

**Next week**

Some travel companies are marketing solo trips by reducing or eliminating the single supplement.

# YOUR MONEY

**Quote**

"We're happy that a little firm in Wappinger is beating the big boys."  
**Mark Grimaldi**  
 co-manager of Navigator Fund  
 comparing results of investments

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## LOCAL FUND MANAGER IS OFF TO A RUNNING START

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WAPPINGERS FALLS - People who pore over the scores for mutual funds may have noticed a new name jumping into the upper echelons recently.

The Navigator Fund is the name, with a ticker symbol of NAVFX. It's got a four-star rating from Morningstar, a startling rise from the mere one star it bore for the last half of 2007.

What happened? There was a change in management, investment approach and name.

Navigator is now run from an office on Route 9 here, not from a Wall Street suite.

"We're happy that a little firm in Wappinger is beating the big boys," said Mark Grimaldi, co-manager of the "no-load" fund, meaning there are no sales charges to get in or out.

Grimaldi is known locally as managing partner of Prestige Asset Management, which he began in 1996. The parent company is now called Prestige Financial Inc., and it has a unit called Navigator Money Management Inc., of which Grimaldi is the head. Another branch publishes newsletters for investors who use the Fidelity, Vanguard and Charles Schwab families of funds, overseen by publisher John S. Morgan.

### Buying Into Fund

Grimaldi crossed paths with Paul M. Frank of Old Chatham in summer 2006. Two years earlier, Frank had founded the mutual fund as the Avimore Fund.

"He was looking for someone to take over the fund," Grimaldi said. The fund was too small, at \$4 million in assets, to break even on its expenses.

Grimaldi bought in. On Jan. 1, the name of the fund was changed to Navigator and Grimaldi took over management of 80 percent of the assets while Frank kept 20 percent, Grimaldi explained. Grimaldi's approach is technical, a form of sector rotation.

Essentially, it's based on tracking where the flows of money are going in the markets for exchange-traded funds.

On Jan. 1, the fund's old holdings were sold and Grimaldi's new picks were bought. Since then, his approach has dominated the fund's choices, and account for its results.

The Navigator Fund now has \$12.5 million in assets.

While the overall markets have been trending down for most of the year, Navigator is up. As of last Thursday, shares were priced at \$11.65. On Jan. 2, the closing price was \$11.24.

In a Bloomberg screening dated April 1 of 2,015 funds categorized as growth-oriented, NAVFX came in at No. 2 with a 2.04 percent gain for the first quarter.

A Morningstar screening for first-quarter performance among 433 large growth funds put Navigator on top. The category averaged a loss of 11.69 percent, with only five funds showing any gain at all.

### Model Created at Fidelity

Grimaldi developed his approach after previously creating models that were used to advise owners of Fidelity mutual funds which of that company's myriad funds they should be in at any given time.

"They beat the Standard & Poors each and every year for seven straight years and counting," Grimaldi said.

The Navigator Fund's underlying investment tactic is to let choices be driven by the flow of money into and out of exchange-traded funds, Grimaldi said. These are funds, or collections of specific investments.

He picks the top ones for money inflows, whatever they are. "We follow the money," he said. Typically, the top five domestic and the one top international fund are chosen.

"I do not override this," he stressed. Only the other 20 percent managed by Frank does not follow this path.

Because the fund technically does not have wide diversification, with only a handful of holdings, Grimaldi does not describe it as low-risk, but as moderate to high.



Navigator Money Management Inc.'s Vice President John S. Morgan, left, and Mark Grimaldi, co-manager of the "no-load" fund, meaning there are no sales charges to get in or out.

"It's not for conservative investors," he said.

The ranking by Morningstar is based on a three-year trend that is constantly adjusted as new months replace old ones in the average, noted Russ Kinnel, editor of Morningstar Fund Investor, published by Morningstar.

"Since it went up pretty quickly, what that's saying is the record that's rolling off the three years is probably not very good and what's replacing it is very good," Kinnel said.

The Navigator newsletters offer portfolio models and some economic commentary and analysis. Morgan said the four letters "have a good subscriber base" and even some international circulation.

### Guide Added for Schwab

The latest guide to be added is one for Schwab funds.

"Schwab is considered a giant and they have a very large platform," Morgan said, meaning that not only Schwab funds but ones from many other families can be purchased through them.

"Our subscriber base we've found to be extremely loyal," he said.

The company also manages private assets as it has done since the founding of the original Prestige company, and now has about \$100 million under management, Grimaldi said.

One longtime investor in the fund is Tim Dean, who works as manager of the Poughkeepsie and Wappingers Falls offices of Marshall & Sterling, the insurance agency.

Dean said he went with Grimaldi 10 years ago. "My wife (Alicia) and I decided to turn over our investment portfolio to Mark and let him handle it because he knows what he's doing. I like the fact that he's fee-based and doesn't charge loads on his investments." Over a decade, he's "invested in the right mix."



Navigator Fund

NAVFX