FORM 485BPOS

Post-effective amendments [Rule 485(b)]

Filing Date: **1995-07-28**
SEC Accession No. 0000310407-95-000019

(HTML Version on secdatabase.com)

FILER

GIT INCOME TRUST

CIK:**710978**| IRS No.: **546200848** | Fiscal Year End: **0331**
Type: **485BPOS** | Act: **33** | File No.: **002-80808** | Film No.: **95556890**

Business Address
1655 N FORT MYER DR
ARLINGTON VA 22209
7035283600

As Filed with the
Commission on July 28, 1995

Registration No. 2-80808
SEC File No. 811-3616

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. 15 X

Registration Statement Under The Investment Company Act of 1940 X

Amendment No. 17

GIT Income 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
GIT Income 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.

GIT INCOME TRUST

Maximum Income Portfolio
Government Portfolio

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

GIT INCOME TRUST
Government Portfolio
Maximum Income Portfolio

GIT Income Trust is a mutual fund whose goal is to provide monthly dividends to its shareholders by investing in bonds and other debt securities in accordance with the investment quality policies of each of its portfolios. The Trust offers shares of two separate portfolios: the Government Portfolio and the Maximum Income Portfolio.

The Government Portfolio invests solely in U.S. Government securities and emphasizes safety of principal and interest for its portfolio investments.

The Maximum Income Portfolio invests in corporate debt securities expected to provide the highest yields. This policy of seeking high yields carries a high risk that an investor's shares in the Maximum Income Portfolio could lose value.

THE MAXIMUM INCOME PORTFOLIO MAY BE ENTIRELY INVESTED IN LOWER-RATED SECURITIES, INCLUDING THOSE COMMONLY REFERRED TO AS "JUNK" BONDS. INVESTORS SHOULD CAREFULLY CONSIDER THE GREATER RISKS,

INCLUDING DEFAULT, THAT THESE BONDS ENTAIL THAN THOSE FOUND IN HIGHER RATED SECURITIES, DISCUSSED AT THE REFERENCES TO THIS PORTFOLIO ON PAGES FIVE AND SIX.

Features

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

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 GIT Income Trust

GIT Income Trust (the "Trust") is a diversified, open-end management investment company, commonly known as a mutual fund. The Trust was organized as a Massachusetts business trust under a Declaration of Trust dated November 18, 1982. The Trust is managed by Bankers Finance Investment Management Corp. (the "Adviser") of the same address as the Trust.

The Trust offers shares of two separate portfolios: the Government Portfolio and the Maximum Income Portfolio. The Trust may offer additional portfolios which would be managed independently. Currently, there are no such additional portfolios.

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").

	Government Portfolio	Maximum Income Portfolio
Shareholder Transaction Expenses		
Maximum Sales Load Imposed on Purchases	None	None
Redemption Fee	None	None
Exchange Fee	None	None
Annual Fund Operating Expenses (as a percentage of average net assets)		
Management Fees	0.625%	0.625%
Other expenses	0.895%	0.895%
Total Fund Operating Expenses	1.520%	1.520%

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				
Government Portfolio	$16	$48	$83	$182
Maximum Income Portfolio	$16	$48	$83	$182

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 is available 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.

<TABLE>
<CAPTION>

Net Net
realized & Total Net assets Net
Net asset unrealized from Distri- Distri- asset at Expenses income
value Net gains invest- butions butions value end of to to
Year beginning invest- (losses) ment from net from Total end period average average
ended of ment on opera- investment capital distri- of Total (thou- net net Portfolio

Mar. 31	period	income	securities	tions	income	gains	butions	period	return	sands)	assets	assets	turnover
<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Government Portfolio													
1995	$ 9.695	$0.391	(0.144)	$0.247	$(0.391)	--	$(0.391)	$9.551	2.67%	$7,653	1.52%	4.12%	318%
1994	10.621	0.363	(0.151)	0.212	(0.363)	(0.775)	(1.138)	9.695	1.95	8,576	1.54	3.53	287
1993	10.300	0.501	0.854	1.355	(0.501)	(0.533)	(1.034)	10.621	13.96	9,734	1.52	4.78	357
1992	10.119	0.654	0.222	0.876	(0.654)	(0.041)	(0.695)	10.300	8.84	7,375	1.53	6.28	123
1991	9.867	0.710	0.292	1.002	(0.710)	(0.040)	(0.750)	10.119	10.57	6,059	1.65	7.13	116
1990	9.891	0.783	(0.024)	0.759	(0.783)	--	(0.783)	9.867	7.78	6,119	1.51	7.76	86
1989	10.180	0.794	(0.289)	0.505	(0.794)	--	(0.794)	9.891	5.19	6,542	1.50	7.94	45
1988	11.391	0.862	(0.743)	0.119	(0.862)	(0.468)	(1.330)	10.180	1.47	6,283	1.47	8.18	36
1987	11.493	0.912	(0.102)	0.810	(0.912)	--	(0.912)	11.391	7.35	9,273	1.41	7.99	31
1986	9.551	1.035	1.942	2.977	(1.035)	--	(1.035)	11.493	32.68	7,783	1.12	9.82	26
Maximum Income Portfolio													
1995	$7.285	$0.597	$(0.347)	$0.250	$(0.597)	--	$(0.597)	$6.938	3.75%	$6,726	1.52%	8.56%	243%
1994	7.455	0.606	(0.170)	0.436	(0.606)	--	(0.606)	7.285	5.89	7,702	1.54	8.02	251
1993	7.255	0.674	0.200	0.874	(0.674)	--	(0.674)	7.455	12.69	7,329	1.52	9.26	73
1992	6.775	0.689	0.480	1.169	(0.689)	--	(0.689)	7.255	18.08	6,456	1.54	9.95	124
1991	7.181	0.781	(0.406)	0.375	(0.781)	--	(0.781)	6.775	5.91	5,405	1.66	11.57	54
1990	8.129	0.873	(0.948)	(0.075)	(0.873)	--	(0.873)	7.181	(1.27)	6,988	1.51	11.16	93
1989	8.427	0.866	(0.298)	0.568	(0.866)	--	(0.866)	8.129	7.09	9,542	1.50	10.45	80
1988	9.657	0.928	(1.230)	(0.302)	(0.928)	--	(0.928)	8.427	(3.06)	11,132	1.45	10.48	78
1987	9.970	1.063	(0.313)	0.750	(1.063)	--	(1.063)	9.657	7.97	16,716	1.39	10.87	127
1986	8.987	1.157	0.983	2.140	(1.157)	--	(1.157)	9.970	25.30	12,922	1.10	12.23	47

</TABLE>

Investment Objective

The objective of each portfolio is to provide monthly dividends to investors by investing in bonds and other debt securities according to the investment quality policies described in this prospectus.

Although the investment objective of a portfolio may be changed without shareholder approval, shareholders will be notified in writing prior to any material change. There can be no assurance that the objective of either portfolio will be achieved.

Investment Policies

The Government Portfolio invests solely in U.S. Government securities and emphasizes safety of principal and interest for its portfolio investments. The Maximum Income Portfolio invests in debt securities expected to provide the highest yields, and may include lower-rated securities, including those commonly referred to as "high yield" or "junk" bonds.

Government Portfolio. Government Portfolio investments are limited to U.S. Government securities, which include a variety of securities 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 these 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 Association and the Student Loan Marketing Association are also considered to be 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 assess a claim against the United States itself in the event the agency or instrumentality does not meet its commitments.

Maximum Income Portfolio. The Maximum Income Portfolio may invest in corporate bonds, notes and debentures (including corporate debt securities convertible into other securities), as well as U.S. Government securities. The Maximum Income Portfolio invests principally in Lower Medium Grade and Low Grade corporate debt securities, commonly known as "high yield" or "junk" bonds. The lowest-grade securities in which this Portfolio may invest are those rated "Caa" or "CCC." The Adviser may vary the quality rating mix of this portfolio based on its evaluation of each investment in light of its yield and credit characteristics.

Other Policies. In order to ensure diversification, the Trust's fundamental investment policies stipulate certain restrictions. No more than five percent of each Portfolio's assets may be invested in the securities of one issuer (excluding U.S. Government securities) as of the date of purchase. No more than 10 percent of any Portfolio's assets may be invested in illiquid securities, including restricted securities, other securities for which no readily available market exists, and repurchase agreements that cannot be terminated within seven days. No more than 25 percent of the total assets of a portfolio may be invested in the securities of issuers in a single industry.

The portfolios will be invested in debt securities with maturities which, in the judgment of the Adviser, will provide the highest yields available from debt securities over the life of the investment. This means that the average effective maturity of each portfolio may be 20 years or more, depending on market conditions. The Adviser may adjust this maturity, however, and may sell securities prior to maturity. Such sales may result in realized capital gains or losses. The Trust does not intend, however, to engage in extensive short-term trading.

The Trust reserves the right to invest a portion of its assets in short-term debt securities (those with maturities of one year or less) and to maintain a portion of its assets in uninvested cash. However, it does not intend to hold more than 35 percent of either portfolio in such investments unless it determines market conditions warrant a temporary defensive investment position. Under such circumstances, up to 100 percent of either portfolio may be so invested. To the extent that a portfolio is so invested, it is not invested in accordance with policies designed to achieve its stated investment objective. Short-term investments may include certificates of deposit, commercial paper and repurchase agreements.

Specialized Investment Techniques

To achieve its objectives, each portfolio may use certain specialized investment techniques, including investment in "when-issued" securities, securities with variable interest rates, loans of portfolio securities, financial futures contracts, foreign securities and repurchase agreements.

"When-issued" securities are purchased or sold with payment and delivery scheduled to take place at a future time, usually 15 to 45 days from the date the transaction is arranged. When investing in "when-issued" securities, the Trust relies on the other party to complete the transaction. Should the other party fail to do so, the Trust might lose a more advantageous investment opportunity.

Repurchase agreements involve a 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 agreements to those financial institutions and securities dealers who are considered creditworthy under guidelines adopted by the 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 hold 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 Selection Criteria for Maximum Income Portfolio

The Maximum Income Portfolio invests principally in securities commonly known as "high yield" or "junk" bonds. Although this portfolio may invest in securities with ratings as low as "CCC" or "Caa," it follows certain policies intended to mitigate some of the risks associated with investment in such securities. Included among such policies are the following: (1) bonds acquired at the time of their initial public offering must be rated at least "B" by either Standard & Poor's Corporation or Moody's Investors Services, Inc.; (2) bonds rated "BB" or "Ba" or lower must have more than one market maker at the time of acquisition; and (3) unrated bonds, privately placed bonds and bonds of issuers in bankruptcy are not purchased. In addition, no zero coupon bonds or bonds having interest paid in the form of additional securities (commonly called "payment-in-kind" or "PIK" bonds) will be acquired, if immediately after the investment more than 15 percent of the value of this portfolio would be invested in such bonds.

Investment selection criteria apply at the time an investment is made. An adverse change in the quality rating or other characteristics of an investment may not necessarily result in disposition of that investment, because the impact of such changes is often already reflected in market prices before the investment can be liquidated.

The weighted average portions of the investment assets of the Maximum Income Portfolio invested in each of the quality ratings identified below for the fiscal year ending March 31, 1995 were as follows:

Ratings by Moody's Investors Service Inc.		Ratings by Standard & Poor's Corporation	
Aaa	2.44%	AAA	2.44%
Ba3	4.34%	BB-	9.09%
B1	30.42%	B+	21.96%
B2	25.53%	B	38.22%
B3	24.22%	B-	13.49%
Caa	.91%	CCC	2.66%
P1	12.14%	A1	12.14%

A description of the ratings assigned to Maximum Income Portfolio Securities is contained in the appendix to this prospectus.

Investment Risk Considerations

The investment policies of the Trust involve certain risks. For example, the market value of bonds and other debt securities tends to rise when prevailing interest rates decline and fall when prevailing interest rates rise. Longer maturities increase the magnitude of these changes. Investments with the highest yields may have longer maturities and lower credit ratings than other securities, increasing the possibility of fluctuations in value per share. Investments with lower credit ratings may have limited marketability, making it difficult for the Trust to dispose of such securities advantageously, and may present the risk of default, which could result in a loss of principal and interest.

Additional Investment Risk Considerations for Maximum Income Portfolio

The Maximum Income Portfolio may invest in securities rated Caa or CCC, which may have highly speculative characteristics, may be of poor standing and may present other elements of immediate danger to payment of principal and interest or could even be in default (although the portfolio will not purchase securities in default).

Investors should consider certain risks associated with the kinds of securities held by the Maximum Income Portfolio. These risks include the following:

Youth and Growth of the High Yield Bond Market. The high yield bond market is relatively young and its major growth occurred during a long period of economic expansion. This market in its present size and form has been affected by an economic downturn. The economic downturn has resulted in large price swings in the value of high yield bonds. This has also adversely affected the value of outstanding bonds and the ability of the issuers to repay principal and interest.

Sensitivity to Interest Rates and Economic Changes. Changes in the economy and interest rates may affect high yield securities differently from other securities. Prices of high yield bonds may be less sensitive to interest rate fluctuations than investment grade securities, but more sensitive to adverse economic changes or individual corporate developments. An economic downturn or a period of rising interest rates could adversely affect the ability of highly leveraged issuers to make required principal and interest payments, to meet financial projections or to obtain additional financing. Periods of economic decline or uncertainty may increase the price volatility of high yield bonds, and therefore, magnify changes in the Maximum Income Portfolio's net asset value. Zero coupon bonds and payment-in-kind securities may be affected to a greater extent by such developments and thereby tend to be more volatile than securities which pay interest periodically in cash.

Market Expectations. High yield bond values are very sensitive to market expectations about the credit worthiness of the issuing companies. If events produce a sudden concern in the marketplace about the ability of high yield bond issuers to service their debts, investors might try to liquidate significant amounts of high yield bonds within a short period of time. If shareholders in the Maximum Income Portfolio were also making significant redemptions at the same time, the portfolio might be forced to sell some of its holdings under adverse market conditions, without regard to their investment merits, thereby possibly realizing capital losses and decreasing the asset base upon which expenses can be spread. Rising interest rates can adversely affect the value of high yield bonds, both by lowering the perceived credit worthiness of the issuers and by lowering bond prices generally. However, when interest rates are falling or the credit worthiness of the issuer improves, early redemption or call features of the bonds may limit their potential for increased value.

Liquidity and Valuation. Adverse publicity about or public perceptions of high yield securities and their market, whether or not based on fundamental analysis, may cause the bonds to lose value and liquidity. Since the high yield market is an over-the-counter market, there may be "thin" trading during times of market distress, meaning there is a limited number of buyers and sellers in the market.

Congressional Proposals. Various proposals have been considered by Congress in the past that would restrict or adversely impact the market for high yield bonds. Federally insured savings and loan associations have been required to divest investments in high yield bonds. Any such legislation may have had or may in the future have an adverse impact on the net asset value of the Maximum Income Portfolio or its investment flexibility.

Taxation. Interest income is recognized on zero coupon and pay-in-kind securities and is passed through to shareholders for income tax purposes, even though payment of such interest is not received in cash.

Credit Ratings. The quality ratings of debt securities are considered when investments are selected. However, changes in credit ratings by the major credit rating agencies may lag changes in the credit worthiness of the issuer. The Adviser monitors the issuers of high yield bonds to anticipate whether the issuer will have sufficient cash flow to meet required principal and interest payments and to assess the bonds' liquidity, but it may not always be able to foresee adverse developments. Furthermore, credit ratings attempt to evaluate the safety of principal and interest payments and may not accurately reflect the market value risks of high yield bonds.

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. Investment decisions regarding each of the Trust's portfolios can be influenced in various manners by a number of individuals. The individuals who are primarily responsible for the management of the Trust's portfolios are John Edwards and Charles J. Tennes. Mr. Edwards, vice president, is a chartered financial analyst who has been managing the Trust's portfolios since joining the Adviser in 1987. Mr. Tennes, executive vice president, who has been associated with the Adviser since 1985, has been involved in the operation of the Trust's two funds since early 1993.

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 5/8 percent per annum of the average daily net assets of each portfolio. The Adviser may, in turn, compensate certain financial organizations for services resulting in 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 Agent and Dividend Paying Agent. The Trust acts as its own transfer agent and dividend paying agent.

Expenses. The Trust is responsible for all 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 each portfolio, including advisory fees and reimbursable expenses paid to the Adviser, were as follows: $117,988 for the Government Portfolio, and $107,932 for the Maximum Income Portfolio.

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 may, under certain circumstances, 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.

Shares in two portfolios are authorized by the Trustees: the Government Portfolio and the Maximum Income Portfolio. Shares of each portfolio are of a single class, each representing an equal proportionate share in the assets, liabilities, income and expense of the respective portfolio, and each having the same rights as any other share within the series.

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

Each Portfolio'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 total return. 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 theoretical net income per share during a 30-day period by the share price on the last day of the period.

While yield calculations ignore changes in share price, total return takes such changes into account, assuming that dividends and other distributions are reinvested when paid.

In addition to average annual total return, the Trust may quote total return over various periods and may quote the aggregate total return for a period. The Trust may also cite the ranking or performance of a portfolio as reported in the public media or by independent performance measurement firms.

Further information on the methods used to calculate each Portfolio's yield and total return may be found in the Trust's Statement of Additional Information. The Trust's Annual Report contains additional performance information. A copy of the Annual Report may be obtained without charge by calling or writing the Trust at the telephone number and address on the cover of this prospectus.

Taxes

For federal income tax purposes, the Trust intends to maintain its status under Subchapter M of the Internal Revenue Code as a regulated investment company by distributing to shareholders 100 percent of its net income and net capital gains for each portfolio by the end of its fiscal year. The Internal Revenue Code also requires each portfolio to distribute at least 98 percent 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 gains 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.

Because each Portfolio's share price fluctuates, a redemption of shares by the investor creates a capital gain or loss which has tax consequences. It is the shareholder's responsibility to calculate the cost basis of shares purchased. Investors are advised to retain all statements received from the Trust and to maintain accurate records of their investments.

Investors who fail to provide a valid social security or tax identification number may be subject to federal withholding at a rate of 31 percent of dividends and any capital gains distributions.

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 each portfolio is calculated as of 4 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 outstanding shares for the portfolio.

For purposes of calculating net asset value, securities for which current market quotations are readily available are valued at the mean between their bid and asked prices. Securities for which current quotations are not readily available are valued at their fair value as determined by the Trustees. Securities having a remaining effective maturity of 60 days or less are valued at amortized cost, subject to the Trustees' determination that this method reflects their fair value. The Trustees may use an independent pricing service for determination of security values.

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:

GIT Income 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:
GIT Income Trust
P.O. Box 640393
Cincinnati, OH 45264-0393

Please include an investment deposit slip or a clear indication of the account to be credited. Checks should be payable to GIT Income 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:

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

GIT Maximum Income 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 the Trust.

Redeeming Shares

Share 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.

Payment of proceeds of wire requests received after 12:30 p.m., Washington, DC time and requests exceeding 80 percent of the value of the account 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 $5.00 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 Automatic Monthly Investments) used for purchase of the shares has cleared. Such deposit items are considered "uncollected," unless the Trust has determined that they have actually been 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 by the Trust's Custodian. 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.

The Trust normally charges a fee of $28.00 or the cost of the 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. 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 if its balance is below $700. Investors who own shares in any portfolio with an account balance that falls below these amounts 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 each 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 other qualified retirement plans. Currently the Trust charges an annual maintenance fee of $15 for Keogh accounts.

The Trust also offers 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 $700 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.

Appendix - Quality Ratings

The Trust will determine the grade or credit quality of other securities it may acquire principally by reference to the ratings assigned by the two principal private organizations which rate Municipal Securities: Moody's Investors Service, Inc. ("Moody's") and Standard and Poor's Corporation ("S&P").

Corporate Obligations. For corporate obligations, Moody's uses ratings Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C; S&P uses ratings AAA, AA, A, BBB, BB, B, CCC, CC and C. Notes and bonds rated Aaa or AAA are judged to be of the best quality; interest and principal are secure and prices respond only to market rate fluctuations. Notes and bonds rated Aa or AA are

also judged to be of high quality, but margins of protection for interest and principal may not be quite as good as for the highest rated securities.

Notes and bonds rated A are considered upper medium grade by each organization; protection for interest and principal is deemed adequate but susceptible to future impairment, and market prices of such obligations, while moving primarily with market rate fluctuations, also may respond to economic conditions and issuer credit factors.

Notes and bonds rated Baa or BBB are considered medium grade obligations; protection for interest and principal is adequate over the short term, but these bonds may have speculative characteristics over the long term and therefore may be more susceptible to changing economic conditions and issuer credit factors than they are to market rate fluctuations.

Notes and bonds rated Ba or BB are considered to have immediate speculative elements and their future can not be considered well assured; protection of interest and principal may be only moderate and not secure over the long term; the position of these bonds is characterized as uncertain.

Notes and bonds rated B or lower by each organization are generally deemed to lack desirable investment characteristics; there may be only small assurance of payment of interest and principal or adherence to the original terms of issue over any long period.

Issues rated Caa or CCC and below may also be highly speculative, of poor standing and may even be in default or present other elements of immediate danger to payment of interest and principal.

Commercial Paper. Commercial paper is rated by Moody's with "Prime" or "P" designations, as P-1, P-2 or P-3, all of which are considered investment grades. P-1 issuers have superior repayment capacity and credit characteristics; P-2 issuers have strong repayment capacity but more variable credit characteristics; while P-3 issuers have acceptable repayment capacity, but highly variable credit characteristics and may be highly leveraged.

S&P rates commercial paper as A-1, A-2 or A-3. To receive a rating from S&P the issuer must have adequate liquidity to meet cash requirements, long-term senior debt rated A or better (except for occasional situations in which a BBB rating is permitted), and at least two additional channels of borrowing. The issuer's basic earnings and cashflow must have an upward trend (except for unusual circumstances) and, typically, the issuer's industry is well established and it has a strong position within the industry. S&P assigns the individual ratings A-1, A-2 and A-3 based upon its assessment of the issuer's relative strengths and weaknesses within the group of ratable companies.

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

GIT INCOME TRUST

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

This Statement of Additional Information is not a Prospectus. It should be read in conjunction with the Prospectus of GIT Income 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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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

GIT Income Trust (the "Trust") issues two series of shares: Government Portfolio shares and Maximum Income Portfolio shares. Government Portfolio shares represent interests in a portfolio of Government Securities (the "Government Portfolio"). Maximum Income Portfolio shares represent interests in a portfolio of lower-grade debt securities, rated not lower than CCC or Caa or of equivalent quality (the "Maximum Income Portfolio"). These Portfolios are described more fully below (see "Supplemental Investment Policies").

Supplemental Investment Policies

The investment objectives of the Trust are described in the Prospectus (see "Investment Objective"). Reference should also be made to the Prospectus for general information concerning the Trust's investment policies for each of its Portfolios (see "Investment Policies"). The Trust seeks to achieve its investment objectives through diversified investment by each of its Portfolios, principally in debt securities. Unless described herein or in the Prospectus, the Trust will not invest in "derivative" securities.

The quality rating classifications for debt securities of "High Grade," "Upper Medium Grade," "Lower Medium Grade" and "Low Grade" are defined below (see "Quality Ratings"). For unrated debt securities the Adviser may make its own determinations of those investments it assigns to each quality rating classification, as part of the exercise of its investment discretion on behalf of the Trust, but such determinations will be made by reference to the rating criteria followed by recognized rating agencies (see "Quality Ratings"). Any unrated securities purchased for the Maximum Income Portfolio will be of comparable quality to the rated securities that may be purchased for the same Portfolio. The Adviser's quality classification procedures will be subject to review by the Trustees.

Basic Investment Policies. The Government Portfolio seeks to invest solely in U.S. Government securities. The Maximum Income Portfolio seeks to invest in debt securities offering the highest yields, subject to the minimum quality rating for this Portfolio described below. To the extent the investments selected for this Portfolio have higher yields than alternative investments, they may be less liquid, have lower-quality ratings and entail more risk that their value could fall than comparable investments with lower yields. (See "Quality Ratings" for the investment characteristics of lower-rated securities.)

Other Policies. The Trust will not invest more than 25% of the assets of a Portfolio in any one industry. Although the investment policies of the Trust contemplate that each of its Portfolios will be principally invested in longer-term debt securities, investment management considerations will mean that a portion of each Portfolio will normally be invested in short-term investments. The short-term investments in which the Trust may invest are described below. The Trust also reserves the right to maintain a portion of the assets of any Portfolio in uninvested cash when deemed advisable.

During defensive periods the Trust may also invest up to 100% of its assets in short-term investments, including without limitation in U.S. Government securities and the money market obligations of domestic banks, their branches and other domestic depository institutions (see "Investment Limitations").

Short-Term Investments. The "short-term investments" in which the Trust may invest are limited to the following U.S. dollar denominated investments: (1) U.S. Government securities; (2) obligations of banks having total assets of $750 million or more; (3) commercial paper having a quality rating appropriate to the respective Portfolio of the Trust; and (4) repurchase agreements involving any of the foregoing securities or long-term debt securities of the type in which the respective Portfolio of the Trust could invest directly.

Bank obligations eligible as short-term investments are certificates of deposit ("CDs"), bankers acceptances ("BAs") and other obligations of banks having total assets of $750 million or more (including assets of affiliates). CDs are generally short-term interest-bearing negotiable certificates issued by banks against funds deposited with the issuing bank for a specified period of time. Such CDs may be marketable or may be redeemable upon demand of the holder; some redeemable CDs may have penalties for early withdrawal, while others may not. Federally insured bank deposits are presently limited to $100,000 of insurance per depositor per bank, so the interest or principal of CDs may not be fully insured. BAs are time drafts drawn against a business, often an importer, and "accepted" by a bank, which agrees unconditionally to pay the draft on its maturity date. BAs are negotiable and trade in the secondary market.

The Trust will not invest in non-transferable time deposits having penalties for early withdrawal if such time deposits mature in more than seven calendar days, and such time deposits maturing in two business days to seven calendar days will be limited to 10% of the respective Portfolio's total assets.

"Commercial paper" describes the unsecured promissory notes issued by major corporations to finance short-term credit needs. Commercial paper is issued in maturities of nine months or less and usually on a discount basis. Commercial paper may be rated A-1, P-1, A-2, P-2, A-3 or P-3 (see "Quality Ratings").

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. When-Issued Securities. The Trust may purchase and sell securities on a when-issued or delayed delivery basis. When-issued and delayed delivery transactions arise when securities are bought or sold with payment for and delivery of the securities scheduled to take place at a future time. Frequently when newly issued debt securities are purchased, payment and delivery may not take place for 15 to 45 days after the Trust commits to the purchase. Fluctuations in the value of securities contracted for future purchase settlement may increase changes in the value of the respective Portfolio, because such value changes must be added to changes in the values of those securities actually held in the Portfolio during

the same period. When-issued transactions represent a form of leveraging; the Trust will be at risk as soon as the when-issued purchase commitment is made, prior to actual delivery of the securities purchased.

When engaging in when-issued or delayed delivery transactions, the Trust must rely upon the buyer or seller to complete the transaction at the scheduled time; if the other party fails to do so, then the Trust might lose a purchase or sale opportunity that could be more advantageous than alternative opportunities available at the time of the failure. If the transaction is completed, intervening changes in market conditions or the issuer's financial condition could make it less advantageous than investment alternatives otherwise available at the time of settlement.

While the Trust will only commit to securities purchases that it intends to complete, it reserves the right, if deemed advisable, to sell any securities purchase contracts before settlement of the transaction; in any such case the Trust could realize either a gain or a loss, despite the fact that the original transaction was never completed. When fixed yield contracts are made for the purchase of when-issued securities, the Trust will maintain in a segregated account designated investments which are liquid or mature prior to the scheduled settlement and cash sufficient in aggregate value to provide adequate funds for completion of the scheduled purchase.

2. Securities with Variable Interest Rates. Some of the securities purchased by the Trust may carry variable interest rates. Securities with variable interest rates normally are adjusted periodically to pay an interest rate which is a fixed percentage of some base rate, such as the "prime" interest rate of a specified bank. The rate adjustments may be specified either to occur on fixed dates, such as the beginning of each calendar month, or to occur whenever the base rate changes. Certain of these variable rate securities may be payable by the issuer upon demand of the holder, generally within seven days of the date of demand; others may have a fixed stated maturity with no demand feature.

Variable rate securities may offer higher yields than are available from shorter-term securities, but less risk of market value fluctuations than longer-term securities having fixed interest rates. When interest rates generally are falling, the yields of variable rate securities will tend to fall, while when rates are generally rising variable rate yields will tend to rise.

Variable rate securities may not be rated and may not have a readily available secondary market. To the extent these securities are illiquid, they will be subject to the Trust's 10% limitation on investments in illiquid securities (see "Investment

Limitations"). The Trust's ability to obtain payment after the exercise of demand rights could be adversely affected by subsequent events prior to repayment of the investment at par. The Adviser will monitor on an ongoing basis the revenues and liquidity of issuers of variable rate securities and the ability of such issuers to pay principal and interest pursuant to any demand feature.

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 difficulties and might incur losses upon 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, or to the extent the Trust wishes to obtain cash for a more advantageous investment, 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 either for other investments or to meet cash requirements from redemption requests. If the Trust engages in reverse repurchase agreement transactions, it will either maintain in a segregated account designated High Grade investments 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 for any purpose, if as a result reverse repurchase agreements in the aggregate would exceed 5% of the Trust's total assets.

4. Loans of Portfolio Securities. The Trust, in certain circumstances, may be able to earn additional income by loaning Portfolio securities to a broker-dealer or financial institution. The Trust may make such loans only if cash or U.S. Government securities, equal in value to 100% of the market value of the securities loaned, are delivered to the Trust by the borrower and maintained in a segregated account at full market value each business day. During the term of any securities loan, the borrower will pay to the Trust all interest income earned on the loaned securities; at the same time the Trust will also be able to invest any cash portion of the collateral or otherwise will charge a fee for making the loan, thereby increasing its overall return. It is the

Trust's policy that it shall have the option to terminate any loan of Portfolio securities at any time upon seven days' notice to the borrower. In making a loan of securities, the Trust would be exposed to the possibility that the borrower of the securities might be unable to return them when required, which would leave the Trust with the collateral maintained against the loan; if the collateral were of insufficient value, the Trust could suffer a loss. The Trust may pay fees for the placement, administration and custody of securities loans, as it deems appropriate.

Any loans by the Trust of Portfolio securities will be made in accordance with applicable guidelines established by the Securities and Exchange Commission or the Trustees. In determining whether to lend securities to a particular broker, dealer or other financial institution, the Adviser will consider the creditworthiness of the borrowing institution. The Trust will not enter into any securities lending agreement having a duration of greater than one year.

5. Financial Futures Contracts. The Trust may use financial futures contracts, including contracts traded on a regulated commodity market or exchange, to purchase or sell securities which the Trust would be permitted to purchase or sell by other means. A futures contract on a security is a binding contractual commitment which, if held to maturity, will result in an obligation to make or accept delivery, during a particular month, of securities having a standardized face value and rate of return. By purchasing a futures contract, the Trust will legally obligate itself to accept delivery of the underlying securities and pay the agreed price; by selling a futures contract it will legally obligate itself to make delivery of the security against payment of the agreed price. The Trust will use financial futures contracts only where it intends to take or make the required delivery of securities; however, if it is economically more advantageous to do so, the Trust may acquire or sell the same securities in the open market prior to the time the purchase or sale would otherwise take place according to the contract and concurrently liquidate the corresponding futures position by entering into another futures transaction that precisely offsets the original futures position.

A financial futures contract for a purchase of securities is called a "long" position, while a financial futures contract for a sale of securities is called a "short" position. Short futures contracts may be used as a hedge against a decline in the value of an investment by locking in a future sale price for the securities specified for delivery against the contract. Long futures contracts may be used to protect against a possible decline in interest rates. Hedges may be implemented by futures transactions for either the securities held or for comparable securities that are expected to parallel the price movements of the securities being hedged. Customarily, most futures contracts are liquidated prior to the required settlement date by disposing of the contract; such transactions may result in either a gain or a loss, which when part of a hedging transaction, would be expected to offset corresponding losses or gains on the hedged securities.

The Trust intends to use financial futures contracts as a defense, or hedge, against anticipated interest rate changes and not for speculation. A futures contract sale is intended to protect against an expected increase in interest rates and a futures contract purchase is intended to offset the impact of an interest rate decline. By means of futures transactions, the Trust may arrange a future purchase or sale of securities under terms fixed at the time the futures contract is made.

The Trust will incur brokerage fees in connection with its futures transactions, and it will be required to deposit and maintain cash or U.S. Government securities with brokers as margin to guarantee performance of its futures obligations. When purchasing securities by means of futures contracts the Trust will maintain in separate accounts (including brokerage accounts used to maintain the margin required by the contracts) High Grade investments which are liquid or which mature prior to the scheduled purchase and cash sufficient in aggregate value to provide adequate funds for completion of the purchase. While futures will be utilized to reduce the risks of interest rate fluctuations, futures trading itself entails certain other risks. Thus, while the Trust may benefit from the use of financial futures contracts, unanticipated changes in interest rates may result in a poorer overall performance than if the Trust had not entered into any such contracts.

6. Foreign Securities. The Trust may invest a portion of a Portfolio's assets in securities of foreign issuers that are listed on a recognized domestic or foreign exchange without restriction. Foreign investments involve certain special considerations not typically associated with domestic investments. Foreign investments may be denominated in foreign currencies and may require the Trust to hold temporary foreign currency bank deposits while transactions are completed; although the Trust might therefore benefit from favorable currency exchange rate changes, it could also be affected adversely by changes in exchange rates, by currency control regulations and by costs incurred when converting between various currencies. Furthermore, foreign issuers may not be subject to the uniform accounting, auditing and financial reporting requirements applicable to domestic issuers, and there may be less publicly available information about such issuers.

In general, foreign securities markets have substantially less volume than comparable domestic markets and therefore foreign investments may be less liquid and more volatile in price than comparable domestic investments. Fixed commissions in foreign securities markets may result in higher commissions than for comparable domestic transactions, and foreign markets may be subject to less governmental supervision and regulation than their domestic counterparts. Foreign securities transactions are subject to documentation and delayed settlement risks arising from difficulties in international communications. Moreover, foreign investments may be adversely affected by diplomatic, political, social or economic circumstances or events in other countries, including civil unrest, expropriation or nationalization, unanticipated taxes, economic controls, and acts of war. Individual foreign economies may also differ from the United States economy in such measures as growth, productivity, inflation, national resources and balance of payments position.

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.

Policy Review. If, in the judgment of a majority of the Trustees of the Trust, unanticipated future circumstances make inadvisable continuation of the Trust's policy of seeking high current income from investment principally in long-term debt securities, or continuation of the more specific policies of each Portfolio, then the Trustees may change any such policies without shareholder approval, subject to the limitations provided elsewhere in this Statement of Additional Information (see "Investment Limitations") and after giving 30 days' written notice to the Trust's shareholders affected by the change.

Except for the fundamental investment limitations placed upon the Trust's activities, the Trustees reserve the right to review and change the other investment policies and techniques employed by the Trust, from time to time as they deem appropriate, in response to market conditions and other factors. Reference should be made to "Investment Limitations" for a description of those fundamental investment policies which may not be changed without shareholder approval. Such fundamental policies would permit the Trust, after notice to shareholders but without a shareholder vote, to adopt policies permitting a wide variety of investments, including money market instruments, all types of common and preferred equity securities, all types of long-term debt securities, convertible securities, and certain types of option contracts. In the event of such a policy change, a change in the Trust's name might be required. There can be no assurance that the Trust's present objectives will be achieved.

Investment Limitations

The Trust has adopted as fundamental policies the following limitations on its investment activities, which apply to each of its Portfolios; these fundamental policies 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 any type of securities under such terms as the Trust may determine; and any such securities may be acquired pursuant 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; however, the Trust may not make any investment (including repurchase agreements) for which there is no readily available market and which may not be redeemed, terminated or otherwise converted into cash within seven days, unless after making the investment not more than 10% of the Trust's net assets would be so invested. Securities of foreign issuers not listed on a recognized domestic or foreign exchange are considered to be illiquid securities and fall within this 10% limitation.

2. Restricted Investments. Not more than 5% of the value of the total assets of a Portfolio of the Trust may be invested in the securities of any one issuer (other than securities issued or guaranteed by the United States Government or any of its agencies or instrumentalities and excluding cash and cash items); nor may securities be purchased when as a result more than 10% of the voting securities of the issuer would be held by the Trust. To the extent the Trust purchases securities other than obligations issued or guaranteed by the U.S. Government or its agencies and instrumentalities, obligations which provide income exempt from federal income taxes, and short-term obligations of domestic banks, their branches, and other domestic depository institutions, the Trust will limit its investments so that not more than 25% of the assets of each of its Portfolios are invested in any one industry. For purposes of these restrictions, the issuer is deemed to be the specific legal entity having ultimate responsibility for performance of the obligations evidenced by the security and whose assets and revenues principally back the security. Any security that does not have a governmental jurisdiction or instrumentality ultimately responsible for its repayment may not be purchased by the Trust when the entity responsible for such repayment has been in operation for less than three years, if such purchase would result in more than 5% of the total assets of the respective Portfolio of the Trust being invested in such securities.

The Trust may not purchase the securities of other investment companies, except for shares of unit investment trusts holding securities of the type purchased by the Trust itself and then only if the value of such shares of any one investment company does not exceed 5% of the value of the total assets of the Trust's Portfolio in which the shares are included and the aggregate value of all such shares does not exceed 10% of the value of such total assets, except in connection with an investment company merger, consolidation, acquisition or reorganization. The Trust may not purchase any security for purposes of exercising management or control of the issuer, except in connection with a merger, consolidation, acquisition or reorganization of an investment company. The Trust may not purchase or retain the securities of any issuer if, to the knowledge of the Trust's management, the holdings of those of the Trust's officers, Trustees and officers of its Adviser who beneficially hold one-half percent or more of such securities, together exceed 5% of such outstanding securities.

3. Borrowing and Lending. It is a fundamental policy of the Trust that it may borrow (including engaging in reverse repurchase agreement transactions) in amounts not exceeding 25% of its total assets for investment purposes. The Trust may not otherwise issue senior securities representing indebtedness and may not pledge, mortgage or hypothecate any assets to secure bank loans, except in amounts not exceeding 15% of its net assets taken at cost.

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 Trust's Adviser is continuously maintained in amounts not less than the value of the securities loaned. The Trust may not lend money (except to governmental units), but is not precluded from entering into repurchase agreements or purchasing debt securities.

4. Other Activities. The Trust may not act as an underwriter (except for activities in connection with the acquisition or disposition of securities intended for or held by one of the Trust's Portfolios), make short sales or maintain a short position (unless the Trust owns at least an equal amount of such securities, or securities convertible or exchangeable into such securities, and not more than 25% of the Trust's net assets is held as collateral for such sales). Nor may the Trust purchase securities on margin (except for customary credit used in transaction clearance), invest in commodities, purchase interests in real estate, real estate limited partnerships or invest in oil, gas or other mineral exploration or development programs or oil, gas or mineral leases. However, the Trust may purchase securities secured by real estate or interests therein and may use financial futures contracts, including contracts traded on a regulated commodity market or exchange, to purchase or sell securities which the Trust would be permitted to purchase or sell by other means and where the Trust intends to take or make the required delivery. The Trust may acquire put options in conjunction with a purchase of Portfolio securities; it may also purchase put options and write call options covered by securities held in the respective Portfolio (and purchase offsetting call options in closing purchase transactions), provided that the put option purchased or call option written at all times remains covered by Portfolio securities, whether directly or by conversion or exchange rights; but it may not otherwise invest in or write puts and calls or combinations thereof. Investments in warrants, valued at the lower of cost or market, may not exceed 5% of the Trust's net assets and included within that amount, but not to exceed 2% of the value of the Trust's assets, may be warrants which are not listed on the New York or American Stock Exchanges.

Except as otherwise specifically provided, the foregoing percentage limitations need only be met when the investment is made or other relevant action is taken. As a matter of operating policy in order to comply with certain applicable state restrictions, but not as a fundamental policy, the Trust will not pledge, mortgage or hypothecate in excess of 10% of a Portfolio's total assets taken at market value. Although permitted to do so by its fundamental policies, it is the Trust's current policy not to acquire put options or write call options for the Government and Maximum Income Portfolios.

Notwithstanding the Trust's fundamental policies, it does not presently intend to borrow (including engaging in reverse repurchase agreement transactions) for investment purposes nor to borrow (including engaging in reverse repurchase agreement transactions) for any purpose in amounts in excess of 5% of its total assets. If the Trust were to borrow for the purpose of making additional investments, such borrowing and investment would constitute "leverage." Leverage would exaggerate the impact of increases or decreases in the value of a Portfolio's total assets on its net asset value, and thus increase the risk of holding the Trust's shares. Furthermore, if bank borrowings by the Trust for any purpose exceeded one-third of the value of the

Trust's total assets (net of liabilities other than the bank borrowings), then the Investment Company Act of 1940 would require the Trust, within three business days, to liquidate assets and commensurately reduce bank borrowings until the borrowing level was again restored to such one-third level. Funds borrowed for leverage purposes would be subject to interest costs which might not be recovered by interest, dividends or appreciation from the respective securities purchases. The Trust might also be required to maintain minimum bank balances in connection with such borrowings or to pay line-of-credit commitment fees or other fees to continue such borrowings; either of these requirements would increase the cost of the borrowing.

In connection with the Trust's limitation on the industry concentration of its investments, domestic banks and their branches may include the domestic branches of foreign banks, to the extent such domestic branches are subject to the same regulation as United States banks; but they will not include the foreign branches of domestic banks unless the obligations of such foreign branches are unconditionally guaranteed by the domestic parent.

If the Trust alters any of the foregoing current operating policies (relating to financial futures contracts, options, warrants or borrowing), it will notify shareholders of the policy revision at least 30 days prior to its implementation and describe the new investment techniques to be employed. In the implementation of its investment policies the Trust will not consider securities to be readily marketable unless they have readily available market quotations.

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.

The 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 of both Portfolios at the Trust's first annual meeting.

The Investment Advisory Agreement may be terminated at any time, without penalty, by the Trustees or, with respect to any series or class of the Trust's shares, by the vote of a majority of the outstanding voting securities of that series or class (see "Organization of the Trust"), 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 Government Investors Trust, a money market fund which invests solely in U.S. Government securities. The Adviser also serves as the investment adviser to 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 and President and Treasurer of the Trust. Mr. Cleveland holds the same respective positions with Government Investors 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 5/8 percent per annum of the average daily net assets of each of the Trust's Portfolios during the month. 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 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 each Portfolio's aggregate daily average net assets up to $30 million; two percent of any 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 has discretion to elect to do so. The Investment Advisory Agreement permits the Adviser to make payments out of its fee to other persons.

During the fiscal year ended March 31, 1995, the Adviser received advisory fees of $48,356 with respect to the Government Portfolio and $44,235 with respect to the Maximum Income Portfolio. During the fiscal year ended March 31, 1994, the Adviser received advisory fees of $60,470 with respect to the Government Portfolio and $49,021 with respect to the Maximum Income Portfolio. During the fiscal year ended March 31, 1993, the Adviser received advisory fees of $55,416 with respect to the Government Portfolio and $42,928 with respect to the Maximum Income Portfolio.

Organization of The Trust

The Trust's Declaration of Trust, dated November 18, 1982, 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, including the series of shares currently authorized (see "The Trust and Its Shares").

Series 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, methods of share distribution 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 of any series into a greater or lesser number of shares without thereby changing the proportionate interests in the series. Any assets, income and expenses of the Trust not readily identifiable as belonging to a particular series are allocated by or under the direction of the Trustees in such a manner as they deem fair and equitable. Upon any liquidation of the Trust or of a series of its shares, the shareholders are entitled to share pro-rata in the liquidation proceeds available for distribution. Shareholders of each series have an interest only in the assets allocated to that series.

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 23, 1995, Firstcinco, Trustee, P.O. Box 118, Cincinnati, Ohio 45201 held seven percent of the Government Portfolio. No shareholder held five percent or more of the Maximum Income Portfolio.

Shareholder votes relating to the election of Trustees, approval of the Trust's selection of independent public auditors and any contract with a principal underwriter, as well as any other matter in which the interests of all shareholders are substantially identical, will be voted upon without regard to series or classes of shares. Matters that do not affect any interest of a series or class of shares will not be voted upon by the unaffected shareholders. Certain other matters in which the interests of more than one series or class of shares are affected, but where such interests are not substantially identical, will be voted upon separately by each series or class affected and will require a majority vote of each such series or class to be approved by it. When a matter is voted upon separately by

more than one series or class of shares, it may be approved with respect to a series or class even if it fails to receive a majority vote of any other series or class or fails to receive a majority vote of all shares entitled to vote on the matter.

Because there is no 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 matters requiring votes by the shareholders. The selection of the Trust's independent auditors will be submitted to a vote of ratification at any annual meeting 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 policies of the Trust must be approved by a majority of the affected shareholders before it can become effective. For this purpose, a "majority" of the shares of the Trust means either the vote, at an annual or special meeting of the shareholders, of 67 percent or more of the shares present at such meeting if the holders of more than 50 percent of the outstanding shares of the Trust are present or represented by proxy or the vote of 50 percent of the outstanding shares of the Trust, whichever is less. Voting groups will be comprised of separate series and classes of shares or of all of the Trust's shares, as appropriate to the matter being voted upon.

The Declaration of Trust provides that two-thirds of the holders of record of the Trust's shares may remove a Trustee from office either by declarations in writing filed with the Trust's Custodian or by votes cast in person or by proxy at a meeting called for the purpose. The Trustees are required to promptly call a meeting of shareholders for the purpose of voting on removal of a Trustee if requested to do so in writing by the record holders of at least 10% of the Trust's outstanding shares. Ten or more persons who have been shareholders for at least six months and who hold shares with a total value of at least $25,000 (or 1% of the Trust's net assets, if less) may require the Trustees to assist a shareholder solicitation to call such a meeting by providing either a shareholder mailing list or an estimate of the number of shareholders and approximate cost of the shareholder mailing, in which latter case, unless the Securities and Exchange Commission determines otherwise, the shareholders desiring the solicitation may require the Trustees to undertake the mailing if those shareholders provide the materials to be mailed and assume the cost of the mailing.

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. Thus, 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 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
Chairman of Trustees; President and Treasurer

Founder and President of GIT Investment Funds and of 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 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 22209-3108
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 Corp.; formerly Vice President of Ferris & Company, Inc. (now Ferris, Baker Watts). A Certified Financial Planner and a 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 $4,000 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. The Trustees have stipulated that their compensation will be at 25% of the regular rate until the net assets of the Trust reach $25 million and 50% of the regular rate until the net assets of the Trust reach $50 million. 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	$4,000	0	0	$18,000
John D. Reilly	$4,000	0	0	$18,000

Smith T. Wood	$4,000	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 23, 1995, the Trustees and officers of the Trust directly or indirectly owned as a group less than 1% of the shares in each of the Trust's Portfolios.

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 auditors; 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; of trade association membership; and 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 and principal underwriter under a Distribution Agreement, dated January 11, 1983, as amended and restated as of July 3, 1985. The Distribution Agreement had 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 Distributor may act as the Trust's agent for any sales of its shares. The Trust may also sell its shares directly to any party. 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 A. Bruce Cleveland (see "The Investment Adviser").

Portfolio Transactions

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

In general, in the purchase and sale of Portfolio securities the Trust will seek 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 paid no aggregate brokerage commissions.

Owing to the nature of the market for debt securities, the Trust expects that most Portfolio transactions will be made directly with an underwriter, issuer or dealer acting as a principal, and thus will not involve the payment of commissions, although purchases from an underwriter will involve payments of fees and concessions by the issuer to the underwriting 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.

The Trust does not expect to engage in a significant amount of short-term trading, but securities may be purchased and sold in anticipation of market fluctuations, as well as for other reasons. The Trust anticipates that annual Portfolio turnover for each of its Portfolios generally will not exceed 100%. The actual turnover rate, however, will not be a limiting factor if the Trust deems it desirable to conduct purchases and sales of Portfolio securities. Reference should be made to the Prospectus for actual rates of Portfolio turnover (see "Selected Per Share Data and Ratios ").

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 such 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 commercial bank insured by the Federal Deposit Insurance Corporation or by a member firm of the New York Stock Exchange. The Trust also 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 such guidelines as they deem appropriate to govern the level of subaccounting service that can be provided to individual 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 presently 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 applicable net asset value determined at the end of the next business day. Items received by the Trust after 1 p.m. Washington, DC time will be converted into shares of the Trust at the applicable 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 p.m. 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. "

Telephone exchanges from another account or other GIT funds will be considered received in federal funds on the day of the telephone request, provided the telephone request has been received by 12:30 p.m., Washington, DC time (the daily wire withdrawal deadline) and sufficient collected funds are available for immediate withdrawal from the appropriate fund account at that time. 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 in the Trust for any reason and may at any time suspend all new investment in the Trust. The Trust may also, in its discretion or at the instance of the Adviser, decline to give recognition as an investment to funds wired for credit to either type of account, 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 value which are incurred by the Trust as 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 by the Trust or if shares are purchased by a check which, after deposit, is returned unpaid or proves uncollectible, then the share purchase may be canceled immediately or the purchased shares may be immediately redeemed. The investor that 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 accepted 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 all 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 all 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 4 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. The Trust calculates net asset values 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 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, should the share net asset value of the respective Portfolio fall as a result of normal market value changes, that amounts available for withdrawal from an account could be less than the amount of the original investment. All withdrawals from the Trust will be affected by the redemption of the appropriate number of whole and fractional shares having a net asset value equal to the amount withdrawn. In cases where investors are paid immediately in cash for redemptions not exceeding 80% of the most recent account value, the number of

shares redeemed from the account to cover the immediate payment will nevertheless be determined according to the net asset value per share next determined after receipt of the withdrawal request.

The Trust will use its best efforts in normal circumstances to handle withdrawals within the times previously given. However, it may for any reason it deems sufficient suspend the right of redemption or postpone payment for any 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 any 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 in the original account Application or by means of subsequent written notice signed by the authorized signers for the account, then 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 the 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 value 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, then 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 purporting to act with the authority of another person or on behalf of a corporation or other legal entity. Each such individual must provide a corporate resolution or other appropriate evidence of his or her 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; except, however, that the Trust has elected, 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 fair 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 IRA, Keogh or 403(b) 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, when calculated, each business day. Calculation of accumulated net income for each of the Trust's portfolios will be made just prior to calculation of the portfolio's net asset value (see "Determination of Net Asset Value"). The amount of such net income will reflect the interest income (plus any discount earned less premium amortized), and expenses accrued by the Portfolio reflected since the previously declared dividends.

Realized capital gains and losses and unrealized appreciation and depreciation are reflected as changes in net asset value per share of the Trust's portfolios. Premium on securities purchased is amortized daily as a charge against income.

Dividends are payable to shareholders of record at the time as of which they are determined. Dividends are paid in the form of additional shares of the Trust 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 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 (4 p.m., Washington, DC time) on a given day will be considered a shareholder of record for the 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" will be 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 each portfolio of the Trust, and of the respective shares, is calculated each day the New York Stock Exchange is open for trading. 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 on 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.

Net asset value per share of each portfolio 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 that represent an interest in the portfolio. These calculations are performed by the Trust and for its account, pursuant to the Services Agreement (see "Administrative and Other Expenses"). The Trust's shares are redeemed at net asset value. Shares of the Trust are offered at net asset value.

Securities for which current market quotations are readily available are valued at the mean between their bid and ask prices; securities for which current market quotations are not readily available are valued at their fair value as determined in good faith by the Trustees. Securities having a remaining effective maturity of 60 days or less are valued at their amortized cost, subject to the Trustees' determination that this method reflects their fair value. The Trustees may authorize reliance upon an independent pricing service for the determination of securities values. An independent pricing service 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. The Trust's shares are priced by rounding their value to the nearest one-tenth of one cent.

Valuation of Futures Contracts. Although initial margin must be posted when financial futures contracts are acquired and a maintenance margin may be required as the value of the contracts changes, such margin deposits remain an asset of the respective portfolio. Any financial futures contracts held by the portfolio will be marked to the market each business day, so that the difference between the contract price of the futures contracts and their corresponding current market price will be reflected daily as unrealized gains or losses. When a futures contract is liquidated by acquiring an offsetting contract, then either a gain or a loss will be realized, reflecting the difference between the prices of the original and the offsetting contracts. If a futures contract is held until delivery and settlement is made, then the transaction will be treated as a purchase or sale of the underlying securities at the contract price.

Futures contracts are valued at the daily settlement price determined by the commodity exchange where they are traded, if available, or otherwise at fair value, taking into account the most recent settlement, bid or asked prices available, as determined in good faith by the Trustees or by the Adviser according to procedures approved by the Trustees.

Valuation of Options Held or Written. Options held by a Portfolio and liabilities for options written by a portfolio are valued in the same manner as futures contracts, if they are traded on a commodity exchange. Other options are valued at the last reported sale price of the options, or if no sales are reported, at the mean between the last reported bid and asked prices for the current day, if available, or otherwise at fair value as determined in good faith by the Trustees or by the Adviser according to procedures approved by the Trustees.

When put or call options are written, the premium received is reflected on the portfolio's books as a cash asset that is offset by a deferred credit liability, so that the premium received has no impact on net asset value at that time. The deferred credit amount is then marked to the market value of the outstanding option contract daily. If an option contract on securities is exercised, then the Trust will reflect, as appropriate, either a purchase or sale of the securities (when a call is exercised, the securities may be either held by the Portfolio or purchased for delivery in the open market). The purchase or sale price for the securities will be equal to the exercise price of the option, adjusted by the amount of the option premium previously received; the previously established deferred credit liability will then be extinguished. If an option contract on financial futures is exercised, the portfolio will acquire either a long or a short position in the underlying futures contract; a gain or loss will then be recognized equal to the option premium previously received, reduced by the difference between the option exercise price and the current market value of the futures contract, and the previously established deferred credit liability will be extinguished. If an option expires without being exercised (or if it is offset by a closing purchase transaction), then the portfolio will recognize the deferred credit as a gain (reduced by the cost of any closing purchase transaction).

Additional Tax Matters

To qualify as a "regulated investment company" 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 and avoid imposition of the excise tax.

The Trust must 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 regular dividends paid by the Trust is expected to be eligible for the dividends received deduction for corporate shareholders (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 each portfolio 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. Shareholders should carefully consider the tax implications of buying the Trust's shares just prior to declaration of a regular or capital gains dividend. Prior to the declaration, the value of the distribution will be reflected in net asset value per share and thus will be paid for by the shareholder when the shares are purchased; when the dividend is declared the amount to be distributed will be deducted from net asset value, lowering the value of the shareholder's investment by the same amount, but the shareholder will nevertheless be taxed on the amount of the dividend without any offsetting deduction for the drop in share value until the shares are ultimately redeemed. A loss on the sales of shares held for six months or less will be treated as a long-term capital loss to the extent of any capital gains dividend received.

Special rules apply to the taxation of financial futures contracts and options that may be acquired or written by the Trust. The holding period of securities purchased may be affected by hedging transactions, such as the purchase of puts or the sale of calls against those securities. Hedging transactions involving debt securities and either futures or options contracts are considered "mixed straddles" under the Code, meaning that any losses realized from one part of the transaction may only be deducted to the extent that they exceed any unrecognized gains in offsetting positions.

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 so concentrated as to make the Trust a personal holding company under the Code.

State and Local Taxes. Dividends paid by the Trust are generally expected to be subject to any state or local taxes on income. Interest on U.S. Government securities may be entitled to an exemption from State and local income taxes that is otherwise available to the shareholder if he had purchased U.S. Government securities directly. Shareholders should consult their tax advisers about the status of distributions from the Trust in their own tax jurisdictions.

Yield and Total Return Calculations

In order to provide a basis for comparisons of the Trust's portfolios with similar funds, with comparable market indices, and with investments such as savings accounts, savings certificates, taxable and tax-free bonds, money market funds and money market instruments, the Trust calculates yields and total return for each of its portfolios.

Standardized Yield. For advertising and certain other purposes, the yield of each portfolio is calculated according to a standardized formula prescribed by the Securities and Exchange Commission. Such standardized yields are calculated by adding one to the respective Portfolio's total daily theoretical net income per share during a given 30-day period divided by the portfolio's maximum offering price per share on the last day of the period, raising the result to the sixth power, subtracting one, and multiplying the result by two. Such standardized yields may be calculated daily; weekly, as of each Friday; and monthly, as of the last day of each month.

For purposes of such yield calculations, the daily theoretical gross income of each obligation in a portfolio is determined as 1/360 of the obligation's yield to maturity (or put or call date in certain cases), based upon its current value (defined as the obligation's closing market value that day, plus any accrued interest), multiplied by such current value. A portfolio's daily theoretical gross income is the sum of the daily theoretical gross income amounts computed for each of the obligations in the portfolio. A portfolio's total daily theoretical net income per share during a given 30-day period is the portfolio's daily theoretical gross income, less daily expenses accrued (as reduced by any expenses waived or reimbursed by the Adviser), totalled for each day in the period and divided by the average number of shares outstanding during the period.

Total Return. Average annual total return is calculated by finding the compounded annual rate of return over a given period that would be required to equate an assumed initial investment in

the portfolio to the ending redeemable value the investment would have had at the end of the period, taking into account the effect of the changes in the portfolio's share price during the period and any recurring fees charged to shareholder accounts, and assuming the reinvestment of all dividends and other distributions at the applicable share price when they were paid. Non-annualized aggregate total returns may also be calculated by computing the simple percentage change in value that equates an assumed initial investment in the portfolio with its redeemable value at the end of a given period, determined in the same manner as for average annual total return calculations.

Representative Yield and Total Return Quotations. As of March 31, 1995, the standardized 30-day yield of the Government Portfolio was 5.49% per annum and of the Maximum Income Portfolio was 8.76% per annum.

For the year ended March 31, 1995, the average annualized total return of the Government Portfolio was 2.67% and of the Maximum Income Portfolio was 3.75%. For the calendar quarter ending March 31, 1995, the non-annualized aggregate total return of the Government Portfolio was 3.97% and of the Maximum Income Portfolio was 3.40%.

For the five years ended March 31, 1995, the average annualized total return of the Government Portfolio was 7.50% and its non-annualized aggregate total return was 43.54%.

For the five years ended March 31, 1995, the average annualized total return of the Maximum Income Portfolio was 9.14% and its non-annualized aggregate total return was 54.82%.

For the ten years ended March 31, 1995, the average annualized total return of the Government Portfolio was 8.93% and its non-annualized aggregate total return was 135.22%.

For the ten years ended through March 31, 1995, the average annualized total return of the Maximum Income Portfolio was 7.94% and its non-annualized aggregate total return was 114.69%.

Performance Comparisons. From time to time, in advertisements or in reports to shareholders and others, the Trust may compare the performance of its portfolios to that of recognized market indices or may cite the ranking or performance of its portfolios 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.

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 Government Portfolio will be compared to mutual funds categorized as "General U.S. Government Funds" and the performance of the Maximum Income Portfolio will be compared to mutual funds categorized as "High Current Yield Funds". If either of these categories should be changed by Lipper Analytical Services, Inc., comparisons will be made thereafter based on the revised categories.

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, 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.

Average Maturities. The Trust also calculates average maturity information for each of its portfolios. The "average maturity" of a 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 4 p.m. Washington, DC time). Thus, the average maturity represents a dollar-weighted average of the effective maturities of portfolio investments. The "mean average maturity" of a portfolio over some period, such as seven days, a month or a year, represents the arithmetic mean (i.e., simple average) of the daily average maturity figures for the portfolio during the respective period.

It should be noted that the investment results of the Trust's portfolios will tend to fluctuate over time, and so historical yields and total returns should not be considered representations of what an investment may earn in any future period. Actual distributions to shareholders will tend to reflect changes in market interest rates, and will also depend upon the level of the Trust's expenses, 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 and total returns may be either higher or lower than past results, and there is no assurance that any historical performance record will continue.

Custodians and Special Custodians

Star Bank, N.A., 425 Walnut Street, 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.

The Trust may appoint as Special Custodians, from time to time, 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, acts as legal counsel to the Trust.

Ernst & Young LLP, 1225 Connecticut Avenue, NW, Washington, DC 20036 serves 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. Such Report has been filed with the Securities and Exchange Commission and is furnished to investors with this Statement of Additional Information. Additional 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.

Quality Ratings

All U.S. Government securities that may be acquired by the Trust are expected to be classified as "High Grade" investments. Any obligation of a bank or savings and loan association having total assets of at least $750 million (or the foreign currency equivalent) as of the end of its most recent fiscal year, provided it earned a profit during that year, is eligible to be classified "High Grade"; but the actual classification of such obligations will be subject to such additional liquidity, profitability and other tests as the Adviser deems appropriate in the circumstances.

The Trust will determine the grade or credit quality of other securities it may acquire principally by reference to the ratings assigned by the two principal private organizations which rate Municipal Securities: Moody's Investors Service, Inc. ("Moody's") and Standard and Poor's Corporation ("S&P"). In cases where both Moody's and S&P rate an issue, it will be graded according to whichever of the assigned ratings the Adviser deems appropriate; in cases where neither organization rates the issue it will be graded by the Adviser following standards which, in its judgment, are comparable to those followed by Moody's and S&P. All grading procedures followed by the Adviser will be subject to review by the Trustees.

Corporate Obligations. For corporate obligations, Moody's uses ratings Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C; S&P uses ratings AAA, AA, A, BBB, BB, B, CCC, CC and C. Notes and bonds rated Aaa or AAA are judged to be of the best quality; interest and principal are secure and prices respond only to market rate fluctuations. Notes and bonds rated Aa or AA are also judged to be of high quality, but margins of protection for interest and principal may not be quite as good as for the highest rated securities.

Notes and bonds rated A are considered upper medium grade by each organization; protection for interest and principal is deemed adequate but susceptible to future impairment, and market prices of such obligations, while moving primarily with market rate fluctuations, also may respond to economic conditions and issuer credit factors.

Notes and bonds rated Baa or BBB are considered medium grade obligations; protection for interest and principal is adequate over the short term, but these bonds may have speculative characteristics over the long term and therefore may be more

susceptible to changing economic conditions and issuer credit factors than they are to market rate fluctuations.

Notes and bonds rated Ba or BB are considered to have immediate speculative elements and their future can not be considered well assured; protection of interest and principal may be only moderate and not secure over the long term; the position of these bonds is characterized as uncertain.

Notes and bonds rated B or lower by each organization are generally deemed to lack desirable investment characteristics; there may be only small assurance of payment of interest and principal or adherence to the original terms of issue over any long period.

Issues rated Caa or CCC and below may also be highly speculative, of poor standing and may even be in default or present other elements of immediate danger to payment of interest and principal.

Obligations rated Baa or above by Moody's or rated BBB or above by S&P are considered "investment grade" securities, whereas lower rated obligations are considered "speculative grade" securities.

Commercial Paper. Commercial paper is rated by Moody's with "Prime" or "P" designations, as P-1, P-2 or P-3, all of which are considered investment grades. In assigning its rating, Moody's considers a number of credit characteristics of the issuer, including: (1) industry position; (2) rates of return; (3) capital structure; (4) access to financial markets; and (5) backing by affiliated companies. P-1 issuers have superior repayment capacity and credit characteristics; P-2 issuers have strong repayment capacity but more variable credit characteristics; while P-3 issuers have acceptable repayment capacity, but highly variable credit characteristics and may be highly leveraged.

S&P rates commercial paper as A-1, A-2 or A-3. To receive a rating from S&P the issuer must have adequate liquidity to meet cash requirements, long-term senior debt rated A or better (except for occasional situations in which a BBB rating is permitted), and at least two additional channels of borrowing. The issuer's basic earnings and cashflow must have an upward trend (except for unusual circumstances) and, typically, the issuer's industry is well established and it has a strong position within the industry. S&P assigns the individual ratings A-1, A-2 and A-3 based upon its assessment of the issuer's relative strengths and weaknesses within the group of ratable companies.

For purposes of its investment criteria, the Trust considers only commercial paper rated A-1, P-1, or of a credit standing deemed equivalent by the Adviser, to be "High Grade."

Part C
July 31, 1995
GIT Income 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 GIT Income Trust.

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

None

Cross Reference Sheet Page 2
Pursuant to Rule 495(a)

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	1,054

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 Government Investors 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.

GIT Income 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	7/28/95

```
                               (Principal Executive
                               Officer, Principal
                               Financial Officer)


                                 Trustee
John D. Reilly <F1>                                 (Date)


                                 Trustee
Thomas S. Kleppe <F1>                               (Date)


                                 Trustee
Smith T. Wood <F1>                                  (Date)


(Signature),         [FN]<F1>Attorney-In-Fact[/FN] 7/28/95
John A. Dudley, Esquire
```

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   <NAME> MAXIMUM INCOME PORTFOLIO

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</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 15 to Registration Statement Number 2-80808 (Form N-1A) of our report dated May 5, 1995, on the financial statements and financial highlights of GIT Income Trust (comprising the Maximum Income and Government Portfolios) 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

Maximum Income Portfolio
Government Income Portfolio

Annual Report
March 31, 1995/Audited

GIT
GIT INVESTMENT FUNDS

Management's Discussion of Fund Performance
May 15, 1995

Dear Shareholder:

The "bearish" tone of the bond market discussed in our last report has given way to a more positive outlook as participants now anticipate decelerating growth and the possibility of a "soft landing" for the U.S. economy. Slowing economic growth, stable employment, and little change in inflation have led to expectations that the Federal Reserve's monetary tightening may be coming to an end.

Reflecting the bond market's favorable reaction to these trends, the yield on 30-year Treasury bonds fell from 7.82% on September 30, 1994 to 7.43% on March 31, 1995. At the start of the fiscal year on April 1, 1994, the yield on the 30-year bond had been 7.09%. As of this writing, the 30-year yield has fallen further to 6.94%, as rising bond prices went on to recover a significant portion of their 1994 losses.

However, yields increased during much of the fiscal year, hitting their peak in late 1994 before the yield curve began to flatten dramatically in December. Firm economic growth throughout 1994 led to expectations of higher inflation and further tightening by the Federal Reserve. But in the first quarter of 1995, reported data showed a slowing in auto and home sales. Inflation remained contained at both the wholesale and retail level, and with signs that the economy was slowing down bonds rallied as the market concluded that the Federal Reserve was unlikely to raise rates again soon.

The Government Portfolio had a strong first half as we maintained a relatively short average maturity while interest rates rose. We were too bearish in the second half, however, on expectations of higher inflation, and for the fiscal year, we slightly underperformed our peer group. The portfolio has since been shifted from a "barbell" to a "ladder" structure, meaning that our maturity mix is now more evenly distributed across the spectrum from short- to long-term investments, rather than being concentrated at the short and long ends. This change has extended our average maturity, and has enabled us to capture some of the improvement in prices for the intermediate maturities.

The current outlook for the bond market seems favorable, with low inflation and moderating growth. While a weak dollar is of concern for imported inflation, slow growth may dampen the rate of price increases. Indeed, dollar support operations by foreign central banks, particularly the Bank of Japan, have even contributed to the demand for U.S. Treasury securities. This demand has lowered yields, as U.S. dollars purchased in the open market are reinvested in Treasury investments. However, longer term securities appear to still offer value with attractive "real" interest rates, in an environment of restrained inflation. Furthermore, if the new Congress succeeds in eliminating the federal deficit over a period of years, one of the major influences holding real interest rates high will have been eliminated.

We are pleased to report that our Maximum Income Portfolio outperformed its peer group by over 200 basis points for the fiscal year. Lipper Analytical Services ranked the Maximum Income Portfolio 29th out of 99 funds in the High Current Yield Fund category for the one-year period ending March 31, 1995.

Our exposure to economically sensitive issues in the Maximum Income portfolio enhanced our relative performance as many companies in the steel, paper, and chemical areas reported improving cash flows while the economy strengthened. Also contributing to our good performance was our underweighting in the gaming and emerging market sectors, which underperformed the high yield market over the fiscal year.

The current environment for high yield investing remains favorable from both a technical and fundamental viewpoint. On the economic front, the Fed seems unlikely to slow the economy further with additional tightening. Meanwhile, moderate growth and inflation have contributed to declining longer term interest rates. Cash flows into high yield mutual funds remain firm, with over $2 billion in inflows since the start of the year as measured by AMG data services. Issuance is at a reasonable pace and with many lower-rated companies approaching investment grade status, the available supply of high yield bonds may decrease. With moderate economic growth and firm demand, high yield bonds currently offer an attractive investment alternative.

We appreciate your confidence in GIT Investment Funds, and encourage you to look at all 13 of our no-load offerings.

Sincerely,

(signature)

A. Bruce Cleveland
President

Comparison of Changes in the Value of a $10,000 Investment and the Shearson Lehman Aggregate Bond Index

Depicted herein is a graphic presentation consisting of two charts comparing the values of a $10,000 investment made to each of the portfolios against the Shearson Lehman Aggregate Bond Index. Through the use of line graphs, the following information is presented:

Value (as of March 31, 1995) of a $10,000 investment made on March 31, 1985 in the Maximum Income Portfolio: $21,468. Average Annual Total Returns: 1 year - 3.75 percent, 5 year - 9.14 percent and 10 year - 7.94 percent.

Value (as of March 31, 1995) of a $10,000 investment made on March 31, 1985 in the Government Portfolio: $23,522. Average Annual Total Returns: 1 year - 2.67 percent, 5 year - 7.50 percent and 10 year - 8.93 percent.

Corresponding value of the Shearson Lehman Aggregate Bond Index: $26,511

Past performance is not predictive of future performance.

<TABLE>

Average Annual Total Return

<CAPTION>

<S>	1 year <C>	5 years <C>	10 years <C>
Maximum Income Portfolio	3.75%	9.14%	7.94%
Government Portfolio	2.67%	7.50%	8.93%

</TABLE>

Report of Ernst & Young LLP, Independent Auditors

To the Board of Trustees and Shareholders, the Maximum Income Portfolio and the Government Portfolio, GIT Income Trust:

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of GIT

Income Trust (comprising, respectively, Maximum Income and Government Portfolios), as of March 31, 1995, and the related statements of operations for the year then ended, the statements 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 each of the respective portfolios constituting GIT Income Trust at March 31, 1995, the results of their operations for the year then ended, the changes in their 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

(signature)

Washington, DC
May 5, 1995

<TABLE>

Maximum Income Portfolio
Portfolio of Investments - March 31, 1995

<CAPTION>

Credit Rating <F1> Moody's	S&P<F2>		Principal Amount	Value
<C>	<C>	<S>	<C>	<C>
		CORPORATE DEBT SECURITIES: 86.6% of Net Assets		
		CABLE TELEVISION: 10.5%		
B3	B	Cablevision Systems Corporation, Senior Subordinated Debentures, 9.875%, 2/15/13	$250,000	$238,750
Ba3	BB-	Century Communications Corporation, Senior Notes, 9.5%, 3/1/05	250,000	240,000
B1	B+	Viacom, Inc., Subordinated Debentures, 8%, 7/7/06	250,000	226,250
		CHEMICAL: 7.4%		
B1	B	NL Industries Inc., Senior Secured Notes, 11.75%, 10/15/03	250,000	256,250
B1	B+	Uniroyal Chemicals Company Inc., Senior Notes, 9%, 9/1/00	250,000	241,250
		COMMUNICATIONS: 8.4%		
B3	B-	Chancellor Broadcasting Co., Senior Subordinated Notes, 12.5%, 10/1/04	250,000	250,000
Ba3	BB-	Infinity Broadcasting Corporation, Senior Subordinated Notes, 10.375%, 3/15/02	60,000	62,100
B3	B-	SFX Broadcasting, Inc., Senior Subordinated Notes, 11.375%, 10/1/00	250,000	255,000
		CONTAINERS: 3.8%		
B2	B+	Owens-Illinois, Inc., Senior Subordinated Notes, 10.5%, 6/15/02	250,000	252,500
		FOREST & PAPER PRODUCTS: 14.9%		

B2	B+	Container Corporation of America, Guaranteed Senior Notes, 10.75%, 5/1/02	250,000	257,500
B1	B	Riverwood International Corporation, Senior Subordinated Notes, 11.25%, 6/15/02	250,000	263,750
B1	B	Stone Container Corporation, Senior Notes, 9.875%, 2/1/01	250,000	242,500
B3	B-	Wickes Lumber Company, Senior Subordinated Notes, 11.625%, 12/15/03	250,000	237,500
		GAMING: 9.3%		
B2	B	Aztar Corporation, Senior Subordinated Notes, 11%, 10/1/02	400,000	391,000
B2	B+	Bally's Grand, Inc., First Mortgage Notes, 10.375%, 12/15/03	250,000	234,375
		HEALTHCARE: 3.8%		
Ba3	B+	National Medical Enterprises, Inc., Senior Subordinated Notes, 10.125%, 3/1/05	250,000	256,563
		HOMEBUILDING: 3.5%		
B1	B	Continental Homes Holding Corp., Senior Notes, 12%, 8/1/99	250,000	235,000
		MANUFACTURING: 4.0%		
Ba3	B+	American Standard Companies, Inc., Senior Debentures, 11.375%, 5/15/04	250,000	271,250
		RESTAURANTS: 3.4%		
B3	B+	Carrols Corporation, Senior Notes, 11.5%, 8/15/03	250,000	230,000
		RETAIL-GROCERY: 6.7%		
Ba3	BB-	Penn Traffic Company, Senior Notes, 10.25%, 2/15/02	250,000	251,250
B3	B	Super Markets General Holding Co., Subordinated Notes, 11.625%, 6/15/02	200,000	198,000

		STEEL: 7.2%		
B1	B+	WCI Steel, Inc., Senior Notes, 10.5%, 3/1/02	250,000	241,250
B2	B	Weirton Steel Corporation, Senior Notes, 10.875%, 10/15/99	250,000	243,750
		TEXTILES-APPAREL: 3.7%		
Ba3	BB-	Tultex Corporation, Senior Notes, 10.625%, 3/15/05	250,000	250,000
		TOTAL CORPORATE DEBT SECURITIES (Cost $5,851,383) <F3>		5,825,788
		REPURCHASE AGREEMENT: 11.0% of Net Assets With Donaldson, Lufkin & Jenrette Securities Corporation issued 3/31/95 at 6.15% due 4/3/95 collateralized by $751,831 in United States Treasury Bills due 4/15/95. Total proceeds at maturity are $737,378. (Cost $737,000)<F3>		737,000
		TOTAL INVESTMENTS (Cost $6,588,383) <F3>		$6,562,788

</TABLE>

See Notes to Portfolio of Investments.

<TABLE>

Government Portfolio
Portfolio of Investments - March 31, 1995

<CAPTION>

Credit Rating <F1> Moody's	S&P<F2>		Principal Amount	Value
<C>	<C>	<S>	<C>	<C>
		U.S. GOVERNMENT OBLIGATIONS: 92.5% of Net Assets		
Aaa	AA	United States Treasury Bonds, 7.5%, 11/15/24	$1,000,000	$1,001,870

Aaa	AAA	United States Treasury Bonds, 7.625%, 2/15/25	1,000,000	1,021,560
Aaa	AAA	United States Treasury Notes, 4.25%, 12/31/95	1,000,000	984,690
Aaa	AAA	United States Treasury Notes, 7.125%, 2/29/00	1,000,000	1,001,410
Aaa	AAA	United States Treasury Notes, 7.75%, 2/15/01	1,000,000	1,029,690
Aaa	AAA	United States Treasury Notes, 7.5%, 2/15/05	2,000,000	2,040,620
		TOTAL U.S. GOVERNMENT OBLIGATIONS (Cost $7,047,237)<F3>		7,079,840
		REPURCHASE AGREEMENT: 6.7% of Net Assets With Donaldson, Lufkin & Jenrette Securities Corporation issued 3/31/95 at 6.15%, due 4/3/95 collateralized by $522,303 in United States Treasury Bills due 4/15/95. Proceeds at maturity are $512,262. (Cost $512,000)<F3>		512,000
		TOTAL INVESTMENTS (Cost $7,559,237)<F3>		$7,591,840

Notes to Portfolio of Investments:
<FN>
<F1>
Unaudited

<F2>
Moody's Moody's Investors Service, Inc.
S&P Standard & Poor's Corporation

<F3>
Aggregate cost and net unrealized appreciation (depreciation) of investments for federal income tax purposes is as follows:

	Maximum Income Portfolio	Government Portfolio
Aggregate cost	$6,588,383	$7,559,237
Gross unrealized		

appreciation	$60,320	$51,331
Gross unrealized depreciation	(85,915)	(18,728)
Net unrealized appreciation/ (depreciation)	$(25,595)	($32,603

</FN>

</TABLE>

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

<TABLE>

Statements of Assets and Liabilities
March 31, 1995

<CAPTION>

	Maximum Income Portfolio	Government Portfolio
<S>	<C>	<C>
ASSETS		
Investments, at value (Notes 1 and 2) (Cost $6,588,383 and $7,559,237, respectively)		
Investment securities	$5,825,788	$7,079,840
Repurchase agreement	737,000	512,000
Total investments	6,562,788	7,591,840
Cash	400	43
Receivables		
Interest	174,160	85,999
Share subscription (Note 1)	215	--
Total assets	6,737,563	7,677,882
LIABILITIES		
Payables		

Capital stock redeemed	1,571	22,402
Shares reserved for subscription (Note 1)	215	--
Dividends	9,333	2,387
Other liabilities	57	104
Total liabilities	11,176	24,893
NET ASSETS (Note 5)	$6,726,387	$7,652,989
CAPITAL SHARES OUTSTANDING	969,537	801,310
NET ASSET VALUE PER SHARE	$6.938	$9.551

</TABLE>

<TABLE>

Statements of Operations
For the Year Ended March 31, 1995

<CAPTION>

<S>	Maximum Income Portfolio <C>	Government Portfolio <C>
INVESTMENT INCOME (Note 1)		
Interest income	$715,636	$438,134
EXPENSES (Notes 3 and 4)		
Investment advisory fee	44,235	48,356
Custodian	2,943	3,219
Professional fees	5,842	7,076
Salaries and related expenses	24,254	26,708
Securities registration and blue sky expenses	9,109	9,102
Telephone expense	1,797	1,976
Data processing and office equipment expenses	12,152	13,316
Office and miscellaneous expenses	6,905	7,468
Depreciation and amortization	695	767
Total expenses	107,932	117,988
NET INVESTMENT INCOME	607,704	320,146
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		

Net realized loss on investments	(740,266)	(565,914)
Net unrealized appreciation of investments	373,832	437,937
NET LOSS ON INVESTMENTS	(366,434)	(127,977)
TOTAL INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$241,270	$192,169

</TABLE>

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

<TABLE>

Statements of Changes in Net Assets
For the Years Ended March 31

<CAPTION>

	Maximum Income Portfolio		Government Portfolio	
	1995	1994	1995	1994
<S>	<C>	<C>	<C>	<C>
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS				
Net investment income	$607,704	$623,864	$320,146	$339,266
Net realized gain (loss) from investments	(740,266)	465,795	(565,914)	375,747
Net unrealized appreciation depreciation) of investments	373,832	(671,323)	437,937	(497,921)
Total increase in net assets resulting from operations	241,270	418,336	192,169	217,092
DISTRIBUTIONS TO SHAREHOLDERS				

From net investment income	(607,704)	(623,864)	(320,146)	(339,266)
From net capital gains	--	--	--	(712,303)
CAPITAL SHARE TRANSACTIONS (Note 7)	(609,412)	578,826	(795,057)	(323,809)
TOTAL INCREASE (DECREASE) IN NET ASSETS	(975,846)	373,298	(923,034)	(1,158,286)
NET ASSETS				
Beginning of year	7,702,233	7,328,935	8,576,023	9,734,309
End of year	$6,726,387	$7,702,233	$7,652,989	$8,576,023

</TABLE>

Financial Highlights

Selected data for a share outstanding throughout each year:

<TABLE>

Maximum Income Portfolio

<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	$7.285	7.455	7.255	6.775	7.181
Net investment income	$0.597	0.606	0.674	0.689	0.781
Net realized & unrealized gains (losses) on securities	$(0.347)	(0.170)	0.200	0.480	(0.406)
Total from investment operations	$0.250	0.436	0.874	1.169	0.375

Distributions from net investment income	$(0.597)	(0.606)	(0.674)	(0.689)	(0.781)
Distributions from capital gains	--	--	--	--	--
Total distributions	$(0.597)	(0.606)	(0.674)	(0.689)	(0.781)
Net asset value end of year	$6.938	7.285	7.455	7.255	6.775
Total return	3.75%	5.89	12.69	18.08	5.91
Net assets end of year (in thousands)	$6,726	7,702	7,329	6,456	5,405
Ratio of expenses to average net assets	1.52%	1.54	1.52	1.54	1.66
Ratio of net investment income to average net assets	8.56%	8.02	9.26	9.95	11.57
Portfolio turnover	243%	251	73	124	54

</TABLE>

<TABLE>

Government Portfolio

<CAPTION>

	Year ended Mar. 31 1995	Year ended Mar. 31 1994	Year ended Mar. 31 1993	Year ended Mar. 31 1992	Year ended Mar. 31 1991
<S>	<C>	<C>	<C>	<C>	<C>
Net asset value beginning of year	$9.695	10.621	10.300	10.119	9.867
Net investment income	$0.391	0.363	0.501	0.654	0.710

Net realized & unrealized gains (losses) on securities	$(0.144)	(0.151)	0.854	0.222	0.292
Total from investment operations	$0.247	0.212	1.355	0.876	1.002
Distributions from net investment income	$(0.391)	(0.363)	(0.501)	(0.564)	(0.710)
Distributions from capital gains	--	$(0.775)	(0.533)	(0.041)	(0.040)
Total distributions	$(0.391)	(1.138)	(1.034)	(0.695)	(0.750)
Net asset value end of year	$9.551	9.695	10.621	10.300	10.119
Total return	2.67%	1.95	13.96	8.84	10.57
Net assets end of year (in thousands)	$7.653	8,576	9,734	7,375	6,059
Ratio of expenses to average net assets	1.52%	1.54	1.52	1.53	1.65
Ratio of net investment income to average net assets	4.12%	3.53	4.78	6.28	7.13
Portfolio turnover	318%	287	357	123	116

</TABLE>

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

GIT Income Trust
Notes to Financial Statements
March 31, 1995

1. Summary of Significant Accounting Policies. GIT Income 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 maintains two separate portfolios whose principal objectives are to obtain high current income (under policies described in its current prospectus). The Maximum Income Portfolio invests in long-term debt securities which may include securities rated as low as "Caa" or "CCC" by Moody's Investors Service, Inc. or Standard & Poor's Corporation, respectively. The Government Portfolio (prior to March 1, 1990, known as the A-Rated Portfolio) invests in securities of the U. S. Government and its agencies.

Securities Valuation: Securities having maturities of 60 days or less are valued at amortized cost, which approximates market value. Securities having longer maturities, for which market quotations are readily available, are valued at the mean between their bid and asked prices. Securities for which market quotations are not readily available are valued at their fair value as determined in good faith by the Trustees. 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. Repurchase Agreements are valued at amortized cost, which approximates market value.

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 regular 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. Capital gains distributions reflecting net realized gains of each portfolio (if any) are declared and paid twice annually at calendar and fiscal year end. In accordance with the provisions of Subchapter M of the Internal Revenue Code applicable to regulated investment companies, all of the taxable income of each portfolio is distributed to its shareholders, and therefore no federal income tax provision is required. As of March 31, 1995, the Maximum Income and Government Portfolios had available for federal income tax purposes unused capital loss carryovers of $3,240,019 and $566,489, respectively.

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. Investments 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 0.625% per annum of the average net assets of each of the Trust's portfolios; 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 each portfolio 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 were $1,500 for each Portfolio. At March 31, 1995, certain officers, Trustees, companies and individuals affiliated with the Trust have investments in the Trust aggregating 1.2% of the Maximum Income Portfolio shares outstanding and 0.2% of the Government Portfolio 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. Common expenses incurred by the Trust are allocated among the portfolios based on the ratio of net assets of each portfolio to the combined net assets. For the year ended March 31, 1995, operating expenses of $63,697 for the Maximum Income Portfolio and $69,632 for the Government Portfolio have been reimbursed to BFIMC under the Services Agreement. As of March 31, 1995, expenses of $55,752 for the Maximum Income Portfolio and $69,998 for the Government Portfolio have been incurred by BFIMC on behalf of the portfolios, the billings of which have been deferred.

5. Net Assets. At March 31, 1995, net assets include the following:

<TABLE>

<CAPTION>

	Maximum Income Portfolio	Government Portfolio
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Net paid in capital on shares of beneficial interest	$9,992,001	$8,186,875
Accumulated net realized losses	(3,240,019)	(566,489)
Net unrealized appreciation (depreciation) of investments	(25,595)	32,603
Total net assets	$6,726,387	$7,652,989

</TABLE>

In accordance with a recently approved accounting pronouncement (Statement of Position 93-2), the Maximum Income Portfolio reclassified $(5,846) from accumulated net realized losses to paid in capital as a result of permanent book and tax basis differences. This reclassification had no impact on net asset value.

6. Investment Transactions. Purchases and sales of securities

other than short-term securities for the year ended March 31, 1995 were as follows:

	Maximum Income Portfolio	Government Portfolio
Purchases	$15,251,894	$21,443,945
Sales	17,342,000	21,774,336

Notes to Financial Statements (continued)

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

	Maximum Income Portfolio		Government Portfolio	
	1995	1994	1995	1994
In Dollars				
Shares sold	$3,563,512	$4,302,065	$1,891,049	$2,112,324
Shares issued in reinvestment of dividends	480,421	496,431	294,883	1,004,833
Total shares issued	4,043,933	4,798,496	2,185,932	3,117,157
Shares redeemed	(4,653,345)	(4,219,670)	(2,980,989)	(3,440,966)
Net increase (decrease)	$(609,412)	$578,826	$(795,057)	$(323,809)

In Shares				
Shares sold	510,956	567,543	200,394	204,384
Shared issued in reinvestment of dividends	69,036	65,944	31,146	98,878
Total shares issued	579,992	633,487	231,540	303,262
Shares redeemed	(667,780)	(559,232)	(314,806)	(335,225)
Net increase (decrease)	(87,788)	74,255	(83,266)	(31,963)

</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

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