



Threadneedle Navigator Trusts

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Introduction

These Annual Reports cover the 12 month period to 1 June 2013 and review the performance and market background for the Threadneedle Navigator range of seven unit trusts: Threadneedle Navigator UK Index Tracker Trust; Threadneedle Navigator Growth Trust; Threadneedle Navigator Income Trust; Threadneedle Navigator Cautious Managed Trust; Threadneedle Navigator Balanced Managed Trust; Threadneedle Navigator Growth Managed Trust; and Threadneedle Navigator Adventurous Managed Trust.

We hope that you find the reports informative. Should you require any further information regarding any aspect of your investment, or about other Threadneedle products, we would be pleased to help. Alternatively, you may find it helpful to visit threadneedle.com for further information about Threadneedle.

Thank you for your continued support.

A handwritten signature in black ink, appearing to read 'Campbell Fleming', followed by a horizontal line.

Campbell Fleming

Director

Threadneedle Navigator UK Index Tracker Trust

Manager's Report

Investment Objective and Policy

To achieve capital growth. The Manager's investment policy is to mirror as closely as possible the performance of the FT-SE Actuaries All-Share Index* by investing primarily in UK equities. The Manager may utilise stocklending and derivatives in order to facilitate efficient portfolio management.

**The FT-SE Actuaries All-Share Index has been replaced by the FTSE All-Share Index.*

This report covers the period from 2 June 2012 to 1 June 2013.

Status of the Trust

The trust is an authorised Unit Trust Scheme within Section 243 of the Financial Services and Markets Act 2000, and is a UCITS scheme for the purpose of the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook (COLL) as amended from time to time.

Performance

Over the 12 months to 1 June 2013, the UK equity market, as measured by the FTSE All-Share Index rose by 30.11% on a total return basis. The bid price of accumulation units in the trust rose by 30.15% from 76.82p to 99.98p during the same period. Please note that the FTSE All-Share Index return quoted above is at global close as of 31 May 2013, although the trust is valued at 12 noon on the next working day.

The tracking difference between the fund's performance and that of the FTSE All-Share Index for the period ending 31 May 2013 was 4.40%.

Accumulation

Income units are not available from the Threadneedle Navigator UK Index Tracker Trust. However, in accordance with the Prospectus, the revenue in the trust is accumulated with effect from the last day of the Annual Accounting Period i.e. 1 June in each year.

Portfolio Activity

The trust uses a passive management approach that aims to match approximately the performance of the FTSE All-Share index. The approach involves buying all of the largest stocks and some of the smaller stocks in the index, weighting the stocks roughly in line with their weightings in the index.

With a view to mirroring as closely as possible the performance of the FTSE All-Share Index over the review period, major purchases included Royal Dutch Shell, Glencore International, HSBC, BP and Vodafone. Conversely, sales included International Power, SABMiller, Standard Chartered, Xstrata and Rio Tinto.

The beginning of June 2012 marked the low point for UK equities during the review period, but this was followed by a sharp recovery in the market. The gains were driven by unprecedented measures from global central banks, with the announcement of the European Central Bank's bond-buying plan followed by an expansion of the Federal Reserve's (the Fed's) quantitative-easing (QE) programme, through which the US central bank committed to ongoing bond purchases on a massive scale. Investors' appetite for risk was spurred still further by signs that the Chinese economy had averted a hard landing, while the newly elected Japanese government launched a colossal stimulus programme in an effort to end deflation and promote growth.

The rally continued for most of the period under review, albeit with brief setbacks on concerns over the US fiscal cliff, the inconclusive Italian election result, the Cypriot banking crisis, evidence of a deepening eurozone recession and signs that the Chinese economy could be losing momentum. During May 2013, market indices scaled multi-year highs in many countries and even reached fresh highs in others, including the US.

The UK market performed strongly over much of the reporting period against the more positive global backdrop and increasing signs of UK economic recovery. The Bank of England's QE programme drove UK equities and bonds upwards. Meanwhile,

there was better news on the economy toward the end of the review period, when data released showed that the UK economy had avoided slipping back into recession during the first quarter of 2013.

However, the end of May was marred by talk from the Fed of scaling back its QE programme as the US economic recovery gathers pace. Meanwhile, fresh concerns surfaced over Chinese growth. Equity and bond markets sold off sharply towards the end of the month, while bond yields spiked higher.

The market's strong rally over the last year has been driven partly by QE, improved performance at the company level and the fact the market was fundamentally oversold as the eurozone crisis deepened during the second quarter of 2012. However, we have become slightly more cautious over recent months as the valuation case has become less compelling, while the recent rise in bond yields, if sustained, could undermine the appeal of companies with utility-type earnings, as well as raising firms' costs of capital generally.

Meanwhile, the good performance of the US economy has prompted debate over the duration of the QE programme and has been the main factor behind the rise in bond yields. Market sentiment remains reliant to a large extent on central bank support rather than underlying global economic fundamentals.

Nevertheless, at the company level we believe that the outlook remains more encouraging. In this environment, our focus remains on well-managed, fundamentally strong businesses that we believe can deliver positive earnings surprises and, in many cases, the ability to support total returns to shareholders through attractive and sustainable levels of dividend payouts.

Other Information

Pages 79 to 85 at the back of these Annual Reports and Accounts form part of this Manager's Report.

Directors' Statement

In accordance with the requirements of the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook, we hereby certify the annual report on behalf of the Directors of Threadneedle Unit Trust Manager Limited.

T N Gillbanks

Director

P J W Reed

Director

17 July 2013

Threadneedle Unit Trust Manager Limited

Threadneedle Navigator UK Index Tracker Trust

STATEMENT OF TOTAL RETURN

for the accounting period 2 June 2012 to 1 June 2013

	Notes	2013 £	2012 £
Income			
Net capital gains/(losses)	2	9,763,046	(5,513,202)
Revenue	3	1,562,801	1,567,435
Expenses	4	(428,236)	(485,835)
Finance costs: Interest	6	(2,669)	(5,382)
Net revenue before taxation		1,131,896	1,076,218
Taxation	5	(78)	(2,373)
Net revenue after taxation		1,131,818	1,073,845
Total return before distributions		10,894,864	(4,439,357)
Distributions	6	(1,131,818)	(1,073,846)
Change in unitholders' funds from investment activities		9,763,046	(5,513,203)

BALANCE SHEET

as at 1 June 2013

	Notes	2013 £	2012 £
Assets			
Investment assets		43,631,397	36,307,640
Other assets			
Debtors	7	313,338	272,733
Cash and bank balances	8	1,001,690	847,067
Total other assets		1,315,028	1,119,800
Total assets		44,946,425	37,427,440
Liabilities			
Derivative liabilities		–	(103,080)
Other liabilities			
Creditors	9	(154,090)	(47,897)
Bank overdrafts	8	(3,441)	–
Total other liabilities		(157,531)	(47,897)
Total liabilities		(157,531)	(150,977)
Net assets		44,788,894	37,276,463
Unitholders' funds		44,788,894	37,276,463

STATEMENT OF CHANGE IN UNITHOLDERS' FUNDS

for the accounting period 2 June 2012 to 1 June 2013

	2013 £	2012 £
Opening net assets	37,276,463	47,357,512
Movement due to sales and repurchases of units:		
Amounts receivable on the issue of units	394,106	221,034
Amounts payable on the cancellation of units	(3,733,713)	(5,795,587)
	(3,339,607)	(5,574,553)
Stamp duty reserve tax	(2,500)	(1,457)
Change in unitholders' funds from investment activities (see statement of total return above)	9,763,046	(5,513,203)
Retained distribution on accumulation units	1,091,492	1,008,164
Closing net assets	44,788,894	37,276,463

DISTRIBUTION TABLE

for the accounting period 2 June 2012 to 1 June 2013

Dividend distribution in pence per unit						
Accumulation Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Net Revenue Accumulated 2012/2013	Net Revenue Accumulated 2011/2012
Group 1						
02/06/12 to 01/06/13	2.7109	0.2711	2.4398	–	2.4398	2.0802
Group 2						
02/06/12 to 01/06/13	1.6457	0.1646	1.4811	0.9587	2.4398	2.0802
Total distributions in the period					2.4398	2.0802

Group 2: units purchased during a distribution period

Threadneedle Navigator UK Index Tracker Trust

Notes to the financial statements

for the accounting period 2 June 2012 to 1 June 2013

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with UK Generally Accepted Accounting Practice ("UKGAAP"), and in accordance with the Statement of Recommended Practice (the "SORP") for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA) in October 2010.

(b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following bases:

Dividends, interest and other revenue receivable includes any withholding taxes but excludes any other taxes such as attributable tax credits.

Dividends are recognised when the security is quoted ex-dividend.

Underwriting commission is recognised when the issue takes place, except where the trust is required to take up all or some of the units underwritten, in which case an appropriate proportion of the commission is deducted from the cost of those units.

Underwriting commission is treated as revenue except for the proportion that is deducted from the cost of units, which is capital.

Special dividends are treated as either revenue or capital depending on the facts of each particular case.

Stock Dividends are recognised as revenue on the basis of the market value of the shares at the date they are quoted ex-dividend.

Equalisation on distributions received is treated as a repayment of capital and deducted from the cost of the investment.

Interest on bank and short-term deposits is recognised on an earned basis.

(c) Treatment of expenses

All expenses other than those relating to the purchase and sale of investments are included in expenses in the Statement of Total Return.

Expenses are recognised on an accruals basis and include irrecoverable VAT where appropriate.

(d) Distribution policy

Where the revenue from investments exceeds the expenses a distribution will be made. Should expenses exceed revenue, there will be no distribution and the shortfall will be transferred to capital. Revenue attributable to Accumulation Unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

(e) Basis of valuation of investments

The investments of the trust are valued at 12 noon (UK time), being the valuation point on the last working day of the accounting period. Investments are stated as fair value which generally is the bid valuation of each security. These bid valuations are sourced from independent pricing sources; to the extent that if an independent pricing source is not available then quotes are obtained from a broker. Where the Manager deems that these valuations are unrepresentative of a fair valuation of the security, a fair valuation adjustment is applied based upon the Managers opinion of fair value.

(f) Exchange rates

Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rates ruling at 12 noon (UK time), being the valuation point on the last working day of the accounting period.

Transactions denominated in foreign currency are translated into sterling at the exchange rates ruling at the date of the transaction.

(g) Deferred taxation

Deferred taxation liabilities are provided for in full, and deferred tax assets are recognised to the extent that they are considered recoverable, in respect of all items for which recognition falls in different accounting periods for accounting and taxation purposes.

(h) Derivatives

The total net return in respect of any derivative transactions entered into, is analysed between capital gain or loss, and revenue or expense. Any capital gains or losses are included within "Net capital gains/(losses)", and any revenue or expense is included within "Revenue" or "Finance costs" respectively, in the Statement of Total Return.

The revenue return element in respect of Futures is calculated by reference to the quoted yield of the index upon which the Future is based compared to LIBOR. The revenue so calculated may represent revenue or expense in a trust's accounts, in accordance with whether the trust has held a net long or short position, when considering the accounting period as a whole. The revenue or expense position is reversed, where LIBOR exceeds the quoted yield of the relevant index.

Any positions open at the period end are reflected in the Balance Sheet at their market value, either using available market prices or the Manager's assessment of the fair value, based on counterparty valuations and appropriate pricing models.

Cash held at future brokers as margin is reflected separately within "Cash and bank balances".

2 NET CAPITAL GAINS/(LOSSES)

Net capital gains/(losses) during the period comprise:

	2013 £	2012 £
Non-derivative securities	9,637,451	(5,223,304)
Derivative contracts	130,738	(276,296)
Other gains	39	112
Transaction costs	(5,182)	(13,714)
Net capital gains/(losses)	9,763,046	(5,513,202)

3 REVENUE

	2013 £	2012 £
UK franked dividends	1,520,165	1,517,783
Overseas dividends	18,448	18,904
Stock dividends	–	8,113
Derivative revenue	19,671	16,056
Bank interest	4,170	6,579
Underwriting commission	345	–
Miscellaneous revenue	2	–
Total revenue	1,562,801	1,567,435

Threadneedle Navigator UK Index Tracker Trust

Notes to the financial statements

(continued)

4 EXPENSES

	2013 £	2012 £
Payable to the Manager or associates of the Manager:		
Annual management charge	(363,085)	(420,469)
Registration fees	(45,902)	(46,252)
	<u>(408,987)</u>	<u>(466,721)</u>
Payable to the trustee or associate of the trustee, and the agents of either of them:		
Trustee's fees	(10,022)	(10,091)
Safe custody fees	(461)	(491)
	<u>(10,483)</u>	<u>(10,582)</u>
Other expenses:		
Regulatory fee	(414)	(421)
Audit fee	(8,352)	(8,112)
Miscellaneous expenses	–	1
	<u>(8,766)</u>	<u>(8,532)</u>
*Total expenses	<u>(428,236)</u>	<u>(485,835)</u>

*Including irrecoverable VAT where applicable.

5 TAXATION

	2013 £	2012 £
a) Analysis of charge in period		
Overseas taxes	(78)	(2,373)
Total current tax (note 5b)	<u>(78)</u>	<u>(2,373)</u>
Total tax charge for the period	<u>(78)</u>	<u>(2,373)</u>
b) Factors affecting taxation charge for period		
Net revenue before taxation	1,131,896	1,076,218
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(226,379)	(215,244)
Effects of:		
Revenue not subject to taxation	307,753	308,915
Overseas taxes	(78)	(2,373)
Overseas taxes expensed	6	3
Excess expenses	(81,380)	(93,674)
Current tax charge for period (note 5a)	<u>(78)</u>	<u>(2,373)</u>

The trust has not recognised a deferred tax asset of £1,823,566 (2012: £1,742,186*) arising as a result of having unutilised management expenses. It is unlikely that these expenses will be utilised in future years.

*restated.

6 FINANCE COSTS AND DISTRIBUTION

Distributions and Interest

The distribution takes account of revenue received on the issue of units and revenue deducted on the cancellation of units and comprises:

	2013 £	2012 £
Final	1,091,492	1,008,164
Add: Revenue deducted on the cancellation of units	46,483	68,731
Deduct: Revenue received on the issue of units	(6,157)	(3,049)
Net distribution for the period	<u>1,131,818</u>	<u>1,073,846</u>
Interest	2,669	5,382
Total finance costs	<u>1,134,487</u>	<u>1,079,228</u>

Details of the distribution per unit are set out in the table on page 4.

7 DEBTORS

	2013 £	2012 £
Sales awaiting settlement	87,681	–
Amounts receivable for the issue of units	–	22,930
Accrued revenue	224,257	246,176
Foreign withholding tax recoverable	1,289	3,627
United Kingdom income tax recoverable	111	–
Total debtors	<u>313,338</u>	<u>272,733</u>

8 CASH AND BANK BALANCES

	2013 £	2012 £
Amounts held at futures clearing houses and brokers	35,636	155,903
Cash and bank balances	966,054	691,164
	<u>1,001,690</u>	<u>847,067</u>
Bank overdrafts	(3,441)	–
Total cash and bank balances	<u>998,249</u>	<u>847,067</u>

9 CREDITORS

	2013 £	2012 £
Amounts payable for the cancellation of units	(113,725)	(904)
Accrued expenses	(8,389)	(10,459)
Amounts payable to the Manager	(31,976)	(36,534)
Total creditors	<u>(154,090)</u>	<u>(47,897)</u>

10 UNITHOLDER FUNDS

The charges on the trust are as follows:

*Annual management charge	0.75%
Registration fees	0.11%

The net asset value of the trust, the net asset value per unit and the number of units in the trust are given on page 79.

*Change to fee from 1% to 0.75% on 02/12/2012.

11 RELATED PARTY TRANSACTIONS

Threadneedle Unit Trust Manager Limited, a related party, acts as principal in respect of all transactions of units in the trust. The aggregated monies received through issues and paid on cancellations are disclosed in the Statement of Change in Unitholders' Funds. The amount due from or to Threadneedle Unit Trust Manager Limited in respect of unit transactions at the end of the accounting period is disclosed in Notes 7 and 9.

Amounts payable to Threadneedle Unit Trust Manager Limited in respect of trust administration and registrar services are disclosed in Notes 9. A balance of £27,886 (2012: £32,914) in respect of annual management service charge and £4,090 (2012: £3,620) in respect of registration fees are due at the end of the accounting period.

Amounts payable to J.P. Morgan Trustee and Depositary Company Limited, a related party, in respect of trustee services and safe custody charges are disclosed in Note 9. A balance of £892 (2012: £790) in respect of trustee services and £79 (2012: £80) in respect of safe custody are due at the end of the accounting period.

The trust receives and pays interest on deposits held with J.P. Morgan Trustee and Depositary Company as disclosed in Notes 3 and 6. A balance of £221 (2012: £22) is receivable at the end of the accounting period. Cash and bank balances at the end of the accounting period are disclosed in the Balance Sheet.

The Manager, or associates of the Manager acted as principal in all investment transactions.

Threadneedle Navigator UK Index Tracker Trust

Notes to the financial statements

(continued)

12 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing its investment objectives set out on page 3, the Threadneedle Navigator UK Index Tracker Trust may hold the following financial instruments:

- UK Equities, US Government Securities, fixed interest investments and worldwide equities;
- Funds of the Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC and Threadneedle Focus Investment Funds ICVC of which a maximum of 20% of the value of the property of the trust may be invested in any one fund within this range of investment funds;
- Cash, liquid resources and short term debtors and creditors that arise directly from its operations;
- Borrowing used to finance investment activity; and
- Derivative transactions to manage the currency and market risks arising from the trust's investment activities.

Throughout the period under review, it has been the policy of the trust to buy and sell financial instruments for the purpose of investment rather than trading.

The main risks arising from the trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risk.

The policies for managing each of these risks are reviewed regularly and agreed with the Trustee of the trust and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate and are consistently applied throughout the period under review. The same policies also applied throughout the year ending 1 June 2012.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the trust might suffer through holding market positions in the face of price movements. The value of the investment can fall as well as rise and investors might not recover the amount invested, especially if investments are not held for the long term.

The Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The investment guidelines and investment and borrowing powers are set out in the instrument of incorporation, the prospectus and in the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook describe the nature of the market price risk to which the trust will be exposed.

Liquidity risk

Liquidity risk is the risk that the trust cannot raise sufficient cash to meet its liabilities when due.

The main liability of the trust is the redemption of units that the investors wish to sell.

The trust's assets comprise mainly realisable securities which can readily be sold.

Under normal circumstances, the trust will remain close to fully invested. However where circumstances require: either because a view of illiquid securities markets or high levels of redemption in the trust, the trust may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of units.

The Manager manages the trust's cash to ensure it can meet its liabilities. The Manager receives daily reports of issues and cancellations enabling the Manager to raise cash from the trust's

portfolio in order to meet cancellation requests. In addition the Manager monitors market liquidity of all securities, seeking to ensure the trust maintains sufficient liquidity to meet known and potential cancellation activity. Trust cash balances are monitored daily by the Manager and Administrator. Where investments cannot be realised in time to meet any potential liability, the trust may borrow up to 10% of its value to ensure settlements. All of the trust's financial liabilities are payable on demand or in less than one year.

Credit risk

Credit risk is the risk that the counterparty in a financial transaction will fail to fulfil their obligation or commitment.

Credit risk arises from three main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including FRNs) there is the possibility of default of the issuer and default in the underlying assets meaning that the trust may not receive back the full principal originally invested. Thirdly, there is the counterparty risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the trust has fulfilled its responsibilities, which could result in the trust suffering a loss.

In order to manage credit risk the trust and underlying investments are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the underlying funds only buy and sell investments through brokers which have been approved by the Manager as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed.

Interest rate risk

Interest rate risk is the risk that the value of the trust's investments will fluctuate as a result of changes in interest rates.

The trust may invest in floating rate securities.

Thus any change to the interest rates relevant for particular securities may result in either income increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise the revenue potential of the trust also rises but the value of fixed rate securities will decline.

A decline in interest rates will in general have the opposite effect.

Duration is a measure of the extent to which this is the case, with a longer duration suggesting higher sensitivity to interest rate moves.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The interest risk profile for the relevant funds is shown in their notes to the financial statements.

Foreign currency risk

Foreign currency risk is the risk that the value of the trust's investments will fluctuate as a result of changes in foreign currency exchange rates.

Where a portion of the investment portfolio is invested in overseas securities the balance sheet can be affected by movements in exchange rates. The Manager monitors the foreign currency exposure of the trust and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies.

Threadneedle Navigator UK Index Tracker Trust

Notes to the financial statements

(continued)

Currency exposures

A small proportion of the net assets of the trust are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

Net foreign currency assets

	Monetary exposures £	Non- monetary exposures £	Total £
Currency 2013			
Euro	(2,232)	6,699	4,467
Swiss Franc	45	–	45
US Dollar	3,394	13,228	16,622
Currency 2012	£	£	£
Euro	1,649	5,192	6,841
Swiss Franc	17	–	17
US Dollar	4,854	11,631	16,485

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the trust's financial assets and financial liabilities at 1 June 2013 was:

	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
Currency 2013				
Euro	–	–	7,908	7,908
Swiss Franc	–	–	45	45
UK Sterling	998,331	–	43,923,519	44,921,850
US Dollar	3,359	–	13,263	16,622
Currency 2012	£	£	£	£
Euro	511	–	6,330	6,841
Swiss Franc	–	–	17	17
UK Sterling	844,174	–	36,456,843	37,301,017
US Dollar	2,382	–	14,103	16,485

	Floating rate financial liabilities £	Fixed rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Currency 2013				
Euro	(3,441)	–	–	(3,441)
UK Sterling	–	–	(154,090)	(154,090)
Currency 2012	£	£	£	£
UK Sterling	–	–	(47,897)	(47,897)

The trust's financial assets/(liabilities) at 1 June 2013 are due in one year or less, or on demand.

Fair value of financial assets and financial liabilities

All of the financial assets of the trust are held at bid-market value which is deemed to be fair value.

The primary financial liability is the trust's liability to redeem units issued to finance its operations. These are held at book value and the difference from fair value is deemed to be immaterial.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

The only material amounts of non interest-bearing assets, other than equities, relate to futures. Derivatives including futures are used in this portfolio to take to take active positions in FX markets, interest rates and credit markets. Derivatives are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the trust and may result in a higher

degree of volatility. All open positions are regularly reviewed by the Manager. The trust has entered into a futures contract during this accounting period. Such contracts commit the trust to future deliveries or receipts, typically three months forward, of assets and liabilities, at prices decided at the point of striking the contract. They therefore allow the Manager to limit risk, or to enhance trust performance in return for the acceptance of greater risk. At 1 June 2013, the trust had outstanding futures contracts of £21,595 (2012: -£103,080).

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

13 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2012: Nil).

14 PORTFOLIO TRANSACTION COSTS

	2013 £	2012 £
Analysis of total purchase costs		
Purchases in period before transaction costs	2,125,143	1,745,828
Commissions	701	1,123
Taxes	8,836	8,163
Total purchase costs	9,537	9,286
Gross purchases total	2,134,680	1,755,114
Analysis of total sale costs		
Gross sales before transaction costs	4,446,465	6,328,210
Commissions	(2,035)	(1,574)
Taxes	(37)	(116)
Total sale costs	(2,072)	(1,690)
Total sales net of transaction costs	4,444,393	6,326,520

Statement of Manager's Responsibilities in relation to the Financial Statements of the Scheme

The Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook as amended ("the Regulations") requires the Manager to prepare financial statements for each annual accounting period which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Scheme and of its net revenue/(expenses) and the net gains/(losses) on the property of the Scheme for the period. In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in October 2010;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Scheme will continue in operation for the foreseeable future.

The Manager is required to keep proper accounting records and to manage the Scheme in accordance with the Collective Investment Schemes Sourcebook, the Trust Deed and the Prospectus. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of the Threadneedle Navigator UK Index Tracker Trust

The Trustee is responsible for the safekeeping of all of the property of the Scheme (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the Scheme is managed by the Authorised Fund Manager in accordance with the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook ("the COLL Sourcebook") and the Scheme's Trust Deed and Prospectus, as appropriate, in relation to the pricing of, and dealings in, units in the Scheme; the application of revenue of the Scheme; and the investment and borrowing powers of the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Authorised Fund Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's revenue in accordance with the COLL Sourcebook and, where applicable, the Scheme's Trust Deed and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

Bournemouth
17 July 2013

J.P. Morgan Trustee and
Depositary Company Limited

Independent Auditors' Report to the Unitholders of Threadneedle Navigator UK Index Tracker Trust

We have audited the financial statements of Threadneedle Navigator UK Index Tracker Trust (the "trust") for the year ended 1 June 2013 which comprise the statement of total return, the statement of change in unitholders' funds, the balance sheet, the related notes and the distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds").

Respective responsibilities of Authorised Fund Manager and Auditors

As explained more fully in the Statement of Manager's Responsibilities the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, have been prepared for and only for the trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authorised Fund Manager; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Manager's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the trust at 1 June 2013 and of the net revenue and the net capital gains of the scheme property of the trust for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook and the Trust Deed.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the trust have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

London
17 July 2013

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Threadneedle Navigator UK Index Tracker Trust

Portfolio Statement

as at 1 June 2013

Holding	Investment	Value £	% of Net Asset Value	Holding	Investment	Value £	% of Net Asset Value
BASIC INDUSTRIES 2.70% (2.65%)				29,305	Debenhams	27,488	0.06
	Chemicals 0.59% (0.62%)			1,292	Dignity	17,261	0.04
3,027	Croda International	74,585	0.17	84,110	Dixons Retail	34,822	0.08
10,540	Elementis	25,001	0.06	2,846	Domino's Pizza	19,965	0.04
4,453	Johnson Matthey	114,531	0.26	2,040	Dunelm Group	18,115	0.04
6,304	Synthomer	12,709	0.03	474	Findel	750	–
1,837	Victrex	31,670	0.07	2,806	French Connection Group	877	–
	Construction & building materials 1.79% (1.74%)			4,763	Halfords Group	15,627	0.03
16,073	Balfour Beatty	37,739	0.08	12,721	HMV Group	140	–
21,761	Barratt Developments	69,135	0.15	19,427	Home Retail Group	30,539	0.07
2,781	Bellway	35,207	0.08	10,501	Inchcape	57,650	0.13
2,834	Berkeley Group Holdings	59,599	0.13	697	*JJB Sports	–	–
3,137	Bovis Homes Group	23,245	0.05	346	John David Sports	3,111	0.01
9,813	Carillion	25,161	0.06	51,543	Kingfisher	178,029	0.40
15,754	CRH	220,556	0.49	4,118	Lookers	4,272	0.01
1,923	Galliford Try	18,442	0.04	34,965	Marks & Spencer Group	164,301	0.37
1,514	Keller Group	14,338	0.03	1,728	Mothercare	5,996	0.01
924	Kier Group	11,393	0.03	3,541	N. Brown Group	16,260	0.04
4	M.J. Gleeson Group	11	–	3,370	Next	155,256	0.35
4,491	Marshall's Group	6,287	0.01	34,863	Pendragon	8,541	0.02
806	Morgan Sindall	4,538	0.01	4,363	Smiths News	7,450	0.02
6,977	Persimmon	82,608	0.19	4,105	Sports Direct International	21,100	0.05
6,977	**Persimmon 'C' Shares	5,233	0.01	777	Supergroup	5,913	0.01
5,093	Redrow	11,434	0.03	11,610	TalkTalk Telecom Group	26,482	0.06
12,820	SIG	22,589	0.05	583	Ted Baker	8,267	0.02
73,077	Taylor Wimpey	71,689	0.16	3,976	Topps Tiles	2,664	0.01
5,542	Travis Perkins	86,788	0.19	2,890	WH Smith	21,791	0.05
	Forestry & paper 0.29% (0.20%)			3,277	Leisure entertainment & hotels 1.63% (1.51%)		
21,018	DS Smith	51,431	0.12	2,121	888 Holdings	5,115	0.01
8,459	Mondi	74,185	0.17	15,160	Betfair Group	17,350	0.04
	Steel & other metals 0.03% (0.09%)			4,067	Bwin.Party Digital Entertainment	19,481	0.04
7,704	Evraz	10,724	0.02	3,575	Carnival	91,060	0.20
3,280	Ferrexpo	5,674	0.01	11,690	Cineworld Group	11,440	0.03
	Total basic industries	1,206,502	2.70	781	Enterprise Inns	13,292	0.03
				4,965	Fuller Smith & Turner	6,482	0.01
				5,696	Greene King	37,808	0.08
				5,888	Hogg Robinson Group	3,204	0.01
				2,090	InterContinental Hotels Group	112,343	0.25
				20,579	J.D. Wetherspoon	13,742	0.03
				13,127	Ladbroke's	42,393	0.09
				3,452	Marston's	18,680	0.04
				5,375	Millennium & Copthorne Hotels	19,055	0.04
				1,614	Mitchells & Butlers	20,291	0.04
				12,259	Perform Group	8,974	0.02
				2,781	Punch Taverns	1,624	–
				4,547	Rank Group	4,172	0.01
				12,259	Restaurant Group	23,372	0.05
				20,320	Spirit Pub Company	8,091	0.02
				11,661	Thomas Cook Group	29,830	0.07
				1,900	TUI Travel	41,840	0.09
				3,856	*Wembley	–	–
				18,765	Whitbread	110,359	0.25
					William Hill	81,609	0.18
					Media & photography 2.61% (2.68%)		
				1,795	Bloomsbury Publishing	2,266	–
				21,548	British Sky Broadcasting Group	168,505	0.38
				4,584	Centaur Media	1,513	–
				1,925	Chime Communications	4,967	0.01
				885	Euromoney Institutional Investor	8,160	0.02
				60,704	Hibu	219	–
				5,914	Huntsworth	3,578	0.01
				13,841	Informa	70,589	0.16
				5,437	ITE Group	15,920	0.04
COLLECTIVE INVESTMENT SCHEMES 0.03% (0.03%)							
15,567	Fidelity China Special Situation	14,672	0.03				
	Total collective investment schemes	14,672	0.03				
CYCLICAL CONSUMER GOODS 0.31% (0.22%)							
	Automobiles & parts 0.24% (0.17%)						
35,803	GKN	106,729	0.24				
4,023	Torotrak	1,207	–				
	Household goods & textiles 0.07% (0.05%)						
2,543	AGA Rangemaster Group	2,092	–				
1,977	Headlam Group	7,320	0.02				
6,936	Low & Bonar	4,612	0.01				
7,031	Pace	17,507	0.04				
	Total cyclical consumer goods	139,467	0.31				
CYCLICAL SERVICES 12.08% (11.10%)							
	Distributors 0.47% (0.02%)						
2,226	SThree	7,758	0.02				
5,960	Wolseley	199,600	0.45				
	General retailers 2.27% (2.03%)						
9,536	Burberry Group	138,558	0.31				
1,215	Carpetright	7,490	0.02				
13,172	Darty	9,517	0.02				

Threadneedle Navigator UK Index Tracker Trust

Portfolio Statement

(continued)

Holding	Investment	Value £	% of Net Asset Value	Holding	Investment	Value £	% of Net Asset Value
CYCLICAL SERVICES 12.08% (11.10%) (continued)				14,966	Speedy Hire	8,531	0.02
78,415	ITV	102,880	0.23	8	Tribal Group	13	–
14	Johnston Press	2	–	553	UK Mail Group	2,776	0.01
2,768	Mecom Group	927	–	2,316	WS Atkins	20,404	0.05
17,693	Pearson	217,801	0.49	6,080	Xchanging	8,162	0.02
6,478	Photo-Me International	5,247	0.01		Transport 0.66% (0.58%)		
26,128	Reed Elsevier	194,131	0.43	10,589	BBA Aviation	29,332	0.06
2,779	St. Ives	4,467	0.01	287	Clarkson	4,638	0.01
597	STV Group	790	–	5,405	EasyJet	67,887	0.15
1,827	Tarsus Group	4,129	0.01	11,370	FirstGroup	14,679	0.03
6,193	Trinity Mirror	7,942	0.02	928	Go Ahead Group	14,087	0.03
5,566	UBM	40,075	0.09	35,291	International Consolidated Airlines Group	99,203	0.22
1,778	UTV Media	2,738	0.01	950	James Fisher & Sons	9,120	0.02
27,478	WPP	309,677	0.69	9,779	National Express Group	19,705	0.04
	Packaging 0.01% (0.01%)			2,471	Northgate	8,247	0.02
3,537	Safestore Holdings	4,801	0.01	9,910	Stagecoach Group	29,512	0.07
	Support services 4.43% (4.27%)			7,039	Stobart Group	6,335	0.01
5,619	Aggreko	101,423	0.23	3,228	Wincanton	2,260	–
11,507	Ashtead Group	72,149	0.16		Total cyclical services	5,412,173	12.08
8,003	Babcock International Group	92,515	0.21		FINANCIALS 23.01% (19.46%)		
3,929	Berendsen	30,116	0.07		Banks 11.60% (9.47%)		
2,620	Big Yellow Group	10,834	0.02	462	Bank of Georgia Holdings	8,593	0.02
2,519	Brammer	8,709	0.02	278,823	Barclays	894,325	2.00
7,750	BTG	27,319	0.06	402,697	HSBC Holdings	2,921,567	6.52
7,198	Bunzl	92,638	0.21	897,348	Lloyds Banking Group	553,933	1.24
2,813	Cape	7,468	0.02	45,600	Royal Bank of Scotland Group	151,529	0.34
14,156	Capita Group	139,295	0.31	42,747	Standard Chartered	661,723	1.48
20	Communis	11	–		Insurance 1.40% (1.18%)		
39,911	Compass Group	342,436	0.76	4,399	Admiral Group	57,143	0.13
2,031	CPP Group	91	–	11,266	Amlin	47,024	0.10
2,324	De La Rue	22,334	0.05	11,932	Beazley	28,434	0.06
2,583	Diploma	13,845	0.03	7,812	Catlin Group	39,255	0.09
10,246	Electrocomponents	27,756	0.06	12,097	Direct Line Insurance Group	25,561	0.06
22,052	Experian Group	268,373	0.60	8,027	Hiscox	44,189	0.10
4,025	Fiberweb	2,989	0.01	2,846	Jardine Lloyd Thompson Group	25,287	0.06
4,849	Filtrona	33,701	0.07	3,790	Lancashire Holdings	29,600	0.07
31,388	G4S	76,963	0.17	1,406	Novae Group	7,002	0.02
31,757	Hays	29,979	0.07	3,343	Phoenix Group Holdings	21,613	0.05
6,341	Homeserve	16,911	0.04	80,258	RSA Insurance Group	92,136	0.21
14,039	Howden Joinery Group	32,978	0.07	51,215	Standard Life	202,965	0.45
928	Hyder Consulting	3,916	0.01		Investment companies 3.55% (3.27%)		
100	Impellam Group	420	–	22,193	3i Group	75,345	0.17
2,957	Interserve	14,474	0.03	14,457	3i Infrastructure	18,982	0.04
3,493	Intertek Group	112,265	0.25	2,743	Aberdeen Asian Income Fund	6,309	0.01
7,872	IP Group	10,863	0.02	796	Aberdeen Asian Smaller Companies Investment Trust	8,724	0.02
1,117	John Menzies	8,003	0.02	627	Aberdeen New Dawn Investment Trust	6,151	0.01
2,153	Johnson Service Group	996	–	1,964	Aberdeen UK Tracker Trust	5,936	0.01
3,976	Lavendon Group	6,521	0.01	2,295	Aberforth Smaller Companies Trust	19,312	0.04
10,754	Management Consulting Group	3,280	0.01	558	Absolute Return Trust	631	–
2,106	Mears Group	7,740	0.02	1,627	Active Capital Trust	138	–
6,574	Michael Page International	25,316	0.06	1,381	Advance Developing Markets Trust	6,394	0.01
8,458	Mitie Group	21,999	0.05	13,060	Alliance Trust	58,535	0.13
3,368	*Mouchel Group	–	–	3,395	Alternative Investment Strategies	4,541	0.01
1,208	PayPoint	11,627	0.03	1,167	Artemis Alpha Trust	3,104	0.01
8,686	Premier Farnell	18,762	0.04	2,042	Asian Total Return Investment	4,227	0.01
43,129	Rentokil Initial	38,859	0.09	2,630	Bankers Investment Trust	14,386	0.03
17,560	Rexam	93,068	0.21	898	Baring Emerging Europe	7,018	0.02
1,225	Ricardo	4,989	0.01				
1,829	Robert Walters	4,083	0.01				
3,806	RPC Group	15,262	0.03				
5,145	RPS Group	10,810	0.02				
10,742	Serco Group	66,654	0.15				
9,381	Shanks Group	8,021	0.02				

Threadneedle Navigator UK Index Tracker Trust

Portfolio Statement

(continued)

Holding	Investment	Value £	% of Net Asset Value	Holding	Investment	Value £	% of Net Asset Value
FINANCIALS 23.01% (19.46%) (continued)				132	Henderson Opportunities Trust Subscription Shares	–	–
810	BH Global	9,963	0.02	1,790	Henderson Smaller Companies	8,095	0.02
353	BH Global USD Shares	2,831	0.01	1,403	Henderson Value Trust	3,339	0.01
946	BH Macro	22,061	0.05	2,023	Herald Investment Trust	11,086	0.02
347	BH Macro EUR Shares	6,699	0.01	787	HG Capital Trust	8,854	0.02
645	BH Macro USD Shares	9,444	0.02	21,834	HICL Infrastructure	27,904	0.06
3,966	Bilfinger Berger Global Infrastructure	4,462	0.01	5,194	Impax Asian Environmental Markets	5,350	0.01
1,800	*Bioscience Investment Trust	–	–	6,174	Impax Environmental Markets	7,918	0.02
1,456	Biotech Growth Trust	5,951	0.01	16,415	International Public Partnership	21,126	0.05
3,089	BlackRock Greater Europe Investment Trust	6,873	0.02	2,268	Invesco Asia Trust	3,776	0.01
617	BlackRock Greater European Investment Trust	117	–	1,964	Invesco Income Growth Trust	4,989	0.01
1,049	BlackRock Latin American Investment Trust	5,581	0.01	1,087	J.P. Morgan American Investment Trust	12,174	0.03
1,257	BlackRock Smaller Companies Trust	8,177	0.02	2,638	J.P. Morgan Asian Investment Trust	5,751	0.01
4,430	BlackRock World Mining Trust	21,765	0.05	1,591	J.P. Morgan Claverhouse Investment Trust	8,591	0.02
12,476	BlueCrest AllBlue Fund	22,968	0.05	2,721	J.P. Morgan Emerging Markets Fund	16,666	0.04
8,138	British Assets Trust	10,885	0.02	693	J.P. Morgan Emerging Markets Investment Trust	638	–
3,784	British Empire Securities & General	19,052	0.04	2,445	J.P. Morgan European Investment Trust	4,890	0.01
936	Brunner Investment Trust	4,540	0.01	975	J.P. Morgan European Smaller Companies Trust	8,429	0.02
785	Caledonia Investments	14,554	0.03	3,384	J.P. Morgan Global Emerging Market Income Trust	4,475	0.01
750	Candover Investments	2,852	0.01	2,780	J.P. Morgan Indian Investment Trust	10,664	0.02
1,617	City Natural resources High Yield Trust	2,454	0.01	4,884	J.P. Morgan Japanese Investment Trust	10,232	0.02
5,656	City of London Investment Trust	20,418	0.05	623	J.P. Morgan Overseas Investment Trust	5,613	0.01
6,604	Dexion Absolute	9,847	0.02	124	J.P. Morgan Overseas Investment Trust Subscription Shares	55	–
4,209	Dunedin Income Growth Investment Trust	11,427	0.03	1,394	J.P. Morgan Russian Securities	7,263	0.02
5,295	Ecofin Water & Power Opportunities	6,870	0.02	10,101	John Laing Infrastructure Fund	11,394	0.03
4,317	Edinburgh Dragon Trust	12,735	0.03	1,928	Jupiter European Opportunities Trust	7,828	0.02
4,632	Edinburgh Investment Trust	27,028	0.06	7,009	Jupiter Fund Management	22,968	0.05
2,112	*Edinburgh UK Smaller Companies Tracker Trust	–	–	1	JZ Capital Partners	5	–
1,185	Edinburgh Worldwide Investment Trust	3,988	0.01	337	Keystone Investment Trust	5,426	0.01
883	Electra Private Equity	20,035	0.04	2,799	Law Debenture	13,855	0.03
1,500	Electric & General Investment Trust	–	–	750	Lowland Investment Company	9,263	0.02
1,016	European Investment Trust	6,132	0.01	2,547	Martin Currie Portfolio Investment	4,107	0.01
2,068	F&C Capital & Income Investment Trust	5,341	0.01	4,596	Medicx Fund	3,642	0.01
12,134	F&C Commercial Property Trust	13,177	0.03	2,444	Mercantile Investment Trust	31,650	0.07
973	F&C Global Smaller Companies	7,662	0.02	2,479	Merchants Trust	11,701	0.03
495	F&C US Smaller Companies	3,366	0.01	6,512	Monks Investment Trust	23,345	0.05
1,064	Fidelity European Values	15,683	0.03	1,527	Murray Income Trust	12,002	0.03
1,591	Fidelity Special Values	12,084	0.03	2,689	Murray International Trust	32,187	0.07
1,277	Finsbury Growth & Income Trust	6,015	0.01	8,820	NB Global	9,173	0.02
13,429	Foreign & Colonial Investment Trust	49,553	0.11	888	North American Income Trust	7,801	0.02
36,014	Fortune Oil	2,849	0.01	340	North Atlantic Smaller Companies Investment Trust	4,814	0.01
3,524	Genesis Emerging Markets	19,593	0.04	2,824	Pacific Assets Trust	4,568	0.01
594	*Goldman Sachs Dynamic Opportunities	449	–	762	Pantheon International Participations	7,970	0.02
4,400	*Govett Strategic Investment Trust	–	–	138	Pantheon International Participations Registered	1,421	–
1,739	Graphite Enterprise Trust	8,552	0.02	5,561	Perpetual Income & Growth	19,219	0.04
1	Hansa Trust	8	–	851	Perpetual Income & Growth Subscription Shares	987	–
413	Henderson European Focus Trust	3,290	0.01				
2,302	Henderson Far East Income	8,149	0.02				
1,498	Henderson Global Trust	5,400	0.01				
8	Henderson Opportunities Trust	49	–				

Threadneedle Navigator UK Index Tracker Trust

Portfolio Statement

(continued)

Holding	Investment	Value £	% of Net Asset Value	Holding	Investment	Value £	% of Net Asset Value
FINANCIALS 23.01% (19.46%) (continued)				4,875	LMS Capital	3,559	0.01
26	Personal Assets Trust	9,264	0.02	13,030	LondonMetric Property	14,998	0.03
10,195	Picton Property Income	4,639	0.01	1,964	LSL Property Services	7,365	0.02
3,246	Polar Capital Technology Trust	13,406	0.03	400	*Mapeley	–	–
656	Polar Capital Technology Trust Subscription Shares	51	–	1,054	MWB Group Holdings	51	–
748	RCM Technology Trust	2,984	0.01	150	Primary Health Open Offer Shares	3	–
29,433	Resolution	85,238	0.19	1,504	Primary Health Properties	4,764	0.01
2,959	RIT Capital Partners	36,840	0.08	12,337	Quintain Estate & Development	9,314	0.02
3,013	Ruffer Investment Company	6,749	0.01	11,839	Raven Russia	9,234	0.02
4,265	Schroder Asia Pacific	11,328	0.03	14,694	Regus	24,759	0.06
1,659	Schroder Income Growth Fund	4,035	0.01	2,796	Savills	16,357	0.04
3,920	Schroder Oriental Income Fund	8,056	0.02	8,276	Schroder Real estate Investment Trust	3,517	0.01
3,877	Schroder UK Growth Fund	6,397	0.01	16,916	Segro	46,857	0.10
3,168	Scottish American Investment	7,872	0.02	5,758	Shaftesbury	35,412	0.08
3,012	Scottish Investment Trust	17,500	0.04	3,494	St. Modwen Properties	10,024	0.02
6,092	Scottish Mortgage Investment Trust	52,300	0.12	569	Town Centre Securities	1,195	–
731	Scottish Oriental Smaller Companies Investment Trust	6,473	0.01	8,952	UK Commercial Property Trust	6,517	0.01
14,300	*Securities Trust of Scotland	–	–	3,801	Unite Group	13,558	0.03
1,204	Standard Life Equity Income Trust	4,274	0.01	1,873	Warner Estate Holdings	20	–
1,540	Standard Life UK Smaller Companies Trust	4,162	0.01	2,420	Workspace Group	9,760	0.02
5,631	SVG Capital	22,389	0.05	Speciality & other finance 1.62% (1.45%)			
1,389	Temple Bar Investment Trust	16,057	0.04	20,899	Aberdeen Asset Management	97,180	0.22
7,896	Templeton Emerging Markets Investment Trust	48,008	0.11	8,314	Ashmore Group	33,298	0.07
481	Thames River Multi Hedge PCC	570	–	6,024	Brewin Dolphin Holdings	14,488	0.03
1,759	Throgmorton Trust	4,248	0.01	3,370	Close Bros Group	33,397	0.07
1,294	TR European Growth Trust	5,383	0.01	1,339	Eastern European Trust	3,568	0.01
8,160	TR Property Investment Trust	16,728	0.04	10,061	F&C Asset Management	9,613	0.02
5,111	Utilico Emerging Markets	9,782	0.02	4,863	Hargreaves Lansdown	46,442	0.10
4,552	Witan Investment	27,926	0.06	13,323	Helphire Group	422	–
1,583	Witan Pacific Investment Trust	3,942	0.01	12,422	ICAP	45,750	0.10
360	Worldwide Healthcare Trust GB00B3VMCB07	1,418	–	8,489	IG Group Holdings	49,533	0.11
1,104	Worldwide Healthcare Trust GB0003385308	11,967	0.03	9,232	Intermediate Capital Group	43,464	0.10
Life assurance 2.95% (2.33%)				5,751	International Personal Finance	29,416	0.07
64,297	Aviva	214,752	0.48	11,533	Investec	52,383	0.12
3,928	Chesnara	9,859	0.02	6	Liontrust Asset Management	11	–
127,547	Legal & General	232,518	0.52	3,839	London Stock Exchange Group	54,245	0.12
106,346	Old Mutual	216,095	0.48	37,952	Man Group	43,986	0.10
55,321	Prudential	624,021	1.39	235	*MDY Healthcare	24	–
4,804	St. James's Place	28,320	0.06	6,275	Moneysupermarket.com	12,989	0.03
Real estate 1.89% (1.76%)				11	†Panmure Gordon & Co	16	–
750	A&J Mucklow Group	2,897	0.01	7,047	Paragon Group of Companies	21,352	0.05
19,867	British Land	120,990	0.27	3,162	Provident Financial	48,600	0.11
13,805	Capital & Counties Properties	45,487	0.10	1,020	Rathbone Brothers	15,596	0.03
6,736	Capital & Regional	2,324	–	2,538	Schroders	60,252	0.13
390	CLS Holdings	3,803	0.01	2	Schroders Non-voting Shares	37	–
115	Daejan Holdings	4,457	0.01	4,810	Tullett Prebon	14,122	0.03
2,120	Derwent London	50,498	0.11	Total financials			
2,702	Development Securities	5,404	0.01				10,308,018
7,543	Grainger	11,578	0.03				23.01
7,380	Great Portland Estates	40,479	0.09	GENERAL INDUSTRIALS 4.48% (3.99%)			
15,919	Hammerson	80,948	0.18	Aerospace & defence 2.45% (2.15%)			
14,272	Hansteen Holdings	12,674	0.03	70,831	BAE Systems	285,945	0.64
2,816	Helical Bar	7,476	0.02	4,349	Chemring Group	12,199	0.03
23,757	Henderson Group	40,102	0.09	24,842	Cobham	71,595	0.16
12,941	Intu Properties	43,443	0.10	16,971	Meggitt	90,285	0.20
16,942	Land Securities Group	156,714	0.35	4,889,829	**Rolls-Royce 'C' Shares	4,890	0.01
				40,723	Rolls-Royce Holdings	486,233	1.09
				8,500	Smiths Group	116,705	0.26
				1,612	Ultra Electronics Holdings	28,516	0.06
				Diversified industrials 0.07% (0.07%)			
				33,933	Lonrho	3,359	0.01
				14,921	QinetiQ Group	27,753	0.06

Threadneedle Navigator UK Index Tracker Trust

Portfolio Statement

(continued)

		Value	% of Net			Value	% of Net
Holding	Investment	£	Asset Value	Holding	Investment	£	Asset Value
GENERAL INDUSTRIALS 4.48% (3.99%) (continued)				25,868	Sage Group	94,108	0.21
Electronic & electrical equipment 0.58% (0.48%)				1,964	SDL	7,404	0.02
8,977	AZ Electronic Materials	28,367	0.06	Total information technology 675,482 1.51			
753	Dialight	9,653	0.02				
2,546	Domino Printing	17,160	0.04	NON-CYCLICAL CONSUMER GOODS 19.54% (20.14%)			
4,277	E2V Holdings	5,400	0.01	Beverages 3.95% (4.06%)			
2,919	Hiwave Technologies	5	–	1,980	A.G.Barr	10,989	0.02
18,594	Invensys	73,948	0.17	5,442	Britvic	28,761	0.06
6,226	Laird Group	13,100	0.03	54,607	Diageo	1,060,195	2.37
5	*Minorplanet Systems	–	–	20,293	SABMiller	670,278	1.50
1,199	Oxford Instruments	19,268	0.04	Food producers & processors 2.33% (2.22%)			
830	Renishaw	14,567	0.03	484	Anglo-Eastern Plantations	3,487	0.01
2,702	Spectris	56,418	0.13	7,583	Associated British Foods	138,845	0.31
3,877	TT Electronics	6,756	0.02	33	Camellia	3,234	0.01
1,301	Volex Group	1,366	–	1,126	Cranswick	12,397	0.03
1,725	Xaar	11,316	0.03	3,263	Dairy Crest Group	15,744	0.03
Engineering & machinery 1.38% (1.29%)				4,068	Devro	13,254	0.03
6,512	Alent	23,788	0.05	1,446	Genus	20,475	0.05
6,462	Amec	66,236	0.15	9,135	Greencore Group	11,921	0.03
4,465	Bodycote	24,558	0.05	830	Hilton Food Group	2,907	0.01
1,469	Carclo	5,362	0.01	5,829	Premier Foods	4,153	0.01
4,423	Fenner	15,242	0.03	4	REA Holdings	15	–
8,586	Halma	44,862	0.10	10,386	Tate & Lyle	85,736	0.19
1,831	Hill & Smith Holdings	7,782	0.02	26,156	Unilever	724,521	1.62
7,134	IMI	92,243	0.21	Health 0.41% (0.40%)			
27,689	Melrose Industries	71,576	0.16	273	Assura Group	99	–
6,739	Morgan Advanced Materials	19,658	0.04	677	Consort Medical	5,331	0.01
1,993	Rotork	56,960	0.13	2,180	Dechra Pharmaceuticals	14,911	0.03
9,404	Senior	25,475	0.06	1,273	Optos	1,591	–
8,733	Severfield-Rowen	4,367	0.01	19,510	Smith & Nephew	149,544	0.33
1,771	Spirax-Sarco Engineering	50,668	0.11	4,700	*Southern Cross Healthcare Group	–	–
991	Vitec Group	5,961	0.01	1,390	Synergy Healthcare	14,776	0.03
4,594	Weir Group	106,948	0.24	7,864	Vectura Group	6,822	0.01
Total general industrials		2,006,490	4.48	Personal care & household products 1.55% (1.54%)			
INFORMATION TECHNOLOGY 1.51% (1.34%)				4,483	McBride	4,505	0.01
Information technology hardware 0.87% (0.62%)				6,954	PZ Cussons	25,744	0.06
30,045	ARM Holdings	296,995	0.66	13,986	Reckitt Benckiser	660,839	1.48
3,801	CSR	20,943	0.05	Pharmaceuticals & biotechnology 6.74% (6.95%)			
4,594	Imagination Technologies Group	16,309	0.04	9,700	*Alizyme	–	–
4,697	Telecity Group	45,631	0.10	26,972	AstraZeneca	914,216	2.04
2,912	Wolfson Microelectronics	6,203	0.02	106,502	GlaxoSmithKline	1,811,599	4.04
Software & computer services 0.64% (0.72%)				3,082	Hikma Pharmaceuticals	29,680	0.07
6,653	Anite	8,476	0.02	21,491	Oxford BioMedica	473	–
1,594	Aveva Group	38,208	0.09	1,555	Phytopharm	21	–
43	Blinkx	57	–	12,213	Shire	263,312	0.59
2,017	Computacenter	9,312	0.02	241	SkyePharma	118	–
2,339	Emblaze	1,181	–	116	Vernalis	25	–
872	Fidessa Group	16,734	0.04	Tobacco 4.56% (4.97%)			
8	Gresham Computing	6	–	42,027	British American Tobacco	1,531,884	3.42
254	IndigoVision Group	978	–	21,338	Imperial Tobacco Group	509,338	1.14
22,329	Innovation Group	6,085	0.01	Total non-cyclical consumer goods 8,751,740 19.54			
1,579	Kofax	5,132	0.01	NON-CYCLICAL SERVICES 8.17% (8.80%)			
3,389	Micro Focus International	23,299	0.05	Food & drug retailers 2.14% (2.33%)			
15	Monitise	6	–	33,619	Booker Group	42,494	0.10
4,932	NCC Group	5,290	0.01	2,395	Greggs	9,700	0.02
796	Parity Group	231	–	30,280	J Sainsbury	113,671	0.25
1,413	Phoenix IT Group	2,116	0.01				
3,419	Playtech	23,027	0.05				
2,258	Rightmove	46,312	0.10				
2,086	RM	1,439	–				

Threadneedle Navigator UK Index Tracker Trust

Portfolio Statement

(continued)

Holding	Investment	Value £	% of Net Asset Value	Holding	Investment	Value £	% of Net Asset Value
NON-CYCLICAL SERVICES 8.17% (8.80%) (continued)				2,081	Kentz	8,287	0.02
47,241	Morrison (Wm) Supermarkets	129,393	0.29	4,647	Lamprell	7,528	0.02
10,276	Ocado Group	27,755	0.06	9,052	Ophir Energy	36,298	0.08
174,190	Tesco	635,010	1.42	5,813	Petrofac	79,347	0.18
Telecommunications services 6.03% (6.47%)				12,065	Premier Oil	44,122	0.10
10,570	BATM Advanced Communications	2,140	0.01	134,602	Royal Dutch Shell 'B' Shares	3,087,770	6.89
171,307	BT Group	520,945	1.16	6,422	Salamander Energy	11,065	0.02
59,675	Cable & Wireless Communications	26,138	0.06	5,105	SOCO International	19,583	0.04
8,268	Colt Group	8,996	0.02	19,668	Tullow Oil	207,104	0.46
9,897	Inmarsat	61,064	0.14	7,387	Wood Group	62,974	0.14
13,096	KCOM Group	11,027	0.02	Total resources		9,735,073	21.74
5	†Redstone	–	–	UTILITIES 3.80% (4.28%)			
14,886	Spirent Communications	19,888	0.04	Electricity 0.84% (1.26%)			
1,205	Telecom Plus	15,834	0.04	9,246	Drax Group	52,240	0.11
29	Virgin Media	953	–	20,778	SSE	323,098	0.72
1,067,002	Vodafone Group	2,032,639	4.54	346	XP Power	4,124	0.01
Total non-cyclical services				Gas distribution 2.34% (2.33%)			
				111,970	Centrica	427,054	0.95
				78,872	National Grid	622,694	1.39
RESOURCES 21.74% (25.39%)				Water 0.62% (0.69%)			
Mining 7.12% (8.99%)				5,147	Severn Trent	105,668	0.24
3,059	African Barrick Gold	4,322	0.01	8,231	Penon Group	56,218	0.13
28,429	Anglo American	443,066	0.99	14,741	United utilities Group	111,442	0.25
2,140	Anglo Pacific Group	4,970	0.01	Total utilities		1,702,538	3.80
7,911	Antofagasta	75,787	0.17	DERIVATIVES 0.05% (-0.28%)			
9,581	Aquarius Platinum	3,976	0.01	Futures and options 0.05% (1.26%)			
4,754	Avocet Mining	559	–	18 ††UBS FTSE 100 Future Expiring			
45,790	BHP Billiton	888,784	1.98	June 2013			
1,811	Bumi	4,696	0.01			21,595	0.05
23,697	Centamin	9,242	0.02	Total derivatives		21,595	0.05
4,865	Coalfield resources	182	–	Total value of investments			
5,698	Eurasian Natural resources	14,382	0.03			43,631,397	97.42
3,707	Fresnillo	43,112	0.10	Net other assets (2.88%)			
2,530	Gem Diamonds	3,567	0.01			1,157,497	2.58
188,135	Glencore Xstrata	618,023	1.38	Net assets		44,788,894	100.00
3,603	Hochschild Mining	9,224	0.02	<i>The calculation of the % Net Asset Value may not sum to 100% due to rounding.</i>			
10,476	International Ferro Metals	995	–	<i>June 2012 comparatives in brackets.</i>			
4,760	Kazakhmys	15,970	0.04	<i>*These are unlisted securities and are valued at the manager's best estimate.</i>			
58,737	Kenmare resources	17,968	0.04	<i>**Manually priced.</i>			
10,012	Lonmin	30,096	0.07	<i>†Alternative Investment Market.</i>			
2,474	New World resources	2,533	0.01	<i>††The underlying exposure of holding this future is £1,184,175.</i>			
8,959	Petra Diamonds	10,258	0.02				
3,836	Petropavlovsk	5,351	0.01				
4,350	Polymetal International	29,776	0.07				
1,985	Randgold resources	105,007	0.23				
27,049	Rio Tinto	787,396	1.76				
32,739	Talvivaara Mining	4,665	0.01				
2,333	Vedanta resources	29,816	0.07				
6,512	Vesuvius	24,479	0.05				
Oil & gas 14.62% (16.40%)							
25,356	Afren	34,154	0.08				
73,046	BG Group	890,431	1.99				
411,602	BP	1,950,787	4.36				
13,075	Cairn Energy	36,061	0.08				
14,549	EnQuest	18,695	0.04				
6,746	Essar Energy	9,957	0.02				
2,927	Exillon Energy	4,310	0.01				
1,738	Hardy Oil & gas	1,981	–				
4,637	Heritage Oil	6,668	0.02				
3,165	Hunting	27,615	0.06				
3,556	JKX Oil & gas	2,134	0.01				

Threadneedle Navigator Growth Trust

Manager's Report

Investment Objective and Policy

To achieve capital growth. The Manager's investment policy is to invest primarily in UK equities, UK government securities and fixed interest investments and worldwide equities. The Manager does not envisage remaining fully invested at all times and may utilise stocklending, forward transactions and derivatives in order to hedge against price or currency fluctuations and to facilitate efficient portfolio management.

This report covers the period from 2 June 2012 to 1 June 2013.

Status of the Trust

The trust is an authorised Unit Trust Scheme within Section 243 of the Financial Services and Markets Act 2000, and is a UCITS scheme for the purpose of the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook (COLL) as amended from time to time.

Performance

Over the 12 months to 1 June 2013, the UK equity market, as measured by the FTSE All-Share Index (Total Return), appreciated by 30.11%. The offer price of accumulation units in the trust rose by 26.39% from 95.50p to 120.70p during the same period. Please note that the FTSE All-Share Index (Total Return) return quoted above is at global close as of 31 May 2013, although the trust is valued at 12 noon on the next working day.

Accumulation

Income units are not available from the Threadneedle Navigator Growth Trust. However, in accordance with the Prospectus, the revenue in the trust is accumulated with effect from the last day of the Annual Accounting Period i.e. 1 June in each year.

Portfolio Activity

The majority of the Trust is invested in equities with only a modest exposure to bonds. With regard to the equity component of the portfolio, the UK represents the largest regional exposure.

The beginning of June 2012 marked the low point for UK equities during the review period, but this was followed by a sharp recovery in the market. The gains were driven by unprecedented measures from global central banks, with the announcement of the European Central Bank's bond-buying plan followed by an expansion of the Federal Reserve's (the Fed's) quantitative easing (QE) programme, through which the US central bank committed to ongoing bond purchases on a massive scale. Investors' appetite for risk was spurred still further by signs that the Chinese economy had averted a hard landing, while the newly elected Japanese government launched a colossal stimulus programme in an effort to purge deflation and promote growth.

The rally continued for most of the period under review, albeit with brief setbacks on concerns over the US fiscal cliff, the inconclusive Italian election result, the Cypriot banking crisis, evidence of a deepening eurozone recession and signs that the Chinese economy could be losing momentum. During May 2013, market indices scaled multi-year highs in many countries and even reached fresh highs in others, including the US.

However, the end of May was marred by talk from the Fed of scaling back its QE programme as the US economic recovery gathers pace. Meanwhile, fresh concerns surfaced over Chinese growth. Equity and bond markets sold off sharply towards the end of the month, while bond yields spiked higher.

The UK market performed strongly over much of the reporting period against the more positive global backdrop and increasing signs of UK economic recovery. The Bank of England's QE programme drove UK equities and bonds upwards. Meanwhile, there was better news on the economy toward the end of the review period, when data released showed that the UK economy had avoided slipping back into recession during the first quarter of 2013.

Within the trust, key UK equity purchases over the period included a new holding in leading global drinks company Diageo given its ability to grow, even in a difficult economic environment. We also increased the UK equity portion's exposure to more cyclical stocks such as fund manager Schroders, TV broadcaster ITV, and oil services company Amec. These are all well-positioned companies with strong finances that trade on compelling valuations. Conversely, we sold out of mining company Xstrata, as we did not like the proposed terms of the merger with Glencore, and took profits on the position in insurer Prudential after a strong performance.

The market's recent strong rally has been driven partly by quantitative easing (QE), improved performance at the company level and the fact the market was fundamentally oversold as the eurozone crisis deepened during the second quarter of 2012. However, we have become slightly more cautious over recent months as the valuation case has become less compelling, while the recent rise in bond yields, if sustained, could undermine the appeal of companies with utility-type earnings, as well as generally raising firms' costs of capital.

Meanwhile, the good performance of the US economy has prompted debate over the duration of the QE programme and has been the main factor behind the rise in bond yields. Market sentiment remains reliant on central-bank support, rather than underlying global economic fundamentals.

The UK market includes some of the world's leading companies, which are not dependent on the health of the domestic economy for their profits growth. Moreover, the UK stock market is supported by a good dividend yield. This has proved particularly attractive to investors given that official interest rates remain at historic lows across the developed world. Even after the recent market rally, UK equity valuations continue to look attractive.

Other Information

Pages 79 to 85 at the back of these Annual Reports and Accounts form part of this Manager's Report.

Directors' Statement

In accordance with the requirements of the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook, we hereby certify the annual report on behalf of the Directors of Threadneedle Unit Trust Manager Limited.

T N Gillbanks

Director

P J W Reed

Director

17 July 2013

Threadneedle Unit Trust Manager Limited

Threadneedle Navigator Growth Trust

STATEMENT OF TOTAL RETURN

for the accounting period 2 June 2012 to 1 June 2013

	Notes	2013 £	2012 £
Income			
Net capital gains/(losses)	2	4,085,024	(1,016,120)
Revenue	3	508,240	421,795
Expenses	4	(306,666)	(298,224)
Finance costs: Interest	6	(532)	(15)
Net revenue before taxation		201,042	123,556
Taxation	5	(17,323)	(15,745)
Net revenue after taxation		183,719	107,811
Total return before distributions		4,268,743	(908,309)
Distributions	6	(183,719)	(107,811)
Change in unitholders' funds from investment activities		4,085,024	(1,016,120)

BALANCE SHEET

as at 1 June 2013

	Notes	2013 £	2012 £
Assets			
Investment assets		18,271,507	15,402,709
Other assets			
Debtors	7	159,499	177,717
Cash and bank balances		1,472,807	1,402,802
Total other assets		1,632,306	1,580,519
Total assets		19,903,813	16,983,228
Liabilities			
Other liabilities			
Creditors	8	(149,982)	(113,744)
Bank overdrafts		–	(11,967)
Total other liabilities		(149,982)	(125,711)
Total liabilities		(149,982)	(125,711)
Net assets		19,753,831	16,857,517
Unitholders' funds		19,753,831	16,857,517

STATEMENT OF CHANGE IN UNITHOLDERS' FUNDS

for the accounting period 2 June 2012 to 1 June 2013

	2013 £	2012 £
Opening net assets	16,857,517	19,359,311
Movement due to sales and repurchases of units:		
Amounts receivable on the issue of units	31,014	44,538
Amounts payable on the cancellation of units	(1,399,523)	(1,636,008)
	(1,368,509)	(1,591,470)
Stamp duty reserve tax	(155)	(249)
Change in unitholders' funds from investment activities (see statement of total return above)	4,085,024	(1,016,120)
Retained distribution on accumulation units	179,954	106,045
Closing net assets	19,753,831	16,857,517

DISTRIBUTION TABLE

for the accounting period 2 June 2012 to 1 June 2013

Dividend distribution in pence per unit

Accumulation Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Net Revenue Accumulated 2012/2013	Net Revenue Accumulated 2011/2012
Group 1						
02/06/12 to 01/06/13	1.1557	0.1156	1.0401	–	1.0401	0.5683
Group 2						
02/06/12 to 01/06/13	0.8707	0.0871	0.7836	0.2565	1.0401	0.5683
Total distributions in the period					1.0401	0.5683

Group 2: units purchased during a distribution period

Threadneedle Navigator Growth Trust

Notes to the financial statements

for the accounting period 2 June 2012 to 1 June 2013

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with UK Generally Accepted Accounting Practice ("UKGAAP"), and in accordance with the Statement of Recommended Practice (the "SORP") for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA) in October 2010.

(b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following bases:

Dividends, interest and other revenue receivable includes any withholding taxes but excludes any other taxes such as attributable tax credits.

Dividends are recognised when the security is quoted ex-dividend.

Special dividends are treated as either revenue or capital depending on the facts of each particular case.

Stock Dividends are recognised as revenue on the basis of the market value of the shares at the date they are quoted ex-dividend.

Equalisation on distributions received is treated as a repayment of capital and deducted from the cost of the investment.

Interest on bank and short-term deposits is recognised on an earned basis.

Fee rebate

In addition to any direct charge for registration and management fees within the trust, there would occur, in the absence of a rebate mechanism, an indirect charge for registration and management fees in respect of investment in other Threadneedle funds. Any such target funds themselves bear registration and management fees, which reduce the value of those funds from what they otherwise would be. The rebate mechanism operates to ensure that investors in the trust bear only the registration and management fee validly applicable to them.

Depending upon the Manager's treatment of management fees within the underlying funds, where management fees are charged to capital, any rebate is classified as a capital item and does not form part of the amount available for distribution.

(c) Treatment of expenses

All expenses other than those relating to the purchase and sale of investments are included in expenses in the Statement of Total Return.

Expenses are recognised on an accruals basis and include irrecoverable VAT where appropriate.

(d) Distribution policy

Where the revenue from investments exceeds the expenses a distribution will be made. Should expenses exceed revenue, there will be no distribution and the shortfall will be transferred to capital. Revenue attributable to Accumulation Unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

(e) Basis of valuation of investments

The investments of the trust are valued at 12 noon (UK time), being the valuation point on the last working day of the accounting period. Investments are stated as fair value which generally is the bid valuation of each security. These bid valuations are sourced from independent pricing sources; to the extent that if an independent pricing source is not available then quotes are obtained from a broker. Where the Manager deems that these valuations are unrepresentative of a fair valuation of the security, a fair valuation adjustment is applied based upon the Managers opinion of fair value.

(f) Exchange rates

Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rates ruling at 12 noon (UK time), being the valuation point on the last working day of the accounting period.

Transactions denominated in foreign currency are translated into sterling at the exchange rates ruling at the date of the transaction.

(g) Deferred taxation

Deferred taxation liabilities are provided for in full, and deferred tax assets are recognised to the extent that they are considered recoverable, in respect of all items for which recognition falls in different accounting periods for accounting and taxation purposes.

2 NET CAPITAL GAINS/(LOSSES)

Net capital gains/(losses) during the period comprise:

	2013	2012
	£	£
Non-derivative securities	4,092,037	(1,012,465)
Other (losses)/gains	(1,398)	699
Transaction costs	(5,615)	(4,354)
Net capital gains/(losses)	4,085,024	(1,016,120)

3 REVENUE

	2013	2012
	£	£
UK franked dividends	254,585	215,913
Overseas dividends	161,206	135,964
Stock dividends	–	12,124
Interest on debt securities	60,499	28,140
Bank interest	5,636	4,536
Management fee rebate on collective investment scheme holdings	26,314	25,113
Miscellaneous revenue	–	5
Total revenue	508,240	421,795

4 EXPENSES

	2013	2012
	£	£
Payable to the Manager or associates of the Manager:		
Annual management charge	(272,464)	(264,938)
Registration fees	(19,981)	(19,429)
	(292,445)	(284,367)
Payable to the trustee or associate of the trustee, and the agents of either of them:		
Trustee's fees	(4,359)	(4,239)
Safe custody fees	(448)	(460)
	(4,807)	(4,699)
Other expenses:		
Regulatory fee	(414)	(421)
Audit fee	(9,000)	(8,736)
Miscellaneous expenses	–	(1)
	(9,414)	(9,158)
*Total expenses	(306,666)	(298,224)

*Including irrecoverable VAT where applicable.

Threadneedle Navigator Growth Trust

Notes to the financial statements

(continued)

5 TAXATION

	2013 £	2012 £
a) Analysis of charge in period		
Overseas taxes	(17,323)	(15,745)
Total current tax (note 5b)	(17,323)	(15,745)
Total tax charge for the period	(17,323)	(15,745)
b) Factors affecting taxation charge for period		
Net revenue before taxation	201,042	123,556
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(40,208)	(24,711)
Effects of:		
Revenue not subject to taxation	81,364	69,757
Overseas taxes	(17,323)	(15,715)
Overseas taxes expensed	169	456
Excess expenses	(41,325)	(45,501)
Revenue taxable in other periods	–	(31)
Current tax charge for period (note 5a)	(17,323)	(15,745)

The trust has not recognised a deferred tax asset of £272,998 (2012: £231,673) arising as a result of having unutilised management expenses. It is unlikely that these expenses will be utilised in future years.

6 FINANCE COSTS AND DISTRIBUTIONS

Distributions and Interest

The distribution takes account of revenue received on the issue of units and revenue deducted on the cancellation of units and comprises:

	2013 £	2012 £
Final	179,954	106,045
Add: Revenue deducted on the cancellation of units	3,842	1,816
Deduct: Revenue received on the issue of units	(77)	(50)
Net distribution for the period	183,719	107,811
Interest	532	15
Total finance costs	184,251	107,826

Details of the distribution per unit are set out in the table on page 18.

7 DEBTORS

	2013 £	2012 £
Sales awaiting settlement	69,433	80,518
Accrued revenue	80,755	83,595
Foreign withholding tax recoverable	9,311	12,012
United Kingdom income tax recoverable	–	1,592
Total debtors	159,499	177,717

8 CREDITORS

	2013 £	2012 £
Amounts payable for the cancellation of units	(44,854)	(14,204)
Purchases awaiting settlement	(71,192)	(68,432)
Accrued expenses	(7,708)	(7,543)
Amounts payable to the Manager	(26,228)	(23,565)
Total creditors	(149,982)	(113,744)

9 UNITHOLDER FUNDS

The charges on the trust are as follows:

Annual management charge	1.50%
Registration fees	0.11%

The net asset value of the trust, the net asset value per unit and the number of units in the trust are given on page 79.

10 RELATED PARTY TRANSACTIONS

Threadneedle Unit Trust Manager Limited, a related party, acts as principal in respect of all transactions of units in the trust. The aggregated monies received through issues and paid on cancellations are disclosed in the Statement of Change in Unitholders' Funds. The amount due from or to Threadneedle Unit Trust Manager Limited in respect of unit transactions at the end of the accounting period is disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Unit Trust Manager Limited in respect of trust administration and registrar services are disclosed in Notes 8. A balance of £24,436 (2012: £21,955) in respect of annual management service charge and £1,792 (2012: £1,610) in respect of registration fees are due at the end of the accounting period.

Amounts payable to J.P. Morgan Trustee and Depositary Company Limited, a related party, in respect of trustee services and safe custody charges are disclosed in Note 8. A balance of £391 (2012: £351) in respect of trustee services and £83 (2012: £75) in respect of safe custody are due at the end of the accounting period.

The trust receives and pays interest on deposits held with J.P. Morgan Trustee and Depositary Company as disclosed in Notes 3 and 6. A balance of £407 (2012: £45) is receivable at the end of the accounting period. Cash and bank balances at the end of the accounting period are disclosed in the Balance Sheet.

The trust invests in a number of sub-funds of Threadneedle Investment Funds ICVC and Threadneedle Specialist Investment Funds ICVC, all transactions in respect of which are transacted with Threadneedle Investment Services Limited. Details of the investments are shown in the Portfolio Statement and gains and losses in the period are disclosed in Note 2. Details of revenue received from the sub-funds are shown in Note 3 and amounts receivable at the end of the accounting period in Note 7. Details of purchases and sales of the sub-funds are shown in Note 13 and any amounts receivable and payable in Notes 7 and 8.

Threadneedle Investment Services Limited (a related party of Threadneedle Unit Managers Limited, forming part of the same group of companies, the ultimate holding company of which is Ameriprise) rebates certain fees to the trust from its management of the Threadneedle Investment Funds ICVC and Threadneedle Specialist Investment Funds ICVC. Details of the rebates received are disclosed in Notes 2 and 3.

A balance of £43,592 (2012: £4,442) in respect of annual management fee rebate is receivable at the end of the accounting period.

The Manager, or associates of the Manager acted as principal in all investment transactions.

11 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing its investment objectives set out on page 17, the Threadneedle Navigator Growth Trust may hold the following financial instruments:

- UK Equities, US Government Securities, fixed interest investments and worldwide equities;
- Funds of the Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC and Threadneedle Focus Investment Funds ICVC of which a maximum of 20% of the value of the property of the trust may be invested in any one fund within this range of investment funds;

Threadneedle Navigator Growth Trust

Notes to the financial statements

(continued)

- Cash, liquid resources and short term debtors and creditors that arise directly from its operations;
- Borrowing used to finance investment activity; and
- Derivative transactions to manage the currency and market risks arising from the trust's investment activities.

Throughout the period under review, it has been the policy of the trust to buy and sell financial instruments for the purpose of investment rather than trading.

The main risks arising from the trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risk. The policies for managing each of these risks are reviewed regularly and agreed with the Trustee of the trust and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate and are consistently applied throughout the period under review. The same policies also applied throughout the year ending 1 June 2012.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the trust might suffer through holding market positions in the face of price movements. The value of the investment can fall as well as rise and investors might not recover the amount invested, especially if investments are not held for the long term.

The Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The investment guidelines and investment and borrowing powers are set out in the instrument of incorporation, the prospectus and in the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook describe the nature of the market price risk to which the trust will be exposed.

Liquidity risk

Liquidity risk is the risk that the trust cannot raise sufficient cash to meet its liabilities when due.

The main liability of the trust is the cancellation of units that the investors wish to sell.

The trust's assets comprise mainly realisable securities which can readily be sold.

Under normal circumstances, the trust will remain close to fully invested. However where circumstances require: either because a view of illiquid securities markets or high levels of redemption in the trust, the trust may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of units.

The Manager manages the trust's cash to ensure it can meet its liabilities. The Manager receives daily reports of issues and cancellations enabling the Manager to raise cash from the trust's portfolio in order to meet cancellation requests. In addition the Manager monitors market liquidity of all securities, seeking to ensure the trust maintains sufficient liquidity to meet known and potential cancellation activity. Trust cash balances are monitored daily by the Manager and Administrator. Where investments cannot be realised in time to meet any potential liability, the trust may borrow up to 10% of its value to ensure settlements. All of the trust's financial liabilities are payable on demand or in less than one year.

Credit risk

Credit risk is the risk that the counterparty in a financial transaction will fail to fulfil their obligation or commitment.

Credit risk arises from three main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including FRNs) there is the possibility of default of the issuer and default in the underlying assets meaning that the trust may not receive back the full principal originally invested. Thirdly, there is the counterparty risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the trust has fulfilled its responsibilities, which could result in the trust suffering a loss.

In order to manage credit risk the trust and underlying investments are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the underlying funds only buy and sell investments through brokers which have been approved by the Manager as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed.

Interest rate risk

Interest rate risk is the risk that the value of the trusts' investments will fluctuate as a result of changes in interest rates.

The trust invests in floating rate securities.

Thus any change to the interest rates relevant for particular securities may result in either income increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise the revenue potential of the trust also rises but the value of fixed rate securities will decline.

A decline in interest rates will in general have the opposite effect.

Duration is a measure of the extent to which this is the case, with a longer duration suggesting higher sensitivity to interest rate moves.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The interest risk profile for the relevant funds is shown in their notes to the financial statements.

Foreign currency risk

Foreign currency risk is the risk that the value of the trust's investments will fluctuate as a result of changes in foreign currency exchange rates.

Where a portion of the investment portfolio is invested in overseas securities the balance sheet can be affected by movements in exchange rates. The Manager monitors the foreign currency exposure of the trust and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies.

Currency exposures

A substantial proportion of the net assets of the trust are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

Threadneedle Navigator Growth Trust

Notes to the financial statements

(continued)

Net foreign currency assets

	Monetary exposures	Non-monetary exposures	Total
	£	£	£
Currency 2013			
Canadian Dollar	36	–	36
Danish Krone	12	–	12
Euro	2,508	1,689,051	1,691,559
Japanese Yen	(1,758)	996,234	994,476
Norwegian Krone	5	–	5
Swedish Krona	65	229,784	229,849
Swiss Franc	9,242	970,810	980,052
US Dollar	127	4,060,486	4,060,613

	£	£	£
Currency 2012			
Canadian Dollar	36	–	36
Danish Krone	11	–	11
Euro	8,026	1,094,615	1,102,641
Japanese Yen	14,053	1,043,768	1,057,821
Norwegian Krone	1,353	–	1,353
Swedish Krona	58	144,813	144,871
Swiss Franc	7,956	607,007	614,963
US Dollar	7,043	3,672,381	3,679,424

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the trust's financial assets and financial liabilities at 1 June 2013 was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£	£	£	£
Currency 2013				
Canadian Dollar	36	–	–	36
Danish Krone	12	–	–	12
Euro	582	–	1,690,977	1,691,559
Japanese Yen	1	–	1,065,667	1,065,668
Norwegian Krone	5	–	–	5
Swedish Krona	65	–	229,784	229,849
Swiss Franc	1,960	–	978,092	980,052
UK Sterling	1,525,203	1,286,567	9,064,251	11,876,021
US Dollar	23	–	4,060,590	4,060,613

	£	£	£	£
Currency 2012				
Canadian Dollar	36	–	–	36
Danish Krone	11	–	–	11
Euro	400	–	1,102,241	1,102,641
Japanese Yen	2,196	–	1,055,625	1,057,821
Norwegian Krone	4	–	1,349	1,353
Swedish Krona	58	–	144,813	144,871
Swiss Franc	180	–	614,783	614,963
UK Sterling	1,463,676	1,321,414	7,554,858	10,339,948
US Dollar	–	–	3,721,584	3,721,584

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£	£
Currency 2013				
Japanese Yen	–	–	(71,192)	(71,192)
UK Sterling	–	–	(78,791)	(78,791)
Currency 2012				
UK Sterling	–	–	(83,551)	(83,551)
US Dollar	(11,967)	–	(30,193)	(42,160)

	Fixed rate financial assets Weighted average interest rate	Fixed rate financial assets Weighted average period for which rate is fixed
Currency	2013	2012
UK Sterling	5%	5%
	16.03 years	15.17 years

The trust's financial assets/(liabilities) at 1 June 2013 are due in one year or less, or on demand.

Fair value of financial assets and financial liabilities

All of the financial assets of the trust are held at bid-market value which is deemed to be fair value.

The primary financial liability is the trust's liability to redeem units issued to finance its operations. These are held at book value and the difference from fair value is deemed to be immaterial.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

There are no material amounts of non interest-bearing financial assets, other than equities, which do not have maturity dates.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

12 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2012: Nil).

13 PORTFOLIO TRANSACTION COSTS

	2013 £	2012 £
Analysis of total purchase costs		
Purchases in period before transaction costs	5,018,937	5,418,900
Commissions	4,144	3,355
Taxes	7,732	5,560
Total purchase costs	11,876	8,915
Gross purchases total	5,030,813	5,427,815
Analysis of total sale costs		
Gross sales before transaction costs	6,234,871	8,282,140
Commissions	(4,547)	(6,655)
Taxes	(71)	(98)
Total sale costs	(4,618)	(6,753)
Total sales net of transaction costs	6,230,253	8,275,387

Statement of Manager's Responsibilities in relation to the Financial Statements of the Scheme

The Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook as amended ("the Regulations") requires the Manager to prepare financial statements for each annual accounting period which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Scheme and of its net revenue/(expenses) and the net gains/(losses) on the property of the Scheme for the period. In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in October 2010;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Scheme will continue in operation for the foreseeable future.

The Manager is required to keep proper accounting records and to manage the Scheme in accordance with the Collective Investment Schemes Sourcebook, the Trust Deed and the Prospectus. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of the Threadneedle Navigator Growth Trust

The Trustee is responsible for the safekeeping of all of the property of the Scheme (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the Scheme is managed by the Authorised Fund Manager in accordance with the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook ("the COLL Sourcebook") and the Scheme's Trust Deed and Prospectus, as appropriate, in relation to the pricing of, and dealings in, units in the Scheme; the application of revenue of the Scheme; and the investment and borrowing powers of the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Authorised Fund Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's revenue in accordance with the COLL Sourcebook and, where applicable, the Scheme's Trust Deed and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

Bournemouth
17 July 2013

J.P. Morgan Trustee and
Depositary Company Limited

Independent Auditors' Report to the Unitholders of Threadneedle Navigator Growth Trust

We have audited the financial statements of Threadneedle Navigator Growth Trust (the "trust") for the year ended 1 June 2013 which comprise the statement of total return, the statement of change in unitholders' funds, the balance sheet, the related notes and the distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds").

Respective responsibilities of Authorised Fund Manager and Auditors

As explained more fully in the Statement of Manager's Responsibilities the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, have been prepared for and only for the trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authorised Fund Manager; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Manager's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the trust at 1 June 2013 and of the net revenue and the net capital gains of the scheme property of the trust for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook and the Trust Deed.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the trust have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

London
17 July 2013

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Threadneedle Navigator Growth Trust

Portfolio Statement

as at 1 June 2013

Holding	Investment	Value £	% of Net Asset Value	Holding	Investment	Value £	% of Net Asset Value
BELGIUM 0.09% (0.09%)				GERMANY 2.64% (2.70%)			
CORPORATE BONDS 0.09% (0.09%)				CORPORATE BONDS 0.25% (0.41%)			
15,000	Anheuser-Busch InBev 6.5% 23/06/2017	17,965	0.09	13,000	KFW 4.875% 01/02/2018	15,259	0.08
				12,000	KFW 5.5% 18/06/2025	15,696	0.08
	Total corporate bonds	17,965	0.09	15,000	Münchener Rückversicherungs 7.625% 21/06/2028	18,132	0.09
CANADA 0.05% (0.03%)				Total corporate bonds		49,087	0.25
CORPORATE BONDS 0.05% (0.03%)				CYCLICAL CONSUMER GOODS 0.00% (0.56%)			
8,000	Talisman Energy 6.625% 05/12/2017	9,479	0.05	Automobiles & parts 0.00% (0.56%)			
	Total corporate bonds	9,479	0.05	Total cyclical consumer goods		-	-
CAYMAN ISLANDS 0.37% (0.37%)				CYCLICAL SERVICES 0.76% (0.51%)			
CORPORATE BONDS 0.37% (0.37%)				Media & photography 0.76% (0.51%)			
2,000	Southern Water Services Finance 6.192% 31/03/2029	2,535	0.01	2,419	Kabel Deutschland Holding	149,188	0.76
4,000	Southern Water Services Finance 6.64% 31/03/2026	5,257	0.03	Total cyclical services		149,188	0.76
9,000	Southern Water Services Finance 7.869% 31/03/2014	9,409	0.05	FINANCIALS 0.80% (0.51%)			
42,000	Yorkshire Power Finance 7.25% 04/08/2028	55,871	0.28	Insurance 0.80% (0.51%)			
	Total corporate bonds	73,072	0.37	1,529	Allianz	157,708	0.80
FRANCE 2.50% (2.60%)				Total financials		157,708	0.80
BASIC INDUSTRIES 0.64% (0.61%)				INFORMATION TECHNOLOGY 0.83% (0.71%)			
Chemicals 0.64% (0.61%)				Software & computer services 0.83% (0.71%)			
1,482	Air Liquide	125,898	0.64	3,285	SAP	163,015	0.83
	Total basic industries	125,898	0.64	Total information technology		163,015	0.83
FINANCIALS 0.58% (0.81%)				ITALY 0.37% (0.35%)			
Banks 0.58% (0.81%)				CYCLICAL CONSUMER GOODS 0.37% (0.35%)			
2,927	BNP Paribas	114,571	0.58	Automobiles & parts 0.37% (0.35%)			
	Total financials	114,571	0.58	9,566	Fiat Industrial	72,918	0.37
CORPORATE BONDS 0.34% (0.41%)				Total cyclical consumer goods		72,918	0.37
24,000	AXA 7.125% 15/12/2020	28,519	0.14	JAPAN 5.05% (6.19%)			
15,000	BNP Paribas 5.75% 24/01/2022	17,190	0.09	BASIC INDUSTRIES 0.73% (0.77%)			
11,000	Electricite de France 5.875% 18/07/2031	13,126	0.06	Chemicals 0.49% (0.36%)			
7,000	France Telecom 5.625% 23/01/2034	8,059	0.04	1,800	JSR	23,443	0.12
1,000	Natixis 5.875% 24/02/2020	1,189	0.01	4,400	Kuraray	42,001	0.21
	Total corporate bonds	68,083	0.34	30,000	Showa Denko	30,598	0.16
GENERAL INDUSTRIALS 0.67% (0.51%)				Construction & building materials 0.13% (0.18%)			
Electronic & electrical equipment 0.67% (0.00%)				3,000	Sekisui House	26,048	0.13
2,534	Schneider Electric	132,958	0.67	Forestry & paper 0.00% (0.03%)			
	Total general industrials	132,958	0.67	Steel & other metals 0.11% (0.20%)			
GOVERNMENT AGENCY 0.27% (0.26%)				12,495	Nippon Steel	21,240	0.11
1,000	LA Poste 5.625% 19/12/2016	1,113	0.01	Total basic industries		143,330	0.73
46,000	Reseau Ferre de France 5.25% 31/01/2035	51,939	0.26	CYCLICAL CONSUMER GOODS 0.86% (0.92%)			
	Total government agency	53,052	0.27	Automobiles & parts 0.86% (0.92%)			
				1,400	Honda Motor	35,057	0.18
				5,000	Nissan Motor	36,450	0.18
				2,500	Toyota Motor	98,071	0.50
				Total cyclical consumer goods		169,578	0.86

Threadneedle Navigator Growth Trust

Portfolio Statement

(continued)

Holding	Investment	Value £	% of Net Asset Value	Holding	Investment	Value £	% of Net Asset Value
JAPAN 5.05% (6.19%) (continued)				RESOURCES 0.00% (0.07%)			
CYCLICAL SERVICES 0.23% (0.22%)				Oil & gas 0.00% (0.07%)			
	General retailers 0.12% (0.00%)			Total resources			
3,100	Aeon	24,058	0.12			–	–
	Transport 0.11% (0.22%)			UTILITIES 0.16% (0.18%)			
5,000	Tokyu	20,693	0.11		Gas distribution 0.16% (0.18%)		
	Total cyclical services	44,751	0.23	9,000	Tokyo Gas	32,010	0.16
					Total utilities	32,010	0.16
FINANCIALS 1.06% (1.06%)				LUXEMBOURG 0.89% (0.58%)			
	Banks 0.66% (0.65%)			GENERAL INDUSTRIALS 0.45% (0.49%)			
5,000	Bank of Yokohama	16,378	0.08		Electronic & electrical equipment 0.45% (0.49%)		
17,300	Mitsubishi UFJ Financial Group	67,300	0.34	28,290	AZ Electronic Materials	89,396	0.45
1,800	Sumitomo Mitsui Financial Group	47,780	0.24		Total general industrials	89,396	0.45
	Insurance 0.00% (0.12%)			SUPRANATIONAL BONDS 0.44% (0.09%)			
	Real estate 0.29% (0.26%)			9,000	European Investment Bank 2.5% 31/10/2022	9,096	0.05
3,000	Mitsui Fudosan	56,156	0.29	25,000	European Investment Bank 3.75% 07/12/2027	26,652	0.13
	Speciality & other finance 0.11% (0.03%)			32,000	European Investment Bank 5% 15/04/2039	39,478	0.20
4,300	Nomura Holdings	22,182	0.11	9,000	Nordic Investment Bank 5.25% 26/11/2019	11,086	0.06
	Total financials	209,796	1.06		Total supranational bonds	86,312	0.44
GENERAL INDUSTRIALS 0.78% (1.16%)				MEXICO 0.09% (0.09%)			
	Diversified industrials 0.17% (0.22%)			GOVERNMENT BONDS 0.09% (0.09%)			
3,400	OSG	33,189	0.17	15,000	United Mexican States 6.75% 06/02/2024	18,687	0.09
	Electronic & electrical equipment 0.61% (0.94%)				Total government bonds	18,687	0.09
900	Azbil	12,575	0.07	NETHERLANDS 2.66% (1.63%)			
1,500	Daikin Industries	44,083	0.22	BASIC INDUSTRIES 0.11% (0.00%)			
1,000	Makita	35,959	0.18		Chemicals 0.11% (0.00%)		
1,400	Omron	27,689	0.14	517	LyondellBasell	22,709	0.11
	Total general industrials	153,495	0.78		Total basic industries	22,709	0.11
INFORMATION TECHNOLOGY 0.60% (0.64%)				CORPORATE BONDS 0.51% (0.60%)			
	Information technology hardware 0.19% (0.48%)			5,000	Bank Nederlandse Gemeenten 5.375% 07/06/2021	6,097	0.03
6,000	Mitsubishi Electric	38,287	0.19	5,000	Deutsche Bahn Finance 2.75% 20/06/2022	5,159	0.02
	Software & computer services 0.41% (0.16%)			27,000	E.On International Finance 6.375% 07/06/2032	35,522	0.18
2,100	Konami	34,119	0.17	1,000	Ing Bank 3.875% 23/12/2016	1,074	0.01
13	NTT Data	29,323	0.15	2,000	Linde Finance 6.5% 29/01/2016	2,278	0.01
500	Softbank	16,868	0.09	10,000	Linde Finance 8.125% 14/07/2066	11,685	0.06
	Total information technology	118,597	0.60	3,000	Nederlandse Waterschapsbank 2.125% 07/09/2016	3,112	0.01
NON-CYCLICAL CONSUMER GOODS 0.35% (0.48%)				14,000	Roche Finance Europe 5.375% 29/08/2023	17,603	0.09
	Beverages 0.28% (0.20%)			14,000	Siemens Financieringsamt 6.125% 14/09/2066	15,540	0.08
2,100	Asahi Group Holdings	33,556	0.17	2,000	Volkswagen Financial Services 1.25% 23/05/2016	1,995	0.01
2,000	Kirin Holdings	21,667	0.11	1,000	Volkswagen Financial Services 2% 23/10/2015	1,020	0.01
	Pharmaceuticals & biotechnology 0.07% (0.28%)				Total corporate bonds	101,085	0.51
500	Santen Pharmaceutical	13,240	0.07				
	Total non-cyclical consumer goods	68,463	0.35				
NON-CYCLICAL SERVICES 0.28% (0.69%)							
	Food & drug retailers 0.28% (0.37%)						
600	Lawson	28,715	0.14				
1,200	Seven & I Holdings	27,499	0.14				
	Telecommunications services 0.00% (0.32%)						
	Total non-cyclical services	56,214	0.28				

Threadneedle Navigator Growth Trust

Portfolio Statement

(continued)

Holding	Investment	Value £	% of Net Asset Value	Holding	Investment	Value £	% of Net Asset Value
CYCLICAL SERVICES 0.94% (1.03%)				CYCLICAL CONSUMER GOODS 1.06% (0.78%)			
	Transport 0.94% (0.00%)				Household goods & textiles 1.06% (0.78%)		
4,670	Koninklijke Vopak	185,711	0.94	549	Swatch Group	209,698	1.06
	Total cyclical services	185,711	0.94		Total cyclical consumer goods	209,698	1.06
FINANCIALS 0.48% (0.00%)				CYCLICAL SERVICES 0.34% (0.62%)			
	Life assurance 0.48% (0.00%)				General retailers 0.34% (0.62%)		
21,227	Aegon	95,306	0.48	2,999	Tyco International	67,453	0.34
	Total financials	95,306	0.48		Total cyclical services	67,453	0.34
NON-CYCLICAL CONSUMER GOODS 0.62% (0.00%)				FINANCIALS 1.11% (0.00%)			
	Food producers & processors 0.62% (0.00%)				Insurance 0.33% (0.00%)		
4,548	Unilever	122,600	0.62	1,095	ACE	64,865	0.33
	Total non-cyclical consumer goods	122,600	0.62		Speciality & other finance 0.78% (0.00%)		
REPUBLIC OF IRELAND 2.62% (1.08%)				13,132	UBS	154,281	0.78
CORPORATE BONDS 0.25% (0.19%)					Total financials	219,146	1.11
32,000	GE Capital UK Funding 4.125% 28/09/2017	35,358	0.18	GENERAL INDUSTRIALS 1.14% (0.98%)			
11,000	GE Capital UK Funding 5.875% 18/01/2033	13,528	0.07		Diversified industrials 1.14% (0.98%)		
	Total corporate bonds	48,886	0.25	139	Sika	224,926	1.14
CYCLICAL SERVICES 1.87% (0.89%)					Total general industrials	224,926	1.14
	Transport 1.87% (0.89%)			NON-CYCLICAL CONSUMER GOODS 1.16% (1.13%)			
63,578	Ryanair Holdings	369,178	1.87		Food producers & processors 1.16% (1.13%)		
	Total cyclical services	369,178	1.87	5,225	Nestle	229,837	1.16
GENERAL INDUSTRIALS 0.36% (0.00%)					Total non-cyclical consumer goods	229,837	1.16
	Engineering & machinery 0.36% (0.00%)			UNITED KINGDOM 48.63% (48.77%)			
1,850	Ingersoll-Rand	70,315	0.36	BASIC INDUSTRIES 1.96% (1.16%)			
	Total general industrials	70,315	0.36		Chemicals 0.81% (0.82%)		
NON-CYCLICAL CONSUMER GOODS 0.14% (0.00%)				6,193	Johnson Matthey	159,284	0.81
	Health 0.14% (0.00%)				Construction & building materials 0.56% (0.27%)		
660	Covidien	28,131	0.14	14,927	Bovis Homes Group	110,609	0.56
	Total non-cyclical consumer goods	28,131	0.14		Forestry & paper 0.59% (0.07%)		
SPAIN 0.01% (0.00%)				48,103	DS Smith	117,708	0.59
GOVERNMENT BONDS 0.01% (0.00%)					Total basic industries	387,601	1.96
1,000	Instituto de Crédito Oficial 4% 08/12/2014	1,019	0.01	COLLECTIVE INVESTMENT SCHEMES 9.58% (9.65%)			
	Total government bonds	1,019	0.01	683,607	Threadneedle Asia Fund	942,831	4.77
SWEDEN 1.16% (0.86%)				1,037,882	Threadneedle Global Emerging Markets Equity Fund	950,700	4.81
FINANCIALS 1.16% (0.86%)					Total collective investment schemes	1,893,531	9.58
	Banks 1.16% (0.86%)			CORPORATE BONDS 3.26% (3.56%)			
8,074	Svenska Handelsbanken 'A' Shares	229,784	1.16		1,000 Allied Domecq Financial Service 6.625% 12/06/2014	1,052	0.01
	Total financials	229,784	1.16	40,000	Annington Finance 6.5676% 10/01/2023	43,237	0.22
SWITZERLAND 5.58% (4.22%)				13,000	Bank of Scotland 4.875% 20/12/2024	15,252	0.08
BASIC INDUSTRIES 0.77% (0.71%)				16,000	Barclays Bank 5.75% 14/09/2026	17,094	0.09
	Chemicals 0.77% (0.71%)			7,000	Barclays Bank 6.125% 19/04/2049	6,710	0.03
588	Syngenta	152,068	0.77	12,000	Barclays Bank 6.875% 27/11/2049	12,332	0.06
	Total basic industries	152,068	0.77	2,000	Barclays Bank 9.5% 07/08/2021	2,628	0.01
				2,000	BMW (UK) Capital 5% 02/10/2017	2,296	0.01
				15,000	British Telecom 5.75% 07/12/2028	18,091	0.09
				20,000	Broadgate Financing 4.821% 05/07/2033	22,770	0.11

Threadneedle Navigator Growth Trust

Portfolio Statement

(continued)

		Value	% of Net			Value	% of Net
Holding	Investment	£	Asset Value	Holding	Investment	£	Asset Value
UNITED KINGDOM 48.63% (48.77%) (continued)				2,000	Unilever 4.75% 16/06/2017	2,279	0.01
CORPORATE BONDS 3.26% (3.56%) (continued)				7,000	Electricity North West 8.875% 25/03/2026	10,712	0.05
12,500	*Canary Wharf Finance II 6.455% 22/04/2030	15,875	0.08	Total corporate bonds			
17,000	ENW Finance 6.75% 20/06/2015	18,702	0.09	643,459 3.26			
9,000	GlaxoSmithKline Capital 5.25% 19/12/2033	10,976	0.06	CYCLICAL CONSUMER GOODS 0.69% (0.56%)			
10,000	Bank of Scotland 9.375% 15/05/2021	12,777	0.06	Automobiles & parts 0.69% (0.56%)			
16,000	Hammerson 6.875% 31/03/2020	20,146	0.10	45,527	GKN	135,716	0.69
5,000	HSBC Bank 6.5% 07/07/2023	6,197	0.03	Total cyclical consumer goods			
23,000	HSBC Capital Funding LP 5.844% 05/11/2049	23,141	0.12	135,716 0.69			
14,000	HSBC Capital Funding LP 8.208% 30/06/2049	15,302	0.08	CYCLICAL SERVICES 6.11% (6.25%)			
17,000	Hutchison Ports 6.75% 07/12/2015	19,154	0.10	Leisure entertainment & hotels 1.03% (0.30%)			
17,000	Imperial Tobacco Finance 6.25% 04/12/2018	20,602	0.10	4,611	Carnival	103,240	0.52
13,927	*Integrated Accommodation Service 6.48% 31/03/2029	17,774	0.09	19,739	Restaurant Group	101,458	0.51
5,000	LCR Finance 5.1% 07/03/2051	6,569	0.03	Media & photography 2.22% (1.70%)			
21,000	Legal & General Finance 5.875% 05/04/2033	25,857	0.13	107,715	ITV	141,322	0.72
20,000	Legal & General Group 5.875% 01/10/2049	21,375	0.11	10,674	Pearson	131,397	0.67
5,000	London Stock Exchange 4.75% 02/11/2021	5,331	0.03	22,136	Reed Elsevier	164,470	0.83
15,087	*Mitchells & Butler Finance 5.574% 15/12/2030	17,219	0.09	Support services 2.01% (3.49%)			
5,000	Nationwide Building Society 7.971% 13/03/2049	5,161	0.03	6,381	Experian Group	77,657	0.39
28,000	National Grid Electricity Transmission 6.5% 27/07/2028	37,062	0.19	17,659	Filtrona	122,730	0.62
6,100	Places for People Capital Markets 5% 27/12/2016	6,557	0.03	12,879	Michael Page International	49,597	0.25
2,000	Places for People Homes 5.09% 31/07/2024	2,248	0.01	91,723	Rentokil Initial	82,642	0.42
12,000	Prudential 5.875% 11/05/2029	14,995	0.08	12,339	Rexam	65,397	0.33
1,000	Prudential 6.125% 19/12/2031	1,169	0.01	Transport 0.85% (0.76%)			
3,120	*Punch Taverns Finance 6.82% 15/07/2020	3,208	0.02	30,014	BBA Aviation	83,139	0.42
875	*RMPA Services 5.337% 30/09/2038	1,003	0.01	28,307	Stagecoach Group	84,298	0.43
2,000	RSA Insurance Group 8.5% 08/12/2049	2,154	0.01	Total cyclical services			
28,000	Royal Bank of Scotland 6.375% 07/12/2028	33,904	0.17	1,207,347 6.11			
6,000	Safeway 6.125% 17/12/2018	7,168	0.04	FINANCIALS 5.24% (4.25%)			
2,000	Sanctuary Housing Association 8.375% 01/09/2031	3,058	0.02	Banks 2.27% (2.61%)			
5,000	Scottish Power UK 6.75% 29/05/2023	6,448	0.03	33,101	Barclays	106,171	0.54
36,000	Standard Life 6.75% 12/07/2049	39,853	0.20	31,696	HSBC Holdings	229,954	1.16
1,000	Smith Group 7.25% 30/06/2016	1,139	0.01	7,220	Standard Chartered	111,766	0.57
5,000	South Eastern Power Networks 5.5% 05/06/2026	6,019	0.03	Life assurance 1.60% (1.11%)			
17,000	Western Power Distribution 9.25% 09/11/2020	24,503	0.12	22,180	Aviva	74,081	0.38
15,000	Standard Chartered Bank 8.103% 11/05/2049	16,373	0.08	113,073	Legal & General	206,132	1.04
5,000	Sunderland Finance 6.38% 31/03/2042	6,452	0.03	6,191	St. James's Place	36,496	0.18
10,000	Thames Water Utilities 6.75% 16/11/2028	13,535	0.07	Real estate 0.58% (0.53%)			
				4,787	Derwent London	114,026	0.58
				Speciality & other finance 0.79% (0.00%)			
				8,435	Schroders Non-voting Shares	155,541	0.79
				Total financials			
				1,034,167 5.24			
				GENERAL INDUSTRIALS 3.67% (2.39%)			
				Aerospace & defence 2.61% (2.39%)			
				16,600	BAE Systems	67,014	0.34
				41,349	Cobham	119,168	0.61
				1,888,530	**Rolls-Royce 'C' Shares	1,889	0.01
				15,870	Rolls-Royce Holdings	189,488	0.96
				9,946	Smiths Group	136,559	0.69
				Engineering & machinery 1.06% (0.00%)			
				9,680	Amec	99,220	0.50
				8,593	IMI	111,107	0.56
				Total general industrials			
				724,445 3.67			

Threadneedle Navigator Growth Trust

Portfolio Statement

(continued)

Holding	Investment	Value £	% of Net Asset Value	Holding	Investment	Value £	% of Net Asset Value
GOVERNMENT BONDS 0.18% (1.49%)				UNITED STATES OF AMERICA 19.79% (21.81%)			
2,000	Isle of Man 5.375% 14/08/2034	2,421	0.01	BASIC INDUSTRIES 0.37% (0.72%)			
16,260	UK Treasury 4% 07/09/2016	18,089	0.09	Chemicals 0.11% (0.49%)			
12,765	UK Treasury Index Linked 4.25% 07/12/2049	15,277	0.08	167	CF Industries Holdings	21,366	0.11
Total government bonds		35,787	0.18	Construction & building materials 0.26% (0.23%)			
INFORMATION TECHNOLOGY 1.05% (0.69%)				1,392	Jacobs Engineering Group	52,312	0.26
Software & computer services 1.05% (0.69%)				Total basic industries		73,678	0.37
2,547	Aveva Group	61,052	0.31	CORPORATE BONDS 0.69% (0.64%)			
40,319	Sage Group	146,681	0.74	3,000	Ahold Finance 6.5% 14/03/2017	3,496	0.02
Total information technology		207,733	1.05	23,000	Bank of America 5.5% 04/12/2019	27,201	0.14
NON-CYCLICAL CONSUMER GOODS 8.57% (8.03%)				40,000	Citigroup 5.125% 12/12/2018	44,841	0.23
Beverages 1.03% (0.36%)				12,000	Citigroup 6.5% 16/08/2030	15,611	0.08
10,473	Diageo	203,333	1.03	9,000	HSBC Finance 6.25% 19/08/2019	10,944	0.06
Food producers & processors 1.27% (0.98%)				2,000	Procter & Gamble 6.25% 31/01/2030	2,694	0.01
9,078	Unilever	251,461	1.27	10,000	Roche Holdings 5.5% 04/03/2015	10,819	0.05
Health 0.50% (0.39%)				3,000	Toyota Motor Credit 4% 07/12/2017	3,349	0.02
13,004	Smith & Nephew	99,676	0.50	13,000	Wal-Mart Stores 5.75% 19/12/2030	16,718	0.08
Pharmaceuticals & biotechnology 3.07% (2.68%)				Total corporate bonds		135,673	0.69
6,980	AstraZeneca	236,587	1.20	CYCLICAL CONSUMER GOODS 0.25% (0.95%)			
21,677	GlaxoSmithKline	368,726	1.87	Household goods & textiles 0.25% (0.95%)			
Tobacco 2.70% (3.62%)				1,746	Lorillard	49,269	0.25
8,948	British American Tobacco	326,155	1.65	Total cyclical consumer goods		49,269	0.25
8,667	Imperial Tobacco Group	206,881	1.05	CYCLICAL SERVICES 4.03% (3.65%)			
Total non-cyclical consumer goods		1,692,819	8.57	General retailers 0.70% (0.75%)			
NON-CYCLICAL SERVICES 2.05% (2.11%)				788	Dollar General	27,805	0.14
Telecommunications services 2.05% (2.11%)				1,217	Home Depot	63,562	0.32
69,452	BT Group	211,204	1.07	1,442	L Brands	47,043	0.24
101,946	Vodafone Group	194,207	0.98	Leisure entertainment & hotels 0.62% (0.27%)			
Total non-cyclical services		405,411	2.05	951	Las Vegas Sands	36,721	0.19
RESOURCES 5.71% (7.92%)				1,270	Starbucks	52,996	0.27
Mining 1.40% (2.16%)				684	Starwood Hotels & Resorts Worldwide	31,003	0.16
5,059	Anglo American	78,845	0.40	Media & photography 1.36% (0.31%)			
6,771	Rio Tinto	197,104	1.00	2,887	CBS Class B	95,493	0.48
Oil & gas 4.31% (5.76%)				3,544	Comcast Class A	95,415	0.48
19,667	BG Group	239,741	1.21	399	Liberty Global 'A' Shares	19,546	0.10
52,018	BP	246,539	1.25	1,399	Walt Disney	59,446	0.30
11,051	Royal Dutch Shell 'B' Shares	253,510	1.28	Support services 0.76% (1.76%)			
7,562	Tullow Oil	79,628	0.40	1,499	ADT	40,594	0.20
822	Ensco	33,420	0.17	926	Alliance Data Systems	110,146	0.56
Total resources		1,128,787	5.71	Transport 0.59% (0.56%)			
UTILITIES 0.56% (0.71%)				6,968	CSX	116,637	0.59
Water 0.56% (0.71%)				Total cyclical services		796,407	4.03
16,100	Pennon Group	109,963	0.56	FINANCIALS 3.70% (4.04%)			
Total utilities		109,963	0.56	Banks 2.37% (1.44%)			
				13,538	Bank of America	123,097	0.62
				4,051	J.P. Morgan Chase	148,137	0.75
				1,518	SunTrust Banks	32,536	0.16
				6,101	Wells Fargo	165,421	0.84
				Insurance 0.10% (0.00%)			
				1,197	Fidelity National	20,871	0.10
				Life assurance 0.16% (0.30%)			
				683	Prudential Financial	31,442	0.16

Threadneedle Navigator Growth Trust

Portfolio Statement

(continued)

Holding	Investment	Value £	% of Net Asset Value	Holding	Investment	Value £	% of Net Asset Value
UNITED STATES OF AMERICA 19.79% (21.81%) (continued)				RESOURCES 2.37% (1.04%)			
	Real estate 0.00% (0.50%)				Oil & gas 2.37% (1.04%)		
	Speciality & other finance 1.07% (1.80%)			1,410	Anadarko Petroleum	83,534	0.42
1,406	American Express	70,383	0.36	900	Chevron	74,030	0.38
1,906	Capital One Financial	78,220	0.40	3,629	Halliburton	101,664	0.51
1,922	Discover Financial Services	60,844	0.31	854	Hess	38,596	0.20
	Total financials	730,951	3.70	1,216	Occidental Petroleum	75,766	0.38
				1,564	Phillips 66	68,678	0.35
				990	Valero Energy	26,472	0.13
					Total resources	468,740	2.37
GENERAL INDUSTRIALS 2.88% (4.42%)				Total value of investments			
	Aerospace & defence 0.72% (0.51%)					18,271,507	92.50
503	Boeing	33,249	0.17		Net other assets (8.63%)	1,482,324	7.50
1,737	United Technologies	109,599	0.55		Net assets	19,753,831	100.00
	Diversified industrials 0.43% (0.87%)			ANALYSIS OF INVESTMENTS BY ASSET CLASS			
1,387	Philip Morris International	84,278	0.43	Equity	15,036,330	82.30	
	Electronic & electrical equipment 0.55% (0.66%)			Collective investment schemes	1,893,531	10.36	
2,102	Amphenol 'A' Shares	108,458	0.55	Fixed interest	1,286,567	7.04	
	Engineering & machinery 1.18% (2.38%)			Floating rate notes	55,079	0.30	
719	Pentair	27,725	0.14		Total value of investments	18,271,507	100.00
314	Precision Castparts	44,561	0.22	<i>The calculation of the % Net Asset Value may not sum to 100% due to rounding.</i>			
2,765	Thermo Fisher Scientific	161,355	0.82	<i>June 2012 comparatives in brackets.</i>			
	Total general industrials	569,225	2.88	<i>*Variable rate bonds.</i>			
				<i>**Manually priced.</i>			
INFORMATION TECHNOLOGY 2.03% (3.63%)							
	Information technology hardware 1.48% (3.46%)						
475	Apple	141,029	0.71				
5,124	Applied Materials	51,375	0.26				
2,716	KLA-Tencor	100,926	0.51				
	Software & computer services 0.55% (0.17%)						
1,893	Autodesk	47,169	0.24				
2,627	EMC	43,075	0.22				
161	Linkedin	17,925	0.09				
	Total information technology	401,499	2.03				
NON-CYCLICAL CONSUMER GOODS 2.95% (2.72%)							
	Beverages 0.14% (0.00%)						
757	Constellation Brands 'A' Shares	27,055	0.14				
	Health 0.19% (0.72%)						
1,457	HCA Holdings	37,206	0.19				
	Pharmaceuticals & biotechnology 2.62% (2.00%)						
1,236	Amgen	85,488	0.43				
1,604	Eli Lilly & Co	57,021	0.29				
1,028	Johnson & Johnson	58,105	0.29				
812	Mead Johnson Nutrition	44,374	0.23				
14,691	Pfizer	272,764	1.38				
	Total non-cyclical consumer goods	582,013	2.95				
NON-CYCLICAL SERVICES 0.52% (0.00%)							
	Food & drug retailers 0.34% (0.00%)						
1,749	CVS Caremark	67,603	0.34				
	Telecommunications services 0.18% (0.00%)						
2,135	Cisco Systems	34,208	0.18				
	Total non-cyclical services	101,811	0.52				

Threadneedle Navigator Income Trust

Manager's Report

Investment Objective and Policy

To achieve a high level of income. The Manager's investment policy is to invest in fixed interest investments primarily in the UK and Continental Europe. The Manager does not envisage remaining fully invested at all times and may utilise stocklending, forward transactions and derivatives in order to hedge against price or currency fluctuations and to facilitate efficient portfolio management.

This report covers the period from 2 June 2012 to 1 June 2013.

Status of the Trust

The trust is an authorised Unit Trust Scheme within Section 243 of the Financial Services and Markets Act 2000, and is a UCITS scheme for the purpose of the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook (COLL) as amended from time to time.

Performance

Over the 12 months to 1 June 2013, the iBoxx Sterling Non-Gilt Index produced a total return of 10.86%. The offer price of accumulation units in the trust rose by 10.87% from 93.17p to 103.30p during the same period. Please note that the iBoxx Sterling Non-Gilt Index returns quoted above are at global close as of 31 May 2013, although the trust is valued at 12 noon on the next working day.

Income Distribution

In accordance with the Prospectus, holders of income units in the trust will receive distributions on a quarterly basis.

The distribution on income units for the quarter ended 1 June 2013 amounts to 0.3592p per unit net.

This brings the total payments from the trust for the review period to 1.4646p per unit net.

The distribution on accumulation units, with effect from the last day of each accounting period, is transferred from income to the capital property of the trust.

The amount available for transfer on 1 June 2013 was 0.6483p per unit net.

This brings the total amount available for transfer from the trust for the review period to 2.6372p per unit net.

Portfolio Activity

The sterling non-gilt market delivered a strong total return over the 12 months under review. Government bonds were outshone by the performance of corporate bonds and high yield bonds. Going into the period, the yield on the index stood at approximately 4.3%. By the end of the period, the yield on the index stood at 3.3%.

Risk markets were driven by unprecedented measures from global central banks. Mario Draghi, President of the European Central Bank (ECB), said that the bank would do "whatever it takes" to support the euro. Subsequently, the ECB announced that it would buy shorter-maturity sovereign bonds for any eurozone country which requested a bailout. This confirmed the ECB as a buyer of last resort for eurozone sovereign bonds in the same way that central banks in the US, UK and Japan have acted for their domestic bond markets. This change of policy stance by the ECB, together with ongoing loose monetary policy (low interest rates and liquidity provision) from other major central banks supported the search for defensive yield across risk markets. But while the ECB has removed the short-term risk for eurozone disintegration, the growth outlook, and therefore the

backdrop for risk assets, remains challenged in many eurozone countries.

The announcement of the ECB's bond-buying plan was followed by an expansion of the Federal Reserve's (the Fed's) quantitative-easing (QE) programme, through which the US central bank committed to ongoing bond purchases on a massive scale. Investors' appetite for risk was spurred still further by signs that the Chinese economy had averted a hard landing, while the newly elected Japanese government launched a colossal stimulus programme in an effort to purge deflation and promote growth. However, May was marred by talk from the US Fed of scaling back its QE programme as the US economic recovery gathers pace. Furthermore, fresh concerns over Chinese growth added to the risk-averse atmosphere. Consequently, equity and bond markets sold off sharply towards the end of the period, while bond yields spiked higher.

The trust generated robust gains, marginally outperforming the iBoxx Sterling Non-Gilt Index over the review year. The strong performance was helped by a combination of good sector allocation and positive stock selection.

In sector allocation terms, our very cautious stance towards sectors that are highly correlated towards gilts, such as AAAs and supranationals, with no holdings in bonds from issuers such as the European Investment Bank, boosted returns.

As a corollary, our favouring of financials, where we held large positions in insurance and banks relative to the benchmark, also helped performance. Stock selection in the banking sector was positive, helped by our investment in several outperforming Bank of America issues, although disappointing among insurers, where our low exposure to outperforming AXA detracted. However, stock selection in the consumer cyclicals sector added value, notably our relatively large exposure to strongly performing issues from pubs operator Enterprise Inns.

In terms of portfolio activity, we extended our positive stance towards financials over the review year, adding to our positions in banks and insurers, introducing exposure to banks Crédit Agricole and Den Danske, while also buying a new holding in reinsurer Hannover. Elsewhere, we maintained a very cautious view on government guaranteed holdings while also trimming our position in gilts. We maintained very significant holdings among consumer staples, raising our weighting relative to the benchmark. We introduced new exposure to brewer Carlsberg but disposed of our holding in tobacco group Philip Morris.

Other Information

Pages 79 to 85 at the back of these Annual Reports and Accounts form part of this Manager's Report.

Directors' Statement

In accordance with the requirements of the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook, we hereby certify the annual report on behalf of the Directors of Threadneedle Unit Trust Manager Limited.

T N Gillbanks

Director

P J W Reed

Director

17 July 2013

Threadneedle Unit Trust Manager Limited

Threadneedle Navigator Income Trust

STATEMENT OF TOTAL RETURN

for the accounting period 2 June 2012 to 1 June 2013

	Notes	2013 £	2012 £
Income			
Net capital gains	2	1,171,018	163,197
Revenue	3	772,239	796,233
Expenses	4	(226,024)	(207,379)
Finance costs:			
Derivative expense		–	(2,701)
Interest	6	(1,345)	(4,716)
Net revenue before taxation		544,870	581,437
Taxation	5	–	–
Net revenue after taxation		544,870	581,437
Total return before distributions		1,715,888	744,634
Finance costs: Distributions	6	(544,870)	(581,437)
Change in net assets attributable to unitholders from investment activities		1,171,018	163,197

BALANCE SHEET

as at 1 June 2013

	Notes	2013 £	2012 £
Assets			
Investment assets		15,259,025	14,884,439
Other assets			
Debtors	7	389,419	472,024
Cash and bank balances	8	270,778	169,890
Total other assets		660,197	641,914
Total assets		15,919,222	15,526,353
Liabilities			
Derivative liabilities		(37,187)	(68,490)
Other liabilities			
Creditors	9	(110,790)	(346,018)
Bank overdrafts	8	(48,951)	–
Distribution payable on income units		(31,329)	(34,558)
Total other liabilities		(191,070)	(380,576)
Total liabilities		(228,257)	(449,066)
Net assets attributable to unitholders		15,690,965	15,077,287

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the accounting period 2 June 2012 to 1 June 2013

	2013 £	2012 £
Opening net assets attributable to unitholders	15,077,287	14,218,445
Movement due to sales and repurchases of units:		
Amounts receivable on the issue of units	315,311	1,298,017
Amounts payable on the cancellation of units	(1,178,831)	(923,118)
	(863,520)	374,899
Change in net assets attributable to Unitholders from investment activities (see statement of total return above)	1,171,018	163,197
Retained distribution on accumulation units	305,402	320,455
Unclaimed distribution monies brought back into account	778	291
Closing net assets attributable to unitholders	15,690,965	15,077,287

DISTRIBUTION TABLE

for the accounting period 2 June 2012 to 1 June 2013

Interest distribution in pence per unit

Income Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2012/2013	Distribution Paid 2011/2012
Group 1						
02/06/12 to 01/09/12	0.4685	0.0937	0.3748	–	0.3748	0.4086
02/09/12 to 01/12/12	0.4601	0.0920	0.3681	–	0.3681	0.4106
02/12/12 to 01/03/13	0.4531	0.0906	0.3625	–	0.3625	0.3612
02/03/13 to 01/06/13	0.4490	0.0898	0.3592	–	0.3592	0.3802
Group 2						
02/06/12 to 01/09/12	0.1811	0.0362	0.1449	0.2299	0.3748	0.4086
02/09/12 to 01/12/12	0.1963	0.0393	0.1570	0.2111	0.3681	0.4106
02/12/12 to 01/03/13	0.2764	0.0553	0.2211	0.1414	0.3625	0.3612
02/03/13 to 01/06/13	0.0175	0.0035	0.0140	0.3452	0.3592	0.3802
Total distributions in the period					1.4646	1.5606
Accumulation						
Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Net Revenue Accumulated 2012/2013	Net Revenue Accumulated 2011/2012
Group 1						
02/06/12 to 01/09/12	0.8378	0.1676	0.6702	–	0.6702	0.7034
02/09/12 to 01/12/12	0.8260	0.1652	0.6608	–	0.6608	0.7097
02/12/12 to 01/03/13	0.8224	0.1645	0.6579	–	0.6579	0.6666
02/03/13 to 01/06/13	0.8104	0.1621	0.6483	–	0.6483	0.6848
Group 2						
02/06/12 to 01/09/12	0.4906	0.0981	0.3925	0.2777	0.6702	0.7034
02/09/12 to 01/12/12	0.6268	0.1254	0.5014	0.1594	0.6608	0.7097
02/12/12 to 01/03/13	0.5944	0.1189	0.4755	0.1824	0.6579	0.6666
02/03/13 to 01/06/13	0.6173	0.1235	0.4938	0.1545	0.6483	0.6848
Total distributions in the period					2.6372	2.7645

Group 2: units purchased during a distribution period

Threadneedle Navigator Income Trust

Notes to the financial statements

for the accounting period 2 June 2012 to 1 June 2013

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with UK Generally Accepted Accounting Practice ("UKGAAP"), and in accordance with the Statement of Recommended Practice (the "SORP") for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA) in October 2010.

(b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following bases:

In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation.

Interest on bank and short-term deposits is recognised on an earned basis.

(c) Treatment of expenses

All expenses other than those relating to the purchase and sale of investments are included in expenses in the Statement of Total Return.

Expenses are recognised on an accruals basis and include irrecoverable VAT where appropriate.

(d) Distribution policy

Where the revenue from investments exceeds the expenses a distribution will be made. Should expenses exceed revenue, there will be no distribution and the shortfall will be transferred to capital. Revenue attributable to Accumulation Unitholders is retained at the end of each distribution period and represents a reinvestment of revenue. All remaining revenue is distributed in accordance with the Collective Investment Schemes sourcebook.

Where distributions are unclaimed for a period of six years these are brought back into the trust as capital.

(e) Basis of valuation of investments

The investments of the trust are valued at 12 noon (UK time), being the valuation point on the last working day of the accounting period. Investments are stated as fair value which generally is the bid valuation of each security. These bid valuations are sourced from independent pricing sources; to the extent that if an independent pricing source is not available then quotes are obtained from a broker. Where the Manager deems that these valuations are unrepresentative of a fair valuation of the security, a fair valuation adjustment is applied based upon the Managers opinion of fair value.

(f) Exchange rates

Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rates ruling at 12 noon (UK time), being the valuation point on the last working day of the accounting period.

Transactions denominated in foreign currency are translated into sterling at the exchange rates ruling at the date of the transaction.

(g) Deferred taxation

Deferred taxation liabilities are provided for in full, and deferred tax assets are recognised to the extent that they are considered recoverable, in respect of all items for which recognition falls in different accounting periods for accounting and taxation purposes.

(h) Derivatives

The total net return in respect of any derivative transactions entered into, is analysed between capital gain or loss, and revenue or expense. Any capital gains or losses are included within "Net capital gains/(losses)", and any revenue or expense is included within "Revenue" or "Finance costs" respectively, in the Statement of Total Return.

The revenue return element in respect of Futures is calculated by reference to the quoted yield of the index upon which the Future is based compared to LIBOR. The revenue so calculated may represent revenue or expense in a trust's accounts, in accordance with whether the trust has held a net long or short position, when considering the accounting period as a whole. The revenue or expense position is reversed, where LIBOR exceeds the quoted yield of the relevant index.

Any positions open at the period end are reflected in the Balance Sheet at their market value, either using available market prices or the Manager's assessment of the fair value, based on counterparty valuations and appropriate pricing models.

Cash held at future brokers as margin is reflected separately within "Cash and bank balances".

2 NET CAPITAL GAINS/(LOSSES)

Net capital gains during the period comprise:

	2013 £	2012 £
Non-derivative securities	1,219,883	138,326
Derivative contracts	–	9,271
Forward currency contracts	(46,561)	16,616
Other gains	421	2,129
Transaction costs	(2,725)	(3,145)
Net capital gains	1,171,018	163,197

3 REVENUE

	2013 £	2012 £
Interest on debt securities	770,578	789,976
Bank interest	1,661	6,257
Total Revenue	772,239	796,233

4 EXPENSES

	2013 £	2012 £
Payable to the Manager or associates of the Manager:		
Annual management charge	(194,878)	(178,388)
Registration fees	(17,149)	(15,698)
	(212,027)	(194,086)
Payable to the trustee or associate of the trustee, and the agents of either of them:		
Trustee's fees	(3,742)	(3,425)
Safe custody fees	(772)	(666)
	(4,514)	(4,091)
Other expenses:		
Regulatory fee	(414)	(421)
Audit fee	(9,000)	(8,736)
Miscellaneous expenses	(69)	(45)
	(9,483)	(9,202)
*Total expenses	(226,024)	(207,379)

*Including irrecoverable VAT where applicable.

Threadneedle Navigator Income Trust

Notes to the financial statements

(continued)

5 TAXATION

	2013 £	2012 £
a) Analysis of charge in period		
Total current tax (note 5b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	544,870	581,437
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(108,974)	(116,287)
Effects of:		
Prior period expenses utilised	41,404	–
Excess expenses	–	(3)
Distributions treated as tax deductible	67,570	116,290
Current tax charge for period (note 5a)	–	–

The trust does not have an unrecognised deferred tax asset at the year end (2012: £41,406) arising as a result of having unutilised management expenses.

Interest distributions have been made in respect of all distributions during the period. Income Tax at 20% will be accounted for on Unitholders' behalf to HM Revenue & Customs.

6 FINANCE COSTS

Distributions and Interest

The distribution takes account of revenue received on the issue of units and revenue deducted on the cancellation of units and comprises:

	2013 £	2012 £
Interim	412,184	435,870
Final	130,485	145,866
	542,669	581,736
Undistributed Revenue	–	(1)
Add: Revenue deducted on the cancellation of units	3,298	3,968
Deduct: Revenue received on the issue of units	(1,097)	(4,266)
Net distribution for the period	544,870	581,437
Derivative expense	–	2,701
Interest	1,345	4,716
Total finance costs	546,215	588,854

Details of the distribution per unit are set out in the table on page 32.

7 DEBTORS

	2013 £	2012 £
Amounts receivable for the issue of units	74,651	–
Sales awaiting settlement	51,571	176,628
Accrued revenue	263,197	295,396
Total debtors	389,419	472,024

8 CASH AND BANK BALANCES

	2013 £	2012 £
Amounts held at futures clearing houses and brokers	380	211
Cash and bank balances	270,398	169,679
	270,778	169,890
Bank overdrafts	(48,951)	–
Total cash and bank balances	221,827	169,890

9 CREDITORS

	2013 £	2012 £
Amounts payable for the cancellation of units	(8,679)	(9,748)
Purchases awaiting settlement	(24,143)	(253,915)
Accrued expenses	(7,270)	(7,863)
Amounts payable to the Manager	(17,762)	(17,382)
Taxation payable	(52,936)	(57,110)
Total creditors	(110,790)	(346,018)

10 UNITHOLDER FUNDS

The charges on the trust are as follows:

Annual management charge	1.25%
Registration fees	0.11%

The net asset value of the trust, the net asset value per unit and the number of units in the trust are given on page 79.

11 RELATED PARTY TRANSACTIONS

Threadneedle Unit Managers Limited, a related party, acts as principal in respect of all transactions of units in the trust.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of change in Net Assets Attributable to Unitholders. The amount due from and to Threadneedle Unit Managers Limited in respect of unit transactions at the end of the accounting period is disclosed in Notes 7 and 9.

Amounts payable to Threadneedle Unit Managers Limited in respect of trust administration and registrar services are disclosed in Notes 9. A balance of £16,325 (2012: £15,976), in respect of annual management service charge and £1,437 (2012: £1,406) in respect of registration fees are due at the end of the accounting period.

Amounts payable to J.P. Morgan Trustee and trustee Company Limited, a related party, in respect of trustee services and safe custody charges are disclosed in Note 9. A balance of £313 (2012: £307), in respect of trustee services and £130 (2012: £116) in respect of safe custody are due at the end of the accounting period.

The trust receives and pays interest on deposits held with J.P. Morgan Trustee and Depositary Company as disclosed in Notes 3 and 6. A balance of £19 (2012: £3) is receivable at the end of the accounting period. Cash and bank balances at the end of the accounting period are disclosed in the Balance Sheet.

The Manager, or associates of the Manager acted as principal in all investment transactions.

12 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing its investment objectives set out on page 31, the Threadneedle Navigator Income Trust may hold the following financial instruments:

- UK Equities, US Government Securities, fixed interest investments and worldwide equities;
- Funds of the Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC and Threadneedle Focus Investment Funds ICVC of which a maximum of 20% of the value

Threadneedle Navigator Income Trust

Notes to the financial statements

(continued)

of the property of the trust may be invested in any one fund within this range of investment funds;

- Cash, liquid resources and short term debtors and creditors that arise directly from its operations;
- Borrowing used to finance investment activity; and
- Derivative transactions to manage the currency and market risks arising from the trust's investment activities.

Throughout the period under review, it has been the policy of the trust to buy and sell financial instruments for the purpose of investment rather than trading.

The main risks arising from the trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risk. The policies for managing each of these risks are reviewed regularly and agreed with the Trustee of the trust and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate and are consistently applied throughout the period under review. The same policies also applied throughout the year ending 1 June 2012.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the trust might suffer through holding market positions in the face of price movements. The value of the investment can fall as well as rise and investors might not recover the amount invested, especially if investments are not held for the long term.

The Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The investment guidelines and investment and borrowing powers are set out in the instrument of incorporation, the prospectus and in the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook describe the nature of the market price risk to which the trust will be exposed.

Liquidity risk

Liquidity risk is the risk that the trust cannot raise sufficient cash to meet its liabilities when due.

The main liability of the trust is the redemption of units that the investors wish to sell.

The trust's assets comprise mainly realisable securities which can readily be sold.

Under normal circumstances, the trust will remain close to fully invested. However where circumstances require: either because a view of illiquid securities markets or high levels of redemption in the trust, the trust may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of units.

The Manager manages the trust's cash to ensure it can meet its liabilities. The Manager receives daily reports of issues and cancellations enabling the Manager to raise cash from the trust's portfolio in order to meet cancellation requests. In addition the Manager monitors market liquidity of all securities, seeking to ensure the trust maintains sufficient liquidity to meet known and potential cancellation activity. Trust cash balances are monitored daily by the Manager and Administrator. Where investments cannot be realised in time to meet any potential liability, the trust may borrow up to 10% of its value to ensure settlements. All of the trust's financial liabilities are payable on demand or in less than one year.

Credit risk

Credit risk is the risk that the counterparty in a financial transaction will fail to fulfil their obligation or commitment.

Credit risk arises from three main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including FRNs) there is the possibility of default of the issuer and default in the underlying assets meaning that the trust may not receive back the full principal originally invested. Thirdly, there is the counterparty risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the trust has fulfilled its responsibilities, which could result in the trust suffering a loss.

In order to manage credit risk the trust and underlying investments are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the underlying funds only buy and sell investments through brokers which have been approved by the Manager as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed.

Interest rate risk

Interest rate risk is the risk that the value of the trusts' investments will fluctuate as a result of changes in interest rates.

The trust invests in floating rate securities.

Thus any change to the interest rates relevant for particular securities may result in either income increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise the revenue potential of the trust also rises but the value of fixed rate securities will decline.

A decline in interest rates will in general have the opposite effect.

Duration is a measure of the extent to which this is the case, with a longer duration suggesting higher sensitivity to interest rate moves.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The interest risk profile for the relevant funds is shown in their notes to the financial statements.

Foreign currency risk

Foreign currency risk is the risk that the value of the trust's investments will fluctuate as a result of changes in foreign currency exchange rates.

Where a portion of the investment portfolio is invested in overseas securities the balance sheet can be affected by movements in exchange rates. The Manager monitors the foreign currency exposure of the trust and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies.

Currency exposures

A small proportion of the net assets of the trust are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

Threadneedle Navigator Income Trust

Notes to the financial statements

(continued)

Net foreign currency assets

	Monetary exposures £	Non- monetary exposures £	Total £
Currency 2013			
Euro	18,674	(20,502)	(1,828)
US Dollar	17,606	2,733	20,339
Currency 2012	£	£	£
Euro	75,703	(83,290)	(7,587)
US Dollar	6,976	(23,613)	(16,637)

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the trust's financial assets and financial liabilities at 1 June 2013 was:

	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
Currency 2013				
Euro	98,226	970,016	64,748	1,132,990
UK Sterling	1,413,573	14,067,777	309,080	15,790,430
US Dollar	120,116	1,359,054	15,590	1,494,760
Currency 2012	£	£	£	£
Euro	91,825	686,680	42,683	821,188
UK Sterling	1,618,822	13,433,924	429,342	15,482,088
US Dollar	128,858	1,147,787	–	1,276,645

	Floating rate financial liabilities £	Fixed rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Currency 2013				
Euro	(146,185)	(988,633)	–	(1,134,818)
UK Sterling	–	–	(117,976)	(117,976)
US Dollar	(93,780)	(1,356,498)	(24,143)	(1,474,421)
Currency 2012	£	£	£	£
Euro	(65,376)	(763,399)	–	(828,775)
UK Sterling	–	–	(380,577)	(380,577)
US Dollar	(124,149)	(1,169,133)	–	(1,293,282)

	Fixed rate financial assets Weighted average interest rate 2013	Fixed rate financial assets Weighted average interest rate 2012	Fixed rate financial assets Weighted average period for which rate is fixed 2013	Fixed rate financial assets Weighted average period for which rate is fixed 2012
Currency				
Euro	5%	5%	12.90 years	11.36 years
UK Sterling	6%	6%	15.98 years	15.68 years
US Dollar	6%	6%	14.83 years	15.03 years

The trust's financial assets/(liabilities) at 1 June 2013 are due in one year or less, or on demand.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

The primary financial liability is the trust's liability to redeem units issued to finance its operations. These are held at book value and the difference from fair value is deemed to be immaterial.

The only material amounts of non interest-bearing assets relate to Forward Foreign Exchange Contracts. Derivatives including forwards are used in this portfolio to take active positions in FX markets, interest rates and credit markets. Derivatives are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the trust and may result in a higher degree of volatility. All open positions are regularly reviewed by

the fund manager. At 1 June 2013, the trust had outstanding open Forward Foreign Exchange Contracts of £36,542 (2012: -£55,405).

The trust's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

Sensitivity analysis

Sensitivity or value at risk is not shown since the trust holds no derivatives that could impact the trust significantly. The same is true of the prior year.

13 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2012: Nil).

14 PORTFOLIO TRANSACTION COSTS

The purchases and sales are not subject to portfolio transaction costs.

The total cost of purchases during the period was £5,430,454 and proceeds received from sales were £6,224,602.

Statement of Manager's Responsibilities in relation to the Financial Statements of the Scheme

The Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook as amended ("the Regulations") requires the Manager to prepare financial statements for each annual accounting period which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Scheme and of its net revenue/(expenses) and the net gains/(losses) on the property of the Scheme for the period. In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in October 2010;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Scheme will continue in operation for the foreseeable future.

The Manager is required to keep proper accounting records and to manage the Scheme in accordance with the Collective Investment Schemes Sourcebook, the Trust Deed and the Prospectus. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of the Threadneedle Navigator Income Trust

The Trustee is responsible for the safekeeping of all of the property of the Scheme (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the Scheme is managed by the Authorised Fund Manager in accordance with the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook ("the COLL Sourcebook") and the Scheme's Trust Deed and Prospectus, as appropriate, in relation to the pricing of, and dealings in, units in the Scheme; the application of revenue of the Scheme; and the investment and borrowing powers of the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Authorised Fund Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's revenue in accordance with the COLL Sourcebook and, where applicable, the Scheme's Trust Deed and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

Bournemouth
17 July 2013

J.P. Morgan Trustee and
Depositary Company Limited

Independent Auditors' Report to the Unitholders of Threadneedle Navigator Income Trust

We have audited the financial statements of Threadneedle Navigator Income Trust (the "trust") for the year ended 1 June 2013 which comprise the statement of total return, the statement of change in net assets attributable to unitholders, the balance sheet, the related notes and the distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds").

Respective responsibilities of Authorised Fund Manager and Auditors

As explained more fully in the Statement of Manager's Responsibilities the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, have been prepared for and only for the trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authorised Fund Manager; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Manager's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the trust at 1 June 2013 and of the net revenue and the net capital gains of the scheme property of the trust for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook and the Trust Deed.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the trust have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

London
17 July 2013

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Threadneedle Navigator Income Trust

Portfolio Statement

as at 1 June 2013

			Value £	% of Net Asset Value				Value £	% of Net Asset Value
Holding	Investment				Holding	Investment			
FIXED INTEREST 89.77% (88.93%)					A 6.31% (6.68%)				
	AAA 2.25% (3.14%)				USD	115,000	AlA Group 1.75% 13/03/2018	74,423	0.47
GBP	80,000	Broadgate Financing 4.821%			GBP	100,000	Anheuser-Busch InBev 9.75%		
		05/07/2033	91,079	0.58			30/07/2024	160,301	1.02
GBP	50,000	Fosse Master Issuer 4.635%			GBP	40,000	Annington Finance 6.5676%		
		18/01/2017	55,568	0.35			10/01/2023	43,237	0.28
GBP	80,000	Silverstone Masters Issuer 5.063%			GBP	75,000	DWR Cymru Financing 6.015%		
		21/10/2016	89,617	0.57			31/03/2028	94,869	0.60
GBP	100,000	Temasek Financial (I) 4.625%			GBP	50,000	GDF Suez 7% 30/10/2028	69,704	0.44
		26/07/2022	117,085	0.75	EUR	100,000	Hannover Finance 5% 30/06/2043	92,974	0.59
	Aaa 2.48% (5.75%)				GBP	100,000	J.P. Morgan Chase 4.25%		
GBP	109,000	Barclays Bank 4.25% 12/01/2022	124,133	0.79			25/01/2017	109,340	0.70
GBP	100,000	Clydesdale Bank 4.625%			GBP	10,000	Legal & General Finance 5.875%		
		08/06/2026	114,551	0.73			05/04/2033	12,313	0.08
GBP	125,000	Lloyds TSB Bank 5.125%			GBP	50,000	Longstone Finance 4.896%		
		07/03/2025	150,022	0.96			19/04/2036	50,664	0.32
	Aaae 0.00% (0.67%)				EUR	100,000	Münchener Rückversicherungs 6%		
	AA+ 1.33% (0.93%)						26/05/2041	100,633	0.64
GBP	115,000	GE Capital UK Funding 5.125%			GBP	100,000	Royal Bank of Scotland 6.625%		
		24/05/2023	133,732	0.85			17/09/2018	121,782	0.78
GBP	61,000	GE Capital UK Funding 5.875%			GBP	50,000	Standard Chartered Bank 7.75%		
		18/01/2033	75,022	0.48			03/04/2018	61,015	0.39
	AA 2.78% (2.17%)				GBP	30,000	Prudential 6.875% 20/01/2023	39,127	0.25
GBP	100,000	IPIC GMTN 6.875% 14/03/2026	125,085	0.80			A2 0.25% (0.12%)		
GBP	65,000	Land Securities Capital Markets					A- 17.77% (18.77%)		
		5.125% 07/02/2036	77,084	0.49	GBP	100,000	América Móvil 5% 27/10/2026	115,343	0.74
USD	100,000	Qatari Diar Finance 5% 21/07/2020	73,521	0.47	GBP	157,000	AT&T 4.25% 01/06/2043	151,100	0.96
GBP	125,000	Wal-Mart Stores 5.625%			GBP	50,000	AT&T 5.5% 15/03/2027	59,699	0.38
		27/03/2034	160,433	1.02	GBP	50,000	Bank of America 6.125%		
	AA- 2.87% (3.20%)						15/09/2021	61,167	0.39
EUR	75,000	Corporación Andina de Fomento			GBP	100,000	Bank of America 7% 31/07/2028	134,853	0.86
		4.625% 29/03/2018	73,064	0.47	GBP	100,000	BAT International Finance 7.25%		
GBP	110,000	General Electric 5.5% 15/09/2066	113,066	0.72			12/03/2024	136,315	0.87
GBP	100,000	Metropolitan Life Global Funding I			GBP	80,000	BG Energy Capital 5.125%		
		2.875% 11/01/2023	100,343	0.64			07/12/2017	92,873	0.59
GBP	80,000	National Australia Bank 5.125%			GBP	70,000	Citigroup 5.5% 18/11/2015	77,131	0.49
		09/12/2021	94,648	0.60	GBP	85,000	Citigroup 7.375% 01/09/2039	124,928	0.80
GBP	60,000	Southern Gas Network 4.875%			GBP	50,000	Danske Bank 4% 09/12/2015	53,151	0.34
		21/03/2029	68,272	0.44	GBP	50,000	DnB NOR Bank 7.25% 23/06/2020	54,893	0.35
	Aa3 0.91% (0.00%)				GBP	50,000	E.ON International Finance 5.875%		
USD	220,000	QNB Finance 2.875% 29/04/2020	142,284	0.91			30/10/2037	63,032	0.40
	A+ 4.75% (4.37%)				GBP	50,000	Heathrow Funding 5.225%		
GBP	60,000	Barclays Bank 5.75% 17/08/2021	72,325	0.46			15/02/2025	58,398	0.37
GBP	100,000	BHP Billiton Finance 3.25%			GBP	75,000	Heathrow Funding 6.75%		
		25/09/2024	100,074	0.64			03/12/2026	99,674	0.64
GBP	100,000	Electricite de France 5.5%			GBP	69,000	HSBC Capital Funding LP 5.844%		
		17/10/2041	113,022	0.72			05/11/2049	69,422	0.44
USD	80,000	Hongkong Electric Finance 4.25%			GBP	40,000	HSBC Holdings 6% 29/03/2040	45,145	0.29
		14/12/2020	56,458	0.36	GBP	50,000	HSBC Holdings 6.375% 18/10/2022	56,414	0.36
GBP	85,000	HSBC Holdings 6.5% 20/05/2024	109,738	0.70	GBP	50,000	HSBC Holdings 7% 07/04/2038	62,858	0.40
GBP	100,000	Motability Operations Group			GBP	65,000	Hutchison Ports 6.75% 07/12/2015	73,237	0.47
		4.375% 08/02/2027	109,723	0.70	GBP	65,000	Metlife 5.375% 09/12/2024	75,555	0.48
GBP	100,000	Siemens Financieringsmaatschappij			GBP	75,000	National Grid Electricity		
		2.75% 10/09/2025	97,071	0.62			Transmission 7.375% 13/01/2031	106,745	0.68
GBP	25,000	Unilever 4.75% 16/06/2017	28,487	0.18	GBP	105,000	National Grid Gas 6% 13/05/2038	133,375	0.85
GBP	50,000	Wells Fargo Bank 5.25% 01/08/2023	58,239	0.37	USD	124,000	Prudential 7.75% 23/03/2049	89,212	0.57
					GBP	70,000	QBE Insurance Group 6.125%		
							28/09/2015	76,715	0.49
					USD	200,000	Republika Slovenija 5.85%		
							10/05/2023	130,227	0.83

Threadneedle Navigator Income Trust

Portfolio Statement

(continued)

			Value £	% of Net Asset Value				Value £	% of Net Asset Value
Holding	Investment				Holding	Investment			
FIXED INTEREST 89.77% (88.93%) (continued)									
GBP	77,000	RSA Insurance Group 6.701% 12/05/2049	80,525	0.51	GBP	35,000	Barclays Bank 6.875% 27/11/2049	35,969	0.23
GBP	50,000	RSA Insurance Group 9.375% 20/05/2039	63,959	0.41	GBP	100,000	BG Energy Capital 6.5% 30/11/2072	112,500	0.72
GBP	95,000	Southern Water Services 5% 31/03/2021	108,040	0.69	GBP	100,000	DnB NOR Bank 6.0116% 29/12/2049	104,202	0.66
GBP	50,000	SSE 8.375% 20/11/2028	76,141	0.49	GBP	70,000	ENW Finance 6.75% 20/06/2015	77,006	0.49
GBP	31,000	Standard Chartered Bank 8.103% 11/05/2049	33,838	0.22	GBP	115,000	Gaz Capital 6.58% 31/10/2013	117,017	0.75
GBP	65,000	Standard Life 6.75% 12/07/2049	71,957	0.46	GBP	50,000	Generali Finance 6.214% 29/06/2049	45,306	0.29
GBP	70,000	Thames Water utilities Cayman 7.241% 09/04/2058	85,005	0.54	GBP	100,000	Glencore Finance Europe 6.5% 27/02/2019	117,864	0.75
GBP	45,000	Vattenfall 6.875% 15/04/2039	64,222	0.41	GBP	25,000	Heathrow Funding 6.25% 10/09/2018	29,279	0.19
A3 0.71% (0.73%)									
GBP	100,000	Morrison (Wm) Supermarkets 4.625% 08/12/2023	111,315	0.71	USD	120,000	Hutchison Whampoa International 6% 28/10/2049	83,715	0.53
BBB+ 13.71% (10.89%)									
GBP	50,000	Aspire Defence Finance 4.674% 31/03/2040	52,762	0.34	GBP	60,000	Imperial Tobacco Finance 7.75% 24/06/2019	77,855	0.50
GBP	125,000	Barclays Bank 10% 21/05/2021	167,165	1.07	GBP	55,000	Imperial Tobacco Finance 8.125% 15/03/2024	76,025	0.48
GBP	75,000	Citigroup 5.125% 12/12/2018	84,078	0.54	GBP	50,000	Imperial Tobacco Finance 9% 17/02/2022	71,208	0.45
GBP	50,000	Credit Agricole 7.375% 18/12/2023	61,194	0.39	GBP	30,000	Nationwide Building Society 5.769% 06/08/2049	27,436	0.17
GBP	100,000	DONG Energy 4.875% 12/01/2032	108,660	0.69	GBP	100,000	NGG Finance 5.625% 18/06/2073	104,275	0.66
GBP	50,000	Eastern Power Networks 6.25% 12/11/2036	64,427	0.41	GBP	70,000	Pemex Project Funding Master Trust 7.5% 18/12/2013	72,301	0.46
GBP	100,000	Electricite de France 6% 29/12/2049	105,417	0.67	GBP	100,000	Petrobras International Finance 5.375% 01/10/2029	105,800	0.67
GBP	75,000	Enel Finance International 5.75% 14/09/2040	70,783	0.45	USD	200,000	Russian Federation 4.5% 04/04/2022	141,311	0.90
GBP	65,000	ENW Finance 6.125% 21/07/2021	79,243	0.51	EUR	100,000	RZD Capital 3.3744% 20/05/2021	82,785	0.53
USD	40,000	Heineken 2.75% 01/04/2023	25,424	0.16	EUR	100,000	Softbank 4.625% 15/04/2020	89,301	0.57
EUR	100,000	Heineken 3.5% 19/03/2024	93,180	0.59	GBP	55,000	South East Water Finance 5.6577% 30/09/2019	64,221	0.41
GBP	56,000	HSBC Capital Funding LP 8.208% 30/06/2049	61,208	0.39	GBP	50,000	Southern Water Services 7.869% 31/03/2014	52,271	0.33
GBP	70,000	ING Bank 6.875% 29/05/2023	78,788	0.50	GBP	50,000	SSE 5.453% 01/10/2049	52,874	0.34
GBP	55,000	Legal & General Group 5.875% 01/10/2049	58,781	0.37	GBP	40,000	Talisman Energy 6.625% 05/12/2017	47,396	0.30
GBP	100,000	Legal & General Group 10% 23/07/2041	138,893	0.89	GBP	65,000	Tate & Lyle International Finance 6.75% 25/11/2019	80,249	0.51
GBP	97,000	Linde Finance 8.125% 14/07/2066	113,340	0.72	GBP	100,000	TDC 5.625% 23/02/2023	119,270	0.76
GBP	100,000	Merrill Lynch & Co 5.5% 22/11/2021	111,911	0.71	GBP	100,000	Telefonica Emisones 5.289% 09/12/2022	106,605	0.68
EUR	70,000	Nationwide Building Society 6.75% 22/07/2020	68,691	0.44	GBP	100,000	*Telereal Securitisation 4.0902% 10/12/2033	103,238	0.66
GBP	75,000	Pearson Funding One 6% 15/12/2015	83,449	0.53	USD	30,000	United Mexican States 6.05% 11/01/2040	23,521	0.15
GBP	100,000	Scottish Widows 5.5% 16/06/2023	101,204	0.65	GBP	122,000	United Mexican States 6.75% 06/02/2024	151,991	0.97
GBP	75,000	Severn Trent Water utilities 6% 22/01/2018	88,200	0.56	GBP	125,000	Western Power Distribution West 6% 09/05/2025	155,667	0.99
GBP	100,000	Siemens Finanzierungsamt 6.125% 14/09/2066	110,997	0.71	GBP	50,000	Yorkshire Water 6% 24/04/2025	56,550	0.36
GBP	50,000	South Eastern Power Networks 6.375% 12/11/2031	64,665	0.41	Baa2 1.01% (2.65%)				
GBP	130,000	Tesco 6.125% 24/02/2022	158,404	1.01	GBP	50,000	Bupa Finance 7.5% 04/07/2016	58,114	0.37
Baa1 0.00% (0.44%)									
BBB 18.74% (15.99%)									
GBP	100,000	Ahold Finance 6.5% 14/03/2017	116,545	0.74	EUR	115,000	Carlsberg Breweries 2.625% 15/11/2022	99,959	0.64
GBP	100,000	APT Pipelines 4.25% 26/11/2024	104,959	0.67	BBB- 5.48% (7.42%)				
GBP	90,000	Aviva 6.125% 29/09/2049	89,561	0.57	EUR	60,000	ABN Amro Bank 4.31% 29/03/2049	47,479	0.30
GBP	40,000	AXA 7.125% 15/12/2020	47,532	0.30	GBP	70,000	FirstGroup 6.875% 18/09/2024	83,467	0.53
					GBP	50,000	G4S 7.75% 13/05/2019	62,714	0.40

Threadneedle Navigator Income Trust

Portfolio Statement

(continued)

			Value	% of Net				Value	% of Net	
Holding	Investment		£	Asset Value	Holding	Investment		£	Asset Value	
FIXED INTEREST 89.77% (88.93%) (continued)					AA- 1.00% (1.17%)					
GBP	50,000	Lloyds TSB Bank 6.9625%			GBP	77,827	*Integrated Accommodation Service			
		29/05/2020	52,175	0.33			6.48% 31/03/2029	99,326	0.63	
GBP	40,000	Lloyds TSB Bank 7.625%			GBP	50,439	*Octagon Healthcare 5.333%			
		22/04/2025	47,653	0.30			31/12/2035	58,258	0.37	
USD	150,000	Pernod Ricard 4.25% 15/07/2022	104,457	0.67	A+ 0.31% (0.32%)					
USD	75,000	Royal Bank of Scotland 9.5%			GBP	42,242	*Mitchells & Butler Finance 5.574%			
		16/03/2022	58,248	0.37			15/12/2030	48,214	0.31	
GBP	50,000	Telecom Italia 5.625% 29/12/2015	54,048	0.34	A1 0.00% (0.29%)					
GBP	50,000	UBM 6.5% 23/11/2016	56,868	0.36	A 0.91% (0.97%)					
USD	200,000	UBS Jersey 7.25% 22/02/2022	140,430	0.90	GBP	58,334	*Canary Wharf Finance II 6.455%			
GBP	75,000	Virgin Media Secured Finance 7%					22/04/2030	74,081	0.47	
		15/01/2018	78,750	0.50	GBP	60,182	*Longstone Finance 4.791%			
EUR	85,000	Ziggo Finance 6.125% 15/11/2017	75,908	0.48			19/04/2030	69,237	0.44	
Baa3 1.51% (0.50%)					A- 1.27% (3.32%)					
GBP	54,000	††Acquedotto Pugliese 6.92%			GBP	100,000	*J.P. Morgan Chase 1.05125%			
		29/06/2018	58,682	0.37			30/05/2017	95,746	0.61	
GBP	100,000	Bupa Finance 5% 25/04/2023	100,627	0.64	GBP	90,799	*Juturna 5.0636% 10/08/2033	104,092	0.66	
GBP	70,000	National Express Group 6.25%			BBB+ 1.56% (0.12%)					
		13/01/2017	78,439	0.50	EUR	50,000	*Bank of America 1.053%			
BB+ 0.61% (0.52%)							28/03/2018	40,435	0.26	
USD	75,000	Eksportfinans 3% 17/11/2014	49,298	0.31	USD	75,000	*ING Bank 0.9826% 03/07/2017	46,634	0.30	
GBP	40,000	GKN Holdings 6.75% 28/10/2019	46,595	0.30	GBP	79,382	*Tesco Property Finance 3 5.744%			
BB 0.64% (1.21%)							13/04/2040	90,333	0.58	
GBP	85,000	LBG Capital No 1 11.04%			GBP	48,211	*Tesco Property Finance 7.6227%			
		19/03/2020	100,372	0.64			13/07/2039	65,943	0.42	
Ba2 0.34% (0.00%)					BBB 0.00% (2.38%)					
EUR	53,000	HeidelbergCement Finance 8%			Baa2 0.30% (0.23%)					
		31/01/2017	53,942	0.34	USD	75,000	*ING Bank 0.9491% 23/05/2016	47,323	0.30	
BB- 1.40% (0.48%)					BBB- 0.33% (0.33%)					
GBP	95,000	Enterprise Inns 6.5% 06/12/2018	96,641	0.62	GBP	44,616	*RMPA Services 5.337%			
GBP	22,000	Spirit Issuer 5.86% 28/12/2021	21,630	0.14			30/09/2038	51,163	0.33	
GBP	100,000	Virgin Media Finance 5.125%			BB+ 0.00% (0.09%)					
		15/02/2022	100,756	0.64	Baa3 0.37% (0.00%)					
GBP	100,000	Anglian Water (Osprey) Financing			EUR	71,000	††*Romulus Finance 1.106%			
		7% 31/01/2018	109,649	0.70			20/02/2015	57,791	0.37	
Not rated 3.22% (1.63%)					BB 0.20% (0.11%)					
GBP	87,000	**Cattles 0% 17/01/2014	1,740	0.01	GBP	50,000	*Argon Capital 2.83688%			
USD	100,000	CGS Guernsey I 7.875%					29/10/2049	32,000	0.20	
		24/02/2041	70,525	0.45	BB- 0.00% (0.20%)					
EUR	100,000	Davide Campari-Milano 4.5%			C 0.00% (0.18%)					
		25/10/2019	92,100	0.59	Total floating rate notes					
GBP	80,000	First Hydro Finance 9% 31/07/2021	99,940	0.64					1,171,588	7.47
GBP	137,000	Pennon Group 6.75% 08/03/2049	144,525	0.92						
USD	135,000	Rabobank Nederland 8.375%								
		26/07/2049	96,000	0.61						
Total fixed interest			14,086,792	89.77						
FLOATING RATE NOTES 7.47% (9.71%)										
AAA 0.35% (0.00%)										
GBP	45,568	*Meadowhall Finance 4.986%								
		12/01/2032	54,487	0.35						
AA 0.87% (0.00%)										
GBP	107,170	*Telereal Securitisation 5.9478%								
		10/12/2031	136,525	0.87						

Threadneedle Navigator Income Trust

Portfolio Statement

(continued)

Holding	Investment	Value £	% of Net Asset Value	Value £
DERIVATIVES -0.23% (0.37%)				ANALYSIS OF INVESTMENTS BY CREDIT RATINGS
	Forward foreign exchange contracts -0.23% (0.37%)			AAA 407,836
	Sell EUR 1,270,000			Aaa 388,706
	Buy GBP 1,073,344 Citigroup	(12,834)	(0.08)	AA+ 208,754
	Sell USD 195,000			AA 572,648
	Buy GBP 125,647 HSBC	(2,608)	(0.02)	AA- 606,977
	Sell USD 2,060,000			Aa3 142,284
	Buy GBP 1,334,283 J.P. Morgan	(20,625)	(0.13)	A+ 793,351
	Sell EUR 48,000			A 1,134,573
	Buy GBP 40,747 HSBC	(305)	-	A2 39,127
	Sell GBP 30,272			A- 2,984,987
	Buy USD 47,000 Citigroup	641	-	A3 111,315
	Sell EUR 28,000			BBB+ 2,394,209
	Buy GBP 23,587 HSBC	(361)	-	BBB 2,943,605
	Sell USD 17,000			Baa2 205,396
	Buy GBP 10,938 HSBC	(243)	-	BBB- 913,360
	Sell GBP 12,839			Baa3 295,539
	Buy EUR 15,000 Citigroup	(10)	-	BB+ 95,893
	Sell GBP 32,979			BB 132,372
	Buy USD 50,000 HSBC	(93)	-	Ba2 53,942
	Sell GBP 49,713			BB- 219,027
	Buy EUR 58,000 J.P. Morgan	(108)	-	Ba3 109,649
	Sell USD 30,000			Not rated 504,830
	Buy GBP 19,736 Citigroup	4	-	Total bonds 15,258,380
	Total derivatives	(36,542)	(0.23)	Derivatives (36,542)
Total value of investments		15,221,838	97.01	Total value of investments
Net other assets (1.73%)		469,127	2.99	
Net assets		15,690,965	100.00	15,221,838

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

June 2012 comparatives in brackets.

*Variable rate bonds.

**These are unlisted securities and are valued at the manager's best estimate.

††At 1 June 2013 there were investments totalling £116,473 (0.74% of the NAV of the trust) which were valued using a quote from a single broker. These investments trade in a limited market and may not be able to be immediately liquidated at these estimated fair values.

Threadneedle Navigator Cautious Managed Trust

Manager's Report

Investment Objective and Policy

To achieve a total return by way of income and capital growth from investment in collective investment schemes managed or advised by, or in the case of an authorised company whose Authorised Corporate Director is Threadneedle Investment Services Limited or any company within the Group of companies of which it is a member. The Trust may also hold cash from time to time. The Manager may utilise forward transactions and derivatives in order to hedge against price or currency fluctuations and to facilitate efficient portfolio management.

This report covers the period from 2 June 2012 to 1 June 2013.

Status of the Trust

The trust is an authorised Unit Trust Scheme within Section 243 of the Financial Services and Markets Act 2000, and is a non-UCITS retail scheme for the purpose of the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook (COLL) as amended from time to time.

Performance

During the period under review the offer price of accumulation units rose by 12.00% from 86.01p to 96.33p. In view of the nature of the trust and its investment remit there is no directly comparable market index.

Income Distribution

In accordance with the Prospectus, holders of income units in the trust will receive distributions on a half-yearly basis.

The distribution on income units for the period ended 1 June 2013 amounts to 0.9861p per unit net.

The distribution on accumulation units, with effect from the last day of each accounting period, is transferred from income to the capital property of the trust.

The amount available for transfer on 1 June 2013 was 1.4625p per unit net.

Portfolio Activity

The Threadneedle Navigator Cautious Managed Trust pursues the most conservative investment strategy of the Navigator range of four managed trusts. A large part of the portfolio is invested in bond funds with a smaller proportion in UK equity funds. While the investment emphasis is on the UK, there is also an overseas element within the bond portion of the portfolio.

The beginning of June 2012 marked the low point for equities during the review period, and was followed by a sharp recovery in risk-based assets. The gains were driven by unprecedented measures from global central banks, with the announcement of the European Central Bank's bond-buying plan followed by an expansion of the Federal Reserve's (the Fed's) quantitative easing (QE) programme, through which the US central bank committed to ongoing bond purchases on a massive scale. Investors' appetite for risk was spurred still further by signs that the Chinese economy had averted a hard landing, while the newly elected Japanese government launched a colossal stimulus programme in an effort to purge deflation and promote growth.

The rally continued for most of the period under review, albeit with brief setbacks on concerns over the US fiscal cliff, the inconclusive Italian election result, the Cypriot banking crisis, evidence of a deepening eurozone recession and signs that the Chinese economy could be losing momentum. During May 2013, market indices scaled multi-year highs in many countries and even reached fresh highs in some countries, including the US. The UK market performed strongly over much of the reporting period against the more positive global backdrop and increasing signs of UK economic recovery. The Bank of England's QE programme also drove UK equities and bonds upwards.

Meanwhile, central bank QE helped to keep core government bond yields at historically low levels. This meant that investors with less risk-averse profiles sought income opportunities elsewhere, and higher-yielding corporate bonds and emerging market bonds performed particularly well.

However, the end of May was marred by talk from the US Fed of scaling back its QE programme as the US economic recovery gathers pace. Meanwhile, fresh concerns surfaced over Chinese growth.

Equity and bond markets sold off sharply towards the end of the month, while bond yields spiked higher.

There were several portfolio adjustments during the period. Notably, we pared back holdings in the Threadneedle UK Fund and Threadneedle UK Equity Income Fund, while in fixed income we locked in some gains on UK corporate bonds. We also purchased a holding in the Threadneedle UK Growth & Income Fund, given the fund's attractive yield, and we topped up our stake in the Threadneedle Absolute Return Bond Fund to increase downside protection for the portfolio.

Looking forward, we have become slightly more cautious as the valuation case for equities has become less compelling, while the recent rise in bond yields could undermine the appeal of defensive companies which have been acting as bond-proxies. Already, we have seen a rotation into more economically sensitive stocks and we expect further moves in this direction. We are prepared for increased volatility in the short term as the market grapples with the timing and quantum of QE tapering. In the UK, we believe that the outlook remains broadly encouraging at the company level. In this environment, our focus remains on well-managed, fundamentally strong businesses that we believe can deliver positive earnings surprises and, in many cases, the ability to support total returns to shareholders through attractive and sustainable levels of dividend payouts.

Within fixed income, government and investment grade corporate bonds appear vulnerable if the growth outlook improves. However, we expect that central banks will remain broadly accommodative for the foreseeable future, inflation will remain subdued and investors will continue to search for yield; we will therefore seek to take advantage of market opportunities as they arise.

Other Information

Pages 79 to 85 at the back of these Annual Reports and Accounts form part of this Manager's Report.

Directors' Statement

In accordance with the requirements of the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook, we hereby certify the annual report on behalf of the Directors of Threadneedle Unit Trust Manager Limited.

T N Gillbanks

Director

P J W Reed

Director

17 July 2013

Threadneedle Unit Trust Manager Limited

Threadneedle Navigator Cautious Managed Trust

STATEMENT OF TOTAL RETURN

for the accounting period 2 June 2012 to 1 June 2013

	Notes	2013 £	2012 £
Income			
Net capital gains	2	1,395,851	159,747
Revenue	3	513,343	574,356
Expenses	4	(208,094)	(206,256)
Finance costs: Interest	6	(371)	(602)
Net revenue before taxation		304,878	367,498
Taxation	5	86	(86)
Net revenue after taxation		304,964	367,412
Total return before distributions		1,700,815	527,159
Finance costs: Distributions	6	(304,964)	(367,412)
Change in net assets attributable to unitholders from investment activities		1,395,851	159,747

BALANCE SHEET

as at 1 June 2013

	Notes	2013 £	2012 £
Assets			
Investment assets		14,610,412	13,796,215
Other assets			
Debtors	7	49,014	47,352
Cash and bank balances		251,548	191,847
Total other assets		300,562	239,199
Total assets		14,910,974	14,035,414
Liabilities			
Other liabilities			
Creditors	8	(155,048)	(98,563)
Distribution payable on income units		(8,798)	(10,921)
Total other liabilities		(163,846)	(109,484)
Total liabilities		(163,846)	(109,484)
Net assets attributable to unitholders		14,747,128	13,925,930

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the accounting period 2 June 2012 to 1 June 2013

	2013 £	2012 £
Opening net assets attributable to unitholders	13,925,930	14,851,490
Movement due to sales and repurchases of units:		
Amounts receivable on the issue of units	154,052	57,885
Amounts payable on the cancellation of units	(950,606)	(1,408,601)
	(796,554)	(1,350,716)
Stamp duty reserve tax	(175)	(249)
Change in net assets attributable to unitholders from investment activities (see statement of total return above)	1,395,851	159,747
Retained distribution on accumulation units	222,032	265,658
Unclaimed distribution monies brought back into account	44	–
Closing net assets attributable to unitholders	14,747,128	13,925,930

DISTRIBUTION TABLE

for the accounting period 2 June 2012 to 1 June 2013

Interest distribution in pence per unit

Income Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2012/2013	Distribution Paid 2011/2012
Group 1						
02/06/12 to 01/12/12	0.6505	0.1301	0.5204	–	0.5204	0.5829
02/12/12 to 01/06/13	0.5821	0.1164	0.4657	–	0.4657	0.5512
Group 2						
02/06/12 to 01/12/12	0.3364	0.0673	0.2691	0.2513	0.5204	0.5829
02/12/12 to 01/06/13	0.3561	0.0712	0.2849	0.1808	0.4657	0.5512
Total distributions in the period					0.9861	1.1341
Accumulation Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Net Revenue Accumulated 2012/2013	Net Revenue Accumulated 2011/2012
Group 1						
02/06/12 to 01/12/12	0.9626	0.1925	0.7701	–	0.7701	0.8354
02/12/12 to 01/06/13	0.8655	0.1731	0.6924	–	0.6924	0.7940
Group 2						
02/06/12 to 01/12/12	0.2831	0.0566	0.2265	0.5436	0.7701	0.8354
02/12/12 to 01/06/13	0.1526	0.0305	0.1221	0.5703	0.6924	0.7940
Total distributions in the period					1.4625	1.6294

Group 2: units purchased during a distribution period

Threadneedle Navigator Cautious Managed Trust

Notes to the financial statements

for the accounting period 2 June 2012 to 1 June 2013

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with UK Generally Accepted Accounting Practice ("UKGAAP"), and in accordance with the Statement of Recommended Practice (the "SORP") for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA) in October 2010.

(b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following bases:

Dividends, interest and other revenue receivable includes any withholding taxes but excludes any other taxes such as attributable tax credits.

Dividends and distributions are recognised when the security is quoted ex-dividend.

Equalisation on distributions received is treated as a repayment of capital and deducted from the cost of the investment.

Interest on bank and short-term deposits is recognised on an earned basis.

Fee rebate

In addition to any direct charge for registration and management fees within the trust, there would occur, in the absence of a rebate mechanism, an indirect charge for registration and management fees in respect of investment in other Threadneedle funds. Any such target funds themselves bear registration and management fees, which reduce the value of those funds from what they otherwise would be. The rebate mechanism operates to ensure that investors in the trust bear only the registration and management fee validly applicable to them.

Depending upon the Manager's treatment of management fees within the underlying funds, where management fees are charged to capital, any rebate is classified as a capital item and does not form part of the amount available for distribution.

(c) Treatment of expenses

All expenses other than those relating to the purchase and sale of investments are included in expenses in the Statement of Total Return.

Expenses are recognised on an accruals basis and include irrecoverable VAT where appropriate.

(d) Distribution policy

Where the revenue from investments exceeds the expenses a distribution will be made. Should expenses exceed revenue, there will be no distribution and the shortfall will be transferred to capital.

Revenue attributable to Accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue. All remaining revenue is distributed in accordance with the Collective Investment Schemes sourcebook.

Where distributions are unclaimed for a period of six years these are brought back into the trust as capital.

(e) Basis of valuation of investments

The investments of the trust are valued at mid market prices at 12 noon, being the valuation point on the last working day of the accounting period. The single price may include an adjustment to cover dealing costs in the underlying funds.

(f) Exchange rates

Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rates ruling at 12 noon (UK time), being the valuation point on the last working day of the accounting period.

Transactions denominated in foreign currency are translated into sterling at the exchange rates ruling at the date of the transaction.

(g) Deferred taxation

Deferred taxation liabilities are provided for in full, and deferred tax assets are recognised to the extent that they are considered recoverable, in respect of all items for which recognition falls in different accounting periods for accounting and taxation purposes.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2013 £	2012 £
Non-derivative securities	1,321,444	94,976
Management fee rebate on collective investment scheme holdings	75,587	66,920
Other gains/(losses)	129	(5)
Transaction costs	(1,309)	(2,144)
Net capital gains	1,395,851	159,747

3 REVENUE

	2013 £	2012 £
Franked dividend distributions	97,428	92,873
Unfranked dividend distributions	–	430
Interest distributions	331,480	384,354
Bank interest	1,394	1,491
Management fee rebate on collective investment scheme holdings	79,371	91,077
Registration fee rebate on collective investment scheme holdings	3,670	4,131
Total revenue	513,343	574,356

4 EXPENSES

	2013 £	2012 £
Payable to the Manager or associates of the Manager:		
Annual management charge	(179,923)	(178,495)
Registration fees	(15,833)	(15,708)
	(195,756)	(194,203)
Payable to the trustee or associate of the trustee, and the agents of either of them:		
Trustee's fees	(3,455)	(3,427)
Safe custody fees	(70)	(72)
	(3,525)	(3,499)
Other expenses:		
Regulatory fee	(414)	(421)
Audit fee	(8,352)	(8,112)
Miscellaneous expenses	(47)	(21)
	(8,813)	(8,554)
*Total expenses	(208,094)	(206,256)

*Including irrecoverable VAT where applicable.

Threadneedle Navigator Cautious Managed Trust

5 TAXATION

	2013 £	2012 £
a) Analysis of charge in period		
Irrecoverable tax	–	(86)
Adjustments in respect of prior periods	86	–
Total current tax (note 5b)	86	(86)
Total tax charge for the period	86	(86)
b) Factors affecting taxation charge for period		
Net revenue before taxation	304,878	367,498
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(60,976)	(73,499)
<i>Effects of:</i>		
Revenue not subject to taxation	19,483	18,578
Prior period expenses utilised	56,611	–
Excess expenses	–	(5,182)
Distributions treated as tax deductible	–	73,487
Irrecoverable tax	–	(86)
Adjustments in respect of prior periods	86	–
Capitalised revenue subject to taxation	(15,118)	(13,384)
Current tax charge for period (note 5a)	86	(86)

The trust has not recognised a deferred tax asset of £190,886 (2012: £247,497) arising as a result of having unutilised management expenses.

Interest distributions have been made in respect of all distributions during the period. Income Tax at 20% will be accounted for on unitholders' behalf to HM Revenue & Customs.

6 FINANCE COSTS

Distributions and Interest

The distribution takes account of revenue received on the issue of units and revenue deducted on the cancellation of units and comprises:

	2013 £	2012 £
Interim	160,828	190,072
Final	140,042	170,182
	300,870	360,254
Undistributed Revenue	9	(19)
Add: Revenue deducted on the cancellation of units	4,983	7,473
Deduct: Revenue received on the issue of units	(898)	(296)
Net distribution for the period	304,964	367,412
Interest	371	602
Total finance costs	305,335	368,014

Details of the distribution per unit are set out in the table on page 44.

7 DEBTORS

	2013 £	2012 £
Sales awaiting settlement	15,471	–
Accrued revenue	25,496	27,854
United Kingdom income tax recoverable	8,047	19,498
Total debtors	49,014	47,352

8 CREDITORS

	2013 £	2012 £
Amounts payable for the cancellation of units	(29,126)	(41,652)
Purchases awaiting settlement	(74,657)	–
Accrued expenses	(6,285)	(6,342)
Amounts payable to the Manager	(16,649)	(16,072)
Income taxation payable	(28,331)	(34,497)
Total creditors	(155,048)	(98,563)

9 UNITHOLDER FUNDS

The charges on the trust are as follows:

Annual management charge	1.25%
Registration fees	0.11%

The net asset value of the trust, the net asset value per unit and the number of units in the trust are given on page 79.

10 RELATED PARTY TRANSACTIONS

Threadneedle Unit Trust Manager Limited, a related party, acts as principal in respect of all transactions of units in the trust. The aggregated monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Unitholders. The amount due from or to Threadneedle Unit Trust Manager Limited in respect of unit transactions at the end of the accounting period is disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Unit Trust Manager Limited in respect of trust administration and registrar services are disclosed in Notes 8. A balance of £15,303 (2012: £14,772*) in respect of annual management service charge and £1,347 (2012: £1,300) in respect of registration fees are due at the end of the accounting period.

Amounts payable to J.P. Morgan Trustee and Depositary Company Limited, a related party, in respect of trustee services and safe custody charges are disclosed in Note 8. A balance of £294 (2012: £284) in respect of trustee services and £12 (2012: £12) in respect of safe custody are due at the end of the accounting period.

The trust receives and pays interest on deposits held with J.P. Morgan Trustee and Depositary Company as disclosed in Notes 3 and 6. A balance of £83 (2012: £72*) is receivable at the end of the accounting period. Cash and bank balances at the end of the accounting period are disclosed in the Balance Sheet.

The trust invests in a number of sub-funds of Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC and Threadneedle Focus Investment Funds ICVC, all transactions in respect of which are transacted with Threadneedle Investment Services Limited. Details of the investments are shown in the Portfolio Statement and gains and losses in the period are disclosed in Note 2. Details of revenue received from the sub-funds are shown in Note 3 and amounts receivable at the end of the accounting period in Note 7. Details of purchases and sales of the sub-funds are shown in Note 13 and any amounts receivable and payable in Notes 7 and 8.

Threadneedle Investment Services Limited (a related party of Threadneedle Unit Trust Manager Limited, forming part of the same group of companies, the ultimate holding company of which is Ameriprise) rebates certain fees to the trust from its management of the Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC and Threadneedle Focus Investment Funds ICVC. Details of the rebates received are disclosed in Notes 2 and 3.

A balance of £24,799 (2012: £27,014) in respect of annual management fee rebate and £614 (2012: £691) in respect of registration fee rebate are receivable at the end of the accounting period are disclosed in Note 7.

The Manager, or associates of the Manager acted as principal in all investment transactions.

*restated

Threadneedle Navigator Cautious Managed Trust

11 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing its investment objectives set out on page 43, the Threadneedle Navigator Adventurous Managed Trust may hold the following financial instruments:

- Funds of the Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC, Threadneedle Focus Investment Funds ICVC and Threadneedle Navigator Trusts (of which a maximum of 20% of the value of the property of the trust may be invested in any one fund within this range of investment funds);
- Cash, liquid resources and short term debtors and creditors that arise directly from its operations;
- Unitholders' funds which represent investors monies which are invested on their behalf;
- Borrowing used to finance investment activity; and
- Derivative transactions to manage the currency and market risks arising from the trust's investment activities.

Throughout the period under review, it has been the policy of the trust to buy and sell financial instruments for the purpose of investment rather than trading.

The main risks arising from the trust's financial instruments are market price, liquidity, credit, interest rate and foreign currency risk. The policies for managing each of these risks are reviewed regularly and agreed with the Trustee of the trust and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate and are consistently applied throughout the period under review. The same policies also applied throughout the year ending 1 June 2012.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the trust might suffer through holding market positions in the face of price movements. The value of the investment can fall as well as rise and investors might not recover the amount invested, especially if investments are not held for the long term.

The trust is exposed to market risk by virtue of their investments in Collective Investment Schemes.

The Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The investment guidelines and investment and borrowing powers are set out in the instrument of incorporation, the prospectus and in the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook describe the nature of the market price risk to which the trust will be exposed.

Liquidity risk

Liquidity risk is the risk that the trust cannot raise sufficient cash to meet its liabilities when due.

The main liability of the trust is the redemption of units that the investors wish to sell.

The trust's assets comprise mainly realisable securities which can readily be sold.

Under normal circumstances, the trust will remain close to fully invested. However where circumstances require: either because a view of illiquid securities markets or high levels of redemption in the trust, the trust may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of units.

The Manager manages the trust's cash to ensure it can meet its liabilities. The Manager receives daily reports of issues and cancellations enabling the Manager to raise cash from the trust's portfolio in order to meet cancellation requests. In addition the Manager monitors market liquidity of all securities, seeking to ensure the trust maintains sufficient liquidity to meet known and potential cancellation activity. Trust cash balances are monitored daily by the Manager and Administrator. Where investments cannot be realised in time to meet any potential liability, the trust may borrow up to 10% of its value to ensure settlements. All of the trust's financial liabilities are payable on demand or in less than one year.

Credit risk

Credit risk is the risk that the counterparty in a financial transaction will fail to fulfil their obligation or commitment.

Credit risk arises from three main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including FRNs) there is the possibility of default of the issuer and default in the underlying assets meaning that the trust may not receive back the full principal originally invested. Thirdly, there is the counterparty risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the trust has fulfilled its responsibilities, which could result in the trust suffering a loss.

In order to manage credit risk the trust and underlying investments are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the underlying funds only buy and sell investments through brokers which have been approved by the Manager as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed.

Interest rate risk

Interest rate risk is the risk that the value of the trusts' investments will fluctuate as a result of changes in interest rates.

The trust has holdings in other funds with significant interest rate exposure.

Thus any change to the interest rates relevant for particular securities may result in either income increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise the revenue potential of the trust also rises but the value of fixed rate securities will decline.

A decline in interest rates will in general have the opposite effect.

Duration is a measure of the extent to which this is the case, with a longer duration suggesting higher sensitivity to interest rate moves.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The interest risk profile for the relevant funds is shown in their notes to the financial statements.

Threadneedle Navigator Cautious Managed Trust

Foreign currency risk

Foreign currency risk is the risk that the value of the trust's investments will fluctuate as a result of changes in foreign currency exchange rates.

The capital values of the trust's underlying investments can be affected by currency translation movements where the assets are denominated in currencies other than sterling, which is the trust's principal currency.

Two principal areas where foreign currency risk could impact the trust are:

- Where movements in rates affect the value of the underlying investments; the trust may hedge the initial investment;
- Where movements in rates affect the revenue received from the underlying investments; the trust does not hedge or otherwise seek to avoid rate movement risk on revenue accrued but not received.

There is no direct foreign currency exposure within the trust at the balance sheet date. However, a large proportion of the trust's underlying investments have significant currency exposure since their assets are denominated in currencies other than sterling, with the effect that their balance sheets and total returns can be affected by currency movements. Investee fund's significant exposure to non-sterling currencies, based on their most recent published financial statements are as follows:

- The principal exposure of Threadneedle Credit Opportunities Fund and Threadneedle European High Yield Bond Fund is to the Euro.
- The principal exposure of Threadneedle Emerging Market Bond Fund is to the US Dollar.
- The principal exposures of Threadneedle Emerging Market Local Fund are to the Brazilian Real, Mexican Peso and Turkish Lira.
- The principal exposures of Threadneedle Global Bond Fund are to the Euro, Japanese Yen and US Dollar.

Fair value of financial assets and financial liabilities

All of the financial assets of the trust are valued using the single price, which is deemed to be fair value.

The primary financial liability is the trust's liability to redeem units issued to finance its operations. These are held at book value and the difference from fair value is deemed to be immaterial.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

12 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2012: Nil).

13 PORTFOLIO TRANSACTION COSTS

The purchases and sales are not subject to portfolio transaction costs.

The total cost of purchases during the period was £1,208,637 (2012: £610,537) and proceeds received from sales were £1,842,647 (2012: £1,732,158).

Statement of Manager's Responsibilities in relation to the Financial Statements of the Scheme

The Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook as amended ("the Regulations") requires the Manager to prepare financial statements for each annual accounting period which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Scheme and of its net revenue/(expenses) and the net gains/(losses) on the property of the Scheme for the period. In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in October 2010;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Scheme will continue in operation for the foreseeable future.

The Manager is required to keep proper accounting records and to manage the Scheme in accordance with the Collective Investment Schemes Sourcebook, the Trust Deed and the Prospectus. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of the Threadneedle Navigator Cautious Managed Trust

The Trustee is responsible for the safekeeping of all of the property of the Scheme (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the Scheme is managed by the Authorised Fund Manager in accordance with the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook ("the COLL Sourcebook") and the Scheme's Trust Deed and Prospectus, as appropriate, in relation to the pricing of, and dealings in, units in the Scheme; the application of revenue of the Scheme; and the investment and borrowing powers of the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Authorised Fund Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's revenue in accordance with the COLL Sourcebook and, where applicable, the Scheme's Trust Deed and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

Bournemouth
17 July 2013

J.P. Morgan Trustee and
Depositary Company Limited

Independent Auditors' Report to the Unitholders of Threadneedle Navigator Cautious Managed Trust

We have audited the financial statements of Threadneedle Navigator Cautious Managed Trust (the "trust") for the year ended 1 June 2013 which comprise the statement of total return, the statement of change in net assets attributable to unitholders, the balance sheet, the related notes and the distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds").

Respective responsibilities of Authorised Fund Manager and Auditors

As explained more fully in the Statement of Manager's Responsibilities the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, have been prepared for and only for the trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authorised Fund Manager; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Manager's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the trust at 1 June 2013 and of the net revenue and the net capital gains of the scheme property of the trust for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook and the Trust Deed.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the trust have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

London
17 July 2013

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Threadneedle Navigator Cautious Managed Trust

Portfolio Statement

as at 1 June 2013

Holding	Investment	Value £	% of Net Asset Value
COLLECTIVE INVESTMENT SCHEMES 99.07% (99.07%)			
UK equity 28.79% (25.14%)			
2,071,804	Threadneedle UK Equity Income Fund	1,668,838	11.32
1,655,546	Threadneedle UK Fund	1,771,434	12.01
1,045,522	Threadneedle UK Growth & Income Fund	805,366	5.46
	Total UK equity	4,245,638	28.79
UK bond 54.67% (57.24%)			
432,694	Threadneedle Absolute Return Bond Fund	285,968	1.94
604,606	Threadneedle High Yield Bond Fund	268,506	1.82
5,322,137	Threadneedle Income Trust	2,868,632	19.45
3,420,669	Threadneedle Sterling Bond Fund	1,790,720	12.14
3,028,911	Threadneedle UK Corporate Bond Fund	2,848,691	19.32
	Total UK bond	8,062,517	54.67
Overseas bond 15.61% (16.69%)			
128,768	Threadneedle Credit Opportunities Fund	161,295	1.09
125,332	Threadneedle Emerging Market Bond Fund	80,851	0.55
154,915	Threadneedle Emerging Market Local Fund	262,580	1.78
32,772	Threadneedle European High Yield Bond Fund	52,373	0.36
2,134,227	Threadneedle Global Bond Fund	1,745,158	11.83
	Total overseas bond	2,302,257	15.61
	Total collective investment schemes	14,610,412	99.07
Total value of investments		14,610,412	99.07
Net other assets (0.93%)		136,716	0.93
Net assets		14,747,128	100.00

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

June 2012 comparatives in brackets.

Threadneedle Navigator Balanced Managed Trust

Manager's Report

Investment Objective and Policy

To achieve a total return by way of income and capital growth from investment in collective investment schemes managed or advised by, or in the case of an authorised company whose Authorised Corporate Director is Threadneedle Investment Services Limited or any company within the Group of companies of which it is a member. The Trust may also hold cash from time to time. The Manager may utilise forward transactions and derivatives in order to hedge against price or currency fluctuations and to facilitate efficient portfolio management.

This report covers the period from 2 June 2012 to 1 June 2013.

Status of the Trust

The trust is an authorised Unit Trust Scheme within Section 243 of the Financial Services and Markets Act 2000, and is a non-UCITS retail scheme for the purpose of the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook (COLL) as amended from time to time.

Performance

During the period under review the offer price of accumulation units rose by 20.45% from 87.84p to 105.80p. In view of the nature of the trust and its investment remit there is no directly comparable market index.

Accumulation

Income units are not available from the Threadneedle Navigator Balanced Managed Trust. However, in accordance with the Prospectus, the revenue in the trust is accumulated with effect from the last day of the Annual Accounting Period i.e. 1 June in each year.

Portfolio Activity

In accordance with the trust's balanced investment approach, the portfolio is invested in both bond and equity investments. The trust's equity exposure is focused on the UK while the bond portion of the portfolio includes a mix of UK and international bond funds.

The beginning of June 2012 marked the low point for equities during the review period, and was followed by a sharp recovery in risk-based assets. The gains were driven by unprecedented measures from global central banks, with the announcement of the European Central Bank's bond-buying plan followed by an expansion of the Federal Reserve's (the Fed's) quantitative easing (QE) programme, through which the US central bank committed to ongoing bond purchases on a massive scale. Investors' appetite for risk was spurred still further by signs that the Chinese economy had averted a hard landing, while the newly elected Japanese government launched a colossal stimulus programme in an effort to purge deflation and promote growth.

The rally continued for most of the period under review, albeit with brief setbacks on concerns over the US fiscal cliff, the inconclusive Italian election result, the Cypriot banking crisis, evidence of a deepening eurozone recession and signs that the Chinese economy could be losing momentum. During May 2013, market indices scaled multi-year highs in many countries and even reached fresh highs in some countries, including the US. The UK market performed strongly over much of the reporting period against the more positive global backdrop and increasing signs of UK economic recovery. The Bank of England's QE programme also drove UK equities and bonds upwards.

Meanwhile, central bank QE helped to keep core government bond yields at historically low levels. This meant that investors with less risk-averse profiles sought income opportunities elsewhere, and higher-yielding corporate bonds and emerging market bonds performed particularly well.

However, the end of May was marred by talk from the US Fed of scaling back its QE programme as the US economic recovery gathers pace. Meanwhile, fresh concerns surfaced over Chinese growth. Equity and bond markets sold off sharply towards the end of the month, while bond yields spiked higher.

There were several portfolio adjustments during the period. Notably, we took profits by reducing two of our largest holdings; Threadneedle UK Fund and Threadneedle UK Equity Income Fund. Meanwhile, we added to the holding in the Threadneedle UK Growth & Income Fund, given the fund's attractive yield. In fixed income, we locked in some gains on UK corporate bonds and topped up our stake in the Threadneedle Absolute Return Bond Fund to increase downside protection for the portfolio.

Looking forward, we have become slightly more cautious as the valuation case for equities has become less compelling, while the recent rise in bond yields could undermine the appeal of defensive companies which have been acting as bond-proxies. Already, we have seen a rotation into more economically sensitive stocks and we expect further moves in this direction. We are prepared for increased volatility in the short term as the market grapples with the timing and quantum of QE tapering. In the UK, we believe that the outlook remains broadly encouraging at the company level. In this environment, our focus remains on well-managed, fundamentally strong businesses that we believe can deliver positive earnings surprises and, in many cases, the ability to support total returns to shareholders through attractive and sustainable levels of dividend payouts.

Within fixed income, government and investment grade corporate bonds appear vulnerable if the growth outlook improves. However, we expect that central banks will remain broadly accommodative for the foreseeable future, inflation will remain subdued and investors will continue to search for yield; we will therefore seek to take advantage of market opportunities as they arise.

Other Information

Pages 79 to 85 at the back of these Annual Reports and Accounts form part of this Manager's Report.

Directors' Statement

In accordance with the requirements of the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook, we hereby certify the annual report on behalf of the Directors of Threadneedle Unit Trust Manager Limited.

T N Gillbanks

Director

P J W Reed

Director

17 July 2013

Threadneedle Unit Trust Manager Limited

Threadneedle Navigator Balanced Managed Trust

STATEMENT OF TOTAL RETURN

for the accounting period 2 June 2012 to 1 June 2013

	Notes	2013 £	2012 £
Income			
Net capital gains/(losses)	2	4,128,152	(683,445)
Revenue	3	934,983	945,273
Expenses	4	(352,773)	(339,618)
Finance costs: Interest	6	(979)	(1,535)
Net revenue before taxation		581,231	604,120
Taxation	5	(72,331)	(80,326)
Net revenue after taxation		508,900	523,794
Total return before distributions		4,637,052	(159,651)
Distributions	6	(537,936)	(554,090)
Change in unitholders' funds from investment activities		4,099,116	(713,741)

BALANCE SHEET

as at 1 June 2013

	Notes	2013 £	2012 £
Assets			
Investment assets		26,187,573	22,993,760
Other assets			
Debtors	7	99,278	71,613
Cash and bank balances		59,529	361,500
Total other assets		158,807	433,113
Total assets		26,346,380	23,426,873
Liabilities			
Other liabilities			
Creditors	8	(171,205)	(132,153)
Total other liabilities		(171,205)	(132,153)
Total liabilities		(171,205)	(132,153)
Net assets		26,175,175	23,294,720
Unitholders' funds		26,175,175	23,294,720

STATEMENT OF CHANGE IN UNITHOLDERS' FUNDS

for the accounting period 2 June 2012 to 1 June 2013

	2013 £	2012 £
Opening net assets	23,294,720	25,270,503
Movement due to sales and repurchases of units:		
Amounts receivable on the issue of units	49,723	42,799
Amounts payable on the cancellation of units	(1,780,828)	(1,833,303)
	(1,731,105)	(1,790,504)
Stamp duty reserve tax	(446)	(387)
Change in unitholders' funds from investment activities (see statement of total return above)	4,099,116	(713,741)
Retained distribution on accumulation units	512,890	528,849
Closing net assets	26,175,175	23,294,720

DISTRIBUTION TABLE

for the accounting period 2 June 2012 to 1 June 2013

Dividend distribution in pence per unit

Accumulation Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Net Revenue Accumulated 2012/2013	Net Revenue Accumulated 2011/2012
Group 1						
02/06/12 to 01/06/13	2.1801	0.2180	1.9621	—	1.9621	1.8862
Group 2						
02/06/12 to 01/06/13	0.5576	0.0558	0.5018	1.4603	1.9621	1.8862
Total distributions in the period					1.9621	1.8862

Group 2: units purchased during a distribution period

Threadneedle Navigator Balanced Managed Trust

Notes to the financial statements

for the accounting period 2 June 2012 to 1 June 2013

1 ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with UK Generally Accepted Accounting Practice ("UKGAAP"), and in accordance with the Statement of Recommended Practice (the "SORP") for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA) in October 2010.

(b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following bases:

Dividends, interest and other revenue receivable includes any withholding taxes but excludes any other taxes such as attributable tax credits.

Dividends and distributions are recognised when the security is quoted ex-dividend.

Equalisation on distributions received is treated as a repayment of capital and deducted from the cost of the investment.

Interest on bank and short-term deposits is recognised on an earned basis.

Fee Rebate

In addition to any direct charge for registration and management fees within the trust, there would occur, in the absence of a rebate mechanism, an indirect charge for registration and management fees in respect of investment in other Threadneedle funds. Any such target funds themselves bear registration and management fees, which reduce the value of those funds from what they otherwise would be. The rebate mechanism operates to ensure that investors in the trust bear only the registration and management fee validly applicable to them.

Depending upon the Manager's treatment of management fees within the underlying funds, where management fees are charged to capital, any rebate is classified as a capital item and does not form part of the amount available for distribution.

(c) Treatment of expenses

All expenses other than those relating to the purchase and sale of investments are included in expenses in the Statement of Total Return.

Expenses are recognised on an accruals basis and include irrecoverable VAT where appropriate.

(d) Distribution policy

Where the revenue from investments exceeds the expenses a distribution will be made. Should expenses exceed revenue, there will be no distribution and the shortfall will be transferred to capital. Revenue attributable to Accumulation Unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

(e) Basis of valuation of investments

The investments of the trust are valued at mid market prices at 12 noon, being the valuation point on the last working day of the accounting period. The single price may include an adjustment to cover dealing costs in the underlying funds.

(f) Exchange Rates

Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rates ruling at 12 noon (UK time), being the valuation point on the last working day of the accounting period.

Transactions denominated in foreign currency are translated into sterling at the exchange rates ruling at the date of the transaction.

(g) Deferred Taxation

Deferred taxation liabilities are provided for in full, and deferred tax assets are recognised to the extent that they are considered recoverable, in respect of all items for which recognition falls in different accounting periods for accounting and taxation purposes.

2 NET CAPITAL GAINS/(LOSSES)

Net capital gains/(losses) during the period comprise:

	2013 £	2012 £
Non-derivative securities	3,984,337	(832,577)
Management fee rebate on collective investment scheme holdings	145,178	151,482
Other gains	246	26
Transaction costs	(1,609)	(2,376)
Net capital gains/(losses)	4,128,152	(683,445)

3 REVENUE

	2013 £	2012 £
Franked dividend distributions	364,737	353,970
Unfranked dividend distributions	–	1,662
Interest distributions	417,049	446,023
Bank interest	1,718	3,224
Management fee rebate on collective investment scheme holdings	146,125	134,750
Registration fee rebate on collective investment scheme holdings	5,354	5,644
Total Revenue	934,983	945,273

4 EXPENSES

	2013 £	2012 £
Payable to the Manager or associates of the Manager:		
Annual management charge	(310,590)	(298,882)
Registration fees	(27,332)	(26,302)
	(337,922)	(325,184)
Payable to the trustee or associate of the trustee, and the agents of either of them:		
Trustee's fees	(5,963)	(5,738)
Safe custody fees	(122)	(163)
	(6,085)	(5,901)
Other expenses:		
Regulatory fee	(414)	(421)
Audit fee	(8,352)	(8,112)
	(8,766)	(8,533)
*Total expenses	(352,773)	(339,618)

*Including irrecoverable VAT where applicable.

Threadneedle Navigator Balanced Managed Trust

Notes to the financial statements

(continued)

5 TAXATION

	2013 £	2012 £
a) Analysis of charge in period		
Corporation tax	(72,331)	(80,326)
Total current tax (note 5b)	(72,331)	(80,326)
Total tax charge for the period	(72,331)	(80,326)
b) Factors affecting taxation charge for period		
Net revenue before taxation	581,231	604,120
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(116,246)	(120,824)
<i>Effects of:</i>		
Revenue not subject to taxation	72,951	70,794
Capitalised revenue subject to taxation	(29,036)	(30,296)
Current tax charge for period (note 5a)	(72,331)	(80,326)

6 FINANCE COSTS AND DISTRIBUTION

Distributions and Interest

The distribution takes account of revenue received on the issue of units and revenue deducted on the cancellation of units and comprises:

	2013 £	2012 £
Final	512,890	528,849
Add: Revenue deducted on the cancellation of units	25,889	25,925
Deduct: Revenue received on the issue of units	(843)	(684)
Net distribution for the period	537,936	554,090
Interest	979	1,535
Total finance costs	538,915	555,625
Net revenue after taxation	508,900	523,794
Tax on capital management fee rebates	29,036	30,296
Net distribution for the period	537,936	554,090

Details of the distribution per unit are set out in the table on page 53.

7 DEBTORS

	2013 £	2012 £
Amounts receivable for the issue of units	–	4,389
Sales awaiting settlement	27,447	–
Accrued revenue	50,018	50,796
United Kingdom income tax recoverable	21,813	16,428
Total debtors	99,278	71,613

8 CREDITORS

	2013 £	2012 £
Amounts payable for the cancellation of units	(62,635)	(17,710)
Accrued expenses	(6,753)	(6,890)
Amounts payable to the Manager	(29,485)	(27,225)
Corporation tax payable	(72,332)	(80,328)
Total creditors	(171,205)	(132,153)

9 UNITHOLDER FUNDS

The charges on the trust are as follows:

Annual management charge	1.25%
Registration fees	0.11%

The net asset value of the trust, the net asset value per unit and the number of units in the trust are given on page 80.

10 RELATED PARTY TRANSACTIONS

Threadneedle Unit Trust Manager Limited is a related party and acts as principal in respect of all transactions of units in the trust.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Unitholders' Funds. The amount due from and to Threadneedle Unit Trust Manager Limited in respect of unit transactions at the end of the accounting period is disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Unit Managers Limited in respect of trust management and registration services are disclosed in Notes 8. A balance of £27,100 (2012: £25,023), in respect of annual management service charge and £2,385 (2012: £2,202) in respect of registration fees are due at the end of the accounting period.

Amounts payable to J.P. Morgan Trustee and Depositary Company Limited, a related party, in respect of trustee services and safe custody charges are disclosed in Note 8. A balance of £520 (2012: £480), in respect of trustee services and £21 (2012: £20) in respect of safe custody are due at the end of the accounting period.

The trust receives and pays interest on deposits held with J.P. Morgan Trustee and Depositary Company as disclosed in Notes 3 and 6. A balance of £43 (2012: £11) is receivable at the end of the accounting period. Cash and bank balances at the end of the accounting period are disclosed in the Balance Sheet.

The trust invests in a number of sub funds of Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC and Threadneedle Focus Investment Funds ICVC all transactions in respect of which are transacted with Threadneedle Investment Services Limited. Details of the investments are shown in the Portfolio Statement.

Threadneedle Investment Services Limited, (a related party of Threadneedle Unit Trust Manager Limited, forming part of the same group of companies, the ultimate holding company of which is Ameriprise), rebates certain fees to the trust from its management of the Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC and Threadneedle Focus Investment Funds ICVC. Details of the transactions are in Notes 2 and 3.

A balance of £49,041 (2012: £49,485) in respect of annual management fee rebate and £934 (2012: £940) in respect of registration fee rebate are receivable at the end of the accounting period.

The Manager, or associates of the Manager acted as principal in all investment transactions.

11 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing its investment objectives set out on page 52, the Threadneedle Navigator Balanced Managed Trust may hold the following financial instruments:

- Funds of the Threadneedle Investments Funds ICVC, Threadneedle Specialist Investments Funds ICVC, Threadneedle Focus Investment Funds ICVC and Threadneedle Navigator Trusts (of which a maximum of 20% of the value of the property of the trust may be invested in any one fund within this range of investment funds);
- Cash, liquid resources and short term debtors and creditors that arise directly from its operations;
- Unitholders' funds which represent investors monies which are invested on their behalf;

Threadneedle Navigator Balanced Managed Trust

- Borrowing used to finance investment activity; and
- Derivative transactions to manage the currency and market risks arising from the trust's investment activities.

Throughout the period under review, it has been the policy of the trust to buy and sell financial instruments for the purpose of investment rather than trading.

The main risks arising from the trust's financial instruments are market price, liquidity, credit, interest rate and foreign currency risk. The policies for managing each of these risks are reviewed regularly and agreed with the Trustee of the trust and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate and are consistently applied throughout the period under review. The same policies also applied throughout the year ending 1 June 2012.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the trust might suffer through holding market positions in the face of price movements. The value of the investment can fall as well as rise and investors might not recover the amount invested, especially if investments are not held for the long term.

The trust is exposed to market risk by virtue of their investments in Collective Investment Schemes.

The Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The investment guidelines and investment and borrowing powers are set out in the instrument of incorporation, the prospectus and in the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook describe the nature of the market price risk to which the trust will be exposed.

Liquidity risk

Liquidity risk is the risk that the trust cannot raise sufficient cash to meet its liabilities when due.

The main liability of the trust is the redemption of units that the investors wish to sell.

The trust's assets comprise mainly realisable securities which can readily be sold.

Under normal circumstances, the trust will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemption in the trust, the trust may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of units.

The Manager manages the trust's cash to ensure it can meet its liabilities. The Manager receives daily reports of issues and cancellations enabling the Manager to raise cash from the trust's portfolio in order to meet cancellation requests. In addition the Manager monitors market liquidity of all securities, seeking to ensure the trust maintains sufficient liquidity to meet known and potential cancellation activity. Trust cash balances are monitored daily by the Manager and Administrator. Where investments cannot be realised in time to meet any potential liability, the trust may borrow up to 10% of its value to ensure settlements. All of the trust's financial liabilities are payable on demand or in less than one year.

Credit risk

Credit risk is the risk that the counterparty in a financial transaction will fail to fulfil their obligation or commitment.

Credit risk arises from three main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including FRNs) there is the possibility of default of the issuer and default in the underlying assets meaning that the trust may not receive back the full principal originally invested. Thirdly, there is the counterparty risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the trust has fulfilled its responsibilities, which could result in the trust suffering a loss.

In order to manage credit risk the trust and underlying investments are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the underlying funds only buy and sell investments through brokers which have been approved by the Manager as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed.

Interest rate risk

Interest rate risk is the risk that the value of the trusts' investments will fluctuate as a result of changes in interest rates.

The trust has holdings in other funds with significant interest rate exposure.

Thus any change to the interest rates relevant for particular securities may result in either income increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise the revenue potential of the trust also rises but the value of fixed rate securities will decline.

A decline in interest rates will in general have the opposite effect.

Duration is a measure of the extent to which this is the case, with a longer duration suggesting higher sensitivity to interest rate moves.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The interest risk profile for the relevant funds is shown in their notes to the financial statements.

Foreign currency risk

Foreign currency risk is the risk that the value of the trust's investments will fluctuate as a result of changes in foreign currency exchange rates.

The capital values of the trust's underlying investments can be affected by currency translation movements where the assets are denominated in currencies other than sterling, which is the trust's principal currency.

Two principal areas where foreign currency risk could impact the trust are:

- Where movements in rates affect the value of the underlying investments; the trust may hedge the initial investment;
- Where movements in rates affect the revenue received from the underlying investments; the trust does not hedge or otherwise seek to avoid rate movement risk on revenue accrued but not received.

Threadneedle Navigator Balanced Managed Trust

There is no direct foreign currency exposure within the trust at the balance sheet date. However, a large proportion of the trust's underlying investments have significant currency exposure since their assets are denominated in currencies other than sterling, with the effect that their balance sheets and total returns can be affected by currency movements. Investee fund's significant exposure to non-sterling currencies, based on their most recent published financial statements are as follows:

- The principal exposure of Threadneedle Credit Opportunities Fund, Threadneedle European Corporate bond Fund and Threadneedle European High Yield Bond Fund is to the Euro.
- The principal exposures of Threadneedle Emerging Market Local Fund are to the Brazilian Real, Mexican Peso and Turkish Lira.
- The principal exposures of Threadneedle Global Bond Fund are to the Euro, Japanese Yen and US Dollar.

Fair value of financial assets and financial liabilities

All of the financial assets of the trust are valued using the single price, which is deemed to be fair value.

The primary financial liability is the trust's liability to redeem units issued to finance its operations. These are held at book value and the difference from fair value is deemed to be immaterial.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

12 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2012: Nil).

13 PORTFOLIO TRANSACTION COSTS

The purchases and sales are not subject to portfolio transaction costs.

The total cost of purchases during the period was £1,079,911 (2012: £1,645,553) and proceeds received from sales were £2,189,774 (2012: £3,081,065).

Statement of Manager's Responsibilities in relation to the Financial Statements of the Scheme

The Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook as amended ("the Regulations") requires the Manager to prepare financial statements for each annual accounting period which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Scheme and of its net revenue/(expenses) and the net gains/(losses) on the property of the Scheme for the period. In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in October 2010;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Scheme will continue in operation for the foreseeable future.

The Manager is required to keep proper accounting records and to manage the Scheme in accordance with the Collective Investment Schemes Sourcebook, the Trust Deed and the Prospectus. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of the Threadneedle Navigator Balanced Managed Trust

The Trustee is responsible for the safekeeping of all of the property of the Scheme (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the Scheme is managed by the Authorised Fund Manager in accordance with the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook ("the COLL Sourcebook") and the Scheme's Trust Deed and Prospectus, as appropriate, in relation to the pricing of, and dealings in, units in the Scheme; the application of revenue of the Scheme; and the investment and borrowing powers of the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Authorised Fund Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's revenue in accordance with the COLL Sourcebook and, where applicable, the Scheme's Trust Deed and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

Bournemouth
17 July 2013

J.P. Morgan Trustee and
Depositary Company Limited

Independent Auditors' Report to the Unitholders of Threadneedle Navigator Balanced Managed Trust

We have audited the financial statements of Threadneedle Navigator Balanced Managed Trust (the "trust") for the year ended 1 June 2013 which comprise the statement of total return, the statement of change in unitholders' funds, the balance sheet, the related notes and the distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds").

Respective responsibilities of Authorised Fund Manager and Auditors

As explained more fully in the Statement of Manager's Responsibilities the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, have been prepared for and only for the trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authorised Fund Manager; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Manager's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the trust at 1 June 2013 and of the net revenue and the net capital gains of the scheme property of the trust for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook and the Trust Deed.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the trust have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

London
17 July 2013

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Threadneedle Navigator Balanced Managed Trust

Portfolio Statement

as at 1 June 2013

Holding	Investment	Value £	% of Net Asset Value
COLLECTIVE INVESTMENT SCHEMES 100.05% (98.71%)			
UK equity 54.44% (50.34%)			
6,205,874	Threadneedle UK Equity Income Fund	4,998,831	19.10
4,688,723	Threadneedle UK Fund	5,016,934	19.17
4,561,278	Threadneedle UK Growth & Income Fund	3,513,552	13.42
428,711	Threadneedle UK Smaller Companies Fund	719,592	2.75
	Total UK equity	14,248,909	54.44
UK bond 35.33% (37.12%)			
654,636	Threadneedle Absolute Return Bond Fund	432,649	1.65
893,210	Threadneedle High Yield Bond Fund	396,674	1.51
2,854,764	Threadneedle Income Trust	2,789,105	10.66
1,618,603	Threadneedle Sterling Bond Fund	847,339	3.24
5,083,841	Threadneedle UK Corporate Bond Fund	4,781,352	18.27
	Total UK bond	9,247,119	35.33
Overseas bond 10.28% (11.25%)			
202,666	Threadneedle Credit Opportunities Fund	253,861	0.97
362,615	Threadneedle Emerging Market Local Fund	614,633	2.35
208,874	Threadneedle European Corporate Bond Fund	213,636	0.81
35,552	Threadneedle European High Yield Bond Fund	56,816	0.22
1,898,739	Threadneedle Global Bond Fund	1,552,599	5.93
	Total overseas bond	2,691,545	10.28
	Total collective investment schemes	26,187,573	100.05
Total value of investments		26,187,573	100.05
Net other (liabilities)/assets (1.29%)		(12,398)	(0.05)
Net assets		26,175,175	100.00

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

June 2012 comparatives in brackets.

Threadneedle Navigator Growth Managed Trust

Manager's Report

Investment Objective and Policy

To achieve capital growth from investment in collective investment schemes managed or advised by, or in the case of an authorised company whose Authorised Corporate Director is Threadneedle Investment Services Limited or any company within the Group of companies of which it is a member. The Trust may also hold cash from time to time. The Manager may utilise forward transactions and derivatives in order to hedge against price or currency fluctuations and to facilitate efficient portfolio management.

This report covers the period from 2 June 2012 to 1 June 2013.

Status of the Trust

The trust is an authorised Unit Trust Scheme within Section 243 of the Financial Services and Markets Act 2000, and is a non-UCITS retail scheme for the purpose of the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook (COLL) as amended from time to time.

Performance

During the period under review the offer price of accumulation units rose by 26.06% from 86.31p to 108.80p. In view of the nature of the trust and its investment remit there is no directly comparable market index.

Accumulation

Income units are not available from the Threadneedle Navigator Growth Managed Trust. However, in accordance with the Prospectus, the revenue in the trust is accumulated with effect from the last day of the Annual Accounting Period i.e. 1 June in each year.

Portfolio Activity

The Threadneedle Navigator Growth Managed Trust maintains a large exposure to equity funds with the remainder of the portfolio invested in bond funds. The investments in UK equity funds account for approximately half of the portfolio.

The beginning of June 2012 marked the low point for equities during the review period, and was followed by a sharp recovery in risk-based assets. The gains were driven by unprecedented measures from global central banks, with the announcement of the European Central Bank's bond-buying plan followed by an expansion of the Federal Reserve's (the Fed's) quantitative easing (QE) programme, through which the US central bank committed to ongoing bond purchases on a massive scale. Investors' appetite for risk was spurred still further by signs that the Chinese economy had averted a hard landing, while the newly elected Japanese government launched a colossal stimulus programme in an effort to purge deflation and promote growth.

The rally continued for most of the period under review, albeit with brief setbacks on concerns over the US fiscal cliff, the inconclusive Italian election result, the Cypriot banking crisis, evidence of a deepening eurozone recession and signs that the Chinese economy could be losing momentum. During May 2013, market indices scaled multi-year highs in many countries and even reached fresh highs in some countries, including the US. The UK market performed strongly over much of the reporting period against the more positive global backdrop and increasing signs of UK economic recovery. The Bank of England's QE programme also drove UK equities and bonds upwards.

Meanwhile, central bank QE helped to keep core government bond yields at historically low levels. This meant that investors with less risk-averse profiles sought income opportunities elsewhere, and higher-yielding corporate bonds and emerging market bonds performed particularly well.

However, the end of May was marred by talk from the US Fed of scaling back its QE programme as the US economic recovery gathers pace. Meanwhile, fresh concerns surfaced over Chinese growth. Equity and bond markets sold off sharply towards the end of the month, while bond yields spiked higher.

There were several portfolio adjustments during the period. Notably, we took profits by reducing two of our largest holdings; the Threadneedle UK Institutional Fund and the Threadneedle UK Fund. Meanwhile, we added to our stake in the Threadneedle UK

Growth & Income Fund, given the fund's attractive yield. We also took profits by reducing our stakes in the Threadneedle European Fund, Threadneedle American Fund, Threadneedle Asia Fund and Threadneedle Japan Fund. In fixed income markets, we sold our stake in the Threadneedle Target Return Fund and increased our exposure to the Threadneedle Absolute Return Bond Fund.

Looking forward, we have become slightly more cautious as the valuation case for equities has become less compelling, while the recent rise in bond yields could undermine the appeal of defensive companies which have been acting as bond-proxies. Already, we have seen a rotation into more economically sensitive stocks and we expect further moves in this direction. We are prepared for increased volatility in the short term as the market grapples with the timing and quantum of QE tapering. Meanwhile, Europe continues to face major challenges, both political and economic, although the US economic and corporate outlook is improving. Elsewhere, we anticipate that Japan will maintain extremely loose monetary policies for the foreseeable future, and that present weakness in the market will be short-lived. In the UK, we believe that the outlook remains broadly encouraging at the company level.

Within fixed income, government and investment grade corporate bonds appear vulnerable if the growth outlook improves. However, we expect that central banks will remain broadly accommodative for the foreseeable future, inflation will remain subdued and investors will continue to search for yield; we will therefore seek to take advantage of market opportunities as they arise.

Other Information

Pages 79 to 85 at the back of these Annual Reports and Accounts form part of this Manager's Report.

Directors' Statement

In accordance with the requirements of the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook, we hereby certify the annual report on behalf of the Directors of Threadneedle Unit Trust Manager Limited.

T N Gillbanks

Director

P J W Reed

Director

17 July 2013

Threadneedle Unit Trust Manager Limited

Threadneedle Navigator Growth Managed Trust

STATEMENT OF TOTAL RETURN

for the accounting period 2 June 2012 to 1 June 2013

	Notes	2013 £	2012 £
Income			
Net capital gains/(losses)	2	12,657,799	(4,259,814)
Revenue	3	1,756,178	1,820,694
Expenses	4	(814,669)	(795,952)
Finance costs: Interest	6	(655)	(62)
Net revenue before taxation		940,854	1,024,680
Taxation	5	(74,090)	(79,554)
Net revenue after taxation		866,764	945,126
Total return before distributions		13,524,563	(3,314,688)
Distributions	6	(901,962)	(970,639)
Change in unitholders' funds from investment activities		12,622,601	(4,285,327)

BALANCE SHEET

as at 1 June 2013

	Notes	2013 £	2012 £
Assets			
Investment assets		62,354,573	52,870,421
Other assets			
Debtors	7	236,191	261,498
Cash and bank balances		945,586	1,345,924
Total other assets		1,181,777	1,607,422
Total assets		63,536,350	54,477,843
Liabilities			
Other liabilities			
Creditors	8	(625,791)	(407,441)
Total other liabilities		(625,791)	(407,441)
Total liabilities		(625,791)	(407,441)
Net assets		62,910,559	54,070,402
Unitholders' funds		62,910,559	54,070,402

STATEMENT OF CHANGE IN UNITHOLDERS' FUNDS

for the accounting period 2 June 2012 to 1 June 2013

	2013 £	2012 £
Opening net assets	54,070,402	62,044,804
Movement due to sales and repurchases of units:		
Amounts receivable on the issue of units	67,740	54,395
Amounts payable on the cancellation of units	(4,715,706)	(4,672,516)
	(4,647,966)	(4,618,121)
Stamp duty reserve tax	(1,199)	(1,251)
Change in unitholders' funds from investment activities (see statement of total return above)	12,622,601	(4,285,327)
Retained distribution on accumulation units	866,721	930,297
Closing net assets	62,910,559	54,070,402

DISTRIBUTION TABLE

for the accounting period 2 June 2012 to 1 June 2013

Dividend distribution in pence per unit

Accumulation Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Net Revenue Accumulated 2012/2013	Net Revenue Accumulated 2011/2012
Group 1						
02/06/12 to 01/06/13	1.5771	0.1577	1.4194	—	1.4194	1.4069
Group 2						
02/06/12 to 01/06/13	0.7738	0.0774	0.6964	0.7230	1.4194	1.4069
Total distributions in the period					1.4194	1.4069

Group 2: units purchased during a distribution period

Threadneedle Navigator Growth Managed Trust

Notes to the financial statements

for the accounting period 2 June 2012 to 1 June 2013

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with UK Generally Accepted Accounting Practice ("UKGAAP"), and in accordance with the Statement of Recommended Practice (the "SORP") for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA) in October 2010.

(b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following bases:

Dividends, interest and other revenue receivable includes any withholding taxes but excludes any other taxes such as attributable tax credits.

Dividends and distributions are recognised when the security is quoted ex-dividend.

Equalisation on distributions received is treated as a repayment of capital and deducted from the cost of the investment.

Interest on bank and short-term deposits is recognised on an earned basis.

Fee Rebate

In addition to any direct charge for registration and management fees within the Trust, there would occur, in the absence of a rebate mechanism, an indirect charge for registration and management fees in respect of investment in other Threadneedle funds. Any such target funds themselves bear registration and management fees, which reduce the value of those funds from what they otherwise would be. The rebate mechanism operates to ensure that investors in the Trust bear only the registration and management fee validly applicable to them.

Depending upon the Manager's treatment of management fees within the underlying funds, where management fees are charged to capital, any rebate is classified as a capital item and does not form part of the amount available for distribution.

(c) Treatment of expenses

All expenses other than those relating to the purchase and sale of investments are included in expenses in the Statement of Total Return.

Expenses are recognised on an accruals basis and include irrecoverable VAT where appropriate.

(d) Distribution policy

Where the revenue from investments exceeds the expenses a distribution will be made. Should expenses exceed revenue, there will be no distribution and the shortfall will be transferred to capital. Revenue attributable to Accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

(e) Basis of valuation of investments

The investments of the Trust are valued at mid market prices at 12 noon (UK time), being the valuation point on the last working day of the accounting period. The single price may include an adjustment to cover dealing costs in the underlying funds.

(f) Exchange Rates

Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rates ruling at 12 noon (UK time), being the valuation point on the last working day of the accounting period.

Transactions denominated in foreign currency are translated into sterling at the exchange rates ruling at the date of the transaction.

(g) Deferred Taxation

Deferred taxation liabilities are provided for in full, and deferred tax assets are recognised to the extent that they are considered recoverable, in respect of all items for which recognition falls in different accounting periods for accounting and taxation purposes.

2 NET CAPITAL GAINS/(LOSSES)

Net capital gains/(losses) during the period comprise:

	2013 £	2012 £
Non-derivative securities	12,483,418	(4,384,520)
Management fee rebate on collective investment scheme holdings	175,993	127,568
Other gains/(losses)	312	(2)
Transaction costs	(1,924)	(2,860)
Net capital gains/(losses)	12,657,799	(4,259,814)

3 REVENUE

	2013 £	2012 £
Franked dividend distributions	746,395	754,475
Unfranked dividend distributions	–	2,412
Interest distributions	465,157	484,745
Bank interest	4,382	5,088
Management fee rebate on collective investment scheme holdings	520,522	553,165
Registration fee rebate on collective investment scheme holdings	19,722	20,809
Total revenue	1,756,178	1,820,694

4 EXPENSES

	2013 £	2012 £
Payable to the Manager or associates of the Manager:		
Annual management charge	(729,132)	(712,173)
Registration fees	(64,164)	(62,671)
	(793,296)	(774,844)
Payable to the trustee or associate of the trustee, and the agents of either of them:		
Trustee's fees	(12,323)	(12,293)
Safe custody fees	(284)	(282)
	(12,607)	(12,575)
Other expenses:		
Regulatory fee	(414)	(421)
Audit fee	(8,352)	(8,112)
	(8,766)	(8,533)
*Total expenses	(814,669)	(795,952)

*Including irrecoverable VAT where applicable.

Threadneedle Navigator Growth Managed Trust

Notes to the financial statements

(continued)

5 TAXATION

	2013 £	2012 £
a) Analysis of charge in period		
Corporation tax	(74,090)	(79,554)
Total current tax (note 5b)	(74,090)	(79,554)
Total tax charge for the period	(74,090)	(79,554)
b) Factors affecting taxation charge for period		
Net revenue before taxation	940,854	1,024,680
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% <i>Effects of:</i>	(188,171)	(204,936)
Revenue not subject to taxation	149,279	150,895
Capitalised revenue subject to taxation	(35,198)	(25,513)
Current tax charge for period (note 5a)	(74,090)	(79,554)

6 FINANCE COSTS AND DISTRIBUTION

Distributions and Interest

The distribution takes account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprises:

	2013 £	2012 £
Final	866,721	930,297
Add: Revenue deducted on the cancellation of units	35,770	40,580
Deduct: Revenue received on the issue of units	(529)	(238)
Net distribution for the period	901,962	970,639
Interest	655	62
Total finance costs	902,617	970,701
Net revenue after taxation	866,764	945,126
Tax on capital management fee rebates	35,198	25,513
Net distribution for the period	901,962	970,639

Details of the distribution per unit are set out in the table on page 62.

7 DEBTORS

	2013 £	2012 £
Sales awaiting settlement	105,975	138,216
Accrued revenue	127,715	120,985
United Kingdom income tax recoverable	2,501	2,297
Total debtors	236,191	261,498

8 CREDITORS

	2013 £	2012 £
Amounts payable for the cancellation of units	(156,137)	(256,659)
Purchases awaiting settlement	(317,556)	–
Accrued expenses	(7,309)	(7,346)
Amounts payable to the Manager	(70,699)	(63,882)
Corporation tax payable	(74,090)	(79,554)
Total creditors	(625,791)	(407,441)

9 UNITHOLDER FUNDS

The charges on the trust are as follows:

Annual management charge	1.25%
Registration fees	0.11%

The net asset value of the trust, the net asset value per unit and the number of units in the trust are given on page 80.

10 RELATED PARTY TRANSACTIONS

Threadneedle Unit Managers Limited, a related party, acts as principal in respect of all transactions of units in the Trust.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Unitholders' Funds. The amount due from and to Threadneedle Unit Trust Manager Limited in respect of unit transactions at the end of the accounting period is disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Unit Managers Limited in respect of trust management and registration services are disclosed in Note 8. A balance of £64,981 (2012: £58,715), in respect of annual management service charge and £5,718 (2012: £5,167) in respect of registration fees are due at the end of the accounting period.

Amounts payable to J.P. Morgan Trustee and Depositary Company Limited, a related party, in respect of trustee services and safe custody charges are disclosed in Note 8. A balance of £1,032 (2012: £1,036), in respect of trustee services and £51 (2012: £48) in respect of safe custody are due at the end of the accounting period.

The Trust receives and pays interest on deposits held with J.P. Morgan Trustee and Depositary Company as disclosed in Notes 3 and 6. A balance of £294 (2012: £492) is receivable at the end of the accounting period. Cash and bank balances at the end of the accounting period are disclosed in the Balance Sheet.

The Trust invests in a number of sub-funds of Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC and Threadneedle Focus Investment Funds ICVC, all transactions in respect of which are transacted with Threadneedle Investment Services Limited. Details of the investments are shown in the Portfolio Statement.

Threadneedle Investment Services Limited, (a related party of Threadneedle Unit Managers Limited, forming part of the same group of companies, the ultimate holding company of which is Ameriprise), rebates certain fees to the trust from its management of the Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC and Threadneedle Focus Investment Funds ICVC. Details of the rebates received are disclosed in Notes 2 and 3.

A balance of £123,928 (2012: £95,164) in respect of annual management fee rebate and £3,493 (2012: £3,482) in respect of registration fee rebate are receivable at the end of the accounting period are disclosed in Note 7.

The Manager, or associates of the Manager acted as principal in all investment transactions.

11 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing its investment objectives set out on page 61, the Threadneedle Navigator Growth Managed Trust may hold the following financial instruments:

- Funds of the Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC and Threadneedle Focus Investment Funds ICVC of which a maximum of 20% of the value of the property of the trust may be invested in any one fund within this range of investment funds;
- Cash, liquid resources and short term debtors and creditors that arise directly from its operations;
- Unitholders' funds which represent investors monies which are invested on their behalf;
- Borrowing used to finance investment activity; and
- Derivative transactions to manage the currency and market risks arising from the trust's investment activities.

Throughout the period under review, it has been the policy of the trust to buy and sell financial instruments for the purpose of investment rather than trading.

Threadneedle Navigator Growth Managed Trust

Notes to the financial statements

(continued)

The main risks arising from the trust's financial instruments are market price, liquidity, credit, interest rate and foreign currency risk. The policies for managing each of these risks are reviewed regularly and agreed with the Trustee of the trust and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate and are consistently applied throughout the period under review. The same policies also applied throughout the year ending 1 June 2012.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the trust might suffer through holding market positions in the face of price movements. The value of the investment can fall as well as rise and investors might not recover the amount invested, especially if investments are not held for the long term.

The trust is exposed to market risk by virtue of their investments in Collective Investment Schemes.

The Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The investment guidelines and investment and borrowing powers are set out in the instrument of incorporation, the prospectus and in the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook describe the nature of the market price risk to which the trust will be exposed.

Liquidity risk

Liquidity risk is the risk that the trust cannot raise sufficient cash to meet its liabilities when due.

The main liability of the trust is the redemption of units that the investors wish to sell.

The trust's assets comprise mainly realisable securities which can readily be sold.

Under normal circumstances, the trust will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemption in the trust, the trust may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of units.

The Manager manages the trust's cash to ensure it can meet its liabilities. The Manager receives daily reports of issues and cancellations enabling the Manager to raise cash from the trust's portfolio in order to meet cancellation requests. In addition the Manager monitors market liquidity of all securities, seeking to ensure the trust maintains sufficient liquidity to meet known and potential cancellation activity. Trust cash balances are monitored daily by the Manager and Administrator. Where investments cannot be realised in time to meet any potential liability, the trust may borrow up to 10% of its value to ensure settlements. All of the trust's financial liabilities are payable on demand or in less than one year.

Credit risk

Credit risk is the risk that the counterparty in a financial transaction will fail to fulfil their obligation or commitment.

Credit risk arises from three main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including FRNs) there is the possibility of default of the issuer and default in the underlying assets meaning that the trust may not receive back the full principal originally invested. Thirdly, there is the counterparty risk that the counterparty will not deliver the investment for a purchase

or cash for a sale after the trust has fulfilled its responsibilities, which could result in the trust suffering a loss.

In order to manage credit risk the trust and underlying investments are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the underlying funds only buy and sell investments through brokers which have been approved by the Manager as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed.

Interest rate risk

Interest rate risk is the risk that the value of the trusts' investments will fluctuate as a result of changes in interest rates.

The trust has holdings in other funds with significant interest rate exposure.

Thus any change to the interest rates relevant for particular securities may result in either income increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise the revenue potential of the trust also rises but the value of fixed rate securities will decline.

A decline in interest rates will in general have the opposite effect.

Duration is a measure of the extent to which this is the case, with a longer duration suggesting higher sensitivity to interest rate moves.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The interest risk profile for the relevant funds is shown in their notes to the financial statements.

Foreign currency risk

Foreign currency risk is the risk that the value of the trust's investments will fluctuate as a result of changes in foreign currency exchange rates. The capital values of the trust's underlying investments can be affected by currency translation movements where the assets are denominated in currencies other than sterling, which is the trust's principal currency.

Two principal areas where foreign currency risk could impact the trust are:

- Where movements in rates affect the value of the underlying investments; the trust may hedge the initial investment;
- Where movements in rates affect the revenue received from the underlying investments; the trust does not hedge or otherwise seek to avoid rate movement risk on revenue accrued but not received.

There is no direct foreign currency exposure within the trust at the balance sheet date. However, a large proportion of the trust's underlying investments have significant currency exposure since their assets are denominated in currencies other than Sterling, with the effect that their balance sheets and total returns can be affected by currency movements. Investee trusts' significant exposure to non-sterling currencies, based on their most recent published financial statements are as follows:

- The principal exposure of Threadneedle American Fund and Threadneedle Emerging Market Bond Fund is to the US Dollar.
- The principal exposures of Threadneedle Asia Fund are to the Australian Dollar, Hong Kong Dollar and South Korean Won.
- The principal exposure of Threadneedle Credit Opportunities Fund and Threadneedle European High Yield Bond Fund is to the Euro.

Threadneedle Navigator Growth Managed Trust

Notes to the financial statements

(continued)

- The principal exposures of Threadneedle Emerging Market Local Fund are to the Brazilian Real, Mexican Peso and Turkish Lira.
- The principal exposures of Threadneedle European Fund are to the Euro and Swiss Franc.
- The principal exposures of Threadneedle Global Bond Fund are to the Euro, Japanese Yen and US Dollar.
- The principal exposure of Threadneedle Japan Fund is to the Japanese Yen.
- The principal exposures of Threadneedle Latin America Fund are to the Brazilian Real, Mexican Peso and US Dollar.

Fair value of financial assets and financial liabilities

All of the financial assets of the trust are valued using the single price, which is deemed to be fair value.

The primary financial liability is the trust's liability to redeem units issued to finance its operations. These are held at book value and the difference from fair value is deemed to be immaterial.

12 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2012: Nil).

13 PORTFOLIO TRANSACTION COSTS

The purchases and sales are not subject to portfolio transaction costs.

The total cost of purchases during the period was £5,797,234 (2012: £1,446,025) and proceeds received from sales were £9,372,546 (2012: £6,068,056).

Statement of Manager's Responsibilities in relation to the Financial Statements of the Scheme

The Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook as amended ("the Regulations") requires the Manager to prepare financial statements for each annual accounting period which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Scheme and of its net revenue/(expenses) and the net gains/(losses) on the property of the Scheme for the period. In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in October 2010;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Scheme will continue in operation for the foreseeable future.

The Manager is required to keep proper accounting records and to manage the Scheme in accordance with the Collective Investment Schemes Sourcebook, the Trust Deed and the Prospectus. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of the Threadneedle Navigator Growth Managed Trust

The Trustee is responsible for the safekeeping of all of the property of the Scheme (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the Scheme is managed by the Authorised Fund Manager in accordance with the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook ("the COLL Sourcebook") and the Scheme's Trust Deed and Prospectus, as appropriate, in relation to the pricing of, and dealings in, units in the Scheme; the application of revenue of the Scheme; and the investment and borrowing powers of the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Authorised Fund Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's revenue in accordance with the COLL Sourcebook and, where applicable, the Scheme's Trust Deed and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

Bournemouth
17 July 2013

J.P. Morgan Trustee and
Depositary Company Limited

Independent Auditors' Report to the Unitholders of Threadneedle Navigator Growth Managed Trust

We have audited the financial statements of Threadneedle Navigator Growth Managed Trust (the "trust") for the year ended 1 June 2013 which comprise the statement of total return, the statement of change in unitholders' funds, the balance sheet, the related notes and the distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds").

Respective responsibilities of Authorised Fund Manager and Auditors

As explained more fully in the Statement of Manager's Responsibilities the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, have been prepared for and only for the trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authorised Fund Manager; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Manager's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the trust at 1 June 2013 and of the net revenue and the net capital gains of the scheme property of the trust for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook and the Trust Deed.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the trust have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

London
17 July 2013

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Threadneedle Navigator Growth Managed Trust

Portfolio Statement

as at 1 June 2013

Holding	Investment	Value £	% of Net Asset Value
COLLECTIVE INVESTMENT SCHEMES 99.12% (97.78%)			
UK equity 53.04% (49.60%)			
11,218,002	Threadneedle UK Fund	12,003,263	19.08
14,074,668	Threadneedle UK Growth & Income Fund	10,841,717	17.23
6,663,799	Threadneedle UK Institutional Fund	8,590,304	13.66
1,151,690	Threadneedle UK Smaller Companies Fund	1,933,111	3.07
	Total UK equity	33,368,395	53.04
UK bond 14.12% (14.83%)			
1,521,964	Threadneedle Absolute Return Bond Fund	1,005,866	1.60
1,638,332	Threadneedle High Yield Bond Fund	727,583	1.16
767,106	Threadneedle Sterling Bond Fund	401,580	0.64
7,173,838	Threadneedle UK Corporate Bond Fund	6,746,995	10.72
	Total UK bond	8,882,024	14.12
Overseas equity 25.47% (26.17%)			
4,438,587	Threadneedle American Fund	6,579,761	10.46
235,134	Threadneedle Asia Fund	324,297	0.52
3,409,487	Threadneedle European Fund	5,440,860	8.65
5,968,153	Threadneedle Japan Fund	2,377,712	3.78
451,174	Threadneedle Latin America Fund	1,298,433	2.06
	Total overseas equity	16,021,063	25.47
Overseas bond 6.49% (7.18%)			
238,924	Threadneedle Credit Opportunities Fund	299,277	0.47
201,882	Threadneedle Emerging Market Bond Fund	130,234	0.21
789,507	Threadneedle Emerging Market Local Fund	1,338,215	2.13
120,778	Threadneedle European High Yield Bond Fund	193,015	0.31
2,595,511	Threadneedle Global Bond Fund	2,122,350	3.37
	Total overseas bond	4,083,091	6.49
	Total collective investment schemes	62,354,573	99.12
Total value of investments		62,354,573	99.12
Net other assets (2.22%)		555,986	0.88
Net assets		62,910,559	100.00

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

June 2012 comparatives in brackets.

Threadneedle Navigator Adventurous Managed Trust

Manager's Report

Investment Objective and Policy

To achieve above average capital growth from investment in collective investment schemes managed or advised by, or in the case of an authorised company whose Authorised Corporate Director is Threadneedle Investment Services Limited or any company within the Group of companies of which it is a member. The Trust may also hold cash from time to time. The Manager may utilise forward transactions and derivatives in order to hedge against price or currency fluctuations and to facilitate efficient portfolio management.

This report covers the period from 2 June 2012 to 1 June 2013.

Status of the Trust

The trust is an authorised Unit Trust Scheme within Section 243 of the Financial Services and Markets Act 2000, and is a non-UCITS retail scheme for the purpose of the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook (COLL) as amended from time to time.

Performance

During the period under review the offer price of accumulation units rose by 30.84% from 91.41p to 119.60p. In view of the nature of the trust and its investment remit there is no directly comparable market index.

Accumulation

Income units are not available from the Threadneedle Navigator Adventurous Managed Trust. However, in accordance with the Prospectus, the revenue in the trust is accumulated with effect from the last day of the Annual Accounting Period i.e. 1 June in each year.

Portfolio Activity

Within the Navigator range of four managed trusts the Threadneedle Navigator Adventurous Managed Trust pursues the most aggressive strategy, with the focus firmly on equity investment. Within the equity component, the largest regional exposure is to the UK, with the remainder spread across a range of other world markets. The trust therefore offers useful diversification.

The beginning of June 2012 marked the low point for equities during the review period, and was followed by a sharp recovery in risk-based assets. The gains were driven by unprecedented measures from global central banks, with the announcement of the European Central Bank's bond-buying plan followed by an expansion of the Federal Reserve's (the Fed's) quantitative easing (QE) programme, through which the US central bank committed to ongoing bond purchases on a massive scale. Investors' appetite for risk was spurred still further by signs that the Chinese economy had averted a hard landing, while the newly elected Japanese government launched a colossal stimulus programme in an effort to purge deflation and promote growth.

The rally continued for most of the period under review, albeit with brief setbacks on concerns over the US fiscal cliff, the inconclusive Italian election result, the Cypriot banking crisis, evidence of a deepening eurozone recession and signs that the Chinese economy could be losing momentum. During May 2013, market indices scaled multi-year highs in many countries and even reached fresh highs in some countries, including the US. The UK market performed strongly over much of the reporting period against the more positive global backdrop and increasing signs of UK economic recovery. The Bank of England's QE programme also drove UK equities and bonds upwards.

Meanwhile, central bank QE helped to keep core government bond yields at historically low levels. This meant that investors with less risk-averse profiles sought income opportunities elsewhere, and higher-yielding corporate bonds and emerging market bonds performed particularly well.

However, the end of May was marred by talk from the US Fed of scaling back its QE programme as the US economic recovery gathers pace. Meanwhile, fresh concerns surfaced over Chinese

growth. Equity and bond markets sold off sharply towards the end of the month, while bond yields spiked higher.

In terms of portfolio activity, we made some adjustments to the equity exposure. Notably, we locked in profits by reducing three of our largest holdings; the Threadneedle UK Select Fund, the Threadneedle European Select Fund and the Threadneedle American Select Fund. Meanwhile, we bought a new holding in the Threadneedle UK Growth & Income Fund, given the fund's attractive yield. Elsewhere, the portfolio's modest fixed income exposure continued to be focused on high yield and emerging market bonds.

Looking forward, we have become slightly more cautious as the valuation case for equities has become less compelling, while the recent rise in bond yields could undermine the appeal of defensive companies which have been acting as bond-proxies. Already, we have seen a rotation into more economically sensitive stocks and we expect further moves in this direction. We are prepared for increased volatility in the short term as the market grapples with the timing and quantum of QE tapering. Meanwhile, Europe continues to face major challenges, both political and economic, although the US economic and corporate outlook is improving. Elsewhere, we anticipate that Japan will maintain extremely loose monetary policies for the foreseeable future, and that present weakness in the market will be short-lived. In the UK, we believe that the outlook remains broadly encouraging at the company level. Within fixed income markets, we are maintaining our modest exposure, and will seek to take advantage of opportunities as they arise.

Other Information

Pages 79 to 85 at the back of these Annual Reports and Accounts form part of this Manager's Report.

Directors' Statement

In accordance with the requirements of the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook, we hereby certify the annual report on behalf of the Directors of Threadneedle Unit Trust Manager Limited.

T N Gillbanks

Director

P J W Reed

Director

17 July 2013

Threadneedle Unit Trust Manager Limited

Threadneedle Navigator Adventurous Managed Trust

STATEMENT OF TOTAL RETURN

for the accounting period 2 June 2012 to 1 June 2013

	Notes	2013 £	2012 £
Income			
Net capital gains/(losses)	2	4,391,751	(1,289,809)
Revenue	3	382,337	378,479
Expenses	4	(239,849)	(231,644)
Finance costs: Interest	6	(56)	(57)
Net revenue before taxation		142,432	146,778
Taxation	5	(6,467)	(6,074)
Net revenue after taxation		135,965	140,704
Total return before distributions		4,527,716	(1,149,105)
Distributions	6	(137,455)	(140,853)
Change in unitholders' funds from investment activities		4,390,261	(1,289,958)

BALANCE SHEET

as at 1 June 2013

	Notes	2013 £	2012 £
Assets			
Investment assets		18,495,484	15,106,122
Other assets			
Debtors	7	70,963	50,514
Cash and bank balances		27,716	129,952
Total other assets		98,679	180,466
Total assets		18,594,163	15,286,588
Liabilities			
Other liabilities			
Creditors	8	(80,322)	(40,575)
Total other liabilities		(80,322)	(40,575)
Total liabilities		(80,322)	(40,575)
Net assets		18,513,841	15,246,013
Unitholders' funds		18,513,841	15,246,013

STATEMENT OF CHANGE IN UNITHOLDERS' FUNDS

for the accounting period 2 June 2012 to 1 June 2013

	2013 £	2012 £
Opening net assets	15,246,013	17,645,756
Movement due to sales and repurchases of units:		
Amounts receivable on the issue of units	46,681	45,800
Amounts payable on the cancellation of units	(1,302,145)	(1,292,074)
	(1,255,464)	(1,246,274)
Stamp duty reserve tax	(158)	(285)
Change in unitholders' funds from investment activities (see statement of total return above)	4,390,261	(1,289,958)
Retained distribution on accumulation units	133,189	136,774
Closing net assets	18,513,841	15,246,013

DISTRIBUTION TABLE

for the accounting period 2 June 2012 to 1 June 2013

Dividend distribution in pence per unit

Accumulation Distribution Period	Gross Revenue	Tax Credit	Net Revenue	Equalisation	Net Revenue Accumulated 2012/2013	Net Revenue Accumulated 2011/2012
Group 1						
02/06/12 to 01/06/13	0.9062	0.0906	0.8156	—	0.8156	0.7772
Group 2						
02/06/12 to 01/06/13	0.5462	0.0546	0.4916	0.3240	0.8156	0.7772
Total distributions in the period					0.8156	0.7772

Group 2: units purchased during a distribution period

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Threadneedle Navigator Adventurous Managed Trust

Notes to the financial statements

for the accounting period 2 June 2012 to 1 June 2013

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with UK Generally Accepted Accounting Practice ("UKGAAP"), and in accordance with the Statement of Recommended Practice (the "SORP") for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA) in October 2010.

(b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following bases:

Dividends, interest and other revenue receivable includes any withholding taxes but excludes any other taxes such as attributable tax credits.

Dividends and distributions are recognised when the security is quoted ex-dividend.

Equalisation on distributions received is treated as a repayment of capital and deducted from the cost of the investment.

Interest on bank and short-term deposits is recognised on an earned basis.

Fee rebate

In addition to any direct charge for registration and management fees within the trust, there would occur, in the absence of a rebate mechanism, an indirect charge for registration and management fees in respect of investment in other Threadneedle funds. Any such target funds themselves bear registration and management fees, which reduce the value of those funds from what they otherwise would be. The rebate mechanism operates to ensure that investors in the trust bear only the registration and management fee validly applicable to them.

Depending upon the Manager's treatment of management fees within the underlying funds, where management fees are charged to capital, any rebate is classified as a capital item and does not form part of the amount available for distribution.

(c) Treatment of expenses

All expenses other than those relating to the purchase and sale of investments are included in expenses in the Statement of Total Return.

Expenses are recognised on an accruals basis and include irrecoverable VAT where appropriate.

(d) Distribution policy

Where the revenue from investments exceeds the expenses a distribution will be made. Should expenses exceed revenue, there will be no distribution and the shortfall will be transferred to capital. Revenue attributable to Accumulation Unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

(e) Basis of valuation of investments

The investments of the trust are valued at mid market prices at 12 noon, being the valuation point on the last working day of the accounting period. The single price may include an adjustment to cover dealing costs in the underlying funds.

(f) Exchange rates

Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rates ruling at 12 noon (UK time), being the valuation point on the last working day of the accounting period.

Transactions denominated in foreign currency are translated into sterling at the exchange rates ruling at the date of the transaction.

(g) Deferred taxation

Deferred taxation liabilities are provided for in full, and deferred tax assets are recognised to the extent that they are considered recoverable, in respect of all items for which recognition falls in different accounting periods for accounting and taxation purposes.

2 NET CAPITAL GAINS/(LOSSES)

Net capital gains/(losses) during the period comprise:

	2013 £	2012 £
Non-derivative securities	4,385,694	(1,288,429)
Management fee rebate on collective investment scheme holdings	7,449	751
Other gains/(losses)	72	(103)
Transaction costs	(1,464)	(2,028)
Net capital gains/(losses)	4,391,751	(1,289,809)

3 REVENUE

	2013 £	2012 £
Franked dividend distributions	117,546	117,157
Unfranked dividend distributions	–	218
Interest distributions	18,458	9,932
Bank interest	283	458
Management fee rebate on collective investment scheme holdings	236,357	240,838
Registration fee rebate on collective investment scheme holdings	9,693	9,876
Total revenue	382,337	378,479

4 EXPENSES

	2013 £	2012 £
Payable to the Manager or associates of the Manager:		
Annual management charge	(208,635)	(201,436)
Registration fees	(18,360)	(17,726)
	(226,995)	(219,162)
Payable to the trustee or associate of the trustee, and the agents of either of them:		
Trustee's fees	(4,006)	(3,867)
Safe custody fees	(82)	(81)
	(4,088)	(3,948)
Other expenses:		
Regulatory fee	(414)	(422)
Audit fee	(8,352)	(8,112)
	(8,766)	(8,534)
*Total expenses	(239,849)	(231,644)

*Including irrecoverable VAT where applicable.

Threadneedle Navigator Adventurous Managed Trust

Notes to the financial statements

(continued)

5 TAXATION

	2013 £	2012 £
a) Analysis of charge in period		
Corporation tax	(6,543)	(6,002)
Total current tax (note 5b)	(6,543)	(6,002)
Deferred tax – origination and reversal of timing difference (Note 5c)	76	(72)
Total tax charge for the period	(6,467)	(6,074)
b) Factors affecting taxation charge for period		
Net revenue before taxation	142,432	146,778
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(28,486)	(29,355)
<i>Effects of:</i>		
Revenue not subject to taxation	23,509	23,431
Revenue taxable in other periods	(76)	72
Capitalised revenue subject to taxation	(1,490)	(150)
Current tax charge for period (note 5a)	(6,543)	(6,002)
c) Deferred Tax		
Provision at start of period	(76)	(4)
Deferred tax charge in statement of total return for period (Note 5a)	76	(72)
Provision at end of period (due to timing differences)	–	(76)

6 FINANCE COSTS AND DISTRIBUTION

Distributions and Interest

The distribution takes account of revenue received on the issue of units and revenue deducted on the cancellation of units and comprises:

	2013 £	2012 £
Final	133,189	136,774
Add: Revenue deducted on the cancellation of units	4,422	4,266
Deduct: Revenue received on the issue of units	(156)	(187)
Net distribution for the period	137,455	140,853
Interest	56	57
Total finance costs	137,511	140,910
Net revenue after taxation	135,965	140,704
Tax on capital management fee rebates	1,490	149
Net distribution for the period	137,455	140,853

Details of the distribution per unit are set out in the table on page 71.

7 DEBTORS

	2013 £	2012 £
Amounts receivable for the issue of units	–	5,487
Sales awaiting settlement	25,340	–
Accrued revenue	45,321	43,658
United Kingdom income tax recoverable	302	1,369
Total debtors	70,963	50,514

8 CREDITORS

	2013 £	2012 £
Amounts payable for the cancellation of units	(46,481)	(10,093)
Accrued expenses	(6,562)	(6,426)
Amounts payable to the Manager	(20,736)	(17,978)
Deferred taxation	–	(76)
Corporation tax payable	(6,543)	(6,002)
Total creditors	(80,322)	(40,575)

9 UNITHOLDER FUNDS

The charges on the trust are as follows:

Annual management charge	1.25%
Registration fees	0.11%

The net asset value of the trust, the net asset value per unit and the number of units in the trust are given on page 80.

10 RELATED PARTY TRANSACTIONS

Threadneedle Unit Trust Manager Limited, a related party, acts as principal in respect of all transactions of units in the trust. The aggregated monies received through issues and paid on cancellations are disclosed in the Statement of Change in Unitholders' Funds. The amount due from or to Threadneedle Unit Trust Manager Limited in respect of unit transactions at the end of the accounting period is disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Unit Trust Manager Limited in respect of trust administration and registrar services are disclosed in Notes 8. A balance of £19,059 (2012: £16,524) in respect of annual management service charge and £1,677 (2012: £1,454) in respect of registration fees are due at the end of the accounting period.

Amounts payable to J.P. Morgan Trustee and Depositary Company Limited, a related party, in respect of trustee services and safe custody charges are disclosed in Note 8. A balance of £366 (2012: £317) in respect of trustee services and £15 (2012: £14) in respect of safe custody are due at the end of the accounting period.

The trust receives and pays interest on deposits held with J.P. Morgan Trustee and Depositary Company as disclosed in Notes 3 and 6. A balance of £12 (2012: £62) is receivable at the end of the accounting period. Cash and bank balances at the end of the accounting period are disclosed in the Balance Sheet.

The trust invests in a number of sub-funds of Threadneedle Investment Funds ICVC and Threadneedle Specialist Investment Funds ICVC, all transactions in respect of which are transacted with Threadneedle Investment Services Limited. Details of the investments are shown in the Portfolio Statement.

Threadneedle Investment Services Limited (a related party of Threadneedle Unit Trust Manager Limited, forming part of the same group of companies, the ultimate holding company of which is Ameriprise) rebates certain fees to the trust from its management of the Threadneedle Investment Funds ICVC and Threadneedle Specialist Investment Funds ICVC. Details of the rebates received are disclosed in Notes 2 and 3.

A balance of £43,592 (2012: £41,882) in respect of annual management fee rebate and £1,717 (2012: £1,714) in respect of registration fee rebate are receivable at the end of the accounting period are disclosed in Note 7.

The Manager, or associates of the Manager acted as principal in all investment transactions.

Threadneedle Navigator Adventurous Managed Trust

Notes to the financial statements

(continued)

11 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing its investment objectives set out on page 70, the Threadneedle Navigator Adventurous Managed Trust may hold the following financial instruments:

- Funds of the Threadneedle Investment Funds ICVC and Threadneedle Specialist Investment Funds ICVC (of which a maximum of 20% of the value of the property of the trust may be invested in any one fund within this range of investment funds);
- Cash, liquid resources and short term debtors and creditors that arise directly from its operations;
- Unitholders' funds which represent investors monies which are invested on their behalf;
- Borrowing used to finance investment activity; and
- Derivative transactions to manage the currency and market risks arising from the trust's investment activities.

Throughout the period under review, it has been the policy of the trust to buy and sell financial instruments for the purpose of investment rather than trading.

The main risks arising from the trust's financial instruments are market price, liquidity, credit, interest rate and foreign currency risk. The policies for managing each of these risks are reviewed regularly and agreed with the Trustee of the trust and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate and are consistently applied throughout the period under review. The same policies also applied throughout the year ending 1 June 2012.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the trust might suffer through holding market positions in the face of price movements. The value of the investment can fall as well as rise and investors might not recover the amount invested, especially if investments are not held for the long term.

The trust is exposed to market risk by virtue of their investments in Collective Investment Schemes.

The Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The investment guidelines and investment and borrowing powers are set out in the instrument of incorporation, the prospectus and in the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook describe the nature of the market price risk to which the trust will be exposed.

Liquidity risk

Liquidity risk is the risk that the trust cannot raise sufficient cash to meet its liabilities when due.

The main liability of the trust is the redemption of units that the investors wish to sell.

The trust's assets comprise mainly realisable securities which can readily be sold.

Under normal circumstances, the trust will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemption in the trust, the trust may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of units.

The Manager manages the trusts's cash to ensure it can meet its liabilities. The Manager receives daily reports of issues and cancellations enabling the Manager to raise cash from the trust's portfolio in order to meet cancellation requests. In addition the Manager monitors market liquidity of all securities, seeking to ensure the trust maintains sufficient liquidity to meet known and potential cancellation activity. Trust cash balances are monitored daily by the Manager and Administrator. Where investments cannot be realised in time to meet any potential liability, the trust may borrow up to 10% of its value to ensure settlements. All of the trust's financial liabilities are payable on demand or in less than one year.

Credit risk

Credit risk is the risk that the counterparty in a financial transaction will fail to fulfil their obligation or commitment.

Credit risk arises from three main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including FRNs) there is the possibility of default of the issuer and default in the underlying assets meaning that the trust may not receive back the full principal originally invested. Thirdly, there is the counterparty risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the trust has fulfilled its responsibilities, which could result in the trust suffering a loss.

In order to manage credit risk the trust and underlying investments are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the underlying funds only buy and sell investments through brokers which have been approved by the Manager as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed.

Interest rate risk

Interest rate risk is the risk that the value of the trusts' investments will fluctuate as a result of changes in interest rates.

The trust has holdings in other funds with significant interest rate exposure.

Thus any change to the interest rates relevant for particular securities may result in either income increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise the revenue potential of the trust also rises but the value of fixed rate securities will decline.

A decline in interest rates will in general have the opposite effect.

Duration is a measure of the extent to which this is the case, with a longer duration suggesting higher sensitivity to interest rate moves.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The interest risk profile for the relevant funds is shown in their notes to the financial statements.

Foreign currency risk

Foreign currency risk is the risk that the value of the trust's investments will fluctuate as a result of changes in foreign currency exchange rates.

The capital values of the trust's underlying investments can be affected by currency translation movements where the assets are denominated in currencies other than sterling, which is the trust's principal currency.

Threadneedle Navigator Adventurous Managed Trust

Notes to the financial statements

(continued)

Two principal areas where foreign currency risk could impact the trust are:

- Where movements in rates affect the value of the underlying investments; the trust may hedge the initial investment;
- Where movements in rates affect the revenue received from the underlying investments; the trust does not hedge or otherwise seek to avoid rate movement risk on revenue accrued but not received.

There is no direct foreign currency exposure within the trust at the balance sheet date. However, a large proportion of the trust's underlying investments have significant currency exposure since their assets are denominated in currencies other than sterling, with the effect that their balance sheets and total returns can be affected by currency movements. Investee fund's significant exposure to non-sterling currencies, based on their most recent published financial statements are as follows:

- The principal exposure of Threadneedle American Fund, Threadneedle American Select Fund, Threadneedle Global Select Fund and Threadneedle Emerging Market Bond Fund is to the US Dollar.
- The principal exposures of Threadneedle Asia Fund are to the Australian Dollar, Hong Kong Dollar and South Korean Won.
- The principal exposures of Threadneedle China Opportunities Fund are to the Hong Kong Dollar and US Dollar.
- The principal exposures of Threadneedle Emerging Market Local Fund are to the Brazilian Real, Mexican Peso and Turkish Lira.
- The principal exposures of Threadneedle European Fund and Threadneedle European Select Fund are to the Euro and Swiss Franc.
- The principal exposure of Threadneedle European Smaller Companies Fund is to the Euro.
- The principal exposures of Threadneedle Global Emerging Markets Equity Fund are to the Hong Kong Dollar, South Korean Won and US Dollar.
- The principal exposures of Threadneedle Global Extended Alpha Fund are to the Japanese Yen and US Dollar.
- The principal exposure of Threadneedle Japan Fund is to the Japanese Yen.
- The principal exposures of Threadneedle Latin America Fund are to the Brazilian Real, Mexican Peso and US Dollar.

Fair value of financial assets and financial liabilities

All of the financial assets of the trust are valued using the single price, which is deemed to be fair value.

The primary financial liability is the trust's liability to redeem units issued to finance its operations. These are held at book value and the difference from fair value is deemed to be immaterial.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

12 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2012: Nil).

13 PORTFOLIO TRANSACTION COSTS

The purchases and sales are not subject to portfolio transaction costs.

The total cost of purchases during the period was £812,580 (2012: £269,653) and proceeds received from sales were £1,859,713 (2012: £1,565,846).

Statement of Manager's Responsibilities in relation to the Financial Statements of the Scheme

The Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook as amended ("the Regulations") requires the Manager to prepare financial statements for each annual accounting period which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Scheme and of its net revenue/(expenses) and the net gains/(losses) on the property of the Scheme for the period. In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in October 2010;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Scheme will continue in operation for the foreseeable future.

The Manager is required to keep proper accounting records and to manage the Scheme in accordance with the Collective Investment Schemes Sourcebook, the Trust Deed and the Prospectus. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of the Threadneedle Navigator Adventurous Managed Trust

The Trustee is responsible for the safekeeping of all of the property of the Scheme (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the Scheme is managed by the Authorised Fund Manager in accordance with the Financial Conduct Authority's (formerly Financial Services Authority's) Collective Investment Schemes Sourcebook ("the COLL Sourcebook") and the Scheme's Trust Deed and Prospectus, as appropriate, in relation to the pricing of, and dealings in, units in the Scheme; the application of revenue of the Scheme; and the investment and borrowing powers of the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Authorised Fund Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's revenue in accordance with the COLL Sourcebook and, where applicable, the Scheme's Trust Deed and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

Bournemouth
17 July 2013

J.P. Morgan Trustee and
Depository Company Limited

Independent Auditors' Report to the Unitholders of Threadneedle Navigator Adventurous Managed Trust

We have audited the financial statements of Threadneedle Navigator Adventurous Managed Trust (the "trust") for the year ended 1 June 2013 which comprise the statement of total return, the statement of change in unitholders' funds, the balance sheet, the related notes and the distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds").

Respective responsibilities of Authorised Fund Manager and Auditors

As explained more fully in the Statement of Manager's Responsibilities the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, have been prepared for and only for the trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authorised Fund Manager; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Manager's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the trust at 1 June 2013 and of the net revenue and the net capital gains of the scheme property of the trust for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook and the Trust Deed.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the trust have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

London
17 July 2013

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Threadneedle Navigator Adventurous Managed Trust

Portfolio Statement

as at 1 June 2013

Holding	Investment	Value £	% of Net Asset Value
COLLECTIVE INVESTMENT SCHEMES 99.90% (99.08%)			
UK equity 31.20% (29.14%)			
2,176,230	Threadneedle UK Fund	2,328,566	12.58
625,224	Threadneedle UK Growth & Income Fund	481,610	2.60
2,677,814	Threadneedle UK Select Fund	2,627,203	14.19
202,416	Threadneedle UK Smaller Companies Fund	339,756	1.83
	Total UK equity	5,777,135	31.20
UK bond 0.94% (0.97%)			
127,492	Threadneedle High Yield Bond Fund	174,421	0.94
	Total UK bond	174,421	0.94
Overseas equity 66.92% (68.04%)			
1,085,275	Threadneedle American Fund	1,608,812	8.69
1,817,048	Threadneedle American Select Fund	2,850,948	15.40
332,575	Threadneedle Asia Fund	458,688	2.48
82,961	Threadneedle China Opportunities Fund	154,217	0.83
418,356	Threadneedle European Fund	667,612	3.61
1,338,148	Threadneedle European Select Fund	2,611,128	14.11
63,572	Threadneedle European Smaller Companies Fund	289,468	1.56
165,439	Threadneedle Global Emerging Markets Equity Fund	151,542	0.82
465,038	Threadneedle Global Extended Alpha Fund	744,433	4.02
1,102,717	Threadneedle Global Select Fund	1,354,026	7.31
2,676,091	Threadneedle Japan Fund	1,066,155	5.76
150,000	Threadneedle Latin America Fund	431,685	2.33
	Total overseas equity	12,388,714	66.92
Overseas bond 0.84% (0.93%)			
78,809	Threadneedle Emerging Market Bond Fund	50,840	0.28
68,962	Threadneedle Emerging Market Local Fund	104,374	0.56
	Total overseas bond	155,214	0.84
	Total collective investment schemes	18,495,484	99.90
Total Value of Investments		18,495,484	99.90
Net other assets (0.92%)		18,357	0.10
Net Assets		18,513,841	100.00

The calculation of the % Net Asset Value may not sum to 100% due to rounding.

June 2012 comparatives in brackets.

Comparative Tables

	Net asset value of trust £	Net asset value per unit p	Units in issue	Calendar year	Net income per unit p	Highest offer p	Lowest bid p
Threadneedle Navigator UK Index Tracker Trust				2008			
for the year ended 1 June 2011				Accumulation units	1.9272	82.13	47.49
Accumulation units	47,357,512	85.30p	55,517,380	2009			
for the year ended 1 June 2012				Accumulation units	1.9208	73.63	45.30
Accumulation units	37,276,463	76.92p	48,464,188	2010			
for the year ended 1 June 2013				Accumulation units	1.6057	84.37	66.81
Accumulation units	44,788,894	100.12p	44,735,789	2011			
				Accumulation units	1.8653	87.03	70.25
				2012			
				Accumulation units	2.0802	87.04	76.82
				2013			
				†Accumulation units	2.4398	103.90	89.61
				†To 1 June 2013.			
Threadneedle Navigator Growth Trust				2008			
for the year ended 1 June 2011				Accumulation units	0.9420	85.53	56.27
Accumulation units	19,359,311	94.74p	20,433,678	2009			
for the year ended 1 June 2012				Accumulation units	1.2515	86.84	57.38
Accumulation units	16,857,517	90.35p	18,658,885	2010			
for the year ended 1 June 2013				Accumulation units	0.6813	99.08	76.72
Accumulation units	19,753,831	114.18p	17,300,076	2011			
				Accumulation units	0.6701	102.10	79.69
				2012			
				Accumulation units	0.5683	103.60	88.20
				2013			
				†Accumulation units	1.0401	123.70	100.40
				†To 1 June 2013.			
Threadneedle Navigator Income Trust				2008			
for the year ended 1 June 2011				Accumulation units	3.1654	78.23	65.53
Accumulation units	9,512,914	83.99p	11,326,886	Income units	2.1109	52.50	41.13
Income units	4,705,531	49.30p	9,544,941	2009			
for the year ended 1 June 2012				Accumulation units	2.9637	81.19	59.79
Accumulation units	10,543,993	87.84p	12,003,651	Income units	1.9191	50.28	37.85
Income units	4,533,295	49.88p	9,088,277	2010			
for the year ended 1 June 2013				Accumulation units	2.8232	89.23	76.11
Accumulation units	10,999,855	97.50p	11,282,157	Income units	1.7044	53.33	46.70
Income units	4,691,110	53.79p	8,721,806	2011			
				Accumulation units	2.8283	89.82	80.64
				Income units	1.6626	52.45	46.54
				2012			
				Accumulation units	2.6824	93.17	83.35
				Income units	1.4843	52.91	47.70
				2013			
				†Accumulation units	1.3062	105.10	93.87
				†Income units	0.7217	57.98	52.15
				†To 1 June 2013.			
Threadneedle Navigator Cautious Managed Trust				2008			
for the year ended 1 June 2011				Accumulation units	2.0088	69.35	56.66
Accumulation units	13,724,569	78.68p	17,443,901	Income units	1.5288	53.11	42.71
Income units	1,126,921	55.34p	2,036,320	2009			
for the year ended 1 June 2012				Accumulation units	1.6104	74.56	59.19
Accumulation units	12,816,580	81.26p	15,771,495	Income units	1.1290	54.38	43.87
Income units	1,109,350	55.99p	1,981,192	2010			
for the year ended 1 June 2013				Accumulation units	1.6424	81.73	69.88
Accumulation units	13,582,818	91.08p	14,912,769	Income units	1.1604	58.08	50.24
Income units	1,164,310	61.64p	1,888,963	2011			
				Accumulation units	1.6603	83.54	75.45
				Income units	1.1371	58.53	52.54
				2012			
				Accumulation units	1.5641	86.97	78.84
				Income units	1.0716	59.92	54.32
				2013			
				†Accumulation units	0.6924	97.49	86.13
				†Income units	0.4657	65.98	58.29
				†To 1 June 2013.			

Comparative Tables

	Net asset value of trust £	Net asset value per unit p	Units in issue	Calendar year	Net income per unit p	Highest offer p	Lowest bid p
Threadneedle Navigator Balanced Managed Trust				2008			
for the year ended 1 June 2011				Accumulation units	2.0373	73.68	55.86
Accumulation units	25,270,503	83.58p	30,235,093	2009			
for the year ended 1 June 2012				Accumulation units	1.8260	75.99	57.57
Accumulation units	23,294,720	83.09p	28,037,045	2010			
for the year ended 1 June 2013				Accumulation units	1.7665	85.14	70.47
Accumulation units	26,175,175	100.14p	26,139,006	2011			
				Accumulation units	1.7110	89.30	76.16
				2012			
				Accumulation units	1.8862	91.54	81.50
				2013			
				†Accumulation units	1.9621	107.60	91.88
				†To 1 June 2013.			
Threadneedle Navigator Growth Managed Trust				2008			
for the year ended 1 June 2011				Accumulation units	1.2862	77.84	52.25
Accumulation units	62,044,804	86.46p	71,758,572	2009			
for the year ended 1 June 2012				Accumulation units	1.3592	77.44	52.93
Accumulation units	54,070,402	81.77p	66,122,675	2010			
for the year ended 1 June 2013				Accumulation units	1.1754	89.32	70.02
Accumulation units	62,910,559	103.03p	61,061,517	2011			
				Accumulation units	1.0309	92.98	73.76
				2012			
				Accumulation units	1.4069	93.31	81.14
				2013			
				†Accumulation units	1.4194	111.30	91.90
				†To 1 June 2013.			
Threadneedle Navigator Adventurous Managed Trust				2008			
for the year ended 1 June 2011				Accumulation units	0.5282	86.18	52.44
Accumulation units	17,645,756	92.91p	18,993,316	2009			
for the year ended 1 June 2012				Accumulation units	0.7083	81.73	53.02
Accumulation units	15,246,013	86.63p	17,598,124	2010			
for the year ended 1 June 2013				Accumulation units	0.5798	95.80	72.97
Accumulation units	18,513,841	113.38p	16,328,671	2011			
				Accumulation units	0.4644	100.80	77.11
				2012			
				Accumulation units	0.7772	101.20	85.79
				2013			
				†Accumulation units	0.8156	123.10	98.10
				†To 1 June 2013.			

Ongoing Charges Figure Summary

for the accounting period 2 June 2012 to 1 June 2013

Trust	June 2013	June 2012
Threadneedle Navigator UK Index Tracker Trust	*1.04%	1.19%
Threadneedle Navigator Growth Trust	1.71%	1.71%
Threadneedle Navigator Income Trust	1.47%	1.47%
[§] Threadneedle Navigator Cautious Managed Trust	1.63%	1.60%
[§] Threadneedle Navigator Balanced Managed Trust	1.60%	1.54%
[§] Threadneedle Navigator Growth Managed Trust	1.55%	1.49%
[§] Threadneedle Navigator Adventurous Managed Trust	1.62%	1.57%

The ongoing charges figure is based on the financial year's expenses and may vary from year to year. It excludes the costs of buying and selling assets for the trust (unless these assets are shares of other funds).

[§]Where the trust invests in other group funds, the calculation includes the trust's share of the expenses of the underlying funds. The share of the costs of the underlying funds may fluctuate due to changes in investment decisions, which may be required as a result of changes in market conditions.

*Change to Management Service Charge from 1% to 0.75% 02/12/2012.

Risk and Reward Profiles

Trust	SRRI*
Threadneedle Navigator UK Index Tracker Trust	6
Threadneedle Navigator Growth Trust	6
Threadneedle Navigator Income Trust	4
Threadneedle Navigator Cautious Managed Trust	4
**Threadneedle Navigator Balanced Managed Trust	4
Threadneedle Navigator Growth Managed Trust	6
Threadneedle Navigator Adventurous Managed Trust	6

*As at 1 June 2013 the synthetic risk and reward indicator (SRRI) is explained in the table below:

SRRI

- 1 The trust is in this specific category because historically it has shown a low level of volatility (how much the value of the trust went up and down compared to other categories).
- 2 The trust is in this specific category because historically it has shown a relatively low level of volatility (how much the value of the trust went up and down compared to other categories).
- 3 The trust is in this specific category because historically it has shown a medium to low level of volatility (how much the value of the trust went up and down compared to other categories).
- 4 The trust is in this specific category because historically it has shown a medium level of volatility (how much the value of the trust went up and down compared to other categories).
- 5 The trust is in this specific category because historically it has shown a medium to high level of volatility (how much the value of the trust went up and down compared to other categories).
- 6 The trust is in this specific category because historically it has shown a high level of volatility (how much the value of the trust went up and down compared to other categories).
- 7 The trust is in this specific category because historically it has shown a very high level of volatility (how much the value of the trust went up and down compared to other categories).

The Risk and Reward profile is based on past performance data in pounds sterling.

**The risk and reward profile of the Threadneedle Navigator Balanced Managed Trust changed from 5 to 4 on 17 September 2012.

Further Information

General

Each trust is an authorised unit trust scheme. The Threadneedle Navigator UK Index Tracker Trust, Threadneedle Navigator Growth Trust and Threadneedle Navigator Income Trusts are UCITS schemes for the purpose of the FCA (formerly FSA) Regulations (meaning that they have been certified by the FCA as eligible to enjoy the rights conferred by the Undertakings for Collective Investment in Transferable Securities Directive (2009/65/EC)).

The Threadneedle Navigator Cautious Managed Trust, Threadneedle Navigator Balanced Managed Trust, Threadneedle Navigator Growth Managed Trust and Threadneedle Navigator Adventurous Managed Trusts are Non-UCITS Retail Schemes for the purposes of the FCA (formerly FSA) Regulations.

The prospectus, which describes each of the trusts in the Navigator Trusts range in detail, is available on request from Threadneedle Unit Trust Manager Limited, International Financial Data Services, PO Box 10033, Chelmsford CM99 2AL, United Kingdom.

Changes to the Prospectus

The following changes were made to the Prospectus and became effective 4 June 2013:

- improved disclosure on our Registration Fees;
- change in name of FSA to FCA;
- removal of Crispin Henderson and addition of Campbell Fleming as Director;
- removal of reference to Threadneedle Asset Management Limited carrying out investment advice;
- inclusion of ability to convert Units;
- interest distribution wording amended for greater clarity;
- dividend distribution wording amended for greater clarity;
- wording inserted around complaints;
- update to performance figures;
- other miscellaneous changes.

The Retail Distribution Review ("RDR")

RDR is an initiative that is being driven by the Financial Conduct Authority (formerly Financial Services Authority) to change how investors get financial advice. The RDR came into effect on 31 December 2012.

For more information on RDR please visit fca.org.uk/consumers/protect-yourself/investment-rights/payadvice

Income

Income from the Threadneedle Navigator UK Index Tracker Trust, Threadneedle Navigator Growth Trust, Threadneedle Navigator Balanced Managed Trust, Threadneedle Navigator Growth Managed Trust and Threadneedle Navigator Adventurous Managed Trusts will accumulate yearly. A choice of income or accumulation units is offered on the Threadneedle Navigator Income Trust and Threadneedle Navigator Cautious Managed Trust. Holders of income units in the Threadneedle Navigator

Income Trust will receive quarterly distributions of income in respect of each annual accounting period. Holders of income units in the Threadneedle Navigator Cautious Managed Trust will receive half yearly distributions of income in respect of each annual accounting period.

If you choose accumulation units in the Threadneedle Navigator Income Trust or Threadneedle Navigator Cautious Managed Trust, the Manager will automatically reinvest the income in the trust for you.

Charges

A preliminary charge of (currently) 5.5% (with the exception of the Threadneedle Navigator UK Index Tracker Trust which has no preliminary charge) is included in the offer (buying) prices. We also make a charge as remuneration for our ongoing services. This is currently 1.25% per year for the Threadneedle Navigator Income Trust, Threadneedle Navigator Cautious Managed Trust, Threadneedle Navigator Balanced Managed Trust, Threadneedle Navigator Growth Managed Trust and Threadneedle Navigator Adventurous Managed Trust and 1.5% for the Threadneedle Navigator Growth Trust and is paid out of the property of each trust. With effect from 1 December 2012, the charge for the Threadneedle Navigator UK Index Tracker Trust was reduced from 1% to 0.75% per year.

The fees and expenses of the Trustee, Registrar's fees, Auditor's fees and FCA authorisation fees are also payable by the trusts.

SDRT Provision

SDRT is chargeable on the surrender, and certain transfers of units in the trusts. The current rate of SDRT is 0.5%.

The liability for SDRT is calculated weekly by reference to unit sales and repurchases in that and the following week but is reduced proportionately to the extent that the investments held by the fund are exempt investments, which essentially are any assets other than United Kingdom equities and other collective investment schemes that are not exempt from SDRT. Any fund which only invests in exempt investments, i.e. holds no United Kingdom equities, will therefore be wholly exempt from SDRT.

How it affects Unitholders and potential Unitholders:

The Trustee meets the SDRT liability from the property of the trust. It is not the Manager's intention to require the payment of a further provision for SDRT (as set out in the Prospectus).

Income Equalisation

When the first income distribution is received it may include an amount known as equalisation. The amount representing the income equalisation in the Unit's price is a return of capital and is not taxable in the hands of Unitholders. This amount should be deducted from the cost of income units in computing capital gains realised on their disposal.

Further Information

(continued)

Individual Savings Accounts

Throughout the accounting period the trusts have satisfied the requirements of the Individual Savings Account Regulations 1998.

It is the Manager's intention that the trusts will be managed in such a way as to continue to meet these requirements.

Stock Exchange Disclaimer

The Threadneedle Navigator UK Index Tracker Trust is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") or by the London Stock Exchange Limited (the "Exchange") or by The Financial Times Limited ("FT") and neither FTSE nor the Exchange nor the FT makes any warranty or representation whatsoever, expressly or implied, either as to the results to be obtained from the use of the FTSE All-Share Index (the "Index") and/or the figure at which the Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated solely by the Exchange. However, neither FTSE nor the Exchange nor the FT shall be liable (whether in negligence or otherwise) to any person for any error in the Index and neither FTSE nor the Exchange nor the FT shall be under any obligation to advise any person of any error in it.

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Threadneedle Navigator Stocks and Shares ISA

We have made changes to the Terms and Conditions for those clients who invest through the Threadneedle Navigator Stocks and Shares ISA. As of 15 March 2013 our Terms and Conditions have stopped allowing:

- you to choose the date on which your direct debit payment is collected; and
- payments to be made by debit card.

Currently no investors make use of these facilities.

If you would like a copy of the new Terms and Conditions you should contact us at our client services address below.

Directory

Manager

Threadneedle Unit Trust Manager Limited

Registered Office

60 St Mary Axe
London EC3A 8JQ

Client Services Details

Address: Threadneedle Unit Trust Manager Limited
International Financial Data Services

PO Box 10033

Chelmsford

Essex CM99 2AL

Telephone UK Investors: (dealing & customer enquiries):
0845 113 0273*

Telephone non-UK Investors: (dealing & customer enquiries):
01268 441 520*

Fax UK Investors (dealing): 0845 113 0274

Fax non-UK Investors (dealing): 00 352 2455 29807

Email (enquiries): questions@service.threadneedle.co.uk

**Calls may be recorded.*

Registrar

Threadneedle Investment Services Limited

St Nicholas Lane

Basildon

Essex SS15 5FS

Legal Advisers:

Eversheds LLP

One Wood Street

London EC2V 7WS

Directors of the Manager

C D Fleming (*Appointed as Chairman and Chief Executive
1 March 2013*)

T N Gillbanks

C J Henderson (*Resigned from the Board and as Chairman and
Chief Executive 1 March 2013*)

P J W Reed

N J Ring

Investment Adviser

Threadneedle Asset Management Limited

(*Authorised and regulated by the Financial Conduct Authority
(FCA)) (formerly Financial Services Authority (FSA))*)

Registered Office

60 St Mary Axe
London EC3A 8JQ

Trustee

J.P. Morgan Trustee and Depositary

Company Limited

(*Authorised and regulated by the Financial Conduct Authority
(FCA)) (formerly Financial Services Authority (FSA))*)

Head Office

Chaseside

Bournemouth

Dorset BH7 7DA

Registered Office

25 Bank Street

Canary Wharf

London E14 5JP

Independent Auditors

PricewaterhouseCoopers LLP

7 More London Riverside

London SE1 2RT

Important Information

References in this document to any trust does not constitute an offer or invitation to subscribe to units in such a trust. We recommend you obtain detailed information before the purchase of units. Subscriptions to a trust may only be made on the basis of the current Prospectus and Key Investor Information Document as well as the latest annual and interim reports. Please refer also to the Risk Factors in the Prospectus.

Past performance is not a guide to future performance.

The mention of any specific shares or bonds should not be taken as a recommendation to deal. Threadneedle Investments does not give any investment advice. If you are in doubt about the suitability of any investment, you should speak to your financial adviser.

Trust/Key risks	Market Risk	Currency Risk	Investor Currency Risk	Investment in Funds Risk	Issuer Risk	Inflation Risk	Interest Rate Risk	Volatility Risk	Tracker Risk
Threadneedle Navigator UK Index Tracker Trust	X		X					X	X
Threadneedle Navigator Growth Trust	X	X	X					X	
Threadneedle Navigator Income Trust	X		X		X	X	X	X	
Threadneedle Navigator Cautious Managed Trust	X	X	X	X	X	X	X	X	
Threadneedle Navigator Balanced Managed Trust	X	X	X	X	X	X	X	X	
Threadneedle Navigator Growth Managed Trust	X	X	X	X				X	
Threadneedle Navigator Adventurous Managed Trust	X	X	X	X				X	

Description of the Key Risks:

Market Risk: The value of investments can fall as well as rise and investors might not get back the sum originally invested.

Currency Risk: Where investments are made in assets that are denominated in multiple currencies, changes in exchange rates may affect the value of the investments.

Investor Currency Risk: Where investments in the trust are in currencies other than your own, changes in exchange rates may affect the value of your investments.

Investment in Funds Risk: The Investment Policy allows the trust to invest principally in units of other collective investment schemes. Investors should consider the investment policy and asset composition in the underlying funds when assessing their portfolio exposure.

Issuer Risk: The trust invests in securities whose value would be significantly affected if the issuer either refused to pay or was unable to pay or perceived to be unable to pay.

Inflation Risk: Most bond and cash funds offer limited capital growth potential and an income that is not linked to inflation. Therefore, inflation can affect the real value of capital and income over time.

Interest Rate Risk: Changes in interest rates are likely to affect the trust's value. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa.

Volatility Risk: The trust may exhibit significant price volatility.

Tracker Risk: The Investment Policy of the trust is to replicate the FTSE All-Share Index. The effect of ongoing charges means that although tracking this index, the trust will not exactly replicate the index performance.

All of the risks currently identified as applicable to the Trusts are set out in the "Risk Factors" section of the Prospectus.

Key Investor Information Document (KIID) – Subscription requirements

Since 1 July 2012, the Key Investor Information Document for UCITS schemes (KIID) and the Non-UCITS retail scheme Key Investor Information (NURS-KII) are pre-contractual documents.

Consequently, all investors in UCITS schemes and all retail investors in NURS schemes have to confirm that they have read the latest KIID or NURS-KII, as the case may be, before making a subscription. Threadneedle has the right to reject a subscription if the investor does not confirm that they have read the latest KIID/NURS-KII at the time of application. Investors can obtain the latest KIID/NURS-KII from threadneedle.com.

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