780,000	2.45	12/10/21	768,834
OSCAR US Funding Trust VIII, LLC, Series 2018-1A, Class A2B, 1 Mo. Libor + 0.49% ^{1,4}	950,370	2.62	4/12/21	950,807
OSCAR US Funding Trust, Series 2014-1A, Class A4 ⁴	98,538	2.55	12/15/21	98,348
RAAC Trust, Series 2006-RP2, Class A, 1 Mo. Libor + 0.25% ^{1,4}	13,349	2.47	2/25/37	13,344
World Omni Auto Receivables Trust, Series 2018-A, Class B	500,000	2.89	4/15/25	492,357
				11,369,074
Total Asset-Backed Securities				12,926,628
(cost: \$13,030,999)				
Collateralized Mortgage Obligations - 31.7%				
Agency - 24.7%				
FHLMC Multifamily Structured Pass Through Certificates, Series K007, Class A2	98,503	4.22	3/25/20	99,823
FHLMC Multifamily Structured Pass Through Certificates, Series K716, Class A2	2,000,000	3.13	6/25/21	1,996,855
FHLMC Multifamily Structured Pass Through Certificates, Series K727, Class A2	293,000	2.95	7/25/24	287,558
FHLMC Multifamily Structured Pass Through Certificates, Series K728, Class A2 ¹	2,000,000	3.06	8/25/24	1,973,551
FHLMC Multifamily Structured Pass Through Certificates, Series K729, Class A2	1,500,000	3.14	10/25/24	1,483,751

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Sit Quality Income Fund (Continued)

Name of Issuer	Principal Amount (\$)	Coupon Rate (%)	Maturity Date	Fair Value (\$)
FHLMC Multifamily Structured Pass Through Certificates, Series K730, Class A2	1,500,000	3.59	1/25/25	1,519,032
FHLMC REMICS, Series 2528, Class KM	48,870	5.50	11/15/22	50,796
FHLMC REMICS, Series 3104, Class BY	154,567	5.50	1/15/26	163,379
FHLMC REMICS, Series 3614, Class QA	156,411	4.00	5/15/24	156,823
FHLMC REMICS, Series 3806, Class JA	405,230	3.50	2/15/26	405,520
FHLMC REMICS, Series 4759, Class NA	963,251	3.00	8/15/44	945,378
FHLMC REMICS, Series 4776, Class QG	973,380	3.00	9/15/42	955,779
FNMA ACES, Series 2009-M1, Class A2	265,429	4.29	7/25/19	265,974
FNMA ACES, Series 2013-M14, Class A2 ¹	333,029	3.33	10/25/23	334,573
FNMA ACES, Series 2013-M9, Class A2 ¹	1,222,131	2.39	1/25/23	1,179,956
FNMA Grantor Trust, Series 2004-T1, Class 2A ¹	637,225	3.70	8/25/43	644,590
FNMA REMICS, Series 2003-52, Class NA	61,917	4.00	6/25/23	62,624
FNMA REMICS, Series 2005-19, Class PA	55,414	5.50	7/25/34	56,351
FNMA REMICS, Series 2005-68, Class PC	12,462	5.50	7/25/35	12,664
FNMA REMICS, Series 2008-65, Class CD	35,215	4.50	8/25/23	35,422
FNMA REMICS, Series 2009-13, Class NX	160,250	4.50	3/25/24	161,276
FNMA REMICS, Series 2009-71, Class MB	57,551	4.50	9/25/24	59,271
FNMA REMICS, Series 2009-88, Class DA	10,365	4.50	10/25/20	10,395
FNMA REMICS, Series 2011-16, Class GE	2,272	2.75	3/25/26	2,266
FNMA REMICS, Series 2011-46, Class A	8,178	3.00	5/25/24	8,169
FNMA REMICS, Series 2012-19, Class GH	40,550	3.00	11/25/30	40,414
FNMA REMICS, Series 2013-74, Class AD	227,949	2.00	7/25/23	223,573
FNMA REMICS, Series 2017-97, Class DP	1,124,443	3.50	10/25/46	1,113,156
FNMA REMICS, Series 2018-1, Class TE	774,149	3.50	3/25/44	771,084
FNMA REMICS, Series 2018-25, Class AG	809,699	3.50	4/25/47	806,342
FREMF Multifamily Aggregation Risk Transfer Trust, Series 2017-KT01, Class A, 1 Mo. Libor + 0.32% ¹	1,000,000	2.53	2/25/20	1,001,400
FRESB Mortgage Trust, Series 2018-SB45, Class A5H, 1 Mo. Libor + 2.96% ¹	995,293	2.96	11/25/37	983,394
FRESB Mortgage Trust, Series 2018-SB46, Class A5H, 1 Mo. Libor + 2.89% ¹	895,344	2.89	12/25/37	880,980
GNMA, Series 2011-29, Class JA	26,314	4.50	4/20/40	26,469
NCUA Guaranteed Notes Trust, Series 2010-R1, Class 1A, 1 Mo. Libor + 0.45% ¹	215,216	2.53	10/7/20	215,881
NCUA Guaranteed Notes Trust, Series 2010-R3, Class 2A, 1 Mo. Libor + 0.56% ¹	1,033,363	2.68	12/8/20	1,038,462
Vendee Mortgage Trust, Series 1993-1, Class ZB	93,161	7.25	2/15/23	99,583
				<u>20,072,514</u>
Non-Agency - 7.0%				
COLT Mortgage Loan Trust, Series 2017-1, Class A1 ^{1, 4}	201,263	2.61	5/27/47	199,714
COLT Mortgage Loan Trust, Series 2017-2, Class A2A ^{1, 4}	270,248	2.57	10/25/47	268,532
COMM Mortgage Trust, Series 2014-CR21, Class A1	168,664	1.49	12/10/47	167,746
GSR Mortgage Loan Trust, Series 2005-5F, Class 8A1, 1 Mo. Libor + 0.50% ¹	47,340	2.72	6/25/35	45,210
MASTR Adjustable Rate Mortgages Trust, Series 2004-13, Class 3A1 ¹	251,393	4.42	11/21/34	258,312
MASTR Alternative Loan Trust, Series 2003-4, Class 2A1	76,266	6.25	6/25/33	79,228
MASTR Alternative Loan Trust, Series 2003-5, Class 4A1	114,832	5.50	7/25/33	119,813
MASTR Alternative Loan Trust, Series 2003-8, Class 3A1	119,960	5.50	12/25/33	123,496
MASTR Asset Securitization Trust, Series 2005-2, Class 1A3	46,000	5.35	11/25/35	47,962
New Residential Mortgage Loan Trust, Series 2017-2A, Class A4 ^{1, 4}	681,787	4.00	3/25/57	681,227
New Residential Mortgage Loan Trust, Series 2017-3A, Class A1 ^{1, 4}	743,849	4.00	4/25/57	747,011
New Residential Mortgage Loan Trust, Series 2017-5A, Class A1, 1 Mo. Libor + 1.50% ^{1, 4}	356,799	3.72	6/25/57	365,885
Prime Mortgage Trust, Series 2004-CL1, Class 1A1	80,756	6.00	2/25/34	85,107
RAAC Trust, Series 2004-SP3, Class A15 ¹	1,392	4.89	12/25/32	1,409
Sequoia Mortgage Trust, Series 2012-1, Class 2A1 ¹	49,895	3.47	1/25/42	48,972
Sequoia Mortgage Trust, Series 2012-1, Class B1 ¹	473,601	4.28	1/25/42	472,970
Sequoia Mortgage Trust, Series 2012-2, Class B1 ¹	686,649	4.23	4/25/42	691,775

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Sit Quality Income Fund (Continued)

Name of Issuer	Principal Amount (\$)	Coupon Rate (%)	Maturity Date	Fair Value (\$)
Sequoia Mortgage Trust, Series 2017-4, Class A4 ^{1, 4}	402,699	3.50	7/25/47	397,807
Sequoia Mortgage Trust, Series 2018-3, Class A4 ^{1, 4}	704,661	3.50	3/25/48	693,202
Structured Asset Securities, Corp. Mtg Pass-Through Certificates, Series 2003-22A, Class 3A ¹	104,978	4.42	6/25/33	106,361
WaMu Mortgage Pass Through Certificates, Series 2002-AR2 Class A, US FED + 1.25% ¹	79,781	2.27	2/27/34	78,752
WaMu Mortgage Pass Through Certificates, Series 2004-CB2, Class 7A	7,245	5.50	8/25/19	7,259
				<u>5,687,750</u>
Total Collateralized Mortgage Obligations (cost: \$26,096,181)				<u>25,760,264</u>
Corporate Bonds - 13.7%				
Anheuser-Busch InBev Finance, Inc.	750,000	3.70	2/1/24	747,735
Assured Guaranty US Holdings, Inc.	250,000	5.00	7/1/24	257,741
Athene Global Funding, 3 Mo. Libor + 1.23% ^{1, 4}	500,000	3.63	7/1/22	509,068
Bank of America Corp., 3 Mo. Libor + 0.79% ¹	750,000	3.11	3/5/24	749,508
Caterpillar Financial Services Corp., 3 Mo. Libor + 0.28% ¹	400,000	2.60	9/7/21	400,342
Citigroup, Inc., 3 Mo. Libor + 1.02% ¹	750,000	3.34	6/1/24	753,601
Doric Nimrod Air Finance Alpha 2012-1 Trust ⁴	332,244	5.13	11/30/22	337,235
Equinor ASA	800,000	2.45	1/17/23	770,638
Goldman Sachs Group, Inc., 3 Mo. Libor + 1.00% ¹	150,000	3.34	7/24/23	151,590
Hawaiian Airlines Pass Through Certificates, Series 2013-1, Class A	748,932	3.90	1/15/26	735,825
HSBC Holdings, PLC, 3 Mo. Libor + 1.00% ¹	700,000	3.32	5/18/24	698,758
JPMorgan Chase & Co., 3 Mo. Libor + 0.73% ¹	783,000	3.08	4/23/24	779,470
Manufacturers & Traders Trust Co. (Subordinated), 3 Mo. Libor + 0.64% ¹	800,000	2.96	12/1/21	798,109
Massachusetts Mutual Life Insurance Co. (Subordinated) ⁴	700,000	7.50	3/1/24	809,837
Nationwide Mutual Insurance Co. (Subordinated), 3 Mo. Libor + 2.29% ^{1, 4}	625,000	4.62	12/15/24	625,009
United Airlines 2013-1 Class A Pass Through Trust	742,300	4.30	2/15/27	756,276
United Community Bank (Subordinated), 3 Mo. Libor + 2.12% ¹	500,000	4.50	1/30/28	491,404
US Airways 2013-1 Class A Pass Through Trust	743,675	3.95	11/15/25	736,611
				<u>11,108,757</u>
Total Corporate Bonds (cost: \$11,207,100)				<u>11,108,757</u>
Mortgage Pass-Through Securities - 14.8%				
Federal Home Loan Mortgage Corporation - 1.1%				
Freddie Mac	175,084	3.00	9/1/27	173,795
Freddie Mac	38,283	3.50	7/1/26	38,504
Freddie Mac	243,676	4.00	7/1/26	249,792
Freddie Mac	252,540	4.00	1/1/27	258,853
Freddie Mac	4,031	4.50	5/1/19	4,081
Freddie Mac	9,130	4.50	6/1/19	9,244
Freddie Mac	6,024	4.50	6/1/19	6,099
Freddie Mac	47,388	4.50	12/1/21	48,006
Freddie Mac	17,368	4.50	7/1/26	17,652
Freddie Mac	10,471	5.00	7/1/19	10,644
Freddie Mac	17,545	5.00	10/1/25	18,424
Freddie Mac	2,609	5.50	10/1/19	2,620
Freddie Mac	30,566	5.50	5/1/20	30,796
Freddie Mac	7,006	5.50	7/1/20	7,050
Freddie Mac	6,056	5.50	12/1/20	6,090
Freddie Mac	32,194	5.50	3/1/21	32,660
Freddie Mac	21,435	5.50	3/1/21	21,836
				<u>936,146</u>

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September 30, 2018

Sit Quality Income Fund (Continued)

Name of Issuer	Principal Amount (\$)	Coupon Rate (%)	Maturity Date	Fair Value (\$)
Federal National Mortgage Association - 9.3%				
Fannie Mae	509,098	2.50	6/1/23	502,591
Fannie Mae	982,174	2.61	2/1/23	958,716
Fannie Mae	897,968	2.70	4/1/23	874,693
Fannie Mae	701,279	2.72	12/1/22	684,798
Fannie Mae	988,866	2.77	11/1/23	963,177
Fannie Mae	283,539	3.00	8/1/28	281,756
Fannie Mae	716,625	3.50	1/1/26	720,659
Fannie Mae	274,071	3.93	5/1/24	279,603
Fannie Mae	21,944	4.00	9/1/24	22,396
Fannie Mae	160,530	4.00	6/1/25	163,901
Fannie Mae	23,963	4.00	10/1/31	24,386
Fannie Mae	509,625	4.44	6/1/21	519,798
Fannie Mae	150,157	4.50	4/1/25	155,816
Fannie Mae	248,938	4.73	2/1/20	251,158
Fannie Mae	9,820	5.00	8/1/19	10,116
Fannie Mae	48,958	5.00	9/1/20	50,494
Fannie Mae	1,067,821	5.44	1/1/19	1,065,914
Fannie Mae	1,072	5.50	4/1/19	1,071
Fannie Mae	11,233	5.50	1/1/21	11,369
Fannie Mae	7,542	5.50	10/1/21	7,635
Fannie Mae	843	6.50	2/1/19	924
				<u>7,550,971</u>
Government National Mortgage Association - 0.3%				
Ginnie Mae, US Treasury + 1.50% ¹	54,102	3.63	4/20/33	56,003
Ginnie Mae, US Treasury + 1.50% ¹	11,315	3.63	4/20/42	11,576
Ginnie Mae	47,154	5.00	12/20/23	49,637
Ginnie Mae	29,670	5.00	9/15/24	30,946
Ginnie Mae	55,982	5.00	6/20/26	60,510
				<u>208,672</u>
Other Federal Agency Securities - 4.1%				
Small Business Administration Pools, PRIME - 2.50% ¹	680,196	2.50	5/25/43	681,534
Small Business Administration Pools, PRIME + 0.78% ¹	651,658	5.78	3/25/30	715,611
Small Business Administration Pools, PRIME + 0.80% ¹	1,805,925	5.80	2/25/28	1,969,792
				<u>3,366,937</u>
Total Mortgage Pass-Through Securities				
(cost: \$12,277,664)				
				<u>12,062,726</u>
Taxable Municipal Bonds - 7.3%				
Atlanta Downtown Development Authority ¹⁷	635,000	6.88	2/1/21	666,623
Berks County Industrial Development Authority	395,000	3.20	5/15/21	393,981
City of Wilkes-Barre PA ¹⁷	1,000,000	3.24	11/15/21	998,650
Colorado Housing & Finance Authority	15,000	4.00	11/1/31	15,152
Kentucky Higher Education Student Loan Corp.	800,000	3.92	6/1/32	775,424
Massachusetts Educational Financing Authority	470,000	4.00	1/1/32	477,327
Massachusetts Educational Financing Authority	750,000	4.41	7/1/34	745,223
Multistate Liquidating Trust No. 1 ^{4, 17}	100,000	1.39	12/15/18	99,720
New Hampshire Housing Finance Authority	565,000	4.22	7/1/29	562,378
New Hampshire Housing Finance Authority	255,000	4.00	7/1/35	256,716
New Hampshire Housing Finance Authority	20,000	4.00	1/1/37	20,140
Rhode Island Housing & Mortgage Finance Corp.	80,000	4.00	10/1/39	80,535
South Dakota Housing Development Authority	340,000	3.50	11/1/41	338,086

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Sit Quality Income Fund (Continued)

Name of Issuer	Principal Amount (\$)	Coupon Rate (%)	Maturity Date	Fair Value (\$)
Tennessee Housing Development Agency	130,000	3.50	7/1/31	129,848
Texas Department of Housing & Community Affairs ¹⁷	155,000	4.80	7/1/19	155,332
Town of Mammoth Lakes CA	225,000	2.75	10/1/22	218,259
Total Taxable Municipal Bonds (cost: \$6,047,781)				<u>5,933,394</u>
U.S. Treasury / Federal Agency Securities - 14.4% Federal Agency Issues - 0.9%				
Federal Agricultural Mortgage Corp., 3 Mo. Libor + 0.37% ¹	250,000	2.70	3/9/23	252,823
Pershing Road Development Co., LLC, 3 Mo. Libor + 0.40% ^{1, 4}	425,000	2.73	9/15/21	422,875
				<u>675,698</u>
U.S. Treasury - 13.5%				
U.S. Treasury Bill ⁶	3,000,000	2.04	10/11/18	2,998,295
U.S. Treasury Floating Rate Note, 3 Mo. Libor + 0.03% ¹	4,000,000	2.22	4/30/20	4,000,399
U.S. Treasury Floating Rate Note, 3 Mo. Libor + 0.04% ¹	4,000,000	2.23	7/31/20	3,999,739
				<u>10,998,433</u>
Total U.S. Treasury / Federal Agency Securities (cost: \$11,673,485)				<u>11,674,131</u>
Short-Term Securities - 9.3%				
Fidelity Inst. Money Mkt. Gvt. Fund, 1.95% (cost: \$7,599,284)	7,599,284			<u>7,599,284</u>
Total Investments in Securities - 107.1% (cost: \$87,932,494)				<u>87,065,184</u>
Call Options Written ^{10, 19} - 0.0% (premiums received: \$14,621)				(10,938)
Other Assets and Liabilities, net - (7.1%)				<u>(5,740,978)</u>
Total Net Assets - 100.0%				<u>\$81,313,268</u>

¹ Variable rate security. Rate disclosed is as of September 30, 2018. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.

⁴ 144A Restricted Security. The total value of such securities as of September 30, 2018 was \$13,240,500 and represented 16.3% of net assets. These securities have been determined to be liquid by the Adviser in accordance with guidelines established by the Board of Directors.

⁶ Zero coupon or convertible capital appreciation bond, for which the rate disclosed is either the effective yield on purchase date or the coupon rate to be paid upon conversion to coupon paying, respectively.

¹⁰ The amount of \$800,000 in cash was segregated with the broker to cover margin requirements for derivative transactions as of September 30, 2018.

¹⁴ Step Coupon: A bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate disclosed is as of September 30, 2018.

¹⁷ Security that is either an absolute and unconditional obligation of the United States Government or is collateralized by securities, loans, or leases guaranteed by the U.S. Government or its agencies or instrumentalities.

Numeric footnotes not disclosed are not applicable to this Schedule of Investments.

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Sit Quality Income Fund (Continued)

Short futures contracts outstanding as of September 30, 2018 were as follows:

Type	Contracts	Expiration Date	Notional Amount (\$)	Value/ Unrealized Appreciation (Depreciation) (\$)
Short Futures: ¹⁰				
U.S. Treasury 5-Year	174	December 2018	19,570,922	169,347
U.S. Treasury 2-Year	57	December 2018	12,011,859	37,319
				<hr/> 206,666

¹⁰ The amount of \$800,000 in cash was segregated with the broker to cover margin requirements for derivative transactions as of September 30, 2018.

The Fund's portfolio's holdings are expressed as a percentage of net assets as of the date given, and may vary over time. They are provided for informational purposes only and should not be deemed as a recommendation to buy or sell any securities.

Carefully consider the Fund's investment objectives, risks, charges and expenses before investing. The prospectus contains this and other important Fund information and 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.

Investments in securities traded on national or international securities exchanges are valued at the last reported sales price prior to the time when assets are valued. Securities traded on the over-the-counter market are valued at the last reported sales price or if the last sales price is not available at the last reported bid price. The sale and bid prices or prices deemed best to reflect fair value quoted by dealers who make markets in these securities are obtained from independent pricing services. Debt securities maturing in more than 60 days are priced by an independent pricing service. The pricing service may use models that price securities based on current yields and relative security characteristics, such as coupon rate, maturity date, issuer credit quality, and prepayment speeds as applicable. When market quotations are not readily available, or when the Adviser becomes aware that a significant event impacting the value of a security or group of securities has occurred after the closing of the exchange on which the security or securities principally trade, but before the calculation of the daily net asset value, securities are valued at fair value as determined in good faith using procedures established by the Board of Directors. The procedures consider, among others, the following factors to determine a security's fair value: the nature and pricing history (if any) of the security; whether any dealer quotations for the security are available; and possible valuation methodologies that could be used to determine the fair value of the security. Debt securities of sufficient credit quality maturing in less than 60 days when acquired, or which subsequently are within 60 days of maturity, are valued at amortized cost, which approximates fair value.

Security transactions are accounted for on the date the securities are purchased or sold. Securities gains and losses are calculated on the identified-cost basis. Dividend income is recorded on the ex-dividend date or upon the receipt of ex-dividend notification in the case of certain foreign securities. Interest, including level-yield amortization of long-term bond premium and discount, is recorded on the accrual basis.