

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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### FILER

#### NAVIGATOR MONEY MARKET FUND INC

CIK: **769270** | Fiscal Year End: **0531**

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#### Mailing Address

200 GIBRALTAR RD  
HORSHAM PA 19044

#### Business Address

200 GIBRALTAR RD  
HORSHAM PA 19044  
2154437850

[NAVIGATOR MONEY MARKET FUND LOGO]  
A member of the NAVIGATOR GROUP of FUNDS  
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## CHAIRMAN'S LETTER

July 24, 1995

Dear Shareholder:

-As you know, the Central Bank had raised interest rates seven times since February, 1994, in a concerted effort to slow the economy and head off inflation which so often accompanies an economic boom. Since our last semi-annual report, the Federal Reserve's rate increases have had their desired effect. In fact, growth in first quarter '95 slowed to a 2.7% rate, and current estimates for second quarter show growth falling below 1%.

In an effort to soften the landing and avoid a recession, the Federal Reserve reversed course at the recent July meeting and eased monetary policy by 25 basis points. This lowered the fed funds target rate to 5.75%, with the more symbolic discount rate left at 5.25%. It remains uncertain whether this modest adjustment is the beginning of a series of easing moves designed to bolster faltering growth, or, simply an effort to fine tune an economy in the midst of an economic lull.

Should inflationary pressures remain low, and the economy fail to resume moderate growth, we would anticipate that the Federal Reserve will move to continue to lower interest rates through the balance of 1995 to improve economic growth.

I'd like to also take another opportunity to thank you for your continued support and confidence in the Navigator Money Market Fund. Please be assured of our commitment to continue to provide you with a high quality portfolio and competitive returns.

Sincerely,

/s/ ROBERT J. WALKER, JR.

Robert J. Walker, Jr.  
Chairman

## INVESTMENT REPORT

With the start of the second half of the Fund's fiscal year, we saw short-term interest rates still rising, and, the yield on the 30-year bond reaching the 8% level. And, with the calendar year-end approaching, the U.S. economy was very strong and further Fed tightening was expected. Some forecasts actually had Fed Funds peaking at 7 1/2-8% during 1995. We had targeted the Navigator Money Market Fund at an average maturity of less than 30 days.

Then, in early February '95 the Fed did raise interest rates again bringing the discount rate to 5.25%, and the Fed Funds rate to 6%. This was the 7th, and the final, tightening by the Fed in that 14 month cycle. The market perceived that interest rates had probably peaked, and that yields would likely decline. In early January '95, the Navigator Money Market Fund began to extend our average maturity, from 29 days at year-end, to 50 days by March '95. During the Fund's fiscal year, our average monthly yield increased from 3.75% to 5.83%, or, 208 basis points.

With the Fed's recent move in early July to lower interest rates, the Navigator Money Market Fund will be targeting an average maturity in the 30-40 day range, with the expectation of further rate cuts. As we've traditionally done, primary emphasis will continue to be on portfolio quality. Each of our investment decisions are tested for credit quality and liquidity.

## PORTFOLIO STATISTICS

<TABLE>  
<CAPTION>

	Month	Average Monthly Yield	Compound Yield*	Average Maturity (Month-end)
<S>	<C>	<C>	<C>	<C>
1994	June	4.00%	4.08%	39 days
	July	4.14	4.22	25
	August	4.23	4.31	20
	September	4.42	4.51	29
	October	4.63	4.73	23
	November	4.95	5.07	33
	December	5.43	5.57	29
1995	January	5.64	5.79	35
	February	5.82	5.98	37
	March	5.86	6.02	50
	April	5.82	5.98	47
	May	5.83	5.99	41
	Average Annualized Yields and Maturity	5.06%	5.19%	34 days

&lt;/TABLE&gt;

\*Compound yields assume reinvestment of dividends.

MATURITY DIVERSIFICATION SCHEDULE  
AS OF MAY 31, 1995<TABLE>  
<CAPTION>

	Amount (Amortized Cost)	% of Portfolio	% Cumulative
<S>	<C>	<C>	<C>
One Day	\$ 45,990,783	19.3%	19.3%
2-7 days	22,748,235	9.5	28.8
8-30 days	53,206,140	22.3	51.1
31-60 days	40,209,197	16.8	67.9
61-90 days	49,882,732	20.9	88.8
Over 90 days	26,860,977	11.2	100.0
Total	\$238,898,064		

&lt;/TABLE&gt;

## SHAREHOLDER MEETING RESULTS

A special meeting of shareholders of the Fund was held on May 17, 1995. At the meeting, 207,844,655.09 shares voted on a proposal to elect directors of the fund. The shares voted unanimously to elect Robert J. Walker, Jr., Richard G. Gilmore and Robert E. Keith as directors. 207,606,223.16 shares voted to reelect Philip D. Croll and Jan J. Wieckowski, with 238,431.93 shares withholding their authority to vote for the reelection of either director.

## FINANCIAL STATEMENTS

Statement of Net Assets  
May 31, 1995<TABLE>  
<CAPTION>

PAR	SECURITY	MATURITY DATE	INTEREST RATE	VALUE
<S>		<C>	<C>	<C>
COMMERCIAL PAPER --	65.21%			

AUTOMOBILE MANUFACTURER -- 3.33%				
\$ 5,000,000	Ford Motor Credit Corp.....	06/29/95	5.98%	\$ 4,976,744
3,000,000	Ford Motor Credit Corp.....	08/15/95	6.20%	2,961,250
TOTAL AUTOMOBILE MANUFACTURER.....				7,937,994
-----				
AUTOMOTIVE, FINANCE -- 2.09%				
5,000,000	USL Capital Corporation.....	07/12/95	5.92%	4,966,289
TOTAL AUTOMOTIVE, FINANCE.....				4,966,289
-----				
CONGLOMERATE -- 4.16%				
5,000,000	General Electric Capital.....	06/30/95	5.93%	4,976,115
5,000,000	General Electric Capital.....	08/14/95	5.92%	4,939,156
TOTAL CONGLOMERATE.....				9,915,271
-----				
CONSUMER ELECTRONICS -- 2.89%				
5,000,000	Sharp Electronics.....	09/15/95	6.15%	4,909,458
2,000,000	Sharp Electronics.....	09/15/95	6.08%	1,964,196
TOTAL CONSUMER ELECTRONICS.....				6,873,654
-----				
CONSUMER NON-DURABLES -- 4.26%				
2,625,000	Hasbro, Inc.....	10/02/95	6.16%	2,569,753
4,000,000	Hasbro, Inc.....	10/04/95	6.12%	3,915,000
3,750,000	Hasbro, Inc.....	10/13/95	6.14%	3,664,296
TOTAL CONSUMER NON-DURABLES.....				10,149,049
-----				
FINANCE, CORPORATE RECEIVABLES -- 11.83%				
4,000,000	Asset Securitization Coop.....	06/29/95	5.98%	3,981,396
5,000,000	Asset Securitization Coop.....	07/31/95	5.99%	4,950,083
5,000,000	Corporate Asset Funding.....	06/14/95	6.03%	4,989,113
5,000,000	Corporate Asset Funding.....	08/21/95	5.92%	4,933,400
4,350,000	Preferred Receivables Fund.....	06/08/95	5.97%	4,344,950
5,000,000	Preferred Receivables Fund.....	07/11/95	5.94%	4,967,000
TOTAL FINANCE, CORPORATE RECEIVABLES.....				28,165,942
-----				
FINANCIAL SERVICES, DIVERSIFIED -- 6.64%				
7,500,000	John Deere Capital.....	08/02/95	5.94%	7,423,275
3,500,000	Marsh & McLennon.....	07/24/95	6.10%	3,468,568
5,000,000	Marsh & McLennon.....	08/22/95	6.08%	4,930,756
TOTAL FINANCIAL SERVICES, DIVERSIFIED.....				15,822,599
-----				
INDUSTRIAL & COMMERCIAL SERVICES -- 4.19%				
5,000,000	PHH.....	06/21/95	5.95%	4,983,472
5,000,000	PHH.....	06/23/95	5.94%	4,981,850
TOTAL INDUSTRIAL & COMMERCIAL SERVICES.....				9,965,322
-----				
INDUSTRIAL DIVERSIFIED -- 4.14%				
5,000,000	Hanson Finance (U.K.) PLC.....	08/17/95	5.95%	4,936,368
5,000,000	Hanson Finance (U.K.) PLC.....	08/31/95	5.90%	4,925,431
TOTAL INDUSTRIAL DIVERSIFIED.....				9,861,799
-----				
INSURANCE, FULL LINE -- 2.06%				
5,000,000	Prudential Funding.....	09/15/95	5.92%	4,912,844
TOTAL INSURANCE, FULL LINE.....				4,912,844
-----				
MEDIA-PUBLISHING -- 4.18%				
5,000,000	McGraw-Hill.....	06/06/95	6.13%	4,995,743
5,000,000	McGraw-Hill.....	07/18/95	6.07%	4,960,376
TOTAL MEDIA-PUBLISHING.....				9,956,119
-----				

</TABLE>

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<TABLE>  
<CAPTION>

PAR	SECURITY	MATURITY DATE	INTEREST RATE	VALUE
<C>	<S>	<C>	<C>	<C>

OFFICE EQUIPMENT -- 4.16%

4,000,000	Xerox Corporation.....	07/13/95	6.00%	\$ 3,972,000	
6,000,000	Xerox Corporation.....	08/15/95	5.93%	5,925,875	
TOTAL OFFICE EQUIPMENT.....				9,897,875	
-----					
OIL, INTEGRATED MAJORS -- 1.25%					
3,000,000	Repsol International Financial B.V.....	07/10/95	6.19%	2,979,883	
TOTAL OIL, INTEGRATED MAJORS.....				2,979,883	
-----					
POLLUTION CONTROL -- 1.66%					
4,000,000	WMX Technologies (Waste Management).....	08/09/95	6.30%	3,951,700	
TOTAL POLLUTION CONTROL.....				3,951,700	
-----					
SECURITIES DEALER -- 2.09%					
5,000,000	Goldman Sachs Group L.P.....	07/07/95	6.24%	4,968,800	
TOTAL SECURITIES DEALER.....				4,968,800	
-----					
TELECOMMUNICATIONS -- 2.09%					
5,000,000	U.S. West Capital Funding Inc.....	07/11/95	5.99%	4,966,722	
TOTAL TELECOMMUNICATIONS.....				4,966,722	
-----					
TOBACCO -- 4.19%					
5,000,000	Philip Morris Companies.....	06/16/95	6.00%	4,987,500	
5,000,000	Philip Morris Companies.....	06/19/95	6.00%	4,985,000	
TOTAL TOBACCO.....				9,972,500	
-----					
TOTAL COMMERCIAL PAPER.....					155,264,362
-----					
MEDIUM TERM NOTES, VARIABLE -- 3.36%					
SECURITIES DEALER -- 3.36%					
8,000,000	Merrill Lynch & Co., Inc.....	06/01/95*	6.27%	8,000,000	
TOTAL SECURITIES DEALER.....				8,000,000	
-----					
TOTAL MEDIUM TERM NOTES, VARIABLE.....					8,000,000
-----					
U.S. AGENCIES -- 17.13%					
2,000,000	Federal Home Loan Bank.....	06/01/95*	4.43%	1,993,509	
10,000,000	Federal Home Loan Mortgage Corporation.....	06/25/95*	5.08%	10,000,000	
2,715,000	Student Loan Marketing Association.....	06/06/95*	6.27%	2,721,479	
1,200,000	Student Loan Marketing Association.....	06/01/95*	4.43%	1,197,274	
5,000,000	Student Loan Marketing Association.....	06/02/95	6.12%	5,000,013	
10,000,000	Student Loan Marketing Association.....	06/06/95*	6.04%	10,000,000	
5,000,000	Federal National Mortgage Association.....	07/17/95	6.33%	4,959,558	
5,000,000	Federal National Mortgage Association.....	08/22/95	6.07%	4,930,869	
TOTAL U.S. AGENCIES.....				40,802,702	
-----					

</TABLE>

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Statement of Net Assets (Cont.)

<TABLE>  
<CAPTION>

PAR <C>	SECURITY <S>	MATURITY DATE <C>	INTEREST RATE <C>	VALUE <C>
-----				
REPURCHASE AGREEMENTS -- 14.63%				
11,000	First Boston dated 05/30/95, due 06/05/95 (collateralized by U.S. Treasury Notes; market value \$11,241).....		5.82%	\$ 11,000
10,000	Goldman Sachs dated 05/30/95, due 06/05/95 (collateralized by U.S. Treasury Bonds; market value \$10,289).....		5.82%	10,000
10,000	Merrill Lynch dated 05/30/95, due 06/05/95 (collateralized by U.S. Treasury Notes; market value \$10,235).....		5.80%	10,000
34,800,000	Paine Webber dated 05/31/95, due 06/01/95 (collateralized by			

U.S. Government Agency-issued, Mortgage-backed Securities; Market value \$35,745,494).....	6.18%	34,800,000
-----		
TOTAL REPURCHASE AGREEMENTS.....		34,831,000
-----		
TOTAL VALUE OF SECURITIES OWNED -- 100.33% (which approximates cost for federal income tax purposes).....		\$238,898,064
LESS LIABILITIES REDUCED BY OTHER ASSETS -- (0.33%).....		(789,198)
-----		
NET ASSETS APPLICABLE TO 238,111,095 SHARES OUTSTANDING; EQUIVALENT TO \$1.00 PER SHARE -- 100.00%.....		\$238,108,866
-----		
-----		

</TABLE>

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 \* = The interest rate shown for each  
 of these obligations is the rate  
 as of May 31, 1995 and the  
 maturity shown is the next  
 interest re-adjustment date.

See accompanying notes.

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Statement of Operations

For the Year Ended May 31, 1995

<TABLE>

<S>	<C>
INVESTMENT INCOME:	
Interest.....	\$14,740,203
	-----
EXPENSES:	
Investment Advisory Fees.....	557,258
Less Investment Advisory Fees Waived by Management.....	(402,425)
Administrative Fees.....	278,512
Custodian and Transfer Agent Fees.....	154,899
Insurance.....	19,053
Professional Fees.....	59,495
Registration and Filing Fees.....	24,090
Taxes -- other than Income.....	65,773
Miscellaneous.....	35,551
	-----
Total Expenses.....	792,206
	-----
NET INVESTMENT INCOME.....	13,947,997
	-----
Net Realized Loss on Securities Sold.....	(2,706)
	-----
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$13,945,291
	-----
	-----

</TABLE>

See accompanying notes.

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Statements of Changes in Net Assets

For the Years Ended May 31, 1995  
 and May 31, 1994

<TABLE>

<CAPTION>

	6/01/94 TO 5/31/95	6/01/93 TO 5/31/94
	-----	-----
<S>	<C>	<C>
OPERATIONS:		
Net Investment Income.....	\$ 13,947,997	\$ 11,611,668

Net Realized Gain (Loss) on Securities Sold.....	(2,706)	17,430
	-----	-----
Net Increase in Net Assets		
Resulting from Operations.....	13,945,291	11,629,098
	-----	-----
DIVIDENDS DISTRIBUTED FROM:		
Net Investment Income.....	(13,947,997)	(11,611,668)
Net Realized Gain.....	(3,406)	--
	-----	-----
Total Dividends Distributed.....	(13,951,403)	(11,611,668)
	-----	-----
CAPITAL SHARE TRANSACTIONS:		
Proceeds from Shares Sold.....	876,669,817	659,817,872
Net Asset Value of Shares Issued		
upon Reinvestment of Dividends.....	179,501	573,376
Cost of Shares Repurchased.....	(979,870,062)	(736,387,276)
	-----	-----
Net Decrease in Net Assets		
Derived from Capital Share Transactions.....	(103,020,744)	(75,996,028)
	-----	-----
NET DECREASE IN NET ASSETS.....	(103,026,856)	(75,978,598)
	-----	-----
NET ASSETS:		
Beginning of Period.....	341,135,722	417,114,320
	-----	-----
End of Period.....	\$238,108,866	\$341,135,722
	-----	-----

</TABLE>

See accompanying notes.

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NOTES TO FINANCIAL STATEMENTS  
May 31, 1995

NOTE 1 -- ORGANIZATION

Navigator Money Market Fund -- Prime Obligations Portfolio (the "Fund") is a portfolio offered by Navigator Money Market Fund, Inc. (the "Company"), a no-load, diversified, open-end investment company registered under the Investment Company Act of 1940, as amended.

Shares of the Fund are sold by Fairfield Group, Inc. ("Fairfield"), the Manager, only to banks and other institutional investors for the investment of their own funds, or funds for which they act in a fiduciary, agency, or custodial capacity.

As Manager of the Company, Fairfield, a wholly-owned subsidiary of Legg Mason, Inc., serves as the Fund's Investment Adviser, Administrator, and Distributor.

NOTE 2 -- SIGNIFICANT ACCOUNTING POLICIES

Interest income and expenses are recorded on an accrual basis. Interest income includes, when applicable, the pro rata amortization of premiums and discounts.

Security transactions are accounted for on the date the securities are purchased or sold (trade date). Investment securities are valued at amortized cost, which approximates market value. Realized gains and losses are determined by using the specific identification method. The net realized capital loss of \$2,706 for the year ended May 31, 1995 resulted from sales of securities with proceeds and costs of \$39,943,222 and \$39,945,928, respectively.

The fair value of securities for which prices cannot be determined using established procedures will be valued in good faith by the Board of Directors. No investments were so valued at May 31, 1995.

Net investment income, determined as gross income less expenses, is declared as a dividend each day. Declared dividends are distributable to shareholders monthly on the first business day of the next month. Dividends payable at May 31, 1995 amounted to \$1,283,114.

No provision for federal income taxes is made since it is the intention of the Fund to qualify as a regulated investment company under the provisions of the Internal Revenue Code and to make requisite distributions to shareholders which will relieve it from Federal income and excise taxes.

For federal income tax purposes, net realized capital losses generated in the Fund may be carried forward and applied against future capital gains.

NOTE 3 -- INVESTMENT ADVISORY AND ADMINISTRATIVE FEES

As Manager, Fairfield provides investment advisory and administrative services to the Fund pursuant to a Management Agreement dated April 17, 1993. Under the terms of such Agreement, the Manager is entitled to receive an annual fee for investment advisory services of .20% on the first \$500 million of the average net assets of the Fund; .15% on the next \$1 billion; and .10% on average net assets in excess of \$1.5 billion. Such fee is computed daily and paid monthly.

The Manager is also entitled to receive an administrative fee at the annual rate of .10% on the first \$1.5 billion of the average net assets of the Fund and .05% thereafter. Such fee is computed daily and paid monthly.

During the year ended May 31, 1995, the management fees (investment advisory and administrative) earned by Fairfield totalled \$835,770. Of the investment advisory fees earned, \$402,425 was voluntarily waived by the Manager in order to assist the Fund in maintaining a competitive expense ratio. At May 31, 1995, Fairfield was owed \$13,227 (after partial fee waiver) for investment advisory services and \$22,045 in administrative fees.

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NOTE 4 -- CUSTODIAN AND TRANSFER AGENT FEES

Custodial services are provided to the Fund by CoreStates Bank, N.A. Fund/Plan Services, Inc. is the Fund's Transfer Agent and, as such, provides transfer agency, dividend disbursing, and bookkeeping services.

NOTE 5 -- OTHER TRANSACTIONS WITH AFFILIATES

Fairfield also serves as the Company's exclusive Distributor; however, it receives no fees for providing distribution services.

Certain officers and directors of the Company are also officers and directors of Fairfield. Such officers and directors are paid no fees by the Fund for serving as officers and directors.

The Fund has paid legal fees to a law firm with which the Secretary of the Company is associated.

NOTE 6 -- REPURCHASE AGREEMENTS

The investment policies of the Fund permit participation in repurchase agreements. Collateral for such agreements is held by the Fund's Custodian in the Federal Reserve's book-entry system. The Fund monitors its repurchase agreements on a daily basis to ensure that the market value of the collateral underlying the agreements is maintained at not less than 100% of the repurchase price.

The Fund may participate in repurchase agreements arranged by Fairfield for a fee not to exceed 1% of the purchase or sale price of the transaction. During the year ended May 31, 1995, Fairfield received \$24,211 in fees with respect to such transactions.

NOTE 7 -- CAPITAL SHARES

At May 31, 1995, there were 2 billion shares of \$.001 par value common stock authorized with respect to the Fund. Transactions in capital shares of the Fund during the periods indicated were as follows:

<TABLE>  
<CAPTION>

	6/01/94 TO 5/31/95	6/01/93 TO 5/31/94
	-----	-----
<S>	<C>	<C>
Shares sold.....	876,669,817	659,817,872
Shares issued upon reinvestment of dividends.....	179,501	573,376
Shares repurchased.....	(979,870,062)	(736,387,276)
	-----	-----
Net decrease.....	(103,020,744)	(75,996,028)
Outstanding at beginning of period.....	341,131,839	417,127,867
	-----	-----
Outstanding at end of period.....	238,111,095	341,131,839
	-----	-----

</TABLE>



NOTE 8 -- FINANCIAL HIGHLIGHTS  
 Financial highlights for a share of the Fund outstanding throughout the periods indicated were as follows:

<TABLE>  
 <CAPTION>

	6/01/94 TO 5/31/95	6/01/93 TO 5/31/94	6/01/92 TO 5/31/93	6/01/91 TO 5/31/92	6/01/90 TO 5/31/91	6/01/89 TO 5/31/90
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net Asset Value, beginning of period.....	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Income from Investment Operations:						
Net Investment Income.....	.0501	.0314	.0323	.0499	.0728	.0853
Net Gain on Securities (both realized and unrealized).....	--	--	--	.0001	--	--
Total Income from Investment Operations.....	.0501	.0314	.0323	.0500	.0728	.0853
Less Distributions:						
Dividends from Net Investment Income.....	(.0501)	(.0314)	(.0323)	(.0499)	(.0728)	(.0853)
Dividends from Capital Gains.....	--	--	--	(.0001)	--	--
Total Distributions.....	(.0501)	(.0314)	(.0323)	(.0500)	(.0728)	(.0853)
Net Asset Value, end of period.....	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return.....	5.19%	3.18%	3.28%	5.12%	7.53%	8.87%
Net Assets, end of period (000).....	\$238,109	\$341,136	\$417,114	\$443,368	\$563,265	\$508,859
Ratios and Supplemental Data:						
Ratio of Expenses to Average Net Assets.....	.28%	.27%	.26%	.22%	.21%	.22%
Ratio of Expenses to Average Net Assets, excluding Fee Waivers.....	.43%	.42%	.41%	.37%	.35%	.37%
Ratio of Net Investment Income to Average Net Assets.....	5.01%	3.14%	3.23%	4.99%	7.28%	8.53%
Ratio of Net Investment Income to Average Net Assets, excluding Fee Waivers.....	4.86%	2.99%	3.08%	4.84%	7.14%	8.38%

\* Commencement of Operations  
 (+) Annualized

<CAPTION>

	6/01/88 TO 5/31/89	6/01/87 TO 5/31/88	6/01/86 TO 5/31/87	7/22/85* TO 5/31/86
<S>	<C><C>	<C>	<C>	<C>
Net Asset Value, beginning of period.....	\$1.00	\$1.00	\$1.00	\$ 1.00
Income from Investment Operations:				
Net Investment Income.....	.0859	.0686	.0614	.0645
Net Gain on Securities (both realized and unrealized).....	--	--	--	--
Total Income from Investment Operations.....	.0859	.0686	.0614	.0645
Less Distributions:				
Dividends from Net Investment Income.....	(.0859)	(.0686)	(.0614)	(.0645)
Dividends from				

Capital Gains.....	--	--	--	--
Total Distributions.....	(.0859)	(.0686)	(.0614)	(.0645)
Net Asset Value, end of period.....	\$1.00	\$1.00	\$1.00	\$ 1.00
Total Return.....	8.94%	7.08%	6.32%	7.50% (+)
Net Assets, end of period (000).....	\$464,483	\$326,406	\$234,560	\$177,519
Ratios and Supplemental Data:				
Ratio of Expenses to Average Net Assets.....	.22%	.23%	.17%	.19% (+)
Ratio of Expenses to Average Net Assets, excluding Fee Waivers.....	.38%	.39%	.43%	.49% (+)
Ratio of Net Investment Income to Average Net Assets.....	8.59%	6.86%	6.14%	7.50% (+)
Ratio of Net Investment Income to Average Net Assets, excluding Fee Waivers.....	8.43%	6.69%	5.88%	7.20% (+)
* Commencement of Operations (+) Annualized				

</TABLE>

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#### Report of Independent Auditors

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS  
NAVIGATOR MONEY MARKET FUND -- PRIME OBLIGATIONS PORTFOLIO

We have audited the accompanying statement of net assets of the Navigator Money Market Fund -- Prime Obligations Portfolio as of May 31, 1995, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the nine years in the period then ended and for the period July 22, 1985 (commencement of operations) to May 31, 1986. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of investments owned as of May 31, 1995, by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Navigator Money Market Fund -- Prime Obligations Portfolio at May 31, 1995, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the nine years in the period then ended and for the period July 22, 1985 (commencement of operations) to May 31, 1986, in conformity with generally accepted accounting principles.

ERNST & YOUNG LLP

Philadelphia, Pennsylvania  
July 10, 1995

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INVESTMENT ADVISER,  
ADMINISTRATOR,  
AND DISTRIBUTOR  
Fairfield Group, Inc.

Horsham, PA 19044

LEGAL COUNSEL

Morgan, Lewis & Bockius  
Philadelphia, PA 19103

AUDITORS

Ernst & Young LLP  
Philadelphia, PA 19103

DIRECTORS

Robert J. Walker, Jr.  
Philip D. Croll  
Richard G. Gilmore  
Jan J. Wieckowski  
Robert E. Keith

[NAVIGATOR MONEY MARKET FUND LOGO]

200 Gibraltar Road  
Horsham, PA 19044  
1-800-441-3885