Your success. Our priority.

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
THREADNEEDLE NAVIGATOR TRUSTS
JUNE 2018

THREADNEEDLE
NAVIGATOR TRUSTS

Contents

**These pages, together with the investment reports, directors' statements, Comparative Table Disclosure, Reconciliation of units and portfolio statements of the individual trusts comprise the Manager's Report.*

Introduction

These Annual Reports and Audited Financial Statements cover the 12 months to 1 June 2018 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.

The Threadneedle Navigator UK Index Tracker Trust, the Threadneedle Navigator Growth Trust and the Threadneedle Navigator Income Trust were closed on 22 March 2018.

The Threadneedle Navigator Cautious Managed Trust, Threadneedle Navigator Balanced Managed Trust, Threadneedle Navigator Growth Managed Trust and Threadneedle Navigator Adventurous Managed Trust were merged with comparable funds in the Threadneedle Managed Funds range on 16 March 2018, following the approval of shareholders at extraordinary general meetings of the funds.

Accordingly, the going concern basis of preparation is no longer appropriate for all seven trusts and their financial statements have been prepared on a basis other than going concern as described in Note 1(a) to the financial statements of each trust. The wind up of all the Navigator funds was completed on 1 June 2018.

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

Thank you for your continued support.

M Scrimgeour

Director

Threadneedle Navigator UK Index Tracker Trust*

Investment Report

The Trust closed on 22 March 2018 and the wind-up of the trust was completed on 1 June 2018. Further details are shown on page 77.

Investment Objective and Policy

To achieve capital growth. The Manager's investment policy is to mirror as closely as possible the performance of the FTSE All-Share Index (formerly known as the Ft-Se Actuaries All-Share Index) by investing primarily in UK equities. The Manager may utilise stock lending and derivatives in order to facilitate Efficient Portfolio Management.

Review

This report covers the period from 2 June 2017 to 1 June 2018.

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 Collective Investment Schemes Sourcebook (COLL) as amended from time to time.

Performance

From 2 June 2017 to 22 March 2018, the UK equity market, as measured by the FTSE All-Share Index fell by -2.63% on a total return basis. The bid price of accumulation units in the Trust fell by 4.00% from 132.40p to 127.10p during the same period. Please note that the FTSE All-Share Index return quoted above uses prices at close of business, whereas the valuation point for the Trust is at 12 noon on 22 March 2018.

Accumulation

Income units were not available from the Threadneedle Navigator UK Index Tracker Trust. However in accordance with the Prospectus, the income of the trust was accumulated at the closure date.

Market Overview and Portfolio Activity

During the reporting period, the trust used a passive management approach that aimed to match approximately the performance of the FTSE All-Share index. This approach involved 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.

Over the period as a whole, the UK lagged other major stock markets amid the continuing uncertainties over Brexit and the implications for the domestic economy. Nevertheless, the FTSE All-Share index set new highs along the way. Early 2018 saw some market jitters in response to the Trump administration's plans to introduce import tariffs on steel and aluminium, as well as proposals for other protectionist measures.

Prime Minister Theresa May's unexpected call for a snap general election in June 2017 fuelled hopes that this would lead to an increased parliamentary majority for the Conservatives, thereby strengthening the government's hand in Brexit negotiations. In the event, the Conservatives lost their overall majority, fuelling concerns over the implications for Brexit. While investors remain anxious, sentiment was subsequently buoyed by an agreement between the UK and EU in March 2018 on some elements of a post-Brexit transition deal.

On the economic front, high inflation prompted a quarter-point rate hike from the Bank of England in November to 0.5% – the first rise in a decade. The pick-up in inflation, along with sluggish wage growth, impacted economic growth and created a challenging environment for retailers. However, the end of the review period saw signs that the contraction in real wage growth could ease, as wages picked up, while inflation appeared to have peaked. In March, the annual rate of consumer price inflation stood at 2.5% versus 3.1% in November. On another positive note, the second half of 2017 constituted the best six months for productivity growth since the financial crisis.

There is still considerable uncertainty surrounding the UK's negotiating strategy on Brexit, and the UK equity market is likely to prove volatile in response to future developments. However, many UK equities are trading on attractive valuations relative to their international counterparts. This, along with sterling's weakness since the Brexit vote, is likely to mean that global businesses should continue to find UK-listed companies attractive takeover targets.

The trust closed on 22 March, all unitholders left the trust and the securities were sold by this date.

Other Information

The information on pages 76 to 81 forms part of the Manager's Report.

Directors' Statement

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes (COLL) Sourcebook, we hereby certify the Annual Report and Audited Financial Statements on behalf of the Directors of Threadneedle Investment Services Limited.

L Weatherup
Director

M Scrimgeour
Director

10 August 2018

**Please note the trust closed on 22 March 2018.*

Threadneedle Navigator UK Index Tracker Trust

STATEMENT OF TOTAL RETURN

for the accounting period 2 June 2017 to 1 June 2018

	Notes	2018 £000	2017 £000
Income			
Net capital (losses)/gains	2	(1,993)	7,512
Revenue	3	1,077	1,533
Expenses	4	(291)	(361)
Net revenue before taxation		786	1,172
Taxation	5	(2)	(2)
Net revenue after taxation		784	1,170
Total return before distributions		(1,209)	8,682
Distributions	6	(781)	(1,170)
Change in unitholders' funds from investment activities		(1,990)	7,512

BALANCE SHEET

as at 1 June 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		–	41,057
Current assets:			
Debtors	7	4	287
Cash and bank balances	8	7	47
Total assets		11	41,391
Liabilities:			
Creditors:			
Bank overdrafts	8	(11)	–
Other creditors	9	–	(47)
Total liabilities		(11)	(47)
Net assets		–	41,344
Unitholders' funds		–	41,344

STATEMENT OF CHANGE IN UNITHOLDERS' FUNDS

for the accounting period 2 June 2017 to 1 June 2018

	2018 £000	2017 £000
Opening net assets	41,344	36,273
Amounts receivable on the issue of units	41	212
Amounts payable on the cancellation of units	(39,555)	(3,777)
	(39,514)	(3,565)
Change in unitholders' funds from investment activities (see statement of total return above)	(1,990)	7,512
Retained distribution on accumulation units	160	1,124
Closing net assets	–	41,344

DISTRIBUTION TABLE

for the accounting period 2 June 2017 to 1 June 2018

Dividend distribution in pence per unit

Accumulation units

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2017/2018*	Gross Revenue Accumulated 2016/2017
Group 1				
02/06/17 to 01/06/18	2.6744	–	2.6744	3.6021
Group 2				
02/06/17 to 01/06/18	1.1432	1.5312	2.6744	3.6021
Total distributions in the period			**2.6744**	**3.6021**

Group 2: units purchased during a distribution period.

**Please note the trust closed on 22 March 2018. A distribution was made for the period ended 22 March 2018.*

Threadneedle Navigator UK Index Tracker Trust

Comparative Table Disclosure

	Accumulation units		
	22/03/2018[1]	01/06/2017	01/06/2016
Change in net assets per unit			
Opening net asset value per unit (p)	132.52	106.01	114.84
Return before operating charges (p)	(4.43)	27.62	(7.87)
Operating charges (p)	(0.99)	(1.11)	(0.96)
Return after operating charges (p)*	(5.42)	26.51	(8.83)
Distributions (p)	(2.67)	(3.60)	(3.09)
Retained distributions on accumulation units (p)	2.67	3.60	3.09
Closing net asset value per unit (p)	127.10	132.52	106.01
*after direct transaction costs of (p)	0.05	0.03	0.02
Performance			
Return after charges (%)	(4.09)	25.01	(7.69)
Other information			
Closing net asset value (£000)**	7,605	41,344	36,273
Closing number of units**	5,987,448	31,198,596	34,217,585
Operating charges (%)***	–	0.93	0.91
Direct transaction costs (%)	–	0.02	0.01
Prices			
Highest unit price (p)	139.80	133.50	115.60
Lowest unit price (p)	127.10	101.60	93.33

**This figure is as at the last dealing point of share class on 22 March 2018.

***The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a unit class of a trust based on the financial year's expenses and may vary from year to year. It includes charges such as the trust's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the trust (unless these assets are shares of another fund). The Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

[1]*Closed on 22 March 2018.*

Threadneedle Navigator UK Index Tracker Trust

Notes to the financial statements

for the accounting period 2 June 2017 to 1 June 2018

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014.

The trust closed on 22 March 2018 and the termination of the trust was completed on 1 June 2018. Accordingly the going concern basis of preparation is no longer appropriate for the trust and the financial statements have been prepared on a basis other than going concern. No adjustments were necessary in the trust's financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities. The comparative financial information for the year ended 1 June 2017 has been prepared on a going concern basis.

(b) Basis of valuation of investments

There were no investments held by the trust at the balance sheet date.

For 2017, investments were stated at fair value which generally was the bid value of each security. These bid values were sourced from independent pricing sources; to the extent that if an independent pricing source was not available then quotes are obtained from the broker. Where the Manager deems that these valuations were unrepresentative of a fair valuation of the security a fair valuation adjustment was applied based on the Manager's opinion of fair value. The last dealing point in the year was used for the purposes of preparing the financial statements and in the Manager's opinion there was no material movements in the trust between the last dealing point and the close of business on the balance sheet date.

(c) Exchange rates

Assets and liabilities expressed in foreign currencies were translated into sterling at the exchange rate on the last working day of the period.

For 2017, assets and liabilities expressed in foreign currencies were 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.

(d) Derivatives

The return in respect of any derivative transaction is treated as capital or revenue depending on the motive and circumstances of the transaction. Where positions are undertaken to protect or enhance capital the returns are capital and where they are generating or protecting revenue the returns are revenue. Where positions generate total returns the returns are apportioned between capital and income to reflect the nature of the transaction.

Any capital gains or losses are included within net capital (losses)/gains, and any revenue or expense is included within revenue or interest payable and similar charges note depending on whether the balance is in a net revenue or expense position respectively.

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 financial statements, 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.

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

(e) Recognition of revenue

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

Dividends on quoted equities and preference shares are recognised when the security is traded ex-dividend.

Dividends, interest and other income receivable include any withholding taxes but exclude any other taxes such as attributable tax credits.

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.

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

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.

Dividends and distributions from collective investment schemes are recognised when the security is quoted ex-dividend.

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

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

(f) Treatment of expenses (including management 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.

(g) Equalisation policy

The trust operates equalisation to ensure the level of distributable income for any unit class is not affected by the issue or cancellation of units.

(h) Deferred tax

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.

(i) Distribution Policies

In accordance with the Collective Investment Schemes Sourcebook, where the revenue from investments exceeds the expenses and taxation for any unit class, a distribution will be made from that unit class. Should expenses and taxation exceed revenue for any unit class, there will be no distribution for that unit class and a transfer from capital will be made to cover the shortfall.

Revenue attributable to accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

When a transfer is made between revenue and capital, marginal tax relief is not taken into account when determining the distribution.

2 NET CAPITAL (LOSSES)/GAINS

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

	2018 £000	2017 £000
Non-derivative securities	(1,969)	7,487
Derivative contracts	(15)	31
Other gains/(losses)	5	(3)
Transaction costs	(14)	(3)
Net capital (losses)/gains	(1,993)	7,512

3 REVENUE

	2018 £000	2017 £000
UK dividends	1,046	1,480
Overseas dividends	22	45
Interest distributions	–	1
Derivative revenue	7	7
Bank interest	2	–
Total revenue	1,077	1,533

Threadneedle Navigator UK Index Tracker Trust

Notes to the financial statements

(continued)

4 EXPENSES

	2018 £000	2017 £000
Payable to the Manager or associates of the Manager, and the agents of either of them:		
Annual management charge	(235)	(294)
Registration fees	(34)	(43)
	(269)	(337)
Payable to the trustee or associates of the trustee, and the agents of either of them:		
Trustee fees	(4)	(5)
Safe custody fees	(8)	(9)
	(12)	(14)
Other expenses:		
Audit fees	(10)	(10)
	(10)	(10)
Total expenses*	(291)	(361)

Including irrecoverable VAT where applicable.

5 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Overseas taxes	(2)	(2)
Total current tax (note 5b)	(2)	(2)
Total tax charge for the period	(2)	(2)
b) Factors affecting taxation charge for period		
Net revenue before taxation	786	1,172
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(157)	(234)
Effects of:		
Revenue not subject to taxation	211	300
Overseas taxes	(2)	(2)
Excess expenses	(54)	(66)
Current tax charge for period (note 5a)	(2)	(2)

The trust has not recognised a deferred tax asset of £2,147,487 (2017: £2,094,074) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments.

6 DISTRIBUTIONS

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

	2018 £000	2017 £000
Final	160	1,124
	160	1,124
Add: Revenue deducted on the cancellation of units	621	49
Deduct: Revenue received on the creation of units	–	(3)
Net distribution for the period	781	1,170
Net revenue after taxation	784	1,170
Undistributed revenue carried forward	(3)	–
Total distributions	781	1,170

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

7 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of units	–	2
Sales awaiting settlement	–	54
Accrued revenue	–	230
Amounts receivable from Manager	4	–
Foreign withholding tax recoverable	–	1
Total debtors	4	287

8 CASH AND BANK BALANCES

	2018 £000	2017 £000
Amounts held at futures clearing houses and brokers	–	10
Cash and bank balances	7	37
	7	47
Bank overdrafts	(11)	–
Total cash and bank balances	(4)	47

9 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of units	–	(7)
Accrued expenses	–	(9)
Amounts payable to Manager	–	(31)
Total other creditors	–	(47)

10 RELATED PARTY TRANSACTIONS

The disclosures below apply throughout the year until the trust closed on 22 March 2018. Threadneedle Investment Services 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 to or from Threadneedle Investment Services Limited in respect of unit transactions at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to Threadneedle Investment Services Limited in respect of trust administration and registrar services are disclosed in Note 9. A balance of £Nil (2017: £26,715), in respect of annual management service charge and £Nil (2017: £3,918), in respect of registration fees are payable at the end of the accounting period.

Amounts payable to Citibank Europe plc, a related party, in respect of trustee services and safe custody charges are disclosed in Note 9. A balance of £Nil (2017: £427), in respect of trustee services and £Nil (2017: £1,574), in respect of safe custody is due at the end of the accounting period.

The trust receives and pays interest on deposits held with Citibank Europe plc as disclosed in Note 3. A balance of £Nil (2017: £Nil), was 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 funds managed by Columbia Threadneedle, 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 funds are shown in Note 3 and amounts receivable at the end of the accounting period in Note 7.

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

The amounts receivable from the Manager in relation to the fund closure are disclosed in Note 7.

11 UNITHOLDER FUNDS

There are no unitholders left in the trust. Prior to the closure, the Threadneedle Navigator UK Index Tracker Trust had one unit class; Accumulation units. The charges on the unit class were as follows:

Annual management charge
Accumulation units 0.75%

Registration fees
Accumulation units 0.110%

The net asset value of the unit class, the net asset value per unit, and the number of units in the class are given in the comparative tables on page 5. The distribution per unit class is given in the distribution table on page 4.

Reconciliation of units

	2018
Accumulation units	
Opening units	31,198,596
Units issued	28,563
Units redeemed	(31,227,159)
Net conversions	–
Closing units	–

Threadneedle Navigator UK Index Tracker Trust

Notes to the financial statements

(continued)

12 RISK MANAGEMENT

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

- UK equities;
- 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;
- Derivative transactions to manage the currency and market risks arising from the fund's investment activities.

The Manager uses a risk management process (RMP)*, as reviewed by the Trustee.

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. Prior to the trust's closure on 22 March 2018, the policies for managing the each of these risks were reviewed regularly and agreed with the Trustee of the trust and they are summarised below.

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 trust deed, the prospectus and in the Financial Conduct Authority's (FCA's) Collective Investment Schemes Sourcebook and describe the nature of the market price risk to which the trust will be exposed.

Market price risk sensitivity

As there are no investments at the balance sheet date, no market price sensitivity analysis has been shown.

For 2017, A 5% increase applied to the trust would result in an increase in the net asset value of the trust by 5.03% and vice versa.

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 cancellations 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 the investment portfolio 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 settlement. All of the trust's financial liabilities are payable on demand or in less than one year.

There are no new arrangements within the trust to manage liquidity and there is no significant liquidity risk at the period end.

In exceptional circumstances the Manager, with the prior agreement of the Trustee, may suspend dealing for a period of 28 days which may be extended further with FCA approval. The Manager may also, in certain circumstances, require a redeeming unitholder, in lieu of payment, to be transferred property of the trust.

**The RMP available on request from the client services team contact details on page 82.*

Currency risk

Foreign currency risk is the risk that the value of the trusts' 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

As at the balance sheet date there are no material assets denominated in currencies other than Sterling.

Currency 2017	£000
Euro	4
US Dollar	107

Currency sensitivity

As the trust has no material currency exposure, no sensitivity analysis has been shown (2017: same).

Credit risk/Counterparty risk

Credit risk is the risk that the counterparty in a financial transaction will fail to fulfil their obligation or commitment. The trust is exposed to credit/counterparty risk by virtue of the underlying investments in the CIS it holds.

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 Floating Rate Notes) there is the possibility of default of the issuer and default in the underlying assets meaning that the fund may not receive back the full principal originally invested. Thirdly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the fund has fulfilled its responsibilities, which could result in the fund 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.

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose.

2017 Counterparty	Futures and Options Exposure £000
UBS	8

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

Positive exposure represents the fund's exposure to that counterparty and not the fund's holdings with that counterparty.

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.

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.

Threadneedle Navigator UK Index Tracker Trust

Notes to the financial statements

(continued)

Interest rate risk profile of financial assets and financial liabilities

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

Currency 2017	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Euro	2	–	2	4
UK Sterling	41	–	41,239	41,280
US Dollar	4	–	103	107

Currency 2017	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
UK Sterling	–	–	(47)	(47)

Interest rate risk sensitivity

No sensitivity analysis shown as the Trust has minimal exposure to interest rate risk in relation to cash balances (2017: same).

Derivative risks

Derivatives including futures and options are employed when they are the cheapest and most efficient method of gaining exposure. This increases the risk profile of the fund and may result in a higher degree of volatility. All open positions are regularly reviewed by the fund manager. The fund has entered into various futures and options during this accounting period. Such contracts commit the fund 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 fund manager to limit risk, or to enhance fund performance in return for the acceptance of greater risk.

At 1 June 2018, the fund had outstanding futures and options with an asset value of £Nil (2017: £8,000) and a liability value of £Nil (2017: £Nil).

13 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

Level 3 – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

	2018		2017	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	–	–	41,056	–
Level 3	–	–	1	–
	–	–	41,057	–

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

15 PORTFOLIO TRANSACTION COSTS

1 June 2018

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	1,035	1	0.08	5	0.47
Corporate actions	28	–	–	–	–
Total	**1,063**	**1**		**5**	
Gross purchases total:	**1,069**				

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	39,981	8	0.02	–	–
Corporate actions	176	–	–	–	–
Total	**40,157**	**8**		**–**	
Total sales net of transaction costs:	**40,149**				

Transaction costs as a percentage of average Net Assets

Commissions:	0.02%
Taxes:	0.01%

1 June 2017

Purchases	Value £000	Commissions £000	%	Taxes £000	%
Equities	1,801	1	0.03	7	0.41
Collective investment schemes	29	–	–	–	–
Corporate actions	132	–	–	–	–
Total	**1,962**	**1**		**7**	
Gross purchases total:	**1,970**				

Sales	Value £000	Commissions £000	%	Taxes £000	%
Equities	2,961	1	0.03	–	–
Collective investment schemes	16	–	–	–	–
Corporate actions	1,408	–	–	–	–
Total	**4,385**	**1**		**–**	
Total sales net of transaction costs:	**4,384**				

Transaction costs as a percentage of average Net Assets

Commissions:	0.00%
Taxes:	0.02%

Portfolio transaction costs are incurred by the trust when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs: Broker commissions, fees and taxes.

Indirect transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the trust's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the trust are recovered from those investors through a 'dilution levy' to the price they pay or receive.

At the balance sheet date, there was no portfolio dealing spread (2017: 0.08%), being the difference between the respective buying and selling prices for the trust's investments. The spread at the balance sheet date was not representative of the typical spread throughout the year.

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

The Collective Investment Schemes (COLL) Sourcebook, as issued (and amended) by the Financial Conduct Authority (FCA) 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 and the net capital 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);
- 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 judgements 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 in Respect of the Scheme and Report of the Trustee to the Unitholders of the Threadneedle Navigator UK Index Tracker Trust (the Trust) for the Period ended 1 June 2018

The Trustee is responsible for the safekeeping of all property of the Trust which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Trustee to take reasonable care to ensure that the Trust is managed and operated in accordance with the Financial Conduct Authority' Collective Investment Schemes Sourcebook (the Sourcebook), the Financial Services and Markets Act 2000, as amended, and the Trust Deed and the Prospectus of the Trust, concerning: the pricing of and dealing in Trust Units; the application of income of the scheme; and the Trust investment portfolio and borrowing activities.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Trustee of the scheme, based on information and explanations provided to us, we believe that, in all material respects, the Manager:

(i) has carried out the creation, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income in accordance with the Sourcebook, the Trust Deed and Prospectus;

(ii) has observed the investment and borrowing powers and restrictions applicable to the scheme; and

(iii) has, otherwise, ensured the proper operation of the Trust.

Citibank Europe plc,
UK Branch

10 August 2018

Independent auditors' report to the Unitholders of Threadneedle Navigator UK Index Tracker Trust

Report on the audit of the financial statements

Opinion

In our opinion, Threadneedle Navigator UK Index Tracker Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 1 June 2018 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 1 June 2018; the statement of total return and the statement of change in unitholders' funds for the year then ended; the distribution table; the accounting policies; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – Basis of accounting

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 (a) to the financial statements concerning the basis of accounting for the Trust. The Trust closed on 22 March 2018 and the termination of the trust was completed on 1 June 2018. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 (a) to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Fund Manager's Report

In our opinion, 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.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Statement of Authorised Fund Manager's Responsibilities in relation to the Financial Statements of the Scheme set out on page 10, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intend to wind up or terminate the Trust, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has 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.

Other required reporting

Opinion on matter required 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.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Edinburgh
10 August 2018

Threadneedle Navigator UK Index Tracker Trust

Portfolio Statement

as at 1 June 2018

Holding	Investment	Value £000	% of Net Asset Value
OIL & GAS 0.00% (11.41%)			
	Oil & Gas Producers 0.00% (11.10%)		
	Oil Equipment, Services & Distribution 0.00% (0.31%)		
	Total Oil & Gas	–	–
BASIC MATERIALS 0.00% (6.41%)			
	Chemicals 0.00% (0.67%)		
	Forestry & Paper 0.00% (0.31%)		
	Industrial Metals & Mining 0.00% (0.05%)		
	Mining 0.00% (5.38%)		
	Total Basic Materials	–	–
INDUSTRIALS 0.00% (11.24%)			
	Construction & Materials 0.00% (1.35%)		
	Aerospace & Defence 0.00% (2.01%)		
	General Industrials 0.00% (0.86%)		
	Electronic & Electrical Equipment 0.00% (0.52%)		
	Industrial Engineering 0.00% (0.76%)		
	Industrial Transportation 0.00% (0.42%)		
	Support Services 0.00% (5.32%)		
	Total Industrials	–	–
CONSUMER GOODS 0.00% (15.71%)			
	Automobiles & Parts 0.00% (0.25%)		
	Beverages 0.00% (2.76%)		
	Food Producers 0.00% (0.78%)		
	Household Goods & Home Construction 0.00% (3.55%)		
	Leisure Goods 0.00% (0.01%)		
	Personal Goods 0.00% (2.62%)		
	Tobacco 0.00% (5.74%)		
	Total Consumer Goods	–	–
HEALTH CARE 0.00% (9.34%)			
	Health Care Equipment & Services 0.00% (0.99%)		
	Pharmaceuticals & Biotechnology 0.00% (8.35%)		
	Total Health Care	–	–
CONSUMER SERVICES 0.00% (11.57%)			
	Food & Drug Retailers 0.00% (1.29%)		
	General Retailers 0.00% (1.97%)		
	Media 0.00% (3.65%)		
	Travel & Leisure 0.00% (4.66%)		
	Total Consumer Services	–	–

Holding	Investment	Value £000	% of Net Asset Value
TELECOMMUNICATIONS 0.00% (3.87%)			
	Fixed Line Telecommunications 0.00% (1.16%)		
	Mobile Telecommunications 0.00% (2.71%)		
	Total Telecommunications	–	–
UTILITIES 0.00% (3.36%)			
	Electricity 0.00% (0.70%)		
	Gas, Water & Multiutilities 0.00% (2.66%)		
	Total Utilities	–	–
FINANCIALS 0.00% (25.49%)			
	Banks 0.00% (10.56%)		
	Nonlife Insurance 0.00% (1.09%)		
	Life Insurance 0.00% (4.47%)		
	Real Estate Investment & Services 0.00% (0.51%)		
	Real Estate Investment Trusts 0.00% (1.93%)		
	Financial Services 0.00% (2.78%)		
	Equity Investment Instruments 0.00% (4.15%)		
	Total Financials	–	–
TECHNOLOGY 0.00% (0.89%)			
	Software & Computer Services 0.00% (0.82%)		
	Technology Hardware & Equipment 0.00% (0.07%)		
	Total Technology	–	–
DERIVATIVES 0.00% (0.02%)			
	Futures and Options 0.00% (0.02%)		
	Total Derivatives	–	–
Total value of investments		–	–
Net other assets (0.69%)		–	–
Net assets		–	–

June 2017 comparatives in brackets.

Threadneedle Navigator Growth Trust*

Investment Report

The Trust closed on 22 March 2018 and the wind-up of the trust was completed on 1 June 2018. Further details are shown on page 77.

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 stock lending, forward transactions and derivatives in order to hedge against price or currency fluctuations and to facilitate Efficient Portfolio Management.

Review

This report covers the period from 2 June 2017 to 1 June 2018.

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 Collective Investment Schemes Sourcebook (COLL) as amended from time to time.

Performance

From 2 June 2017 to 22 March 2018, the UK equity market, as measured by the FTSE All-Share Index (Total Return), fell by -2.63%. The offer price of accumulation units in the Trust rose by 0.35% from 171.10p to 171.70p during the same period. Please note that the FTSE All-Share Index return quoted above uses prices at close of business, whereas the valuation point for the Trust is at 12 noon on 22 March 2018.

Accumulation

Income units were not available from the Threadneedle Navigator Growth Trust. However in accordance with the Prospectus, the income of the trust was accumulated at the closure date.

Market Overview and Portfolio Activity

The period from 2 June 2017 to the date the fund was closed proved positive for most world stock markets.

World equities rose strongly at the beginning of the period, supported by encouraging global economic data and improving corporate results. The markets' strong gains during 2017 were slightly eroded in February and March 2018 amid a global sell-off. Volatility rose on fears that copious central bank stimulus could soon come to an end, and concerns over protectionist measures from the Trump administration, including plans for steep tariffs on steel and aluminium imports.

Over the reporting period, the UK lagged other major stock markets amid the continuing uncertainties over Brexit and the implications for the UK economy. Prime Minister Theresa May's unexpected call for a snap general election in June 2017 fuelled hopes that this would lead to an increased parliamentary majority for the Conservatives, thereby strengthening the government's hand in Brexit negotiations. In the event, the Conservatives lost their overall majority, fuelling concerns over the implications for Brexit. While investors have remained anxious, sentiment was subsequently buoyed by an agreement between the UK and EU in March 2018 on some elements of a post-Brexit transition deal.

In the US, the S&P 500 index performed strongly over the period, consistently hitting record highs before falling back in February and March this year. US equities received support from President Trump's flagship tax-cutting bill, which features a permanent cut in corporation tax from 35% to 21% and smaller temporary reductions in income taxes. Against the stronger economic backdrop, the Federal Reserve raised interest rates by 25 basis points on three occasions, in June, December and March.

In Europe, equities were supported by the improvement in corporate earnings. The eurozone economy gathered momentum – 2017 was the best year for GDP growth in a decade, and unemployment reached a nine-year low. The eurozone strengthened sufficiently for the European Central Bank to start scaling back its bond purchases, although the duration of the financial stimulus plan has been extended until at least September 2018. However, investor sentiment was dampened by concerns in the political arena, including the ongoing uncertainties over Brexit, Catalonia's bid for independence from Spain, and the increased support for populist parties in Italy.

The Japanese market was a strong performer over the period. Investors responded positively to the landslide victory of Shinzo Abe's Liberal Democratic Party in October's general election, as he is expected to continue his 'Abenomics' reform programme. Asian markets rose strongly but also suffered a bout of volatility in early 2018, given concerns over a steeper trajectory for US interest-rate hikes and increased trade tensions between the US and China. Over the period as a whole, Chinese equities performed particularly well on the back of robust earnings and positive economic releases, including stronger-than-expected GDP growth. Within Latin America, Brazilian equities were buoyed by hopes of a market-friendly election result in October 2018.

It was a more difficult period for core government bonds as investors braced for a world with less "easy money" and generally favoured risk assets on optimism over corporate earnings and economic indicators. Of the major government bond markets, Europe was the strongest performer, followed by Japan, whereas the US and UK posted negative returns. Along with the US Federal Reserve, the Bank of England raised official interest rates during the period. November saw a quarter-point hike to 0.5%, the first rise in a decade. Within the credit markets, it was a lacklustre period for investment grade corporate bonds, although high yield bonds posted a modest positive return. Emerging market debt recorded a negative return over the period.

Key challenges facing equity markets include a rising interest rate environment, especially in the US; the risk of higher tariffs and reduced trade; and the scope for tighter regulation of fast-growing technology giants. While these risks are real, we are encouraged by the fact that equity fundamentals look robust. Economic growth is currently well-entrenched across developed and emerging markets, and this is driving double-digit corporate earnings growth.

Bond markets continue to be supported by accommodative monetary policy, including outright quantitative easing in the eurozone, and demand for income remains a positive force. However, the credit cycle is fairly mature and, although corporate earnings have been strong, the benefits have been largely accruing to shareholders.

The trust closed on 22 March, all unitholders left the trust and the securities were sold by this date.

Other Information

The information on pages 76 to 81 forms part of the Manager's Report.

Directors' Statement

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes (COLL) Sourcebook, we hereby certify the Annual Report and Audited Financial Statements on behalf of the Directors of Threadneedle Investment Services Limited.

L Weatherup
Director

M Scrimgeour
Director

10 August 2018

**Please note the trust closed on 22 March 2018.*

Threadneedle Navigator Growth Trust

STATEMENT OF TOTAL RETURN

for the accounting period 2 June 2017 to 1 June 2018

	Notes	2018 £000	2017 £000
Income			
Net capital gains	2	387	3,887
Revenue	3	263	477
Expenses	4	(270)	(337)
Interest payable and similar charges	5	(1)	–
Net (expense)/revenue before taxation		(8)	140
Taxation	6	(10)	(19)
Net (expense)/revenue after taxation		(18)	121
Total return before distributions		369	4,008
Distributions	7	–	(121)
Change in unitholders' funds from investment activities		369	3,887

BALANCE SHEET

as at 1 June 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		–	18,023
Current assets:			
Debtors	8	–	126
Cash and bank balances		17	2,406
Total assets		17	20,555
Liabilities:			
Creditors:			
Bank overdrafts		(7)	–
Other creditors	9	(10)	(45)
Total liabilities		(17)	(45)
Net assets		–	20,510
Unitholders' funds		–	20,510

STATEMENT OF CHANGE IN UNITHOLDERS' FUNDS

for the accounting period 2 June 2017 to 1 June 2018

	2018 £000	2017 £000
Opening net assets	20,510	18,069
Amounts receivable on the issue of units	86	58
Amounts payable on the cancellation of units	(20,965)	(1,623)
	(20,879)	(1,565)
Change in unitholders' funds from investment activities (see statement of total return above)	369	3,887
Retained distribution on accumulation units	–	119
Closing net assets	–	20,510

DISTRIBUTION TABLE

for the accounting period 2 June 2017 to 1 June 2018

Dividend distribution in pence per unit

Accumulation Units

There is no distribution for the accounting period 2 June 2017 to 1 June 2018, as expenses exceed revenue (2017: 0.9373).

Threadneedle Navigator Growth Trust

Comparative Table Disclosure

	Accumulation units		
	22/03/2018[1]	01/06/2017	01/06/2016
Change in net assets per unit			
Opening net asset value per unit (p)	161.83	131.55	135.46
Return before operating charges (p)	2.70	33.05	(1.70)
Operating charges (p)	(1.86)	(2.77)	(2.21)
Return after operating charges (p)*	0.84	30.28	(3.91)
Distributions (p)	–	(0.94)	(1.09)
Retained distributions on accumulation units (p)	–	0.94	1.09
Closing net asset value per unit (p)	162.67	161.83	131.55
*after direct transaction costs of (p)	0.07	0.08	0.10
Performance			
Return after charges (%)	0.52	23.02	(2.89)
Other information			
Closing net asset value (£000)**	7,947	20,510	18,069
Closing number of units**	4,885,035	12,673,646	13,735,437
Operating charges (%)***	–	1.75	1.72
Direct transaction costs (%)	–	0.05	0.08
Prices			
Highest unit price (p)	182.00	171.10	143.00
Lowest unit price (p)	159.80	142.60	117.80

**This figure is as at the last dealing point of share class on 22 March 2018.

***The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a unit class of a trust based on the financial year's expenses and may vary from year to year. It includes charges such as the trust's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the trust (unless these assets are shares of another fund). The Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

[1] *Closed on 22 March 2018.*

Threadneedle Navigator Growth Trust

Notes to the financial statements

for the accounting period 2 June 2017 to 1 June 2018

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014.

The trust closed on 22 March 2018 and the termination of the trust was completed on 1 June 2018. Accordingly the going concern basis of preparation is no longer appropriate for the trust and the financial statements have been prepared on a basis other than going concern. No adjustments were necessary in the trust's financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities. The comparative financial information for the year ended 1 June 2017 has been prepared on a going concern basis.

(b) Basis of valuation of investments

There were no investments held by the trust at the balance sheet date.

For 2017, investments were stated at fair value which generally was the bid value of each security. These bid values were sourced from independent pricing sources; to the extent that if an independent pricing source was not available then quotes are obtained from the broker. Where the Manager deems that these valuations were unrepresentative of a fair valuation of the security a fair valuation adjustment was applied based on the Manager's opinion of fair value. The last dealing point in the year was used for the purposes of preparing the financial statements and in the Manager's opinion there was no material movements in the trust between the last dealing point and the close of business on the balance sheet date.

(c) Exchange rates

Assets and liabilities expressed in foreign currencies were translated into sterling at the exchange rate on the last working day of the period.

For 2017, assets and liabilities expressed in foreign currencies were 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.

(d) Recognition of revenue

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

Dividends on quoted equities and preference shares are recognised when the security is traded ex-dividend.

Dividends, interest and other income receivable include any withholding taxes but exclude any other taxes such as attributable tax credits.

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.

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

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.

Dividends and distributions from collective investment schemes are recognised when the security is quoted ex-dividend.

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

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

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

(e) Treatment of expenses (including management 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.

(f) Fee rebate

In addition to any direct charge for management fees within the funds, there would occur, in the absence of a rebate mechanism, an indirect charge for management fees in respect of investments in other Threadneedle funds. Any such target funds themselves bear a management fee, which reduces the values of those funds from what they otherwise would be. The rebate mechanism operates to ensure that investors in the funds bear only the fee validly applicable to them. Depending upon the ACD's treatment of management fees within the underlying funds, where management fees are taken to capital, any rebate is classified as a capital item and does not form part of the amount available for distribution.

(g) Equalisation policy

The trust operates equalisation to ensure the level of distributable income for any unit class is not affected by the issue or cancellation of units.

(h) Deferred tax

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.

(i) Distribution Policies

In accordance with the Collective Investment Schemes Sourcebook, where the revenue from investments exceeds the expenses and taxation for any unit class, a distribution will be made from that unit class. Should expenses and taxation exceed revenue for any unit class, there will be no distribution for that unit class and a transfer from capital will be made to cover the shortfall.

Revenue attributable to accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

When a transfer is made between revenue and capital, marginal tax relief is not taken into account when determining the distribution.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2018 £000	2017 £000
Non-derivative securities	429	3,891
Other (losses)/gains	(32)	1
Transaction costs	(10)	(5)
Net capital gains	387	3,887

3 REVENUE

	2018 £000	2017 £000
UK dividends	90	164
Overseas dividends	92	207
Franked dividend distributions	3	14
Interest on debt securities	48	58
Bank interest	7	5
Management fee rebate on collective investment scheme holdings	23	29
Total revenue	263	477

4 EXPENSES

	2018 £000	2017 £000
Payable to the Manager or associates of the Manager, and the agents of either of them:		
Annual management charge	(232)	(294)
Registration fees	(17)	(22)
	(249)	(316)
Payable to the trustee or associates of the trustee, and the agents of either of them:		
Trustee fees	(2)	(2)
Safe custody fees	(8)	(9)
	(10)	(11)
Other expenses:		
Audit fees	(11)	(10)
	(11)	(10)
Total expenses*	(270)	(337)

**Including irrecoverable VAT where applicable.*

Threadneedle Navigator Growth Trust

Notes to the financial statements

(continued)

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(1)	–
Total interest payable & similar charges	(1)	–

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Overseas taxes	(10)	(19)
Total current tax (note 6b)	(10)	(19)
Total tax charge for the period	(10)	(19)
b) Factors affecting taxation charge for period		
Net (expense)/revenue before taxation	(8)	140
Net (expense)/revenue before taxation multiplied by the standard rate of corporation tax of 20%	2	(28)
Effects of:		
Revenue not subject to taxation	37	76
Overseas taxes	(10)	(19)
Excess expenses	(39)	(48)
Current tax charge for period (note 6a)	(10)	(19)

The trust has not recognised a deferred tax asset of £507,058 (2017: £468,366) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Final	–	119
	–	119
Add: Revenue deducted on the cancellation of units	–	2
Net distribution for the period	–	121
Net (expense)/revenue after taxation	(18)	121
Shortfall transfer from capital to revenue	18	–
Total distributions	–	121

Details of the distribution per unit are set out in the table on page 14.

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of units	–	5
Sales awaiting settlement	–	20
Accrued revenue	–	89
Foreign withholding tax recoverable	–	12
Total debtors	–	126

9 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of units	–	(4)
Purchases awaiting settlement	–	(3)
Accrued expenses	–	(10)
Amounts payable to the unitholders	(10)	(28)
Total other creditors	(10)	(45)

10 RELATED PARTY TRANSACTIONS

The disclosures below apply throughout the year until the trust closed on 22 March 2018. Threadneedle Investment Services 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 to or from Threadneedle Investment Services Limited in respect of unit transactions at the end of the accounting period are disclosed in Notes 8 and 9.

Amounts payable to and receivable from Threadneedle Investment Services Limited in respect of trust administration and registrar services are disclosed in Notes 8 and 9. A balance of £Nil (2017: £26,577), in respect of annual management service charge, £Nil (2017: £2,635), in respect of annual management rebates and £Nil (2017: £1,949), in respect of registration fees are respectively payable and receivable at the end of the accounting period.

Amounts payable to Citibank Europe plc, a related party, in respect of trustee services and safe custody charges are disclosed in Note 9. A balance of £Nil (2017: £213), in respect of trustee services and £Nil (2017: £1,524), in respect of safe custody is due at the end of the accounting period.

The trust receives and pays interest on deposits held with Citibank Europe plc as disclosed in Notes 3 and 5. A balance of £Nil (2017: £Nil), was 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 funds managed by Columbia Threadneedle, 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 funds are shown in Note 3 and amounts receivable at the end of the accounting period in Note 8.

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

11 UNITHOLDER FUNDS

There are no unitholders left in the trust. Prior to the closure, the Threadneedle Navigator Growth Trust currently had one unit class; Accumulation units. The charges on the unit class were as follows:

Annual management charge	
Accumulation units	1.50%
Registration fees	
Accumulation units	0.110%

The net asset value of the unit class, the net asset value per unit, and the number of units in the class are given in the comparative tables on page 15. The distribution per unit class is given in the distribution table on page 14.

Reconciliation of units

	2018
Accumulation units	
Opening units	12,673,646
Units issued	52,103
Units redeemed	(12,725,749)
Net conversions	–
Closing units	–

12 RISK MANAGEMENT

In pursuing its investment objectives set out on page 13, the Threadneedle Navigator Growth Trust could hold the following financial instruments:

- UK equities, US government securities, fixed interest investments and worldwide equites;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- 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 on investment funds;

Threadneedle Navigator Growth Trust

Notes to the financial statements
(continued)

- Unitholders' funds which represent investors monies which are invested on their behalf;
- Borrowing used to finance investment activity;
- Derivative transactions to manage the currency and market risks arising from the fund's investment activities.

The Manager uses a risk management process (RMP)*, as reviewed by the Trustee.

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. Prior to the trust's closure on 22 March 2018, the policies for managing the each of these risks were reviewed regularly and agreed with the Trustee of the trust and they are summarised below.

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 trust deed, the prospectus and in the Financial Conduct Authority's (FCA's) Collective Investment Schemes Sourcebook and describe the nature of the market price risk to which the trust will be exposed.

Market price risk sensitivity
As there are no investments at the balance sheet date, no market price sensitivity analysis has been shown.

For 2017, a 5% increase applied to the equity portion of the trust would result in an increase in the net asset value of the trust by 3.86% and vice versa.

A 1.00% interest rate increase applied to the bond portion of the trust would result in a decrease in the net asset value of 0.83% and vice versa.

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 cancellations 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 the investment portfolio 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 settlement. All of the trust's financial liabilities are payable on demand or in less than one year.

There are no new arrangements within the trust to manage liquidity and there is no significant liquidity risk at the period end.

In exceptional circumstances the Manager, with the prior agreement of the Trustee, may suspend dealing for a period of 28 days which may be extended further with FCA approval. The Manager may also, in certain circumstances, require a redeeming unitholder, in lieu of payment, to be transferred property of the trust.

**The RMP available on request from the client services team contact details on page 82.*

Currency risk
Foreign currency risk is the risk that the value of the trusts' 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 portion of the net assets of the fund are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be affected by currency movements.

	Total
Currency 2018	**£000**
Euro	12
Japanese Yen	2
US Dollar	3
Currency 2017	**£000**
Danish Krone	204
Euro	1,980
Japanese Yen	1,903
Swedish Krona	423
Swiss Franc	927
US Dollar	3,936

Currency sensitivity analysis
As the trust has no material currency exposure, no sensitivity analysis has been shown.

	Currency movement	**Fund movement**
Currency 2017	**%**	**%**
US Dollar	11.02	2.12

Credit risk/Counterparty risk
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 Floating Rate Notes) there is the possibility of default of the issuer and default in the underlying assets meaning that the fund may not receive back the full principal originally invested. Thirdly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the fund has fulfilled its responsibilities, which could result in the fund 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.

Credit/Counterparty exposure
As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

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.

Threadneedle Navigator Growth Trust

Notes to the financial statements

(continued)

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.

Interest rate risk profile of financial assets and financial liabilities

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

Currency 2018	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Euro	12	–	–	12
Japanese Yen	2	–	–	2
US Dollar	3	–	–	3
Currency 2017	**£000**	**£000**	**£000**	**£000**
Danish Krone	2	–	202	204
Euro	9	–	1,971	1,980
Japanese Yen	1	–	1,906	1,907
Swedish Krona	1	–	422	423
Swiss Franc	13	–	914	927
UK Sterling	2,553	1,835	6,791	11,179
US Dollar	6	–	3,930	3,936

Currency 2018	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
UK Sterling	(17)	–	–	(17)
Currency 2017	**£000**	**£000**	**£000**	**£000**
Japanese Yen	–	–	(4)	(4)
UK Sterling	–	–	(42)	(42)

Interest rate risk sensitivity

No sensitivity analysis shown as the Trust has minimal exposure to interest rate risk in relation to cash balances (2017: same).

13 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

Level 3 – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

	2018		2017	
Valuation technique	**Assets £000**	**Liabilities £000**	**Assets £000**	**Liabilities £000**
Level 1	–	–	14,113	–
Level 2	–	–	3,910	–
	–	–	18,023	–

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

15 PORTFOLIO TRANSACTION COSTS

1 June 2018

Purchases	Value £000	Commissions £000	Commissions %	Taxes £000	Taxes %
Bonds	208	–	–	–	–
Equities	3,434	2	0.06	1	0.02
Collective investment schemes	51	–	–	–	–
Total	**3,693**	**2**		**1**	
Gross purchases total:	**3,696**				

Sales	Value £000	Commissions £000	Commissions %	Taxes £000	Taxes %
Bonds	2,134	–	–	–	–
Equities	17,671	5	0.03	–	–
Collective investment schemes	2,308	–	–	–	–
Corporate actions	17	–	–	–	–
Total	**22,130**	**5**		**–**	
Total sales net of transaction costs:	**22,125**				

Transaction costs as a percentage of average Net Assets

Commissions:	0.04%
Taxes:	0.00%

1 June 2017

Purchases	Value £000	Commissions £000	Commissions %	Taxes £000	Taxes %
Bonds	1,258	–	–	–	–
Equities	3,531	3	0.08	3	0.09
Collective investment schemes	77	–	–	–	–
Corporate actions	55	–	–	–	–
Total	**4,921**	**3**		**3**	
Gross purchases total:	**4,927**				

Sales	Value £000	Commissions £000	Commissions %	Taxes £000	Taxes %
Bonds	575	–	–	–	–
Equities	5,572	4	0.07	–	–
Collective investment schemes	428	–	–	–	–
Corporate actions	85	–	–	–	–
Total	**6,660**	**4**		**–**	
Total sales net of transaction costs:	**6,656**				

Transaction costs as a percentage of average Net Assets

Commissions:	0.03%
Taxes:	0.02%

Threadneedle Navigator Growth Trust

Notes to the financial statements

(continued)

Portfolio transaction costs are incurred by the trust when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs: Broker commissions, fees and taxes.

Indirect transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the trust's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the trust are recovered from those investors through a 'dilution levy' to the price they pay or receive.

At the balance sheet date, there was no portfolio dealing spread (2017: 0.13%), being the difference between the respective buying and selling prices for the trust's investments. The spread at the balance sheet date was not representative of the typical spread throughout the year.

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

The Collective Investment Schemes (COLL) Sourcebook, as issued (and amended) by the Financial Conduct Authority (FCA) 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 expense and the net capital gains 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);
- 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 judgements 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 in Respect of the Scheme and Report of the Trustee to the Unitholders of the Threadneedle Navigator Growth Trust (the Trust) for the Period ended 1 June 2018

The Trustee is responsible for the safekeeping of all property of the Trust which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Trustee to take reasonable care to ensure that the Trust is managed and operated in accordance with the Financial Conduct Authority' Collective Investment Schemes Sourcebook (the Sourcebook), the Financial Services and Markets Act 2000, as amended, and the Trust Deed and the Prospectus of the Trust, concerning: the pricing of and dealing in Trust Units; the application of income of the scheme; and the Trust investment portfolio and borrowing activities.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Trustee of the scheme, based on information and explanations provided to us, we believe that, in all material respects, the Manager:

(i) has carried out the creation, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income in accordance with the Sourcebook, the Trust Deed and Prospectus;

(ii) has observed the investment and borrowing powers and restrictions applicable to the scheme; and

(iii) has, otherwise, ensured the proper operation of the Trust.

Citibank Europe plc,
UK Branch

10 August 2018

Independent auditors' report to the Unitholders of Threadneedle Navigator Growth Trust

Report on the audit of the financial statements

Opinion

In our opinion, Threadneedle Navigator Growth Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 1 June 2018 and of the net expense and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 1 June 2018; the statement of total return and the statement of change in unitholders' funds for the year then ended; the distribution table; the accounting policies; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – Basis of accounting

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 (a) to the financial statements concerning the basis of accounting for the Trust. The Trust closed on 22 March 2018 and the termination of the trust was completed on 1 June 2018.. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 (a) to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Fund Manager's Report

In our opinion, 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.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Statement of Authorised Fund Manager's Responsibilities in relation to the Financial Statements of the Scheme set out on page 21, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intend to wind up or terminate the Trust, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has 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.

Other required reporting

Opinion on matter required 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.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Edinburgh
10 August 2018

Threadneedle Navigator Growth Trust

Portfolio Statement

as at 1 June 2018

Holding	Investment	Value £000	% of Net Asset Value
CANADA 000% (0.29%)			
	Chemicals 0.00% (0.10%)		
	Automobiles & Parts 0.00% (0.19%)		
	Total Canada	–	–
CAYMAN ISLANDS 0.00% (0.42%)			
	Corporate Bonds 0.00% (0.42%)		
	Total Cayman Islands	–	–
DENMARK 0.00% (1.01%)			
	Corporate Bonds 0.00% (0.04%)		
	Pharmaceuticals & Biotechnology 0.00% (0.97%)		
	Total Denmark	–	–
FINLAND 0.00% (0.50%)			
	Nonlife Insurance 0.00% (0.50%)		
	Total Finland	–	–
FRANCE 0.00% (3.01%)			
	Corporate Bonds 0.00% (0.54%)		
	Electronic & Electrical Equipment 0.00% (0.84%)		
	Personal Goods 0.00% (0.53%)		
	Nonlife Insurance 0.00% (1.10%)		
	Total France	–	–
GERMANY 0.00% (2.47%)			
	Corporate Bonds 0.00% (0.44%)		
	Automobiles & Parts 0.00% (0.74%)		
	Health Care Equipment & Services 0.00% (0.77%)		
	Mobile Telecommunications 0.00% (0.52%)		
	Total Germany	–	–
ISLE OF MAN 0.00% (0.02%)			
	Government Bonds 0.00% (0.02%)		
	Total Isle of Man	–	–
ITALY 0.00% (0.51%)			
	Corporate Bonds 0.00% (0.02%)		
	Electronic & Electrical Equipment 0.00% (0.49%)		
	Total Italy	–	–
JAPAN 0.00% (9.22%)			
	Chemicals 0.00% (0.15%)		
	Industrial Metals & Mining 0.00% (0.13%)		
	Construction & Materials 0.00% (0.21%)		
	Electronic & Electrical Equipment 0.00% (1.04%)		
	Industrial Engineering 0.00% (0.64%)		
	Support Services 0.00% (0.60%)		
	Automobiles & Parts 0.00% (1.01%)		
	Beverages 0.00% (0.20%)		
	Food Producers 0.17% (0.16%)		
	Household Goods & Home Construction 0.00% (0.20%)		
	Leisure Goods 0.00% (0.40%)		
	Personal Goods 0.00% (0.21%)		
	Health Care Equipment & Services 0.00% (0.17%)		
	Pharmaceuticals & Biotechnology 0.00% (0.35%)		
	Food & Drug Retailers 0.00% (0.21%)		
	General Retailers 0.00% (0.24%)		
	Mobile Telecommunications 0.00% (0.64%)		
	Electricity 0.00% (0.15%)		
	Banks 0.00% (0.63%)		
	Life Insurance 0.00% (0.31%)		
	Real Estate Investment & Services 0.00% (0.31%)		
	Financial Services 0.00% (0.44%)		
	Software & Computer Services 0.00% (0.53%)		
	Technology Hardware & Equipment 0.00% (0.29%)		
	Total Japan	–	–
JERSEY 0.00% (0.80%)			
	Corporate Bonds 0.00% (0.46%)		
	Construction & Materials 0.00% (0.13%)		
	Support Services 0.00% (0.21%)		
	Total Jersey	–	–
LIBERIA 0.00% (0.15%)			
	Travel & Leisure 0.00% (0.15%)		
	Total Liberia	–	–
MEXICO 0.00% (0.06%)			
	Government Bonds 0.00% (0.06%)		
	Total Mexico	–	–
NETHERLANDS 0.00% (3.15%)			
	Corporate Bonds 0.00% (0.77%)		
	Chemicals 0.00% (0.49%)		
	Personal Goods 0.00% (0.99%)		
	Media 0.00% (0.90%)		
	Total Netherlands	–	–
NORWAY 0.00% (0.07%)			
	Corporate Bonds 0.00% (0.07%)		
	Total Norway	–	–

Threadneedle Navigator Growth Trust

Portfolio Statement
(continued)

Holding	Investment	Value £000	% of Net Asset Value
REPUBLIC OF IRELAND 0.00% (2.39%)			
	Corporate Bonds 0.00% (0.19%)		
	Construction & Materials 0.00% (0.75%)		
	Industrial Engineering 0.00% (0.55%)		
	Support Services 0.00% (0.19%)		
	Health Care Equipment & Services 0.00% (0.15%)		
	Travel & Leisure 0.00% (0.56%)		
	Total Republic of Ireland	–	–
SINGAPORE 0.00% (0.26%)			
	Technology Hardware & Equipment 0.00% (0.26%)		
	Total Singapore	–	–
SPAIN 0.00% (1.16%)			
	Support Services 0.00% (0.67%)		
	Mobile Telecommunications 0.00% (0.49%)		
	Total Spain	–	–
SUPRANATIONAL 0.00% (0.41%)			
	Corporate Bonds 0.00% (0.41%)		
	Total Supranational	–	–
SWEDEN 0.00% (2.05%)			
	Industrial Engineering 0.00% (0.38%)		
	Banks 0.00% (1.67%)		
	Total Sweden	–	–
SWITZERLAND 0.00% (4.50%)			
	Corporate Bonds 0.00% (0.07%)		
	Construction & Materials 0.00% (1.32%)		
	Food Producers 0.00% (1.44%)		
	Pharmaceuticals & Biotechnology 0.00% (1.02%)		
	Banks 0.00% (0.65%)		
	Total Switzerland	–	–
UNITED KINGDOM 0.00% (37.18%)			
	Corporate Bonds 0.00% (5.27%)		
	Government Bonds 0.00% (0.33%)		
	Oil & Gas Producers 0.00% (1.45%)		
	Oil Equipment, Services & Distribution 0.00% (0.24%)		
	Chemicals 0.00% (0.57%)		
	Construction & Materials 0.00% (0.37%)		
	Aerospace & Defence 0.00% (1.11%)		
	General Industrials 0.00% (0.41%)		
	Industrial Engineering 0.00% (0.16%)		
	Industrial Transportation 0.00% (0.24%)		
	Support Services 0.00% (0.84%)		
	Automobiles & Parts 0.00% (0.38%)		
	Beverages 0.00% (0.76%)		
	Personal Goods 0.00% (1.30%)		
	Tobacco 0.00% (1.73%)		
	Health Care Equipment & Services 0.00% (0.47%)		
	Pharmaceuticals & Biotechnology 0.00% (2.05%)		
	Food & Drug Retailers 0.00% (0.71%)		
	General Retailers 0.00% (0.33%)		
	Media 0.00% (1.31%)		
	Travel & Leisure 0.00% (1.75%)		
	Fixed Line Telecommunications 0.00% (0.58%)		
	Gas, Water & Multiutilities 0.00% (0.64%)		
	Banks 0.00% (1.40%)		
	Nonlife Insurance 0.00% (0.41%)		
	Life Insurance 0.00% (1.79%)		
	Real Estate Investment Trusts 0.00% (0.17%)		
	Financial Services 0.00% (0.45%)		
	Software & Computer Services 0.00% (0.12%)		
	Collective Investment Schemes 0.00% (9.84%)		
	Total United Kingdom	–	–
UNITED STATES OF AMERICA 0.00% (18.24%)			
	Corporate Bonds 0.00% (0.67%)		
	Government Bonds 0.00% (0.03%)		
	Oil & Gas Producers 0.00% (0.91%)		
	Oil Equipment, Services & Distribution 0.00% (0.32%)		
	Chemicals 0.00% (0.57%)		
	Construction & Materials 0.00% (0.10%)		
	Aerospace & Defence 0.00% (0.36%)		
	General Industrials 0.00% (0.22%)		
	Electronic & Electrical Equipment 0.00% (0.62%)		
	Industrial Engineering 0.00% (0.10%)		
	Industrial Transportation 0.00% (0.37%)		
	Beverages 0.00% (1.02%)		
	Household Goods & Home Construction 0.00% (0.16%)		

Threadneedle Navigator Growth Trust

Portfolio Statement

(continued)

Holding	Investment	Value £000	% of Net Asset Value
UNITED STATES OF AMERICA 0.00% (18.24%) (continued)			
	Leisure Goods 0.00% (0.24%)		
	Health Care Equipment & Services 0.00% (1.21%)		
	Pharmaceuticals & Biotechnology 0.00% (0.96%)		
	General Retailers 0.00% (1.39%)		
	Media 0.00% (0.65%)		
	Travel & Leisure 0.00% (0.31%)		
	Banks 0.00% (2.09%)		
	Nonlife Insurance 0.00% (0.25%)		
	Life Insurance 0.00% (0.17%)		
	Real Estate Investment Trusts 0.00% (0.29%)		
	Financial Services 0.00% (1.44%)		
	Software & Computer Services 0.00% (2.24%)		
	Technology Hardware & Equipment 0.00% (1.55%)		
	Total United States of America	–	–
Total value of investments		–	–
Net other assets (12.13%)		–	–
Net assets		–	–

June 2017 comparatives in brackets.

Threadneedle Navigator Income Trust*

Investment Report

The Trust closed on 22 March 2018 and the wind-up of the trust was completed on 1 June 2018. Further details are shown on page 77.

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 stock lending, forward transactions and derivatives in order to hedge against price or currency fluctuations and to facilitate Efficient Portfolio Management.

Review

This report covers the period from 2 June 2017 to 1 June 2018.

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 Collective Investment Schemes Sourcebook (COLL) as amended from time to time.

Performance

From 2 June 2017 to 22 March 2018, the iBoxx Sterling Non-Gilt Index produced a total return of -0.41%. The offer price of accumulation units in the Trust fell by 0.48% from 124.70p to 124.10p during the same period. Please note that the iBoxx Sterling Non-Gilt Index returns quoted above uses prices at close of business, whereas the valuation point for the Trust is at 12 noon on 22 March 2018.

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 year ended 1 June 2018 amounts to 1.0143p per unit.

The distribution on accumulation units is transferred from income to the capital property of the trust following the end of the distribution period.

The amount accumulated after the year ended 1 June 2018 was 2.0455p per unit.

Market Overview and Portfolio Activity

The period from 2 June 2017 to the date the fund was closed proved positive for most world stock markets although bond markets were more subdued.

Overall, it was a more difficult period for core government bonds as investors braced for a world with less "easy money" and generally favoured risk assets on optimism over corporate earnings and economic indicators. Of the major government bond markets, Europe was the strongest performer, followed by Japan, whereas the US and UK posted negative returns. Within the credit markets, it was a lacklustre period for investment grade corporate bonds, although high yield bonds posted a modest positive return. Emerging market debt recorded a negative return over the period.

Fluctuations in UK gilt yields were primarily driven by political developments and somewhat by changing expectations regarding central bank monetary policy, as the market priced in higher interest rates. Prime Minister Theresa May's unexpected call for a snap general election in June 2017 fuelled hopes that this would lead to an increased parliamentary majority for the Conservatives, thereby strengthening the government's hand in Brexit negotiations. In the event, the Conservatives lost their overall majority, fuelling concerns over the implications for Brexit. While investors have remained anxious, sentiment was subsequently buoyed by an agreement between the UK and EU in March 2018 on some elements of a post-Brexit transition deal.

On the economic front, high inflation prompted a quarter-point rate hike from the Bank of England in November to 0.5% – the first rise in a decade. The pick-up in inflation, along with sluggish wage growth, impacted economic growth and created a challenging environment for retailers. However, the end of the review period saw signs that the contraction in real wage growth could ease, as wages picked up, while inflation appeared to have peaked. In March, the annual rate of consumer price inflation stood at 2.5% versus 3.1% in November. On another positive note, the second half of 2017 constituted the best six months for productivity growth since the financial crisis.

In the US, President Trump's flagship tax-cutting bill came into force; the measures feature a permanent cut in corporation tax from 35% to 21% and smaller temporary reductions in income taxes. Against the stronger economic backdrop, the Federal Reserve raised interest rates by 25 basis points on three occasions, in June, December and March.

Elsewhere, the eurozone economy also gathered momentum – 2017 was the best year for GDP growth in a decade, and unemployment reached a nine-year low. The eurozone strengthened sufficiently for the European Central Bank to start scaling back its bond purchases, although the duration of the financial stimulus plan has been extended until at least September 2018. A number of concerns persist in the political arena, including the ongoing uncertainties over Brexit, Catalonia's bid for independence from Spain, and the increased support for populist parties in Italy.

Bond markets continue to be supported by accommodative monetary policy, including outright quantitative easing in the eurozone, and demand for income remains a positive force. However, the credit cycle is fairly mature and, although corporate earnings have been strong, the benefits have been largely accruing to shareholders.

The trust closed on 22 March, all unitholders left the trust and the securities were sold by this date.

Other Information

The information on pages 76 to 81 forms part of the Manager's Report.

Directors' Statement

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes (COLL) Sourcebook, we hereby certify the Annual Report and Audited Financial Statements on behalf of the Directors of Threadneedle Investment Services Limited.

L Weatherup
Director

M Scrimgeour
Director

10 August 2018

**Please note the trust closed on 22 March 2018.*

Threadneedle Navigator Income Trust

STATEMENT OF TOTAL RETURN

for the accounting period 2 June 2017 to 1 June 2018

	Notes	2018 £000	2017 £000
Income			
Net capital (losses)/gains	2	(520)	1,656
Revenue	3	702	985
Expenses	4	(297)	(386)
Interest payable and similar charges	5	(1)	(1)
Net revenue before taxation		404	598
Taxation	6	–	–
Net revenue after taxation		404	598
Total return before distributions		(116)	2,254
Distributions	7	(404)	(598)
Change in net assets attributable to unitholders from investment activities		(520)	1,656

BALANCE SHEET

as at 1 June 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		–	26,354
Current assets:			
Debtors	8	–	431
Cash and bank balances		–	438
Total assets		–	27,223
Liabilities:			
Investment liabilities		–	(28)
Creditors:			
Distribution payable		–	(20)
Other creditors	9	–	(128)
Total liabilities		–	(176)
Net assets attributable to unitholders		–	27,047

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the accounting period 2 June 2017 to 1 June 2018

	2018 £000	2017 £000
Opening net assets attributable to unitholders	27,047	25,817
Amounts receivable on the issue of units	123	925
Amounts payable on the cancellation of units	(26,977)	(1,806)
	(26,854)	(881)
Change in net assets attributable to unitholders from investment activities (see statement of total return above)	(520)	1,656
Retained distribution on accumulation units	327	455
Closing net assets attributable to unitholders	–	27,047

DISTRIBUTION TABLE

for the accounting period 2 June 2017 to 1 June 2018

Interest distribution in pence per unit

Income units†

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018*	Distribution Paid 2016/2017
Group 1				
02/06/17 to 01/09/17	0.2972	–	0.2972	0.2812
02/09/17 to 01/12/17	0.2846	–	0.2846	0.2567
02/12/17 to 01/03/18	0.2848	–	0.2848	0.3195
02/03/18 to 01/06/18	0.1477	–	0.1477	0.3040
Group 2				
02/06/17 to 01/09/17	0.0977	0.1995	0.2972	0.2812
02/09/17 to 01/12/17	0.2508	0.0338	0.2846	0.2567
02/12/17 to 01/03/18	0.0933	0.1915	0.2848	0.3195
02/03/18 to 01/06/18	0.1477	–	0.1477	0.3040
Total distributions in the period			**1.0143**	**1.1614**

Accumulation units†

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018*	Gross Revenue Accumulated 2016/2017
Group 1				
02/06/17 to 01/09/17	0.5957	–	0.5957	0.5525
02/09/17 to 01/12/17	0.5732	–	0.5732	0.5066
02/12/17 to 01/03/18	0.5764	–	0.5764	0.6336
02/03/18 to 01/06/18	0.3002	–	0.3002	0.6061
Group 2				
02/06/17 to 01/09/17	0.2570	0.3387	0.5957	0.5525
02/09/17 to 01/12/17	0.0994	0.4738	0.5732	0.5066
02/12/17 to 01/03/18	0.3343	0.2421	0.5764	0.6336
02/03/18 to 01/06/18	0.3002	–	0.3002	0.6061
Total distributions in the period			**2.0455**	**2.2988**

Group 2: units purchased during a distribution period.

†Distributions paid before 6 April 2017 have been paid net.

**Please note the trust closed on 22 March 2018. A distribution was made for the period ended 22 March 2018.*

Threadneedle Navigator Income Trust

Comparative Table Disclosure

	Income units			Accumulation units		
	22/03/2018[1]	01/06/2017	01/06/2016	22/03/2018[1]	01/06/2017	01/06/2016
Change in net assets per unit						
Opening net asset value per unit (p)	58.76	55.20	55.11	117.76	108.44	105.83
Return before operating charges (p)	0.59	5.70	2.41	1.17	11.24	4.69
Operating charges (p)	(0.69)	(0.84)	(0.77)	(1.39)	(1.66)	(1.48)
Return after operating charges (p)*	(0.10)	4.86	1.64	(0.22)	9.58	3.21
Distributions (p)	(1.01)	(1.30)	(1.55)	(2.05)	(2.56)	(3.01)
Retained distributions on accumulation units (p)**	–	–	–	2.05	2.30	2.41
Closing net asset value per unit (p)	57.65	58.76	55.20	117.54	117.76	108.44
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(0.17)	8.80	2.98	(0.19)	8.83	3.03
Other information						
Closing net asset value (£000)***	598	3,817	3,833	2,942	23,230	21,984
Closing number of units***	1,037,474	6,496,411	6,943,225	2,502,650	19,726,854	20,273,484
Operating charges (%)****	–	1.45	1.42	–	1.45	1.41
Direct transaction costs (%)	–	–	–	–	–	–
Prices						
Highest unit price (p)	62.83	62.98	58.74	126.20	125.00	114.80
Lowest unit price (p)	57.27	55.23	52.90	116.20	108.50	102.80

**Any difference between the distributions and the retained distributions on accumulation units is due to the tax withheld.
***This figure is as at the last dealing point of share class on 22 March 2018.
****The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a unit class of a trust based on the financial year's expenses and may vary from year to year. It includes charges such as the trust's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the trust (unless these assets are shares of another fund). The Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

[1]*Closed on 22 March 2018.*

Threadneedle Navigator Income Trust

Notes to the financial statements

for the accounting period 2 June 2017 to 1 June 2018

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014.

The trust closed on 22 March 2018 and the termination of the trust was completed on 1 June 2018. Accordingly the going concern basis of preparation is no longer appropriate for the trust and the financial statements have been prepared on a basis other than going concern. No adjustments were necessary in the trust's financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities. The comparative financial information for the year ended 1 June 2017 has been prepared on a going concern basis.

(b) Basis of valuation of investments

There were no investments held by the trust at the balance sheet date.

For 2017, investments were stated at fair value which generally was the bid value of each security. These bid values were sourced from independent pricing sources; to the extent that if an independent pricing source was not available then quotes are obtained from the broker. Where the Manager deems that these valuations were unrepresentative of a fair valuation of the security a fair valuation adjustment was applied based on the Manager's opinion of fair value. The last dealing point in the year was used for the purposes of preparing the financial statements and in the Manager's opinion there was no material movements in the trust between the last dealing point and the close of business on the balance sheet date.

(c) Exchange rates

Assets and liabilities expressed in foreign currencies were translated into sterling at the exchange rate on the last working day of the period.

For 2017, assets and liabilities expressed in foreign currencies were 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.

(d) Derivatives

The return in respect of any derivative transaction is treated as capital or revenue depending on the motive and circumstances of the transaction. Where positions are undertaken to protect or enhance capital the returns are capital and where they are generating or protecting revenue the returns are revenue. Where positions generate total returns the returns are apportioned between capital and income to reflect the nature of the transaction.

Any capital gains or losses are included within net capital (losses)/gains, and any revenue or expense is included within revenue or interest payable and similar charges note depending on whether the balance is in a net revenue or expense position respectively.

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 financial statements, 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.

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

(e) Recognition of revenue

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

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

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.

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

(f) Treatment of expenses (including management 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.

(g) Allocation of revenue and expenses to multiple unit classes

The allocation of revenue and expenses to each unit class is based upon the proportion of the fund's capital net assets attributable to each unit class, on the day the revenue is earned or the expense is suffered.

Revenue equalisation, annual management charge and registration fees are specific to each unit class.

(h) Equalisation policy

The trust operates equalisation to ensure the level of distributable income for any unit class is not affected by the issue or cancellation of units.

(i) Deferred tax

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.

(j) Distribution Policies

In accordance with the Collective Investment Schemes Sourcebook, where the revenue from investments exceeds the expenses and taxation for any unit class, a distribution will be made from that unit class. Should expenses and taxation exceed revenue for any unit class, there will be no distribution for that unit class and a transfer from capital will be made to cover the shortfall.

Revenue attributable to accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

When a transfer is made between revenue and capital of the same share class marginal tax relief is not taken into account when determining the distribution. Marginal tax relief is only taken into account where the transfer of benefit is between the revenue and capital property of at least two different share classes of the fund.

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

Corporation tax relief is applicable only where the transfer of the benefit is between the revenue and capital property of at least two different unit classes of the fund. Previously, corporation tax relief could apply between the revenue and capital property of the same unit class of the trust.

2 NET CAPITAL (LOSSES)/GAINS

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

	2018 £000	2017 £000
Non-derivative securities	(619)	1,987
Forward currency contracts	111	(386)
Other (losses)/gains	(11)	56
Transaction costs	(1)	(1)
Net capital (losses)/gains	(520)	1,656

3 REVENUE

	2018 £000	2017 £000
Interest on debt securities	700	983
Bank interest	2	2
Total revenue	702	985

Threadneedle Navigator Income Trust

Notes to the financial statements

(continued)

4 EXPENSES

	2018 £000	2017 £000
Payable to the Manager or associates of the Manager, and the agents of either of them:		
Annual management charge	(253)	(334)
Registration fees	(22)	(29)
	(275)	(363)
Payable to the trustee or associates of the trustee, and the agents of either of them:		
Trustee fees	(3)	(3)
Safe custody fees	(8)	(10)
	(11)	(13)
Other expenses:		
Audit fees	(11)	(10)
	(11)	(10)
Total expenses*	(297)	(386)

Including irrecoverable VAT where applicable.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000	2017 £000
Interest payable	(1)	(1)
Total interest payable & similar charges	(1)	(1)

6 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Total current tax (note 6b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	404	598
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(81)	(120)
Effects of:		
Distributions treated as tax deductible	81	120
Current tax charge for period (note 6a)	–	–

Interest distributions were made in respect of all distributions during the period. Income tax at 20% on net unit classes paid prior to 6 April 2017 was accounted for on unitholders' behalf to HM Revenue & Customs.

7 DISTRIBUTIONS

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

	2018 £000	2017 £000
Interim	371	456
Final	9	140
	380	596
Add: Revenue deducted on the cancellation of units	24	5
Deduct: Revenue received on the creation of units	–	(3)
Net distribution for the period	404	598

Details of the distribution per unit are set out in the table on page 27.

8 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of units	–	1
Accrued revenue	–	430
Total debtors	–	431

9 OTHER CREDITORS

	2018 £000	2017 £000
Purchases awaiting settlement	–	(87)
Accrued expenses	–	(9)
Amounts payable to Manager	–	(32)
Total other creditors	–	(128)

10 RELATED PARTY TRANSACTIONS

The disclosures below apply throughout the year until the trust closed on 22 March 2018. Threadneedle Investment Services 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 to or from Threadneedle Investment Services Limited in respect of unit transactions at the end of the accounting period are disclosed in Notes 8 and 9.

Amounts payable to Threadneedle Investment Services Limited in respect of trust administration and registrar services are disclosed in Note 9. A balance of £Nil (2017: £29,655), in respect of annual management service charge and £Nil (2017: £2,610), in respect of registration fees are due at the end of the accounting period.

Amounts payable to Citibank Europe plc, a related party, in respect of trustee services and safe custody charges are disclosed in Note 9. A balance of £Nil (2017: £285), in respect of trustee services and £Nil (2017: £1,655), in respect of safe custody is due at the end of the accounting period.

The trust receives and pays interest on deposits held with Citibank Europe plc as disclosed in Notes 3 and 5. A balance of £Nil (2017: £Nil), was 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 associate of the Manager acted as principal in all investment transactions.

11 UNITHOLDER FUNDS

There are no unitholders left in the trust. Prior to the closure, the Threadneedle Navigator Income Trust currently had two unit classes; Income and Accumulation units. The charges on each unit class were as follows:

Annual management charge	
Income units	1.25%
Accumulation units	1.25%
Registration fees	
Income units	0.110%
Accumulation units	0.110%

The net asset value of each unit class, the net asset value per unit, and the number of units in each class are given in the comparative tables on page 28. The distribution per unit class is given in the distribution table on page 27.

All classes have the same rights on winding up.

Reconciliation of units

	2018
Income units	
Opening units	6,496,411
Units issued	20,546
Units redeemed	(6,516,957)
Net conversions	–
Closing units	–
Accumulation units	
Opening units	19,726,854
Units issued	93,606
Units redeemed	(19,820,460)
Net conversions	–
Closing units	–

Threadneedle Navigator Income Trust

Notes to the financial statements

(continued)

12 RISK MANAGEMENT

In pursuing its investment objectives set out on page 26, the Threadneedle Navigator Income Trust could hold the following financial instruments:

- UK equities, US government securities, fixed interest investments and worldwide equites;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- 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 on investment funds;
- Unitholders' funds which represent investors monies which are invested on their behalf;
- Borrowing used to finance investment activity;
- Derivative transactions to manage the currency and market risks arising from the fund's investment activities.

The Manager uses a risk management process (RMP)*, as reviewed by the Trustee.

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. Prior to the trust's closure on 22 March 2018, the policies for managing the each of these risks were reviewed regularly and agreed with the Trustee of the trust and they are summarised below.

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 trust deed, the prospectus and in the Financial Conduct Authority's (FCA's) Collective Investment Schemes Sourcebook and describe the nature of the market price risk to which the trust will be exposed.

Market price risk sensitivity

As there are no investments at the balance sheet date, no market price sensitivity analysis has been shown.

For 2017, a 1.00% interest rate increase applied to the trust would result in a decrease in the net asset value of the trust of 6.80% and vice versa.

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 cancellations 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 the investment portfolio 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 settlement. All of the trust's financial liabilities are payable on demand or in less than one year.

There are no new arrangements within the trust to manage liquidity and there is no significant liquidity risk at the period end.

In exceptional circumstances the Manager, with the prior agreement of the Trustee, may suspend dealing for a period of 28 days which may be extended further with FCA approval. The Manager may also, in certain circumstances, require a redeeming unitholder, in lieu of payment, to be transferred property of the trust.

Currency risk

Foreign currency risk is the risk that the value of the trusts' 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

As at the balance sheet date there are no material assets denominated in currencies other than Sterling.

Currency 2017	£000
Euro	2
US Dollar	12

Currency sensitivity

As the trust has no material currency exposure, no sensitivity analysis has been shown (2017: same).

Credit risk/Counterparty risk

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 Floating Rate Notes) there is the possibility of default of the issuer and default in the underlying assets meaning that the fund may not receive back the full principal originally invested. Thirdly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the fund has fulfilled its responsibilities, which could result in the fund 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.

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

**The RMP available on request from the client services team contact details on page 82.*

Threadneedle Navigator Income Trust

Notes to the financial statements
(continued)

Analysis of investments by credit ratings

	2018 Value £000	2018 % of Investment	2017 Value £000	2017 % of Investment
AAA	–	–	590	2.24
Aaa	–	–	391	1.48
AA+	–	–	44	0.17
Aa1u	–	–	693	2.63
AA	–	–	802	3.05
AA-	–	–	649	2.47
A+	–	–	174	0.66
A1	–	–	122	0.46
A	–	–	2,053	7.80
A2	–	–	90	0.34
A-	–	–	2,738	10.40
BBB+	–	–	6,912	26.26
Baa1	–	–	262	0.99
BBB	–	–	3,743	14.22
Baa2	–	–	455	1.73
BBB-	–	–	2,800	10.64
Baa3	–	–	677	2.57
BB+	–	–	1,324	5.03
BB-	–	–	749	2.84
B+	–	–	347	1.32
Not Rated	–	–	738	2.80
Derivatives	–	–	(27)	(0.10)
	–	–	26,326	100.00

The derivative positions do not have a significant impact on the risk profile.

Interest rate risk

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

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.

Interest rate risk profile of financial assets and financial liabilities

There are no assets and liabilities in the trust at 1 June 2018.

The interest rate risk profile of the fund's financial assets and financial liabilities at 1 June 2017 was:

Currency 2017	Floating rate financial assets £000	Fixed rate financial assets £000	Financial assets not carrying interest £000	Total £000
Euro	400	718	99	1,217
UK Sterling	3,636	20,358	3,187	27,181
US Dollar	435	1,244	12	1,691

Currency 2017	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Financial liabilities not carrying interest £000	Total £000
Euro	–	–	(1,215)	(1,215)
UK Sterling	–	–	(148)	(148)
US Dollar	–	–	(1,679)	(1,679)

Interest rate risk sensitivity

No sensitivity analysis shown as the Trust has minimal exposure to interest rate risk in relation to cash balances (2017: same).

13 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

Level 3 – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Valuation technique	2018 Assets £000	2018 Liabilities £000	2017 Assets £000	2017 Liabilities £000
Level 1	–	–	693	–
Level 2	–	–	25,659	(28)
Level 3	–	–	2	–
	–	–	26,354	(28)

14 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

15 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of bonds amounted to £7,181,765 (2017: £16,082,806) and £32,745,836 (2017: £16,615,819) respectively. Corporate action costs and proceeds amounted to £Nil (2017: £Nil) and £40,066 (2017: £88,490) respectively.

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

Indirect transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the trust's underlying investments.

At the balance sheet date, there was no portfolio dealing spread (2017: 0.66%), being the difference between the respective buying and selling prices for the trust's investments. The spread at the balance sheet date was not representative of the typical spread throughout the year.

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

The Collective Investment Schemes (COLL) Sourcebook, as issued (and amended) by the Financial Conduct Authority (FCA) 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 and the net capital 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);
- 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 judgements 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 in Respect of the Scheme and Report of the Trustee to the Unitholders of the Threadneedle Navigator Income Trust (the Trust) for the Period ended 1 June 2018

The Trustee is responsible for the safekeeping of all property of the Trust which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Trustee to take reasonable care to ensure that the Trust is managed and operated in accordance with the Financial Conduct Authority' Collective Investment Schemes Sourcebook (the Sourcebook), the Financial Services and Markets Act 2000, as amended, and the Trust Deed and the Prospectus of the Trust, concerning: the pricing of and dealing in Trust Units; the application of income of the scheme; and the Trust investment portfolio and borrowing activities.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Trustee of the scheme, based on information and explanations provided to us, we believe that, in all material respects, the Manager:

(i) has carried out the creation, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income in accordance with the Sourcebook, the Trust Deed and Prospectus;

(ii) has observed the investment and borrowing powers and restrictions applicable to the scheme; and

(iii) has, otherwise, ensured the proper operation of the Trust.

Citibank Europe plc,
UK Branch

10 August 2018

Independent auditors' report to the Unitholders of Threadneedle Navigator Income Trust

Report on the audit of the financial statements

Opinion

In our opinion, Threadneedle Navigator Income Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 1 June 2018 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 1 June 2018; the statement of total return and the statement of change in unitholders' funds for the year then ended; the distribution table; the accounting policies; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – Basis of accounting

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 (a) to the financial statements concerning the basis of accounting for the Trust. The Trust closed on 22 March 2018 and the termination of the trust was completed on 1 June 2018. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 (a) to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Fund Manager's Report

In our opinion, 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.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Statement of Authorised Fund Manager's Responsibilities in relation to the Financial Statements of the Scheme set out on page 33, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intend to wind up or terminate the Trust, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has 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.

Other required reporting

Opinion on matter required 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.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Edinburgh
10 August 2018

Threadneedle Navigator Income Trust

Portfolio Statement

as at 1 June 2018

Holding	Investment	Value £000	% of Net Asset Value
FIXED INTEREST 0.00% (82.52%)			
	AAA 0.00% (2.18%)		
	Aaa 0.00% (1.45%)		
	Aa1u 0.00% (2.56%)		
	AA 0.00% (2.40%)		
	AA- 0.00% (2.40%)		
	A+ 0.00% (0.64%)		
	A1 0.00% (0.45%)		
	A 0.00% (7.59%)		
	A2 0.00% (0.33%)		
	A- 0.00% (9.72%)		
	BBB+ 0.00% (20.35%)		
	Baa1 0.00% (0.97%)		
	BBB 0.00% (10.65%)		
	Baa2 0.00% (1.68%)		
	BBB- 0.00% (9.33%)		
	Baa3 0.00% (2.10%)		
	BB+ 0.00% (3.81%)		
	BB- 0.00% (1.81%)		
	B+ 0.00% (0.34%)		
	Not Rated 0.00% (1.76%)		
	Total Fixed Interest	–	–
FLOATING RATE NOTES 0.00% (14.91%)			
	AA+ 0.00% (0.16%)		
	AA 0.00% (0.56%)		
	A- 0.00% (0.42%)		
	BBB+ 0.00% (5.21%)		
	BBB 0.00% (3.18%)		
	BBB- 0.00% (1.02%)		
	Baa3 0.00% (0.40%)		
	BB+ 0.00% (1.08%)		
	BB- 0.00% (0.96%)		
	B+ 0.00% (0.94%)		
	Not Rated 0.00% (0.98%)		
	Total Floating Rate Notes	–	–

Holding	Investment	Value £000	% of Net Asset Value
DERIVATIVES 0.00% (-0.10%)			
	Forward Foreign Exchange Contracts 0.00% (-0.10%)		
	Total Derivatives	–	–
Total value of investments		–	–
Net other assets (2.67%)		–	–
Net assets		–	–

June 2017 comparatives in brackets.

Threadneedle Navigator Cautious Managed Trust*

Investment Report

The Trust merged with Threadneedle Managed Bond Focused Fund on 16 March 2018 and the wind-up of the trust was completed on 1 June 2018. Further details are shown on page 77.

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.

Review

This report covers the period from 2 June 2017 to 1 June 2018.

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 Collective Investment Schemes Sourcebook (COLL) as amended from time to time.

Performance

During the period under review the offer price of accumulation units fell by 2.84% from 119.80p to 116.40p. In view of the nature of the Trust and its investment remit there is no directly comparable market index.

Distribution

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

The distribution on income units for the year ended 1 June 2018 amounts to 0.942p per unit.

The distribution on accumulation units is transferred from income to the capital property of the trust following the end of the distribution period.

The amount accumulated after the year ended 1 June 2018 was 1.4898p per unit.

Market Overview and Portfolio Activity

The period from 2 June 2017 to the date the fund was closed proved positive for most world stock markets.

World equities rose strongly at the beginning of the period, supported by encouraging global economic data and improving corporate results. The markets' strong gains during 2017 were slightly eroded in February and March 2018 amid a global sell-off. Volatility rose on fears that copious central bank stimulus could soon come to an end, and concerns over protectionist measures from the Trump administration, including plans for steep tariffs on steel and aluminium imports.

Over the reporting period, the UK lagged other major stock markets amid the continuing uncertainties over Brexit and the implications for the UK economy. Prime Minister Theresa May's unexpected call for a snap general election in June 2017 fuelled hopes that this would lead to an increased parliamentary majority for the Conservatives, thereby strengthening the government's hand in Brexit negotiations. In the event, the Conservatives lost their overall majority, fuelling concerns over the implications for Brexit. While investors have remained anxious, sentiment was subsequently buoyed by an agreement between the UK and EU in March 2018 on some elements of a post-Brexit transition deal.

In the US, the S&P 500 index performed strongly over the period, consistently hitting record highs before falling back in February and March this year. US equities received support from President Trump's flagship tax-cutting bill, which features a permanent cut in corporation tax from 35% to 21% and smaller temporary reductions in income taxes. Against the stronger economic backdrop, the Federal Reserve raised interest rates by 25 basis points on three occasions, in June, December and March.

In Europe, equities were supported by the improvement in corporate earnings. The eurozone economy gathered momentum – 2017 was the best year for GDP growth in a decade, and unemployment reached a nine-year low. The eurozone strengthened sufficiently for the European Central Bank to start scaling back its bond purchases, although the duration of the financial stimulus plan has been extended until at least September 2018. However, investor sentiment was dampened by concerns in the political arena, including the ongoing uncertainties over Brexit, Catalonia's bid for independence from Spain, and the increased support for populist parties in Italy.

The Japanese market was a strong performer over the period. Investors responded positively to the landslide victory of Shinzo Abe's Liberal Democratic Party in October's general election, as he is expected to continue his 'Abenomics' reform programme. Asian markets rose strongly but also suffered a bout of volatility in early 2018, given concerns over a steeper trajectory for US interest-rate hikes and increased trade tensions between the US and China. Over the period as a whole, Chinese equities performed particularly well on the back of robust earnings and positive economic releases, including stronger-than-expected GDP growth. Within Latin America, Brazilian equities were buoyed by hopes of a market-friendly election result in October 2018.

It was a more difficult period for core government bonds as investors braced for a world with less "easy money" and generally favoured risk assets on optimism over corporate earnings and economic indicators. Of the major government bond markets, Europe was the strongest performer, followed by Japan, whereas the US and UK posted negative returns. Along with the US Federal Reserve, the Bank of England raised official interest rates during the period. November saw a quarter-point hike to 0.5%, the first rise in a decade. Within the credit markets, it was a lacklustre period for investment grade corporate bonds, although high yield bonds posted a modest positive return. Emerging market debt recorded a negative return over the period.

Key challenges facing equity markets include a rising interest rate environment, especially in the US; the risk of higher tariffs and reduced trade; and the scope for tighter regulation of fast-growing technology giants. While these risks are real, we are encouraged by the fact that equity fundamentals look robust. Economic growth is currently well-entrenched across developed and emerging markets, and this is driving double-digit corporate earnings growth.

Bond markets continue to be supported by accommodative monetary policy, including outright quantitative easing in the eurozone, and demand for income remains a positive force. However, the credit cycle is fairly mature and, although corporate earnings have been strong, the benefits have been largely accruing to shareholders.

The trust closed on 16 March 2018 following the merger with a comparable fund. All the investments were transferred to the new fund.

Other Information

The information on pages 76 to 81 forms part of the Manager's Report.

Directors' Statement

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes (COLL) Sourcebook, we hereby certify the Annual Report and Audited Financial Statements on behalf of the Directors of Threadneedle Investment Services Limited.

L Weatherup
Director

M Scrimgeour
Director

10 August 2018

**Please note the trust merged into a comparable fund on 16 March 2018.*

Threadneedle Navigator Cautious Managed Trust

STATEMENT OF TOTAL RETURN

for the accounting period 2 June 2017 to 1 June 2018

	Notes	2018 £000	2017 £000
Income			
Net capital (losses)/gains	2	(484)	1,201
Revenue	3	305	367
Expenses	4	(148)	(190)
Net revenue before taxation		157	177
Taxation	5	–	–
Net revenue after taxation		157	177
Total return before distributions		(327)	1,378
Distributions	6	(159)	(177)
Change in net assets attributable to unitholders from investment activities		(486)	1,201

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the accounting period 2 June 2017 to 1 June 2018

	2018 £000	2017 £000
Opening net assets attributable to unitholders	12,699	11,969
Amounts receivable on the issue of units	92	207
Amounts payable on the cancellation of units	(1,216)	(818)
Amounts payable to Threadneedle Managed Bond Focused Fund	(11,234)	–
	(12,358)	(611)
Change in net assets attributable to unitholders from investment activities (see statement of total return above)	(486)	1,201
Retained distribution on accumulation units	145	140
Closing net assets attributable to unitholders	–	12,699

BALANCE SHEET

as at 1 June 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		–	12,448
Current assets:			
Debtors	7	–	25
Cash and bank balances		66	262
Total assets		66	12,735
Liabilities:			
Creditors:			
Distribution payable		–	(4)
Other creditors	8	(66)	(32)
Total liabilities		(66)	(36)
Net assets attributable to unitholders		–	12,699

DISTRIBUTION TABLE

for the accounting period 2 June 2017 to 1 June 2018

Interest distribution in pence per unit

Income units†

Distribution Period	Gross Revenue	Equalisation	Distribution Paid/Payable 2017/2018*	Distribution Paid 2016/2017
Group 1				
02/06/17 to 01/12/17	0.5075	–	0.5075	0.4746
02/12/17 to 01/06/18	0.4345	–	0.4345	0.3730
Group 2				
02/06/17 to 01/12/17	0.0196	0.4879	0.5075	0.4746
02/12/17 to 01/06/18	0.3250	0.1095	0.4345	0.3730
Total distributions in the period			**0.9420**	**0.8476**

Accumulation units†

Distribution Period	Gross Revenue	Equalisation	Gross Revenue Accumulated 2017/2018*	Gross Revenue Accumulated 2016/2017
Group 1				
02/06/17 to 01/12/17	0.8000	–	0.8000	0.7391
02/12/17 to 01/06/18	0.6898	–	0.6898	0.5849
Group 2				
02/06/17 to 01/12/17	0.5705	0.2295	0.8000	0.7391
02/12/17 to 01/06/18	0.4220	0.2678	0.6898	0.5849
Total distributions in the period			**1.4898**	**1.3240**

Group 2: units purchased during a distribution period.

†Distributions paid before 6 April 2017 have been paid net.

**Please note the trust merged into a comparable fund managed by Threadneedle Investment Services on 16 March 2018. A distribution was made for the period ended 16 March 2018.*

Threadneedle Navigator Cautious Managed Trust

Comparative Table Disclosure

	Income units			Accumulation units		
	16/03/2018[1]	01/06/2017	01/06/2016	16/03/2018[1]	01/06/2017	01/06/2016
Change in net assets per unit						
Opening net asset value per unit (p)	71.91	65.27	64.88	113.34	101.62	99.67
Return before operating charges (p)	(1.02)	8.87	2.50	(1.60)	13.71	3.86
Operating charges (p)	(0.93)	(1.26)	(1.02)	(1.48)	(1.80)	(1.57)
Return after operating charges (p)*	(1.95)	7.61	1.48	(3.08)	11.91	2.29
Distributions (p)	(0.94)	(0.97)	(1.09)	(1.49)	(1.51)	(1.68)
Retained distributions on accumulation units (p)**	–	–	–	1.49	1.32	1.34
Closing net asset value per unit (p)	69.02	71.91	65.27	110.26	113.34	101.62
*after direct transaction costs of (p)	–	–	–	–	–	–
Performance						
Return after charges (%)	(2.71)	11.66	2.28	(2.72)	11.72	2.30
Other information						
Closing net asset value (£000)***	731	819	864	10,503	11,880	11,105
Closing number of units***	1,058,624	1,139,559	1,324,076	9,525,233	10,481,679	10,927,075
Operating charges (%)****	–	1.62	1.60	–	1.62	1.60
Direct transaction costs (%)	–	–	–	–	–	–
Prices						
Highest unit price (p)	76.29	76.48	69.37	120.30	120.00	107.40
Lowest unit price (p)	68.80	65.15	62.26	109.30	101.50	96.15

**Any difference between the distributions and the retained distributions on accumulation units is due to the tax withheld.
***This figure is as at the last dealing point of share class on 16 March 2018.
****The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a unit class of a trust based on the financial year's expenses and may vary from year to year. It includes charges such as the trust's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the trust (unless these assets are shares of another fund). The non-UCITS retail scheme Key Investor Information (NURS-KII) contains the current OCF. The calculation includes the trust's share of the expenses of the underlying fund less any fee rebates received. The share of 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. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

[1] *The trust merged into a comparable fund managed by Threadneedle Investment Services on 16 March 2018.*

Threadneedle Navigator Cautious Managed Trust

Notes to the financial statements

for the accounting period 2 June 2017 to 1 June 2018

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014.

The trust merged with a comparable fund on 16 March 2018 and the termination of the trust was completed on 1 June 2018. Accordingly the going concern basis of preparation is no longer appropriate for the trust and the financial statements have been prepared on a basis other than going concern. No adjustments were necessary in the trust's financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities. The comparative financial information for the year ended 1 June 2017 has been prepared on a going concern basis.

(b) Basis of valuation of investments

There were no investments held by the trust at the balance sheet date.

For 2017, investments were stated at fair value which generally was the bid value of each security. These bid values were sourced from independent pricing sources; to the extent that if an independent pricing source was not available then quotes are obtained from the broker. Where the Manager deems that these valuations were unrepresentative of a fair valuation of the security a fair valuation adjustment was applied based on the Manager's opinion of fair value. The last dealing point in the year was used for the purposes of preparing the financial statements and in the Manager's opinion there was no material movements in the trust between the last dealing point and the close of business on the balance sheet date.

(c) Exchange rates

Assets and liabilities expressed in foreign currencies were translated into sterling at the exchange rate on the last working day of the period.

For 2017, assets and liabilities expressed in foreign currencies were 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.

(d) 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.

Distributions from Collective Investment Schemes (CIS) are recognised when the security is quoted ex-dividend.

Any reported revenue from an offshore fund with UK fund reporting status in excess of any distributions is recognised as revenue after the end of the reporting period not later than the date when the reporting fund makes this information available.

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.

(e) Treatment of expenses (including management 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.

(f) Fee rebate

In addition to any direct charge for management fees within the funds, there would occur, in the absence of a rebate mechanism, an indirect charge for management fees in respect of investments in other Threadneedle funds. Any such target funds themselves bear a management fee, which reduces the values of those funds from what they otherwise would be. The rebate mechanism operates to ensure that investors in the funds bear only the fee validly applicable to them. Depending upon the ACD's treatment of management fees within the underlying funds, where management fees are taken to capital, any rebate is classified as a capital item and does not form part of the amount available for distribution.

(g) Equalisation policy

The trust operates equalisation to ensure the level of distributable income for any unit class is not affected by the issue or cancellation of units.

(h) Deferred tax

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.

(i) Distribution Policies

In accordance with the Collective Investment Schemes Sourcebook, where the revenue from investments exceeds the expenses and taxation for any unit class, a distribution will be made from that unit class. Should expenses and taxation exceed revenue for any unit class, there will be no distribution for that unit class and a transfer from capital will be made to cover the shortfall.

Revenue attributable to accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

When a transfer is made between revenue and capital of the same share class marginal tax relief is not taken into account when determining the distribution. Marginal tax relief is only taken into account where the transfer of benefit is between the revenue and capital property of at least two different share classes of the fund.

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

Equalisation on distributions received is treated as a repayment of capital and therefore disregarded in determining the revenue available for distribution.

2 NET CAPITAL (LOSSES)/GAINS

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

	2018 £000	2017 £000
Non-derivative securities*	(524)	1,144
Management fee rebate on collective investment scheme holdings	40	57
Net capital (losses)/gains	(484)	1,201
The non-derivative securities balance above includes:		
Realised gains*	2,061	309
Unrealised (losses)/gains*	(2,585)	835
	(524)	1,144

**Where realised gains include gains/(losses) arising in previous periods, a corresponding (loss)/gain is included in unrealised (losses)/gains.*

3 REVENUE

	2018 £000	2017 £000
Franked dividend distributions	82	92
Unfranked dividend distributions	172	206
Bank interest	1	–
Management fee rebate on collective investment scheme holdings	51	68
Registration fee rebate on collective investment scheme holdings	(1)	1
Total revenue	305	367

4 EXPENSES

	2018 £000	2017 £000
Payable to the Manager or associates of the Manager, and the agents of either of them:		
Annual management charge	(119)	(157)
Registration fees	(11)	(14)
	(130)	(171)
Payable to the trustee or associates of the trustee, and the agents of either of them:		
Trustee fees	(1)	(2)
Safe custody fees	(7)	(8)
	(8)	(10)
Other expenses:		
Audit fees	(10)	(9)
	(10)	(9)
Total expenses*	(148)	(190)

**Including irrecoverable VAT where applicable.*

Threadneedle Navigator Cautious Managed Trust

Notes to the financial statements

(continued)

5 TAXATION

	2018 £000	2017 £000
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	157	177
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(31)	(35)
Effects of:		
Revenue not subject to taxation	16	18
Excess expenses	23	28
Capitalised revenue subject to taxation	(8)	(11)
Current tax charge for period (note 5a)	–	–

The trust has not recognised a deferred tax asset of £70,696 (2017: £93,741) arising as a result of having unutilised management expenses. The movement in deferred tax asset may not agree to the excess expenses figure quoted above due to prior year adjustments.

Interest distributions were made in respect of all distributions during the period. Income tax at 20% on net unit classes paid prior to 6 April 2017 was accounted for on unitholders' behalf to HM Revenue & Customs.

6 DISTRIBUTIONS

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

	2018 £000	2017 £000
Interim	155	108
Final	–	66
	155	174
Add: Revenue deducted on the cancellation of units	4	4
Deduct: Revenue received on the creation of units	–	(1)
Net distribution for the period	159	177
Net revenue after taxation	157	177
Shortfall transfer from capital to revenue	2	–
Total distributions	159	177

Details of the distribution per unit are set out in the table on page 37.

7 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of units	–	1
Accrued revenue	–	12
United Kingdom income tax recoverable	–	12
Total debtors	–	25

8 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of units	–	(9)
Accrued expenses	–	(8)
Amounts payable to Manager	–	(15)
Amounts payable to successor fund	(66)	–
Total other creditors	(66)	(32)

9 RELATED PARTY TRANSACTIONS

The disclosures below apply throughout the year until the wind-up process for the trust began on 16 March 2018. Threadneedle Investment Services 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 to or from Threadneedle Investment Services Limited in respect of unit transactions at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to and receivable from Threadneedle Investment Services Limited in respect of trust administration and registrar services are disclosed in Notes 7 and 8. A balance of £Nil (2017: £13,845), in respect of annual management service charge, £Nil (2017: £10,711), in respect of annual management rebates, £Nil (2017: £1,218), in respect of registration fees and £Nil (2017: £1,135), in respect of registration fee rebates are respectively payable and receivable at the end of the accounting period.

Amounts payable to Citibank Europe plc, a related party, in respect of trustee services and safe custody charges are disclosed in Note 8. A balance of £Nil (2017: £133), in respect of trustee services and £Nil (2017: £1,425), in respect of safe custody is due at the end of the accounting period.

The trust receives and pays interest on deposits held with Citibank Europe plc as disclosed in Note 3. A balance of £Nil (2017: £Nil), was 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 funds managed by Columbia Threadneedle, 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 funds are shown in Note 3 and amounts receivable at the end of the accounting period in Note 7.

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

The amounts payable to the successor fund in relation to the fund merger are disclosed in Note 8.

10 UNITHOLDER FUNDS

There are no unitholders left in the trust. Prior to the closure, the Threadneedle Navigator Cautious Managed Trust currently had two unit classes; Income and Accumulation units. The charges on each unit class were as follows:

Annual management charge	
Income units	1.25%
Accumulation units	1.25%
Registration fees	
Income units	0.110%
Accumulation units	0.110%

The net asset value of each unit class, the net asset value per unit, and the number of units in each class are given in the comparative tables on page 38. The distribution per unit class is given in the distribution table on page 37.

All classes have the same rights on winding up.

Reconciliation of units

	2018
Income units	
Opening units	1,139,559
Units issued	25,461
Units redeemed	(1,165,020)
Net conversions	–
Closing units	–
Accumulation units	
Opening units	10,481,679
Units issued	66,404
Units redeemed	(10,548,083)
Net conversions	–
Closing units	–

11 RISK MANAGEMENT

In pursuing its investment objectives set out on page 36, the Threadneedle Navigator Cautious Managed Trust could hold the following financial instruments:

- Funds of the Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC, Threadneedle Focus Investment Funds ICVC, Threadneedle Navigator Trusts and Threadneedle (Lux) 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 on investment funds;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operations;

Threadneedle Navigator Cautious Managed Trust

Notes to the financial statements

(continued)

- Unitholders' funds which represent investors monies which are invested on their behalf;
- Borrowing used to finance investment activity;
- Derivative transactions to manage the currency and market risks arising from the fund's investment activities.

The Manager uses a risk management process (RMP)*, as reviewed by the Trustee.

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. Prior to the trust's merger on 16 March 2018, the policies for managing the each of these risks were reviewed regularly and agreed with the Trustee of the trust and they are summarised below.

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 trust deed, the prospectus and in the Financial Conduct Authority's (FCA's) Collective Investment Schemes Sourcebook and describe the nature of the market price risk to which the trust will be exposed.

Market price risk sensitivity

As there are no investments at the balance sheet date, no market price sensitivity analysis has been shown.

For 2017, a 5% increase applied to the equity portion of the trust would result in an increase in the net asset value of the trust by 1.22% and vice versa.

A 1.00% interest rate increase applied to the bond portion of the trust would result in a decrease in the net asset value of 5.46% and vice versa.

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 cancellations 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 the investment portfolio 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 settlement. All of the trust's financial liabilities are payable on demand or in less than one year.

There are no new arrangements within the trust to manage liquidity and there is no significant liquidity risk at the period end.

In exceptional circumstances the Manager, with the prior agreement of the Trustee, may suspend dealing for a period of 28 days which may be extended further with FCA approval. The Manager may also, in certain circumstances, require a redeeming unitholder, in lieu of payment, to be transferred property of the trust.

The RMP available on request from the client services team contact details on page 82.

Currency risk

Foreign currency risk is the risk that the value of the trusts' 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 portion 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 funds' significant exposure to non sterling currencies, based on their most recent published financial statements are as follows:

No sensitivity analysis shown as the Trust has no direct exposure to foreign currency risk.

Credit risk/Counterparty risk

Credit risk is the risk that the counterparty in a financial transaction will fail to fulfil their obligation or commitment. The trust is exposed to credit/counterparty risk by virtue of the underlying investments is the CIS's it holds.

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 Floating Rate Notes) there is the possibility of default of the issuer and default in the underlying assets meaning that the fund may not receive back the full principal originally invested. Thirdly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the fund has fulfilled its responsibilities, which could result in the fund 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.

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

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 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.

Threadneedle Navigator Cautious Managed Trust

Notes to the financial statements

(continued)

Interest rate risk sensitivity

No sensitivity analysis shown as the Trust has minimal exposure to interest rate risk in relation to cash balances (2017: same).

12 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

Level 3 – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

	2018		2017	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Valuation technique	**£000**	**£000**	**£000**	**£000**
Level 2	–	–	12,448	–
	–	–	12,448	–

13 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

14 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of collective investment schemes purchases and sales amounted to £8,723,770 (2017: £554,820) and £9,587,758 (2017: £1,274,150) respectively. In specie transaction costs and proceeds amounted to £Nil (2017: £Nil) and £11,135,876 (2017: £Nil) respectively.

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

Indirect transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the trust's underlying investments.

At the balance sheet date, the portfolio dealing spread was Nil (2017: 0.13%), being the difference between the respective buying and selling prices for the trust's investments. The spread at the balance sheet date was not representative of the typical spread throughout the year.

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

The Collective Investment Schemes (COLL) Sourcebook, as issued (and amended) by the Financial Conduct Authority (FCA) 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 and the net capital 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);
- 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 judgements 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 in Respect of the Scheme and Report of the Trustee to the Unitholders of the Threadneedle Navigator Cautious Managed Trust (the Trust) for the Period ended 1 June 2018

The Trustee is responsible for the safekeeping of all property of the Trust which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Trustee to take reasonable care to ensure that the Trust is managed and operated in accordance with the Financial Conduct Authority' Collective Investment Schemes Sourcebook (the Sourcebook), the Financial Services and Markets Act 2000, as amended, and the Trust Deed and the Prospectus of the Trust, concerning: the pricing of and dealing in Trust Units; the application of income of the scheme; and the Trust investment portfolio and borrowing activities.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Trustee of the scheme, based on information and explanations provided to us, we believe that, in all material respects, the Manager:

(i) has carried out the creation, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income in accordance with the Sourcebook, the Trust Deed and Prospectus;

(ii) has observed the investment and borrowing powers and restrictions applicable to the scheme; and

(iii) has, otherwise, ensured the proper operation of the Trust.

Citibank Europe plc,
UK Branch

10 August 2018

Independent auditors' report to the Unitholders of Threadneedle Navigator Cautious Managed Trust

Report on the audit of the financial statements

Opinion

In our opinion, Threadneedle Navigator Cautious Managed Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 1 June 2018 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 1 June 2018; the statement of total return and the statement of change in unitholders' funds for the year then ended; the distribution table; the accounting policies; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – Basis of accounting

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 (a) to the financial statements concerning the basis of accounting for the Trust. The Trust merged with a comparable fund on 16 March 2018 and the termination of the trust was completed on 1 June 2018. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 (a) to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Fund Manager's Report

In our opinion, 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.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Statement of Authorised Fund Manager's Responsibilities in relation to the Financial Statements of the Scheme set out on page 43, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intend to wind up or terminate the Trust, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has 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.

Other required reporting

Opinion on matter required 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.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Edinburgh
10 August 2018

Threadneedle Navigator Cautious Managed Trust

Portfolio Statement

as at 1 June 2018

Holding	Investment	Value £000	% of Net Asset Value
COLLECTIVE INVESTMENT SCHEMES 0.00% (98.02%)			
	UK equity 0.00% (25.36%)		
	Total UK equity	–	–
	UK bond 0.00% (54.74%)		
	Total UK Bond	–	–
	Overseas equity 0.00% (2.21%)		
	Total Overseas equity	–	–
	Overseas bond 0.00% (15.71%)		
	Total Overseas bond	–	–
	Total collective investment schemes	–	–
Total value of investments		–	–
Net other assets (1.98%)		–	–
Net assets		–	–

June 2017 comparatives in brackets.

Threadneedle Navigator Balanced Managed Trust*

Investment Report

The Trust merged with Threadneedle Managed Equity & Bond Fund on 16 March 2018 and the wind-up of the trust was completed on 1 June 2018. Further details are shown on page 77.

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.

Review

This report covers the period from 2 June 2017 to 1 June 2018.

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 Collective Investment Schemes Sourcebook (COLL) as amended from time to time.

Performance

During the period under review the offer price of accumulation units fell by 3.75% from 141.40p to 136.10p. In view of the nature of the Trust and its investment remit there is no directly comparable market index.

Accumulation

Income units were not available from the Threadneedle Navigator Balanced Managed Trust. However in accordance with the Prospectus, the income of the trust was accumulated at the closure date.

Market Overview and Portfolio Activity

The period from 2 June 2017 to the date the fund was closed proved positive for most world stock markets.

World equities rose strongly at the beginning of the period, supported by encouraging global economic data and improving corporate results. The markets' strong gains during 2017 were slightly eroded in February and March 2018 amid a global sell-off. Volatility rose on fears that copious central bank stimulus could soon come to an end, and concerns over protectionist measures from the Trump administration, including plans for steep tariffs on steel and aluminium imports.

Over the reporting period, the UK lagged other major stock markets amid the continuing uncertainties over Brexit and the implications for the UK economy. Prime Minister Theresa May's unexpected call for a snap general election in June 2017 fuelled hopes that this would lead to an increased parliamentary majority for the Conservatives, thereby strengthening the government's hand in Brexit negotiations. In the event, the Conservatives lost their overall majority, fuelling concerns over the implications for Brexit. While investors have remained anxious, sentiment was subsequently buoyed by an agreement between the UK and EU in March 2018 on some elements of a post-Brexit transition deal.

In the US, the S&P 500 index performed strongly over the period, consistently hitting record highs before falling back in February and March this year. US equities received support from President Trump's flagship tax-cutting bill, which features a permanent cut in corporation tax from 35% to 21% and smaller temporary reductions in income taxes. Against the stronger economic backdrop, the Federal Reserve raised interest rates by 25 basis points on three occasions, in June, December and March.

In Europe, equities were supported by the improvement in corporate earnings. The eurozone economy gathered momentum – 2017 was the best year for GDP growth in a decade, and unemployment reached a nine-year low. The eurozone strengthened sufficiently for the European Central Bank to start scaling back its bond purchases, although the duration of the financial stimulus plan has been extended until at least September 2018. However, investor sentiment was dampened by concerns in the political arena, including the ongoing uncertainties over Brexit, Catalonia's bid for independence from Spain, and the increased support for populist parties in Italy.

The Japanese market was a strong performer over the period. Investors responded positively to the landslide victory of Shinzo Abe's Liberal Democratic Party in October's general election, as he is expected to continue his 'Abenomics' reform programme. Asian markets rose strongly but also suffered a bout of volatility in early 2018, given concerns over a steeper trajectory for US interest-rate hikes and increased trade tensions between the US and China. Over the period as a whole, Chinese equities performed particularly well on the back of robust earnings and positive economic releases, including stronger-than-expected GDP growth. Within Latin America, Brazilian equities were buoyed by hopes of a market-friendly election result in October 2018.

It was a more difficult period for core government bonds as investors braced for a world with less "easy money" and generally favoured risk assets on optimism over corporate earnings and economic indicators. Of the major government bond markets, Europe was the strongest performer, followed by Japan, whereas the US and UK posted negative returns. Along with the US Federal Reserve, the Bank of England raised official interest rates during the period. November saw a quarter-point hike to 0.5%, the first rise in a decade. Within the credit markets, it was a lacklustre period for investment grade corporate bonds, although high yield bonds posted a modest positive return. Emerging market debt recorded a negative return over the period.

Key challenges facing equity markets include a rising interest rate environment, especially in the US; the risk of higher tariffs and reduced trade; and the scope for tighter regulation of fast-growing technology giants. While these risks are real, we are encouraged by the fact that equity fundamentals look robust. Economic growth is currently well-entrenched across developed and emerging markets, and this is driving double-digit corporate earnings growth.

Bond markets continue to be supported by accommodative monetary policy, including outright quantitative easing in the eurozone, and demand for income remains a positive force. However, the credit cycle is fairly mature and, although corporate earnings have been strong, the benefits have been largely accruing to shareholders.

The trust closed on 16 March 2018 following the merger with a comparable fund. All the investments were transferred to the new fund.

Other Information

The information on pages 76 to 81 forms part of the Manager's Report.

Directors' Statement

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes (COLL) Sourcebook, we hereby certify the Annual Report and Audited Financial Statements on behalf of the Directors of Threadneedle Investment Services Limited.

L Weatherup
Director

M Scrimgeour
Director

10 August 2018

**Please note the trust merged into a comparable fund on 16 March 2018.*

Threadneedle Navigator Balanced Managed Trust

STATEMENT OF TOTAL RETURN

for the accounting period 2 June 2017 to 1 June 2018

	Notes	2018 £000	2017 £000
Income			
Net capital (losses)/gains	2	(1,265)	3,189
Revenue	3	692	788
Expenses	4	(278)	(349)
Net revenue before taxation		414	439
Taxation	5	(37)	(45)
Net revenue after taxation		377	394
Total return before distributions		(888)	3,583
Distributions	6	(401)	(422)
Change in unitholders' funds from investment activities		(1,289)	3,161

BALANCE SHEET

as at 1 June 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		–	24,465
Current assets:			
Debtors	7	–	105
Cash and bank balances		100	616
Total assets		100	25,186
Liabilities:			
Creditors:			
Other creditors	8	(100)	(145)
Total liabilities		(100)	(145)
Net assets		–	25,041
Unitholders' funds		–	25,041

STATEMENT OF CHANGE IN UNITHOLDERS' FUNDS

for the accounting period 2 June 2017 to 1 June 2018

	2018 £000	2017 £000
Opening net assets	25,041	22,966
Amounts receivable on the issue of units	176	61
Amounts payable on the cancellation of units	(1,358)	(1,551)
Amounts payable to Threadneedle Managed Equity and Bond Fund	(22,961)	–
	(24,143)	(1,490)
Change in unitholders' funds from investment activities (see statement of total return above)	(1,289)	3,161
Retained distribution on accumulation units	391	404
Closing net assets	–	25,041

DISTRIBUTION TABLE

for the accounting period 2 June 2017 to 1 June 2018

Dividend distribution in pence per unit

Accumulation units

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2017/2018*	Gross Revenue Accumulated 2016/2017
Group 1				
02/06/17 to 01/06/18	2.1997	–	2.1997	2.1601
Group 2				
02/06/17 to 01/06/18	0.7891	1.4106	2.1997	2.1601
Total distributions in the period			**2.1997**	**2.1601**

Group 2: units purchased during a distribution period.

**Please note the trust merged into a comparable fund managed by Threadneedle Investment Services on 16 March 2018. A distribution was made for the period ended 16 March 2018.*

Threadneedle Navigator Balanced Managed Trust

Comparative Table Disclosure

	Accumulation units		
	16/03/2018[1]	01/06/2017	01/06/2016
Change in net assets per unit			
Opening net asset value per unit (p)	133.86	115.36	115.08
Return before operating charges (p)	(3.24)	20.43	2.00
Operating charges (p)	(1.64)	(1.93)	(1.72)
Return after operating charges (p)*	(4.88)	18.50	0.28
Distributions (p)	(2.20)	(2.16)	(2.12)
Retained distributions on accumulation units (p)	2.20	2.16	2.12
Closing net asset value per unit (p)	128.98	133.86	115.36
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	(3.65)	16.04	0.24
Other information			
Closing net asset value (£000)**	22,961	25,041	22,966
Closing number of units**	17,801,890	18,706,847	19,909,024
Operating charges (%)***	–	1.55	1.53
Direct transaction costs (%)	–	–	–
Prices			
Highest unit price (p)	141.60	141.40	122.30
Lowest unit price (p)	127.70	113.40	107.30

**This figure is as at the last dealing point of share class on 16 March 2018.

***The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a unit class of a trust based on the financial year's expenses and may vary from year to year. It includes charges such as the trust's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the trust (unless these assets are shares of another fund). The non-UCITS retail scheme Key Investor Information (NURS-KII) contains the current OCF. The calculation includes the trust's share of the expenses of the underlying fund less any fee rebates received. The share of 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. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

[1] *The trust merged into a comparable fund managed by Threadneedle Investment Services on 16 March 2018.*

Threadneedle Navigator Balanced Managed Trust

Notes to the financial statements

for the accounting period 2 June 2017 to 1 June 2018

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014.

The trust merged with a comparable fund on 16 March 2018 and the termination of the trust was completed on 1 June 2018. Accordingly the going concern basis of preparation is no longer appropriate for the trust and the financial statements have been prepared on a basis other than going concern. No adjustments were necessary in the trust's financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities. The comparative financial information for the year ended 1 June 2017 has been prepared on a going concern basis.

(b) Basis of valuation of investments

There were no investments held by the trust at the balance sheet date.

For 2017, investments were stated at fair value which generally was the bid value of each security. These bid values were sourced from independent pricing sources; to the extent that if an independent pricing source was not available then quotes are obtained from the broker. Where the Manager deems that these valuations were unrepresentative of a fair valuation of the security a fair valuation adjustment was applied based on the Manager's opinion of fair value. The last dealing point in the year was used for the purposes of preparing the financial statements and in the Manager's opinion there was no material movements in the trust between the last dealing point and the close of business on the balance sheet date.

(c) Exchange rates

Assets and liabilities expressed in foreign currencies were translated into sterling at the exchange rate on the last working day of the period.

For 2017, assets and liabilities expressed in foreign currencies were 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.

(d) 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.

Distributions from Collective Investment Schemes (CIS) are recognised when the security is quoted ex-dividend.

Any reported revenue from an offshore fund with UK fund reporting status in excess of any distributions is recognised as revenue after the end of the reporting period not later than the date when the reporting fund makes this information available.

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.

(e) Treatment of expenses (including management 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.

(f) Fee rebate

In addition to any direct charge for management fees within the funds, there would occur, in the absence of a rebate mechanism, an indirect charge for management fees in respect of investments in other Threadneedle funds. Any such target funds themselves bear a management fee, which reduces the values of those funds from what they otherwise would be. The rebate mechanism operates to ensure that investors in the funds bear only the fee validly applicable to them. Depending upon the ACD's treatment of management fees within the underlying funds, where management fees are taken to capital, any rebate is classified as a capital item and does not form part of the amount available for distribution.

(g) Equalisation policy

The trust operates equalisation to ensure the level of distributable income for any unit class is not affected by the issue or cancellation of units.

(h) Deferred tax

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.

(i) Distribution Policies

In accordance with the Collective Investment Schemes Sourcebook, where the revenue from investments exceeds the expenses and taxation for any unit class, a distribution will be made from that unit class. Should expenses and taxation exceed revenue for any unit class, there will be no distribution for that unit class and a transfer from capital will be made to cover the shortfall.

Revenue attributable to accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

When a transfer is made between revenue and capital, marginal tax relief is not taken into account when determining the distribution.

Equalisation on distributions received is treated as a repayment of capital and therefore disregarded in determining the revenue available for distribution.

2 NET CAPITAL (LOSSES)/GAINS

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

	2018 £000	2017 £000
Non-derivative securities*	(1,368)	3,049
Management fee rebate on collective investment scheme holdings	103	140
Net capital (losses)/gains	(1,265)	3,189
The non-derivative securities balance above includes:		
Realised gains*	6,531	728
Unrealised (losses)/gains*	(7,899)	2,321
	(1,368)	3,049

**Where realised gains include gains/(losses) arising in previous periods, a corresponding (loss)/gain is included in unrealised (losses)/gains.*

3 REVENUE

	2018 £000	2017 £000
Franked dividend distributions	332	355
Interest distributions	249	289
Bank interest	1	1
Management fee rebate on collective investment scheme holdings	112	140
Registration fee rebate on collective investment scheme holdings	(2)	3
Total revenue	692	788

4 EXPENSES

	2018 £000	2017 £000
Payable to the Manager or associates of the Manager, and the agents of either of them:		
Annual management charge	(237)	(302)
Registration fees	(21)	(26)
	(258)	(328)
Payable to the trustee or associates of the trustee, and the agents of either of them:		
Trustee fees	(3)	(3)
Safe custody fees	(7)	(8)
	(10)	(11)
Other expenses:		
Audit fees	(10)	(10)
	(10)	(10)
Total expenses*	(278)	(349)

**Including irrecoverable VAT where applicable.*

Threadneedle Navigator Balanced Managed Trust

Notes to the financial statements

(continued)

5 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Corporation tax	(37)	(45)
Total current tax (note 5b)	(37)	(45)
Total tax charge for the period	(37)	(45)
b) Factors affecting taxation charge for period		
Net revenue before taxation	414	439
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(83)	(88)
Effects of:		
Revenue not subject to taxation	67	71
Capitalised revenue subject to taxation	(21)	(28)
Current tax charge for period (note 5a)	(37)	(45)

6 DISTRIBUTIONS

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

	2018 £000	2017 £000
Final	391	404
	391	404
Add: Revenue deducted on the cancellation of units	12	19
Deduct: Revenue received on the creation of units	(2)	(1)
Net distribution for the period	401	422
Net revenue after taxation	377	394
Shortfall transfer from capital to revenue	3	–
Tax charge on capital management fee rebates	21	28
Total distributions	401	422

Details of the distribution per unit are set out in the table on page to 47.

7 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of units	–	2
Sales awaiting settlement	–	60
Accrued revenue	–	29
United Kingdom income tax recoverable	–	14
Total debtors	–	105

8 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of units	–	(62)
Accrued expenses	–	(8)
Amounts payable to Manager	–	(30)
Amounts payable to successor fund	(100)	–
Corporation tax payable	–	(45)
Total other creditors	(100)	(145)

9 RELATED PARTY TRANSACTIONS

The disclosures below apply throughout the year until the wind-up process for the trust began on 16 March 2018. Threadneedle Investment Services 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 to or from Threadneedle Investment Services Limited in respect of unit transactions at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to and receivable from Threadneedle Investment Services Limited in respect of trust administration and registrar services are disclosed in Notes 7 and 8. A balance of £Nil (2017: £27,191), in respect of annual management service charge, £Nil (2017: £24,929), in respect of annual management rebates, £Nil (2017: £2,393), in respect of registration fees and £Nil (2017: £3,268), in respect of registration fee rebates are respectively payable and receivable at the end of the accounting period.

Amounts payable to Citibank Europe plc, a related party, in respect of trustee services and safe custody charges are disclosed in Note 8. A balance of £Nil (2017: £261), in respect of trustee services and £Nil (2017: £1,425), in respect of safe custody is due at the end of the accounting period.

The trust receives and pays interest on deposits held with Citibank Europe plc as disclosed in Note 3. A balance of £Nil (2017: £Nil), was 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 funds managed by Columbia Threadneedle, 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 funds are shown in Note 3 and amounts receivable at the end of the accounting period in Note 7.

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

The amounts payable to the successor fund in relation to the fund merger are disclosed in Note 8.

10 UNITHOLDER FUNDS

There are no unitholders left in the trust. Prior to the closure, the Threadneedle Navigator Balanced Managed Trust currently had one unit class; Accumulation units. The charges on the unit class were as follows:

Annual management charge
Accumulation units 1.25%

Registration fees
Accumulation units 0.110%

The net asset value of the unit class, the net asset value per unit, and the number of units in the class are given in the comparative tables on page 48. The distribution per unit class is given in the distribution table on page 47.

Reconciliation of units

	2018
Accumulation units	
Opening units	18,706,847
Units issued	135,649
Units redeemed	(18,842,496)
Net conversions	–
Closing units	–

11 RISK MANAGEMENT

In pursuing its investment objectives set out on page 46, the Threadneedle Navigator Balanced Managed Trust could hold the following financial instruments:

- Funds of the Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC, Threadneedle Focus Investment Funds ICVC, Threadneedle Navigator Trusts and Threadneedle (Lux) 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 on 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;
- Derivative transactions to manage the currency and market risks arising from the fund's investment activities.

The Manager uses a risk management process (RMP)*, as reviewed by the Trustee.

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. Prior to the trust's merger on 16 March 2018, the policies for managing the each of these risks were reviewed regularly and agreed with the Trustee of the trust and they are summarised below.

**The RMP available on request from the client services team contact details on page 82.*

Threadneedle Navigator Balanced Managed Trust

Notes to the financial statements

(continued)

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 trust deed, the prospectus and in the Financial Conduct Authority's (FCA's) Collective Investment Schemes Sourcebook and describe the nature of the market price risk to which the trust will be exposed.

Market price risk sensitivity

As there are no investments at the balance sheet date, no market price sensitivity analysis has been shown.

For 2017, a 5% increase applied to the equity portion of the trust would result in an increase in the net asset value of the trust by 2.31% and vice versa.

A 1.00% interest rate increase applied to the bond portion of the trust would result in a decrease in the net asset value of 3.20% and vice versa.

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 cancellations 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 the investment portfolio 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 settlement. All of the trust's financial liabilities are payable on demand or in less than one year.

There are no new arrangements within the trust to manage liquidity and there is no significant liquidity risk at the period end.

In exceptional circumstances the Manager, with the prior agreement of the Trustee, may suspend dealing for a period of 28 days which may be extended further with FCA approval. The Manager may also, in certain circumstances, require a redeeming unitholder, in lieu of payment, to be transferred property of the trust.

Currency risk

Foreign currency risk is the risk that the value of the trusts' 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 portion 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 funds' significant exposure to non sterling currencies, based on their most recent published financial statements are as follows:

No sensitivity analysis shown as the Trust has no direct exposure to foreign currency risk.

Credit risk/Counterparty risk

Credit risk is the risk that the counterparty in a financial transaction will fail to fulfil their obligation or commitment. The trust is exposed to credit/counterparty risk by virtue of the underlying investments is the CIS's it holds.

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 Floating Rate Notes) there is the possibility of default of the issuer and default in the underlying assets meaning that the fund may not receive back the full principal originally invested. Thirdly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the fund has fulfilled its responsibilities, which could result in the fund 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.

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

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 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.

Interest rate risk sensitivity

No sensitivity analysis shown as the Trust has minimal exposure to interest rate risk in relation to cash balances (2017: same).

12 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Threadneedle Navigator Balanced Managed Trust

Notes to the financial statements

(continued)

Level 2 – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

Level 3 – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

	2018		2017	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£000	£000	£000	£000
Level 2	–	–	24,465	–
	–	–	24,465	–

13 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

14 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of collective investment schemes purchases and sales amounted to £20,702,950 (2017: £840,247) and £25,583,390 (2017: £2,371,242) respectively. In specie transaction costs and proceeds amounted to £Nil (2017: £Nil) and £18,409,135 (2017: £Nil) respectively.

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

Indirect transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the trust's underlying investments.

At the balance sheet date, the portfolio dealing spread was Nil (2017: 0.08%), being the difference between the respective buying and selling prices for the trust's investments. The spread at the balance sheet date was not representative of the typical spread throughout the year.

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

The Collective Investment Schemes (COLL) Sourcebook, as issued (and amended) by the Financial Conduct Authority (FCA) 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 and the net capital 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);
- 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 judgements 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 in Respect of the Scheme and Report of the Trustee to the Unitholders of the Threadneedle Navigator Balanced Managed Trust (the Trust) for the Period ended 1 June 2018

The Trustee is responsible for the safekeeping of all property of the Trust which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Trustee to take reasonable care to ensure that the Trust is managed and operated in accordance with the Financial Conduct Authority' Collective Investment Schemes Sourcebook (the Sourcebook), the Financial Services and Markets Act 2000, as amended, and the Trust Deed and the Prospectus of the Trust, concerning: the pricing of and dealing in Trust Units; the application of income of the scheme; and the Trust investment portfolio and borrowing activities.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Trustee of the scheme, based on information and explanations provided to us, we believe that, in all material respects, the Manager:

(i) has carried out the creation, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income in accordance with the Sourcebook, the Trust Deed and Prospectus;

(ii) has observed the investment and borrowing powers and restrictions applicable to the scheme; and

(iii) has, otherwise, ensured the proper operation of the Trust.

Citibank Europe plc,
UK Branch

10 August 2018

Independent auditors' report to the Unitholders of Threadneedle Navigator Balanced Managed Trust

Report on the audit of the financial statements

Opinion

In our opinion, Threadneedle Navigator Balanced Managed Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 1 June 2018 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 1 June 2018; the statement of total return and the statement of change in unitholders' funds for the year then ended; the distribution table; the accounting policies; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – Basis of accounting

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 (a) to the financial statements concerning the basis of accounting for the Trust. The Trust merged with a comparable fund on 16 March 2018 and the termination of the trust was completed on 1 June 2018. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 (a) to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Fund Manager's Report

In our opinion, 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.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Statement of Authorised Fund Manager's Responsibilities in relation to the Financial Statements of the Scheme set out on page 53, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intend to wind up or terminate the Trust, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has 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.

Other required reporting

Opinion on matter required 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.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Edinburgh
10 August 2018

Threadneedle Navigator Balanced Managed Trust

Portfolio Statement

as at 1 June 2018

Holding	Investment	Value £000	% of Net Asset Value
COLLECTIVE INVESTMENT SCHEMES 0.00% (97.70%)			
	UK equity 0.00% (50.78%)		
	Total UK equity	–	–
	UK bond 0.00% (34.72%)		
	Total UK bond	–	–
	Overseas equity 0.00% (2.28%)		
	Total Overseas equity	–	–
	Overseas bond 0.00% (9.92%)		
	Total Overseas bond	–	–
	Total collective investment schemes	–	–
Total value of investments		–	–
Net other assets (2.30%)		–	–
Net assets		–	–

June 2017 comparatives in brackets.

Threadneedle Navigator Growth Managed Trust*

Investment Report

The Trust merged with Threadneedle Managed Equity Focused Fund on 16 March 2018 and the wind-up of the trust was completed on 1 June 2018. Further details are shown on page 77.

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.

Review

This report covers the period from 2 June 2017 to 1 June 2018.

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 Collective Investment Schemes Sourcebook (COLL) as amended from time to time.

Performance

During the period under review the offer price of accumulation units fell by 1.37% from 153.10p to 151.00p. 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 income of the trust was accumulated at the closure date.

Market Overview and Portfolio Activity

The period from 2 June 2017 to the date the fund was closed proved positive for most world stock markets.

World equities rose strongly at the beginning of the period, supported by encouraging global economic data and improving corporate results. The markets' strong gains during 2017 were slightly eroded in February and March 2018 amid a global sell-off. Volatility rose on fears that copious central bank stimulus could soon come to an end, and concerns over protectionist measures from the Trump administration, including plans for steep tariffs on steel and aluminium imports.

Over the reporting period, the UK lagged other major stock markets amid the continuing uncertainties over Brexit and the implications for the UK economy. Prime Minister Theresa May's unexpected call for a snap general election in June 2017 fuelled hopes that this would lead to an increased parliamentary majority for the Conservatives, thereby strengthening the government's hand in Brexit negotiations. In the event, the Conservatives lost their overall majority, fuelling concerns over the implications for Brexit. While investors have remained anxious, sentiment was subsequently buoyed by an agreement between the UK and EU in March 2018 on some elements of a post-Brexit transition deal.

In the US, the S&P 500 index performed strongly over the period, consistently hitting record highs before falling back in February and March this year. US equities received support from President Trump's flagship tax-cutting bill, which features a permanent cut in corporation tax from 35% to 21% and smaller temporary reductions in income taxes. Against the stronger economic backdrop, the Federal Reserve raised interest rates by 25 basis points on three occasions, in June, December and March.

In Europe, equities were supported by the improvement in corporate earnings. The eurozone economy gathered momentum – 2017 was the best year for GDP growth in a decade, and unemployment reached a nine-year low. The eurozone strengthened sufficiently for the European Central Bank to start scaling back its bond purchases, although the duration of the financial stimulus plan has been extended until at least September 2018. However, investor sentiment was dampened by concerns in the political arena, including the ongoing uncertainties over Brexit, Catalonia's bid for independence from Spain, and the increased support for populist parties in Italy.

The Japanese market was a strong performer over the period. Investors responded positively to the landslide victory of Shinzo Abe's Liberal Democratic Party in October's general election, as he is expected to continue his 'Abenomics' reform programme. Asian markets rose strongly but also suffered a bout of volatility in early 2018, given concerns over a steeper trajectory for US interest-rate hikes and increased trade tensions between the US and China. Over the period as a whole, Chinese equities performed particularly well on the back of robust earnings and positive economic releases, including stronger-than-expected GDP growth. Within Latin America, Brazilian equities were buoyed by hopes of a market-friendly election result in October 2018.

It was a more difficult period for core government bonds as investors braced for a world with less "easy money" and generally favoured risk assets on optimism over corporate earnings and economic indicators. Of the major government bond markets, Europe was the strongest performer, followed by Japan, whereas the US and UK posted negative returns. Along with the US Federal Reserve, the Bank of England raised official interest rates during the period. November saw a quarter-point hike to 0.5%, the first rise in a decade. Within the credit markets, it was a lacklustre period for investment grade corporate bonds, although high yield bonds posted a modest positive return. Emerging market debt recorded a negative return over the period.

Key challenges facing equity markets include a rising interest rate environment, especially in the US; the risk of higher tariffs and reduced trade; and the scope for tighter regulation of fast-growing technology giants. While these risks are real, we are encouraged by the fact that equity fundamentals look robust. Economic growth is currently well-entrenched across developed and emerging markets, and this is driving double-digit corporate earnings growth.

Bond markets continue to be supported by accommodative monetary policy, including outright quantitative easing in the eurozone, and demand for income remains a positive force. However, the credit cycle is fairly mature and, although corporate earnings have been strong, the benefits have been largely accruing to shareholders.

The trust closed on 16 March 2018 following the merger with a comparable fund. All the investments were transferred to the new fund.

Other Information

The information on pages 76 to 81 forms part of the Manager's Report.

Directors' Statement

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes (COLL) Sourcebook, we hereby certify the Annual Report and Audited Financial Statements on behalf of the Directors of Threadneedle Investment Services Limited.

L Weatherup
Director

M Scrimgeour
Director

10 August 2018

**Please note the trust merged into a comparable fund on 16 March 2018.*

Threadneedle Navigator Growth Managed Trust

STATEMENT OF TOTAL RETURN

for the accounting period 2 June 2017 to 1 June 2018

	Notes	2018 £000	2017 £000
Income			
Net capital (losses)/gains	2	(1,656)	10,951
Revenue	3	1,552	1,732
Expenses	4	(687)	(847)
Net revenue before taxation		865	885
Taxation	5	(42)	(50)
Net revenue after taxation		823	835
Total return before distributions		(833)	11,786
Distributions	6	(855)	(874)
Change in unitholders' funds from investment activities		(1,688)	10,912

STATEMENT OF CHANGE IN UNITHOLDERS' FUNDS

for the accounting period 2 June 2017 to 1 June 2018

	2018 £000	2017 £000
Opening net assets	63,926	56,283
Amounts receivable on the issue of units	305	182
Amounts payable on the cancellation of units	(4,450)	(4,289)
Amounts payable to Threadneedle Managed Equity Focused Fund	(58,922)	–
	(63,067)	(4,107)
Change in unitholders' funds from investment activities (see statement of total return above)	(1,688)	10,912
Retained distribution on accumulation units	829	838
Closing net assets	–	63,926

BALANCE SHEET

as at 1 June 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		–	62,656
Current assets:			
Debtors	7	–	223
Cash and bank balances		212	1,310
Total assets		212	64,189
Liabilities:			
Creditors:			
Other creditors	8	(212)	(263)
Total liabilities		(212)	(263)
Net assets		–	63,926
Unitholders' funds		–	63,926

DISTRIBUTION TABLE

for the accounting period 2 June 2017 to 1 June 2018

Dividend distribution in pence per unit

Accumulation units

Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2017/2018*	Gross Revenue Accumulated 2016/2017
Group 1				
02/06/17 to 01/06/18	2.0126	–	2.0126	1.9025
Group 2				
02/06/17 to 01/06/18	0.8935	1.1191	2.0126	1.9025
Total distributions in the period			**2.0126**	**1.9025**

Group 2: units purchased during a distribution period.

**Please note the trust merged into a comparable fund managed by Threadneedle Investment Services on 16 March 2018. A distribution was made for the period ended 16 March 2018.*

Threadneedle Navigator Growth Managed Trust

Comparative Table Disclosure

	Accumulation units		
	16/03/2018[1]	01/06/2017	01/06/2016
Change in net assets per unit			
Opening net asset value per unit (p)	145.09	119.28	120.78
Return before operating charges (p)	(0.24)	27.78	0.21
Operating charges (p)	(1.76)	(1.97)	(1.71)
Return after operating charges (p)*	(2.00)	25.81	(1.50)
Distributions (p)	(2.01)	(1.90)	(1.71)
Retained distributions on accumulation units (p)	2.01	1.90	1.71
Closing net asset value per unit (p)	143.09	145.09	119.28
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	(1.38)	21.64	(1.24)
Other information			
Closing net asset value (£000)**	58,922	63,926	56,283
Closing number of units**	41,177,271	44,058,981	47,183,644
Operating charges (%)***	–	1.49	1.48
Direct transaction costs (%)	–	–	–
Prices			
Highest unit price (p)	157.40	153.10	127.30
Lowest unit price (p)	140.10	116.30	107.80

**This figure is as at the last dealing point of share class on 16 March 2018.

***The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a unit class of a trust based on the financial year's expenses and may vary from year to year. It includes charges such as the trust's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the trust (unless these assets are shares of another fund). The non-UCITS retail scheme Key Investor Information (NURS-KII) contains the current OCF. The calculation includes the trust's share of the expenses of the underlying fund less any fee rebates received. The share of 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. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

[1] *The trust merged into a comparable fund managed by Threadneedle Investment Services on 16 March 2018.*

Threadneedle Navigator Growth Managed Trust

Notes to the financial statements

for the accounting period 2 June 2017 to 1 June 2018

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014.

The trust merged with a comparable fund on 16 March 2018 and the termination of the trust was completed on 1 June 2018. Accordingly the going concern basis of preparation is no longer appropriate for the trust and the financial statements have been prepared on a basis other than going concern. No adjustments were necessary in the trust's financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities. The comparative financial information for the year ended 1 June 2017 has been prepared on a going concern basis.

(b) Basis of valuation of investments

There were no investments held by the trust at the balance sheet date.

For 2017, investments were stated at fair value which generally was the bid value of each security. These bid values were sourced from independent pricing sources; to the extent that if an independent pricing source was not available then quotes are obtained from the broker. Where the Manager deems that these valuations were unrepresentative of a fair valuation of the security a fair valuation adjustment was applied based on the Manager's opinion of fair value. The last dealing point in the year was used for the purposes of preparing the financial statements and in the Manager's opinion there was no material movements in the trust between the last dealing point and the close of business on the balance sheet date.

(c) Exchange rates

Assets and liabilities expressed in foreign currencies were translated into sterling at the exchange rate on the last working day of the period.

For 2017, assets and liabilities expressed in foreign currencies were 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.

(d) 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.

Distributions from Collective Investment Schemes (CIS) are recognised when the security is quoted ex-dividend.

Any reported revenue from an offshore fund with UK fund reporting status in excess of any distributions is recognised as revenue after the end of the reporting period not later than the date when the reporting fund makes this information available.

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.

(e) Treatment of expenses (including management 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.

(f) Fee rebate

In addition to any direct charge for management fees within the funds, there would occur, in the absence of a rebate mechanism, an indirect charge for management fees in respect of investments in other Threadneedle funds. Any such target funds themselves bear a management fee, which reduces the values of those funds from what they otherwise would be. The rebate mechanism operates to ensure that investors in the funds bear only the fee validly applicable to them. Depending upon the ACD's treatment of management fees within the underlying funds, where management fees are taken to capital, any rebate is classified as a capital item and does not form part of the amount available for distribution.

(g) Equalisation policy

The trust operates equalisation to ensure the level of distributable income for any unit class is not affected by the issue or cancellation of units.

(h) Deferred tax

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.

(i) Distribution Policies

In accordance with the Collective Investment Schemes Sourcebook, where the revenue from investments exceeds the expenses and taxation for any unit class, a distribution will be made from that unit class. Should expenses and taxation exceed revenue for any unit class, there will be no distribution for that unit class and a transfer from capital will be made to cover the shortfall.

Revenue attributable to accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

When a transfer is made between revenue and capital, marginal tax relief is not taken into account when determining the distribution.

Equalisation on distributions received is treated as a repayment of capital and therefore disregarded in determining the revenue available for distribution.

2 NET CAPITAL (LOSSES)/GAINS

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

	2018 £000	2017 £000
Non-derivative securities*	(1,795)	10,758
Management fee rebate on collective investment scheme holdings	139	193
Net capital (losses)/gains	(1,656)	10,951
The non-derivative securities balance above includes:		
Realised gains*	24,320	2,671
Unrealised (losses)/gains*	(26,115)	8,087
	(1,795)	10,758

Where realised gains include gains/(losses) arising in previous periods, a corresponding (loss)/gain is included in unrealised (losses)/gains.

3 REVENUE

	2018 £000	2017 £000
Franked dividend distributions	796	827
Interest distributions	326	368
Bank interest	3	2
Management fee rebate on collective investment scheme holdings	434	523
Registration fee rebate on collective investment scheme holdings	(7)	12
Total revenue	1,552	1,732

4 EXPENSES

	2018 £000	2017 £000
Payable to the Manager or associates of the Manager, and the agents of either of them:		
Annual management charge	(610)	(755)
Registration fees	(54)	(66)
	(664)	(821)
Payable to the trustee or associates of the trustee, and the agents of either of them:		
Trustee fees	(6)	(7)
Safe custody fees	(7)	(9)
	(13)	(16)
Other expenses:		
Audit fees	(10)	(10)
	(10)	(10)
Total expenses*	(687)	(847)

Including irrecoverable VAT where applicable.

Threadneedle Navigator Growth Managed Trust

Notes to the financial statements
(continued)

5 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Corporation tax	(42)	(50)
Total current tax (note 5b)	(42)	(50)
Total tax charge for the period	(42)	(50)
b) Factors affecting taxation charge for period		
Net revenue before taxation	865	885
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(173)	(177)
Effects of:		
Revenue not subject to taxation	159	166
Capitalised revenue subject to taxation	(28)	(39)
Current tax charge for period (note 5a)	(42)	(50)

6 DISTRIBUTIONS

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

	2018 £000	2017 £000
Final	829	838
	829	838
Add: Revenue deducted on the cancellation of units	29	38
Deduct: Revenue received on the creation of units	(3)	(2)
Net distribution for the period	855	874
Net revenue after taxation	823	835
Shortfall transfer from capital to revenue	4	–
Tax charge on capital management fee rebates	28	39
Total distributions	855	874

Details of the distribution per unit are set out in the table on page 57.

7 DEBTORS

	2018 £000	2017 £000
Amounts receivable for the issue of units	–	9
Sales awaiting settlement	–	129
Accrued revenue	–	80
United Kingdom income tax recoverable	–	5
Total debtors	–	223

8 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of units	–	(129)
Accrued expenses	–	(9)
Amounts payable to Manager	–	(75)
Amounts payable to successor fund	(212)	–
Corporation tax payable	–	(50)
Total other creditors	(212)	(263)

9 RELATED PARTY TRANSACTIONS

The disclosures below apply throughout the year until the wind-up process for the trust began on 16 March 2018. Threadneedle Investment Services 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 to or from Threadneedle Investment Services Limited in respect of unit transactions at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to and receivable from Threadneedle Investment Services Limited in respect of trust administration and registrar services are disclosed in Notes 7 and 8. A balance of £Nil (2017: £69,078), in respect of annual management service charge, £Nil (2017: £65,341), in respect of annual management rebates, £Nil (2017: £6,079), in respect of registration fees and £Nil (2017: £12,300), in respect of registration fee rebates are respectively payable and receivable at the end of the accounting period.

Amounts payable to Citibank Europe plc, a related party, in respect of trustee services and safe custody charges are disclosed in Note 8. A balance of £Nil (2017: £663), in respect of trustee services and £Nil (2017: £1,425), in respect of safe custody is due at the end of the accounting period.

The trust receives and pays interest on deposits held with Citibank Europe plc as disclosed in Note 3. A balance of £Nil (2017: £Nil), was 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 funds managed by Columbia Threadneedle, 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 funds are shown in Note 3 and amounts receivable at the end of the accounting period in Note 7.

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

The amounts payable to the successor fund in relation to the fund merger are disclosed in Note 8.

10 UNITHOLDER FUNDS

There are no unitholders left in the trust. Prior to the closure, the Threadneedle Navigator Growth Managed Trust currently had one unit class; Accumulation units. The charges on the unit class were as follows:

Annual management charge
Accumulation units 1.25%

Registration fees
Accumulation units 0.110%

The net asset value of the unit class, the net asset value per unit, and the number of units in the class are given in the comparative tables on page 58. The distribution per unit class is given in the distribution table on page 57.

Reconciliation of units

	2018
Accumulation units	
Opening units	44,058,981
Units issued	211,547
Units redeemed	(44,270,528)
Net conversions	–
Closing units	–

11 RISK MANAGEMENT

In pursuing its investment objectives set out on page 56, the Threadneedle Navigator Growth Managed Trust could hold the following financial instruments:

- Funds of the Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC, Threadneedle Focus Investment Funds ICVC, Threadneedle Navigator Trusts and Threadneedle (Lux) 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 on 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;
- Derivative transactions to manage the currency and market risks arising from the fund's investment activities.

The Manager uses a risk management process (RMP)*, as reviewed by the Trustee.

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. Prior to the trust's merger on 16 March 2018, the policies for managing the each of these risks were reviewed regularly and agreed with the Trustee of the trust and they are summarised below.

**The RMP available on request from the client services team contact details on page 82.*

Threadneedle Navigator Growth Managed Trust

Notes to the financial statements

(continued)

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 trust deed, the prospectus and in the Financial Conduct Authority's (FCA's) Collective Investment Schemes Sourcebook and describe the nature of the market price risk to which the trust will be exposed.

Market price risk sensitivity

As there are no investments at the balance sheet date, no market price sensitivity analysis has been shown.

For 2017, a 5% increase applied to the equity portion of the trust would result in an increase in the net asset value of the trust by 3.66% and vice versa.

A 1.00% interest rate increase applied to the bond portion of the trust would result in a decrease in the net asset value of 1.34% and vice versa.

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 cancellations 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 the investment portfolio 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 settlement. All of the trust's financial liabilities are payable on demand or in less than one year.

There are no new arrangements within the trust to manage liquidity and there is no significant liquidity risk at the period end.

In exceptional circumstances the Manager, with the prior agreement of the Trustee, may suspend dealing for a period of 28 days which may be extended further with FCA approval. The Manager may also, in certain circumstances, require a redeeming unitholder, in lieu of payment, to be transferred property of the trust.

Currency risk

Foreign currency risk is the risk that the value of the trusts' 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.

Credit risk/Counterparty risk

Credit risk is the risk that the counterparty in a financial transaction will fail to fulfil their obligation or commitment. The trust is exposed to credit/counterparty risk by virtue of the underlying investments is the CIS's it holds.

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 Floating Rate Notes) there is the possibility of default of the issuer and default in the underlying assets meaning that the fund may not receive back the full principal originally invested. Thirdly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the fund has fulfilled its responsibilities, which could result in the fund 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.

Credit/Counterparty exposure

As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

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 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.

Interest rate risk sensitivity

No sensitivity analysis shown as the Trust has minimal exposure to interest rate risk in relation to cash balances (2017: same).

12 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

Threadneedle Navigator Growth Managed Trust

Notes to the financial statements

(continued)

Level 3 – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

	2018		2017	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Valuation technique	**£000**	**£000**	**£000**	**£000**
Level 2	–	–	62,656	–
	–	–	62,656	–

13 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

14 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of collective investment schemes purchases and sales amounted to £36,149,366 (2017: £2,756,441) and £38,821,075 (2017: £6,964,290) respectively. In specie transaction costs and proceeds amounted to £Nil (2017: £Nil) and £58,708,532 (2017: £Nil) respectively.

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

Indirect transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the trust's underlying investments.

At the balance sheet date, the portfolio dealing spread was Nil (2017: Nil), being the difference between the respective buying and selling prices for the trust's investments. The spread at the balance sheet date was not representative of the typical spread throughout the year.

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

The Collective Investment Schemes (COLL) Sourcebook, as issued (and amended) by the Financial Conduct Authority (FCA) 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 and the net capital 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);
- 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 judgements 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 in Respect of the Scheme and Report of the Trustee to the Unitholders of the Threadneedle Navigator Growth Managed Trust (the Trust) for the Period ended 1 June 2018

The Trustee is responsible for the safekeeping of all property of the Trust which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Trustee to take reasonable care to ensure that the Trust is managed and operated in accordance with the Financial Conduct Authority' Collective Investment Schemes Sourcebook (the Sourcebook), the Financial Services and Markets Act 2000, as amended, and the Trust Deed and the Prospectus of the Trust, concerning: the pricing of and dealing in Trust Units; the application of income of the scheme; and the Trust investment portfolio and borrowing activities.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Trustee of the scheme, based on information and explanations provided to us, we believe that, in all material respects, the Manager:

(i) has carried out the creation, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income in accordance with the Sourcebook, the Trust Deed and Prospectus;

(ii) has observed the investment and borrowing powers and restrictions applicable to the scheme; and

(iii) has, otherwise, ensured the proper operation of the Trust.

Citibank Europe plc,
UK Branch

10 August 2018

Independent auditors' report to the Unitholders of Threadneedle Navigator Growth Managed Trust

Report on the audit of the financial statements

Opinion

In our opinion, Threadneedle Navigator Growth Managed Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 1 June 2018 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 1 June 2018; the statement of total return and the statement of change in unitholders' funds for the year then ended; the distribution table; the accounting policies; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – Basis of accounting

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 (a) to the financial statements concerning the basis of accounting for the Trust. The Trust merged with a comparable fund on 16 March 2018 and the termination of the trust was completed on 1 June 2018.. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 (a) to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Fund Manager's Report

In our opinion, 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.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Statement of Authorised Fund Manager's Responsibilities in relation to the Financial Statements of the Scheme set out on page 63, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intend to wind up or terminate the Trust, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has 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.

Other required reporting

Opinion on matter required 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.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Edinburgh
10 August 2018

Threadneedle Navigator Growth Managed Trust

Portfolio Statement

as at 1 June 2018

Holding	Investment	Value £000	% of Net Asset Value
COLLECTIVE INVESTMENT SCHEMES 0.00% (98.01%)			
	UK equity 0.00% (51.09%)		
	Total UK equity	–	–
	UK bond 0.00% (14.20%)		
	Total UK bond	–	–
	Overseas equity 0.00% (27.03%)		
	Total Overseas equity	–	–
	Overseas bond 0.00% (5.69%)		
	Total Overseas bond	–	–
	Total collective investment schemes	–	–
Total value of investments		–	–
Net other assets (1.98%)		–	–
Net assets		–	–

June 2017 comparatives in brackets.

Threadneedle Navigator Adventurous Managed Trust*

Investment Report

The Trust merged with Threadneedle Managed Equity Fund on 16 March 2018 and the wind-up of the trust was completed on 1 June 2018. Further details are shown on page 77.

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.

Review

This report covers the period from 2 June 2017 to 1 June 2018.

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 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 3.26% from 187.00p to 193.10p. 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 income of the trust was accumulated at the closure date.

Market Overview and Portfolio Activity

The period from 2 June 2017 to the date the fund was closed proved positive for most world stock markets.

World equities rose strongly at the beginning of the period, supported by encouraging global economic data and improving corporate results. The markets' strong gains during 2017 were slightly eroded in February and March 2018 amid a global sell-off. Volatility rose on fears that copious central bank stimulus could soon come to an end, and concerns over protectionist measures from the Trump administration, including plans for steep tariffs on steel and aluminium imports.

Over the reporting period, the UK lagged other major stock markets amid the continuing uncertainties over Brexit and the implications for the UK economy. Prime Minister Theresa May's unexpected call for a snap general election in June 2017 fuelled hopes that this would lead to an increased parliamentary majority for the Conservatives, thereby strengthening the government's hand in Brexit negotiations. In the event, the Conservatives lost their overall majority, fuelling concerns over the implications for Brexit. While investors have remained anxious, sentiment was subsequently buoyed by an agreement between the UK and EU in March 2018 on some elements of a post-Brexit transition deal.

In the US, the S&P 500 index performed strongly over the period, consistently hitting record highs before falling back in February and March this year. US equities received support from President Trump's flagship tax-cutting bill, which features a permanent cut in corporation tax from 35% to 21% and smaller temporary reductions in income taxes. Against the stronger economic backdrop, the Federal Reserve raised interest rates by 25 basis points on three occasions, in June, December and March.

In Europe, equities were supported by the improvement in corporate earnings. The eurozone economy gathered momentum – 2017 was the best year for GDP growth in a decade, and unemployment reached a nine-year low. The eurozone strengthened sufficiently for the European Central Bank to start scaling back its bond purchases, although the duration of the financial stimulus plan has been extended until at least September 2018. However, investor sentiment was dampened by concerns in the political arena, including the ongoing uncertainties over Brexit, Catalonia's bid for independence from Spain, and the increased support for populist parties in Italy.

The Japanese market was a strong performer over the period. Investors responded positively to the landslide victory of Shinzo Abe's Liberal Democratic Party in October's general election, as he is expected to continue his 'Abenomics' reform programme. Asian markets rose strongly but also suffered a bout of volatility in early 2018, given concerns over a steeper trajectory for US interest-rate hikes and increased trade tensions between the US and China. Over the period as a whole, Chinese equities performed particularly well on the back of robust earnings and positive economic releases, including stronger-than-expected GDP growth. Within Latin America, Brazilian equities were buoyed by hopes of a market-friendly election result in October 2018.

It was a more difficult period for core government bonds as investors braced for a world with less "easy money" and generally favoured risk assets on optimism over corporate earnings and economic indicators. Of the major government bond markets, Europe was the strongest performer, followed by Japan, whereas the US and UK posted negative returns. Along with the US Federal Reserve, the Bank of England raised official interest rates during the period. November saw a quarter-point hike to 0.5%, the first rise in a decade. Within the credit markets, it was a lacklustre period for investment grade corporate bonds, although high yield bonds posted a modest positive return. Emerging market debt recorded a negative return over the period.

Key challenges facing equity markets include a rising interest rate environment, especially in the US; the risk of higher tariffs and reduced trade; and the scope for tighter regulation of fast-growing technology giants. While these risks are real, we are encouraged by the fact that equity fundamentals look robust. Economic growth is currently well-entrenched across developed and emerging markets, and this is driving double-digit corporate earnings growth.

Bond markets continue to be supported by accommodative monetary policy, including outright quantitative easing in the eurozone, and demand for income remains a positive force. However, the credit cycle is fairly mature and, although corporate earnings have been strong, the benefits have been largely accruing to shareholders.

The trust closed on 16 March 2018 following the merger with a comparable fund. All the investments were transferred to the new fund.

Other Information

The information on pages 76 to 81 forms part of the Manager's Report.

Directors' Statement

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes (COLL) Sourcebook, we hereby certify the Annual Report and Audited Financial Statements on behalf of the Directors of Threadneedle Investment Services Limited.

L Weatherup
Director

M Scrimgeour
Director

10 August 2018

**Please note the trust merged into a comparable fund on 16 March 2018.*

Threadneedle Navigator Adventurous Managed Trust

STATEMENT OF TOTAL RETURN

for the accounting period 2 June 2017 to 1 June 2018

	Notes	2018 £000	2017 £000
Income			
Net capital gains	2	559	4,722
Revenue	3	359	425
Expenses	4	(243)	(289)
Net revenue before taxation		116	136
Taxation	5	–	(3)
Net revenue after taxation		116	133
Total return before distributions		675	4,855
Distributions	6	(117)	(134)
Change in unitholders' funds from investment activities		558	4,721

BALANCE SHEET

as at 1 June 2018

	Notes	2018 £000	2017 £000
Assets:			
Fixed assets:			
Investments		–	21,137
Current assets:			
Debtors	7	–	34
Cash and bank balances		56	5
Total assets		56	21,176
Liabilities:			
Creditors:			
Other creditors	8	(56)	(44)
Total liabilities		(56)	(44)
Net assets		–	21,132
Unitholders' funds		–	21,132

STATEMENT OF CHANGE IN UNITHOLDERS' FUNDS

for the accounting period 2 June 2017 to 1 June 2018

	2018 £000	2017 £000
Opening net assets	21,132	17,814
Amounts receivable on the issue of units	91	80
Amounts payable on the cancellation of units	(1,478)	(1,612)
Amounts payable to Threadneedle Managed Equity Fund	(20,417)	–
	(21,804)	(1,532)
Change in unitholders' funds from investment activities (see statement of total return above)	558	4,721
Retained distribution on accumulation units	114	129
Closing net assets	–	21,132

DISTRIBUTION TABLE

for the accounting period 2 June 2017 to 1 June 2018

Dividend distribution in pence per unit

Accumulation units Distribution Period	Revenue	Equalisation	Gross Revenue Accumulated 2017/2018*	Gross Revenue Accumulated 2016/2017
Group 1				
02/06/17 to 01/06/18	1.0197	–	1.0197	1.0779
Group 2				
02/06/17 to 01/06/18	0.4072	0.6125	1.0197	1.0779
Total distributions in the period			**1.0197**	**1.0779**

Group 2: units purchased during a distribution period.

**Please note the trust merged into a comparable fund managed by Threadneedle Investment Services on 16 March 2018. A distribution was made for the period ended 16 March 2018.*

Threadneedle Navigator Adventurous Managed Trust

Comparative Table Disclosure

	Accumulation units		
	16/03/2018[1]	01/06/2017	01/06/2016
Change in net assets per unit			
Opening net asset value per unit (p)	177.18	138.21	138.52
Return before operating charges (p)	8.12	41.47	1.75
Operating charges (p)	(2.34)	(2.50)	(2.06)
Return after operating charges (p)*	5.78	38.97	(0.31)
Distributions (p)	(1.02)	(1.08)	(0.98)
Retained distributions on accumulation units (p)	1.02	1.08	0.98
Closing net asset value per unit (p)	182.96	177.18	138.21
*after direct transaction costs of (p)	–	–	–
Performance			
Return after charges (%)	3.26	28.20	(0.22)
Other information			
Closing net asset value (£000)**	20,417	21,132	17,814
Closing number of units**	11,159,594	11,927,017	12,889,389
Operating charges (%)***	–	1.58	1.55
Direct transaction costs (%)	–	–	–
Prices			
Highest unit price (p)	200.60	187.00	148.10
Lowest unit price (p)	174.00	135.00	121.50

**This figure is as at the last dealing point of share class on 16 March 2018.

***The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a unit class of a trust based on the financial year's expenses and may vary from year to year. It includes charges such as the trust's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the trust (unless these assets are shares of another fund). The non-UCITS retail scheme Key Investor Information (NURS-KII) contains the current OCF. The calculation includes the trust's share of the expenses of the underlying fund less any fee rebates received. The share of 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. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

[1]*The trust merged into a comparable fund managed by Threadneedle Investment Services on 16 March 2018.*

Threadneedle Navigator Adventurous Managed Trust

Notes to the financial statements

for the accounting period 2 June 2017 to 1 June 2018

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014.

The trust merged with a comparable fund on 16 March 2018 and the termination of the trust was completed on 1 June 2018. Accordingly the going concern basis of preparation is no longer appropriate for the trust and the financial statements have been prepared on a basis other than going concern. No adjustments were necessary in the trust's financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities. The comparative financial information for the year ended 1 June 2017 has been prepared on a going concern basis.

(b) Basis of valuation of investments

There were no investments held by the trust at the balance sheet date.

For 2017, investments were stated at fair value which generally was the bid value of each security. These bid values were sourced from independent pricing sources; to the extent that if an independent pricing source was not available then quotes are obtained from the broker. Where the Manager deems that these valuations were unrepresentative of a fair valuation of the security a fair valuation adjustment was applied based on the Manager's opinion of fair value. The last dealing point in the year was used for the purposes of preparing the financial statements and in the Manager's opinion there was no material movements in the trust between the last dealing point and the close of business on the balance sheet date.

(c) Exchange rates

Assets and liabilities expressed in foreign currencies were translated into sterling at the exchange rate on the last working day of the period.

For 2017, assets and liabilities expressed in foreign currencies were 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.

(d) 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.

Distributions from Collective Investment Schemes (CIS) are recognised when the security is quoted ex-dividend.

Any reported revenue from an offshore fund with UK fund reporting status in excess of any distributions is recognised as revenue after the end of the reporting period not later than the date when the reporting fund makes this information available.

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.

(e) Treatment of expenses (including management 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.

(f) Fee rebate

In addition to any direct charge for management fees within the funds, there would occur, in the absence of a rebate mechanism, an indirect charge for management fees in respect of investments in other Threadneedle funds. Any such target funds themselves bear a management fee, which reduces the values of those funds from what they otherwise would be. The rebate mechanism operates to ensure that investors in the funds bear only the fee validly applicable to them. Depending upon the ACD's treatment of management fees within the underlying funds, where management fees are taken to capital, any rebate is classified as a capital item and does not form part of the amount available for distribution.

(g) Equalisation policy

The trust operates equalisation to ensure the level of distributable income for any unit class is not affected by the issue or cancellation of units.

(h) Deferred tax

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.

(i) Distribution Policies

In accordance with the Collective Investment Schemes Sourcebook, where the revenue from investments exceeds the expenses and taxation for any unit class, a distribution will be made from that unit class. Should expenses and taxation exceed revenue for any unit class, there will be no distribution for that unit class and a transfer from capital will be made to cover the shortfall.

Revenue attributable to accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

When a transfer is made between revenue and capital, marginal tax relief is not taken into account when determining the distribution.

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

Equalisation on distributions received is treated as a repayment of capital and therefore disregarded in determining the revenue available for distribution.

2 NET CAPITAL GAINS

Net capital gains during the period comprise:

	2018 £000	2017 £000
Non-derivative securities*	552	4,714
Management fee rebate on collective investment scheme holdings	7	8
Net capital gains	559	4,722
The non-derivative securities balance above includes:		
Realised gains*	12,394	1,167
Unrealised (losses)/gains*	(11,842)	3,547
	552	4,714

**Where realised gains include gains/(losses) arising in previous periods, a corresponding (loss)/gain is included in unrealised (losses)/gains.*

3 REVENUE

	2018 £000	2017 £000
Franked dividend distributions	121	128
Interest distributions	2	4
Management fee rebate on collective investment scheme holdings	239	286
Registration fee rebate on collective investment scheme holdings	(3)	7
Total revenue	359	425

4 EXPENSES

	2018 £000	2017 £000
Payable to the Manager or associates of the Manager, and the agents of either of them:		
Annual management charge	(206)	(246)
Registration fees	(18)	(22)
	(224)	(268)
Payable to the trustee or associates of the trustee, and the agents of either of them:		
Trustee fees	(2)	(2)
Safe custody fees	(7)	(9)
	(9)	(11)
Other expenses:		
Audit fees	(10)	(10)
	(10)	(10)
Total expenses*	(243)	(289)

**Including irrecoverable VAT where applicable.*

Threadneedle Navigator Adventurous Managed Trust

Notes to the financial statements

(continued)

5 TAXATION

	2018 £000	2017 £000
a) Analysis of charge in period		
Corporation tax	–	(3)
Total current tax (note 5b)	–	(3)
Total tax charge for the period	–	(3)
b) Factors affecting taxation charge for period		
Net revenue before taxation	116	136
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	(23)	(27)
Effects of:		
Revenue not subject to taxation	24	26
Capitalised revenue subject to taxation	(1)	(2)
Current tax charge for period (note 5a)	–	(3)

6 DISTRIBUTIONS

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

	2018 £000	2017 £000
Final	114	129
	114	129
Add: Revenue deducted on the cancellation of units	3	6
Deduct: Revenue received on the creation of units	–	(1)
Net distribution for the period	117	134
Net revenue after taxation	116	133
Shortfall transfer from capital to revenue	1	–
Tax charge on capital management fee rebates	–	1
Total distributions	117	134

Details of the distribution per unit are set out in the table on page 67.

7 DEBTORS

	2018 £000	2017 £000
Accrued revenue	–	34
Total debtors	–	34

8 OTHER CREDITORS

	2018 £000	2017 £000
Amounts payable for the cancellation of units	–	(8)
Accrued expenses	–	(8)
Amounts payable to Manager	–	(25)
Amounts payable to successor fund	(56)	–
Corporation tax payable	–	(3)
Total other creditors	(56)	(44)

9 RELATED PARTY TRANSACTIONS

The disclosures below apply throughout the year until the wind-up process for the trust began on 16 March 2018. Threadneedle Investment Services 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 to or from Threadneedle Investment Services Limited in respect of unit transactions at the end of the accounting period are disclosed in Notes 7 and 8.

Amounts payable to and receivable from Threadneedle Investment Services Limited in respect of trust administration and registrar services are disclosed in Notes 7 and 8. A balance of £Nil (2017: £22,702), in respect of annual management service charge, £Nil (2017: £27,228), in respect of annual management rebates, £Nil (2017: £1,998), in respect of registration fees and £Nil (2017: £6,629), in respect of registration fee rebates are respectively payable and receivable at the end of the accounting period.

Amounts payable to Citibank Europe plc, a related party, in respect of trustee services and safe custody charges are disclosed in Note 8. A balance of £Nil (2017: £218), in respect of trustee services and £Nil (2017: £1,425), in respect of safe custody is due at the end of the accounting period.

The trust receives and pays interest on deposits held with Citibank Europe plc as disclosed in Note 3. A balance of £Nil (2017: £Nil), was 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 funds managed by Columbia Threadneedle, 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 funds are shown in Note 3 and amounts receivable at the end of the accounting period in Note 7.

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

The amounts payable to the successor fund in relation to the fund merger are disclosed in Note 8.

10 UNITHOLDER FUNDS

There are no unitholders left in the trust. Prior to the closure, the Threadneedle Navigator Adventurous Managed Trust currently had one unit class; Accumulation units. The charges on the unit class were as follows:

Annual management charge
Accumulation units 1.25%

Registration fees
Accumulation units 0.110%

The net asset value of the unit class, the net asset value per unit, and the number of units in the class are given in the comparative tables on page 68. The distribution per unit class is given in the distribution table on page 67.

Reconciliation of units

	2018
Accumulation units	
Opening units	11,927,017
Units issued	50,033
Units redeemed	(11,977,050)
Net conversions	–
Closing units	–

11 RISK MANAGEMENT

In pursuing its investment objectives set out on page 66, the Threadneedle Navigator Adventurous Managed Trust could hold the following financial instruments:

- Funds of the Threadneedle Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC, Threadneedle Focus Investment Funds ICVC, Threadneedle Navigator Trusts and Threadneedle (Lux) 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 on 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;
- Derivative transactions to manage the currency and market risks arising from the fund's investment activities.

The Manager uses a risk management process (RMP)*, as reviewed by the Trustee.

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. Prior to the trust's merger on 16 March 2018, the policies for managing the each of these risks were reviewed regularly and agreed with the Trustee of the trust and they are summarised below.

**The RMP available on request from the client services team contact details on page 82.*

Threadneedle Navigator Adventurous Managed Trust

Notes to the financial statements

(continued)

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 trust deed, the prospectus and in the Financial Conduct Authority's (FCA's) Collective Investment Schemes Sourcebook and describe the nature of the market price risk to which the trust will be exposed.

Market price risk sensitivity
As there are no investments at the balance sheet date, no market price sensitivity analysis has been shown.

For 2017, a 5% increase applied to the equity portion of the trust would result in an increase in the net asset value of the trust by 4.87% and vice versa.

A 1.00% interest rate increase applied to the bond portion of the trust would result in a decrease in the net asset value of 0.02% and vice versa.

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 cancellations 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 the investment portfolio 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 settlement. All of the trust's financial liabilities are payable on demand or in less than one year.

There are no new arrangements within the trust to manage liquidity and there is no significant liquidity risk at the period end.

In exceptional circumstances the Manager, with the prior agreement of the Trustee, may suspend dealing for a period of 28 days which may be extended further with FCA approval. The Manager may also, in certain circumstances, require a redeeming unitholder, in lieu of payment, to be transferred property of the trust.

Currency risk
Foreign currency risk is the risk that the value of the trusts' 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.

No sensitivity analysis shown as the Trust has no direct exposure to foreign currency risk.

Credit risk/Counterparty risk
Credit risk is the risk that the counterparty in a financial transaction will fail to fulfil their obligation or commitment. The trust is exposed to credit/counterparty risk by virtue of the underlying investments is the CIS's it holds.

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 Floating Rate Notes) there is the possibility of default of the issuer and default in the underlying assets meaning that the fund may not receive back the full principal originally invested. Thirdly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the fund has fulfilled its responsibilities, which could result in the fund 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.

Credit/Counterparty exposure
As at the balance sheet date there is no derivative exposure or collateral to disclose (2017: same).

The fund did not hold any collateral received from the fund's counterparties in either the current or prior year.

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 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.

Interest rate risk sensitivity
No sensitivity analysis shown as the Trust has minimal exposure to interest rate risk in relation to cash balances (2017: same).

12 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

Threadneedle Navigator Adventurous Managed Trust

Notes to the financial statements

(continued)

Level 3 – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

	2018		2017	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Valuation technique	**£000**	**£000**	**£000**	**£000**
Level 2	–	–	21,137	–
	–	–	21,137	–

13 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments outstanding (2017: Nil).

14 PORTFOLIO TRANSACTION COSTS

During the period under review the fund's purchases and sales of collective investment schemes purchases and sales amounted to £Nil (2017: £770,172) and £Nil (2017: £2,089,517) respectively. In specie transaction costs and proceeds amounted to £11,885,831 (2017: £Nil) and £13,373,750 (2017: £Nil) respectively. Corporate action costs and proceeds amounted to £Nil (2017: £Nil) and £20,223,637 (2017: £Nil) respectively.

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

Indirect transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the trust's underlying investments.

At the balance sheet date, the portfolio dealing spread was Nil (2017: Nil), being the difference between the respective buying and selling prices for the trust's investments. The spread at the balance sheet date was not representative of the typical spread throughout the year.

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

The Collective Investment Schemes (COLL) Sourcebook, as issued (and amended) by the Financial Conduct Authority (FCA) 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 and the net capital gains 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);
- 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 judgements 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 in Respect of the Scheme and Report of the Trustee to the Unitholders of the Threadneedle Navigator Adventurous Managed Trust (the Trust) for the Period ended 1 June 2018

The Trustee is responsible for the safekeeping of all property of the Trust which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Trustee to take reasonable care to ensure that the Trust is managed and operated in accordance with the Financial Conduct Authority' Collective Investment Schemes Sourcebook (the Sourcebook), the Financial Services and Markets Act 2000, as amended, and the Trust Deed and the Prospectus of the Trust, concerning: the pricing of and dealing in Trust Units; the application of income of the scheme; and the Trust investment portfolio and borrowing activities.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Trustee of the scheme, based on information and explanations provided to us, we believe that, in all material respects, the Manager:

(i) has carried out the creation, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income in accordance with the Sourcebook, the Trust Deed and Prospectus;

(ii) has observed the investment and borrowing powers and restrictions applicable to the scheme; and

(iii) has, otherwise, ensured the proper operation of the Trust.

Citibank Europe plc,
UK Branch

10 August 2018

Independent auditors' report to the Unitholders of Threadneedle Navigator Adventurous Managed Trust

Report on the audit of the financial statements

Opinion
In our opinion, Threadneedle Navigator Adventurous Managed Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 1 June 2018 and of the net revenue and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 1 June 2018; the statement of total return and the statement of change in unitholders' funds for the year then ended; the distribution table; the accounting policies; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – Basis of accounting
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 (a) to the financial statements concerning the basis of accounting for the Trust. The Trust merged with a comparable fund on 16 March 2018 and the termination of the trust was completed on 1 June 2018. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 (a) to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Fund Manager's Report
In our opinion, 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.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements
As explained more fully in the Statement of Authorised Fund Manager's Responsibilities in relation to the Financial Statements of the Scheme set out on page 73, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intend to wind up or terminate the Trust, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has 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.

Other required reporting

Opinion on matter required 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.

Collective Investment Schemes sourcebook exception reporting
Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Edinburgh
10 August 2018

Threadneedle Navigator Adventurous Managed Trust

Portfolio Statement

as at 1 June 2018

Holding	Investment	Value £000	% of Net Asset Value
COLLECTIVE INVESTMENT SCHEMES 0.00% (100.02%)			
	UK equity 0.00% (29.59%)		
	Total UK equity	–	–
	Overseas equity 0.00% (70.08%)		
	Total Overseas equity	–	–
	Overseas bond 0.00% (0.35%)		
	Total Overseas bond	–	–
	Total collective investment schemes	–	–
Total value of investments		–	–
Net other assets (-0.02%)		–	–
Net assets		–	–

June 2017 comparatives in brackets.

Risk and Reward Profiles

Trust	Unit Class	SRRI*
Threadneedle Navigator UK Index Tracker Trust	Accumulation units	5
Threadneedle Navigator Growth Trust	Accumulation units	5
Threadneedle Navigator Income Trust	Accumulation units	3
	Income units	3
Threadneedle Navigator Cautious Managed Trust	Accumulation units	3
	Income units	3
Threadneedle Navigator Balanced Managed Trust	Accumulation units	4
Threadneedle Navigator Growth Managed Trust	Accumulation units	4
Threadneedle Navigator Adventurous Managed Trust	Accumulation units	5

**As at the date the trusts closed/merged, 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 pound sterling. If your investment in the fund is not in pound sterling, please check the figure for the risk and reward profile disclosed on our website (columbiathreadneedle.com) according to the currency of your investment in the trust.

Historical data may not be a reliable indication of the future risk profile of the trusts.

The SRRI category shown is not guaranteed to remain unchanged and that the categorisation of the trusts may shift over time.

The lowest category does not mean a risk-free investment.

No form of capital protection or capital guarantee applies to any of the trusts.

Important Information

General

The wind-up of the trusts was completed on 1 June 2018.

Each trust was an authorised unit trust scheme. The Threadneedle Navigator UK Index Tracker Trust, Threadneedle Navigator Growth Trust and Threadneedle Navigator Income Trust were UCITS schemes for the purposes of the FCA 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 Trust were Non-UCITS Retail Schemes for the purposes of the FCA Regulations.

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.

The prospectus, which describes each of the trusts in the Navigator Trusts range in detail, is available on request from Threadneedle Investment Services Limited, DST Financial Services Europe Limited, PO Box 10033, Chelmsford CM99 2AL, United Kingdom.

Changes to the Prospectus

During the period from 2 June 2017 to 1 June 2018, the following changes were made to the prospectus of the funds:

- Disclosures required as a result of changes to COLL as a result of the Markets in Financial Instruments Directive (MiFID II), including amendment to the description of Class 2 Shares and Class Z Shares
- Disclosures relating to the UK's decision to leave the European Union ("Brexit")
- Inclusion of a definition of "near cash"
- Change of the name of the transfer agent and the legal advisors for the trusts
- Miscellaneous updates to performance, dilution adjustments and available share classes

Changes to the Trust Deed

There were no changes to the trust deeds during the period from 2 June 2017 to 1 June 2018.

Changes to the directors of the Manager

The following changes have been made to the directors of the Manager:

- Appointment of Ms. Michelle Scrimgeour on 14 August 2017;
- Resignation of Mr. Don Jordison on 1 May 2018.

Changes to the trusts

The Threadneedle Navigator UK Index Tracker Trust, the Threadneedle Navigator Growth Trust and the Threadneedle Navigator Income Trust were closed on 22 March 2018.

The Threadneedle Navigator Cautious Managed Trust, Threadneedle Navigator Balanced Managed Trust, Threadneedle Navigator Growth Managed Trust and Threadneedle Navigator Adventurous Managed Trust were merged with comparable funds in the Threadneedle Managed Funds range on 16 March 2018, following the approval of shareholders at extraordinary general meetings of the funds.

For further information about the mergers, please refer to www.columbiathreadneedle.com/changes or contact the Manager using the details set out in the Directory on page 82.

Foreign Account Tax Compliance Act (FATCA)

Threadneedle and its funds (Threadneedle) have registered with the US Internal Revenue Service in accordance with FATCA and other current related legislation. Threadneedle has put in place appropriate processes and procedures to maintain its compliance with the statutory requirements, including ensuring that Threadneedle obtains the required certification from its clients and investors as necessary to mitigate any requirement upon Threadneedle to withhold or report such clients under the legislation. This registration and compliance process will ensure that Threadneedle will not suffer withholding tax under FATCA.

Common reporting standard (CRS)

The Common Reporting Standard ('CRS') has come into effect in stages, starting from 1 January 2016, was developed by the Organisation for Economic Co-operation and Development ('OECD'). The CRS has been adopted in the UK by The International Tax Compliance Regulations 2015, and may require Threadneedle funds to report account holder information to HMRC about their shareholdings. HMRC will in turn pass this information onto the competent authorities with which it has an agreement.

Remuneration Disclosures

(a) Alternative Investment Fund Managers Directive (AIFMD)

In relation to Threadneedle Navigator Adventurous Managed Trust, Threadneedle Navigator Balanced Managed Trust, Threadneedle Navigator Cautious Managed Trust and Threadneedle Navigator Growth Managed Trust this disclosure is made in respect of the remuneration policy of Threadneedle Asset Management Holdings S. à r.l. ("TAM Sàrl" or "the Group"), as it applies to Threadneedle Investment Services Limited ("the Manager") in respect of the Alternative Investment Fund Managers Directive ("AIFMD") and the FCA's associated SYSC 19B requirements. The Remuneration Policy applies to all of TAM Sàrl's subsidiary entities, including those authorised as Alternative Investment Fund Managers ("AIFMs") under AIFMD, and was last approved by the Remuneration Committee in June 2017.

1. The Remuneration Committee

The Remuneration Committee of TAM Sàrl is a sub-committee of the TAM Sàrl Board with the responsibility to establish the philosophy and objectives that will govern the Group's compensation and benefit programmes; review and approve compensation and benefit plans, policies, and practices; and oversee and approve the Group's remuneration. It has been determined to be independent of the day-to-day executive management of the Group, its Members being Directors of the Group who are nominated by Ameriprise Financial, the Group's parent company.

Current Committee Members are Mr Walter Berman and Mr Ted Truscott. Meetings are normally held in January, March, June, September and December. The Group's Global Head, Reward acts as Secretary to the Committee. The Committee may invite the attendance of any Group employee or functional expert from the parent company as deemed appropriate, to allow it to fulfil its responsibilities including ensuring remuneration is consistent with effective risk management and does not encourage excessive risk taking.

Important Information

(continued)

2. Determining Incentive Remuneration Pools

The Manager made its annual Total Incentive Award decisions from separate pools covering the Property business, Distribution unit, Investments business and Support functions, ultimately aggregated for governance and oversight at the EMEA regional level. Those pools are determined at the final discretion of the Remuneration Committee with reference to four un-weighted factors being a 'Top-Down' assessment of market practice, legal and regulatory requirements and any other internal or external contextual factors; a 'Bottom-Up' calculation based on business performance against Plan and Target Incentive level for the firm (see 'Pay for Performance' below); the overall financial and strategic performance of the Group; and the financial and strategic performance of Ameriprise Financial as the Group's parent company and shareholder. The Committee also receives ongoing reports through the year from the Risk function regarding risk assessments and any themes or areas of note related to risk control or risk-related behavioural concerns.

The Committee takes all of these factors into account in order to make a balanced decision on the Total Incentive pool for the year in question.

3. Determining Individual Total Incentive Awards

Individual reward decisions are wholly discretionary, although strongly informed by the annual performance appraisal and by known market remuneration levels for equivalent jobs as well as by the pool funding available. Risk and Compliance provide a critical input to final performance rating setting, ensuring that any risk and relevant behavioural concerns are reflected in performance appraisals and subsequently in remuneration recommendations. The Heads of Risk and Compliance also report directly to the final Remuneration Committee of the award process to ensure that the Committee receives a direct report on which to base its final risk adjustment decisions.

Base salaries are maintained at a market-competitive level in order to ensure that, if required, it is possible to award zero incentive.

Pay for Performance

The bottom-up element of the incentive pool determination process measures team and wider business performance against key business targets for each area of the Group, including longer-term investment performance for the Investments and Property divisions and a mix of gross and net sales for Distribution. Investment performance is assessed against each fund's benchmarks and its risk profile. All such assessments' impacts on the bottom-up calculation are capped so as not to incentivise managers to take excessive risk in order to deliver higher incentive pools. While the Group and parent company financial and strategic results are important factors in pool determination, the model is set up to ensure that delivery of the business' core goals, including delivering investment performance to its customers, is an explicit and significant driver in pool determination for those divisions.

Individual discretionary awards from the available pool, in context of market-competitive reward levels for the job in question, are driven strongly by each individual's ratings against Goals (objectives) and the Group's Values, each of which is separately rated on a 5-point scale to ensure the Values assessment is given due prominence. Goals focus on the key deliverables for the role that year, in particular on the delivery of investment performance for Investments employees and for the Property division: all employees are also managed against a mandatory Risk Management Goal. Investment performance, where relevant to the role, is assessed against each fund's benchmark and its risk profile.

Ratings are consistency-checked across the business with the input of the Heads of Risk and Compliance to ensure balance and due reflection of risk management. There is no pre-determined grid or formula driving awards, which are discretionary in order to be able to account for and reflect all relevant factors.

Delivery of Total Incentives

While the Group's current assessment is that, under UK proportionality guidance, the Manager would not be required to apply the deferral rules in SYSC 19B, Threadneedle believes that deferred awards for higher earners are a matter of good practice and an important part of aligning key staff's interests with the long-term interests of customers and shareholders. To that end, Total Incentive awards for all employees in the Group may be delivered partly in deferred awards through the Ameriprise Financial Long-Term Incentive Award ("LTIA") programme and, for those in the Investments division, through a fund deferral programme.

Staff qualifying as Identified employees and those of a comparable level of seniority are subject to a higher rate of deferral. 50% of the overall incentive award is delivered in fund link units subject to a holding period after delivery. The fund linked units are designed to reflect the performance of a cross section of products and asset classes within the region.

4. Identified Staff

The Manager defines its Identified Staff in line with the definitions provided by SYSC 19B and associated guidance. Those Identified Staff are the senior management, risk takers, control functions and other employees whose total remuneration takes them in to the same bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages. In practice, that includes the named Fund Managers of the Manager's funds.

5. Remuneration Payment Disclosure

The AIFM's performance periods for remuneration operate on a calendar year basis.

Total Remuneration paid by the Manager to 7 AIFM Remuneration Code Staff Senior Managers in respect of its AIFM activities in the 2017 performance year was £0.17m, of which £0.05m was fixed and £0.12m was variable. Total Remuneration paid to other members of AIFM Remuneration Code Staff whose actions had a material impact on the risk profile of the AIFM in respect of AIFM activities was £1.4m, of which £0.55m was fixed and £0.85m was variable.

(b) UCITS Remuneration Disclosures

In relation to Threadneedle Navigator Growth Trust, Threadneedle Navigator Income Trust and Threadneedle Navigator UK Index Tracker Trust this disclosure is made in respect of the remuneration policy of Threadneedle Asset Management Sàrl ("TAM Sàrl" or "the Group"), as it applies to Threadneedle Investments Services Limited ("the Manager") in respect of the Undertakings for Collective Investment in Transferable Securities ("UCITS") Directive and other applicable rules and guidance. The Remuneration Policy applies to all its subsidiary entities to which the UCITS Directives requirements apply, and was last approved by the Remuneration Committee in June 2017. The remuneration requirements

Important Information

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under the UCITS Directive were applied from 1 January 2017, 2017 being the first full performance year commencing after the UCITS V requirements were enforced.

1. The Remuneration Committee

The Remuneration Committee of TAM Sárl is a sub-committee of the TAM Sárl Board with the responsibility to establish the philosophy and objectives that will govern the Group's compensation and benefit programmes; review and approve compensation and benefit plans, policies, and practices; and oversee and approve the Group's remuneration. It has been determined to be independent of the day-to-day executive management of the Group, its Members being Directors of the Group who are nominated by Ameriprise Financial, and the Group's parent company.

Current Committee Members are Mr Walter Berman, and Mr Ted Truscott. Meetings are normally held in January, March, June, September and December. The Group's Global Head, Reward acts as Secretary to the Committee. The Committee may invite the attendance of any Group employee or functional expert from the parent company as deemed appropriate, to allow it to fulfil its responsibilities including ensuring remuneration is consistent with effective risk management and does not encourage excessive risk taking.

2. Determining Incentive Remuneration Pools

The Manager made its annual Total Incentive Award decisions from separate pools covering the Property business, Distribution unit, Investments business and Support functions, ultimately aggregated for governance and oversight at the EMEA regional level. Those pools are determined at the final discretion of the Remuneration Committee with reference to four un-weighted factors being a 'Top Down' assessment of market practice, legal and regulatory requirements and any other internal or external contextual factors; a 'Bottom-Up' calculation based on business performance against Plan and Target Incentive level for the firm (see 'Pay for Performance' below); the overall financial and strategic performance of the Group; and the financial and strategic performance of Ameriprise Financial as the Group's parent company and shareholder. The Committee also receives ongoing reports through the year from the Risk function regarding risk assessments and any themes or areas of note related to risk control or risk-related behavioural concerns.

The Committee takes all of these factors into account in order to make a balanced decision on the Total Incentive pool for the year in question.

3. Determining Individual Total Incentive Awards

Individual reward decisions are wholly discretionary, although strongly informed by the annual performance appraisal and by known market remuneration levels for equivalent jobs as well as by the pool funding available. Risk and Compliance provide a critical input to final performance rating setting, ensuring that any risk and relevant behavioural concerns are reflected in performance appraisals and subsequently in remuneration recommendations. The leads in Risk and Compliance also report directly to the Remuneration Committee of the award process to ensure that the Committee receives a direct report on which to base its final risk adjustment decisions.

Base salaries are maintained at a market-competitive level in order to ensure that, if required, it is possible to award zero incentive.

Pay for Performance

The bottom-up element of the incentive pool determination process measures team and wider business performance against key business targets for each area of the Group, including longer-term investment performance for the Investments and Property divisions and a mix of gross and net sales for Distribution. Investment performance is assessed against each fund's benchmarks and its risk profile. All such assessments' impacts on the bottom-up calculation are capped so as not to incentivise managers to take excessive risk in order to deliver higher incentive pools. While the Group and parent company financial and strategic results are important factors in pool determination, the model is set up to ensure that delivery of the business' core goals, including delivering investment performance to its customers, is an explicit and significant driver in pool determination for those divisions.

Individual discretionary awards from the available pool, in context of market-competitive reward levels for the job in question, are driven strongly by each individual's ratings against Goals (objectives) and the Group's Values, each of which is separately rated on a 5-point scale to ensure the Values assessment is given due prominence. Goals focus on the key deliverables for the role that year, in particular on the delivery of investment performance for Investments employees and for the Property division: all employees are also managed against a mandatory Risk Management Goal. Investment performance, where relevant to the role, is assessed against each fund's benchmark and its risk profile.

Ratings are consistency-checked across the business with the input of the Heads of Risk and Compliance to ensure balance and due reflection of risk management. There is no pre-determined grid or formula driving awards, which are discretionary in order to be able to account for and reflect all relevant factors.

Delivery of Total Incentives

Threadneedle believes that deferred awards for higher earners are a matter of good practice and an important part of aligning key staff's interests with the long-term interests of customers and shareholders. To that end, Total Incentive awards for all employees in the Group may be delivered partly in deferred awards through the Ameriprise Financial Long-Term Incentive Award ("LTIA") programme and, for those in the Investments division, through a fund deferral programme. Deferrals, and delivery of awards in instruments, will comply with relevant regulatory requirements in force from time to time.

Staff qualifying as Identified employees and those of a comparable level of seniority are subject to a higher rate of deferral. 50% of the overall incentive award is delivered in fund link units subject to a holding period after delivery. The fund linked units are designed to reflect the performance of a cross section of products and asset classes within the region.

4. Identified Staff

The Manager defines its' Identified Staff in line with the definitions provided by SYSC 19E and associated guidance. Those Identified Staff are the senior management, individuals with a material impact on the risk profile of UCITS, individuals within control functions and other employees whose total remuneration takes them in to the same bracket as senior management and risk takers, whose professional activities have a material impact on the risk

Important Information

(continued)

profiles of the Manager or of the funds it manages. In practice, this will include the named Fund Managers of the Manager's funds.

5. Remuneration Payment Disclosure

The performance period for remuneration operate on a calendar year basis.

Total remuneration paid by the Management Company to 7 UCITS V Remuneration Code Staff Senior Managers in respect of its UCITS activities in the 2017-18 performance year was £1.6m, of which £0.5m was fixed and £1.1m was variable. Total remuneration paid to other members of the UCITS Remuneration Code Staff whose actions had a material impact on the risk profile of the Manager was £15.0m, of which £6.2m was fixed and £8.8m was variable.

Important Information

(continued)

Key Risks of the Trusts:

The following table below shows the key risks applying to each Trust. A definition of the key risks can be found below.

Trusts/Key risks	Investment	Investment in Funds	Issuer	Liquidity	Inflation	Interest Rate	Derivatives for EPM/Hedging	Volatility	Tracker	Effect of Dual Pricing
Threadneedle Navigator UK Index Tracker Trust	X						X	X	X	X
Threadneedle Navigator Growth Trust	X						X	X		X
Threadneedle Navigator Income Trust	X		X	X	X	X	X	X		X
Threadneedle Navigator Cautious Managed Trust	X	X			X	X	X	X		X
Threadneedle Navigator Balanced Managed Trust	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	X		X

Description of the Key Risks:

Investment Risk: The value of investments can fall as well as rise and investors might not get back the sum originally invested.

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 refused, was unable to or was perceived to be unable to pay.

Liquidity Risk: The trust holds assets which could prove difficult to sell. The trust may have to lower the selling price, sell other investments or forego more appealing investment opportunities.

Inflation Risk: Most bond and cash funds offer limited capital growth potential and an income that is not linked to inflation. Inflation is likely to affect the 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.

Derivatives for EPM/Hedging Risk: The investment policy of the trust allows it to invest in derivatives for the purposes of reducing risk or minimising the cost of transactions.

Volatility Risk: The trust may exhibit significant price volatility.

Tracker Risk: The Investment Policy of the Trust is to replicate the reference index. The effect of on-going charges means that although tracking this index, the Trust will not exactly replicate the index performance.

Effect of Dual Pricing Risk: The trust is dual priced and there is a difference between the buying price and the selling price of units.

All of the risks currently identified as applicable to the Trusts are set out in the "Risk Factors" section of the Prospectus.

Directory

Manager and Alternative Investment Fund Manager (AIFM)
Threadneedle Investment Services Limited
(Authorised and Regulated by the Financial Conduct Authority (FCA))

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Directors of the Manager
K Cates (non-executive)
D Jordison (Resigned from the Board on 1 May 2018)
D Kremer
A Roughead (non-executive)
M Scrimgeour (Appointed to the Board on 14 August 2017)
L Weatherup

Investment Manager
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(Authorised and regulated by the FCA)

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Trustee
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**Calls will be recorded.*
***International Financial Data Services (UK) Limited changed its name to DST Financial Services Europe Limited on 15 August 2017.*

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