

# The Navigatio Fund

The Navigatio Euro Conservative Fund

## I Fund Strategy I

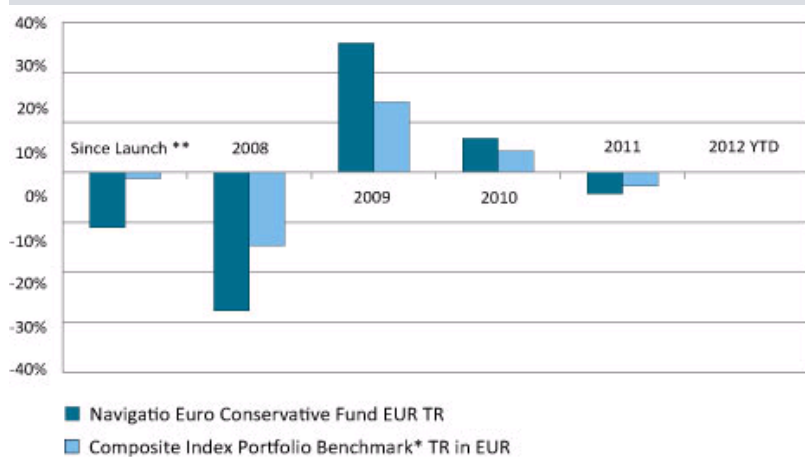
- The Fund will be invested across different asset classes to provide diversification. However, while this will be likely to reduce correlation with equity market movements, as the Fund will be largely invested in financial securities other than cash, there is inevitably risk to capital, particularly in the short term.
- The Fund will be actively managed, seeking to ensure that investments are appropriate for prevailing market conditions.
- As the Euro is the base currency for the majority of investors in the Fund, returns will be reported in Euros.

## I Fund Objectives I

To provide long-term capital growth from a portfolio of global investments.

\*Note: On 01.05.2011, the Navigatio Euro Conservative Fund moved from the IMA Cautious Managed sector to the IMA Unclassified sector.

## Performance Record



\* Composite benchmark: 40% MSCI Europe ex UK (€), 60% Merrill Lynch EMU Direct Govt Bonds (€).

\*\* Since launch data from 26/04/2007 to 31/12/2011

Data taken on 19/01/2012

## Discrete Annual Performance (%)

Share Type	2012(YTD)	2011	2010	2009	2008
Accumulation	-	-4.3	6.8	25.9	-27.7

## Discrete Annual Performance to Quarter End 31 December 2011 (%)

Share Type	31/12/2010	31/12/2009	31/12/2008	31/12/2007	31/12/2006
Accumulation	-4.3	6.8	25.9	-27.7	-

## Cumulative Performance to 31 December 2011 (%)

Share Type	3 Months	6 Months	1 Year	3 Years	5 Years
Accumulation	-0.2	-5.2	-4.3	28.6	-
Benchmark	2.5	-3.8	-2.8	15.7	-

Quoted on a bid to bid, total return, Euro basis. Past performance is not a guide to the future. The price of units and shares and the income from them may go down as well as up and you may get back less than you invested. Exchange rates will also cause the value of underlying investments to fall or rise.

Source: Financial Express. 19/01/2012

## | Key Fund Facts |

Fund Size:	£5.2m
Launch Date:	20 April 2007
Sector:	*IMA Unclassified

## | Top 10 Holdings |

Top 10 Holdings	%
M&G UK INFLAT LK CORP BD-IA	8.97
CAZENOVE INV FD MT STRATEGIC BOND X	7.91
JPMORGAN AM UK LTD JPM STRATEGIC BO	7.70
CAZENOVE INV FD MT EUROPEAN FUND X	7.05
ARTEMIS FD MNGRS GLOBAL INC UNITS I	5.90
CAPITA FINL MNGRS ECLECTICA CF ABS	5.84
BNY MELLON FD MNGR NEWTON REAL RETU	5.80
ISHARES BARCLAYS CAPITAL EURO GOVER	5.76
JUPITER UT MNGRS STRATEGIC BOND I I	5.69
GLG PARTNERS INV JAPAN COREALPHA PR	5.53
<b>TOTAL</b>	<b>66.15</b>

## | Asset Allocation |

Asset Allocation	%
Equities	36.00
Corporate & Other Bonds	29.35
Sovereign Bonds	14.76
Hedge/Absolute Return	10.18
Cash	6.76
Commodity/Resources	2.94

## | Geographical Allocation (equities) |

Geographical Allocation (equities)	%
Europe ex UK	39.56
UK	28.56
North America	17.52
Asia ex Japan	6.21
Japan	5.83
Latin America	1.68
Other Emerging Markets	0.62

# The Navigatio Fund

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## Fund developments and comments



**Navigatio Euro Conservative Fund, Investment Managers:**  
**From left to right: Daniel Lockyer, Fund Manager; Richard Scott, Chief Investment Officer; Ben Conway, Assistant Fund Manager**

### On 1 May 2011, Hawksmoor Investment Management Limited took over the responsibility of Investment Adviser for this Fund.

The differing economic fortunes of the US and Eurozone was evident during December as data suggested the US is showing signs of recovery, while the Eurozone remains mired in political uncertainty which could lead to a recession. This manifested itself in currency markets with the euro losing around 3% against the US dollar and other major currencies. European government bonds performed strongly with the Merrill Lynch EMU Government Bond Index rising over 4% as the more stressed countries such as Italy and Spain managed to refinance their maturing debt, albeit at much higher yields than only a few months ago. The performance of European financial markets and the euro in 2012 will be dominated by the political decisions made to address the region's sovereign debt crisis. While we would never place a large emphasis of the portfolio on a binary outcome, we cannot find obvious reasons why the euro should be a strong currency going forward. Therefore, it is likely that we will reduce the amount of currency hedging in the coming months, but keeping it appropriate for a euro denominated investor.

There was limited dealing in December. However we did switch out of the Invesco Perpetual Income fund which has performed very well in these difficult markets and into the recently launched BlackRock Continental European Income fund which has a higher dividend yield and invests in global leading companies at depressed valuations purely due to their listing being in a region investors are shunning.

Although underlying market trends do not stop and start according to calendar years, we believe there will be a number of asset allocators that will assess the likely returns available from their portfolios in the year ahead and will need to make a decision as to whether the strategies that worked in 2011 will be appropriate for 2012. Core government bonds have performed remarkably well and we have been wrong footed by this move, but we remain of the view that yields of around 2% in UK, US and Germany 10 year bonds, represent poor value on a sensible investment horizon compared to other assets. We hope that an environment is created in 2012 which allows large institutions such as pension funds to once again adopt return seeking strategies rather than those merely to avoid risk and guarantee negative real returns.

## Fund Information

Annual Management Charge	1.35%
Initial Charge	5.55%
Accounting Dates	30 Sept, 31 Mar
Payment Dates	31 Jan, 31 May
Valuation Point	12 noon, daily
Sedol Code	Euro: B1W4N52, Sterling: B1W4N63
Published Price	www.thenavigatiofund.co.uk
Share Class	Euro & Sterling Accumulation
ISA eligible	Yes, stocks & shares
Min. Investment	€1,500/£1,000, £100pm
Base Currency	Euro

## Investment Team

**I Richard Scott, Chief Investment Officer; Daniel Lockyer, Fund Manager; Ben Conway, Assistant Fund Manager I**

Daniel and Richard have over 25 years of specialist experience in management of portfolios using collective investment vehicles including OEICs and Investment Trusts. They are assisted by Ben Conway. Richard joined Hawksmoor, where he is CIO, in 2008 and has managed fund of funds since 1995. He has been rated by Citywire for his stewardship of previous funds and Richard was the Citywire Fund Manager of the year in 2002 in both the Global and International categories. He is an Associate of the UK Society of Investment Professionals.

Daniel joined Hawksmoor in 2009. His investment career began in 1998 and he has managed funds of funds since 2001, winning the Investment Week Fund Manager of the Year in 2008 and being rated by Citywire along the way.

Ben's investment career began in 2002 after graduation from the University of Cambridge. He joined Hawksmoor in 2010 having spent the majority of his career specialising in Japanese equities at major investment banks in London.

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