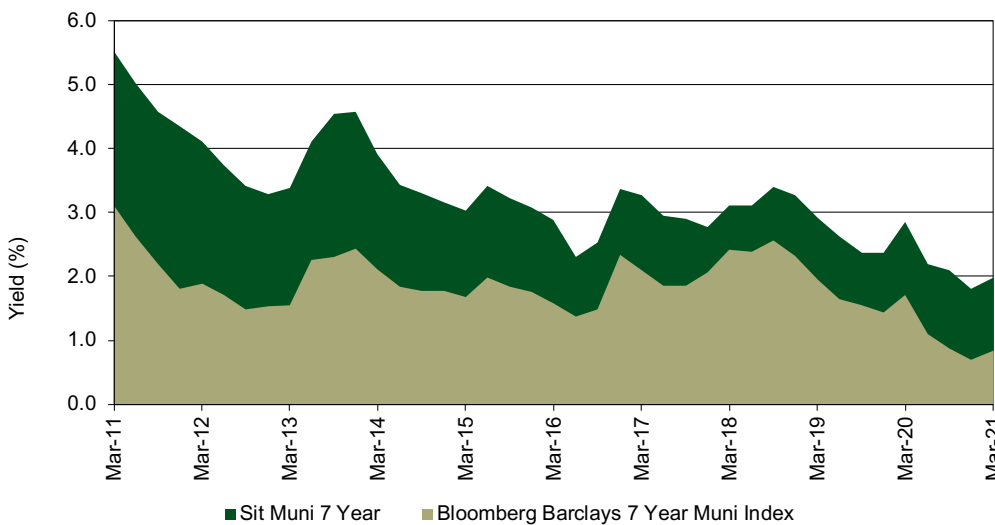


# Sit Municipal 7 Year Duration

## STRATEGY

- We seek consistent attainment of superior risk-adjusted returns using a conservative approach which emphasizes 1) investment grade securities 2) superior income advantage to peers and benchmarks and 3) significant stability of principal
- Overweighting of select, high quality/higher yielding sectors of the tax-exempt market
- Focus recognized research expertise on individual security structure and complexity to identify superior relative value

## CONSISTENT YIELD ADVANTAGE DRIVES EXCESS RETURN

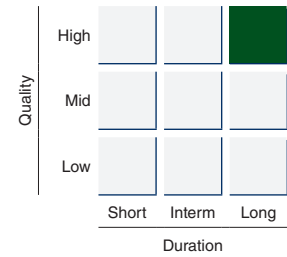


## COMPOSITE PERFORMANCE (%)

|  | 3 Month | Annualized Returns |           |           |           |
|--|---------|--------------------|-----------|-----------|-----------|
|  |         | 1 Year             | 3 Year    | 5 Year    | 10 Year   |
| Sit Municipal 7 Year Duration (Gross)        | -0.48   | 3.86               | 4.69      | 3.94      | 5.57      |
| Sit Municipal 7 Year Duration (Net)          | -0.58   | 3.45               | 4.27      | 3.53      | 5.15      |
| Bloomberg Barclays 7 Year Municipal Index    | -0.54   | 5.59               | 4.71      | 3.05      | 3.86      |
| <b>eVestment Percentile Rank<sup>1</sup></b> |         | <b>67</b>          | <b>40</b> | <b>24</b> | <b>20</b> |

Performance figures for the latest period are preliminary and subject to change. Past performance is not indicative of future results. Returns are calculated on a time-weighted total return basis, include the reinvestment of all income, and returns for periods greater than one year are annualized. The information above is supplemental to and complements the attached composite presentation. The account information set forth above is for the representative portfolio and is provided for illustrative purposes only.

## INVESTMENT STYLE



## PORTFOLIO CHARACTERISTICS

|                     | Sit Municipal 7 Year Duration | Bloomberg Barclays 7 Yr. Municipal Index |
|---------------------|-------------------------------|--|
| Yield to Worst:     | 2.0%                          | 0.8%                                     |
| Duration:           | 4.4 yr.                       | 4.7 yr.                                  |
| Average Quality:    | AA-                           | AA3                                      |
| Alpha (5 Yr.):      | 1.0                           |  |
| Alpha (10 Yr.):     | 1.5                           |  |
| Sharpe Ratio:       | 1.2                           |  |
| Strategy Inception: | 12/31/97                      |  |

## SECTOR DISTRIBUTION (%)

|                       |      |
|-----------------------|------|
| Single Family Housing | 29.2 |
| Multi-Family Housing  | 25.0 |
| Education             | 8.8  |
| Escrow                | 7.4  |
| Insured               | 4.4  |
| Other Revenue         | 4.3  |
| Hospital/Healthcare   | 4.1  |
| General Obligation    | 4.0  |
| Insured GO            | 2.8  |
| Other Sectors         | 8.3  |
| Cash                  | 1.8  |

## SEASONED & LONG TENURED TEAM

|                          | Years of Investment Experience | Years with Sit |
|--------------------------|--------------------------------|----------------|
| Paul Jungquist, CFA, CPA | 27                             | 27             |
| Kurt van Kuller, CFA     | 41                             | 2              |

1) **eVestment** - Peer rankings represent percentile rankings which are based on monthly gross of fee returns and reflect where the Sit Investment composite returns fall within the indicated eVestment Alliance, LLC ("eVestment") universe. eVestment provides the institutional investment database which consists of institutional managers, investment consultants, plan sponsors and other similar financial institutions reporting on investment products. Performance figures are provided to eVestment by individual investment management firms for informational purposes only. eVestment does not guarantee the accuracy, adequacy, completeness or availability of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Additional information regarding eVestment rankings is available on eVestment's website. This presentation is intended for institutional investor use only.

Investing involves risk; principal loss is possible. There is no guarantee the Composite's investment objectives will be achieved, and the market value of securities held by the Composite may fall or fail to rise.

Sector allocations (as % of market value) and portfolio characteristics may change at any time and are not investment recommendations.

**Duration** is a volatility measure for bonds that reflects how a bond's price will change as interest rates change.

**Average Quality** reflects the average of the individual security ratings assigned by Moody's Standard & Poor's and Fitch.

**Sharpe Ratio** is a measure of historical risk-adjusted performance. The ratio is computed by subtracting the return of the risk-free index (typically the FTSE 3-month T-Bill) from the return of the strategy to determine the risk-adjusted excess return, which is then divided by the strategy's standard deviation. The Sharpe Ratio measures how well the strategy generated returns while taking on risk compared to investing in cash. A higher Sharpe Ratio corresponds with a greater risk-adjusted return, or more efficient use of risk. For example, a Sharpe Ratio of 1 is better than a ratio of 0.5.

**Sit Investment Associates, Inc.  
Municipal 7-Year Duration Composite  
ANNUAL DISCLOSURE PRESENTATION**

| Year End | Total Firm Assets (millions) | Composite Assets (USD) (millions) | Number of Accounts | Composite 3-Yr. Standard Dev. | Benchmark 3-Yr. Standard Dev. | Bloomberg Barclays 7 Year Muni Bond Index | Annual Performance Results Composite |        | Composite Dispersion |
|----------|------------------------------|-----------------------------------|--------------------|-------------------------------|-------------------------------|---|--------------------------------------|--------|----------------------|
|          |                              |                                   |                    |                               |                               |   | Gross                                | Net    |                      |
| 2019     | 13,274.3                     | 544.7                             | 4                  | 2.5%                          | 2.4%                          | 6.74%                                     | 7.58%                                | 7.15%  | 0.31%                |
| 2018     | 12,196.2                     | 492.1                             | 3                  | 3.6%                          | 3.3%                          | 1.66%                                     | 1.36%                                | 0.95%  | 0.51%                |
| 2017     | 13,340.8                     | 505.1                             | 3                  | 3.6%                          | 3.3%                          | 4.49%                                     | 6.90%                                | 6.48%  | 0.56%                |
| 2016     | 12,668.9                     | 450.2                             | 3                  | 4.1%                          | 3.2%                          | -0.50%                                    | 1.55%                                | 1.15%  | 0.10%                |
| 2015     | 13,350.6                     | 439.9                             | 3                  | 4.7%                          | 2.9%                          | 3.26%                                     | 4.21%                                | 3.80%  | 0.27%                |
| 2014     | 13,505.0                     | 412.5                             | 3                  | 5.0%                          | 3.0%                          | 6.10%                                     | 14.19%                               | 13.75% | 1.69%                |
| 2013     | 13,103.3                     | 326.8                             | 3                  | 4.9%                          | 3.4%                          | -0.97%                                    | -3.78%                               | -4.17% | 0.79%                |
| 2012     | 13,081.6                     | 295.0                             | 3                  | 3.9%                          | 3.3%                          | 4.20%                                     | 9.63%                                | 9.20%  | 0.70%                |
| 2011     | 10,895.1                     | 261.2                             | 3                  | 5.2%                          | 4.4%                          | 10.15%                                    | 12.04%                               | 11.61% | 0.51%                |
| 2010     | 9,873.4                      | 207.1                             | 2                  | 7.3%                          | 5.5%                          | 4.63%                                     | 2.41%                                | 2.00%  | 0.20%                |

Sit Investment Associates, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sit Investment Associates, Inc. has been independently verified for the period January 1, 2017 to December 31, 2019 by ACA Performance Services, LLC, for the period January 1, 2007 to December 31, 2016 by Ashland Partners & Company LLP and for the period January 1, 1997 through December 31, 2006 by KPMG LLP.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Municipal 7-Year Duration composite has been examined for the period January 1, 2017 through December 31, 2019 by ACA Performance Services, LLC and for the period January 1, 1998 through December 31, 2016 by Ashland Partners & Company LLP. The verification and performance examination reports are available upon request.

The Municipal 7-Year Duration Composite was created December 31, 1997. Municipal 7-Year Duration Composite contains fully discretionary accounts and for comparison purposes is measured against the Barclays 7 Year Muni Bond Index. The composite contains portfolios generally emphasizing investing in investment grade municipal bonds. Value is achieved by identifying unusual opportunities created by unique security provisions or supply/demand imbalances with intermediate-duration municipal bonds. The Barclays 7 Year Municipal Bond Index is a market weighted index engineered for the investment grade tax-exempt bond market.

Sit Investment Associates, Inc. is an independent registered investment adviser which includes the following subsidiaries: Sit Investment Fixed Income Advisors, Inc.; and Sit Investment Fixed Income Advisors II, Inc. On December 31, 2007, Sit/Kim International Investment Associates, Inc. and Sit/Kim International Investment Associates II, LLC were liquidated into Sit Investment Associates, Inc. Prior to 2000, Sit Investment Associates, Inc. and Sit/Kim International Investment Associates, Inc. issued separate GIPS reports, including disclosure of each entity's assets under management. Beginning in 2000 the two entities issued a combined GIPS report to reflect the entities' current operational and management affiliation. Total assets for all years presented in the table above reflect the combined total assets of all subsidiaries. The firm maintains a complete list and description of composites, which is available upon request.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using the highest fee applicable annual management fee of 0.40% applied quarterly. The annual composite dispersion presented is an equal-weighted standard deviation calculated for the accounts in the composite the entire year. Beginning April 1, 2006, SIA calculates a true Time Weighted Return (TWR) for each portfolio within the composite and asset weights their returns to come up with a composite return. Periods are geometrically linked together. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule for the composite is 0.40% on the first \$20 million, 0.30% on the next \$30 million, 0.25% on the next \$50 million, and negotiable over \$100 million. Actual investment advisory fees incurred by clients may vary.

The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

Past performance is not indicative of future results.