

SCHEDULE OF INVESTMENTS (Unaudited)

September 30, 2020

Sit Balanced Fund

Investments are grouped by economic sectors.

Name of Issuer	Quantity	Fair Value (\$)	Name of Issuer	Quantity	Fair Value (\$)
Common Stocks - 63.3%			Bristol-Myers Squibb Co., Rights *	1,025	2,306
Communications - 2.2%			DexCom, Inc. *	1,150	474,064
American Tower Corp.	2,975	719,147	Illumina, Inc. *	350	108,178
Verizon Communications, Inc.	7,100	422,379	Intuitive Surgical, Inc. *	620	439,915
		<u>1,141,526</u>	Johnson & Johnson	3,000	446,640
			Medtronic, PLC	2,500	259,800
			Thermo Fisher Scientific, Inc.	1,250	551,900
					<u>3,550,977</u>
Consumer Durables - 0.8%			Process Industries - 1.5%		
YETI Holdings, Inc. *	9,600	435,072	Ecoblab, Inc.	1,875	374,700
Consumer Non-Durables - 4.1%			Sherwin-Williams Co.	600	418,044
Conagra Brands, Inc.	8,900	317,819			<u>792,744</u>
Constellation Brands, Inc.	2,275	431,135	Producer Manufacturing - 4.2%		
Estee Lauder Cos., Inc. - Class A	2,375	518,344	3M Co.	875	140,158
Mondelez International, Inc.	6,300	361,935	Honeywell International, Inc.	2,275	374,488
NIKE, Inc.	1,775	222,833	L3Harris Technologies, Inc.	2,775	471,306
PepsiCo, Inc.	2,475	343,035	Motorola Solutions, Inc.	1,700	266,577
		<u>2,195,101</u>	Northrop Grumman Corp.	500	157,745
			Otis Worldwide Corp.	1,500	93,630
Consumer Services - 3.8%			Parker-Hannifin Corp.	450	91,053
McDonald's Corp.	2,300	504,827	Safran SA, ADR *	13,950	345,541
Starbucks Corp.	4,850	416,712	Trane Technologies, PLC	2,175	263,719
Visa, Inc.	5,550	1,109,834			<u>2,204,217</u>
		<u>2,031,373</u>	Retail Trade - 5.8%		
			Amazon.com, Inc. *	485	1,527,134
Electronic Technology - 8.8%			CVS Health Corp.	7,250	423,400
Advanced Micro Devices, Inc. *	2,500	204,975	Home Depot, Inc.	2,050	569,305
Apple, Inc.	16,500	1,910,865	TJX Cos., Inc.	6,550	364,508
Applied Materials, Inc.	9,300	552,885	Ulta Beauty, Inc. *	795	178,064
Broadcom, Inc.	1,660	604,771			<u>3,062,411</u>
Ciena Corp. *	7,250	287,752	Technology Services - 16.4%		
Keysight Technologies, Inc. *	5,100	503,778	Accenture, PLC	2,025	457,630
NVIDIA Corp.	1,125	608,872	Adobe, Inc. *	1,525	747,906
		<u>4,673,898</u>	Alphabet, Inc. - Class A *	620	908,672
			Alphabet, Inc. - Class C *	205	301,268
Finance - 4.5%			Atlassian Corp., PLC *	3,250	590,818
Ameriprise Financial, Inc.	2,250	346,748	Autodesk, Inc. *	1,600	369,616
Aon, PLC	1,900	391,970	Dynatrace, Inc. *	3,100	127,162
Chubb, Ltd.	2,950	342,554	Facebook, Inc. *	3,065	802,723
Everest Re Group, Ltd.	500	98,770	Intuit, Inc.	1,200	391,452
First Republic Bank	1,750	190,855	Microsoft Corp.	7,800	1,640,574
Goldman Sachs Group, Inc.	2,100	422,037	Paycom Software, Inc. *	600	186,780
JPMorgan Chase & Co.	3,425	329,725	PayPal Holdings, Inc. *	3,300	650,199
T Rowe Price Group, Inc.	2,075	266,056	salesforce.com, Inc. *	3,575	898,469
		<u>2,388,715</u>	ServiceNow, Inc. *	560	271,600
			Splunk, Inc. *	1,950	366,853
Health Services - 2.6%					<u>8,711,722</u>
HCA Healthcare, Inc.	3,900	486,252			
UnitedHealth Group, Inc.	2,925	911,927			
		<u>1,398,179</u>			
Health Technology - 6.7%					
Abbott Laboratories	3,550	386,347			
AbbVie, Inc.	2,600	227,734			
Boston Scientific Corp. *	5,600	213,976			
Bristol-Myers Squibb Co.	7,300	440,117			

SCHEDULE OF INVESTMENTS (Unaudited)

September 30, 2020

Sit Balanced Fund (Continued)

Name of Issuer	Quantity /Principal Amount (\$)	Fair Value (\$)	Name of Issuer	Principal Amount (\$)	Fair Value (\$)
Transportation - 1.4%			2126 C, 6.00%, 2/15/29	36,294	41,288
FedEx Corp.	1,375	345,840	2485 WG, 6.00%, 8/15/32	36,158	42,354
Union Pacific Corp.	2,050	403,584	2480 Z, 6.00%, 8/15/32	34,766	39,648
			2575 QE, 6.00%, 2/15/33	17,398	20,082
			2980 QA, 6.00%, 5/15/35	18,203	21,695
Utilities - 0.5%			2283 K, 6.50%, 12/15/23	4,116	4,376
NextEra Energy, Inc.	1,035	287,275	2357 ZI, 6.50%, 9/15/31	23,139	26,059
Total Common Stocks			4520 HM, 6.50%, 8/15/45	31,557	37,739
(cost: \$21,570,556)			1142 IA, 7.00%, 10/15/21	5,339	5,392
			3704 CT, 7.00%, 12/15/36	15,844	19,360
			2238 PZ, 7.50%, 6/15/30	13,611	16,351
Bonds - 31.7%			Government National Mortgage Association:		
Asset-Backed Securities - 1.6%			2015-80 BA, 6.99%, 6/20/45 ^{1,4}	23,898	27,924
Bayview Opportunity Master Fund,			2018-147 AM, 7.00%, 10/20/48	84,373	94,803
2017-SPL1 A, 4.00%, 10/28/64 ^{1,4}	48,242	50,159	2018-160 DA, 7.00%, 11/20/48	79,883	90,049
Credit Suisse First Boston Mortgage Corp.,			2014-69 W, 7.20%, 11/20/34 ^{1,4}	27,000	31,839
2005-AGE1 M3, 1 Mo. Libor + 0.65,	16,820	16,814	2013-133 KQ, 7.30%, 8/20/38 ^{1,4}	26,812	31,847
0.80%, 2/25/32 ¹			2005-74 HA, 7.50%, 9/16/35	8,406	9,065
Irwin Home Equity Corp.,			JP Morgan Mortgage Trust:		
2005-1 M1, 5.92%, 6/25/35 ^{1,4}	20,264	20,720	2019-HYB1 A5A, 3.00%, 10/25/49 ^{1,4}	125,023	127,386
New Century Home Equity Loan Trust,			2019-8 A4, 3.50%, 3/25/50 ^{1,4}	84,486	85,288
2005-A A4W, 4.71%, 8/25/35 ^{1,4}	4,884	4,956	2019-9 A8, 3.50%, 5/25/50 ^{1,4}	125,000	128,493
OSCAR US Funding Trust VII, LLC:			2020-2 A4, 3.50%, 7/25/50 ^{1,4}	144,532	148,046
2017-2A A3, 2.45%, 12/10/21 ⁴	12,258	12,281	New Residential Mortgage Loan Trust:		
2017-2A A4, 2.76%, 12/10/24 ⁴	100,000	101,530	2018-3A A1, 4.50%, 5/25/58 ^{1,4}	67,989	73,594
Small Business Administration:			PMT Loan Trust: 2013-J1 A11, 3.50%,		
2008-20A 1, 5.17%, 1/1/28	31,605	34,565	9/25/43 ^{1,4}	98,081	102,557
2007-20H 1, 5.78%, 8/1/27	30,194	32,863	Sequoia Mortgage Trust:		
Towd Point Mortgage Trust:			2019-5 A4, 3.50%, 12/25/49 ^{1,4}	72,591	73,692
2020-MH1 A1A, 2.18%, 2/25/60 ^{1,4}	174,058	176,774	2020-2 A4, 3.50%, 3/25/50 ^{1,4}	122,945	126,692
2019-MH1 A2, 3.00%, 11/25/58 ^{1,4}	100,000	103,081	Vendee Mortgage Trust:		
2019-SJ3 A2, 3.00%, 11/25/59 ^{1,4}	125,000	127,505	2008-1 B, 6.26%, 3/15/25 ¹	10,950	12,776
2019-SJ1 A1, 3.75%, 11/25/58 ^{1,4}	78,228	79,112	1994-2 2, 6.55%, 5/15/24 ¹	8,130	8,371
2019-SJ1 A2, 4.17%, 11/25/58 ^{1,4}	100,000	102,959	Wells Fargo Mortgaged Backed Securities		
		863,319	Trust:		
Collateralized Mortgage Obligations - 4.2%			2020-2 A17, 3.00%, 12/25/49 ^{1,4}	93,136	95,430
Fannie Mae:			2020-2 A3, 3.00%, 12/25/49 ^{1,4}	90,847	92,537
2017-84 JP, 2.75%, 10/25/47	63,619	67,416			2,242,867
2003-34 A1, 6.00%, 4/25/43	34,390	40,024	Corporate Bonds - 12.8%		
2004-T1 1A1, 6.00%, 1/25/44	21,059	24,626	Alleghany Corp., 3.63%, 5/15/30	100,000	112,408
1999-17 C, 6.35%, 4/25/29	10,673	11,984	American Airlines, 3.20%, 6/15/28	83,200	78,202
2001-82 ZA, 6.50%, 1/25/32	14,939	16,907	American Financial Group, 5.25%, 4/2/30	200,000	242,264
2009-30 AG, 6.50%, 5/25/39	46,466	53,892	AXIS Specialty Finance, 3.90%, 7/15/29	100,000	109,296
2013-28 WD, 6.50%, 5/25/42	44,978	54,242	Bank of America Corp., 3.25%, 10/21/27	100,000	110,628
2004-T1 1A2, 6.50%, 1/25/44	67,397	79,672	Booking Holdings, Inc., 4.63%, 4/13/30	150,000	180,209
2004-W9 2A1, 6.50%, 2/25/44	38,562	45,606	Burlington Resources, LLC, 7.40%,		
2010-108 AP, 7.00%, 9/25/40	1,889	2,222	12/1/31	50,000	74,069
2004-T3, 1A3, 7.00%, 2/25/44	7,108	8,553	Cabot Corp., 3.40%, 9/15/26	183,000	192,036
1993-21 KA, 7.70%, 3/25/23	17,775	18,768	Cadence BanCorp. (Subordinated), 3 Mo.		
Freddie Mac:			Libor + 4.66, 4.91%, 3/11/25 ^{1,4}	200,000	183,012
4784 BV, 3.50%, 12/15/32	100,000	103,883			
4293 BA, 5.28%, 10/15/47 ¹	12,416	14,194			
2122 ZE, 6.00%, 2/15/29	57,382	66,145			

SCHEDULE OF INVESTMENTS (Unaudited)

September 30, 2020

Sit Balanced Fund (Continued)

Name of Issuer	Principal Amount (\$)	Fair Value (\$)	Name of Issuer	Principal Amount (\$)	Fair Value (\$)
Canadian Pacific Railway Co., 7.13%, 10/15/31	100,000	148,072	Unum Group, 4.50%, 12/15/49	25,000	24,226
Charles Schwab Corp., 3.25%, 5/22/29	100,000	114,992	Wachovia Corp., (Subordinated), 7.57%, 8/1/26 ¹⁴	100,000	128,970
Charles Stark Draper Laboratory, Inc., 4.39%, 9/1/48	100,000	124,545	Webster Financial Corp., 4.38%, 2/15/24	125,000	132,226
CNO Financial Group, Inc., 5.25%, 5/30/29	100,000	115,465	WestRock MWV, LLC, 7.95%, 2/15/31	100,000	141,944
Comerica, Inc., 4.00%, 2/1/29	150,000	171,406	Weyerhaeuser Co., 6.88%, 12/15/33	150,000	206,300
Cox Communications, Inc., 8.38%, 3/1/39 ⁴	100,000	163,207	Xilinx, Inc., 2.38%, 6/1/30	50,000	52,489
Delta Air Lines 2015-1 Class A Pass Through Trust, 3.88%, 7/30/27	156,593	146,874			<u>6,803,589</u>
Delta Air Lines, Inc./SkyMiles, 4.75%, 10/20/28 ⁴	150,000	155,742	Federal Home Loan Mortgage Corporation - 0.3%		
Doric Nimrod Air Alpha 2013-1 Trust, 5.25%, 5/30/23 ⁴	34,313	30,717	6.50%, 2/1/22	3,447	3,489
Doric Nimrod Air Finance Alpha 2012-1 Trust, 5.13%, 11/30/22 ⁴	25,998	23,224	7.50%, 7/1/29	104,170	122,052
Duke Energy Florida, LLC, 2.54%, 9/1/29	50,000	53,702	8.00%, 2/1/34	12,800	15,467
Emerson Electric Co., 1.95%, 10/15/30	50,000	51,820	8.50%, 9/1/24	6,628	6,718
Entergy Louisiana, LLC, 4.95%, 1/15/45	150,000	165,074			<u>147,726</u>
Equifax, Inc., 6.90%, 7/1/28	150,000	186,580	Federal National Mortgage Association - 1.3%		
Fidelity National Financial, 3.40%, 6/15/30	50,000	54,079	2.68%, 2/1/35	150,000	166,967
Flex, Ltd., 4.88%, 5/12/30	200,000	228,232	5.50%, 10/1/33	68,863	77,921
Fulton Financial Corp. (Subordinated), 4.50%, 11/15/24	150,000	163,874	6.50%, 2/1/24	13,274	13,946
Georgia-Pacific, LLC: 1.75%, 9/30/25 ⁴	150,000	156,354	6.50%, 9/1/27	40,530	45,330
7.38%, 12/1/25	100,000	129,235	6.50%, 6/1/40	104,115	118,380
ITT, LLC, 7.40%, 11/15/25	25,000	31,433	7.00%, 1/1/32	10,359	11,348
Johnson & Johnson, 3.55%, 3/1/36	150,000	182,166	7.00%, 3/1/33	19,034	21,560
JPMorgan Chase & Co., 8.75%, 9/1/30	100,000	147,105	7.00%, 12/1/38	38,176	42,531
Kemper Corp., 2.40%, 9/30/30	75,000	74,212	8.00%, 6/1/24	8,300	8,914
Lincoln National Corp., 7.00%, 6/15/40	100,000	146,577	8.00%, 1/1/31	10,600	10,719
Mercury General Corp., 4.40%, 3/15/27	100,000	108,305	8.00%, 2/1/31	18,231	22,804
NetApp, Inc., 1.88%, 6/22/25	150,000	155,370	8.00%, 9/1/37	66,536	84,533
Northern Trust Corp. (Subordinated), 3 Mo. Libor + 1.13, 3.38%, 5/8/32 ¹	150,000	164,044	8.43%, 7/15/26	2,577	2,633
Phillips 66, 2.15%, 12/15/30	50,000	48,625	8.50%, 10/1/30	23,287	27,851
Principal Financial Group, Inc., 3 Mo. Libor + 3.04, 3.32%, 5/15/55 ¹	100,000	89,470	10.00%, 6/1/31	24,259	27,143
Principal Life Global Funding, 6.13%, 10/15/33 ⁴	100,000	144,052			<u>682,580</u>
Ross Stores, Inc., 4.70%, 4/15/27	150,000	176,726	Government National Mortgage Association - 0.4%		
Schlumberger Investment SA, 2.65%, 6/26/30	150,000	151,430	5.00%, 5/20/48	75,117	82,796
Security Benefit Life Insurance Co. (Subordinated), 7.45%, 10/1/33 ⁴	100,000	133,199	5.75%, 12/15/22	17,597	18,734
Simon Property Group LP, 2.45%, 9/13/29	150,000	148,579	6.50%, 11/20/38	15,045	16,823
Southwest Airlines Co., 2.63%, 2/10/30	185,000	175,389	7.00%, 12/15/24	7,999	8,549
Spirit Airlines 2015-1A Trust, 4.10%, 4/1/28	117,158	105,156	7.00%, 11/20/27	11,503	13,246
Tyson Foods, Inc., 5.10%, 9/28/48	100,000	138,212	7.00%, 9/20/29	30,125	34,914
Union Pacific Railroad Co., 2014-1 Pass Through Trust, 3.23%, 5/14/26	119,040	132,066	7.00%, 9/20/38	10,970	13,181
			7.50%, 4/20/32	24,332	28,287
			8.00%, 7/15/24	4,647	4,873
					<u>221,403</u>
			Taxable Municipal Securities - 8.4%		
			Bucks Co. Industrial Dev. Auth., 4.00%, 10/1/21	65,000	65,123
			Buffalo State Col. Foundation Hsg. Corp., 2.80%, 11/1/30	100,000	105,209
			Chippewa Valley Sch., 1.63%, 5/1/30	200,000	200,570
			Florida Dev. Fin. Corp., 4.11%, 4/1/50	150,000	154,312
			GBG, LLC, 3.50%, 6/1/37 ⁴	150,000	149,232

SCHEDULE OF INVESTMENTS (Unaudited)

September 30, 2020

Sit Balanced Fund (Continued)

Name of Issuer	Principal Amount (\$)/ Quantity	Fair Value (\$)	Name of Issue	Quantity	Fair Value (\$)
Great Lakes Water Auth. Sewage Disposal System, 3.51%, 7/1/44	150,000	162,673	Investment Companies - 2.4%		
Kentucky Higher Edu. Student Loan Corp. (Subordinated), 5.27%, 6/1/36	100,000	106,053	BlackRock Enhanced Government Fund	4,886	65,375
LaGrange Co. Regional Utility Dist., 2.98%, 1/1/40	230,000	231,536	BlackRock Income Trust	23,300	142,130
Massachusetts Edu. Auth.:			Duff & Phelps Utility & Corp. Bond Tr., Inc.	8,900	82,147
4.00%, 1/1/32	90,000	92,069	Eaton Vance Short Duration Div. Inc. Fund	14,000	160,300
4.41%, 7/1/34	50,000	54,916	Eaton Vance, Ltd. Duration Inc. Fund	13,100	148,161
MI Hsg. Dev. Auth., 3.53%, 6/1/50	80,000	82,270	Franklin, Ltd. Duration, Income Trust	17,300	147,569
Middleburg Heights Hosp., 4.07%, 8/1/47	100,000	99,919	MFS Intermediate Income Trust	2,200	8,206
MN Hsg. Fin. Agy.:			Nuveen Multi-Market Income Fund, Inc.	3,953	27,595
2.31%, 1/1/27	225,000	233,541	Putnam Master Intermediate Income Trust	33,700	138,507
4.73%, 1/1/49	85,000	91,566	Putnam Premier Income Trust	39,175	174,329
Montgomery Co. Indst. Dev. Auth., 2.65%, 11/15/25	100,000	99,581	WA Inflation-Linked Sec. & Inc. Fund	15,200	185,136
ND Hsg. Fin. Agy., 3.70%, 7/1/33	100,000	107,005	Total Investment Companies		
NH Business Fin. Auth., 3.82%, 9/1/38	200,000	204,502	(cost: \$1,251,561)		1,279,455
NJ Higher Edu. Student Assit. Auth., 3.50%, 12/1/39 ⁸	100,000	100,541	Short-Term Securities - 1.6%		
North Hudson Sewer Auth., 2.88%, 6/1/28	150,000	165,604	Fidelity Inst. Money Mkt. Gvt. Fund, 0.01%	860,745	860,745
NY Mortgage Agency, 2.98%, 10/1/40	150,000	153,121	(cost: \$860,745)		
Oregon State Fac. Auth., 3.29%, 10/1/40	100,000	98,310	Total Investments in Securities - 99.0%		
Public Fin. Auth., 4.23%, 7/1/32	105,000	126,429	(cost: \$40,051,880)		52,582,622
So. Dakota Hsg. Dev. Auth., 3.89%, 5/1/32	15,000	16,085	Other Assets and Liabilities, net - 1.0%		520,313
South Carolina Ports Auth., 3.88%, 7/1/55	150,000	156,055	Total Net Assets - 100.0%		\$53,102,935
South Carolina Student Loan Corp., 2.92%, 12/1/28	200,000	200,202			
St. John's Co. Indst. Dev. Auth., 3.80%, 10/1/50	235,000	236,586			
Texas Children's Hospital, 3.37%, 10/1/29 ¹⁷	115,000	126,501			
Tulane University, 0.58%, 2/15/36 ¹	90,000	84,977			
Utah Charter Sch. Fin. Auth., 2.40%, 10/15/27	205,000	207,331			
Village of Bolingbrook, 2.57%, 1/1/36	150,000	154,339			
Westchester Co. Local Dev. Corp., 3.85%, 11/1/50	200,000	201,118			
Wisconsin Center District, 4.17%, 12/15/50	150,000	162,362			
		4,429,638			
U.S. Treasury / Federal Agency Securities - 2.7%					
U.S. Treasury Bond, 2.00%, 2/15/50	150,000	170,180			
U.S. Treasury Inflation Indexed Bonds:					
0.13%, 4/15/22	479,430	487,932			
0.13%, 7/15/30	202,114	224,831			
0.63%, 4/15/23	521,560	545,723			
		1,428,666			
Total Bonds		16,819,788			
(cost: \$16,369,018)					

* Non-income producing security.

¹ Variable rate security. Rate disclosed is as of September 30, 2020. 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, 2020 was \$2,945,855 and represented 5.5% of net assets. These securities have been determined to be liquid by the Adviser in accordance with guidelines established by the Board of Directors.

⁸ Securities the income from which is treated as a tax preference that is included in alternative minimum taxable income for purposes of computing federal alternative minimum tax (AMT). At September 30, 2020, 0.2% of net assets in the Fund was invested in such securities.

¹⁴ Step Coupon: A bond that pays a coupon rate that increases on a specified date(s). Rate disclosed is as of September 30, 2020.

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.

LLC — Limited Liability Company

PLC — Public Limited Company

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

SCHEDULE OF INVESTMENTS (Unaudited)

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Sit Balanced Fund (Continued)

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.