

# Government Bond Fund



CLASS N QUARTERLY MUTUAL FUND REPORT

Symbol: **CGBAX**

## TOTAL RETURN - as of December 31, 2011

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
▶ <b>Government Bond Fund</b>	<b>0.09%</b>	<b>0.02%</b>	<b>3.58%</b>	<b>3.58%</b>	<b>2.77%</b>	<b>3.77%</b>	<b>3.45%</b>
Barclays Capital U.S. Gov't. 1-5 Year Index	0.18%	0.42%	3.21%	3.21%	2.58%	4.76%	4.05%
Barclays Capital U.S. Gov't. Intmtd Bond Ix	0.53%	0.68%	6.08%	6.08%	3.54%	5.86%	4.89%
Lipper Short-Intmtd U.S. Government Funds	0.36%	0.43%	3.54%	3.54%	3.55%	4.82%	4.02%

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call (888) 889-0799, or visit our website at [cni charterfunds.com](http://cni charterfunds.com).

Returns for periods greater than 1 year are annualized.

Investment performance may reflect voluntary fee waivers in effect. In the absence of such fee waivers, total return and yield would be reduced. Fee waivers may be discontinued at any time.

## RECENT TRADING DATA

Net Asset Value (NAV)	\$10.73
Average Weighted Maturity	2.87 Years
Duration	2.74

## TOP TEN HOLDINGS

Aid-Israel, 5/15/20	7.5%
Tennessee Valley Authority, 12/15/17	5.9%
Aid-Egypt, 9/15/15	5.2%
FHR, 2/15/41	4.8%
FFCB, 12/7/12	4.7%
FHLB, 4/8/14	4.6%
FFCB, 8/1/13	4.6%
GNMA, 8/20/39	4.5%
FNMA, 7/15/21	4.4%
GNMA, 9/20/38	4.3%

Total Number of Securities Held: 40

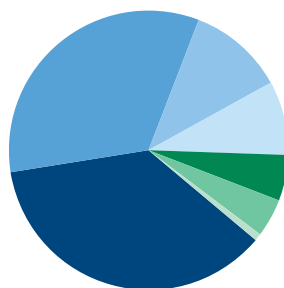
Fund holdings are subject to change.

## FEES & EXPENSES

Total Annual Fund Operating Expenses	1.03%
Average Expenses for December 2011	0.99%

Reflects the average of the actual daily expenses incurred for this share class over a one month period and may reflect waivers in effect. Expenses incurred over different or longer time periods may vary.

## SECTORS (Percentages are based on total investments)



U.S. Agency Bonds	36.5%
FNMA	33.4%
FHLMC	11.0%
U.S. Treasury Instruments	8.6%
Foreign Government Income	5.2%
GNMA	4.7%
Cash Equivalents	0.7%

## CREDIT QUALITY\*

AAA	16.5%
Non-Rated U.S. Agency	45.6%
AA	37.9%

## COMPOSITION

Fixed Income	99.3%
Cash Equivalents	0.7%

\* The credit quality breakdown depicts the credit quality ratings of the Fund's portfolio securities that are rated by one or both of two major nationally recognized statistical rating organizations ("NRSRO"). The two NRSROs currently utilized are Standard & Poor's (S&P) and Moody's. When a bond is rated by S&P that rating is utilized. If it is not rated by S&P, the Moody's rating is utilized. When a security is rated by neither, it is classified as "Not Rated". For bonds, these credit quality ratings are shown without regard to gradations within a given rating category. For example, securities rated "AA-" or "AA+" have been included in the "AA" rated category. Long-term ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest).

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## INVESTMENT OBJECTIVE

The Fund seeks to provide current income (as the primary component of a total return intermediate duration strategy) by investing primarily in U.S. Government securities.

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## INVESTMENT STRATEGY

The Fund purchases a portfolio of which at least 80% consists of U.S. Government securities either issued or guaranteed by the U.S. Government or its agencies or instrumentalities. The Fund may also purchase mortgage backed and asset backed instruments issued by the U.S. Government or a government-sponsored agency whose maturity and duration are consistent with an intermediate-term strategy. The average duration of the portfolio is actively managed in accordance with the Fund's Investment Manager's expectations of interest rate changes as driven by economic trends. The average duration of the portfolio will typically range from two to six years.

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## INCEPTION DATE:

April 13, 2000

## CUSIP:

125977868

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## ABOUT FUND MANAGEMENT

City National Asset Management, Inc., a subsidiary of City National Corporation, is the investment manager of the Fund.

### *Portfolio Managers:*

Paul C. Single & Robert Harder

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## FOR MORE INFORMATION

To request a prospectus or for additional information, please call (888) 889-0799, or visit [cni charterfunds.com](http://cni charterfunds.com).

*To determine if this Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Fund's prospectus, which may be obtained by calling (888) 889-0799, or by visiting our website at [cni charterfunds.com](http://cni charterfunds.com). Read the prospectus carefully before investing.*

*Investing involves risk including loss of principal. Current and future holdings are subject to risk.*

*Bonds and bond funds will decrease in value as interest rates rise.*

*An investment in the Fund is not insured or guaranteed by any U.S. Government agency.*

*The Barclays Capital U.S. Government 1-5 Year Bond Index, Barclays Capital U.S. Government Intermediate Bond Index, and Lipper Short-Intermediate U.S. Government Funds Classification<sup>®</sup> are not affiliated with CNI Charter Funds. It is not possible to invest in an index or a classification.*

*CNI Charter Funds are distributed by SEI Investments Distribution Co., which is not affiliated with the investment manager.*

Shares of CNI Charter Funds:

- are not FDIC insured
- are not Bank guaranteed
- may lose value

**CNI CHARTER FUNDS<sup>SM</sup>**

