

April 2016

QUESTIONS & ANSWERS

CHANGES TO THE NAVIGATOR FUND RANGE

Q: What changes are you making to the trusts?

We are updating the prospectus of the Trusts to allow the fund manager to formally take advantage of an increase in investment powers that came into effect in 2003.

These changes will allow each Trust to invest up to 10% of its value in other funds that use derivatives for investment purposes.

Q: Which funds will be affected by the changes?

The changes will affect the following funds:

- Navigator Adventurous Managed Trust
- Navigator Balanced Managed Trust
- Navigator Cautious Managed Trust
- Navigator Growth Managed Trust

Q: What were the changes in 2003?

The prospectus currently states that each Trust may only invest in collective investment schemes that restrict their use of derivatives to Efficient Portfolio Management (EPM).

New rules that came into effect in 2003 allowed some funds to use more sophisticated instruments and techniques (derivatives) for investment purposes, i.e. with the aim of generating potentially greater returns.

Q: What is EPM?

An example of EPM is the use of currency derivatives with the aim of removing unwanted currency exposure. For example, the fund manager may want to buy shares

in European companies but doesn't want exposure in respect of the portfolio to the Euro.

Q: What does use of derivatives for “Investment Purposes” mean?

An example of using derivatives for investment purposes is buying a Contract for Difference on a particular share. This type of derivative potentially allows a fund to profit when a share falls in price, providing the additional opportunity to make money when markets are in decline.

The Trusts do not directly use derivatives for investment purposes; however, as they invest in other Threadneedle funds, they may gain exposure to other funds that do so.

We now propose to amend the prospectus for the Trusts to formally allow the Trusts to invest up to 10% of their value in this type of fund.

Q: Why are you making these changes to the Trusts?

The changes enable the fund manager to invest in a wider range of underlying Threadneedle funds, meaning the fund manager will have more choice in selecting a strategy to meet the investment objectives, generate returns and increase diversification within the Trusts.

Q: How will my investment be affected by the change?

The investment objective, policy and process of the Trusts will not be affected by this change.

Q: What impact will there be on the risk profile of the funds?

We do not anticipate any change to the risk profile of the Trusts as a result of this change.

Q: Will there be an impact on the fees I pay?

There will be no impact on the fees you pay as a result of these changes.

Q: When will the change become effective?

1 June 2016.

Q: What should I do if I disagree with this change?

You have the option to sell your units to redeem your holdings in the Trusts if you do not agree with the change. If your holding is in an ISA you should be aware that if you redeem your holding you will lose your tax benefits, so you may wish to transfer your investment to another ISA Manager in order to prevent this from happening.

Q: How can I find out more information?

Should you wish to find out more information, please contact our Client Services Team between 8.00am and 6.00pm (UK time) on 0800 953 0134*.

If you are unsure about the changes, we recommend that you contact your financial adviser. If you are a UK based investor and do not have a financial adviser you can find one in your area by visiting www.unbiased.co.uk. Please note that we do not endorse the site or the advisers found on it.

*Please note calls may be recorded.