FORM 485BPOS

Post-effective amendments [Rule 485(b)]

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FILER

GOVERNMENT INVESTORS TRUST
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Business Address
1655 N FT MYER DR
ARLINGTON VA 22209
7035283600

As Filed with the
Commission on July 28, 1995

Registration No. 2-63713
SEC File No. 811-2910

Securities and Exchange Commission
Washington, D.C.

Form N-1A

Registration Statement Under The Securities Act Of 1933 X

Pre-Effective Amendment No. _____

Post-Effective Amendment No. 18 X

Registration Statement Uuder The Investment Company Act of 1940 X

Amendment No. 20

Government Investors Trust
(Exact Name of Registrant as Specified in Charter)

1655 Fort Myer Drive, Arlington, Virginia 22209

Registrant's Telephone Number: (703) 528-3600

W. Richard Mason, Assistant Secretary
Government Investors Trust
1655 Fort Myer Drive
Arlington, Virginia 22209
(Name and Address of Agent for Service)

Copy to:
John A. Dudley, Esquire
Sullivan & Worcester
1025 Connecticut Avenue, N.W.
Washington, D.C. 20036

Approximate Date of Proposed Public Offering
It is proposed that this filing will become effective:
_____ immediately upon filing pursuant to Rule 485(b)
__X__ on July 31, 1995 pursuant to Rule 485(b)
_____ 60 days after filing pursuant to Rule 485(a)
_____ on _______________ pursuant to Rule 485(a)
_____ 75 days after filing pursuant to Rule 485(a)

The Registrant has registered an indefinite number of its shares pursuant to Rule 24f-2 under the Investment Company Act of 1940. The Registrant's Notice under Rule 24f-2 for the fiscal year ended March 31, 1995 was filed on May 16, 1995.

Government Investors Trust

Prospectus
July 31, 1995

GIT
GIT Investment Funds

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Office
1700 North Moore Street
Arlington, VA 22209

Custodian
Star Bank, N.A.
Cincinnati, OH 45202

Auditors
Ernst & Young LLP

Telephone Numbers
Shareholder Services
Washington, DC area: 703-528-6500
Toll-free nationwide: 800-336-3063

24-Hour ACCESS
Toll-free nationwide: 800-448-4422

Prospectus/July 31, 1995
1655 Fort Myer Drive, Arlington, Virginia 22209-3108

GOVERNMENT INVESTORS TRUST

Government Investors Trust is a money market mutual fund whose goal is to obtain the highest possible current income, consistent with investment solely in short-term debt securities issued or guaranteed by agencies and instrumentalities of the United States Government. Investments in the Trust are neither insured nor guaranteed by the United States Government. The Trust is managed for a stable $1.00 share price, although there can be no assurance that this share price will be maintained.

Features

*No commissions or sales charges
*No "12b-1" expenses
*Dividends accrue from day of investment to day of withdrawal, and can be paid by check or direct deposit, or reinvested monthly
*Invest or withdraw funds by mail, wire transfer or in person
*$2,500 minimum initial investment
*Checking privileges monthly

This Prospectus is intended to be a concise statement of information which investors should know before investing. After reading the Prospectus, it should be retained for future reference. For investors who received an electronic copy of the prospectus, a paper copy of the prospectus is available without charge by calling or writing the Trust.

A Statement of Additional Information concerning the Trust, bearing the same date as this Prospectus, has been filed with the Securities and Exchange Commission and is incorporated herein by reference. It is available without charge by calling or writing the Trust.

Shares of the Trust are not deposits or obligations of, or guaranteed or endorsed by any bank. Shares are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other agency.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Bankers Finance Investment Management Corp.
Investment Adviser

About Government Investors Trust

Government Investors Trust (the "Trust") is a diversified open-end management investment company, commonly known as a money market fund. The Trust was organized as a Massachusetts business trust under a Declaration of Trust dated February 14, 1979. The Trust is managed by Bankers Finance Investment Management Corp. (the "Adviser") of the same address as the Trust. Only one series of the Trust's shares is currently authorized.

Expense Summary

The purpose of this table is to assist investors in understanding the various costs and expenses that an investor will bear directly or indirectly (see also "Management of the Trust" below).

Shareholder Transaction Expenses

Maximum Sales Load Imposed on Purchases	None
Redemption Fee	None
Exchange Fee	None

Annual Fund Operating Expenses (as a percentage of average net assets)	
Management Fee	0.50%
Other Expenses	0.66%
Total Fund Operating Expenses	1.16%

Example

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming (1) a five percent annual return and (2) redemption at the end of each time period:	$12	$37	$64	$142

The hypothetical example shown above is based on the expense levels listed under the caption "Annual Fund Operating Expenses" and is intended to provide the investor with an understanding of the level of expenses that might be incurred in the future. The five percent return used in the example is arbitrary and is for illustrative purposes only. It should not be considered representative of the Trust's past or future performance, nor should the expenses in the example be considered representative of future expenses, which may actually be greater or less than those shown.

Financial Highlights

The financial highlights data for a share outstanding and other performance information for the fiscal year ended March 31, 1995 appearing below is derived from the financial statements audited by Ernst & Young LLP, independent auditors, whose report appears in the Annual Report to Shareholders. This report is incorporated by reference in the Statement of Additional Information and can be obtained by calling the Trust. The tabulation below of information for the fiscal years ended March 31, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993 and 1994 has also been derived from the financial statements audited by Ernst & Young LLP. The Trust experienced no net gains or losses on securities and provided no distributions from capital gains or returns of capital for the fiscal years shown below.

<TABLE>
<CAPTION>

Year ended Mar. 31	Net asset value beginning of period	Net investment income	Total from investment operations	Distributions from net investment income	Total distributions	Net Asset value end of period	Total return	Net assets at end of period (thousands)	Net expenses to average net assets	Net income to average net assets

<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1995	$1.000	$0.037	$0.037	$(0.037)	$(0.037)	$1.000	3.80%	$ 64,541	1.16%	3.70%
1994	1.000	0.021	0.021	(0.021)	(0.021)	1.000	2.08	78,090	1.11	2.08
1993	1.000	0.024	0.024	(0.024)	(0.024)	1.000	2.44	88,911	1.06	2.44
1992	1.000	0.044	0.044	(0.044)	(0.044)	1.000	4.44	117,170	1.06	4.41
1991	1.000	0.067	0.067	(0.067)	(0.067)	1.000	6.96	153,206	1.05	6.69
1990	1.000	0.080	0.080	(0.080)	(0.080)	1.000	8.28	173,438	1.04	7.99
1989	1.000	0.072	0.072	(0.072)	(0.072)	1.000	7.48	171,144	1.01	7.21
1988	1.000	0.060	0.060	(0.060)	(0.060)	1.000	6.19	184,255	1.01	6.01
1987	1.000	0.054	0.054	(0.054)	(0.054)	1.000	5.57	192,953	1.06	5.45
1986	1.000	0.071	0.071	(0.071)	(0.071)	1.000	7.37	232,389	0.97	7.14

</TABLE>

Investment Objective

The investment objective of the Trust is to obtain the highest possible current income, consistent with the relative safety of U.S. Government securities and with providing liquidity and price stability to shareholders' investments in the Trust. Considerations of relative safety, liquidity and price stability limit the Trust's investments to shorter-term U.S. Government securities which may not yield as high a level of current income as is normally available from longer-term or lower-rated securities. The Trust's investment objective may be changed without shareholder approval; however, shareholders will receive prior written notice of any material change. There is no assurance that the Trust's investment objective will be achieved.

Investment Policies

The Trust's fundamental investment policies, which may not be changed without a shareholder vote, limit its investments to securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities. The Trust expects that a substantial portion of its assets will be invested in repurchase agreements collateralized by U.S. Government securities. The Trust intends normally to hold portfolio securities to maturity; historically, securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities have involved little risk to principal and interest if held to maturity.

The Trust will limit purchases of investments to securities having a maximum effective maturity of 13 months or less. The Trust will not purchase any investment which would, at the time of purchase, cause the average effective maturity of the Trust to exceed 90 days. As used in this Prospectus, the term "effective maturity" means either the actual time between purchase and the stated maturity date of the investment, the time between its scheduled interest rate adjustment dates, or the time between its purchase settlement and its future resale arranged at the time of purchase under fixed terms. The Trust's Portfolio will be managed in conformity with regulations of the Securities and Exchange Commission applicable to funds seeking to maintain a constant share price of $1.00. The Trust will not invest more than 10 percent of its total assets in securities which cannot be liquidated in seven days. The Trust normally expects to hold investments to maturity, except to the extent liquidity requirements indicate otherwise.

U.S. Government Securities. U.S. Government securities include a variety of securities which are issued or guaranteed by the U.S. Treasury, various agencies of the federal government and various instrumentalities which have been established or sponsored by the U.S. Government, and certain interests in the foregoing types of securities. Treasury securities include notes, bills and bonds. Obligations of the Government National Mortgage Association, the Federal Home Loan Banks, the Federal Farm Credit System, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Small Business Administration and the Student Loan Marketing Association are also considered U.S. Government securities. Except for Treasury securities, these obligations may or may not be backed by the "full faith and credit" of the United States.

Some federal agencies have authority to borrow from the U.S. Treasury while others do not. In the case of securities not backed by the full faith and credit of the United States, the investor must look principally to the agency issuing or guaranteeing the obligation for ultimate repayment, and may not be able to assert a claim against the United States itself in the event the agency or instrumentality does not meet its commitments.

Specialized Investment Techniques

To achieve its investment objective, the Trust may use certain specialized investment techniques, including investment in specialized kinds of government agency securities, investment in "floating rate" government securities, use of repurchase agreement transactions, investment in matched purchase/sale transactions and investments purchased for forward delivery. These techniques may involve certain risks, some of which are summarized below, and discussed further in the Statement of Additional Information.

Certain specialized government agency securities may provide higher yields than are available from more common types of government-backed investments. However, such specialized investments may be available from a few sources, in limited amounts, or only in very large denominations; they may also require special capabilities in portfolio servicing and in legal matters relating to government guarantees. Such securities may have limited marketability, which might make it difficult for the Trust to dispose of them advantageously; accordingly, the Trust intends normally to hold such securities to maturity or pursuant to repurchase agreements.

"Floating rate" government agency securities pay an interest rate which is adjusted (i.e., "floats") at regular intervals in a fixed relationship to a published interest rate such as the "prime" rate of a given bank. Such securities may offer higher yields than are available from short-term securities and may be less susceptible to market value fluctuations than securities of longer stated maturities which do not float. The stated maturities of floating rate securities, which could be as long as 30 years, may limit their investment flexibility. Such securities may be available only in large denominations, may require specialized servicing and accounting capabilities, and may have limited marketability, which might make it difficult for the Trust to dispose of them advantageously.

Repurchase agreements involve the sale of securities to the Trust by a financial institution or securities dealer, simultaneous with an agreement by that institution to repurchase the same securities at the same price, plus interest, at a later date. The Trust will limit repurchase agreement transactions to those financial institutions and securities dealers who are deemed creditworthy pursuant to guidelines adopted by the Trust's Board of Trustees. The Adviser will follow a procedure designed to ensure that all repurchase agreements acquired by the Trust are always at least 100 percent collateralized as to principal and interest. When investing in repurchase agreements, the Trust relies on the other party to complete the transaction on the scheduled date by repurchasing the securities. Should the other party fail to do so, the Trust would end up holding securities it did not intend to own. Were it to sell such securities, the Trust might incur a loss. In the event of insolvency or bankruptcy of the other party to a repurchase agreement, the Trust could encounter difficulties and might incur losses upon the exercise of its rights under the repurchase agreement.

Investment Considerations

The Trust's investment policies may involve certain risks. For example, the market value of the fixed income securities in which the Trust invests will tend to decline as prevailing interest rates rise and increase as prevailing interest rates fall. The magnitude of this change increases with the maturity of portfolio securities. The Trust may invest in "floating rate" government agency securities, in repurchase agreements, in matched purchase/sale transactions and in investments purchased for forward delivery, all of which may involve certain risks; see "Specialized Investment Techniques" above and in the Statement of Additional Information.

Management of the Trust

The Trustees. Under the terms of the Declaration of Trust, which is governed by the laws of the Commonwealth of Massachusetts, the Trustees are ultimately responsible for the conduct of the Trust's affairs. They serve indefinite terms of unlimited duration and they appoint their own successors, provided that always at least two-thirds of the Trustees have been elected by shareholders. The Declaration of Trust provides that a Trustee may be removed at any special meeting of shareholders by a vote of two-thirds of the Trust's outstanding shares.

The Adviser. Bankers Finance Investment Management Corp. administers approximately $275 million in assets and manages the GIT family of mutual funds, which includes stock, bond and money market portfolios. The Adviser is also responsible for the day-to-day administration of the Trust's activities. The Adviser's sole stockholders are A. Bruce Cleveland, currently a Trustee, and Michael D. Goth. The Adviser is a successor to a corporation founded in 1975. The Adviser has the same address as the Trust.

Compensation. For its services under its Investment Advisory Agreement with the Trust, the Adviser receives a fee, payable monthly, calculated as 1/2 percent per annum of the average daily net assets of the Trust. The Adviser may, in turn, compensate certain financial organizations for services resulting in shareholder purchases of Trust shares.

Distributor. GIT Investment Services, Inc. of the same address as the Trust acts as the Trust's Distributor. The Distributor is wholly owned by A. Bruce Cleveland.

Services Agreement. Under a separate Services Agreement with the Trust, the Adviser provides operational and other support services for which it is reimbursed at cost.

Transfer and Dividend Paying Agent. The Trust acts as its own transfer agent and dividend paying agent.

Expenses. The Trust is responsible for all of its expenses not assumed by the Adviser, including the costs of the following: shareholder services; legal, custodian and audit fees; trade association memberships;

accounting; certain Trustees' fees and expenses; fees for registering the Trust's shares; the preparation of prospectuses,

proxy materials and reports to shareholders; and the expense of holding shareholder meetings. For the fiscal year ending March 31, 1995, the expenses

paid by the Trust, including advisory fees and reimbursable expenses paid to the Adviser, were $798,546.

The Trust and Its Shares

Under the terms of the Declaration of Trust, the Trustees may issue an unlimited number of whole and fractional shares of beneficial interest without par value for each series of shares they have authorized. All shares issued will be fully paid and nonassessable and will have no preemptive or conversion rights. Under Massachusetts law, the shareholders, under certain circumstances, may be held personally liable for the Trust's obligations. The Declaration of Trust, however, provides indemnification out of Trust property of any shareholder held personally liable for obligations of the Trust.

Only one series of the Trust's shares is currently authorized. Each share has one vote and fractional shares have fractional votes. Except as otherwise required by applicable regulations, any matter submitted to a shareholder vote will be voted upon by all shareholders without regard to series or class. For matters where the interests of separate series or classes are not identical, the question will be voted on separately by each affected series or class. Voting is not cumulative.

The Trust does not intend to have regular shareholder meetings.

Shareholder inquiries can be made to the offices of the Trust at the address on the cover of this Prospectus.

Dividends

The Trust's net income is declared as dividends each business day. Dividends are paid in the form of additional shares credited to investor accounts at the end of each calendar month, unless a shareholder elects in writing to receive a monthly dividend payment by check or direct deposit. Any net realized capital gains will be distributed at least annually.

Performance Information

From time to time, the Trust advertises its yield and effective yield. Both figures are based on historical data and are not intended to indicate future performance.

For advertising purposes, the yield is calculated according to a standard formula prescribed by the Securities and Exchange Commission. This formula divides the net income earned on one share during a given seven-day period by the initial value of that share (normally $1.00), and expresses the result as an annualized percentage.

The Trust's "effective yield" is calculated in a similar manner, except that the net income earned during a seven-day period is assumed to be reinvested at the same rate over a full year. This calculation results in a slightly higher yield figure which shows the effect of compounding.

The Trust may also cite the ranking or performance of its Portfolio as reported in the public media or by independent performance measurement firms. Further information on the methods used to calculate the Trust's yield may be found in the Trust's Statement of Additional Information.

Taxes

For federal income tax purposes, the Trust intends to maintain its status under Subchapter M of the Internal Revenue Code (the "Code") as a regulated investment company by distributing to shareholders 100% of its net income and net capital gains, if any, by the end of its fiscal year. The Code also requires the Trust to distribute at least 98% of undistributed net income and capital gains realized from the sale of investments by calendar year-end in order to avoid a 4% excise tax. The capital gain distribution is determined as of October 31 each year. Capital gain distributions, if any, are taxable to the shareholder. The Trust will send shareholders an annual notice of dividends and other distributions paid during the year.

Investors who fail to provide a valid social security or tax identification number may be subject to federal withholding at a rate of 31% of dividends and capital gain distributions. Investors are advised to retain all statements received from the Trust and to maintain accurate records of their investments.

At the state and local level, dividend income and capital gains are generally considered taxable income. Interest on certain U.S. Government securities held by the Trust would be exempt from state and local income taxes if held directly by the shareholder. Because tax laws vary from state to state, shareholders should consult their tax advisers concerning the impact of mutual fund ownership in their own tax jurisdictions.

Net Asset Value

The net asset value per share of the Trust is calculated as of 1 p.m., Washington, DC time, each day the New York Stock Exchange is open for trading. Net asset value per share is determined by adding the value of all securities and other assets, subtracting liabilities and dividing the result by the total number of the Trust's outstanding shares. The Trust's securities are valued according to the "amortized cost" method, which is intended to stabilize the share price at $1.00.

How to Purchase and Redeem Shares

Account Transactions

Transactions into or out of the Trust are entered in the investor's account and recorded in shares. The number of shares in the account is maintained to an accuracy of 1/1000th of a share. Unless an investor specifically requests in writing, certificates will not be issued to represent shares in the Trust.

The Trust will provide a subaccounting report for institutions needing to maintain separate information on accounts under their supervision.

Telephone Transactions

The option to initiate inter-fund exchanges and redemptions and to obtain account balance information by telephone is available automatically to all shareholders. The Trust will employ reasonable security procedures to confirm that instructions communicated by telephone are genuine; if it does not, it may be liable for losses due to unauthorized or fraudulent transactions. These procedures can include, among other things, requiring one or more forms of personal identification prior to acting upon telephone instructions, providing written confirmations and recording all telephone transactions. Certain transactions, including account registration or address changes, must be authorized in writing.

Purchasing Shares

Shareholder purchases are priced at the net asset value per share next determined after the purchase order is received by the Trust in proper form and funds are received by the Trust's Custodian.

This is normally one or two business days after an investment is received at the Trust.

New Accounts. A minimum of $2,500 is required to open an account. Each investor is given an account with a balance denominated in shares. When a new account is opened by telephone for funds wired to the Trust, the investor will be required to submit a signed application promptly thereafter. Payment of redemption proceeds is not permitted until a signed application is on file with the Trust.

New accounts may be opened by completing an application and forwarding it with a check for the initial investment to:

Government Investors Trust
1655 Fort Myer Drive, Suite 1000
Arlington, VA 22209-3108

Subsequent investments. Subsequent investments may be made in any amount, but the Trust reserves the right to return investments of less than $50.00. See "Redeeming Shares" for an explanation of the Trust's policies regarding the 10-day hold on invested checks.

Subsequent investments should be sent to:

Government Investors Trust
P.O. Box 640393
Cincinnati, OH 45264-0393

Please include an investment deposit slip or an indication of the account to be credited. Checks should be endorsed or payable to Government Investors Trust.

In Person. Accounts may be opened and subsequent deposits made at any office of the Trust.

By Wire. Federal Funds wires should be sent to Star Bank, N.A., Cinti/Trust, ABA No. 0420-0001-3, for credit as follows:

Government Investors Trust
Account No. 48038-8883
(Investor name and account number)

Please call before or shortly after funds are wired to ensure proper credit. The Trust must be notified by 1 p.m., Washington, DC time to credit the shareholder's account the same day. There is a charge of $6.00 for processing incoming wires of less than $2,500.

By Inter-Fund Exchange. Investors may redeem shares from one GIT account and concurrently invest the proceeds in another GIT account by telephone when the account registration and tax identification number remain the same. There is no charge for this service. When a new account is opened by exchange, a new account application is required if the account registration or tax identification number will differ from that on the application for the original account. Exchanges may only be made into funds that are registered or otherwise permitted to be sold in the investor's state of residence.

By Automatic Monthly Investment. Regular monthly investments in any fixed amount of $100 or more can be made automatically by Electronic Funds Transfer from accounts at banks or savings and loan associations which have the required transfer capabilities. The investor can change the amount of this automatic investment or discontinue the service at any time by writing to the Trust.

Redeeming Shares

Redemptions are processed on any day the New York Stock Exchange is open and are effected at the net asset value per share next determined after the redemption request is received in proper form. Redemptions may be made by wire transfer, by mail, in person or pursuant to standing instructions. The Trust does not distribute currency or coin.

To protect your account, the Trust requires signature guarantees before certain redemptions or registration changes are considered in good order. Signature guarantees help the Trust ensure the identity of the authorized account owner or owners before the Trust releases redemption proceeds or recognizes a new person to request such redemptions. Signature guarantees are required for any account transfers or delivery of redemption proceeds to a person other than the shareholder of record (i) at an address other than the shareholder's address of record or (ii) by wire to a bank account other than the shareholder's previously designated bank account that receives wire transfers. The Trust recognizes signature guarantees from banks with FDIC insurance, certain credit unions, trust companies, and members of a domestic stock exchange. A guarantee from a notary public is not an acceptable signature guarantee.

By Wire. Wire transfers permit funds to be credited to a shareholder's bank account, usually the same day. Wires may only be sent to the bank account previously designated in writing. Other wires and wires to third parties are normally not permitted.

Redemptions of $10,000 or more will be paid by wire to U.S. domestic banks without charge. Wires for lesser amounts will be paid after deducting a $10 service charge. Wires to foreign banks require a service charge of $30, or the cost of the wire if greater.

Wire requests received after 12:30 p.m., Washington, DC time will normally be processed the next business day. Wires can be arranged by calling the telephone numbers on the cover of this Prospectus.

By Mail. Upon written or telephone request, redemptions may be sent to the shareholder of record by official check of the Trust. Redemption requests received by mail are normally processed within one business day.

In Person. Redemptions may be requested in person at any office of the Trust. Payment of proceeds of same-day redemptions in excess of $10,000 are not permitted.

By Check. An investor who has requested checkwriting privileges and submitted a signature card may write checks in any amount payable to any party. Checks of $500 or more are processed free of charge. There is a charge of $0.15 for checks written for under $500. An initial supply of preprinted checks will be sent free of charge. The cost of check reorders and of printing special checks will be charged to the investor's account.

A confirmation statement showing the amount and number of each check written is sent to the investor quarterly. The Trust does not return canceled checks, but will provide copies of specifically requested checks. A fee of $1.00 per copy is charged for more than one check copy per year.

Uncollected Funds. To protect shareholders against loss or dilution resulting from deposit items that are returned unpaid, the delivery of the proceeds of any redemption of shares may be delayed 10 days or more until it can be determined that the check or other deposit item (including an Automatic Monthly Investment) used for purchase of the shares has cleared. Shares will remain invested until that time. Such deposit items are considered "uncollected," unless the Trust has determined that they have been actually paid by the bank on which they were drawn.

Shares purchased by cash, federal funds wire or U.S. Treasury check are considered collected when received. All deposit items earn dividends from the day of credit to a shareholder's account, even while not collected.

Stop Payments. The Trust will honor stop payment requests on unpaid checks written by shareholders for a fee of $5.00. Oral stop payment requests are effective for 14 calendar days, at which time they will be canceled unless confirmed in writing. Written stop payment orders are effective for six months and may be extended by written request for another six months.

There is a charge of $28.00 or the cost of stop payment, if greater, for stop payment requests on "official checks" issued by the Trust on behalf of shareholders. Certain documents may be needed before such a request can be processed.

Periodic Redemptions. Investors may request automatic monthly redemptions of a fixed or readily determinable sum, or of the actual dividends earned during the past month. Such payments will be sent to the investor or to any other single payee authorized in writing by the account holder, including direct deposit to the investor's bank account. There is no charge for this service, but the Trust reserves the right to impose a charge, or to impose a minimum amount for periodic redemptions.

Transaction Charges

In addition to charges described elsewhere in this Prospectus, an account will be charged (by redemption of shares) $3.00 per month for any account whose balance is below $1,000. Investors who own shares in the Trust with an account balance that falls below this amount should carefully consider the impact of the $3.00 charge on their investment. The charge may be greater than the investment return and may deplete a shareholder's account over time. The Trust will contact each investor prior to charging the account and inform the investor of the option to increase the account balance or close the account within 30 days to avoid a fee.

Accounts will be charged (by redemption of shares) $10.00 for invested items returned for any reason. The Trust charges $5.00 to process each bearer bond coupon deposited.

The Trust reserves the right to impose additional charges, upon 30 days' written notice, to cover the costs of unusual transactions. Services for which charges could be imposed include, but are not limited to, processing items sent for special collection, transfers to accounts at the Trust's custodial bank and issuance of multiple share certificates.

Retirement Plans

IRAs. Individual Retirement Accounts ("IRAs") may be opened with a reduced minimum investment of $500. Even though they may be nondeductible or partially deductible, IRA contributions up to the allowable annual limits may be made, and the earnings on such contributions will accumulate tax-free until distribution. The Trust currently charges an annual fee of $12 for an investor's IRA, which may be invested in an unlimited number of GIT mutual funds. A separate application is required for IRA accounts.

Keogh Plans. The Trust also offers Keogh (or H.R. 10) plans for self-employed individuals and their employees, which enable them to obtain tax-sheltered retirement benefits similar to those available to employees covered by qualified retirement plans. Currently the Trust charges an annual maintenance fee of $15 for Keogh accounts.

The Trust also sponsors SEP IRAs, SARSEPs, 401(k) and 403(b) plans. Further information on the retirement plans available through the Trust, including applicable minimum investments, may be obtained by calling the Trust's shareholder service department.

Closing an Account

An investor who wishes to close an account should request that the account be closed by calling or writing the Trust, rather than by redeeming the amount believed to be the account balance. When an account is closed, shares will be redeemed at the next determined net asset value.

The Trust reserves the right to involuntarily redeem accounts with balances of less than $1,000 due to prior shareholder redemptions. Prior to closing any such account, the investor will be given 30 days written notice, during which time the investor may increase his or her balance to avoid having the account closed.

Telephone Numbers

Shareholder Service
Washington, DC area: 703/528-6500
Toll-free nationwide: 800/336-3063

24-Hour ACCESS
Toll-free nationwide: 800/448-4422

The GIT Family of Mutual Funds

GIT Equity Trust
Special Growth Portfolio
Select Growth Portfolio
Equity Income Portfolio
Worldwide Growth Portfolio

GIT Income Trust
Maximum Income Portfolio
Government Portfolio

GIT Tax-Free Trust
Arizona Portfolio
Maryland Portfolio
Missouri Portfolio
Virginia Portfolio
National Portfolio
Money Market Portfolio

Government Investors Trust

For more complete information on any GIT Investment Fund, including charges and expenses, request a prospectus by calling the numbers above. Read it carefully before you invest or send money. This prospectus does not constitute an offering by the distributor in any jurisdiction in which such offering may not be lawfully made.

GIT
GIT Investment Funds
1655 Fort Myer Drive
Arlington Virginia 22209

STATEMENT OF ADDITIONAL INFORMATION
Dated July 31, 1995
For use with Prospectus dated July 31, 1995

GOVERNMENT INVESTORS TRUST

1655 Fort Myer Drive
Arlington, VA 22209-3108
(800) 336-3063
(703) 528-6500

This Statement of Additional Information is not a Prospectus. This Statement of Additional Information should be read in conjunction with the Prospectus of Government Investors Trust bearing the date indicated above (the "Prospectus"). A copy of the Prospectus may be obtained from the Trust at the address and telephone numbers shown.

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("Financial Highlights") 13

Note: The items appearing in parentheses above are cross references to sections in the Prospectus which correspond to the sections of this Statement of Additional Information.

Introductory Information

Government Investors Trust (the "Trust") is an open-end diversified management investment company which invests solely in U.S. Government securities. It may use a variety of investment techniques with the objective of providing as high a yield as is available from U.S. Government securities and the investment quality associated with these securities (see "Supplemental Investment Policies").

Supplemental Investment Policies

The Trust seeks to achieve its investment objective through investment in securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities and in participation interests in and repurchase agreements based on such securities. The investment objective of the Trust is described in the Prospectus (see "Investment Objective"). Reference should also be made to the Prospectus for general information concerning the Trust's investment policies (see "Investment Policies"). Unless described herein or in the Prospectus, the Trust will not invest in "derivative" securities.

Specialized Investment Techniques. In order to achieve its investment objective, the Trust may use, when the Adviser deems appropriate, certain specialized investment techniques. Such specialized investment techniques principally include those identified in the Prospectus (see "Investment Policies"), which are described more fully below:

1. Investments in Specialized Kinds of Government Agency Securities. These agency securities often provide higher yields than are available from more common types of Government-backed investments. However, such specialized investments may only be available from a few sources, in limited amounts, or only in very large denominations; they may also require specialized capability in portfolio servicing and in legal matters related to Government guarantees. While frequently offering attractive yields, the limited-activity markets of many of these securities means that if the Trust were forced to liquidate any of them it might not be able to do so advantageously; accordingly, the Trust intends to normally hold such securities to maturity or pursuant to repurchase agreements.

2. Investment in "Floating Rate" Government Agency Securities. These Government agency securities may offer particular advantages towards the achievement of the objectives of the Trust by providing for an interest rate which is adjusted (i.e., "floats") at regular intervals according to some published interest rate. Such securities frequently offer higher yields than are available on short-term securities but less risk of market value fluctuations than securities of longer maturities which do not float. Interest rates, and thus income to the Trust, on these securities will normally float downward when interest rates are falling and float upward when their reference rates of interest rise. Generally, such investments float in relation to the "prime" interest rate of New York or other money center banks and often are adjusted upward or downward quarterly, although some such securities float in relationship to other published interest rates or at more or less frequent intervals. These floating rate securities may have stated maturities of up to 30 years, although 10-year stated maturities are more typical. Floating rate securities may be comparable in some respects to short-term securities, but their longer stated maturities reduce investment flexibility, making them less attractive than short-term securities to some investors.

3. Repurchase Agreement Transactions. A repurchase agreement involves the acquisition of securities from a financial institution, such as a bank or securities dealer, with the right to resell the same securities to the financial institution on a future date at a fixed price. Repurchase agreements are a highly flexible medium of investment in that they may be for very short periods, including, frequently, maturities of only one day. Under the Investment Company Act of 1940 repurchase agreements are considered loans and the securities involved may be viewed as collateral. It is the Trust's policy to limit the financial institutions with which it engages in repurchase agreements to banks, savings and loan associations and securities dealers meeting financial responsibility standards prescribed in guidelines adopted by the Trustees.

When investing in repurchase agreements, the Trust could be subject to the risk that the other party may not complete the scheduled repurchase and the Trust would then be left holding securities it did not expect to retain. If those securities decline in price to a value less than the amount due at the scheduled time of repurchase, then the Trust could suffer a loss of principal or interest. The Adviser will follow procedures designed to assure that repurchase agreements acquired by the Trust are always at least 100% collateralized as to principal and interest. It is the Trust's policy to require delivery of repurchase agreement collateral to its Custodian or (in the case of book-entry securities held by the Federal Reserve System) that such collateral is registered in the Custodian's name or in negotiable form. In the event of insolvency or bankruptcy of the other party to a repurchase agreement, the Trust could encounter restrictions on the exercise of its rights under the repurchase agreement.

To the extent the Trust requires cash to meet redemption requests and determines that it would not be advantageous to sell portfolio securities to meet those requests, then it may sell its portfolio securities to another investor with a simultaneous agreement to repurchase them. Such a transaction is commonly called a "reverse repurchase agreement." It would have the practical effect of constituting a loan to the Trust, the proceeds of which would be used to meet cash requirements from redemption requests. During the period of any reverse repurchase agreement, the Trust would recognize fluctuations in value of the underlying securities to the same extent as if those securities were held by the Trust outright. If the Trust engages in reverse repurchase agreement transactions, it will maintain in a segregated account designated Government securities which are liquid or mature prior to the scheduled repurchase and cash sufficient in aggregate value to provide adequate funds for completion of the repurchase. It is the Trust's current operating policy not to engage in reverse repurchase agreements except for purposes of meeting redemption requests. The Trust will not enter into any reverse repurchase agreement, if as a result, reverse repurchase agreements in the aggregate would exceed 10% of the Trust's total assets.

4. Investment in Matched Purchase/Sale Transactions. The Trust may invest by means of matched purchase/sale transactions containing two elements: the purchase of U.S. Government securities and a simultaneous sale of those securities by means of a future delivery contract at a fixed price for later delivery to a different institution (securities dealer, bank, etc.). During the interval between the actual dates they are bought and sold, the securities will be held by a custodian of the Trust. The transactions are thus self-liquidating and produce a known yield, similar to a repurchase agreement; this yield is comprised of the interest earned on the securities while they are held plus the price differential between the purchase and sale. The sale price may be more or less than the price at which the securities could otherwise be sold on the day delivery is due. These arbitrage transactions may be attractive if market conditions create opportunities for higher yields than on repurchase agreements. It is contrary to the Trust's policies for it to hold a future delivery contract for the sale of securities which it does not own. Established markets are available for future delivery contracts, including financial futures exchanges and the over-the-counter market.

5. Investments Purchased for Forward Delivery. Institutional investors such as the Trust often enter into commitments to take delivery of securities at a future time under specified terms of purchase. Such transactions sometimes appear advantageous because they may provide an opportunity to acquire an investment otherwise unavailable, or with more attractive terms than are currently available or anticipated for the future. Such transactions, however, can involve a risk that the yields available in the market when the delivery takes place may actually be higher than those obtained in the transaction itself, and a risk that the investor's available cash may be less than projected, possibly necessitating a disadvantageous resale of the securities purchased or of other portfolio securities at a loss to the Trust. Securities purchased for forward delivery do not accrue interest until they are delivered. The Trust intends to enter into forward delivery transactions when it deems them advisable, but to reduce its exposure to price instability through changes in interest rates before the transactions are completed, it has a policy that these commitments will only be undertaken in connection with securities having maturities of one year or less.

U.S. Government Securities. As used in the Prospectus and in this Statement of Additional Information, the term "U.S. Government securities" refers to a variety of securities which are issued or guaranteed by the United States Treasury, by various agencies of the United States Government, and by various instrumentalities which have been established or sponsored by the United States Government, and to certain interests in the foregoing types of U.S. Government securities. Except for U.S. Treasury securities, these obligations, even those which are guaranteed by federal agencies or instrumentalities, may or may not be backed by the "full faith and credit" of the United States. In the case of securities not backed by the full faith and credit of the United States, the investor must look principally to the agency issuing or guaranteeing the obligation for ultimate repayment, and may not be able to assert a claim against the United States itself in the event the agency or instrumentality does not meet its commitments.

Treasury securities include Treasury bills, Treasury notes and Treasury bonds. Some of the Government agencies which issue or guarantee securities are the Department of Housing and Urban Development, the Department of Health and Human Services, the Government National Mortgage Association, the Farmers Home Administration, the Department of Transportation, the Department of Energy, the Department of the Interior, the Department of Commerce, the Department of Defense and the Small Business Administration. Other Government agencies and instrumentalities which issue or guarantee securities include the Export-Import Bank, the Federal Farm Credit System, the Federal Home Loan Banks, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Student Loan Marketing Association. International development organizations which operate under sponsorship of the U.S. Government and which issue or guarantee securities (although the Trust does not presently intend to hold such securities in its portfolio) include the Inter-American Development Bank, the Asian Development Bank and the International Bank for Reconstruction and Development.

When used herein, the term "U.S. Government securities" includes securities issued or guaranteed by any of the foregoing entities or by any other agency or instrumentality established or sponsored by the United States Government, and participation interests (with unaffiliated persons) in and instruments evidencing deposit or safekeeping for any of the foregoing. Participation interests are pro-rata interests in U.S. Government securities held by others; instruments evidencing deposit or safekeeping are documentary receipts for such original securities held in custody by others.

Maturities. As used in this Statement of Additional Information and in the Prospectus, the term "effective maturity" means either the actual stated maturity of the investment, the time between its scheduled interest rate adjustment dates (for variable rate securities), or the time between its purchase settlement and scheduled future resale settlement pursuant to a resale or optional resale under fixed terms arranged in connection with the purchase, whichever period is shorter. A "stated maturity" means the time scheduled for final repayment of the entire principal amount of the investment under its terms. "Short-term" means a maturity of one year or less, while "long-term" means a longer maturity.

Investment Limitations

The Trust has adopted as fundamental policies the following limitations on its investment activities, which may not be changed without a majority vote of the Trust's shareholders as defined in the Investment Company Act of 1940 (see "Organization of the Trust").

1. Permissible Investments. Subject to the investment policies from time to time adopted by the Trustees, The Trust may purchase U.S. Treasury bills, notes, bonds, or other debt obligations issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities (including international membership development banks and negotiable certificates of deposit the

principal amount of which is insured by the Federal Deposit Insurance Corporation or participation interests (with unaffiliated persons) therein, or instruments evidencing deposit or safekeeping of U.S. Government securities (see "Supplemental Investment Policies"); but any of these securities may be subject to repurchase agreements with financial institutions or securities dealers or may be purchased from any person, under terms and arrangements determined by the Trust, for future delivery. Any of these securities may have limited markets and may be purchased with restrictions on transfer imposed by the Government agency or instrumentality involved or for other reasons, to the extent the Trustees permit; however, the Trust may not invest in securities for which there is no readily available market, if at the time of acquisition more than 15% of the Trust's net assets would be invested in such securities.

2. Borrowing and Lending. The Trust may not obtain bank loans, except for extraordinary or emergency purposes. The Trust may enter into reverse repurchase agreements in amounts not exceeding 25% of its total assets (including the proceeds of the reverse repurchase transactions) for purposes of purchasing other securities. The Trust may not obtain loans or enter into reverse repurchase agreements in total amounts exceeding one-third of such total assets for any purpose, including the meeting of cash withdrawal requests or for extraordinary purposes. The Trust may not mortgage, pledge or hypothecate any assets to secure bank loans, except in amounts not exceeding 15% of its net assets taken at cost, and only for extraordinary or emergency purposes. The Trust may loan its portfolio securities in an amount not in excess of one-third of the value of the Trust's gross assets, provided collateral satisfactory to the Trustees is continuously maintained in amounts not less than the value of the securities loaned.

3. Other Activities. The Trust may not act as an underwriter, make short sales (or maintain a short position), or write put or call options or combinations thereof. Nor may the Trust purchase securities on margin (except for customary credit used in transaction clearance), invest in commodities or in real estate, or acquire shares of other investment companies, except that the foregoing prohibition against investment in "commodities" by the Trust does not preclude the use of financial futures contracts to make purchases or sales of U.S. Government securities, provided the transactions would otherwise be permitted under the Trust's investment policies.

The Trust may not knowingly take any investment action which has the effect of eliminating its tax exemption under Sub-Chapter M of the Internal Revenue Code (see "Additional Tax Matters").

Notwithstanding the fundamental policies described above, as a matter of operating policy, in order to comply with certain applicable State restrictions, the Trust will not pledge, mortgage or hypothecate in excess of 10% of its net assets at market value. The Trust has adopted the additional restriction, notwithstanding Paragraph 1 above, that it will not invest more than 10% of its net assets at the time of purchase in illiquid assets and securities for which there is no readily available market (which include fully insured certificates of deposit, unless the Trustees determine they are readily marketable) and in repurchase agreements and matched purchase/sale transactions that cannot be terminated within seven days. Matched purchase/sales generally involve the purchase of liquid securities coupled with a sale for future delivery. Future delivery contracts traded on an organized exchange (such as the Chicago Board of Trade or the International Monetary Market) are considered liquid, while such contracts executed in the over-the-counter market may be illiquid, if a readily available futures market has not developed. Liquidity of a matched purchase/sale transaction requires liquidity of both of its parts; the securities purchased and the future delivery sale contract. The sale contract may be liquid by the existence of a readily available market for it or by a contractual provision permitting delivery at any time within seven days.

The Investment Adviser

Bankers Finance Investment Management Corp., 1655 Fort Myer Drive, Arlington, Virginia 22209-3108, is the investment adviser to the Trust and is called the "Adviser" throughout this Statement of Additional Information and the Prospectus. The Adviser is responsible for the investment management of the Trust and has the authority to handle all of the Trust's portfolio transactions, to select the methods and firms with which such transactions are executed, to oversee the Trust's operations, and otherwise to administer the affairs of the Trust as it deems advisable. In the execution of these responsibilities, the Adviser is subject to the investment policies and limitations of the Trust described in the Prospectus and this Statement of Additional Information, to the terms of the Declaration of Trust and the Trust's By-Laws, and to written directions given from time to time by the Trustees.

This Investment Advisory Agreement is subject to annual review and approval by the Trustees, including a majority of those who are not "interested persons," as defined in the Investment Company Act of 1940. The Investment Advisory Agreement was approved by shareholders at the Trust's first annual meeting.

The Investment Advisory Agreement may be terminated at any time, without penalty, by the Trustees or by the vote of a majority of the outstanding voting securities, or by the Adviser, upon sixty days' written notice to the other party. The Investment Advisory Agreement may not be assigned by the Adviser, and will automatically terminate upon any assignment.

Background of the Adviser. The Adviser was formed in January 1979 for the purpose of providing investment management services to the Trust. The Adviser also serves as the investment adviser to GIT Income Trust, GIT Equity Trust and GIT Tax-Free Trust. The Adviser is a former subsidiary of and successor to Bankers Finance Corporation, which was formed in 1975.

Management. A. Bruce Cleveland is President of the Adviser; he and Michael D. Goth are its sole stockholders. Mr. Cleveland is also Chairman of the Trustees, President and Treasurer of the Trust. Mr. Cleveland holds the same positions with GIT Income Trust, GIT Equity Trust and GIT Tax-Free Trust.

Advisory Fee and Expense Limitations. For its services under the Investment Advisory Agreement, the Adviser receives a fee, payable monthly, calculated as 1/2 percent per annum of the average daily net assets of the Trust's portfolio during the month. Such fees do not decrease as net assets increase. The Adviser may waive or reduce such fee during any period. The Adviser may also reduce such fee on a permanent basis, without any requirement for consent by the Trust or its shareholders, under such terms as it may determine, by written notice thereof to the Trust.

The Adviser has agreed to reimburse the Trust for all of its expenses, excluding securities transaction commissions and expenses, taxes, interest and extra-ordinary and non-recurring expenses, which exceed during any fiscal year one and one-half percent of the Trust's daily average net assets up to $40 million and one percent of the amount, if any, by which such assets exceed $40 million. In addition, the Adviser has also agreed to reimburse the Trust for all of its expenses (including any management fees paid to the Adviser), but excluding securities transaction commissions and expenses, taxes, interest, share distribution expenses, and other extraordinary and non-recurring expenses, which during any fiscal year exceed the applicable expense limitation in any State or other jurisdiction in which the Trust, during the fiscal year, becomes subject to regulation by qualification or sale of its shares. As of the date of this Statement of Additional Information, the Trust believes this applicable annual expense limitation to be equivalent to two and one-half percent of the Trust's aggregate daily average net assets up to $30 million; two percent of an amount of such net assets exceeding $30 million, but not exceeding $100 million; and one and one-half percent of the amount, if any, by which such net assets exceed $100 million.

In addition, the Adviser has agreed, in any event, to be responsible for the fees and expenses of the Trustees and officers of the Trust who are affiliated with the Adviser, the rent expenses of the Trust's principal executive office premises, and its various promotional expenses (including the distribution of Prospectuses to potential shareholders). Other than investment management and the related expenses, and the foregoing items, the Adviser is not obligated to provide or pay for any other services to the Trust, although it may elect to do so.
The Investment Advisory Agreement permits sharing of the Adviser's fee with other persons, subject to the prior approval of such arrangements by the Trustees, including a majority of those who are not interested persons of the Trust. Under regulations of the Securities and Exchange Commission such arrangements are permissible in connection with the distribution of investment company shares, if the payments of the shared fee amounts are made out of the investment adviser's own resources. Prior to its implementation the Trustees will approve any arrangement to share the Adviser's fees and will satisfy themselves that such payments are made from the Adviser's own resources. During the fiscal years ending March 31, 1993, 1994 and 1995, the Adviser received advisory fees of $506,333, $410,098 and $342,725 respectively from the Trust.

Organization of the Trust

The Declaration of Trust, dated February 14, 1979, has been filed with the Secretary of State of the Commonwealth of Massachusetts and the Clerk of the City of Boston, Massachusetts. The Prospectus contains general information concerning the Trust's form of organization and its shares (see "The Trust and Its Shares"), including the series of shares currently authorized.

Shares and Classes of Shares. The Trustees may authorize at any time the creation of additional series of shares (the proceeds of which would be invested in separate, independently managed portfolios) and additional classes of shares within any series (which would be used to distinguish among the rights of different categories of shareholders, as might be required by future regulations or other unforeseen circumstances) with such preferences, privileges, limitations, and voting and dividend rights as the Trustees may determine. All consideration received by the Trust for shares of any additional series or class, and all assets in which such consideration is invested, would belong to that series or class (but classes may represent proportionate undivided interests in a series), and would be subject to the liabilities related thereto. The Investment Company Act of 1940 would require the Trust to submit for the approval of the shareholders of any such additional series or class any adoption of an investment advisory contract or any changes in the Trust's fundamental investment policies related to the series or class.

The Trustees may divide or combine the shares into a greater or lesser number of shares without thereby changing the proportionate interests in the Trust. Upon any liquidation of the Trust, the shareholders are entitled to share pro-rata in the

liquidation proceeds available for distribution.
Voting Rights. The voting rights of shareholders are not cumulative, so that holders of more than 50 percent of the shares voting can, if they choose, elect all Trustees being selected, while the holders of the remaining shares would be unable to elect any Trustees. As of June 26, 1995, no person was known to the Trust to own beneficially or of record 5% or more of its shares.

Because there is not a requirement for annual elections of Trustees, the Trust does not anticipate having regular annual shareholder meetings. Shareholder meetings will be called as necessary to consider questions requiring a shareholder vote. The selection of the Trust's independent auditors will be submitted to a vote of ratification by the shareholders at any annual meetings held by the Trust. Any change in the Declaration of Trust, in the Investment Advisory Agreement (except for reductions of the Adviser's fee), in the Services Agreement, or in the fundamental investment limitations of the Trust must be approved by a majority of the shareholders before it can become effective. A "majority" is constituted by either 50 percent of all shares of the Trust or 67 percent of the shares voted at an annual meeting or special meeting of shareholders at which at least 50 percent of the shares are present or represented by proxy.

The Declaration of Trust provides that two-thirds of the holders of record of the Trust's shares may remove a Trustee from

office by votes cast in person or by proxy at a meeting called for the purpose. A Trustee may also be removed from office provided two-thirds of the holders of record of the Trust's shares file declarations in writing with the Trust's Custodian.

Shareholder Liability. Under Massachusetts law, the shareholders of an entity such as the Trust may, under certain circumstances, be held personally liable for its obligations. The Declaration of Trust contains an express disclaimer of shareholder liability for acts or obligations of the Trust and requires that notice of such disclaimer be given in each agreement, obligation or instrument, entered into or executed by the Trust or the Trustees. The Declaration of Trust provides for indemnification out of the Trust property of any shareholder held personally liable for the obligations of the Trust. The Declaration of Trust also provides that the Trust shall, upon request, assume the defense of any claim made against any shareholder for any act or obligation of the Trust and satisfy any judgment thereof. The risk of a shareholder incurring financial loss on account of status as a shareholder is limited to circumstances in which the Trust itself would be unable to meet its obligations.

Liability of Trustees and Others. The Declaration of Trust provides that the officers and Trustees of the Trust will not be liable for any neglect, wrongdoing, errors of judgment, or mistakes of fact or law, except that they shall not be protected from liability arising out of willful misfeasance, bad faith, gross negligence, or reckless disregard of their duties to the Trust. Similar protection is provided to the Adviser under the terms of the Investment Advisory Agreement and the Services Agreement. In addition, protection from personal liability for the obligations of the Trust itself, similar to that provided to shareholders, is provided to all Trustees, officers, employees and agents of the Trust.

Trustees and Officers

The Board of Trustees and executive officers of the Trust and their principal occupations during the past five years are shown below:

A. Bruce Cleveland <F1>

1655 Fort Myer Drive, Arlington, VA 22209-3108
Trustee, Chairman of Trustees, President and Treasurer

Founder and President of GIT Investment Funds and Bankers Finance Corporation, and President of its successor, Bankers Finance Investment Management Corp.; President of Presidential Savings Bank, FSB; President of GIT Investment Services, Inc.; President of USA International Foods, Inc.; formerly Special Assistant for SBIC Industry Development, U.S. Small Business Administration and member of the Corporate Finance Dept. of the investment firm of Drexel, Burnham & Co., Inc. A graduate of Harvard College and Harvard Business School.

Thomas S. Kleppe <F2>

7100 Darby Road, Bethesda, MD 20037
Trustee

Private Investor; formerly Visiting Professor at the University of Wyoming, Secretary of the U.S. Department of the Interior; Administrator of the U.S. Small Business Administration; U.S. Congressman from North Dakota; Vice President and Director of Dain, Kalman & Quail, investment bankers; and President of Gold Seal Co., manufacturers of household cleaning products. Attended Valley City State College of North Dakota.

John D. Reilly <F2>
5335 Wisconsin Avenue, NW Washington, DC 20015
Trustee

President of Reilly Investment Corporation(Formerly Chairman, President, CEO, and Executive Director) of Reilly Mortgage Group, Inc., McLean, Va., a commercial mortgage banking company which he founded in 1976. A graduate of the University of Notre Dame and Harvard Business School.

Smith T. Wood<F2>
9014 Old Dominion Drive, McLean, VA 22102
Trustee

President of Seneca Corporation, providers of computer support services. An adjunct professor at Georgetown University and director of Allied Capital Corporation II and FaxGuard Systems Corporation. Formerly an executive of Barrister Information Systems Corp., Barrister Micro Systems Corp. and Chelsea Systems, Inc. A graduate of Massachusetts Institute of Technology and Harvard Business School.

Charles J. Tennes
1655 Fort Myer Drive, Arlington, VA 22209
Secretary

Secretary of GIT Investment Funds, Executive Vice President of Bankers Finance Investment Management Corp. and GIT Investment Services, Inc.; Director of Presidential Savings Bank, FSB and Presidential Service Corporation; formerly Vice President of Ferris & Company, Inc. (now Ferris, Baker Watts). A Certified Financial Planner and graduate of the University of Washington.

[FN]
<F1>
Trustees deemed to be "interested persons" of the Trust as the term is defined in the Investment Company Act of 1940. Only those persons named in the table of Trustees and officers who are not interested persons of the Trust are eligible to be compensated by the Trust under the terms of the Investment Advisory Agreement. The compensation of each Trustee who may be compensated by the Trust has been fixed at $6,000 per year, to be pro-rated according to the number of regularly scheduled meetings each year. Four Trustees' meetings are currently scheduled to take place each year. In addition to such compensation, those Trustees who may be compensated by the Trust shall be reimbursed for any out-of-pocket expenses incurred by them in connection with the affairs of the Trust. Each such compensated Trustee currently receives annual compensation from the Trust and from the other investment companies managed by the Adviser (see "The Investment Adviser"), totalling $18,000. There is currently a vacancy on the Board of Trustees.

During the last fiscal year of the Trust, the Trustees were compensated as follows:

<TABLE>
<CAPTION>

Name of Trustee	Aggregate compensation from Trust	Pension or retirement benefits accrued as part of portfolio expense	Estimated annual benefits upon retirement	Total compensation from Trust and fund complex paid to Trustees<F3>
<C>	<C>	<C>	<C>	<C>
A. Bruce Cleveland	0	0	0	0
Thomas S. Kleppe	$6,000	0	0	$18,000
John D. Reilly	6,000	0	0	18,000
Smith T. Wood	6,000	0	0	18,000

</TABLE>

[FN]
<F3>
Fund complex is comprised of four trusts with a total of 13 funds and/or series.
[/FN]

<F2>
Member of the Audit Committee of the Trust. The Audit Committee is responsible for reviewing the results of each audit of the Trust by its independent auditors and for recommending the selection of independent auditors for the coming year.
[/FN]

Under the Declaration of Trust, the Trustees are entitled to be indemnified by the Trust to the fullest extent permitted by law against all liabilities and expenses reasonably incurred by them in connection with any claim, suit or judgment or other liability or obligation of any kind in which they become involved by virtue of their service as Trustees of the Trust, except liabilities incurred by reason of their willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of their office. As of June 26, 1995, the Trustees and officers of the Trust directly or indirectly owned as a group less than one percent of the outstanding shares of the Trust.

Administrative and Other Expenses

Except for certain expenses assumed by the Adviser (see "The Investment Adviser"), the Trust is responsible for payment from its assets of all of its expenses. These expenses can include any of the business or other expenses of organizing, maintaining and operating the Trust. Certain expense items which may represent significant costs to the Trust include the payment of the Adviser's fee; the expense of shareholder accounting, customer services, and calculation of net asset value; the fees of the Custodian, of the Trust's independent accountants, and of legal counsel to the Trust; the expense of registering the Trust and its shares, of printing and distributing prospectuses and periodic financial reports to current shareholders, and of trade association membership; the expense of preparing shareholder reports, proxy materials and of holding shareholder meetings of the Trust. The Trust is also responsible for any extraordinary or non-recurring expenses it may incur.

Services Agreement. The Trust does not have any officers or employees who are paid directly by the Trust. The Trust has entered into a Services Agreement with the Adviser for the provision of operational and other services required by the Trust. Such services may include the functions of shareholder servicing agent and transfer agent, bookkeeping and portfolio accounting services, the handling of telephone inquiries, cash withdrawals and other customer service functions including monitoring wire transfers, and providing to the Trust appropriate supplies, equipment and ancillary services necessary to the conduct of its affairs. The Trust is registered with the

Securities and Exchange Commission as the transfer agent for its shares and acts as its own dividend-paying agent; while transfer agent personnel and facilities are included among those provided to the Trust under the Services Agreement, the Trust itself is solely responsible for its transfer agent and dividend payment functions and for the supervision of those functions by its officers.

All such services provided to the Trust by the Adviser are rendered at cost. The term "cost" includes both direct expenditures and the related overhead costs, such as depreciation, employee supervision, rent and the like; reimbursements to the Adviser pursuant to the Services Agreement are in addition to and independent of payments made pursuant to the Investment Advisory Agreement. The Trust believes that contracting for the previously described services may permit them to be provided on a relatively efficient basis, whereby many separate specialized functions are performed by personnel and equipment not required to be devoted full time to serving the Trust. Accordingly, certain of the "costs" attributable to services provided to the Trust may require allocation of expenses, such as employee salaries, occupancy expense, telephone service, computer service and equipment costs, depreciation, interest, and supervisory expenses. To the extent that costs must be allocated between the Trust and other activities of the Adviser, such allocations may be made on the basis of reasonable approximations calculated by the Adviser and periodically reviewed by the Trustees.

Distribution Agreement. GIT Investment Services, Inc. acts as the Trust's Distributor pursuant to a Distribution Agreement, dated February 11, 1983, without compensation under such Agreement. This Agreement has an initial term of two years and may thereafter continue in effect only if approved annually by the Trustees, including a majority of those who are not "interested persons," as defined in the Investment Company Act of 1940. The Agreement provides for distribution of the Trust's shares without a sales charge to the investor. The Distributor may act as the Trust's agent for any sales of its shares, but the Trust may also sell its shares directly to any person. The Distributor makes the Trust's shares continuously available to the general public in those States where it has qualified to do so, but has assumed no obligation to purchase any of the Trust's shares. The Distributor is wholly owned by the A. Bruce Cleveland (see "The Investment Adviser").

Portfolio Transactions

Decisions as to the purchase and sale of securities, and decisions as to the execution of these transactions, including selection of market, broker or dealer and the negotiation of commissions are to be made by the Adviser, subject to review by the officers and Trustees.

In general, in the purchase and sale of portfolio securities the Trust seeks to obtain prompt and reliable execution of orders at the most favorable prices or yields. In determining the best price and execution, the Adviser may take into account a dealer's operational and financial capabilities, the type of transaction involved, the dealer's general relationship with the Adviser, and any statistical, research or other services provided by the dealer to the Adviser. To the extent such non-price factors are taken into account the execution price paid may be increased, but only in reasonable relation to the benefit of such non-price factors to the Trust as determined in good faith by the Adviser. Brokers or dealers who execute portfolio transactions for the Trust may also sell its shares; however, any such sales will not be either a qualifying or disqualifying factor in the selection of brokers or dealers. During its three most recent fiscal years, the Trust did not pay any brokerage commissions.

The Trust expects that most portfolio transactions will be made directly with a dealer acting as a principal thus, not involving

the payment of commissions; however, any purchases from an underwriter or selling group could involve payments of fees and concessions to the underwriting or selling group. The Trust also reserves the right to purchase portfolio securities through an affiliated broker, when deemed in the Trust's best interests by the Adviser, provided that: (1) the transaction is in the ordinary course of the broker's business; (2) the transaction does not involve a purchase from another broker or dealer; (3) compensation to the broker in connection with the transaction is not in excess of one percent of the cost of the securities purchased; and (4) the terms to the Trust for purchasing the securities, including the cost of any commissions, are not less favorable to the Trust than terms concurrently available from other sources. Any compensation paid in connection with such a purchase will be in addition to fees payable to the Adviser under the Investment Advisory Agreement. The Trust does not anticipate that any such purchases through affiliates will represent a significant portion of its total activity; no such transactions took place during the Trust's three most recent fiscal years.

Although the Trust intends normally to hold its investments to maturity, the short maturities of these investments are expected to result in a relatively high rate of portfolio turnover. The actual turnover rate will not be a limiting factor in the Trust's decisions as to purchases and sales of portfolio securities. Reference should be made to the Prospectus for actual rates of portfolio turnover.

Share Purchases

The Prospectus describes the basic procedures for investing in the Trust (see "How to Purchase and Redeem Shares"). The following information concerning other investment procedures is presented to supplement the information contained in the Prospectus.

Shareholder Service Policies. The Trust's policies concerning shareholder services are subject to change from time to time. The Trust reserves the right to change the minimum account size below which an account is subject to a monthly service charge or to involuntary closing by the Trust. The Trust may also institute a minimum amount for subsequent investments, by 30 days' written notice to its shareholders. The Trust further reserves the right, after 30 days' written notice to shareholders, to impose special service charges for services that are not regularly afforded to shareholders; such service charges may include fees for stop payment orders and returned checks. The Trust's standard service charges are also subject to adjustment from time to time.

Those who invest through a securities broker may be charged a commission for the handling of the transaction, if the broker so elects; however, any investor is free to deal directly with the Trust in any transaction.

Share Certificates. Share certificates will not be issued unless an investor specifically requests certificates in a signed instruction. Share certificates will never be issued until payment for the shares has become "collected funds," as described in the Prospectus (see "How to Purchase and Redeem Shares").

In the event share certificates are issued, the certificate must be returned to the Trust properly endorsed before any redemption request can be honored. The Trust may further require that the shareholder's signature be guaranteed by a bank insured by the Federal Deposit Insurance Corporation or by a member firm of the New York Stock Exchange. The Trust reserves the right to decline to open any account for which the issuance of share certificates is or has been requested, if it deems such action would be in the Trust's best interests.

Subaccounting Services. The Trust offers subaccounting services to institutions. The Trustees reserve the right to determine from time to time guidelines to govern the level of subaccounting service that can be provided institutions in differing circumstances. Normally, the Trust's minimum initial investment to open an account will not apply to subaccounts; however, the Trust reserves the right to impose the same minimum initial investment requirement that would apply to regular accounts, if it deems that the cost of carrying a particular subaccount or group of subaccounts is otherwise likely to be excessive. The Trust may provide and charge for subaccounting services which it determines exceed those services which can be provided without charge; the availability and cost of such additional services will be determined in each case by negotiation between the Trust and the parties requesting the additional services. The Trust is not currently aware of any such services for which a charge will be imposed.

Crediting of Investments. In order to obtain the highest yields available within the limitations of its investment policies, the Trust has a policy of being as fully invested as reasonably practicable at all times (although it may retain uninvested cash if deemed appropriate (see "Supplemental Investment Policies").

All items submitted to the Trust for investment are accepted only when submitted in proper form. They are credited to shareholder accounts one or two business days following receipt. Normally, items received by the Trust prior to 1 p.m. Washington, DC time will be converted into shares of the Trust at the net asset value determined at the end of the business day. Items received by the Trust after 1 p.m. Washington, DC time will be converted into shares of the Trust at the net asset value determined at the end of the second business day after receipt. Funds received by wire are normally converted into shares in the Trust at the net asset value next determined, provided the Trust is notified of the wire by 1.pm. Washington, DC time. If the Trust is not notified by such time, the investment by wire will be converted into shares of the Trust at the net asset value determined at the end of the next business day.

After investments have been converted into shares in the Trust, they begin to accrue dividends immediately. The Trust reserves the right to delay credit for investments if it determines to do so for operational reasons or if local banking practice makes earlier crediting impractical; however, no such delay will affect the net asset value per share used to determine the number of shares purchased.

Checks drawn on foreign banks will not be considered received in federal funds until the Trust has actual receipt of

payment in immediately available U.S. dollars after submission of the check for collection; collection of such checks through the international banking system may require 30 days or more.

The Trust reserves the right to reject any investment for any reason and may at any time suspend all new investment in the Trust. The Trust may also, at its discretion or at the instance of the Adviser, decline funds wired for credit until such funds are actually received by the Trust. Under present federal regulatory guidelines, the Adviser may be responsible for any losses resulting from changes in the Trust's net asset values which are a result of failure to receive funds from an investor to whom recognition for investment was given in advance of receipt of payment.

If shares are purchased to be paid for by wire and the wire is not received or if shares are purchased by check which, after deposit, is returned unpaid or proves uncollectible, the share purchase may be canceled immediately or the purchased shares may be immediately redeemed. The investor who gave notice of the intended wire or submitted the check will be held fully responsible for any losses so incurred by the Trust, the Adviser or the Distributor. As a condition of the Trust's public offering (which the investor will be deemed to have agreed by submitting an order for the purchase of the Trust's shares) the Distributor shall have the investor's power of attorney coupled with an interest, authorizing the Distributor to redeem sufficient shares from any fund of the investor for which it acts as a principal underwriter or distributor, or to liquidate sufficient other assets held in any brokerage account of the investor with the Distributor, and to apply the proceeds thereof to the payment of any amounts due to the Trust from the investor arising from any such losses. Any such redemptions or liquidations will be limited to the amount of the actual loss incurred by the Trust at the time the share purchase is canceled and will be preceded by notice to the investor and an opportunity for the investor to make restitution of the amount of the loss. The Trust will retain any profits resulting from such cancellations or redemptions and, if the purchase payment was by a check actually received, will absorb any such losses unless they prove recoverable.

Share Redemptions

The value of shares redeemed to meet withdrawal requests will be determined according to the share net asset value next calculated after the request has been received in proper form. (See "Determination of Net Asset Value.") Thus, any such request received in proper form prior to 1 p.m. Washington, DC time on a business day will reflect the net asset value calculated at that time; later withdrawal requests will be processed to reflect the share net asset value figure calculated on the next day the calculation is made. Net asset value is calculated each day the New York Stock Exchange is open for trading.

Net asset value determinations will apply as of the day the redemption order is submitted in proper form. A withdrawal request may not be deemed to be in proper form unless a signed account application has been properly submitted to the Trust by the investor or such an application is submitted with the withdrawal request; a shareholder draft check drawn against an account will not be considered in proper form unless sufficient collected funds (as described above) are available in the account on the day the check is presented for payment. The "day of withdrawal" for share redemptions refers to the day on which corresponding funds are paid out by the Trust, whether by wire transfer, exchange between accounts, official check prepared, or debit of the investor's account to cover shareholder checks presented for payment.

Investors should be aware that it is possible, if the Trust does not succeed in avoiding realized or unrealized losses within its portfolio (see "Determination of Net Asset Value"), that amounts available for withdrawal could be less than the amount originally invested. All withdrawals will be effected by the redemption of the appropriate number of whole and fractional shares having a net asset value equal to the amount withdrawn.

The Trust will use its best efforts to handle withdrawals within the times previously given. It may, however, for any reason suspend the right of redemption or postpone payment for shares in the Trust for any period up to seven days. The Trust's sole responsibility with regard to withdrawals shall be to process, within the aforementioned time period, redemption requests in proper form. Neither the Trust, its affiliates, nor the Custodian can accept responsibility for any act or event which has the effect of delaying or preventing timely transfers of payment to or from shareholders. By law, payment for shares in the Trust may be suspended or delayed for more than seven days only during a period when the New York Stock Exchange is closed, other than customary weekend and holiday closings; when trading on such Exchange is restricted, as determined by the Securities and Exchange Commission; or during any period when the Securities and Exchange Commission has by order permitted such suspension.

Unless the shareholder's current address is on file with the Trust on the original account application or by subsequent written notice signed by the authorized signers on the account, the Trust may require signed written instructions to process withdrawals and account closings. In response to verbal requests, however, withdrawal proceeds will normally be mailed to the investor at the address shown on the Trust's records, provided an original signed application has been received. When an account is closed, the Trust reserves the right to make payment by check of any final dividends declared to the date of redemption to close the account, but not yet paid, on the same day such dividends are paid to other shareholders, rather than at the time the account is closed.

Funds exchanged between investor accounts will earn dividends from the account being credited, beginning with the day the exchange is made. Same-day exchanges can only be made in circumstances that would permit same-day wire withdrawals from the account being debited. All exchanges will be effected at the net asset values per share of the respective accounts next determined after the exchange request is received in proper form. If an exchange is to be made between investor accounts that are not held in the same name and tax identification number or do not have the same mailing address or signatories, the Trust may require any transfer between them to be made by making a withdrawal

from one account and a corresponding investment in the other, using the same procedures that would apply to any other withdrawal or investment.

The Trust reserves the right, when it deems such action necessary to protect the interests of its shareholders, to refuse to honor withdrawal requests made by anyone or anyone purporting to act with the authority of another person or on behalf of a corporation or other legal entity whose identity has not been established to the Trust's satisfaction. Each such individual must provide a corporate resolution or other appropriate evidence of his authority or identity satisfactory to the Trust. The Trust reserves the right to refuse any third party redemption requests.

If, in the opinion of the Trustees, extraordinary conditions exist which make cash payments undesirable, payments for any shares redeemed may be made in whole or in part in securities and other property of the Trust. The Trust has elected, however, pursuant to rules of the Securities and Exchange Commission, to permit any shareholder of record to make redemptions wholly in cash to the extent the shareholder's redemptions in any 90-day period do not exceed the lesser of 1% of the aggregate net assets of the Trust or $250,000. Any property of the Trust distributed to shareholders will be valued at its net asset value. In disposing of any such property received from the Trust, an investor might incur commission costs or other transaction costs; there is no assurance that an investor attempting to dispose of any such property would actually receive the full net asset value for it. Except as described herein, however, the Trust intends to pay for all share redemptions in cash.

Retirement Plans

General information on retirement plans offered by the Trust is provided in the Prospectus (see "How to Purchase and Redeem Shares"). Additional information concerning these retirement plans is provided below.

IRAs. The minimum initial contribution for an IRA plan with the Trust is $500. Spousal IRAs are accepted by creating two accounts, one for each spouse. For IRAs opened in connection with a payroll deduction or SEP plan, the Trust may waive the initial investment minimum on a case-by-case basis.

The Trust's annual account maintenance fee is deducted from the account at the end of each year or at the time of the account's closing unless prepaid by the shareholder.

Other Retirement Plans or Retirement Plan Accounts. The Trust does not intend to impose any monthly minimum balance charge with respect to retirement plan accounts. The Trust offers prototype Keogh, SEP IRA, SARSEP, 401(k) and 403(b) retirement plans. The Trust may waive the initial investment minimum for prototype or other retirement plan accounts on a case by case basis.

Declaration of Dividends

Substantially all of the Trust's accumulated net income is declared as dividends each business day. Calculation of accumulated net income for the Trust's portfolio is made just prior to calculation of the portfolio's net asset value (see "Determination of Net Asset Value"). The amount of such net income reflects the interest income (plus any discount earned less premium amortized), less expenses accrued through the day of calculation, to the extent not previously reflected in declared dividends.

In order to facilitate its objective of stabilizing the price of its shares at $1.00, the Trust intends normally to reflect any portfolio realized gains and losses and unrealized appreciation and depreciation, to the extent the Trust deems the amounts material, in daily dividends, rather than in share prices.

Dividends are payable to shareholders of record at the time they are determined. Dividends are paid in the form of additional shares credited to the respective investor account at the end of each calendar month (or normally when the account is closed, if sooner), unless the shareholder makes a written election to receive dividends in cash.

Notice of payment of dividends will be mailed to each shareholder quarterly; for tax purposes each shareholder will also receive an annual summary of dividends paid by the Trust and the extent, if any, to which they constitute capital gains dividends (see "Additional Tax Matters"). Any investor purchasing shares in an account of the Trust as of a particular net asset value determination at 1 p.m. Washington, DC time on a given day will be considered a shareholder of record for the corresponding dividend declaration made that day; but an investor withdrawing as of such determination will not be considered a shareholder of record with respect to the shares withdrawn. A "business day" is any day the New York Stock Exchange is open for trading.
Net realized capital gains, if any, will be distributed to shareholders at least annually as capital gains dividends.

Determination of Net Asset Value

The net asset value of the Trust is calculated each day the New York Stock Exchange is open for trading. The net asset value is not calculated on New Year's Day, the observance of Washington's Birthday, Good Friday, the observance of Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and other days the New York Stock Exchange is closed for trading. The net asset value calculation is made as of a specific time of day, as described in the Prospectus.

The net asset value per share is determined by adding the value of all its securities and other assets, subtracting its liabilities and dividing the result by the total number of outstanding shares. These calculations are performed by the Trust and for its account, pursuant to the Services Agreement (see "Administrative and Other Expenses"). The Trust does not charge a "sales load", and accordingly its shares are both offered and redeemed at net asset value.

The Trust's securities are valued at their amortized cost, pursuant to regulations of the Securities and Exchange Commission ("SEC") intended to permit the price of the Trust's shares to be

stabilized at $1.00. These regulations require the Trust to limit its investments to securities that the Trustees determine represent minimal credit risks, to limit its maturities to those appropriate to its objective of maintaining a stable share price, and in any event to the maturity restrictions provided in the Trust's investment policies described in the Prospectus.
These regulations also require the Trust to periodically compute the market values of its portfolio securities. If for any reason, including a change in market interest rates, the market value computation differs by more than 1/2 of 1 percent from the $1.00 per share price, the Trustees are required to meet and consider steps to restore the market price to $1.00 per share. Such steps could include adjusting dividends, selling portfolio securities before maturity to realize capital gains or losses, shortening the portfolio's maturity, or redeeming shares in kind. Such steps could result in dilution of shareholders' interests.

In determining market values for this purpose, the Trustees may authorize reliance upon an independent pricing service or other valuation technique, which may price securities with reference to market transactions in comparable securities and to historical relationships among the prices of comparable securities; such prices may also reflect an allowance for the impact upon prices of the larger transactions typical of trading by institutions.

Should the SEC change its rules governing the "amortized cost" valuation method, the Trust reserves the right to use the "penny rounding" method of valuation pursuant to the terms of the Trust's exemptive order issued by the SEC.

Additional Tax Matters

Federal Income Tax. To qualify as a "regulated investment company" and avoid Trust-level federal income tax under the Internal Revenue Code (the "Code"), the Trust must, among other things, in each taxable year distribute 100% of its net income and net capital gains in the fiscal year in which it is earned. The Code also requires the distribution of at least 98% of undistributed net income for the calendar year and capital gains determined as of October 31 each year before the calendar year-end. Taxable income not distributed as required is subject to a 4% excise tax. The Trust intends to distribute all taxable income to the extent it is realized to avoid imposition of the excise tax.

The Trust must also derive at least 90% of its gross income from dividends, interest, gains from the sale or disposition of securities, and certain other types of income, and derive less than 30% of its gross income from the sale or disposition of securities held for less than three months. Should it fail to qualify as a "regulated investment company" under the Code, the Trust would be taxed as a corporation with no allowable deduction for the distribution of dividends.

Shareholders of the Trust, however, will be subject to federal income tax on any ordinary net income and net capital gains realized by the Trust and distributed to shareholders as regular or capital gains dividends, whether distributed in cash or in the form of additional shares. Generally, dividends declared by the Trust during October, November or December of any calendar year and paid to shareholders before February 1 of the following year will be treated for tax purposes as received in the year the dividend was declared. No portion of the dividends paid by the Trust to its shareholders is expected to be subject to the dividends received deduction for corporations (70% of dividends received).

Shareholders who fail to comply with the interest and dividends "back-up" withholding provisions of the Code (by filing Form W-9 or its equivalent, when required) or who have been determined by the Internal Revenue Service to have failed to properly report dividend or interest income may be subject to a 31% withholding requirement on transactions with the Trust.

For tax purposes, the Trust will send shareholders an annual notice of dividends paid during the prior year. Investors are advised to retain all statements received from the Trust to maintain accurate records of their investment. Shareholders of the Trust will be subject to federal income tax on the net capital gains, if any, realized by each portfolio and distributed to shareholders as capital gains dividends.

The Trust reserves the right to involuntarily redeem any of its shares if, in its judgment, ownership of the Trust's shares has or may become concentrated as to make the Trust a personal holding company under the Code.

Yield Calculations

For advertising and certain other purposes, the Trust's yield is calculated according to a standard formula prescribed by the Securities and Exchange Commission. The yield is calculated by dividing the net income (including the benefit of any expenses waived or reimbursed by the Adviser) earned on one share during a given seven-day period, exclusive of any capital changes, by the initial value of that share (normally $1.00), and expressing the result (called the "base period return") as an annualized percentage. The base period return is annualized by multiplying it by 365 and dividing the product by seven.

The Trust's "effective yield" is calculated in a similar manner, except that the net income earned during a seven-day period is assumed to be reinvested at the same rate over a full year, thereby generating additional earnings from compounding. The effective yield is computed by adding one to the base period return, raising the result to the power equal to 365 divided by seven, and subtracting one from the result, which is then expressed as a percentage.

The Trust's standardized yield for the seven-day period ending June 21, 1995 was 4.80% and its annual effective yield for the same period was 4.92%.

Performance Comparisons. From time to time, in advertisements or in reports to shareholders and others, the Trust may compare the performance of its portfolio to that of recognized market indices or may cite the ranking or performance of its portfolio as reported in recognized national periodicals, financial newsletters, reference

publications, radio and television news broadcasts, or by independent performance measurement firms.

The Trust may also compare the performance of its portfolios to that of other funds managed by the same Advisor. It may compare its performance to that of other types of investments, substantiated by representative indices and statistics for those investments.

Market indices which may be used include those compiled by major securities firms, such as Solomon Brothers, Shearson Lehman Hutton, the First Boston Corporation, and Merrill Lynch; other indices compiled by securities rating or valuation services, such as Ryan Financial Corporation and Standard and Poor's Corporation, may also be used. Periodicals which report market averages and indices, performance information, and/or rankings may include: The Wall Street Journal, Investors Daily, The New York Times, The Washington Post, Barron's, Financial World Magazine, Forbes Magazine, Money Magazine, Kiplinger's Personal

Finance, and the Bank Rate Monitor. Independent performance measurement firms include Lipper Analytical Services, Inc., Frank Russel Company, SCI and CDA Investment Technologies.

In addition, a variety of newsletters and reference publications provide information on the performance of mutual funds, such as the Donoghue's Money Fund Report, No-Load Fund Investor, Wiesenberger Investment Companies Service, the Mutual Fund Source Book, the Mutual Fund Directory, the Switch Fund Advisory, Mutual Fund Investing, the Mutual Fund Observer, Morningstar, and the Bond Fund Survey. Financial news is broadcast by the Financial News Network, Cable News Network, Public Broadcasting System, and the three major television networks, NBC, CBS and ABC, as well as by numerous independent radio and television stations.

When the Trust uses Lipper Analytical Services, Inc. in making performance comparisons in advertisements or in reports to shareholders or others, the performance of the Trust will be compared to mutual funds categorized as "U.S. Government Money Market Funds". If this category should be changed by Lipper Analytical Services, Inc., comparisons will be made thereafter based on the revised category.

Average Maturities. The Trust also calculates average maturity information for its portfolio. The "average maturity" of the portfolio on any day is determined by multiplying the number of days then remaining to the effective maturity (see "Supplemental Investment Policies") of each investment in the portfolio by the value of that investment, summing the results of these calculations, and dividing the total by the aggregate value of the portfolio that day (determined as of 1:00 p.m.). Thus, the average maturity represents a dollar-weighted average of the effective maturities of the portfolio investments. The "mean average maturity" of the portfolio over some period, such as seven days, a month or a year, represents the arithmatic mean (i.e., simple average) of the daily average maturity figures for the portfolio during the respective period.

It should be noted that the Trust's yield is not fixed. In fact the yield tends to fluctuate daily and so annualized rates of return should not be considered representations of what an investment may earn in any future period. Actual dividends will tend to reflect changes in money market interest rates, and will also depend upon the level of the Trust's expenses, any realized or unrealized investment gains and losses, and the relative results of the Trust's investment policies. Thus, at any point in time future yields may be either higher or lower than past yields and there is no assurance that any historical yield level will continue.

Custodians and Special Custodians

Star Bank, N.A., 425 Walnut Steet, Cincinnati, OH 45202, is Custodian for the cash and securities of the Trust. The Custodian maintains custody of the Trust's cash and securities, handles its securities settlements and performs transaction processing for cash receipts and disbursements in connection with the purchase and sale of the Trust's shares.

From time to time, the Trust may appoint as Special Custodians, certain banks, trust companies, and firms which are members of the New York Stock Exchange and trade for their own account in the types of securities purchased by the Trust. Such Special Custodians will be used by the Trust only for the purpose of providing custody and safekeeping services of relatively short duration for designated types of securities which, in the opinion of the Trustees or of the Adviser, would most suitably be held by such Special Custodians rather than by the Custodian. In the event any such Special Custodian is used, it shall serve the Trust only in accordance with a written agreement with the Trust meeting the requirements of the Securities and Exchange Commission for custodians and approved and reviewed at least annually by the Trustees, and, if a securities dealer, only if it delivers to the Custodian its receipt for the safekeeping of each lot of securities involved prior to payment by the Trust for such securities.

The Trust may also maintain deposit accounts for the handling of cash balances of relatively short duration with various banks, as the Trustees or officers of the Trust deem appropriate, to the extent permitted by the Investment Company Act of 1940.

Legal Matters and Independent Auditors

Sullivan & Worcester, Washington, DC, serves as legal counsel to the Trust.

Ernst & Young LLP, 1225 Connecticut Avenue, NW, Washington, DC 20036, serve as independent auditors to the Trust.

From time to time the Trust may be or become involved in litigation in the ordinary conduct of its business. Material items of litigation having consequences of possible or unspecified damages, if any, are disclosed in the notes to the Trust's financial statements (see "Financial Statements and Report of Independent Auditors").

Additional Information

The Trust issues semi-annual and annual reports to its shareholders and may issue other reports, such as quarterly reports, as it deems appropriate; the annual reports are audited by the Trust's independent auditors.

Statements contained in this Statement of Additional Information and in the Prospectus as to the contents of contracts and other documents are not necessarily complete. Investors should refer to the documents themselves for definitive information as to their detailed provisions. The Trust will supply copies of its Declaration of Trust and By-Laws to interested persons upon request.

The Trust and shares in the Trust have been registered with the

Securities and Exchange Commission in Washington, DC, by the filing of a Registration Statement. The Registration Statement contains certain information not included in the Prospectus or not included in this Statement of Additional Information and is available for public inspection and copying at the offices of such Commission.

Financial Statements and Report of Independent Auditors

Audited Financial Statements for the Trust, together with the Report of Ernst & Young LLP, Independent Auditors for the fiscal year ended March 31, 1995, appear in the Trust's Annual Report to shareholders for the fiscal year ended March 31, 1995, which is incorporated herein by reference. Excluded from such incorporation by reference is the Trust's letter to shareholders appearing in such Report. Such Report has been filed with the Securities and Exchange Commission. Copies of such Report are available upon request at no charge by writing or calling the Trust at the address and telephone number shown on the cover page above.

Part C
July 31, 1995
Government Investors Trust
Cross Reference Sheet Page 1
Pursuant to Rule 495(a)

24(a) Financial Statements

Included in Part A: Financial Highlights

Included in Part B: Filed with the Securities and Exchange Commission pursuant to Section 30 of the Investment Company Act of 1940 on June 9, 1995, and incorporated herein by reference is the Trust's Annual Report to Shareholders for the fiscal year ended March 31, 1995.

Included in such Annual Report to Shareholders are: Statement of Assets and Liabilities, Statement of Operations, Statement of Changes in Net Assets, Financial Highlights, Portfolio of Investments, Notes to Financial Statements and Report of Ernst & Young LLP, Independent Auditors.

Included in Part C: Consent of Independent Auditors

24(b) Exhibits

Exhibit No.	Description of Exhibit
1	Declaration of Trust*
2	By-Laws*
3	Not Applicable
4	Specimen Share Certificate*
5	Investment Advisory Agreement*
6	Distribution Agreement*
7	Not Applicable
8	Custodian Agreement with Fee Schedule*
9	Services Agreement*
10	Consent of Counsel*
11	Consent of Independent Auditors (Filed Herewith)
12	Not Applicable
13	Agreements Relating to Initial Capital*
14	Not Applicable
15	Plan of Distribution and Share Sales Agreement*
16	Computation of Performance Data*
17	Power of Attorney*

* Previously filed by Government Investors Trust.

25. Persons Controlled by or Under Common Control with Registrant.

None

26. Number of Holders of Securities.

The number of holders of record of securities of the Registrant as of July 3, 1995 is as follows:

Title of Class	Number of Holders of Record
Shares of Beneficial Interest	3,819

27. Indemnification

Previously Filed

28. Business and Other Connections of Investment Adviser

Name	Position with Adviser	Other Business
A. Bruce Cleveland	President and Director	President and Director of Presidential Savings Bank FSB, and Presidential Service Corporation, 4600 East-West Highway, Bethesda, MD 20814; President and Director of Seneca Mortgage Corp., 6101 Executive Blvd, Rockville, MD 20852; President and Director of GIT Investment Services, Inc., of the same address as the Trust; President and Director of USA International Foods, Inc. of the same address as the Trust; and Director of Biospherics Inc., 12051 Indian Creek Court, Beltsville, MD 21403
Edward J. Karpowicz	Treasurer	Treasurer of Bankers Finance Corporation and GIT Investment Services, Inc., both of the same address as

the Trust.

Charles J. Tennes	Executive Vice President	Director of Presidential Savings Bank, FSB, and Presidential Service Corporation, 4600 East-West Highway, Bethesda, MD 20814; Executive Vice President of GIT Investment Services, Inc. of the same address as the Trust.
W. Richard Mason	Secretary	Secretary of Presidential Savings Bank, FSB and Presidential Service Corporation, 4600 East-West Highway, Bethesda, MD 20814; Secretary of Bankers Finance Corporation, GIT Investment Services, Inc., and USA International Foods, Inc. of the same address as the Trust.
Julia M. Nelson	Vice President	Vice President of GIT Investment Services, Inc., of the same address as the Trust

29. Principal Underwriters

(a) GIT Investment Services, Inc., the principal underwriter of the Trust, also acts as principal underwriter to GIT Equity Trust, GIT Tax-Free Trust and GIT Income Trust.

(b)

Name and Principal Business Address	Position and Offices with Underwriters	Position and Offices with Registrant
A. Bruce Cleveland 1655 Ft. Myer Dr. Arlington, VA 22209	Chairman, President	Chairman, President and Treasurer
W. Richard Mason 1655 Ft. Myer Dr. Arlington, VA 22209	Secretary	Asst. Secretary
Charles J. Tennes 1655 Ft. Myer Dr. Arlington, VA 22209	Executive Vice President	Secretary
Edward J. Karpowicz 1655 Ft. Myer Dr. Arlington, VA 22209	Treasurer	None
Julia W. Nelson 1655 Ft. Myer Dr. Arlington, VA 22209	Vice President	None

(c) Not Applicable

30. Location of Accounts and Records

The books, records and accounts of the Registrant will be maintained at 1655 Ft. Myer Drive, Arlington, VA 22209, at which address are located the offices of the Registrant and of Bankers Finance Investment Management Corp. Additional records and documents relating to the affairs of the Registrant are maintained by the Star Bank, N.A. of Cincinnati, OH, the Registrant's Custodian, at the Custodian's offices located at 425 Walnut Street, Cincinnati, OH 45202. Pursuant to the Custodian Agreement (see Article IX, Section 12), such materials will remain the property of the Registrant and will be available for inspection by the Registrant's officers and other duly authorized persons.

31. Management Services

Previously Filed

32. Undertakings

(a) Not Applicable

(b) Not Applicable

(c) The Registrant shall furnish to each person to whom a prospectus is delivered a copy of the Registrant's latest Annual Report to shareholders upon such person's request and without charge.

Signatures

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant has duly caused this Post-Effective Amendment to the Registration Statement to be signed on its behalf by the undersigned, thereto duly authorized, in the County of Arlington, Commonwealth of Virginia, on the 28 day of July, 1995.

Government Investors Trust

By: (signature)
A. Bruce Cleveland
President

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment to the Registration Statement has been signed below by the following persons in the capacities and on the date indicated.

(Signature), A. Bruce Cleveland	Trustee, President and Treasurer (Principal Executive Officer, Principal Financial Officer)	7/28/95
John D. Reilly <F1>	Trustee	(Date)
Thomas S. Kleppe <F1>	Trustee	(Date)
Smith T. Wood <F1>	Trustee	(Date)
(Signature), John A. Dudley, Esquire	[FN]<F1>Attorney-In-Fact[/FN]	7/28/95

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<NET-CHANGE-FROM-OPS>	(101)
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<DISTRIBUTIONS-OF-INCOME>	2,547,455
<DISTRIBUTIONS-OF-GAINS>	0
<DISTRIBUTIONS-OTHER>	0
<NUMBER-OF-SHARES-SOLD>	210,702,717
<NUMBER-OF-SHARES-REDEEMED>	226,699,339
<SHARES-REINVESTED>	2,447,951
<NET-CHANGE-IN-ASSETS>	(13,548,671)
<ACCUMULATED-NII-PRIOR>	0
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<OVERDIST-NET-GAINS-PRIOR>	0
<GROSS-ADVISORY-FEES>	342,725
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<PER-SHARE-NAV-BEGIN>	1.000
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<PER-SHARE-GAIN-APPREC>	0.000
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<PER-SHARE-DISTRIBUTIONS>	0.000
<RETURNS-OF-CAPITAL>	0
<PER-SHARE-NAV-END>	1.000
<EXPENSE-RATIO>	1.158
<AVG-DEBT-OUTSTANDING>	0
<AVG-DEBT-PER-SHARE>	0.000

</TABLE>

Consent of Ernst & Young LLP, Independent Auditors

We consent to the references to our firm under the captions "Financial Highlights" in the Prospectus and "Legal Matters and Independent Auditors" and "Financial Statements and Report of Independent Auditors" in the Statement of Additional Information and to the incorporation by reference in this Post-Effective Amendment Number 18 to Registration Statement Number 2-63713 (Form N-1A) of our report dated May 5, 1995, on the financial statements and financial highlights of Government Investors Trust for the year ended March 31, 1995, included in the 1995 Annual Report to Shareholders.

(signature)
Ernst and Young, LLP
Washington, DC
July 24, 1995

GOVERNMENT INVESTORS TRUST

Annual Report
March 31, 1995/Audited

GIT
GIT INVESTMENT FUNDS

Letter to Shareholders
May 15, 1995

Dear Shareholder:

During the fiscal year of Government Investors Trust that ended March 31, the Federal Reserve raised interest rates on five separate occasions to reach the current federal funds target rate of 6%, after starting the period at only 3.5%. Shareholders saw the fund's seven-day yield increase to 4.88% from 2.33% during this period, and as of this writing the fund has an effective annual yield of 4.95%.

Economic growth remained firm over most of the fiscal year, with employment rising and capacity utilization edging upward. This economic strength led to expectations of higher inflation, forcing the Fed to tighten, but data released during the first quarter of 1995 suggested otherwise. Automobile and housing sales slowed as earlier interest rate increases began to have an impact, and these new economic reports prompted the bond market to shift from a bearish stance to a more positive outlook, based on the hope of a "soft landing" for the economy.

The Federal Reserve has signaled that for now its rate increases have stopped, amid signs that the economy is slowing and that inflation remains subdued. While the Fed may succeed in achieving its hoped-for "soft landing", there remains the risk that weakness in the U.S. dollar, the inflationary effects of higher raw material costs, and a revival of higher economic growth may prompt another round of Fed tightening. It is with this possible tightening in mind that we have maintained a relatively short average maturity, currently only 27 days. Therefore, we are positioned to quickly reap the benefits of higher short-term interest rates.

Moreover, with a relatively flat yield curve we see little current benefit from the longer maturities. However, should the pendulum swing the other way, with signs that the Fed will be forced by a further slowing of the economy to reverse course and begin to lower short-term interest rates again, then we intend to lengthen our average maturity to lock in prevailing yields.

We appreciate your confidence in Government Investors Trust and encourage you to call our shareholder service department with any questions you may have.

Sincerely,
(signature)
A. Bruce Cleveland
President

Report of Ernst & Young LLP, Independent Auditors

To the Board of Trustees and Shareholders, Government Investors Trust:

We have audited the accompanying statement of assets and liabilities of Government Investors Trust, including the portfolio of investments, as of March 31, 1995, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of March 31, 1995, by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Government Investors Trust at March 31, 1995, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with generally accepted accounting principles.

Ernst & Young LLP

Washington, DC
May 5, 1995

<TABLE>

Government Investors Trust
Portfolio of Investments - March 31, 1995

<CAPTION>

<S>	Principal Amount <C>	Value <C>
U.S. GOVERNMENT AGENCY OBLIGATIONS: 77.2% of Net Assets		
Federal Home Loan Mortgage Corporation Discount Notes, 5.89%, 4/3/95	$5,000,000	$5,000,000
Federal Home Loan Mortgage Corporation Discount Notes, 5.9%, 4/4/95	5,000,000	4,999,181
Federal Home Loan Mortgage Corporation Discount Notes, 5.91%, 4/7/95	5,000,000	4,996,717
Federal Home Loan Mortgage Corporation Discount Notes, 5.91%, 4/13/95	5,000,000	4,991,792
Federal Home Loan Mortgage Corporation Discount Notes, 5.92%, 4/13/95	5,000,000	4,991,778
Federal Home Loan Mortgage Corporation Discount Notes, 5.91%, 4/25/95	5,000,000	4,981,942
Federal Home Loan Mortgage Corporation Discount Notes, 5.95%, 5/1/95	5,000,000	4,976,861

Federal Home Loan Mortgage Corporation Discount Notes, 5.92%, 5/2/95	5,000,000	4,976,155
Federal Home Loan Mortgage Corporation Discount Notes, 5.97%, 5/9/95	5,000,000	4,970,150
Federal National Mortgage Association Discount Notes, 5.93%, 5/17/95	5,000,000	4,963,761
TOTAL U.S. GOVERNMENT AGENCY OBLIGATIONS (Cost $49,848,337)<F2>		49,848,337
VARIABLE RATE LOANS GUARANTEED BY U.S. GOVERNMENT AGENCIES: 0.4% of Net Assets		
Farmers Mortgage Housing Administration Loan, 9.08% <F1>, 2/1/10	45,739	45,739
Small Business Administration Loan, 8.5%<F1>, 9/4/00	134,612	134,612
Small Business Administration Loan, 8.5%<F1>, 1/5/01	62,305	62,305
TOTAL VARIABLE RATE LOANS GUARANTEED BY U.S. GOVERNMENT AGENCIES (Cost $242,656)<F2>		242,656

REPURCHASE AGREEMENT: 18.4% of Net Assets
With Donaldson, Lufkin & Jenrette Securities Corporation issued 3/31/95 at 6.15%, due 4/03/95 collateralized by $12,105,809 in United States Treasury Bills due 4/15/95. Proceeds at maturity are $11,873,082.

(Cost $11,867,000)<F2>		11,867,000
TOTAL INVESTMENTS (Cost $61,957,993)<F2>		$61,957,993

Notes to Portfolio of Investments:
<FN>
<F1>
Floating interest rate - rate disclosed is as of March 31, 1995

<F2>
Aggregate cost for federal income tax purposes
<FN>
</TABLE>

The Notes to Financial Statements are an integral part of these statements.

Government Investors Trust
Statement of Assets and Liabilities
March 31, 1995

ASSETS	
Investments, at value (Notes 1 and 2) (Cost $61,957,993)	
Investment securities	$50,090,993
Repurchase agreement	11,867,000
Total investments	61,957,993
Cash	479
Receivables	
Interest	7,900
Capital shares sold	2,737,558
Share subscriptions (Note 1)	224,348
Total assets	64,928,278
LIABILITIES	
Payables	
Shares reserved for subscription (Note 1)	224,348
Capital shares redeemed	148,257
Dividends	9,856
Oher liabilities	4,704
Total liabilities	387,165
NET ASSETS	$64,541,113
CAPITAL SHARES OUTSTANDING	64,541,201
NET ASSET VALUE PER SHARE	$1.000

Government Investors Trust
Statement of Operations

For the Year Ended March 31, 1995

INVESTMENT INCOME (Note 1)

Interest income	$3,346,001

EXPENSES (Notes 3 and 4)

Investment advisory fee	342,725
Custodian fees	24,971
Professional fees	57,382
Salaries and related expenses	206,728
Securities registration and blue sky expense	18,977
Telephone expense	15,320
Data processing and office equipment expense	73,910
Office and miscellaneous expenses	52,597
Depreciation and amortization	5,936
Total expenses	798,546
NET INVESTMENT INCOME	2,547,455

REALIZED LOSS ON INVESTMENTS

Net realized loss on investments	(101)
TOTAL INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$2,547,354

The Notes to Financial Staements are an integral part of these statements.

<TABLE>

Government Investors Trust
Statement of Changes in Net Assets
For the Years Ended March 31

<CAPTION>

<S>	1995 <C>	1994 <C>
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		
Net investment income	$2,547,455	$1,696,257
Net realized gain (loss)		

on investments	(101)	14
Total increase in net assets resulting from operations	2,547,354	1,696,271
DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	(2,547,455)	(1,696,257)
CAPITAL SHARE TRANSACTIONS (Note 5)	(13,548,671)	(10,820,700)
TOTAL DECREASE IN NET ASSETS	(13,548,772)	(10,820,686)
NET ASSETS		
Beginning of year	78,089,885	88,910,571
End of year	$64,541,113	$78,089,885

</TABLE>

<TABLE>

Government Investors Trust
Financial Highlights

Selected data for a share outstanding throughout each year:

<CAPTION>

<S>	Year ended Mar. 31 1995 <C>	Year ended Mar. 31 1994 <C>	Year ended Mar.31 1993 <C>	Year ended Mar. 31 1992 <C>	Year ended Mar. 31 1991 <C>
Net asset value beginning of year	$1.000	1.000	1.000	1.000	1.000
Net investment income	$0.037	0.021	0.024	0.044	0.067
Total from investment operations	$0.037	0.021	0.024	0.044	0.067
Distributions from net investment income	$(0.037)	(0.021)	(0.024)	(0.044)	(0.067)

Total distributions	$(0.037)	(0.021)	(0.024)	(0.044)	(0.067)
Net asset value end of year	$1.000	1.000	1.000	1.000	1.000
Total return	3.80%	2.08	2.44	4.44	6.96
Net assets end of year (in thousands)	$64,541	78,090	88,911	117,170	153,206
Ratio of expenses to average net assets	1.16%	1.11	1.06	1.06	1.05
Ratio of net investment income to average net assets	3.70%	2.08	2.44	4.41	6.69

</TABLE>

The Notes to Financial Statements are an integral part of these statements.

Government Investors Trust
Notes to Financial Statements
March 31, 1995

1. Summary of Significant Accounting Policies. Government Investors Trust (the "Trust") is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 as an open-end, diversified investment management company. The Trust invests solely in securities issued and guaranteed by the U.S. Government or any of its agencies or instrumentalities or in repurchase agreements backed by such securities (under policies described in its current prospectus).

Securities Valuation: The Trust uses the amortized cost method of valuation for money market funds whereby portfolio securities are valued at acquisition cost as adjusted for amortization of premium or accretion of discount rather than at value based on market factors. As required, the Trust monitors the difference between market value and amortized cost to assure that this valuation method fairly reflects market value. Investment transactions are recorded on the trade date. The cost of investments sold is determined on the identified cost basis for financial statement and federal income tax purposes.

Notes to Financial Statements (continued)

Investment Income: Interest income, net of amortization of premium or discount, and other income (if any) are accrued as earned.

Dividends and Income Tax: Net investment income, determined as gross investment income less expenses, is declared as a dividend each business day. Declared dividends are distributed to shareholders or reinvested in additional shares as of the close of business at the end of each month. In accordance with the requirement of Subchapter M of the Internal Revenue Code applicable to regulated investment companies, all of the taxable income of the Trust is distributed to its shareholders, and therefore no federal income tax provision is required.

Share Subscriptions: Shares purchased by check or otherwise not paid for in immediately available funds are accounted for as share subscriptions receivable and shares reserved for subscriptions.

2. Investment in Repurchase Agreements. When the Trust purchases securities under agreements to resell, the securities are held for safekeeping by the Trust's custodian bank as collateral. Should the market value of the securities purchased under such an agreement decrease below the principal amount to be received at the termination of the agreement plus accrued interest, the counterparty is required to place an equivalent amount of additional securities in safekeeping with the Trust's custodian bank. Repurchase agreements may be terminated within seven days. Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the Trust, along with other registered investment companies having Advisory and Services Agreements with Bankers Finance Investment Management Corp. ("BFIMC"), transfers uninvested cash balances into a joint trading account. The aggregate balance in this joint trading account is invested in one or more consolidated repurchase agreements whose underlying securities are U.S. Treasury or federal agency obligations.

3. Investment Advisory Fees and Other Transactions with Affiliates. The Investment Adviser to the Trust, BFIMC, earns an advisory fee equal to 0.5% per annum of the average net assets of the Trust; the fees accrue daily and are payable monthly. In order to meet the securities registration requirements of certain states, the Adviser has undertaken to reimburse the Trust by the amount, if any, by which the total expenses of the Trust (less certain excepted

expenses) exceed the applicable expense limitation in any state or other jurisdiction in which the Trust is subject to regulation during the fiscal year. The Trust believes the current applicable expense limitation is 2.5% per annum of the average net assets of the Trust up to $30 million, 2% of any amount of such net assets exceeding $30 million but not exceeding $100 million, and 1.5% per annum of such amount in excess of $100 million. The Adviser is responsible for the fees and expenses of Trustees who are affiliated with the Adviser, the rent expense of the Trust's principal executive office premises and certain promotional expenses. For the year ended March 31, 1995, outside Trustee fees of $18,000 were paid by the Trust. At March 31, 1995, certain officers, Trustees, companies and individuals affiliated with the Trust own shares in the Trust aggregating 2.7% of the shares outstanding.

4. Other Expenses. With the exception of certain expenses of the Trust payable by it directly, all support services are provided to the Trust under a Services Agreement between the Trust and BFIMC, pursuant to which such services are provided for amounts not exceeding the cost to BFIMC of the support provided. For the year ended March 31, 1995, operating expenses of $455,821 have been reimbursed to BFIMC under the Services Agreement. As of March 31, 1995, expenses of $50,141 have been incurred by BFIMC on behalf of the Trust, the billing of which has been deferred.

5. Capital Share Transactions. An unlimited number of capital shares, without par value, are authorized. Transactions in capital shares (in dollars and shares) for the years ended March 31 were as follows:

<TABLE>

<CAPTION>

<S>	1995 <C>	1994 <C>
Shares	210,702,717	209,166,105
Shares issued in reinvestment	2,447,951	1,632,107
Total shares issued	213,150,668	210,798,212
Shares redeemed	(226,699,339)	(221,618,912)
Net decrease	(13,548,671)	(10,820,700)

</TABLE>

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Telephone Numbers

Shareholder Service
Washington, DC area: 703/528-6500
Toll-free nationwide: 800/336-3063

24-Hour ACCESS
Toll-free nationwide: 800/448-4422

The GIT Family of Mutual Funds

GIT Equity Trust
Special Growth Portfolio
Select Growth Portfolio
Equity Income Portfolio
Worldwide Growth Portfolio

GIT Income Trust
Maximum Income Portfolio
Government Portfolio

GIT Tax-Free Trust
Arizona Portfolio
Maryland Portfolio
Missouri Portfolio
Virginia Portfolio
National Portfolio
Money Market Portfolio

Government Investors Trust

For more complete information on any GIT Investment Fund, including charges and expenses, request a prospectus by calling the numbers above. Read it carefully before you invest or send money.

GIT
GIT Investment Funds
1655 Fort Myer Drive
Arlington Virginia 22209