

FIRST TRUST/FIDAC MORTGAGE INCOME FUND  
Form SC 13G/A  
March 01, 2007

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 1)

First Trust/FIDAC Mortgage Income Fund (FMY)

-----  
(Name of Issuer)

Common Stock

-----  
(Title of Class of Securities)

33734E103

-----  
(CUSIP Number)

February 28, 2007

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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

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Sit Investment Associates, Inc.  
41-1404829

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(SEE INSTRUCTIONS)

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

State of Minnesota

|  |   |                                   |
|--|---|-----------------------------------|
| NUMBER OF<br>SHARES<br>BENEFICIALLY<br>OWNED BY<br>EACH<br>REPORTING<br>PERSON<br>WITH | 5 | SOLE VOTING POWER<br>884,453      |
|  | 6 | SHARED VOTING POWER<br>-0-        |
|  | 7 | SOLE DISPOSITIVE POWER<br>884,453 |
|  | 8 | SHARED DISPOSITIVE POWER<br>-0-   |

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
884,453

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  
CERTAIN SHARES (SEE INSTRUCTIONS)  
Not Applicable

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
21.86%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

Sit Investment Associates, Inc. (client accounts) IA

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ITEM 1 (a) Name of Issuer:  
First Trust/FIDAC Mortgage Income Fund

ITEM 1 (b) Address of Issuer's Principal Executive Offices:  
1001 Warrenville Road  
Suite 300  
Lisle, IL 60532

ITEM 2 (a) Name of Person Filing: Sit Investment Associates, Inc.  
Sit Investment Associates, Inc. ("SIA") is an Investment Adviser registered  
under section 203 of the Investment Advisers Act of 1940.

SIA has four subsidiaries, each of which are registered Investment  
Advisers:

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1. Sit Investment Fixed Income Advisors ("SIFIA") 41-1845054
2. Sit/Kim International Investment Associates, Inc. ("SKI") 36-3627319
3. Sit Fixed Income Advisors II, LLC 41-1894024
4. Sit/Kim International Investment Associates II, LLC ("SKI II") 41-1918565

SIA is the Investment Advisor for fourteen mutual funds (the "Funds") which are comprised of six registered investment companies, two of which consist of series funds as listed below, and one Delaware statutory trust which consists of one series fund as listed below. SIA has the voting power and dispositive power for all securities owned by SIA and the following fourteen mutual funds.

- 1) Sit Mid Cap Growth Fund, Inc.
- 2) Sit Large Cap Growth Fund, Inc.
- 3) Sit U.S. Government Securities Fund, Inc.
- 4) Sit Money Market Fund, Inc.
- Sit Mutual Funds, Inc.
- 5) Sit International Growth Fund (series A)
- 6) Sit Balanced Fund (series B)
- 7) Sit Developing Markets Growth Fund (series C)
- 8) Sit Small Cap Growth fund (series D)
- 9) Sit Science and Technology Growth Fund (series E)
- 10) Sit Dividend Growth Fund (series G)
- Sit Mutual Funds II, Inc.
- 11) Sit Tax-Free Income Fund (series A)
- 12) Sit Minnesota Tax-Free Income Fund (series B)
- 13) Sit High Income Municipal Bond Fund (series D)
- Sit Mutual Funds Trust
- 14) Sit Florida Tax-Free Income Fund (series A)

Of the affiliated entities indicated above, only SIA and its affiliates (client accounts) beneficially owned shares of the Issuer common stock as of February 28, 2007.

|                     |     |                   |
|---------------------|-----|-------------------|
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|---------------------|-----|-------------------|

ITEM 2 (b)            Address of Principal Business Office or, if none, Residence:

3300 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402

ITEM 2 (c)            Citizenship:        Minnesota Corporation

ITEM 2 (d)            Title of Class of Securities:    Common Stock

ITEM 2 (e)            CUSIP Number:        33734E103

ITEM 3 (e)

- (a) [        ] Broker or Dealer registered under Section 15 of the Act
- (b) [        ] Bank as defined in section 3(a)(6) of the Act
- (c) [        ] Insurance Company as defined in section 3(a)(19) of the Act
- (d) [        ] Investment company registered under section 8 of the Investment Company Act
- (e) [ X     ] Investment Adviser registered under section 203 of the Investment Advisers Act of 1940.
- (f) [        ] Employee Benefit Plan, Pension Fund which is subject to the provisions of the Employee Retirement Income Security Act of

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- 1974 or Endowment Fund: see section 240.13d-1(b)(1)(ii)(F)  
(g) [ ] Parent Holding Company, in accordance with section 240.13d-1(b)(ii)(G) (Note :see Item 7)  
(h) [ ] Group, in accordance with section 240.13d-1(b)(1)(ii)(H)

ITEM 4 Ownership

(a) Amount Beneficially Owned:

Number of shares beneficially owned by each reporting person with sole voting power; and aggregate amount beneficially owned by each reporting person:

SIA and Affiliates Ownership as of 2/28/07:

|   |         |
|---|---------|
| Shares  |         |
| SIA (client accounts)                             | 884,453 |
| Total Shares Owned By SIA and Affiliated Entities | 884,453 |

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- (b) Percent of Class:  
Outstanding as of 2/28/07: 4,045,236

SIA and Affiliates Ownership @ 2/28/07:

|   |        |
|---|--------|
| % Owned   |        |
| SIA (client accounts)                             | 21.86% |
| Total Shares Owned By SIA and Affiliated Entities | 21.86% |

- (c) Number of shares as to which such person has:  
(i) Sole power to vote or direct the vote: 884,453  
(ii) Shared power to vote or to direct the vote: 0  
(iii) Sole power to dispose or to direct the disposition of: 884,453  
(iv) Shared power to dispose or to direct the disposition of: 0

ITEM 5 Ownership of Five Percent or Less of a Class: If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [ ] .

ITEM 6 Ownership of More than Five Percent on Behalf of Another Person:  
N/A

ITEM 7 Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company:  
N/A

ITEM 8 Identification and Classification of Members of the Group:  
N/A

ITEM 9 Notice of Dissolution of Group:  
N/A

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ITEM 10 Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes of effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

SIT INVESTMENT ASSOCIATES, INC.

Date: March 1, 2007

By: /s/ Paul E. Rasmussen

Title: Vice President